

# Press Statement

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**13 June, 2008**

Australian Health Management Group Ltd (ahm) confirms it has received, and is currently assessing, a conditional proposal from Medibank Private (Medibank) to acquire ahm. The proposal includes a cash payment to eligible ahm members. Entitlement to any cash payment would be subject to allocation principles yet to be determined and agreed.

The Board of ahm has a responsibility to review any formal proposal it is presented to assess the potential benefits for its members. As a result, ahm has entered into exclusivity arrangements with Medibank to progress its proposal, with a view to determining if a binding agreement can be reached.

These exclusivity arrangements have been structured so they are consistent with the ahm directors' statutory and fiduciary duties.

Any decision to enter into an agreement with Medibank will only be taken by ahm's Board if the directors conclude the proposal is in the best interests of its members.

In accordance with ahm's constitution, any transaction involving the demutualisation of ahm requires approval from a requisite majority of its members. ahm will keep its members fully informed of any meaningful progress in relation to this proposal.

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