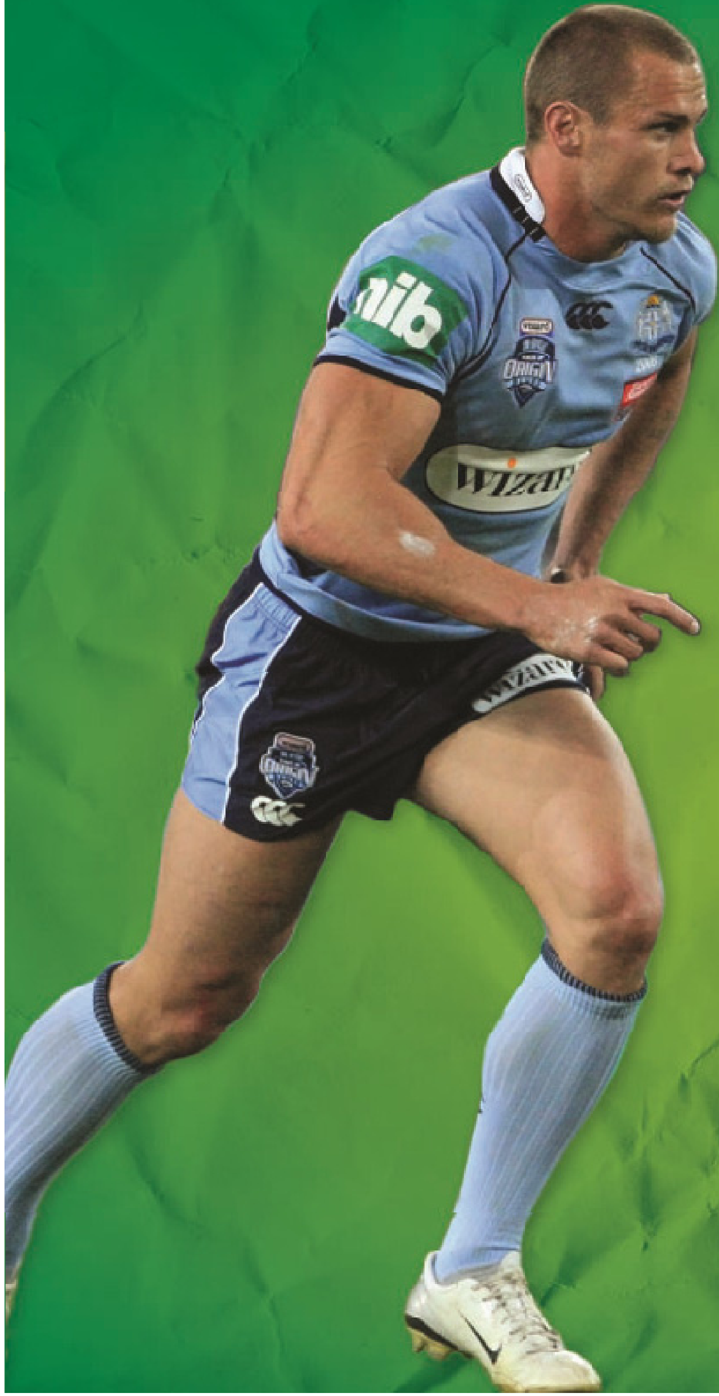
nib



FY10

FULL YEAR RESULTS ANNOUNCEMENT

23 AUGUST 2010

Overview

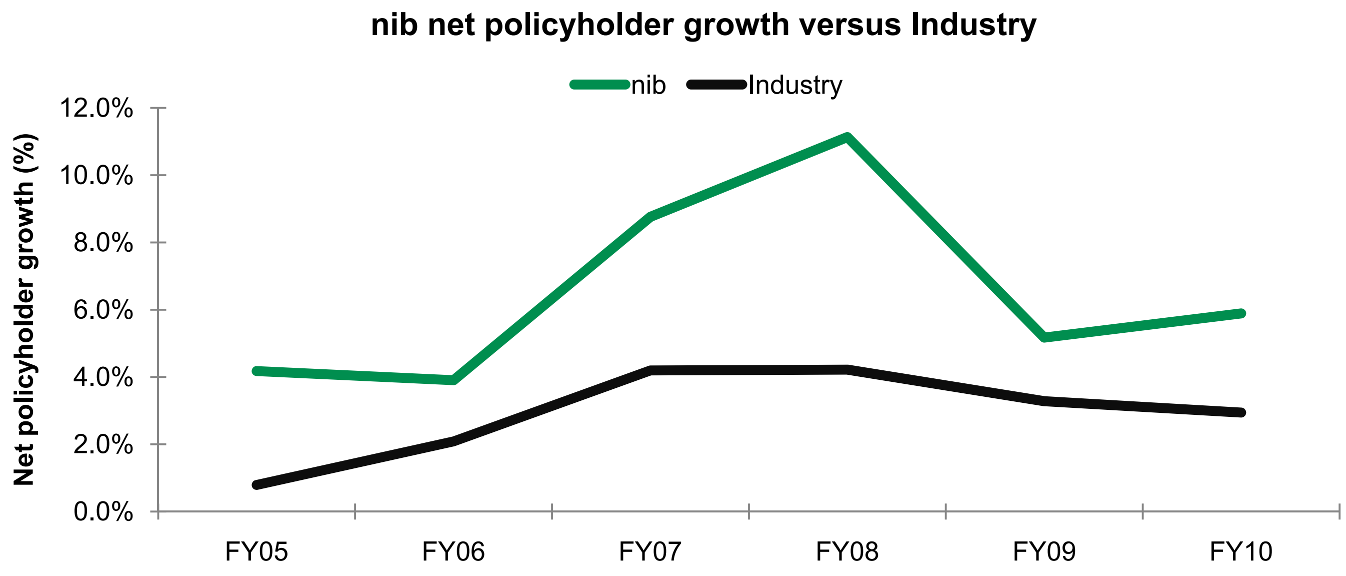
- Net underwriting result (pre-tax) of $47.1 million (net margin 5.2%) – up 17.2%
- Net investment return of $44.5 million (10.5% return pa)
- Net consolidated profit after tax of $61.5 million - up 158%
- Cash inflow from operating activities of $66.3m (FY09: $44.2m)
- Earnings per share of 12.4 cents - up 164%
- Return on equity of 16.3% (exceeding 15% target for first time)
- Final dividend of 5.0 cps fully franked ($24.8 million), full year dividend of 7.0 cps (fully franked)

Top-line growth remains strong

- Net policyholder growth* of 5.9% (22,641) versus industry growth of 2.9%
- Premium revenue up $71.9m or 8.7% to $901.4m
- FY10 growth continues to reflect our business strategy:
  - 77.4% of new sales in "under 40s" age segment
  - 62.2% of new sales new to category
  - 42.7% of new sales interstate (outside NSW/ACT)
  - 33.1% of new sales online

