

# ibahealth

Howard Edelman  
General Counsel & Company Secretary  
Direct: +61 2 8251 6703

20 March 2009

The Manager  
Company Announcements Office  
Australian Securities Exchange  
20 Bridge Street  
Sydney NSW 2000

Dear Sir/Madam

## **IBA HEALTH GROUP LIMITED EQUITY RAISING – RETAIL ENTITLEMENT OFFER**

Please find attached the following documents relating to the retail component of IBA Health Group Limited's ("IBA") Entitlement Offer, which was mailed to eligible retail Shareholders by Thursday, 19 March 2009:

1. Retail Entitlement Offer Booklet containing:
  - Letter from IBA's Chairman
  - Key Dates for the Retail Entitlement Offer
  - ASX Offer Announcements
  - How to Apply
  - Important Information
2. Sample Entitlement and Acceptance Form

Only eligible retail Shareholders that were not offered an opportunity to participate in the institutional component of the Entitlement Offer may participate. A notification to ineligible retail Shareholders will be released to ASX separately.

Yours sincerely



**Howard Edelman**

**ibahealth**

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**IBA Health Group  
Limited Equity Raising**

**RETAIL ENTITLEMENT OFFER**

# Chairman's Letter

## **NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS**

20 March 2009

Dear Shareholder,

### **IBA Equity Raising – Retail Entitlement Offer**

On behalf of IBA Health Group Limited ("IBA"), I am pleased to invite you to participate in a 2 for 7 non-renounceable pro-rata entitlement offer of IBA ordinary shares ("New Shares") at an offer price of \$0.55 per New Share (the "Entitlement Offer").

On 12 March 2009, IBA announced its intention to raise up to \$124 million through the Entitlement Offer. On 13 March 2009, IBA announced that it had successfully raised approximately \$82 million through the committed institutional component of the Entitlement Offer with very strong support from existing shareholders.

This letter relates to the retail component of the Entitlement Offer ("Retail Entitlement Offer"), which has the potential to raise approximately a further \$42 million if fully subscribed. The Retail Entitlement Offer is not underwritten.

The structure of the capital raising is in the form of a pro-rata entitlement offer, providing the opportunity for all eligible Shareholders to participate.

IBA intends to use the proceeds of the Entitlement Offer to retire subordinated borrowings from AEP and other senior borrowings. This debt reduction significantly strengthens IBA's capital position and gearing ratios. Based on committed proceeds under the Institutional Entitlement Offer:

- IBA's pro forma gearing ratio (net debt / equity) as at 31 December 2008 improves from 45% to 30%; and
- IBA's pro forma net debt / EBITDA ratio improves from 2.3x to 1.8x for the 12 months ended 31 December 2008.

You will find enclosed with this letter a number of important documents, including:

- Key Dates for the Retail Entitlement Offer;
- ASX announcements relating to the Entitlement Offer;
- Instructions on "How to Apply" setting out how to accept all or part of your entitlement or apply for additional New Shares in the Retail Entitlement Offer if you choose to do so;
- Important Information; and
- An Entitlement and Acceptance Form which details your entitlement, to be completed in accordance with the instructions provided on the form and the instructions on "How to Apply".

**The Retail Entitlement Offer closes at 5.00pm (AEDT) on Monday, 6 April 2009.** To participate, you need to ensure that your completed Entitlement and Acceptance Form is received by IBA before this time and date OR you have paid your application monies via BPAY pursuant to the instructions that are set out on the Entitlement and Acceptance Form. Please refer to the instructions on "How to Apply" that accompany this letter for further information.

## Chairman's Letter continued

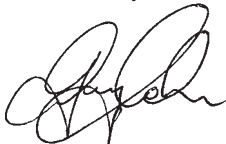
Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their entitlement in full will not receive any value in respect of those entitlements they do not take up.

You should consult your stockbroker, accountant or other independent professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

For further information regarding the Retail Entitlement Offer, please call the IBA Health Shareholder Information Line on 1300 723 862 (local call cost from within Australia) or +61 3 9415 4262 (outside Australia) at any time from 8.30am to 5.30pm (AEDT) Monday to Friday during the Retail Entitlement Offer period or visit our website at [www.ibahealth.com](http://www.ibahealth.com).

On behalf of the Management team and Board of IBA, I invite you to consider this investment opportunity and thank you for your ongoing support of our company.

Yours sincerely



**Gary Cohen**

*Executive Chairman & CEO*

### **NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS**

Forward looking statements, opinions and estimates provided in this letter are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements including projections, guidance on future revenues, earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

This letter, and the accompanying ASX announcement, Retail Entitlement Offer Booklet and Entitlement and Acceptance Form do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any "U.S. person" (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act"))("U.S. Person"). The New Shares offered in the Entitlement Offer have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons absent registration or in a transaction exempt from or not subject to the registration requirements of the Securities Act.

# Key Dates for the Retail Entitlement Offer

EVENT	DATE
Record Date for the Entitlement Offer	7.00pm (AEDT) on 17 March 2009
Mailing of Entitlement and Acceptance Form to Eligible Retail Shareholders	Completed by 19 March 2009
Retail Entitlement Offer opens	20 March 2009
Retail Entitlement Offer closes	5.00pm (AEDT) on 6 April 2009
Settlement of the Retail Entitlement Offer	14 April 2009
Issue of New Shares under the Retail Entitlement Offer	15 April 2009
Dispatch of holding statements	16 April 2009
Normal trading of New Shares issued under the Retail Entitlement Offer expected to commence on ASX	16 April 2009

Note: Dates and times are indicative only and subject to change. All times and dates refer to Australian Eastern Daylight Saving Time ("AEDT") while in effect and otherwise to Australian Eastern Standard Time.

Applicants are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Retail Entitlement Offer opens. IBA reserves the right, subject to the Corporations Act 2001 (Cth) ("Corporations Act"), ASX Listing Rules and other applicable laws to vary the dates of the Retail Entitlement Offer, including extending the Retail Entitlement Offer or accepting late applications, either generally or in particular cases, without notice. No cooling off rights apply to the Retail Entitlement Offer. You cannot withdraw your application once it has been accepted.

## Enquiries

If you have any questions, please call the IBA Health Shareholder Information Line on 1300 723 862 (local call cost within Australia) or +61 3 9415 4262 (outside Australia) at any time from 8.30am to 5.30pm (AEDT) Monday to Friday during the Retail Entitlement Offer period, or consult your stockbroker, accountant or other independent professional adviser.

**Website:** [www.ibahealth.com](http://www.ibahealth.com)

# ASX Offer Announcements

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**ANNOUNCEMENT TO THE ASX**

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**IBA ANNOUNCES EQUITY RAISING OF UP TO \$124 MILLION**

**Sydney – 12 March 2009 – IBA Health Group Limited (ASX: IBA)** – Australia's largest listed health information technology company today announced the launch of an equity raising to reduce debt and take advantage of its position as a global leader in the growing Health IT industry.

**KEY POINTS**

- IBA today launched an equity raising of up to \$124 million comprising a 2 for 7 accelerated non-renounceable pro-rata entitlement offer ("Entitlement Offer"), at an offer price of \$0.55 per share.
- The institutional component of the Entitlement Offer, representing approximately \$77 million is committed:
  - IBA's largest shareholder, AEP Financial Services Holdings Pty Ltd ("AEP"), has confirmed its support for the Entitlement Offer and has committed to take up its full pro-rata entitlement under the Entitlement Offer, equivalent to approximately \$32 million; and
  - The balance of the Institutional Entitlement Offer (approximately \$45 million) is underwritten by ABN AMRO and UBS.
- IBA intends to use the proceeds of the Entitlement Offer to retire subordinated borrowings from AEP and other senior borrowings.
- This debt reduction significantly strengthens IBA's capital position and gearing ratios. Based on committed proceeds under the Institutional Entitlement Offer:
  - IBA's pro forma gearing ratio (net debt / equity) as at 31 December 2008 improves from 45% to 30%; and
  - IBA's pro forma net debt / EBITDA ratio improves from 2.3x to 1.8x for the 12 months ended 31 December 2008.
- Post the Entitlement Offer, the only remaining bank facility is with ABN AMRO Bank N.V., which matures in August 2011.
- Based on committed proceeds under the Institutional Entitlement Offer and associated debt and finance costs reduction, the Entitlement Offer is approximately 7% accretive to underlying EPS<sup>1</sup> and approximately 30% accretive to statutory EPS for the 12 months ended 31 December 2008, after adjusting for the bonus element of the Entitlement Offer.

Executive Chairman and CEO, Gary Cohen, said: "The equity raising places IBA in a strong capital position to continue to benefit from investment in health IT by governments worldwide, and the computerisation of healthcare records. The outlook for the company is robust, and the Entitlement Offer provides all eligible shareholders with an equal opportunity to participate in the future growth of our business. We are delighted that AEP continues its strong support for IBA by committing to participate in this capital raising. AEP's support as a cornerstone shareholder has contributed to the successful acquisition and integration of iSOFT and this further capital commitment re-affirms AEP's long term, strategic support for IBA".

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<sup>1</sup> EPS figures reported as "underlying" have been adjusted for amortisation of intangibles on acquisition, one-off exceptional items, integration, one-off acquisition costs and impairment charges, net of tax.

## ENTITLEMENT OFFER

IBA has commenced an accelerated non-renounceable pro-rata entitlement offer, at an offer price of \$0.55 per share. The Entitlement Offer will be conducted on the basis of 2 new IBA ordinary shares ("New Shares") for every 7 existing IBA ordinary shares ("Shares") held ("Entitlement") at 7.00pm AEDT on Tuesday, 17 March 2009 ("Record Date")<sup>2</sup>.

The offer price of \$0.55 per New Share represents a 29% per cent discount to the closing price of Shares on 11 March 2009<sup>3</sup>. New Shares issued under the Entitlement Offer will rank pari passu with IBA's Shares.

The Entitlement Offer comprises an institutional component ("Institutional Entitlement Offer") of approximately \$77 million and an offer to eligible retail shareholders to participate on the same terms ("Retail Entitlement Offer"). ABN AMRO and UBS have been appointed Joint Lead Managers to the Entitlement Offer and have underwritten the Institutional Entitlement Offer<sup>4</sup>, except for the portion that will be taken up by AEP. The Retail Entitlement Offer is not underwritten.

