

21 October 2015

ASX release

MEDIBANK ANNOUNCES RETIREMENT OF MANAGING DIRECTOR

Medibank's Chairman, Elizabeth Alexander AM, today announced that the Board and George Savvides have agreed to bring forward his anticipated retirement date by some 15 months to March next year. Mr Savvides will remain in his current position until that point to allow sufficient time for Medibank to appoint a successor and ensure a smooth transition.

Ms Alexander said: "George has had a remarkable career with Medibank, steering the company through many years of Government ownership, culminating in last year's IPO and the first year as a listed company in which the prospectus earnings forecast was comfortably exceeded. He will be leaving the company with a strong balance sheet, a very capable and focussed executive team and strong momentum in the business."

Reflecting on his time at the helm of Medibank, Mr Savvides said: "I consider it an absolute privilege to have led the nation's largest health insurer for more than 13 years. During this time the organisation has transitioned from a not-for-profit government business enterprise to a for-profit organisation and ultimately becoming a publicly listed company on the ASX."

"I firmly believe that now is the time to give a new generation of leaders the opportunity to build on the strong platform that now exists. The direction and strategy of the organisation is established and the transition from health insurance to health assurance is well advanced."

Ms Alexander said: "The Board believes we have a good strategy in place for the future growth of the company and we will be looking for a successor who understands and embraces that strategy. On that score we believe we have a couple of excellent internal candidates to succeed George as CEO, but over the next four months we will run a formal and comprehensive process which includes both internal and external candidates from the global marketplace."

Long-Term Incentive for FY16

Medibank had proposed to make a grant of performance rights under the 2016 Long-Term Incentive (LTI) plan. This grant was subject to shareholder approval at the company's Annual General Meeting to be held on 21 October 2015 as outlined in the Notice of Annual General Meeting. Medibank has determined that it is not appropriate to proceed with this award given Mr Savvides' impending departure, and resolution 6 seeking approval for the grant has been withdrawn. The withdrawal of this item of business will not affect the validity of the proxy form attached to the Notice of Annual General Meeting or of proxy votes already submitted on the other resolutions.

For further information please contact:

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