

Announcement to the ASX

Market update

Sydney – 30 September 2010 – iSOFT Group Limited (ASX: ISF) has today lodged its Annual Report and audited financial statements for the year ending 30 June 2010. In addition, it announces the following to the market.

Debt facilities re-organisation

iSOFT and its banking syndicate have agreed on the terms of a re-organisation of the Company's senior debt facilities. The Senior lenders have issued to the Company a fully underwritten, credit approved and binding commitment setting out the terms on which the senior lenders have agreed to continue to extend the Group's existing senior debt facilities, including remodeled financial covenants as well as the provision of a new senior revolving debt facility of up to GBP40 million.

Securing the Company's debt structure is the first of several steps being undertaken by the Board of iSOFT to establish a more appropriate capital structure for the Company.

Chairman Robert Moran said: "The re-organisation and extension of our debt facilities removes the short term financial uncertainty that we have faced over the last few months and provides a stable platform for us to execute upon the next stages of our plan. However, business conditions remain challenging and iSOFT is continuing to focus on key products and geographies to improve cash generation and profitability."

Details of the debt facilities are available in the Annual Report.

Business outlook

The 2011 financial year will be a transitional year as iSOFT proceeds through its re-organisation. However, the support from the Company's banking syndicate, customers and major shareholder OCP, demonstrate the potential for iSOFT when the ongoing cost realignment and capital reorganisation programs are complete.

Acting CEO Andrea Fiumicelli said: "We are confident that we will enter 2012 with a business that is considerably more robust. We started the current financial year with contracted revenues of about \$300 million and we continue to grow our pipeline of new business, while also making operational changes to put us in a better position to take advantage of ongoing opportunities globally. These changes include more efficient utilisation of our people, reducing duplication and simplifying internal processes. In short, we are simplifying and improving the way we develop and deliver products to ensure we can anticipate fluctuations in market dynamics and respond accordingly."

There have been some promising announcements made by the UK Department of Health over the last few weeks which affect iSOFT's current and future position in the National Programme for IT (the National Programme). In our view, these announcements preserve the opportunity for new sales outside of National Programme procurements. In parallel, we continue to work with our partner CSC to achieve successful deployments at the Lorenzo early adopter trusts.

In the meantime, iSOFT is beginning to leverage its ownership of the Lorenzo intellectual property by developing other products based on Lorenzo for deployment in other parts of the UK, Continental Europe, Australia and New Zealand. Further information about this is contained in the Company's 2010 Annual Report.

Board and management changes

Following our announcement on 31 August 2010 that Gary Cohen had stepped aside as CEO of the Company, iSOFT today announces that Gary Cohen has resigned from the Board and has completed all executive responsibilities with the Company. Gary has assisted professionally and properly in the transition period. Chairman, Robert Moran said "The Board thanks Gary for his professionalism and assistance during the transition period."

As announced on 24 September 2010, Ronald Series has accepted an invitation to join iSOFT's Board as an Executive Director, responsible for overseeing the operational re-organisation of the Company's business. This is part of an ongoing Board renewal process under which a number of additional and replacement Board members will be nominated.

Andrea Fiumicelli, who has been the Company's Chief Operating Officer for the past two years, will continue as Acting Chief Executive Officer.

Annual General Meeting

The Annual General Meeting of iSOFT Group Limited will be held at 11.00am on November 30 at iSOFT's Sydney office located at:

Darling Park, Tower Two
Level 27, 201 Sussex St
Sydney 2000

End of release

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About iSOFT Group

iSOFT Group Limited (ASX: ISF) is 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 organizations.

Today, more than 13,000 provider organizations in over 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 4,000 specialists in 19 countries worldwide, 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.

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