

Date: 18 July 2007

Subject: **PHIAC GIVES APPROVAL FOR NIB TO CONVERT TO A FOR PROFIT COMPANY**

The Private Health Insurance Administration Council (PHIAC) has approved NIB Health Fund's (NIB) application to convert to a 'for profit' private health insurer, bringing the health insurer one step closer to listing on the Australian Securities Exchange (ASX).

The Demutualisation Meetings of Eligible Policyholders and Company Members will be held at the Newcastle Entertainment Centre, commencing at 10am on 19 July, 2007.

NIB Chairman, Keith Lynch, encouraged Eligible Policyholders and Company Members to attend the Demutualisation Meetings and vote on the future of NIB.

"The results of the vote on the proposed demutualisation will shape the future of NIB. The Board conducted an extensive examination of the advantages and disadvantages and the alternatives to the Proposal. We unanimously recommend that Eligible Policyholders and Company Members vote 'for' the Proposal.

"We believe demutualisation and listing on the ASX will provide a strong platform for the continued growth and success of NIB. We also believe the Proposal is in the best interest of Policyholders and Company Members as it releases more value than any alternative Proposal."

Eligible Policyholders who are eligible to receive shares in NIB Holdings must verify their details to ensure they receive the share allocation as outlined on their Share Allocation Form that was contained in the Explanatory Statement pack.

This can be done by returning the Verification of Details Form in the reply paid envelope, by dropping the Verification of Details Form into any NIB retail centre, ringing the NIB Information Hotline on 131 NIB (131 642) or by visiting the website (nib.com.au).

- Ends -

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About NIB:

NIB has been a registered health fund since 1953. The health fund started operations at BHP's Newcastle Steelworks as Newcastle Industrial Benefits Hospital Fund and is now Australia's sixth largest health insurance provider. Today, NIB has approximately 320,000 Policyholders across Australia and in 2006 posted a pre-tax profit of almost \$64 million.

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Retail centres around Australia

A not for profit registered
health benefits organisation