IBA's largest shareholder, AEP, has confirmed its support for the capital raising and has committed to take up its full pro-rata entitlement under the Entitlement Offer, equivalent to approximately \$32 million.

For the Institutional Entitlement Offer, New Shares equal in number to those not taken up by IBA's eligible institutional shareholders and those which would otherwise have been offered to ineligible institutional shareholders will be offered for subscription to eligible institutional shareholders and selected institutional investors through a volume bookbuild process at the offer price of \$0.55 per New Share.

IBA expects to announce the outcome of the Institutional Entitlement Offer to the market prior to the start of trading on 13 March 2009, with trading expected to resume at commencement of trading on ASX on that date.

Further details of the Entitlement Offer and the timetable are included in Annexure A to this announcement.

## AEP'S ENTITLEMENT TO ADDITIONAL CONVERTIBLE NOTES

Under the terms of the convertible note arrangements with AEP, if IBA conducts a rights issue, it is required to propose or effect a transaction of similar effect in relation to the convertible notes (the "Existing Convertible Notes"). As a consequence, AEP is entitled to subscribe for 2 new convertible notes ("Additional Convertible Notes") for every 7 Existing Convertible Notes held at the Record Date at a price of \$0.55 per Additional Convertible Note, equivalent to approximately \$7.2 million. The Additional Convertible Notes will be issued on otherwise the same terms as the Existing Convertible Notes, in particular they can be converted into ordinary shares of IBA on a one for one basis. The offer of Additional Convertible Notes is open until 7 April 2009. AEP is under no obligation to subscribe for all or any of the Additional Convertible Notes.

## DEBT REDUCTION

The proceeds of the Entitlement Offer will be used to retire subordinated secured borrowings of \$60 million (plus accrued interest) from AEP which incur an annual interest cost of 10.5% plus 4.0% PIK margin plus warrants, a revolving bank facility of \$9 million from HSBC Bank Australia with the balance used to retire senior secured borrowings of ABN AMRO Bank N.V.

<sup>2</sup> For the purposes of determining entitlements under the Entitlement Offer, IBA will disregard transactions in Shares after implementation of the trading halt in IBA shares on 11 March 2009, except for settlement of on-market transactions that occurred prior to the implementation of the trading halt.

<sup>3</sup> Being the last day of trading prior to the announcement of the Entitlement Offer.

<sup>4</sup> The underwriting agreement includes a number of customary termination events.

# ASX Offer Announcements continued

Based on committed proceeds under the Institutional Entitlement Offer of approximately \$77 million, IBA's net debt on a pro forma basis as at 31 December 2008 will reduce from \$322 million to \$245 million. The table below sets out IBA's net debt position as at 31 December 2008 on an actual basis and, for illustrative purposes, on a pro forma basis as though the Institutional Entitlement Offer was completed and the New Shares under the Institutional Entitlement Offer were issued on 31 December 2008. The table is based on foreign exchange rates as at 31 December 2008.

	Currency	Dec '08 \$m	Impact of institutional entitlement offer \$m	Pro forma Dec '08 \$m	Maturity
<b>Borrowings</b>					
• Senior secured borrowings	GBP	193.9	(7.7)	186.2	21-Aug-11
• Revolving bank facilities	AUD	9.0	(9.0)	-	31-Jul-09
• Subordinated secured borrowings	AUD	60.0	(60.0)	-	30-Jun-09
• Convertible notes payable	AUD	31.7	-	31.7	31-Oct-12
• Contract funding	GBP, EUR, AUD	68.5	-	68.5	2012
• Other Borrowings		1.5	-	1.5	
• Finance lease liability		1.4	-	1.4	
<b>Total borrowings</b>		<b>366.0</b>	<b>(76.7)</b>	<b>289.3</b>	
Cash		44.1	-	44.1	
Total net debt		321.9	(76.7)	245.2	
Total net debt (excluding subordinated debt & convertible notes)		230.2	(16.7)	213.5	

Based on committed proceeds under the Institutional Entitlement Offer of approximately \$77 million and the associated debt and finance costs reduction, the pro forma impact on IBA's key gearing metrics based upon a trailing 12 months EBITDA and net interest for the period 1 January 2008 to 31 December 2008, will be as follows:

	Pre Offer	Post Institutional Entitlement Offer
Net debt <sup>5</sup> to EBITDA	2.3x	1.8x
EBITDA to finance costs	3.0x	4.0x
Gearing ratio (net debt/equity) <sup>6</sup>	45%	30%

Based on the maximum equity raising size of \$124 million (assuming 100% acceptance of the Retail Entitlement Offer) and the associated debt and finance costs reduction, the pro forma impact on IBA's key gearing metrics based upon a trailing 12 months EBITDA and net interest for the period 1 January 2008 to 31 December 2008, will be as follows:

	Pre Offer	Post Institutional & Retail Entitlement Offer
Net debt <sup>5</sup> to EBITDA	2.3x	1.4x
EBITDA to finance cost	3.0x	4.4x
Gearing ratio (net debt/equity) <sup>6</sup>	45%	23%

It is unlikely that IBA will achieve 100% acceptance from all shareholders under the Retail Entitlement Offer.

In addition to the debt reduction described above, IBA has repaid \$19 million in debt over January and February 2009. IBA expects to pay down further debt in the second half of FY09 from its cash flows. The costs of the transaction will be met out of cash flow.

<sup>5</sup> Historical and pro forma net debt as at 31 December 2008

<sup>6</sup> Gearing ratio based on IBA Health's historical and pro forma balance sheet as at 31 December 2008



## EPS IMPACT OF ENTITLEMENT OFFER

Based on committed proceeds of \$77 million under the Institutional Entitlement Offer and associated debt and finance costs reduction, the Entitlement Offer is approximately 7% accretive to underlying EPS<sup>7</sup> and approximately 30% accretive to statutory EPS for the 12 months ended 31 December 2008, after adjusting for the bonus element of the Entitlement Offer.

Interest cost savings for the 12 months ended 31 December 2008 have been calculated based on the actual level of interest paid by IBA over the 12 month period to 31 December 2008 on the debt assumed to be retired through the Institutional Entitlement Offer. There is no tax effect on the pro forma interest adjustments because of utilisation of tax losses.

## OUTLOOK & BUSINESS PERFORMANCE

On 17 February 2009, IBA posted strong revenue and EBITDA growth for the six months ended 31 December 2008. Revenue increased 168% to \$275 million from \$103 million in the previous corresponding period, while EBITDA climbed 161% to \$67.5 million from \$26 million. The previous corresponding period, H1 08, consisted of 6 months of IBA and 2 months of iSOFT, which IBA acquired in October 2007. If revenues of iSOFT were included for the full H1 08 (representing approximately \$226 million), H1 09 revenues of IBA would have increased 21.8% on a like for like basis.

The increase in revenue was driven by underlying growth across all four geographic segments and \$78 million in new or renewed contracts during the first half, reflecting IBA's global position in the Health IT industry. IBA generated a better than expected EBITDA margin of 24.5% for H1 09.

LORENZO Clinicals, IBA's next-generation clinical IT solution, was launched globally in the first half of FY 09, and is progressing according to plan with a number of early adopter sites going live in the period. The company also made operational expenditure investments during the first half of FY 09, including the employment of additional executives, providing the company with a stronger growth platform across its diverse global footprint.

IBA reconfirms its FY 09 guidance for revenues of between \$540 - \$560 million and EBITDA of between \$120 - \$130 million.

IBA holds a leading position in the global Health IT sector, operating in 36 countries across five continents. The company is well positioned to generate growth amid the current economic downturn with approximately 90% of forecast revenues for FY 09 funded by governments either directly or indirectly. Additionally, as at the end of January 2009, approximately 94% of IBA's forecast FY 09 revenues were recurring, contracted and expected.

Globally, governments remain committed to continued Health IT spending. IBA is a major software provider to the National Programme for Information Technology (NPfIT), initiated by the UK National Health Service (NHS). The company remains optimistic for its business given its stable and resilient earnings base. LORENZO Studio is expected to be launched in the United States during the second half of FY 09.

## REBRANDING TO iSOFT

As previously announced to the market IBA has implemented the iSOFT brand for the group's products and services globally as part of an ongoing exercise to strengthen IBA's position in the market. This supports and underpins the marketing activity for the strategic LORENZO platform. The roll-out of LORENZO for the UK NPfIT program is on track with the current agreed timetable.

The stabilisation of customer relationships and market position, as well as the excellent reception experienced for the iSOFT branding launch, has led IBA's board to seek shareholders' approval to

<sup>7</sup> EPS figures reported as "underlying" have been adjusted for amortisation of intangibles on acquisition, one-off exceptional items, integration, one-off acquisition costs and impairment charges, net of tax.

# ASX Offer Announcements continued

change the company's name to iSOFT Group Limited (ASX:ISF). A shareholders' meeting is expected in early May 2009 to approve the name change.

## INCLUSION OF IBA IN S&P / ASX 200 INDEX

On 6 March 2009 Standard & Poor's Index Services announced that IBA will be included in the S&P/ASX 200 Index, effective from the close of trading on ASX on 20 March 2009.

## SHAREHOLDER ENQUIRIES

Retail shareholders who have questions regarding the Retail Entitlement Offer should call the IBA Health Shareholder Information Line on 1300 723 862 (local call cost within Australia) or +61 3 9415 4262 (from outside Australia) at any time from 8.30am to 5.30pm (AEDT) Monday to Friday or go to our website at [www.ibahealth.com](http://www.ibahealth.com).

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This release does not constitute an offer of shares for sale in the United States, or to any person that is or is acting for the account or benefit of any U.S. person (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act") ("U.S. Person"), or in any other jurisdiction in which such an offer would be illegal. The New Shares have not been registered under the Securities Act, and may not be offered or sold in the United States or to or for the account or benefit of U.S. Persons unless the New Shares are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

This release and its attachments include "forward-looking statements" within the meaning of securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or other similar words, and include statements regarding certain plans, strategies and objectives of management and expected financial performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside the control of IBA, and its officers, employees, agents or associates, including risks associated with the ability of IBA to raise equity in the Retail Entitlement Offer and other risks described in Annexure B. Actual results, performance or achievements may vary materially from any projections and forward looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward-looking statements and IBA assumes no obligation to update such information.

