

**Date**            26 November 2010

**Subject**        nib cancels approximately 27 million shares

nib holdings limited (**nib**) today confirmed the cancellation of the shares held in nib Overseas Policyholders and Unverified Policyholders Trust (**Trust**) has been completed. The cancellation was approved by nib shareholders at nib's Annual General Meeting (held on 26 October 2010).

As a result, 27,078,540 shares have been cancelled, representing 5.5% of nib's issued share capital. The number of nib shares on issue is now 468,215,782.

nib is currently seeking a ruling from the Australian Taxation Office with respect to the cancellation. The remaining Trust property (which includes the dividends paid by nib on the shares held by the trustee of the Trust (**Trustee**) and the interest income) will be used to pay any tax liability that arises in relation to the cancellation. Once this process has been completed, the Board of nib intends to direct the Trustee to pay any remaining Trust property to nib, less any expenses incurred by the Trustee. Any shortfall between Trust property and expenses (including any tax liability) will be paid by nib. If the tax ruling is obtained nib does not anticipate any shortfall. If the tax ruling is not obtained, nib does not anticipate the shortfall will exceed \$2 million.

#### **MEDIA AND INVESTOR RELATIONS**

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