

## **ASX Announcement**

Date 19 December 2013

Subject nib successfully completes the transition of the TOWER Medical

acquisition in New Zealand

nib holdings limited (ASX: NHF) today said it had completed the transition of TOWER Medical Insurance Limited (TOWER Medical) ahead of time and budget, with the New Zealand business now operating completely independent of its previous owner Tower Limited.

nib acquired TOWER Medical Insurance Limited from TOWER Limited in November 2012 for \$80.6 million, which included \$8.6 million in surplus capital. As part of the agreement, TOWER provided services to nib under a Transitional Services Agreement, with a deadline to complete the operational and IT separation of the business by 31 December, 2013.

nib Managing Director Mark Fitzgibbon said that following the acquisition, nib was dependent on TOWER for all systems and infrastructure associated with TOWER Medical.

"Everything was TOWER's, from bank accounts to telephone systems and IT to administration staff, we didn't even have our own website," Mr Fitzgibbon said.

"But from the first day we acquired the business, we had a clear and detailed project plan mapped out as well as a dedicated transaction and transitional team in Australia and New Zealand to manage the process end-to-end."

"Within the past 12 months we have built our own IT infrastructure and network in New Zealand from scratch, unbundled and relocated all IT and operational systems such as claims processing, call centre and HR systems from TOWER to nib without any business or customer disruption. We have also put in place a quality management team led by a very experienced New Zealand CEO and Chairman as well as shifted approximately 120 TOWER employees to nib," Mr Fitzgibbon said.

"On top of this we have designed and launched a direct to consumer product range, rebranded the business as nib New Zealand and launched a significant marketing campaign to grow private health insurance participation, and with that our market share."

Mr Fitzgibbon said that while the past 12 months have been a challenge, everything has gone to plan as well as budget.

"There's no doubt as a business we have learnt a few new tricks, but most importantly it has highlighted nib's skill and ability in transitioning a business and integrating with our own whilst not taking our foot off the pedal," he added.

Led by CEO Rob Hennin, nib New Zealand is the nation's second largest health insurer. It has approximately 13 percent market share and provides health and medical insurance to around 160,000 New Zealanders. The Board of nib New Zealand is chaired by Alan Clarke, who is currently Managing Director and Chief Executive of Abano HealthCare.

## MEDIA AND INVESTOR RELATIONS

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