## End of release

### For further information contact:

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### About IBA Health Group

IBA Health Group Limited (ASX-IBA) is the largest health information technology company listed on the Australian Securities Exchange, and trades globally under the name 'iSOFT'.

IBA builds software applications for healthcare. We work with healthcare professionals to design and build solutions that answer all of the difficult questions posed by today's care delivery challenges. Our solutions act as a catalyst for change, supporting the free exchange of critical information across diverse care settings and participant organisations. We are the leader in the provision of advanced application solutions in modern healthcare economies around the world

Today, more than 13,000 provider organisations in 36 countries across five continents use IBA's solutions to manage patient information and drive improvements in their core processes. The group's sustainable development is delivered through careful planning, in-depth analysis of our market and anticipation of evolving requirements. Our business is driven by the collective talent, experience and commitment of more than 4,000 specialists around the globe, including over 1,700 technology and development professionals.

A global network of IBA subsidiaries, supported by an extensive partner network, provides substantial experience of national healthcare markets. As a result we offer our customers comprehensive knowledge of local market requirements, in terms of culture, language, working practice, healthcare regulation and organisational structure.

For more information on IBA, please visit the company's website at [www.ibahealth.com](http://www.ibahealth.com)

**ANNEXURE A – OFFER TIMETABLE AND STRUCTURE**

<b>Event</b>	<b>Date</b>
Institutional Entitlement Offer opens	8.30am (AEDT) on 12 March 2009
Institutional Entitlement Bookbuild	12 March 2009
Institutional Entitlement Offer closes (Australia/Asia)	3:00 pm (AEDT) on 12 March 2009
Institutional Entitlement Offer closes (Europe)	9:00 pm (AEDT) on 12 March 2009
Record Date for the Entitlement Offer	7:00pm (AEDT) on 17 March 2009
Retail Entitlement Offer opens	19 March 2009*
Mailing of Entitlement and Acceptance Form to Eligible Retail Shareholders	Completed by 19 March 2009
Settlement of the Institutional Entitlement Offer and Institutional Entitlement Bookbuild	26 March 2009
Issue of New Shares under the Institutional Entitlement Offer and Institutional Entitlement Bookbuild, and normal trading of those shares expected to commence on ASX	27 March 2009
Retail Entitlement Offer closes	5:00pm (AEDT) on 3 April 2009**
Settlement of the Retail Entitlement Offer	14 April 2009
Issue of New Shares under the Retail Entitlement Offer	15 April 2009
Dispatch of holding statements	16 April 2009
Normal trading of New Shares issued under the Retail Entitlement Offer expected to commence on ASX	17 April 2009***

\* Note as at 20 March 2009: This date was subsequently changed to 20 March 2009

\*\* Note as at 20 March 2009: This date was subsequently changed to 5.00pm (AEDT) on 6 April 2009

\*\*\* Note as at 20 March 2009: This date was subsequently changed to 16 April 2009

Note: Dates and times are indicative only and subject to change. All times and dates refer to Australia Eastern Daylight Saving Time ("AEDT") while in effect and otherwise to Australian Eastern Standard Time.

**Offer Structure**

The Entitlement Offer is non-renounceable and Entitlements cannot be traded on the ASX nor otherwise transferred. This means that IBA shareholders who do not take up their Entitlement to participate in the Entitlement Offer will not receive any value for those Entitlements and their equity interest in IBA will be diluted.

**Institutional Entitlement Offer**

Eligible Institutional Shareholders will be invited to participate in the Institutional Entitlement Offer on 12 March 2009. Eligible Institutional Shareholders who receive such an invitation will not be eligible to participate in the Retail Entitlement Offer.

# ASX Offer Announcements continued

Eligible Institutional Shareholders can choose to take up or not take up all or part of their Entitlements. Elections in regard to Entitlements need to be advised prior to 3:00pm (AEDT) on 12 March 2009 for Australian/Asian Eligible Institutional Shareholders and 9:00pm (AEDT) on 12 March 2009 for European Eligible Institutional Shareholders. New Shares equal in number to those not taken up by Eligible Institutional Shareholders and those which would otherwise have been offered to Ineligible Institutional Shareholders will be offered for subscription to Eligible Institutional Shareholders and selected institutional investors through a volume bookbuild process at the offer price of \$0.55 per New Share.

## **Retail Entitlement Offer**

Eligible Retail Shareholders will be invited to participate in the Retail Entitlement Offer on the same terms as the Institutional Entitlement Offer. The Retail Entitlement Offer will open at 9:00am (AEDT) on 19 March 2009 and close at 5:00pm (AEDT) on 3 April 2009.

## **Eligible Retail Shareholders**

Eligible Retail Shareholders are those holders of Shares who:

- are registered as a holder of Shares as at 7:00pm AEDT on Tuesday 17 March 2009 (the "Record Date");
- have a registered address in Australia or New Zealand;
- are not in the United States and are not, and are not acting for the account or benefit of, any U.S Person;
- are not an Eligible Institutional Shareholder who was invited to participate in the Institutional Entitlement Offer;
- are not an Ineligible Institutional Shareholder or an Ineligible Retail Shareholder; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

The Retail Entitlement Offer is not being extended to any Shareholder outside Australia and New Zealand save that IBA may (in its absolute discretion) extend the Retail Entitlement Offer to an institutional shareholder in a foreign jurisdiction which did not participate in the Institutional Entitlement Offer (subject to compliance with applicable securities laws).

## **Stock Lending**

Eligible shareholders will be entitled to apply for 2 New Shares for every 7 Shares held as at 7.00pm (AEDT) on the Record Date, 17 March 2009. In the event an IBA shareholder has Shares out on loan, the borrower will be regarded as the shareholder for the purposes of determining the Entitlement (provided that those borrowed Shares have not been on-sold).

## **ANNEXURE B – RISK DISCLOSURE**

### **Introduction**

A number of risks and uncertainties, which are both specific to IBA and of a more general nature, may affect the future operating and financial performance of IBA and the value of IBA's Shares. You should carefully consider the following risk factors, as well as the other information provided to you by IBA in connection with the Entitlement Offer, and consult your financial and legal advisers before deciding whether to invest in the New Shares. The risks and uncertainties described below are not the only ones facing IBA. Additional risks and uncertainties that IBA is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect IBA's operating and financial performance.

### **Reliance on key contracts**

IBA's largest customer contract is the CSC Contract in relation to the deployment for the National Health Service ("NHS") in the United Kingdom ("UK"). The CSC Contract contributed approximately 19% to IBA's total revenue in the year to 30 June 2008 and approximately 26% to total revenue in the six-month period ending 31 December 2008. The CSC Contract reflects a complex set of arrangements regarding the timing and delivery of LORENZO as well as payment obligations to IBA. If CSC were to terminate the CSC Contract for failure of IBA to meet material obligations under the CSC Contract or if there were material disputes regarding obligations, including scope of delivery or payments, this could have an adverse effect on IBA's operating and financial performance.

### **Development and implementation of LORENZO**

LORENZO is IBA's future flagship product and is being deployed and developed as a part of IBA's future growth strategy as separate products in (i) the UK for the NHS and (ii) in other jurisdictions. Delays in the deployment, development or difficulties with the implementation or adoption of LORENZO could have a material adverse impact on the operating and financial performance (as well as the reputation) of IBA.

### **Reduction of Government spending in Health IT**

A substantial proportion of IBA's revenue is derived from Government clients, a number of which have committed to or are expected to commit to national roll outs of healthcare information technology systems and programs. If these programs are diminished or cancelled, e.g. as a result of a further deterioration of economic conditions, or if there are any other changes that materially impact market growth, this may have an adverse impact on the operating and financial performance of IBA.

### **Capital requirements**

Software development is a capital intensive activity given that it involves commitment of significant human resources. By its nature, software development requires significant expenditure well ahead of the time at which revenue arises from those activities. IBA is currently spending a significant amount on software development in its LORENZO program, in updating its other software and in preparing for next generation developments. If revenue streams related to the software development activities fall behind IBA's forecasts or if they are substantially delayed, it may adversely impact the operating and financial performance of IBA.

### **Revenue contribution and mix**

IBA is in a phase of its business development in which a significant proportion of its revenue is project based. While recurring income generally follows from completion of development and installation of systems, it is generally at a lower level than the installation revenue. Therefore, if IBA does not replace the project-based revenue with new project revenue, then its overall revenue base can be reduced over time. There are offsetting factors associated with this, particularly as operating expenses would also reduce in those circumstances. However, such reduction of operating expenditure may be delayed or may lead to some associated additional costs. If IBA is unable to replace project-based

# ASX Offer Announcements continued

revenue with new project revenue or if there are delays in receiving this new revenue or if IBA is unable to reduce project expenditure as discussed above, this could adversely affect the financial performance of IBA.

Furthermore, a significant proportion of IBA's revenues are accounted for on a percentage of completion basis. As a consequence, operational errors as well as errors in estimations of effort needed to complete projects can result in revenue which has previously been booked being reversed and a resulting adverse effect on IBA's earnings.

## **UK pension arrangements**

IBA has a defined benefit pension plan in the United Kingdom (the "SMS Staff Benefits Plan") which is in deficit. The size of the deficit depends on the relevant actuarial assumptions used in performing the applicable actuarial calculations. An increase in the level of deficit could adversely impact IBA's earnings and equity reserves (as under IBA's accounting policies with respect to defined benefits plans, effect from changes in actuarial assumptions, i.e. actuarial gains and losses, are recorded in equity and certain charges relating to financing pension deficits are recorded in IBA's profit and loss statement) and may result in an increase in contributions. IBA has closed the SMS Staff Benefits Plan to the accrual of future service benefits and has agreed to pay from October 2007, GBP2.0 million per year for 10 years to reduce the deficit.

## **FSA investigation**

The Financial Services Authority in the UK is conducting an investigation with the co-operation of IBA, in regard to the possible accounting irregularities in iSOFT's accounts relating to the years ended 30 April 2004 and 30 April 2005. At this time, the outcome of this investigation is uncertain. Possible penalties include financial penalties, public censure, criminal proceedings or prohibition orders imposed on IBA or the individuals involved.

## **Acquisition and activities**

From time to time IBA evaluates acquisition opportunities. Any acquisitions would lead to a change in the sources of IBA's earnings and (if material) could result in variability in earnings over time, and may give rise to liabilities. Integration of new businesses into the group may be costly and may occupy a large amount of management's time.

