

ASX Announcement

20 September 2017

Australian Unity enters into an agreement with nib for the sale of GU Health

Key points:

- **Australian Unity selling corporate health insurance provider GU Health to nib for consideration of \$155.5 million**
 - **GU Health the only established private health insurance fund in Australia catering exclusively to corporate market**
 - **Sale will release capital for investment in other strategic initiatives**
 - **Transaction completion expected to occur in final quarter of 2017 calendar year, subject to conditions precedent**
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Health, Wealth and Living company Australian Unity Limited today announced that it has entered into an agreement to sell 100 percent of the shares in its wholly-owned corporate health insurance provider, GU Health, to nib holdings limited (nib).

GU Health is the only established health insurance fund that caters exclusively to the corporate market. Australian Unity has successfully grown the business since it merged with Grand United Friendly Society Limited in 2005—increasing policyholders from 11,500 to more than 34,000 and premium revenue from \$40 million to more than \$190 million.

Commenting on the proposed sale Australian Unity's Group Managing Director Rohan Mead said the Group's strategic focus for its human services activities, involves delivering greater levels of direct healthcare as well as aged care, home care and disability services.

"The proposed sale of GU Health will release capital for investment in other strategic initiatives that align with our goal of continuing to develop direct-to-consumer products and services. These products and services create community value by responding to Australia's social infrastructure challenge," he said.

"In the healthcare arena, the operation of a corporate health insurance provider which has direct connections with its corporate clients but reduced connection to individual Australians requiring healthcare services has reduced fit with our strategic ambitions.

ASX code:
AYU

Securities on Issue:
AYUHB – 2,500,000

Issuer:
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The listing of Australian Unity Securities on the ASX does not affect Australian Unity Limited's status as a mutual organisation

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“Our focus will now be on growing both our retail health insurance business and Remedy Healthcare—our chronic disease management and preventative health business, along with our other human services operations,” Mr Mead said.

nib Managing Director Mark Fitzgibbon said the acquisition of GU Health represents a good fit both strategically and culturally.

“GU Health is a very well run business with a market leading capability. We have been impressed with the calibre of the people, strong business-to-business relationships and purpose built technology, which will support our plans to increase our presence in the corporate group market,” Mr Fitzgibbon said.

“Australian Unity seeks to build a portfolio of businesses that provide a diverse, sustainable and commercially valuable suite of health, wealth and living services that create community value. Community value involves providing sought after products and services to individuals, their families and their communities—thereby making contributions that address the social infrastructure challenge,” Mr Mead said.

Australian Unity is being advised by Flagstaff Partners and King & Wood Mallesons.

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Further information:

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About Australian Unity

Australian Unity is a national health, wealth and living mutual company providing services to almost one million Australians, including more than 280,000 members. Australian Unity’s history as a trust mutual organisation dates back to 1840. It has grown organically—by continually evolving to provide the services and products needed by the communities it serves—as well as through successful strategic mergers and diversification in to new business activities.