* Excludes overseas students and temporary migrant workers

Above system organic growth a familiar story



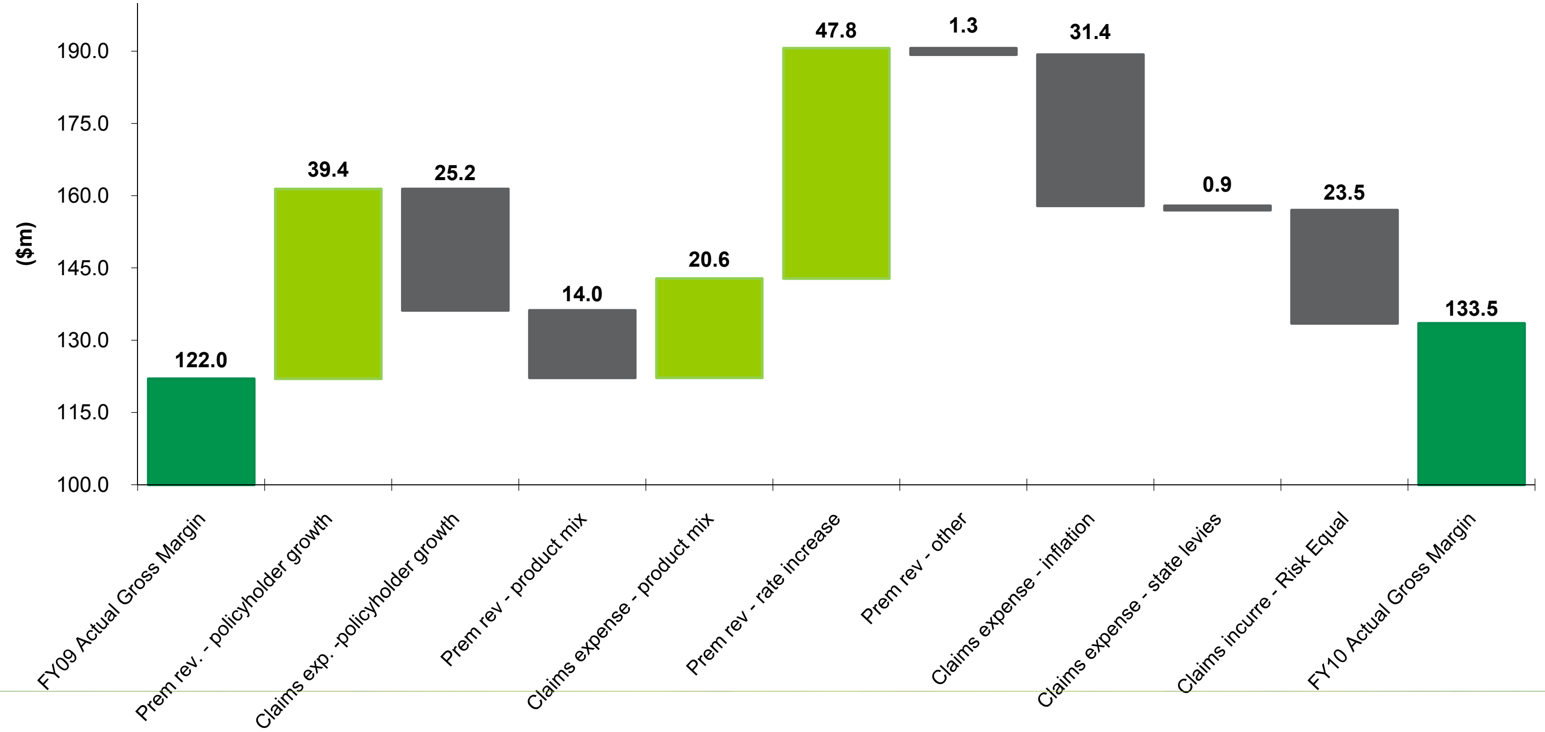
- CAGR since FY05 of 6.5% (industry 2.9%), since FY05 nib has represented 13.8% of total industry growth
- nib with 7.3% market share, accounted for 14.3% of national growth in FY10 (FY09: 11.0%)
- Interstate expansion proving successful with Victoria achieving net growth above largest funds except Medibank Private
- nib with 10.2% market share (FY09: 9.8%) in 20-39 age group accounted for 31.1% of total industry growth (FY09: 25.5%)
- Net policyholder growth (excluding overseas students and temporary migrant workers) for July 10 of 4,939 policies (July 09: 3,318)

Gross margin

$m	FY06	FY07	FY08	FY09	FY10	Change	
						$m	%
Gross underwriting result	111.8	94.9	111.2	122.0	**133.5**	11.5	9.4
Gross underwriting margin (%)	18.3	14.3	14.7	14.7	**14.8**		

- FY10 gross margin of 14.8% in-line with target annual gross margin in order of 14-15%
- As previously indicated gross margin in our core PHI business is under pressure, highlighting need for move into other health related businesses and drive for operational efficiencies
- 2H10 gross margin of 13.7% lower than 1H10 gross margin of 16.0% mainly due to:
  - 1H10 gross margin included $2m or 0.4% (out of 16.0%) due to one off benefit as part of transition from Loyalty Bonus to higher annual limits as a result of claims being pulled forward by customers in 2H09 to access Loyalty Bonus prior to its removal
  - Ancillary claims impact higher in 2H compared to 1H due to calendar year limits
  - Risk equalisation 6% higher in 2H10 versus 1H10
  - Impact of change in claims incurred in the prior period

Gross margin drivers



- Premium revenue up 8.7% (or $71.9m) reflecting policyholder growth, impact of 1 April 2009 and 2010 premium rate increases (5.18% and 5.95% respectively) and change in product mix
- Product buy-up estimated at $7.7m premium revenue impact. Only meaningful product buy-up impacts have been due to migrating customers as a result of product rationalisation (further migration activities occurring in 1H11)
- Risk equalisation continues to increase at a faster rate than claims inflation, up 27.2% to $109.9m compared to claims expense up 6.0%

Operating expenses (underwriting)

($m)	FY06	FY07	FY08*	FY09	FY10	Change $m fav/(unfav)	Change %
Employment	31.9	37.1	36.2	35.7	**37.0**	(1.3)	(3.6)
Marketing	7.4	13.8	18.9	17.2	**19.4**	(2.2)	(12.8)
IT	4.4	5.1	5.6	5.7	**6.2**	(0.5)	(8.8)
Occupancy	5.2	4.9	4.6	8.7	**7.7**	1.0	11.5
Other	11.5	10.3	12.9	14.5	**16.1**	(1.6)	(11.0)
TOTAL	60.4	71.2	78.2	81.8	**86.4**	(4.6)	(5.6)
TOTAL MER (%)	9.9	10.7	10.3	9.9	**9.6**		

* Result was normalised to remove the impact of costs associated with nib's demutualisation and listing, and "notional" tax. + includes one-offs

- Management expense ratio of 9.6% down from 9.9% reflecting:
  - Employment costs up 3.6% with normal wages inflation and an increase in FTEs being partially offset by lower restructuring costs in FY10 ($0.4m compared to $1.5m in FY09)
  - As forecast in February 2010 significant step up in marketing costs (up $2.2m on FY09) as market/economic conditions improve and expansion of organic growth strategy into new markets. Potential for annual marketing costs to increase in FY11 subject to net margin performance
  - Investment in IT (up $0.5m on FY09) and other (up $1.6m on FY09) reflects continued investment in technology, automation and efficiency initiatives
  - Occupancy costs $1.0m lower than FY09 due to lower head office impairment ($1.0m compared to $1.7m in FY09)

Investment performance

	FY06	FY07	FY08	FY09	FY10	Change $m	Change %
Net investment return ($m)	17.9	31.3	7.5	(1.8)	**44.5**	46.3	2,572.2
Net percentage return* (%)	6.5	8.8	1.6	(0.4)	**10.5**		

*Net percentage return pa
Refer Appendix – Slide 34 for investment asset class allocation as at 30 June 2010

