

For immediate release to the market

nib holdings limited
ASX code 'NHF'
28 November 2007

Unsolicited Offers

nib holdings limited is aware that Hassle Free Share Sales Pty Ltd and Share Buying Group Pty Ltd has made unsolicited offers to nib shareholders for their nib shares.

The attached letters were sent to Hassle Free Shares Sales Pty Ltd and Share Buying Group Pty Ltd today.

MALLESONS STEPHEN JAQUES

Ms S L Forster
Director
Hassle Free Share Sales Pty Ltd
Unit 9, 4 Park Street
St Kilda West
Victoria Australia 3182

28 November 2007

Dear Ms Forster

Hassle Free Share Sales Pty Ltd

We act for nib Holdings Ltd ("**nib**").

It has come to our client's attention that Hassle Free Share Sales Pty Ltd ("**Hassle Free Share Sales**") has made unsolicited offers to shareholders of nib ("**Offers**").

We believe that the Offers being made by Hassle Free Share Sales raise issues relating to the Corporations Act (Cth) 2001 ("**Corporations Act**").

The reasons for this include:

- the Offers breach section 1041H as the Offers are conduct in relation to a financial product that is misleading or deceptive or is likely to mislead or deceive;
- the Offers are not worded and presented in a "clear, concise and effective manner" in breach of section 1019I(4); and
- Hassle Free Share Sales obtained a copy of nib's share register contrary to the procedures set out in section 173(3) of the Corporations Act.

1 Misleading and deceptive conduct

1.1 The Offers are in our opinion, misleading and deceptive or are likely to mislead and deceive the recipient of the Offers in breach of section 1041H of the Corporations Act.

1.2 The reasons for this are:

- (a) the Offers are for \$0.61 per share, which is substantially below what shareholders would receive for their shares if they sold on market;

- (b) as the share price is currently around \$1.12 per share, it is difficult to understand how it would be in any shareholder's interest to accept the Offer;
 - (c) the Offers are not presented in a manner that allows shareholders to compare, without difficulty the total offer price against the total market value of their shares; and
 - (d) the Acceptance Form contains large, bold text stating what amount a shareholder will receive for their shares and this does not adequately address the difference between the amount offered by Hassle Free Share Sales and the amount the shareholder could receive if they sold their shares on market.
- 1.3 nib is concerned that a number of its shareholders with limited market experience may accept the Offer even though it is not in the best interests of the shareholder. As part of the demutualisation of nib, approximately 320,000 policyholders of nib were eligible to receive shares. It is likely, that many of these policyholders may not be experienced in share trading and possibly not up-to-date with the current share price of nib. Further, it is likely that many of these new shareholders are first time shareholders and are inexperienced with matters relating to being a shareholder.
- 1.4 As a result of the possible inexperienced status of these new shareholders, nib is concerned that the Offers made by Hassle Free Share Sales are seriously misleading and deceptive.
- 1.5 Further, our client believes that the name of the company "Hassle Free Share Sales" itself suggests the offer of a service to shareholders, for the benefit of the shareholder. The name implies that the service offered by Hassle Free Share Sales is a convenient and cost effective service that is being offered for the benefit of shareholders when in fact, we do not understand how the Offer could benefit any shareholder.
- 1.6 As a director of both companies, you are no doubt aware of the situation in July 2007 involving Share Buyback Group Pty Ltd ("**Share Buyback Group**"). In this matter, the Australian Securities and Investments Commission ("**ASIC**") acted to stop unsolicited off-market offers made by Share Buyback Group. ASIC was concerned that the use of the name Share Buyback Group may have confused shareholders into believing that the offers were regulated share buy-back offers made by the relevant companies. In addition, ASIC was concerned that the offers were not presented in a manner that allowed shareholders to compare, without difficulty, the total offer price against the total market value of their shares.
- 1.7 We consider the Offers made by Hassle Free Share Sales fall within the same concerns raised by ASIC in relation to Share Buyback Group and are likely to confuse shareholders.

