

Announcement to the ASX

iSOFT boosts patient safety solution offering through acquisition of PSI

Sydney – Thursday, 26 November 2009 – iSOFT Group Limited (ASX: ISF) – Australia's largest listed health information technology company today announced it acquired Patient Safety International Pty Ltd. (PSI) in a deal worth up to \$5 million as part of the company's strategy of boosting its portfolio of innovative solutions through bolt-on acquisitions.

The acquisition provides iSOFT with state-of-the-art patient safety software that enables healthcare organizations to record, monitor and take relevant management action to minimize future adverse medical events. South Australia-based PSI's AIMS solution uses an ontology that comprises a comprehensive set of some 25,000 terms developed by the Australian Patient Safety Foundation.

"This is the kind of acquisition that goes straight to the heart of improving patient safety and lifting the overall quality of health care," said Gary Cohen, iSOFT Executive Chairman & CEO. "PSI's software is an explicit example of how innovative technology is being used directly to enhance patient safety through analysis and prevention of errors. PSI is an outstanding contribution to iSOFT's reputation as a world-class provider of healthcare IT solutions."

iSOFT paid an initial consideration of \$1.07 million. The remainder may be paid out as an earn-out over three years. The company expects PSI to contribute \$2 million in revenue at 25% EBITDA in FY10 and grow this contribution going forward.

Currently used in Australia, South Africa and the U.S, the AIMS solution can be applied in most markets including the emerging Patient Safety Organizations (PSOs) in the U.S.

Global studies show that the cost of errors and accidents in health care exceeds 5% of overall health spending. One in 10 hospital admissions are associated with an adverse event, and one in five of these contribute to a major disability or death.

Since fifty percent of adverse events are considered preventable, an understanding of the underlying causes of medical errors and decisive corrective action can lead to significant savings in both healthcare expenditures and human costs. In Australia alone, the potential annual savings are estimated at \$2 billion.

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About iSOFT Group

iSOFT Group Limited (ASX: ISF) is the largest health information technology company listed on the Australian Securities Exchange, and among the world's biggest providers of advanced application solutions in modern healthcare economies.

iSOFT works with healthcare professionals to design and build software applications that answer all of the difficult questions posed by today's healthcare delivery challenges. Our solutions act as a catalyst for change, supporting free exchange of critical information across diverse care settings and participating organisations.

Today, more than 13,000 provider organisations in more than 40 countries use iSOFT'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 the market, and anticipation of our clients' evolving requirements. Our business is driven by the collective talent, experience and commitment of more than 4,700 specialists, including more than 2,700 technology and development professionals.

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

www.isofthealth.com

About Patient Safety International

Patient Safety International Pty Ltd (PSI) was formed in October 2000 as a fully owned subsidiary of the Australian Patient Safety Foundation (APSF). As the commercial arm of the APSF, PSI is responsible for the marketing, technical development and support of the AIMS incident management system. The APSF forms the research basis of PSI and is responsible for on-going development of the classification schema.

PSI provides patient safety software including the AIMS system for incident management that is based on extensive research and field experience - to reduce harm in the delivery of patient care. PSI's AIMS software enhances efficiency and quality by providing a single point of data entry to capture, classify, manage and analyse safety and quality information. Unlike other systems, AIMS provides detail on *why* and *how* problems occur - powerful knowledge in the development of interventions.

To enable comprehensive analysis, data is collected and structured in a consistent and accurate manner using the AIMS HIT-Classification™. The AIMS system is based on the Reason model of complex system failure and is unique in its ability to collect safety and quality data across large health care environments. The AIMS classification has been used in the development of the soon to be released World Health Organization (WHO) International Classification for Patient Safety.

www.patientsafetyint.com