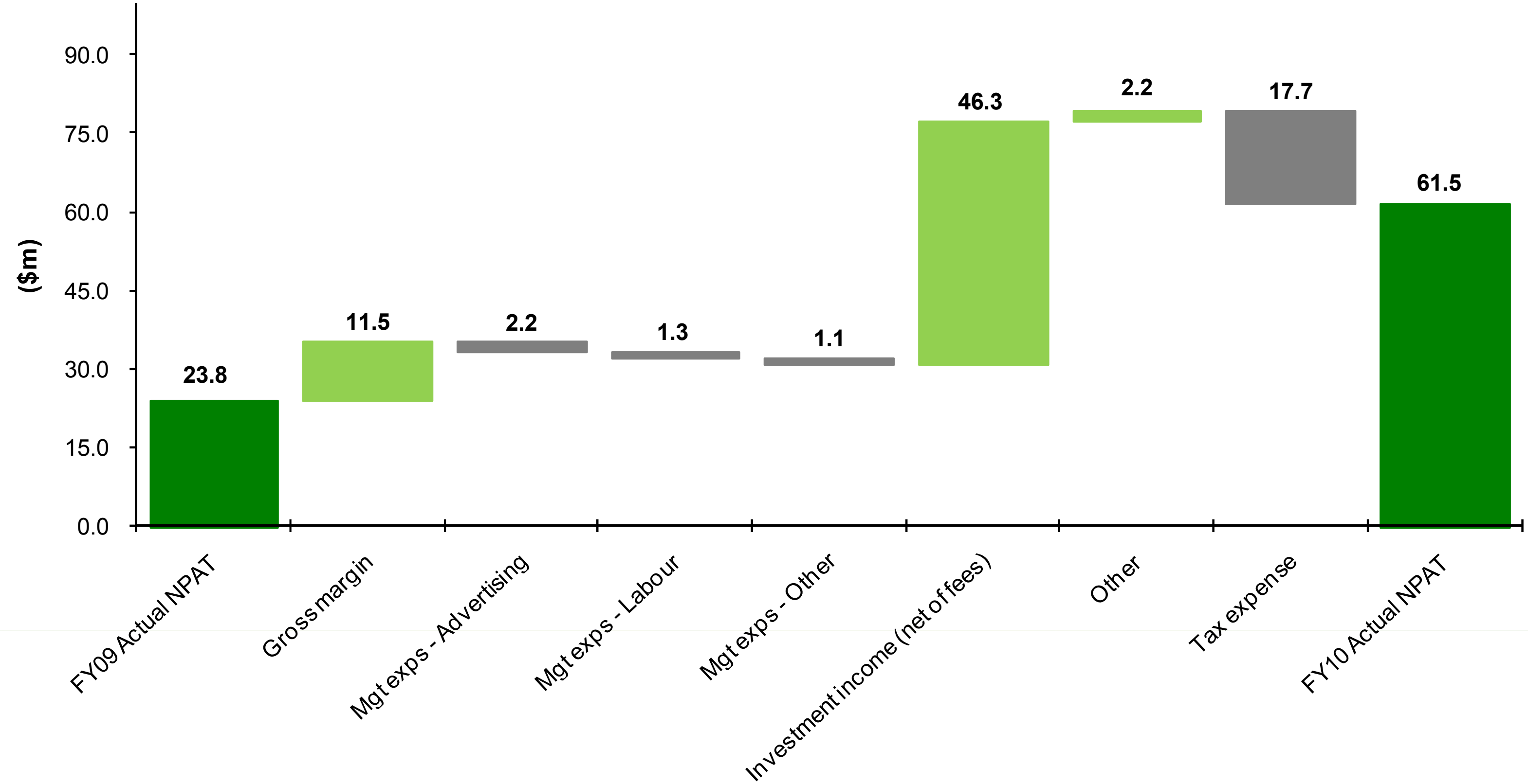
- Portfolio return of 10.5% or $44.5m due to significant market improvement during FY10
- Investment expenses for period of $1.3m
- Defensive/growth split of 83%/17% (FY09: 83%/17%)
- Sale of Newcastle Private Hospital to Healthscope was completed on 9 July 2010
- MLC appointed as nib's investment asset consultant (ASX Announcement 14 July 2010)
- As part of transition to MLC products nib will move (fully effective 15 October 2010) to the target investment asset allocation of a defensive/growth split of 80%/20% for investments required to maintain 1.4X internal prudential target and 100% defensive for capital above internal prudential target (Refer slide 30 for target investment asset allocation)
- July 2010 net investment return (net of fees) of $7.1m (1.3%)

Other expenses

($m)	FY08	FY09	FY10	Change $m fav/(unfav)	Change %
Share registry costs – ongoing	1.1	2.2	**1.5**	0.7	31.8
Share registry costs – one off	0.0	1.3	**0.5**	0.8	61.5
UMP Sale Facility – share registry	-	-	**0.5**	(0.5)	-
UMP Sale Facility – other	-	-	**0.3**	(0.3)	-
Due Diligence	1.4	1.3	**0.6**	0.7	53.8
Bid response	0.0	0.6	**-**	0.6	100.0
Other	1.9	2.5	**2.5**	-	-
TOTAL	4.3	7.9	**5.9**	2.0	25.3

- Decrease in share registry costs (ongoing) largely due to reduction in number of shareholders as a result of UMP sale facility in August 2009 (annualised savings of approximately $0.5m due to UMP Sale Facility) and new share registry agreement
- Approaching "business as usual" for share registry expenses
- One off share registry costs of $0.5m are declining and include non recurring items such as shareholder verification, direct credit processing and replacement payment of dividends, expiry of Trust should see reduction in FY11
- Due diligence costs of $0.6m due to acquisition of IMAN
- Other costs of $2.5m includes directors fees, insurance and marketing expenses associated with other income, including nib branded dental and eye care centres and nib life insurance and have remained flat

NPAT



($m)	FY06	FY07	FY08*	FY09	FY10
Pre-tax underwriting result	51.4	23.7	33.0	40.2	**47.1**
Net underwriting margin (%)	8.4	3.6	4.4	4.8	**5.2**
Net investment return	17.9	31.3	7.5	(1.8)	**44.5**
NPAT	NA	37.2	26.7	23.8	**61.5**

* Result was normalised to remove the impact of costs associated with nib's demutualisation and listing, and "notional" tax. + includes one-offs

Cash generation

($m)	FY06	FY07	FY08	FY09	FY10
Net cash inflow/(outflow) from operations	79.7	67.9	53.2	44.2	**66.3**
Net cash inflow/(outflow) from investing	(78.8)	(60.7)	66.0	(11.0)	**(6.7)**
Net cash inflow/(outflow) from financing	0.1	0.1	0.1	(41.7)	**(32.5)**