## **Reliance on key personnel**

The operating and financial performance of IBA is dependent on its ability to retain key personnel (including directors, senior management and key product development personnel). There can be no assurance that there will not be a detrimental impact on operations and performance if a number of these key people were to cease their employment.

## **Operational risk and costs**

IBA is exposed to operational risks, including risks arising from process error, system failure, errors or viruses in software, incorrect installation of its systems with customers, failure of security and physical protection systems, product development and maintenance. Operations risks have the potential to have an adverse effect on the operating and financial performance (as well as the reputation) of IBA.

## **Clinical risks**

Defects in software, including with respect to development, testing or deployment could lead to clinical risks for patients as well as reputational risks for IBA.

**Competition**

IBA operates in a competitive environment, with a number of industry players competing for market share through similar products and services. As a result, IBA may not be able to win future contracts from new customers and its current success rate of contract renewals from existing customers may be lower in the future. In particular, any delays in the implementation of LORENZO may result in IBA losing a number of key contracts which have been won on the promise of the future delivery of LORENZO. The actions of an existing competitor or the entry of new competitors in the markets and geographies in which IBA operates may have an adverse effect on IBA.

**Growth strategy execution**

IBA may not be able to execute the strategies for its current and future acquired businesses effectively. Planned growth through expansion of existing businesses could expose IBA to additional and unforeseen costs, including regulatory and other costs associated with operations in countries in which it previously has not operated, and may strain financial and management resources.

**Currency risk**

During the six-month period ending 31 December 2008, IBA derived approximately 57% of its revenues in GBP, approximately 27% in EUR, approximately 10% in AUD and the balance in other currencies. In the same period approximately 40% of IBA's costs were incurred in GBP, approximately 27% in EUR, approximately 15% in AUD, approximately 11% in Indian Rupees (INR) and the balance in other currencies. IBA uses GBP to buy INR and has hedged its GBP/INR exposure through to June 2009.

IBA is naturally hedged in the major currencies in which it operates, however, adverse fluctuations in exchange rates, including the AUD/GBP and AUD/EUR exchange rates may impact the company's earnings, asset and liabilities when translated into AUD. In particular, IBA's senior debt facility is denominated in GBP. Even if IBA hedges more or all of its exposures, movements in foreign exchange or interest rates may have an adverse effect on IBA's financial performance.

**Regulatory Issues and changes in law**

IBA businesses may be affected by changes in laws and regulations in the jurisdictions in which it operates (including but not limited to tax laws). These changes to regulations and laws may have an adverse impact on IBA's financial performance (such as by directly reducing income or increasing costs). In particular, IBA could be affected by changes in policy in relation to the National Health Service in the UK. In addition, IBA is subject to regulatory reviews and audits from time to time, the outcomes of which may have an adverse impact on IBA's operating and financial performance.

**Intellectual property**

IBA's business depends, in part, on its ability to develop products and control the commercial exploitation of its software products. There can be no guarantee that IBA will be as successful in these areas in the future. In particular, IBA's operating and financial performance may be adversely affected if third parties are able to commercially exploit the software without payment of a commercial return to IBA or are able to independently develop and deploy similar technology more quickly.

**Credit risk**

Credit market conditions and the operating performance of IBA will affect borrowing costs as well as the company's capacity to repay, refinance or increase its debt. IBA is subject to covenants in its debt facilities, including interest coverage and leverage tests. If IBA were to breach any of these covenants, its debt could be immediately declared repayable and there is no guarantee that IBA would have sufficient cash flow or be able to source refinancing on acceptable terms.

# ASX Offer Announcements continued

## **Corporate tax structure**

IBA is a corporation consisting of many legal entities operating in many tax jurisdictions around the world. In its normal course of business the company performs a range of intercompany transactions and has an intercompany financing structure in place. Tax legislation is complex and varies significantly across the various jurisdictions. Changes to tax legislation are outside the control of the company. Hence, whereas IBA attempts to manage its tax structure to ensure the optimum outcome, there can be no guarantee that the tax cost currently borne by IBA may not vary adversely in the future.

## **Future payment of dividends**

IBA's future dividend levels will be determined by the board of IBA having regard to its operating results and financial position. There is no guarantee that any dividend will be paid by IBA or, if paid, that they will be paid at previous levels.

## **General Investment**

Investors should be aware that there are risks associated with any investment in equity securities. Investors should recognise that the trading price of IBA shares may fall as well as rise with movements in the equity capital markets in Australia and internationally.

It should be noted that there is no guarantee that the New Shares will trade at or above the Offer Price. It should also be noted that the historic share price performance of IBA's shares provides no guidance as to its future share price performance.

The sale of a large parcel of Shares (whether by AEP or another large shareholder in IBA) may cause fluctuations in the price at which Shares trade on ASX.

## **General economic conditions**

A number of factors outside the control of IBA may impact significantly on IBA, its operating and financial performance and the price of the Shares, including:

- economic conditions in Australia and internationally;
- general movements in local and international stock markets;
- investor sentiment;
- changes in interest rates, exchange rates and the rate of inflation;
- changes in fiscal, monetary and regulatory policies; and
- international hostilities.

Prolonged or continued deterioration in general economic conditions, including a reduction in Government spending or a decrease in consumer and business demand, could be expected, ultimately, to have an adverse impact on IBA's operating and financial performance. This impact might not be immediate.



## **ANNEXURE C – IMPORTANT INFORMATION**

### **FOREIGN JURISDICTIONS SELLING RESTRICTIONS**

#### **New Zealand**

The Disclosure Materials and any other information relating to the Entitlement Offer ("**Information**") have not been registered, filed with or approved by any New Zealand regulatory authority under or in connection with the Securities Act 1978 (New Zealand).

#### **United States**

The Information does not constitute a prospectus or an offering memorandum or an offer to sell, or the solicitation of an offer to buy, New Shares, in the United States or to a U.S. Person (or to any person acting for the account or benefit of a U.S. Person), or in any other place in which, or to any person to whom, it would not be lawful to make such an offer.

The offer and sale of the Entitlements and the New Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered, sold or resold in the United States or to, or for the account or benefit of, any U.S. Persons except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

The Information may not be sent or distributed to persons in the United States or to U.S. Persons or to any persons acting for the account or benefit of U.S. Persons.

#### **United Kingdom**

The offer of New Shares and Entitlements has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") with respect to anything done in relation to the New Shares and/or Entitlements in, from or otherwise involving the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of Section 21 of FSMA) received in connection with the issue or sale of the New Shares and/or Entitlements has only been communicated or caused to be communicated and will only be communicated or cause to be communicated in the United Kingdom in circumstances in which Section 21 (1) of FSMA does not apply to IBA.

In the United Kingdom, the Information is being distributed only to and is directed only at persons who have professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (all such persons together being referred to as "**relevant persons**"). The Information must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which the Information relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on the Information or any of its contents. The Information must not be distributed, published, reproduced or disclosed (in whole or in part) by recipients to any other person.

#### **European Economic Area (which includes The Netherlands)**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") an offer to the public of any New Shares and/or Entitlements may not be made in that Relevant Member State except that an offer to the public in that Relevant Member State of any New Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

# ASX Offer Announcements continued

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of:
  - (i) an average of at least 250 employees during the last financial year;
  - (ii) a total balance sheet of more than €43,000,000; and
  - (iii) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (c) in any other circumstances falling within Article 3(2) of the Prospective Directive, provided that no such offer of New Shares and/or Entitlements shall result in a requirement for the publication by IBA of a prospectus pursuant to Article 3 of the Prospective Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any New Shares and/or Entitlements in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any New Shares and/or Entitlements to be offered so as to enable an investor to decide to purchase any New Shares and/or Entitlements, as the same may be varied in that Relevant Member State by any measure implementing the Prospective Directive in that Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

## Hong Kong

The Information has not been, and will not be, registered as a prospectus in Hong Kong under the Companies Ordinance (Cap 32)("CO") nor has it been, nor will it be, authorized by the Securities and Futures Commission ("SFC") in Hong Kong pursuant to the Securities and Futures Ordinance (Cap 571) of the Laws of Hong Kong (the "SFO"), and the contents herein have not been reviewed by any regulatory authority in Hong Kong. The Information does not constitute an offer or invitation to the public in Hong Kong to acquire any New Share and/or Entitlements. Accordingly, the Information must not be issued, circulated or distributed in Hong Kong other than:

- (b) to "professional investors" within the meaning of SFO and any rules made under that ordinance ("**Professional Investors**"); or
- (c) in other circumstances which do not result in the Information being a "prospectus" as defined in the CO nor constitute an offer to the public which requires authorisation by the SFC under the SFO.

Unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the New Share and/or Entitlements, which is directed at, or the content of which is likely to be accessed or read by, the public of Hong Kong other than with respect to New Share and/or Entitlements which are or are intended to be disposed of only to persons outside Hong Kong or only to Professional Investors. No person allotted New Shares and/or Entitlements may sell, or offer to sell, such New Share and/or Entitlements to the public in Hong Kong within six months following the date of issue of such New Share and/or Entitlements.

You are advised to exercise caution in relation to the Entitlement Offer. If you are in any doubt about any of the contents of the Information, you should obtain independent professional advice.

## Singapore

The Entitlement Offer is only allowed to be made to the persons set out herein.

The Entitlement Offer is not allowed to be made to the retail public. This document is not a prospectus as defined in the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"). Accordingly statutory liability under that SFA in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you.

The Information has not been, and will not be, registered as a prospectus in Singapore with the Monetary Authority of Singapore under the SFA. Accordingly, the Information must not be issued, circulated or distributed nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than:

- (a) to an institutional investor under section 274 of the SFA, and in accordance with the conditions specified, in section 274 of the SFA and any rules made under the SFA;
- (b) to a relevant person pursuant to section 275(1), or any person pursuant to section 275(1A) of the SFA, and in accordance with the conditions specified in sections 275 of the SFA and any rules made under the SFA;
- (c) to existing holders of IBA's shares under the exemptions in section 273(1)(cd) of the SFA; or
- (d) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA and any rules made under the SFA.

The Information has been given to you on the basis that you will fall within one of the categories described above. In the event that you are not an investor falling within one of the categories set out below, please return this document to the Joint Lead Managers immediately. You are prohibited from forwarding or circulating the Information to any other person.

