

YOUR ESTIMATED ENTITLEMENT IS:

Please note this amount may differ from your final Entitlement if the Scheme is implemented

YOUR REGISTRATION NUMBER (SRN) IS:

If lodging your proxy online, you need to register with this number

Chairman's letter

20 March 2008

Dear Participating Contributor,

It is my pleasure to provide you with this Information Memorandum which I encourage you to read. It contains details of a proposed \$2.41 billion offer from BUPA Australia to combine the businesses of the MBF Group and the BUPA Australia Group (the "Scheme").

After considering a number of alternatives, the MBF Board has determined that the Scheme is in the best interests of both MBF and its Contributors and unanimously recommends that you vote in favour of it.

If the Scheme is implemented:

- you will receive a cash payment recognising your tenure and the type of policy you have. Your Estimated Entitlement is shown above;
- it will be business as usual for your existing private health insurance policy; and
- importantly, the Combined Group will be in a stronger position to limit premium price increases and provide improved services.

The Scheme will bring together two significant businesses with strong and trusted brands and a proud heritage of providing peace of mind to generations of contributors across Australia for more than 60 years.

The MBF brand is strongest in New South Wales, Queensland, ACT, Northern Territory and Tasmania, while BUPA Australia Health, through its brands *HBA* and *Mutual Community*, is strongest in Victoria and South Australia.

Together, they will create a competitive private health insurance group with a national footprint - something MBF has long aspired to achieve.

Importantly, the ultimate holding company of the BUPA Group does not have any shareholders and is therefore able to reinvest its profits into its businesses globally for the benefit of all customers.

You can vote on the Scheme in person by attending the Scheme Meeting on 12 May 2008. If you are unable to attend the Scheme Meeting, you can appoint a proxy by completing and returning the enclosed Proxy Form or by visiting the MBF website at www.mbf.com.au and following the instructions on how to lodge an electronic proxy, by no later than 11.00am (AEST) on 10 May 2008.

Approval of the Scheme by a majority of those voting in person or by proxy at the Scheme Meeting is necessary for the Scheme to be implemented.

Your vote is very important. The Board unanimously recommends that you vote in favour of the Scheme.

Yours sincerely



John C Conde, AO

Chairman