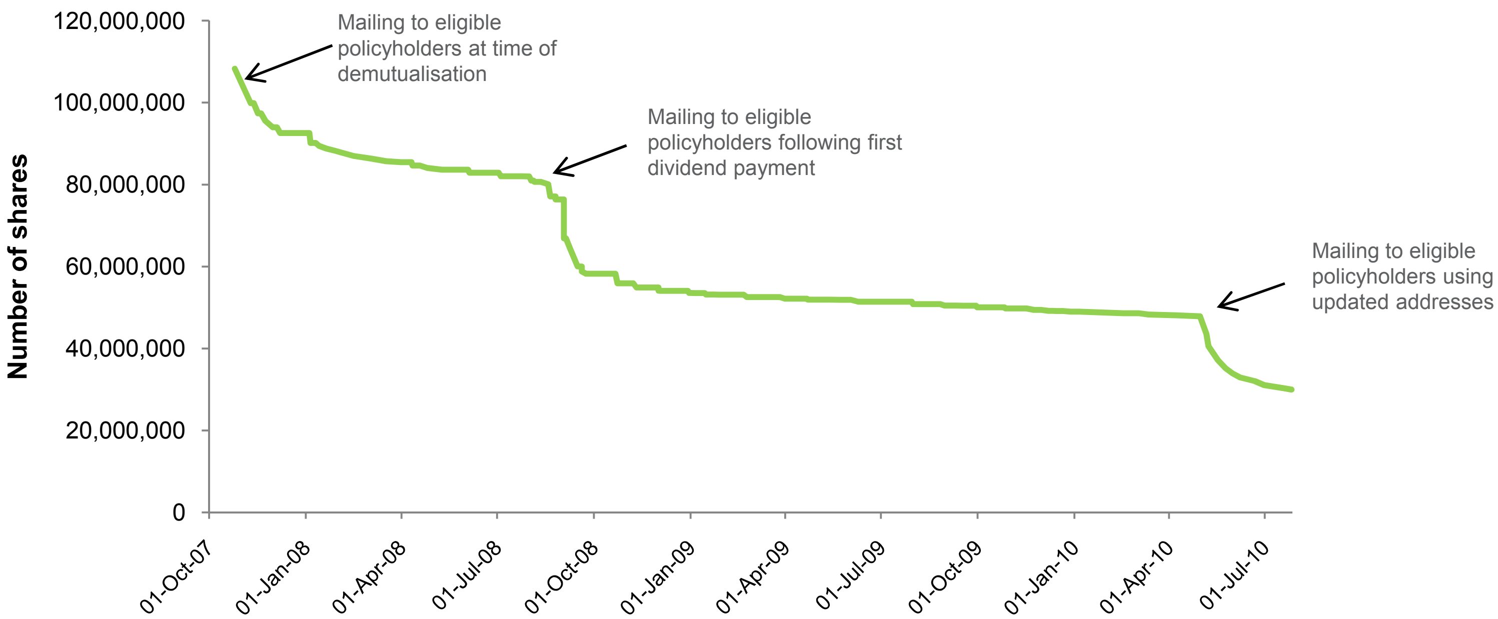
- Improved cash flow from operating activities of $66.3m (FY09: $44.2m)
- Net cash outflow from investing $6.7m is due to re-investment of investment distributions ($4.7m) and investment in IT infrastructure ($4.1m), offset by proceeds from sale of subsidiary of $2.3m (Newcastle Private Hospital)
- $32.5m cash outflow from financing included dividend payments of $31.7m and on market share buy-back payments of $0.8m

Capital management

	($m)
Capital at 30 June 2009, above internal prudential target of 1.4X:	**131.6**
On-market share buy back	(0.8)
2010 interim dividend and allowance for final dividend (payable in September 2010)	(34.7)
Changes in forecast, liabilities and reserves	(13.1)
Profit after tax	61.5
Capital at 30 June 2010, above internal prudential target of 1.4X:	**144.5**

- Capital management initiatives undertaken during FY10 included:
  - Completion of UMP Sale Facility (August 2009) resulting in 22m shares being sold to institutional investors
  - On market share buy-back resulting in 680,132 shares purchased (at a total cost of being $0.8m) and subsequently cancelled
- Dividend policy (50-60% of earnings) currently influenced by franking credit availability
- Board will continue to release capital above internal prudential target by way of special dividends, to the extent made possible by franking credits
- Board to reassess surplus capital position in early CY11 and consider more significant capital management initiatives to optimise capital structure

Overseas & unverified policyholders trust



- As at 17 August 2010, 36,982 eligible policyholders (representing 29.2m shares or 5.9% of issued capital) remained unverified
- Recent verification activity due to mailing campaign to contact eligible policyholders. Advertisements placed in major Australian newspapers in August as another way of contacting unverified policyholders
- The Board is to recommend the cancellation of the shares held by the Trustee for nil consideration at nib's 2010 annual general meeting to be held on 26 October 2010
- The Board intends to direct the Trustee to pay any other remaining trust property, less any expenses incurred by the Trustee in relation to the Trust, to nib

Investment metrics

	FY08*	FY09	FY10
EPS (cps)	5.2	4.7	**12.4**
ROE (%)	7.0	6.6	**16.3**
ROE normalised (%)	11.3	11.2	**11.9**
Dividend (cps)	2.1	7.4	**7.0**
- Ordinary	*2.1*	*2.4*	***7.0***
- Special	*0.0*	*5.0*	***0.0***

* Result was normalised to remove the impact of costs associated with nib's demutualisation and listing, and "notional" tax. + includes one-offs

- EPS 164% higher to 12.4 cents (FY09: 4.7c)
- ROE of 16.3% above our target of 15% aided by strong investment returns of 10.5% (ROE of 11.9% if investment earnings normalised – Refer slide 34 for normalised results)
- Full year dividend of 7.0 cps (2.0 cps interim, 5.0 cps final) reflects payout ratio of 56.4% of FY10 NPAT

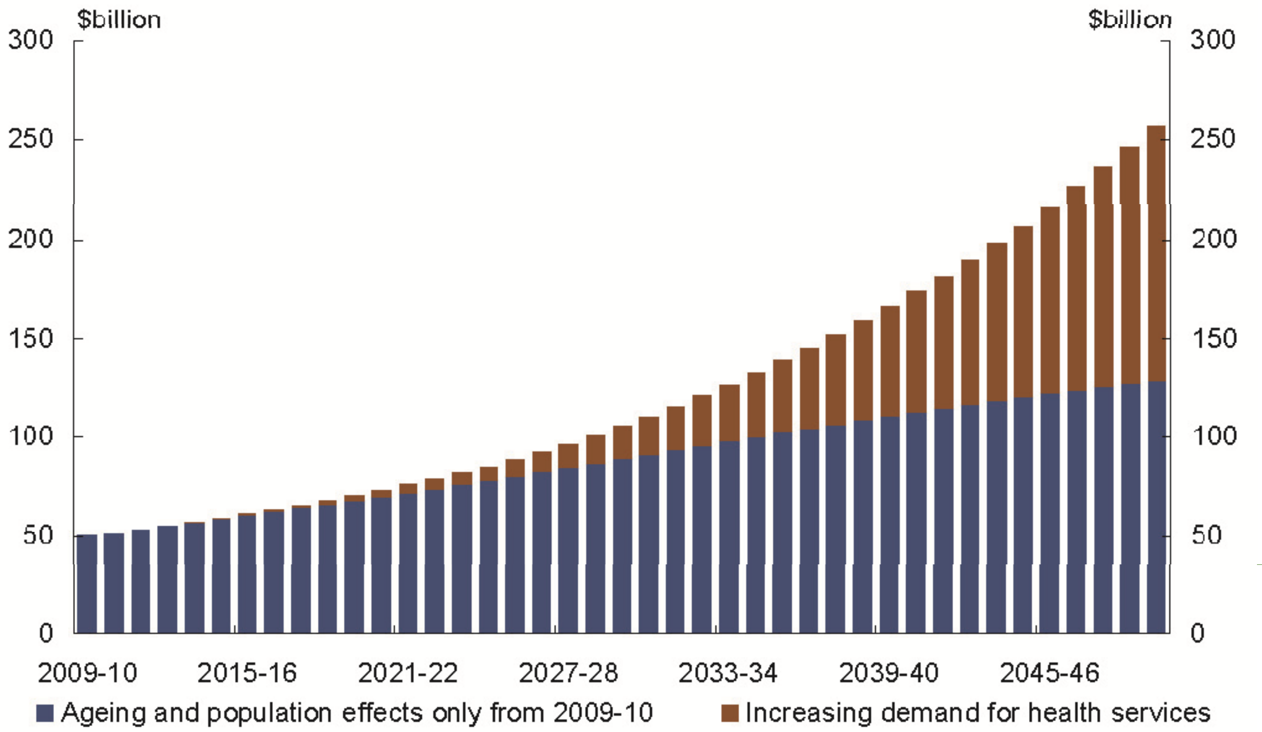
Business strategy

- Continue to invest in organic growth (Virgin Green) with emphasis upon:
  - Younger better risk policyholders
  - Interstate expansion
  - Online engagement
- Improve policyholder “buy-up” and retention
- Increased claims and operating efficiencies
- Continue to actively pursue merger and acquisitions
- Further develop new earnings streams
- Capital management