Where the New Shares are initially subscribed or purchased pursuant to the Entitlement Offer made in reliance on the exemptions under sections 274 and 275 of the SFA, these shares can only be sold in Singapore, within the period of six months from the date of the initial acquisition, to institutional investors, relevant persons or any person pursuant to an offer referred to in section 275(1A) of the SFA.

Where the New Shares are subscribed or purchased under section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in section 4A of the SFA)) the sale business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of which is an individual is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred for 6 months after that corporation or that trust has acquired the shares under section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interests in that trust are acquired at a consideration of not less than S\$200,000 (or any other amount as amended from time to time) (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the

# ASX Offer Announcements continued

conditions specified in section 275 of the SFA (an any other condition as may be amended or supplemented from time to time);

- (b) where no consideration is, or will be, given for the transfer; or
- (c) where the transfer is by operation of law.

The Entitlement Offer is not made to you with a view to the New Shares (or any of them) being subsequently offered for sale to any other party.

By accepting the Information, the recipient hereof represents and warrants that they are entitled to receive the Information in accordance with the restrictions set forth above and agrees to be bound by the limitations contained herein. Any failure to comply with these limitations may constitute a violation of law.

## Norway

The Information has not been approved by, or registered with, any Norwegian securities regulators pursuant to the Norwegian Securities Trading Act of 29 June 2007. Accordingly, the Information does not constitute, or shall be deemed not to constitute, an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007. The New Shares may not be offered or sold, directly or indirectly, in Norway except;

- (a) in respect of an offer of New Shares addressed to investors subject to a minimum purchase of New Shares for a total consideration of not less than €50,000 per investor;
- (b) to "professional investors" as defined in the Norwegian Securities Regulation of 29 June 2007 no. 876, being;
  - (i) legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
  - (ii) any legal entity which is registered as a professional investor with the Oslo Stock Exchange (*No. Oslo Børs*) and which has two or more of:
    - (A) an average of at least 250 employees during the last financial year;
    - (B) a total balance sheet of more than €43,000,000;
    - (C) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
  - (iii) any natural person which is registered as a professional investor with the Oslo Stock Exchange (*No. Oslo Børs*) and which has two or more of:
    - (A) an average execution of at least ten – 10 – transactions in securities of significant volume per quarter for the last four quarters;
    - (B) a portfolio of securities with a market value of at least €500,000;
    - (C) worked or works, for at least one – 1 – year, within the financial markets in a position which presuppose knowledge of investing in securities;
- (c) to fewer than 100 natural or legal persons (other than "professional investors" as defined in the Norwegian Securities Regulation of 29 June 2007 no. 876), subject to obtaining the prior consent of the Joint Lead Managers for any such offer;

- (d) in any other circumstances provided that no such offer of New Shares shall result in a requirement for the registration, or the publication by IBA, the Joint Lead Managers or Underwriters, of a prospectus pursuant to the Norwegian Securities Trading Act of 29 June 2007.

### Switzerland

The New Shares may not and will not be publicly offered, sold, advertised, distributed or re-distributed, directly or indirectly, in or from Switzerland, no solicitation for investments in the New Shares may be communicated, distributed or otherwise made available in Switzerland in any way that could constitute a public offering within the meaning of the articles 1156 or 652a of the Swiss Code of Obligations ("CO") or of article 3 of the Federal Act on Collective Investment Schemes ("CISA").

The Information does not constitute a public offering prospectus within the meaning of articles 652a and 1156 CO and may not comply with the information standards required thereunder. IBA has not applied for a listing of the New Shares on the SIX Swiss Exchange or any other regulated securities market in Switzerland, and consequently, the information presented in the Information does not necessarily comply with the information standards set out in the listing rules of the SIX Swiss Exchange. If the Information is sent or made available, or presented, to you, it is being done on the basis that you are an institutional and/or sophisticated shareholder of IBA. It is sent, or made available, or presented, to you on the clear understanding that it is for your personal use. Accordingly, you must not, and will not, distribute it to anyone else without the express consent of the Joint Lead Manager.

### Italy

The offering of the New Shares and/or Entitlements in the Republic of Italy has not been authorized by the Italian Securities and Exchange Commission (Commissione Nazionale per le Società e la Borsa, "CONSOB") pursuant to the Italian securities legislation and, accordingly, the New Shares and/or Entitlements cannot and will not be offered, sold or delivered nor copies of the Information can and will be delivered in the Republic of Italy in a public offer within the meaning of Article 1.1(t) of Legislative Decree No. 58 of 24 February 1998 ("Decree No. 58"), other than:

- (a) to "Qualified Investors" (*Investitori Professionali*), as defined in Article 2(1)(e) paragraphs (i) to (iii) of Directive 2003/71/EC;
- (b) in other circumstances, which are exempted from the rules on public offer pursuant to Article 100 of Decree No. 58 and Article 33 of CONSOB Regulation No. 11971 of 14 May 1999, as amended.

Any offer, sale or delivery of the New Shares and/or Entitlements or distribution of copies of the Information in Italy under paragraphs (a) and (b) above shall be made:

- (a) by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with Legislative Decree No. 385 of 1 September 1993, as amended ("Decree No. 385"), Decree No. 58, CONSOB Regulation No. 16190 of October 29, 2007 and any other applicable laws and regulations; and
- (b) in compliance with all relevant Italian securities, tax and exchange controls and any other applicable laws and regulations.

Pursuant to Article 100-bis of Decree No. 58, the resale of the New Shares and/or Entitlements that have been offered, sold or distributed in a public offer exempted from the publication of a prospectus qualifies as an autonomous and independent public offer where the conditions provided by Article 1.1(t) of Decree No. 58 are satisfied and no exemptions pursuant to Article 100 of Decree No. 58 apply.

# ASX Offer Announcements continued

When an offer of the New Shares and/or Entitlements has been made solely to Qualified Investors in Italy or abroad, a public offer is deemed occurring in Italy if the New Shares and/or Entitlements, in the following 12 months, are systematically transferred to non-professional investors in Italy, and such transfer is not exempted pursuant to Article 100 of Decree No. 58. In such case, if no prospectus has been published, the purchaser of the New Shares and/or Entitlements acting for purposes different from its professional and entrepreneurial activities is entitled to lodge a claim before a competent Italian court for the declaration of voidance of the relevant purchase agreement, and the intermediaries that have sold the New Shares and/or Entitlements to the purchaser can be held liable for the relevant damages.

## **Oman**

The Information is being provided to an existing shareholder of IBA in the Sultanate of Oman. The New Shares and/or Entitlements may not be offered nor may the Information or any offering material relating to the New Shares and/or Entitlements be distributed to any other person in the Sultanate of Oman without the prior written consent of the Capital Market Authority and then only in accordance with any terms and conditions of such consent.

## **Liechtenstein**

The Information is made only to qualified investors as follows:

- (a) legal entities that are admitted to the financial markets with regard to their business activities and are supervised by the Liechtenstein Financial Market Authority (as for example banks, asset management companies, insurance companies, pension funds, investment undertakings and their management corporations);
- (b) the Liechtenstein Government, international and supranational organisations;
- (c) legal entities that do not fulfil more than one of the following conditions:
  - (i) being an entity having less than 250 employees within the last business year;
  - (ii) being an entity having a balance sheet total of less than €43,000,000; and
  - (iii) being an entity having a net turnover of less than €50,000,000;
- (d) SME's and natural persons that have been entered on the "list of qualified investors" with the Liechtenstein Financial Market Authority.

## **Other jurisdictions**

The New Shares may not be offered or sold in any other jurisdiction under the Entitlement Offer, except to persons to whom such offer, sale or distribution is permitted under applicable law.



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

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ANNOUNCEMENT TO THE ASX

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**IBA RECEIVES STRONG SUPPORT FOR INSTITUTIONAL ENTITLEMENT OFFER**

**Sydney – 13 March 2009 – IBA Health Group Limited (ASX: IBA)** – Australia's largest listed health information technology company is pleased to announce the successful completion of the institutional component of its accelerated non-renounceable pro-rata entitlement offer ("Entitlement Offer"), raising approximately A\$82 million.

The Institutional Entitlement Offer received strong support from IBA's existing institutional shareholders. In addition, strong demand was also shown by institutional shareholders and new investors in the bookbuild of entitlements not taken up.

Executive Chairman and CEO, Gary Cohen, said: "We are pleased with the strong level of support that our existing institutional shareholders have shown, including from our cornerstone shareholder AEP. This is a terrific outcome in current sharemarket conditions and places IBA in a strong capital position to continue to benefit from investment in health IT by governments worldwide."

The Entitlement Offer gives eligible existing shareholders the opportunity to subscribe for 2 new IBA ordinary shares ("New Shares") for every 7 existing IBA shares held at the record date, being 7.00pm Tuesday, 17 March 2009. The price for the New Shares under the Entitlement Offer is A\$0.55 per New Share.

IBA intends to use the proceeds of the Entitlement Offer to retire subordinated borrowings from AEP and other senior borrowings.

New Shares from the Institutional Entitlement Offer are expected to be issued on Friday, 27 March 2009 and will commence trading on the ASX on the same day.

**COMMENCEMENT OF THE RETAIL ENTITLEMENT OFFER**

Eligible retail shareholders will have the opportunity to participate in the Entitlement Offer at the same offer price and ratio as institutional shareholders. The retail component of the Entitlement Offer ("Retail Entitlement Offer") will open on Friday, 20 March 2009 and is due to close on Monday, 6 April 2009. Eligible retail shareholders wishing to acquire New Shares in the offer will need to complete the Entitlement and Acceptance Form, which is expected to be mailed to them by Thursday, 19 March 2009.

A broker handling fee of 1% will be payable on the Retail Entitlement Offer up to a maximum of \$200 per application.

**SHAREHOLDER ENQUIRIES**

Retail shareholders who have questions regarding the Retail Entitlement Offer should call the IBA Health Shareholder Information Line on 1300 723 862 (local call cost within Australia) or +61 3 9415 4262 (from outside Australia) at any time from 8.30am to 5.30pm (AEDT) Monday to Friday.