2 Division 5A - Unsolicited offers to purchase financial products off-market

- 2.1 We have reviewed compliance of the Offers with Division 5A of Part 7.9 of the Corporations Act.
- 2.2 Section 1019I(4) of the Corporations Act provides, "The offer document must be worded and presented in a clear, concise and effective manner."
- 2.3 For the reasons set out above in section 1, we do not believe that the offer document has been presented in a clear, concise and effective manner and accordingly, we believe that the offer document does not comply with the requirements of the Corporations Act.

3 Copy of the register

- 3.1 Section 173(3) of the Corporations Act allows a person to request a copy of the company's share register. A company must provide a person with a copy of the register within seven days upon payment of a permitted fee.
- 3.2 The costs of obtaining the nib register is \$10,387.19 (inclusive of GST), based on the current shareholder base of 188,858 shareholders.
- 3.3 Hassle Free Share Sales has not requested a copy of nib's register in accordance with section 173(3) of the Corporations Act. Accordingly, we believe that the manner in which Hassle Free Share Sales has obtained a copy of nib's register is in breach of section 173(3) of the Corporations Act.

4 Undertaking

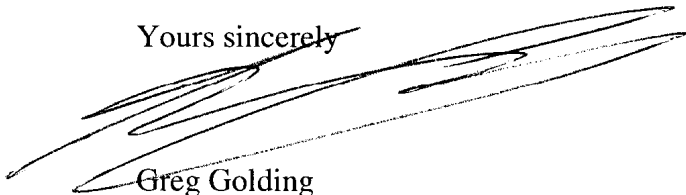
- 4.1 nib in its own right and on behalf of its shareholders reserves all of its rights against Hassle Free Share Sales and you, in your capacity as the sole director of Hassle Free Share Sales, in relation to your conduct.
- 4.2 For the reasons outlined above, we request an undertaking from Hassle Free Share Sales by 5.00 pm Monday 3 December 2007 that it will:
 - (a) change its name to a name that is not seriously misleading and deceptive;
 - (b) send a letter to nib's shareholders advising of the change;
 - (c) withdraw the Offers it has made to shareholders; and
 - (d) provide any shareholders who have accepted the Offer with the opportunity to withdraw their acceptance.

- 4.3 A copy of this correspondence will be provided to ASIC and also will be disclosed to the market in accordance with nib's continuous disclosure platform.

5 **Contacts**

If you or your solicitors have any questions in relation to this letter, please contact me or Melissa Jones (02 9296 2459).

Yours sincerely

A handwritten signature in black ink, appearing to read 'Greg Golding', written over a horizontal line.

Greg Golding

Partner

Direct line +61 2 9296 2164

Email greg.golding@malleasons.com

MALLESONS STEPHEN JAQUES

Mr P Dromi
Director
Share Buying Group Pty Ltd
PO Box 513
South Yarra
Victoria Australia 3141

28 November 2007

Dear Mr Dromi

Share Buying Group Pty Ltd

As you are aware, we act for nib Holdings Ltd ("**nib**").

It has come to our client's attention that Share Buying Group Pty Ltd ("**Share Buying Group**") has made unsolicited offers to shareholders of nib ("**Offers**").

We believe that the Offers being made by Share Buying Group raise issues relating to the Corporations Act (Cth) 2001 ("**Corporations Act**").

The reasons for this include:

- the Offers breach section 1041H as the Offers are conduct in relation to a financial product that is misleading or deceptive or is likely to mislead or deceive;
- the Offers are not worded and presented in a "clear, concise and effective manner" in breach of section 1019I(4); and
- it is likely that Share Buying Group has released a copy of nib's share register to Hassle Free Share Sales Pty Ltd ("**Hassle Free Share Sales**") which is conduct contrary to the procedures set out in section 173(3) of the Corporations Act.