Key opportunities

- Latent demand for private health insurance, wealth effect and public hospital crisis
- Globalisation of workforces and education (IMAN, overseas students)
- E-commerce and automation of work flow
- Inevitable consolidation of PHI sector
- Reduce weighted average cost of capital
- Growth in health care spending and inevitable shift to greater private funding of future health care

PHI inevitably to play greater role in health care funding



- Government has no alternative but encourage people to take greater responsibility for lifetime health care via private funding mechanisms

Source: The 2010 Intergenerational Report

Key enterprise risks

- Economic growth
- Sovereign
- Claims inflation especially risk equalisation
- IMAN and overseas student’s business

FY11 outlook and guidance

- Australia's future health care needs will inevitably require greater private funding and there remains latent demand for PHI - FY11 net policyholder growth of 5% – 6% (FY10: 5.9%)
- Margins under pressure but manageable, FY11 net underwriting margin of 4.9% – 5.4% with a pre-tax underwriting result of $50m - $55m (FY10: $47.1m) - includes temporary migrant workers and overseas students
- Attractive M&A opportunities remain even if "social issues" cause inertia
- Expect further guidance at end of 1H11 regarding surplus capital

FY10

APPENDIX

nib holdings

Financial snapshot

($m)	FY10	FY09	Change	
			$m	%
Policyholder growth	**5.9%**	5.2%	-	-
Premium revenue	**901.4**	829.5	71.9	8.7
Gross margin	**133.5** ***14.8%***	122.0 *14.7%*	11.5	9.4
Management Expense	**(86.4)** ***9.6%***	(81.8) *9.9%*	(4.6)	5.6
Net margin	**47.1** **5.2%**	40.2 4.8%	6.9	17.2
Net investment return	**44.5** ***10.5%***	(1.8) *(0.4)%*	46.3	2,572.2
Other income	**1.3**	1.1	0.2	18.2
Other expenses	**(5.9)**	(7.9)	2.0	(25.3)
Profit before tax	**87.0**	31.6	55.4	175.3
Tax	**(25.5)**	(7.8)	(17.7)	226.9
NPAT	**61.5**	23.8	37.7	158.4
EPS (cps)	**12.4**	4.7	7.7	163.8
ROE[1] (%)	**16.3**	6.6	-	-
Operating cash flow	**66.3**	44.2	22.1	50.0

[1] Rolling 12 months, using average shareholders equity and NPAT for rolling12 month period.

Policyholder growth, sales and lapse

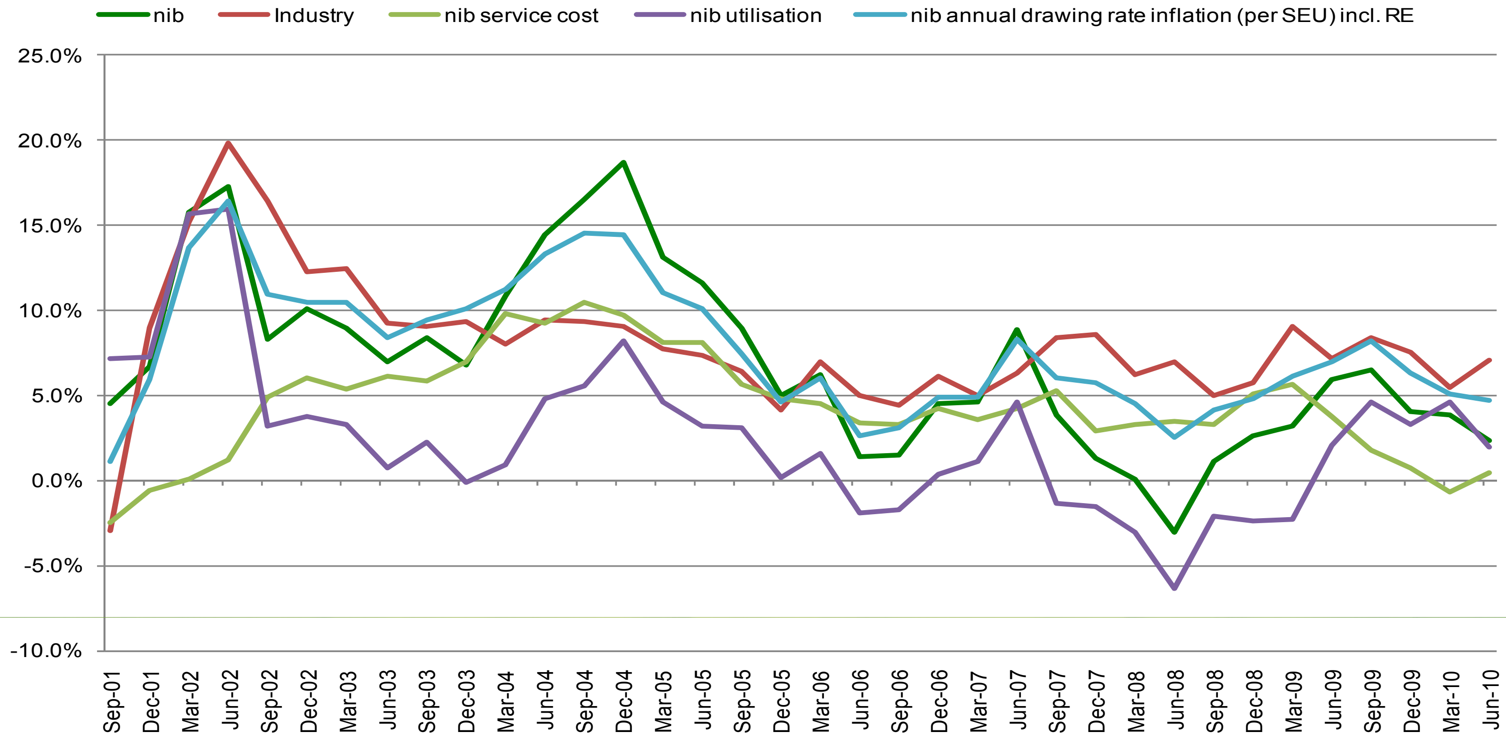
nib	FY06	FY07	FY08	FY09	FY10
Total policyholders	302,299	328,784	365,389	384,288	**406,929**
- Policyholder growth rate	3.9%	8.8%	11.1%	5.2%	**5.9%**
Total sales	37,169	49,757	67,456	50,438	**56,762**
- Sales rate	12.8%	16.5%	20.5%	13.8%	**14.8%**
Total lapses	25,810	23,272	30,851	31,539	**34,121**
- Lapse rate	8.9%	7.7%	9.4%	8.6%	**8.9%**
Net policyholder growth	11,359	26,485	36,605	18,899	**22,641**
Total hospital persons 20-39yrs	167,373	188,155	218,445	231,136	**246,316**
- Hospital persons growth rate 20-39yrs	3.3%	12.4%	16.1%	5.8%	**6.6%**
% of new sales new to category	70.8	74.4	78.2	67.4	**62.2**
% of new sales “under 40”	73.6	78.5	79.2	78.7	**77.4**
% of new sales online	13.5	32.5	38.8	36.2	**33.1**
% of new sales outside NSW/ACT	23.4	32.3	44.0	42.6	**42.7**