# ASX Offer Announcements continued

## RETAIL ENTITLEMENT OFFER TIMETABLE

Event	Date
Record Date for the Entitlement Offer	7:00pm (AEDT) on 17 March 2009
Mailing of Retail Booklet (incl. Entitlement and Acceptance Form) to Eligible Retail Shareholders	Completed by 19 March 2009
Retail Entitlement Offer opens	20 March 2009*
Retail Entitlement Offer closes	5:00pm on 6 April 2009*
Settlement of the Retail Entitlement Offer	14 April 2009
Issue of New Shares under the Retail Entitlement Offer	15 April 2009
Dispatch of holding statements	16 April 2009
Normal trading of New Shares issued under the Retail Entitlement Offer expected to commence on ASX	16 April 2009**

\*This date has been adjusted 1 business day later from IBA's announcement on 12 March 2009.

\*\* This date has been adjusted 1 business day earlier from IBA's announcement on 12 March 2009.

Note: Dates and times are indicative only and subject to change. All times and dates refer to Australia Eastern Daylight Time ("AEDT") while in effect and otherwise to Australian Eastern Standard Time.

This release does not constitute an offer of shares for sale in the United States, or to any person that is or is acting for the account or benefit of any U.S. person (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act") ("U.S. Person"), or in any other jurisdiction in which such an offer would be illegal. The New Shares have not been registered under the Securities Act, and may not be offered or sold in the United States or to or for the account or benefit of U.S. Persons unless the New Shares are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

This release and its attachments include "forward-looking statements" within the meaning of securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or other similar words, and include statements regarding certain plans, strategies and objectives of management and expected financial performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside the control of IBA, and its officers, employees, agents or associates, including risks associated with the ability of IBA to raise equity in the Retail Entitlement Offer and other risks described in Annexure B. Actual results, performance or achievements may vary materially from any projections and forward looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward-looking statements and IBA assumes no obligation to update such information.

### End of release

### For further information contact:

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**About IBA Health Group**

IBA Health Group Limited (ASX-IBA) is the largest health information technology company listed on the Australian Securities Exchange, and trades globally under the name 'ISOFT'.

IBA builds software applications for healthcare. We work with healthcare professionals to design and build solutions that answer all of the difficult questions posed by today's care delivery challenges. Our solutions act as a catalyst for change, supporting the free exchange of critical information across diverse care settings and participant organisations. We are the leader in the provision of advanced application solutions in modern healthcare economies around the world.

Today, more than 13,000 provider organisations in 36 countries across five continents use IBA's solutions to manage patient information and drive improvements in their core processes. The group's sustainable development is delivered through careful planning, in-depth analysis of our market and anticipation of evolving requirements. Our business is driven by the collective talent, experience and commitment of more than 4,000 specialists around the globe, including over 1,700 technology and development professionals.

A global network of IBA subsidiaries, supported by an extensive partner network, provides substantial experience of national healthcare markets. As a result we offer our customers comprehensive knowledge of local market requirements, in terms of culture, language, working practice, healthcare regulation and organisational structure.

For more information on IBA, please visit the company's website at [www.ibahealth.com](http://www.ibahealth.com)

# How to apply

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS**

## 1. The Retail Entitlement Offer

Eligible Retail Shareholders (as defined in Important Information) are being offered the opportunity to subscribe for 2 New Shares for every 7 IBA ordinary shares ("Shares") held at 7.00pm (AEDT) on Tuesday, 17 March 2009 ("Entitlement"), at the offer price of \$0.55 per New Share ("Offer Price").

Eligible Retail Shareholders may also apply for New Shares in excess of their Entitlement ("Additional New Shares"). Please note that New Shares in excess of Entitlements will only be allocated to Eligible Retail Shareholders if and to the extent that IBA so determines, in its absolute discretion having regard to circumstances as at the time of the close of the Retail Entitlement Offer, and to the extent that there are sufficient New Shares from Eligible Retail Shareholders who do not take up their full Entitlements or from New Shares that would have been offered to Ineligible Retail Shareholders if they had been entitled to participate in the Retail Entitlement Offer. IBA may apply any scale-back (in its absolute discretion).

The Retail Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow rights issues to be offered without a prospectus. As a result, it is important for Eligible Retail Shareholders to read and understand the information on IBA and the Retail Entitlement Offer made publicly available, prior to accepting all or part of their Entitlement or applying for Additional New Shares.

In particular, please refer to this booklet, IBA's interim and annual reports and other announcements made available at [www.ibahealth.com](http://www.ibahealth.com) (including IBA's Half Year Report for the six month period ending 31 December 2008 that was released to ASX on 17 February 2009). Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 2 New Shares for every 7 Shares you held as at the record date of 7.00pm (AEDT) on Tuesday, 17 March 2009 rounded up to the nearest whole New Share. If you have more than one holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

Note: the Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Shares on behalf of a U.S. Person (see definition of Eligible Retail Shareholder in Important Information).

## 2. Consider the Retail Entitlement Offer in light of your particular investment objectives and circumstances

Please consult with your stockbroker, accountant or other independent professional adviser if you have any queries or are uncertain about any aspects of the Retail Entitlement Offer. You should also refer to "Annexure B – Risk Disclosure" of the ASX announcement made on Thursday, 12 March 2009 included in this booklet.

## 3. Complete and return the accompanying Entitlement and Acceptance Form with your Application Monies or make a payment by BPAY

If you decide to take up all or part of your Entitlement, or apply for Additional New Shares, please complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies or pay your

Application Monies via BPAY by following the instructions set out on the personalised Entitlement and Acceptance Form.

IBA will treat you as applying for as many New Shares as your payment will pay for in full, subject to any scale-back it may determine to implement in its absolute discretion in respect of Additional New Shares. Amounts received by IBA in excess of your Entitlement ("Excess Amount") may be treated as an application to apply for as many Additional New Shares as your Excess Amount will pay for in full. If you are paying by BPAY, please make sure to use the specific Biller Code and unique Reference Number on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the Reference Number specific to the Entitlement on that Form. If you inadvertently use the same Reference Number for more than one of your Entitlements, you will be deemed to have applied only for Additional New Shares on the Entitlement to which that Reference Number applies.

If you take no action you will not be allocated New Shares and your Entitlement will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable and will not be tradeable or otherwise transferable. Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

If you take up and pay for all or part of your Entitlement before the close of the Retail Entitlement Offer you will be allotted your New Shares on Wednesday, 15 April 2009. If you apply for Additional New Shares then, subject to IBA's absolute discretion to scale-back your application for Additional New Shares (in whole or part), you will be issued these on Wednesday, 15 April 2009. IBA's decision on the number of Additional New Shares to be allocated to you will be final.

IBA also reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if their claims prove to be overstated or if they or their nominees fail to provide information to substantiate their claims.

#### **4. Acceptance of the Retail Entitlement Offer**

The method of acceptance of the Retail Entitlement Offer will depend on your method of payment being:

- by BPAY; or
- by cheque, bank draft or money order.

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY, you will be deemed to have represented that you are an Eligible Retail Shareholder (as defined in Important Information).

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY, you will also be deemed to have represented on behalf of each person on whose account you are acting that:

- (a) you are not in the United States and are not, and are not acting for the account or benefit of, a U.S. Person;
- (b) you acknowledge that the New Shares have not been and will not be, registered under the Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia or New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws; and
- (c) you have not and will not send any materials relating to the Retail Entitlement Offer to any person in the United States or that is, or is acting for the account or benefit of a U.S. Person.

# How to apply continued

## **Payment by BPAY**

For payment by BPAY please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make a payment via BPAY if you are the holder of an account with an Australian financial institution that supports BPAY transactions.

Please note that should you choose to pay by BPAY:

- you do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY payment is received by the share registry by no later than 5.00pm (AEDT) on Monday, 6 April 2009 (subject to variation). You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

Any Application Monies received for more than your final allocation of New Shares and Additional New Shares will be refunded on or around Thursday, 16 April 2009 (except for where the amount is less than \$1.00 in which case it will be donated to a charity chosen by IBA). No interest will be paid on any Application Monies received or refunded.

## **Payment by cheque, bank draft or money order**

For payment by cheque, bank draft or money order, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the Form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payable to "IBA Health Offer Account" and crossed "Not Negotiable".

Your cheque, bank draft or money order must be:

- for an amount equal to \$0.55 multiplied by the number of New Shares and Additional New Shares that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies as your cheques will be processed on the day of receipt. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your application will not be accepted.

Any Application Monies received for more than your final allocation of New Shares and Additional New Shares will be refunded on or around Thursday, 16 April 2009 (except for where the amount is less than \$1.00 in which case it will be donated to a charity chosen by IBA). No interest will be paid on any Application Monies received or refunded.

Cash payments will not be accepted. Receipts for payment will not be issued.

## 5. Mail

To participate in the Entitlement Offer, your payment must be received no later than the close of the Retail Entitlement Offer, on 5.00pm (AEDT) on Monday, 6 April 2009. Shareholders who make payment via cheque, bank draft or money order should mail their completed personalised Entitlement and Acceptance Form together with Application Monies using the reply paid or self-addressed envelope provided with this booklet, or mail to:

Computershare Investor Services Pty Ltd  
IBA Health Retail Entitlement Offer  
GPO Box 505  
Melbourne VIC 3001  
AUSTRALIA

# Important Information

This Booklet (including the ASX Offer Announcements) and enclosed personalised Entitlement and Acceptance Form ("Information") have been prepared by IBA. This Information is dated Friday, 20 March 2009 (other than the ASX Offer Announcements).

No party other than IBA has authorised or caused the issue of this Information, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information.

## **This Information is important and requires your immediate attention.**

You should read this Information carefully and in its entirety before deciding whether to invest in New Shares or Additional New Shares. In particular, you should consider the risk factors outlined in Annexure B of the ASX announcement of the Entitlement Offer made on Thursday, 12 March 2009 that could affect the operating and financial performance of IBA or the value of an investment in IBA.

IBA has applied for the grant by ASX of official quotation of the New Shares.

## **1. Eligible Retail Shareholders**

This Information contains an offer of New Shares to Eligible Retail Shareholders in Australia or New Zealand and has been prepared in accordance with section 708AA of the Corporations Act as notionally modified by Australian Securities and Investments Commission ("ASIC") Class Order 08/35.

