

25 January 2018

ASX release

Medibank's average premium increase lowest in 17 years

Medibank has received Federal Government approval to increase its premiums by an average of 3.88% across all Medibank and ahm health insurance products from 1 April 2018.

The 3.88% average premium increase is Medibank's lowest in 17 years and is below the industry average. This is a result of the work Medibank has done to make the premium increase more affordable for customers, as well as recent reforms.

The savings passed on include \$50 million from the prostheses reforms, as well as savings expected from significant ongoing efforts to reduce Medibank's costs.

Medibank and ahm customers will be able to contact us in the coming weeks to find out what their new premium will be and customers will be formally notified through post or email during February and March.

More information about premium changes is available at www.medibank.com.au/health-insurance/premium-review or by calling Medibank on 134 190 and ahm customers can visit www.ahm.com.au/premium-changes or call ahm on 1300 214 416.

Quotes from Medibank CEO Craig Drummond

"We've been able to deliver our customers the lowest premium increase in 17 years because of the work we've done to remove waste and the work we've done to push for reforms that will make a real difference to the hip pockets of our customers."

"An increase is still an increase, but I want our customers to know that improving affordability remains a key focus and we need to keep working even harder to deliver on this promise for them."

"Private health costs have increased by around 5% over the past 12 months. These cost increases are largely being driven by medical inflation and an increase in the frequency of people seeking treatment. I am committed to maintaining pressure at all levels to keep these increases in check."

For further information please contact:

For media

Emily Ritchie
Head of Media, External Affairs
M: +61 429 642 418
Email: emily.ritchie@medibank.com.au

For investors/analysts

Peter Kopanidis
General Manager, Corporate Finance
T: +61 3 8622 5451
Email: peter.kopanidis@medibank.com.au