- Retail customer lapse rate (8.4%) in line with FY09 (8.4%), with increase in rate predominantly due to loss of corporate subsidised accounts
- Work currently underway to improve product design and tailoring to retain and acquire subsidised business

Detailed income statement

($m)	FY06	FY07	FY08	FY09	FY10	Change ($m)	Change %
Premium revenue	**611.9**	**666.0**	**758.2**	**829.5**	**901.4**	**71.9**	**8.7**
Claims expense	**(440.7)**	**503.4**	**(551.3)**	**(599.9)**	**(636.0)**	**(36.1)**	**6.0**
- Hospital benefits paid	(295.2)	(336.7)	(357.7)	(400.4)	(428.5)	(28.1)	7.0
- Ancillary benefits paid	(133.2)	(169.9)	(188.1)	(204.9)	(204.3)	0.6	(0.3)
- OSC provision movement	(12.3)	3.2	(5.5)	5.4	(3.2)	(8.6)	159.3
HBRTF/Risk equalisation levy	**(43.3)**	**(50.1)**	**(75.8)**	**(86.4)**	**(109.9)**	**(23.5)**	**27.2**
- OSC Risk Equalisation margin	(0.5)	(1.9)	(2.7)	0.6	(2.9)	(3.5)	583.3
- Gross deficit	93.5	110.3	117.5	137.1	147.9	10.8	7.9
- Calculated deficit	(136.3)	(158.5)	(190.6)	(224.1)	(254.9)	(30.8)	13.7
State levies	**(16.1)**	**(17.6)**	**(19.9)**	**(21.2)**	**(22.0)**	**(0.8)**	**3.8**
Net claims incurred	**(500.1)**	**(571.1)**	**(647.0)**	**(707.5)**	**(767.9)**	**(60.4)**	**8.5**
Gross underwriting result	**111.8**	**94.9**	**111.2**	**122.0**	**133.5**	**11.5**	**9.4**
Gross underwriting margin (%)	18.3	14.3	14.7	14.7	14.8	-	-
Management expenses	**(60.4)**	**(71.2)**	**(78.2)**	**(81.8)**	**(86.4)**	**(4.6)**	**5.6**
Management expense ratio (%)	9.9	10.7	10.3	9.9	9.6	-	-
Net underwriting result	**51.4**	**23.7**	**33.0**	**40.2**	**47.1**	**6.9**	**17.2**
Net underwriting margin (%)	8.4	3.6	4.4	4.8	5.2	-	-

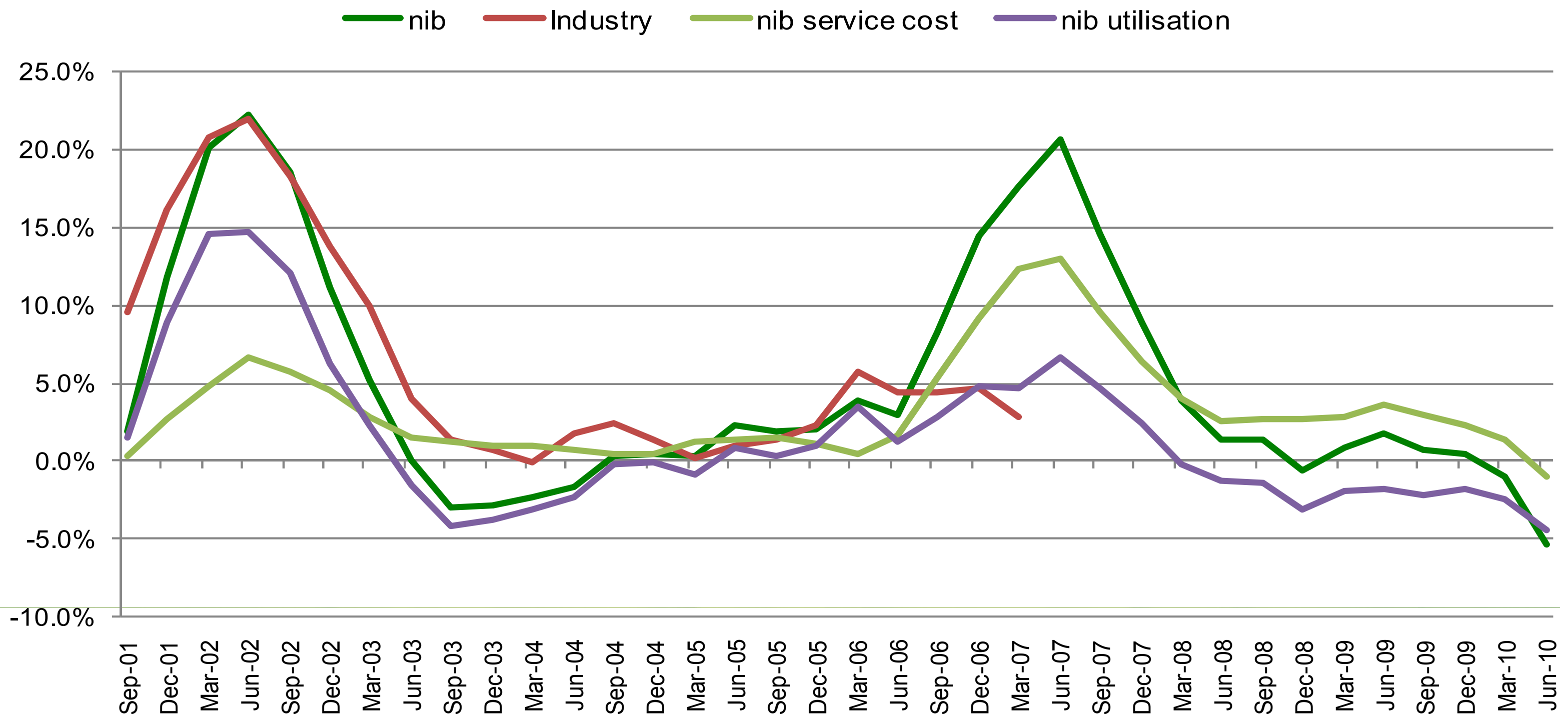
Claims expense – hospital claims inflation



- Claims inflation (notwithstanding risk equalisation) remains slightly below the industry average
- Customer growth in our target segment is keeping relative utilisation down, and service cost continues to decline aided by the increasing use of day surgeries

Source: PHIAC

Claims expense – Ancillary claims inflation



- Claims inflation is declining as a result of the removal of Loyalty Bonus and replacement with higher annual limits
- June 2010 is the first time a full 12 months of ancillary claims without Loyalty Bonus can be compared to 12 months of ancillary claims without Loyalty Bonus
- Negative ancillary inflation is expected to continue throughout FY11 and then return to normal levels in FY12

Note: industry data from 1 April 2007 is not comparable due to change in the way ancillary products are determined by PHIAC Source: PHIAC

Gross margin variance 2H:1H

		FY09		FY10
Reported 1H Gross Profit		63.6 15.5%		**71.2** **16.0%**
Non-recurring seasonality adjustment		0.0		**(2.0)**
"Normalised" 1H Gross Profit		63.6 15.5%		**69.2** **15.6%**
Revenue		8.2		**9.1**
Hospital		(0.9)		**(0.2)**
Ancillary		(7.3)		**(12.3)**
Base Ancillary	*(13.0)*		*(13.5)*	
Loyalty	*6.2*		*0.0*	
Higher annual limits	*(0.5)*		*1.2*	
Risk Equalisation		(0.2)		**(3.3)**
Calculated deficit	*(4.9)*		*(4.1)*	
Gross deficit	*0.3*		*(0.5)*	
OSC risk equalisation margin	*4.4*		*1.3*	
Ambulance Levy		(0.1)		**(0.2)**
"Normalised" 2H Gross Profit		63.3 15.1%		**62.3** **13.7%**
Non-recurring seasonality adjustment		(4.9)		**0.0**
Reported 2H Gross Profit		58.4 14.0%		**62.3** **13.7%**