Eligible Retail Shareholders are those holders of Shares who:

- are registered as a holder of Shares as at 7.00pm (AEDT) on Tuesday, 17 March 2009 (the "Record Date");
- have a registered address in Australia or New Zealand;
- are not in the United States and are neither a U.S. Person nor acting for the account or benefit of a U.S. Person;
- are not an Eligible Institutional Shareholder or Ineligible Institutional Shareholder; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

IBA may (in its absolute discretion) extend the Retail Entitlement Offer to any Institutional Shareholder in foreign jurisdictions which did not participate in the institutional component of the Entitlement Offer (subject to compliance with applicable laws).

## **2. Additional New Shares**

IBA reserves the right to allot any Additional New Shares if and to the extent that IBA so determines, in its absolute discretion having regard to circumstances as at the time of the close of the Retail Entitlement Offer, and if there are sufficient New Shares from Eligible Retail Shareholders who do not take up their full Entitlements or from New Shares that would have been offered to Ineligible Retail Shareholders if they had been entitled to participate in the Retail Entitlement Offer. IBA may apply any scale-back in its absolute discretion. Therefore, your application for Additional New Shares may not be successful (wholly or partially). The decision of IBA on the number of Additional New Shares to be allocated to you will be final.

## **3. Not investment advice**

The Information is not a prospectus under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial

circumstances or particular needs. IBA is not licensed to provide financial product advice in respect of the New Shares or Additional New Shares. The Information does not purport to contain all the information that you may require to evaluate a possible application for New Shares or Additional New Shares.

Before deciding whether to apply for New Shares or Additional New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Information, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, accountant or other independent professional adviser.

#### **4. Taxation**

Set out below is a summary of the Australian tax implications of the Retail Entitlement Offer for Eligible Retail Shareholders who are residents of Australia for tax purposes and who hold their Shares as capital assets.

The summary below does not necessarily apply to Eligible Retail Shareholders who hold their Shares as assets used in carrying on a business or who may carry on the business of share trading, banking or investment.

The summary below does not necessarily apply to Eligible Retail Shareholders whose Shares are held through an employee share plan or whose Shares are held as revenue assets or trading stock.

The summary below also does not take account of any individual circumstances of any particular Eligible Retail Shareholder. Eligible Retail Shareholders should seek specific advice applicable to their own particular circumstances from their own financial or tax advisers.

The summary below is based on the law in effect as at the date of this Information.

##### **Issue of Entitlements**

Subject to the qualifications noted above, the issue of the Entitlements will not itself result in any amount being included in the assessable income of an Eligible Retail Shareholder.

##### **Exercise of Entitlements**

Eligible Retail Shareholders who exercise their Entitlements and subscribe for New Shares and, in IBA's absolute discretion, Additional New Shares will acquire those Shares with a cost base for capital gains tax ("CGT") purposes equal to the Offer Price payable by them for those Shares plus any non-deductible incidental costs they incur in acquiring them, but will not make any capital gain or loss, or assessable income, from exercising the Entitlements or subscribing for the New Shares or Additional New Shares.

##### **New Shares**

Eligible Retail Shareholders who exercise their Entitlements will acquire New Shares and, in IBA's absolute discretion, Additional New Shares (as applicable). Any future dividends or other distributions made in respect of those New Shares and Additional New Shares will be subject to the same taxation treatment as dividends or other distributions made on Shares held in the same circumstances.

On any future disposal of New Shares and Additional New Shares, Eligible Retail Shareholders may make a capital gain or capital loss, depending on whether the capital proceeds of that disposal are more than the cost base or less than the reduced cost base of the New Shares and Additional New Shares. The cost base of those Shares is described above.

# Important Information continued

New Shares will be treated for the purposes of the CGT discount as having been acquired when the Eligible Retail Shareholder exercised the Entitlement to subscribe for them. Additional New Shares will be treated for the purposes of the CGT discount as having been acquired when IBA issues or allots those Additional New Shares. Accordingly, in order to benefit from the CGT discount in respect of a disposal of those Shares, they must have been held for at least 12 months after those dates before the disposal occurs.

## **Other Australian taxes**

No Australian Goods and Services Tax (GST) or stamp duty is payable in respect of the grant or exercise of the Entitlements or the acquisition of New Shares and Additional New Shares.

## **5. Broker stamping fees**

A stamping fee of 1% of Application Monies (exclusive of GST) on New Shares allotted will be paid to stockbrokers (being those entities named as full service (advisory) brokers or non-advisory brokers on the ASX website) who submit a valid claim for a broker stamping fee on successful Applications, subject to a fee limit of \$200 (exclusive of GST) for each such Application. This fee is to be paid by IBA. Details of the claims process are to be separately communicated.

## **6. Rounding of Entitlements**

Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of New Shares.

## **7. Information availability**

Eligible Retail Shareholders in Australia and New Zealand can obtain a copy of this Information during the period of the Retail Entitlement Offer on the IBA website at [www.ibahealth.com](http://www.ibahealth.com) or by calling the IBA Health Shareholder Information Line. Persons who access the electronic version of this Information should ensure that they download and read the entire Information. The electronic version of this Information on the IBA website will not include a personalised Entitlement and Acceptance Form. A replacement Entitlement and Acceptance Form can be requested by calling the IBA Health Shareholder Information Line on 1300 723 862 (local call cost within Australia) or +61 3 9415 4262 (outside Australia) at any time from 8.30am to 5.30pm (AEDT) Monday to Friday during the Retail Entitlement Offer period, or can be accessed at [www.ibahealth.com](http://www.ibahealth.com) by following the "IBA Health 2009 Entitlement Offer" link.

*Neither this Information nor the accompanying Entitlement and Acceptance Form may be distributed to or relied upon by, persons in the United States or that are, or are acting on behalf of or for the account or benefit of, a U.S. Person, or otherwise distributed in the United States.*

## **8. Future performance and forward looking statements**

Neither IBA nor any other person warrants or guarantees the future performance of the New Shares, Additional New Shares or any return on any investment made pursuant to this Information. Forward looking statements, opinions and estimates provided in the Information are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward looking statements including projections, guidance on future revenues, earnings and estimates are provided



as a general guide only and should not be relied upon as an indication or guarantee of future performance. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of IBA and the Board, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward looking statements in this Information.

## 9. Past performance

Investors should note that the past share performance of IBA Shares provides no guidance as to future price performance.

## 10. Governing law

This Information, the Retail Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in New South Wales, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

## 11. Foreign jurisdictions

This Information has been prepared to comply with the requirements of the securities laws of Australia and New Zealand.

The New Shares being offered under this Information are also being offered to Eligible Retail Shareholders with registered addresses in New Zealand in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). This Information is not an investment statement or prospectus under New Zealand law, and may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

This Information does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of this Information (including an electronic copy) outside Australia and New Zealand is restricted by law. If you come into possession of this Information, you should observe such restrictions and should seek your own advice on such restrictions.

Any non-compliance with these restrictions may contravene applicable securities laws.

The Entitlements and the New Shares have not been, or will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States or by persons who are, or are acting for the account or benefit of a U.S. Person, and the New Shares may not be offered, sold or resold in the United States or to, or for the account or benefit of, a U.S. Person, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the New Shares may constitute "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and, for so long as the New Shares remain restricted securities, the New Shares may not be deposited in any unrestricted American Depositary Receipt facility with respect to the securities of IBA.

# Important Information continued

## 12. Financial data

All dollar values in this Booklet are in Australian dollars (A\$). The pro forma historical financial information included in this Booklet does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the US Securities and Exchange Commission.

## 13. Underwriting

IBA has entered into an underwriting agreement with the Underwriters who have agreed to fully underwrite the institutional component of the Entitlement Offer, excluding the portion that will be taken up by AEP. Customary with these types of arrangements:

- IBA has indemnified the Underwriters and their directors, officers, employees, agents and advisers against losses in connection with the Entitlement Offer;
- the Underwriters may terminate the underwriting agreement and be released from their obligations on the happening of certain events, including if:
  - IBA shares are suspended or IBA is delisted;
  - there is a delay in the timetable for the Entitlement Offer of more than 1 business day without the prior written approval of the Underwriters;
  - there is a change in the senior management of IBA or a change to the IBA Board which is materially adverse to IBA or which leads or is likely to lead to a breach of the law by an Underwriter or a liability for an Underwriter; or
  - there are material disruptions in financial conditions or markets which are materially adverse to IBA or which lead or are likely to lead to a breach of the law by an Underwriter or a liability for an Underwriter;
- subject to certain exception, AEP disposes, or agrees to dispose, of its holding of shares or convertible notes in IBA; and
- the Underwriters will be remunerated by IBA for providing these services at market rates.

## 14. Optionholders

Existing optionholders will not be entitled to participate in the Entitlement Offer unless they:

- have become entitled to exercise their existing options under the terms of their issue and do so prior to the Record Date; and
- participate in the Entitlement Offer as a result of being a holder of Shares registered on the register of IBA at 7.00pm (AEDT) on the Record Date.

Due to the current IBA share price being below the exercise price of the options currently on issue, it is unlikely that any optionholders will elect to exercise their options prior to the Record Date and therefore optionholders will be regarded as effectively not participating in the Entitlement Offer.

## 15. Convertible Notes

Under the terms of the convertible note arrangements with AEP Financial Services Holdings Pty Ltd ("AEP"), in the event of a rights issue IBA is required to effect a transaction on similar terms and with similar effect in relation to the existing convertible notes ("Existing Convertible Notes"). As a consequence, AEP is entitled to be made an offer to

subscribe for 2 new convertible notes ("Additional Convertible Notes") for every 7 Existing Convertible Notes held at the Record Date at a price of \$0.55 per Additional Convertible Note, equivalent to approximately \$7.2 million.

The Additional Convertible Notes will be issued on otherwise the same terms as the Existing Convertible Notes, in particular they can be converted into ordinary shares of IBA on a one for one basis at any time (subject to compliance by AEP with the Corporations Act). The offer of Additional Convertible Notes is open until 8 April 2009. AEP is under no obligation to subscribe for all or any of the Additional Convertible Notes.

## **16. Disclaimer of representations**

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Information.

Any information or representation that is not in this Information may not be relied on as having been authorised by IBA, or its related bodies corporate in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, none of IBA, or any other person, warrants or guarantees the future performance of IBA or any return on any investment made pursuant to this Information.