1 Misleading and deceptive conduct

- 1.1 The Offers are in our opinion, misleading and deceptive or are likely to mislead and deceive the recipient of the Offers in breach of section 1041H of the Corporations Act.
- 1.2 The reasons for this are:
 - (a) the Offers are for \$0.61 per share, which is substantially below what shareholders would receive for their shares if they sold on market;

- (b) as the share price is currently around \$1.12 per share, it is difficult to understand how it would be in any shareholder's interest to accept the Offer;
 - (c) the Offers are not presented in a manner that allows shareholders to compare, without difficulty the total offer price against the total market value of their shares; and
 - (d) the Acceptance Form contains large, bold text stating what amount a shareholder will receive for their shares and this does not adequately address the difference between the amount offered by Share Buying Group and the amount the shareholder could receive if they sold their shares on market.
- 1.3 nib is concerned that a number of its shareholders with limited market experience may accept the Offer even though it is not in the best interests of the shareholder. As part of the demutualisation of nib, approximately 320,000 policyholders of nib were eligible to receive shares. It is likely, that many of these policyholders may not be experienced in share trading and possibly not up-to-date with the current share price of nib. Further, it is likely that many of these new shareholders are first time shareholders and are inexperienced with matters relating to being a shareholder.
- 1.4 As a result of the possible inexperienced status of these new shareholders, nib is concerned that the Offers made by Share Buying Group are seriously misleading and deceptive.
- 1.5 Our client is concerned that some nib shareholders may accept this offer, even though it is not in their best interests, due to lack of market experience.
- 2 Division 5A - Unsolicited offers to purchase financial products off-market**
- 2.1 We have reviewed compliance of the Offers with Division 5A of Part 7.9 of the Corporations Act.
- 2.2 Section 1019I(4) of the Corporations Act provides, "The offer document must be worded and presented in a clear, concise and effective manner."
- 2.3 For the reasons set out above in section 1, we do not believe that the offer document has been presented in a clear, concise and effective manner and accordingly, we believe that the offer document does not comply with the requirements of the Corporations Act.
- 3 Copy of the register**
- 3.1 Section 173(3) of the Corporations Act allows a person to request a copy of the register. A company must give a person a copy of the register within seven days upon payment of a permitted fee.

- 3.2 The costs of obtaining the nib register is \$10,387.19 (inclusive of GST), based on the current shareholder base of 188,858 shareholders.
- 3.3 On 15 November 2007, nib provided a copy of its register to Share Buying Group in accordance with section 173(3) of the Corporations Act. nib has not had any other requests, nor has nib provided a copy of its register to any other person. Despite this, another company, Hassle Free Share Sales has also approached nib's shareholders and made unsolicited offers.
- 3.4 Accordingly, nib believes that Share Buying Group provided a copy of nib's register to Hassle Free Share Sales, which is not consistent with the procedures outlined in section 173(3) of the Corporations Act. Accordingly, we believe that Share Buying Group has breached section 173(3) of the Corporations Act.

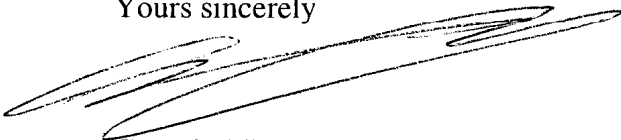
4 Undertaking

- 4.1 nib in its own right and on behalf of its shareholders reserves all of its rights against Share Buying Group and you, in your capacity as the sole director of Share Buying Group, in relation to your conduct.
- 4.2 For the reasons outlined above, we request an undertaking from Share Buying Group by 5.00 pm Monday 3 December 2007 that it will withdraw the Offers and provide any shareholders who have accepted the Offer with the opportunity to withdraw their acceptance.
- 4.3 A copy of this correspondence will be provided to the Australian Securities and Investments Commission and will also be disclosed to the market in accordance with nib's continuous disclosure platform.

5 Contacts

If you or your solicitors have any questions in relation to this letter, please contact me or Melissa Jones (02 9296 2459).

Yours sincerely



Greg Golding
Partner
Direct line +61 2 9296 2164
Email greg.golding@malleasons.com