- The above hospital, ancillary and OSC risk equalisation margin variances include the impact of an under estimation of prior period claims of $1.8m in FY09 and $1.7m in FY10

Investments

	Annualised Investment Return (%)		Investment Split (%)	
	FY09	**FY10**	**FY09**	**FY10**
Cash	5.0	4.6	38.7	39.8
Australian fixed interest	10.7	8.6	21.9	20.7
O/s fixed interest	1.2	22.4	15.6	16.5
Australian shares	(18.7)	13.1	7.2	7.1
O/s shares	(30.7)	25.5	5.9	6.2
Direct property	5.9	6.2	7.0	6.1
Listed infrastructure	(20.7)	16.5	3.1	3.1
Unlisted security	(4.9)	1.4	0.4	0.3
Property trusts	(45.3)	(5.8)	0.2	0.2
Total return	**(0.4)**	**10.5**	**100.0**	**100.0**
Total investment assets ($m)			**427.2**	**492.4**

- Portfolio returns for the year are above or in line with relevant benchmarks

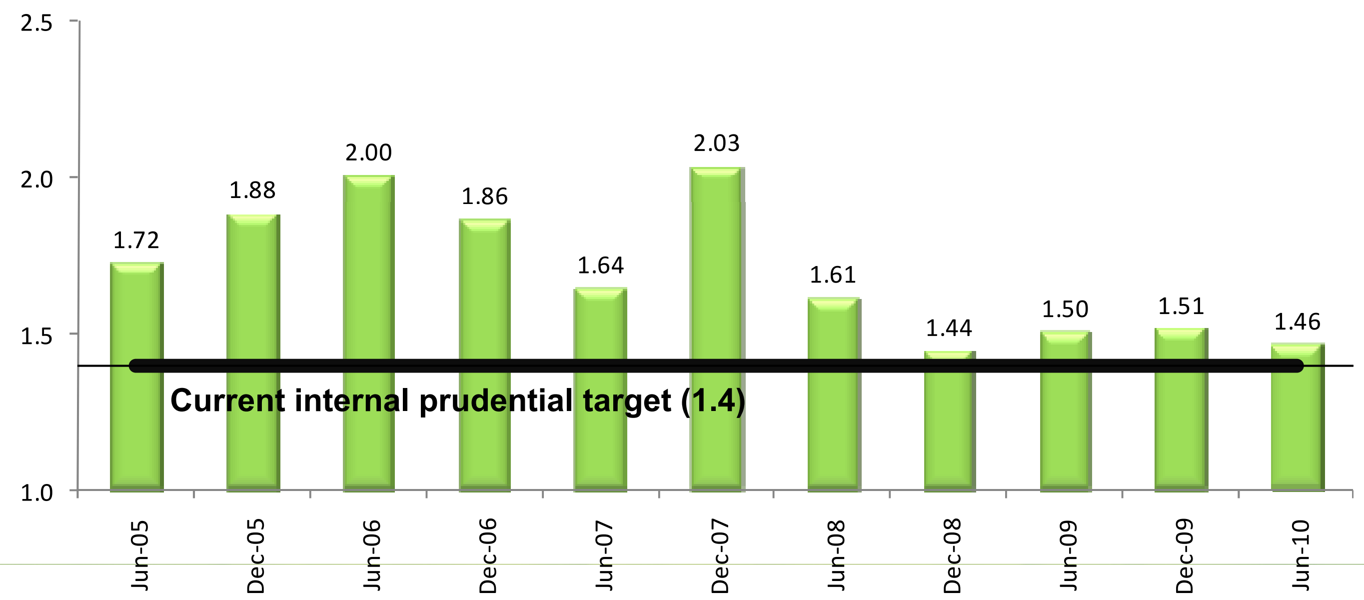
Target investment asset allocation

- The following table details the target asset allocation as part of nib's transition to MLC products as its investment asset consultant (fully effective 15 October 2010) and provide a comparison to the position as at 30 June 2010

Investments covering internal prudential capital target of 1.4X		
	Target allocation	Allocation at 30 June 2010
Cash	15%	13%
Australian fixed interest	-	27%
Overseas fixed interest	-	21%
Direct property	-	8%
All maturity debt	4%	-
Short maturity debt	61%	-
Defensive	80%	69%
Australian shares	6%	9%
Global shares – hedged	2%	8%
Global shares – unhedged	2%	Nil
Listed infrastructure	-	4%
Unlisted security	-	0.4%**
Property trusts	-	0.2%**
nib's head office building	10%*	9.4%
Growth	20%	31%
Total	100%	100%
Surplus Capital		
Cash	100%	100%

** This allocation will be a fixed dollar amount with movements only as a result of revaluations. **The amount of these investments is considered to not be material to the target asset allocation. The nil target is not an indication that the current investments in these categories will be disposed of.*

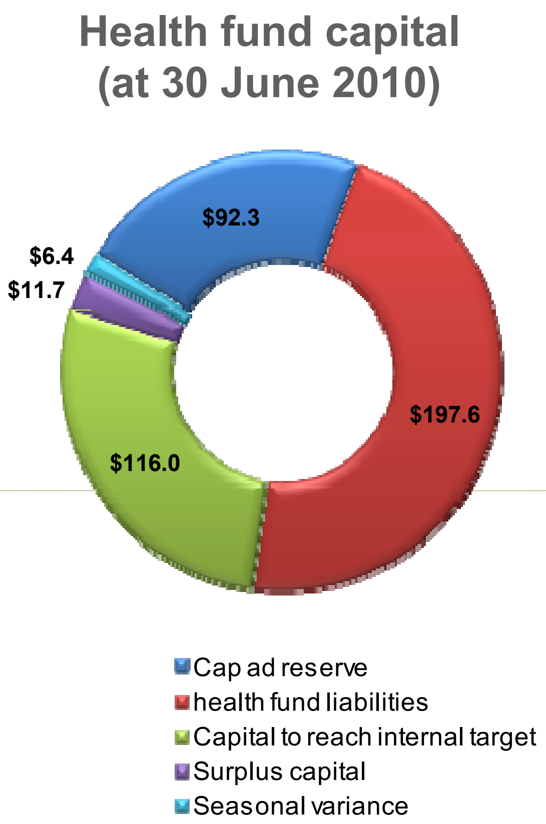
Capital adequacy

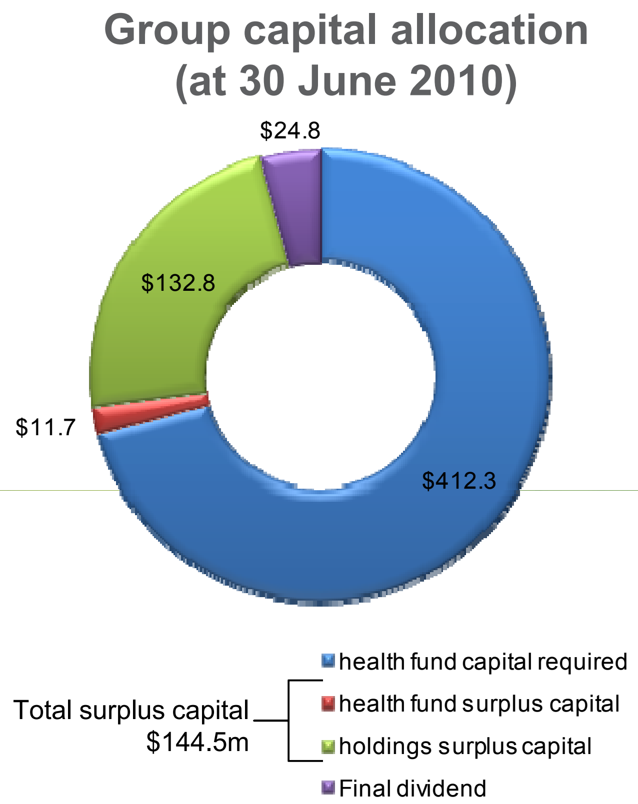


- When nib calculates the internal target it takes a 12 month forward looking view that is based on capital adequacy no lower than 1.4x and at 1.4x in at least one month (seasonality of liabilities, particularly risk equalisation, means that June and December are not the highest liability months, so a target of 1.4x is unlikely to equate to 1.4x being reported at 30/6 and 31/12)