# Entitlement and Acceptance Form

**ibahealth**

**IBA Health Group Limited**  
ABN 66 063 539 702

## Entitlement and Acceptance Form

**Computershare**

**Please return completed form to:**  
Computershare Investor Services Pty Limited  
GPO Box 505 Melbourne  
Victoria 3001 Australia  
Enquiries (within Australia) 1300 723 862  
(outside Australia) 61 3 9415 4262  
Facsimile 61 3 9473 2500  
web.queries@computershare.com.au  
www.ibahealth.com

Use a **black pen**.  
Print in **CAPITAL** letters  
inside the grey areas.

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### Entitlement to invest in new IBA Health Group Limited ("IBA") ordinary shares at A\$0.55 per New Share

**RETAIL ENTITLEMENT OFFER CLOSES ON 6 APRIL 2009 AT 5.00PM (AEDT)**

**IMPORTANT:**

- This is an important document which requires your immediate attention. If you are in any doubt as to how to deal with this Entitlement and Acceptance Form ("Form"), please consult your professional adviser.
- Terms used in this Form have the meanings given in the Form and the Retail Entitlement Offer Booklet (collectively, the "Offer Documents") dated 20 March 2009 (unless otherwise stated). You should read the Offer Documents carefully before completing this Form.
- This Form relates to the non-renounceable Retail Entitlement Offer of 2 New Shares for every 7 Shares held by Eligible Retail Shareholders on the Record Date at the offer price of A\$0.55 per New Share.
- You may apply for Additional New Shares in excess of your Entitlement.
- You can pay by BPAY®. If you choose to pay by BPAY®, you do not need to return this Form. Please refer overleaf for details.
- Receipt of your payment by 5.00pm (AEDT) on 6 April 2009 (together with this Form if you are paying by cheque(s), bank draft(s) or money order(s)) will constitute acceptance of the terms of the Offer Documents.
- If the amount you pay is insufficient to pay for the number of New Shares you apply for, you will be taken to have applied for such lower number of New Shares as that amount will pay for, or your application will be rejected.
- If the amount you pay is more than the amount payable for your full Entitlement, you will be taken to have applied for Additional New Shares.
- The Directors of IBA reserve the right to make amendments to this Form where appropriate.

I/We enclose my/our payment for the amount shown below being payment of A\$0.55 per New Share and per Additional New Share (if any).

<b>A</b>	<b>Shareholder Entitlement Details</b>
Subregister	<input style="width: 100%;" type="text"/>
Entitlement Number	<input style="width: 100%;" type="text"/>
<b>Entitlement based on holdings of IBA ordinary shares</b>	
IBA ordinary shares held at Record Date, 7.00pm (AEDT) on 17 March 2009	<input style="width: 100%;" type="text"/>
Entitlement to New Shares on a 2 for 7 basis	<input style="width: 100%;" type="text"/>

**IBA**

Applications can only be made in the name(s) printed on this Form

025174 - V4



**IBA Health Group Limited**  
ABN 66 063 539 702

Please see overleaf for guidelines to complete this Form and Payment Options. If you are paying by cheque(s), bank draft(s) or money order(s) please detach this section of the Form and return it with your cheque(s), bank draft(s) or money order(s).

**B** Number of New Shares applied for (being not more than your Entitlement shown in box A)

**C** Number of Additional New Shares applied for in excess of your Entitlement shown in box A

**D** Total number of New Shares and Additional New Shares applied for (add boxes B and C)

**E** Cheque Details

Make your cheque(s), bank draft(s) or money order(s) payable to "IBA Health Offer Account" and crossed "Not Negotiable"

Drawer	Cheque Number	BSB Number	Account Number	Cheque Amount (total in box D multiplied by A\$0.55)
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	A\$ <input style="width: 100%;" type="text"/>

**F** Contact Details

Please provide your contact details in case we need to speak to you about this Form

Name of contact person

Contact person's daytime telephone number (  )

**How to complete the Entitlement and Acceptance Form**

Please complete all relevant sections of this Form using BLOCK LETTERS in black ink. Note that photocopies will not be accepted. These instructions are cross-referenced to each section of this Form. This Form should only be used by/for the shareholder(s) whose details appear on the front of this Form.

<p><b>A Shareholder Entitlement Details</b> Details of your total Entitlement based on your holding of IBA ordinary shares at 7.00pm (AEDT) on 17 March 2009 are shown in box A on the front of this Form.</p> <p><b>B New Shares Applied For</b> You can apply to accept either all or part of your Entitlement. Enter in box B the number of New Shares you wish to accept from your Entitlement.</p> <ul style="list-style-type: none"> <li>To apply for your Entitlement in full, write in box B the number of New Shares shown in box A as your Entitlement.</li> <li>To apply for part of your Entitlement only, write in box B the number of New Shares for which you wish to apply.</li> </ul> <p><b>You may apply for more New Shares than your Entitlement using box C.</b></p> <p><b>C Additional New Shares Applied For</b> You may apply for Additional New Shares in excess of your Entitlement. No Eligible Retail Shareholder is assured of receiving any Additional New Shares applied for in excess of their Entitlement. The Additional New Shares are subject to scale-back at IBA's absolute discretion. To apply for Additional New Shares, write in box C the number of Additional New Shares for which you wish to apply. <b>Please ensure you complete box B and box C (if you are applying for Additional New Shares).</b></p> <p><b>D Total IBA Ordinary Shares Applied For</b> To calculate the total number of New Shares and Additional New Shares applied for, add box B and box C together and enter this amount in box D.</p>	<p><b>E Payment Details</b> You can apply for New Shares and Additional New Shares utilising the payment options detailed below. For all payment options, payment must be received by no later than 5.00pm (AEDT) on 6 April 2009.</p> <p><b>(1) Payment by BPAY®</b> You can pay by BPAY® using the details set out at the bottom left of this page (under "Payment Options"). If your payment is being made by BPAY®, you are not required to return this Form, and you will be deemed to have applied for such whole number of New Shares and Additional New Shares (if any) for which you have paid.</p> <p><b>(2) Payment by cheque(s), bank draft(s) or money order(s)</b> If you choose this payment method, your cheque(s), bank draft(s) or money order(s) must be made in Australian currency and drawn on an Australian branch of a financial institution. Such payment must be made payable to "IBA Health Offer Account" and crossed "Not Negotiable". Payments that are not properly drawn may be rejected. Complete the details in the boxes provided in section E. To calculate the amount payable, multiply the total number of New Shares and Additional New Shares applied for in box D by the offer price of A\$0.55. Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Form being rejected. Paperclip (do not staple) your cheque(s), bank draft(s) or money order(s) to the Form where indicated. Cash will not be accepted. Receipt of payment will not be forwarded.</p> <p><b>Contact Details</b> Enter the name of a contact person and telephone number. These details will only be used in the event that Computershare Investor Services Pty Limited ("Share Registry") has a query regarding this Form.</p>
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**Declaration**

By submitting this Form along with your application monies or making a payment by BPAY®, you:

- agree to be bound by the terms of the Offer Documents and the provisions of the IBA constitution;
- agree to be bound by the terms and conditions of issue of the New Shares and Additional New Shares in accordance with the Offer Documents;
- authorise us to register you as the holder(s) of the New Shares and Additional New Shares (if any) allotted to you;
- declare that all details and statements in this Form are complete and accurate;
- declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under this Form;
- acknowledge that once IBA receives your Form or payment by BPAY®, you may not withdraw it;
- agree to apply for, and be issued with, the number of New Shares and Additional New Shares (if any) that you apply for at the offer price of A\$0.55;
- authorise IBA and its officers or agents to do anything on your behalf necessary for the New Shares and Additional New Shares (if any) to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in this Form;
- declare that you are the current registered holder(s) of the Shares in your name at the Record Date and are an Australian or New Zealand resident at the Record Date;
- acknowledge that the information contained in the Offer Documents is not investment advice or a recommendation that New Shares are suitable for you, given your investment objectives, financial situation or particular needs;
- represent and warrant that the law of any other place does not prohibit you from being given the Offer Documents or making an application on this Form;
- represent, warrant and agree (for the benefit of IBA, the Joint Lead Managers and their respective affiliates) that you are not in the United States and you are not acting for the account or benefit of, a "U.S. person" (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act") ("U.S. Person"));
- represent, warrant and agree that the New Shares and Additional New Shares have not, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia or New Zealand;
- agree not to send this Form, the Offer Documents or any other material relating to the Retail Entitlement Offer to any person in the United States or that is acting for the account or benefit of a U.S. Person; and
- agree that if in the future you decide to sell or otherwise transfer your New Shares or Additional New Shares, you will only do so in transactions on the ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or a U.S. Person.

If you have any enquiries concerning this Form or your Entitlement, please contact the Share Registry on 1300 723 862 (within Australia) or 61 3 9415 4262 (outside Australia) between 8.30am and 5.30pm (AEDT) Monday to Friday.

**Lodgement of Acceptance**

For all payment options, payment must be received by no later than 5.00pm (AEDT) on 6 April 2009. It is the responsibility of the applicant to ensure that funds submitted through BPAY® are received by this time. If you are paying by cheque(s), bank draft(s) or money order(s) a reply paid envelope is enclosed for Eligible Retail Shareholders in Australia. Eligible Retail Shareholders in New Zealand will need to affix the appropriate postage. Return the bottom section of this Form with the cheque(s), bank draft(s) or money order(s) attached.  
Neither the Share Registry nor IBA accepts any responsibility if you lodge the Form at any other address or by any other means.


**CHES holders must contact their Controlling Participant to notify a change of address.**

The New Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons.

025174 - V4

**Payment Options:**

**1. BPAY®**


 **Billir Code:** \_\_\_\_\_

**Ref No:** \_\_\_\_\_

Telephone & Internet Banking – BPAY®

Contact your bank, credit union or building society to make this payment from your cheque or savings account. For more information please refer to [www.bpay.com.au](http://www.bpay.com.au). You must check the processing cut off time for BPAY® transaction with your bank, credit union or building society as it may be earlier than the close of the Entitlement Offer. It is the responsibility of the applicant to ensure funds submitted through BPAY® are received by the close of the Retail Entitlement Offer being 5.00pm (AEDT) on 6 April 2009.

**2. Cheque(s), bank draft(s) or money order(s)**

 **Made Payable to:**  
"IBA Health Offer Account" and crossed "Not Negotiable"

**Mail to:**  
Computershare Investor Services Pty Limited  
IBA Health Retail Entitlement Offer  
GPO Box 505  
Melbourne VIC 3001  
AUSTRALIA

IBA

