ibahealth

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ANNOUNCEMENT TO THE ASX

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[1] 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".

[1] 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")[2].

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[3]. 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[4], 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.

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[2] 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.

[3] Being the last day of trading prior to the announcement of the Entitlement Offer.

[4] The underwriting agreement includes a number of customary termination events.

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
Borrowings					
• 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	
Total borrowings		**366.0**	**(76.7)**	**289.3**	
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[5] to EBITDA	2.3x	1.8x
EBITDA to finance costs	3.0x	4.0x
Gearing ratio (net debt/equity)[6]	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[5] to EBITDA	2.3x	1.4x
EBITDA to finance cost	3.0x	4.4x
Gearing ratio (net debt/equity)[6]	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.

[5] Historical and pro forma net debt as at 31 December 2008

[6] 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[7] 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

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[7] 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.

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.

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

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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

ANNEXURE A – OFFER TIMETABLE AND STRUCTURE

Event	Date
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: 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.

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 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.

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:

(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 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.

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 entitles 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.