Regulatory capital requirements

- $144.5m of surplus capital above internal target after allowing for 2010 final dividend





Balance Sheet

($m) At	30 June 09	30 June 10
Current assets		
Cash and cash equivalents	167.1	**197.4**
Financial assets at fair value through p&l	230.3	**264.4**
Other current assets	32.8	**61.8**
Total current assets	430.2	**523.6**
Non-current assets		
Available-for-sale financial assets	1.5	**1.5**
Investment properties	30.0	**0.0**
PP& E and Intangibles	54.7	**53.5**
Other non-current assets	20.1	**9.4**
Total non-current assets	106.3	**64.4**
Total assets	536.5	**588.0**
Current liabilities		
Outstanding claims liability	56.2	**62.1**
Unearned premium liability	49.9	**54.4**
Other current liabilities	67.7	**79.2**
Total current liabilities	173.8	**195.7**
Non-current liabilities	0.8	**0.9**
Total liabilities	174.6	**196.6**
Net assets	361.9	**391.4**

- Net assets increased by $29.5m as NPAT of $61.5m has only been partly reduced by dividends paid during the year of $31.7m and the on market share buy-back of $0.8m
- The final dividend declared by the Board in respect to FY10 equates to $24.8m
- The OSC central estimate at 30 June 2010 of $47.1m represents 7.4% of FY10 incurred claims, which is the same as 30 June 2009 (of FY09 incurred claims), reflecting maintained efficiency in claims processing
- UPL has increased inline with increased revenue. The liability at 30 June 2009 represents 6.0% of FY10 premium revenue, which is the same as 30 June 2009 (of FY09 premium revenue)
- Reclassification of Newcastle Private Hospital from investment properties to other current assets as a result of sale to Healthscope which completed in July 2010
- Other current liabilities represents risk equalisation payable increasing by $7.2m in FY10 combined with unpresented cheques increasing by $3.2m

Financial results – underlying results

- Net underwriting result of $47.1m, up $6.9m or 17.2% on FY09
- Underlying results split out investment income between:
  - Normalised investment income for FY10 – calculated on the basis of a 5.5%* (FY09: 5.5%) assumed return over average investment assets for the period
  - Investment experience – difference between actual and underlying Investment income

Normalised earnings ($m)	FY10	FY09	% Change
Premium revenue	901.4	829.5	8.7
Claims expense	(636.0)	(599.9)	6.0
HBRTF/RETF Levy	(109.9)	(86.4)	27.2
State levies	(22.0)	(21.2)	3.8
Net claims incurred	(767.9)	(707.5)	8.5
Gross underwriting result	**133.5**	**122.0**	**9.4**
Management expenses	86.4	81.8	5.6
Net underwriting result	**47.1**	**40.2**	**17.2**
Normalised Investment income[1]	25.0	24.9	0.4
Other income	1.3	1.1	18.2
Other expenses	(5.9)	(7.9)	(25.3)
Underlying profit before tax	**67.5**	**58.3**	**15.8**
Tax	(19.6)	(15.8)	24.0
Underlying profit after tax	**47.9**	**42.5**	**12.8**
Inv experience (after tax)	13.6	(18.7)	172.7
Profit after tax	**61.5**	**23.8**	**158.7**

Performance indicators – normalised (%)	FY10	FY09
Gross margin	14.8	14.7
Management expense ratio	9.6	9.9
Net margin	**5.2**	**4.8**
Underlying investment return	5.5	5.5
EPS (cps)	12.4	4.7
EPS – underlying (cps)	9.7	8.4
ROE [(2)]	16.3	6.6
ROE – underlying [(2)]	11.9	11.2

* Average 10 year government bond rate for FY10 (1) Net of fees. (2) Rolling 12 months, using average shareholder equity and NPAT for rolling 12 month period.

Data sheet – nib

	FY06	FY07	FY08	FY09	FY10
Total policyholders	302,299	328,784	365,389	384,288	**406,929**
- Policyholder growth	3.9%	8.8%	11.1%	5.2%	**5.9%**
- Market share	6.3%	6.6%	7.0%	7.1%	**7.3%**
Persons covered	640,178	681,013	732,930	761,753	**797,144**
Avg age of hospital persons covered (yrs)	36.2	36.1	36.0	36.1	**36.1**
Total policyholders “under 40”	122,459	140,084	166,963	179,019	**193,337**
Growth in “under 40” segment	4.5%	14.4%	19.2%	7.2%	**8.0%**
Total hospital persons “20-39”	167,372	188,155	218,445	231,136	**246,316**
-Growth in hospital persons “20-39”	3.3%	12.4%	16.0%	5.8%	**6.6%**
- Market share	8.2%	8.7%	9.5%	9.8%	**10.2%**
Retail Centres (across Australia)	34	32	25	21[2]	**18[2]**
Employees (FTEs)	481	506	478	458	**470**

Source: nib / PHIAC data as at June 2010. [2] Includes nib Retail and Sales Centres

Data sheet – PHI industry

By financial year intervals

	FY06	FY07	FY08	FY09	FY10
PHI industry					
Total Policyholders	4,806,754	5,008,329	5,219,567	5,390,739	**5,549,338**
- Policyholder growth	2.1%	4.2%	4.2%	3.3%	**2.9%**
Persons Covered	10,189,552	10,561,848	10,942,616	11,257,885	**11,561,299**
Average Age of Hospital Persons (yrs)	39.8	39.9	39.8	40.0	**40.1**
Total Hospital Persons "20-39"	2,047,020	2,159,587	2,309,302	2,359,022	**2,407,852**
- Growth in Hospital persons "20-39"	2.5%	5.5%	6.9%	2.2%	**2.1%**

By half year intervals

	1H06	1H07	1H08	1H09	1H10
PHI industry					
Total Policyholders	4,756,255	4,883,236	5,111,415	5,302,576	5,455,611
- Policyholder growth	1.0%	1.6%	2.1%	1.6%	1.2%
Persons Covered	10,115,470	10,358,174	10,771,639	11,117,461	11,404,872
Average Age of Hospital Persons (yrs)	39.6	39.8	39.8	39.9	40.1
Total Hospital Persons "20-39"	2,037,602	2,109,533	2,257,637	2,344,085	2,386,989
- Growth in Hospital persons "20-39"	2.1%	3.1%	4.5%	1.5%	1.2%

Source: PHIAC data as at June 2010

Disclaimer

The material in this presentation is a summary of the results of nib holdings limited (nib) for the 12 months ended 30 June 2010 and an update on nib's activities and is current at the date of preparation, 23 August 2010. Further details are provided in the Company's FY10 full year accounts and results announcement released on 23 February 2010.

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