

Announcement to the ASX

2010 AGM – Chairman's and CEO's Addresses

Sydney – Tuesday, 30 November, 2010 – iSOFT Group Limited (ASX: ISF)

In accordance with Listing Rule 3.13.3, attached are the addresses to be delivered by Mr. Robert Moran, Chairman and Mr. Andrea Fiumicelli, Chief Executive Officer, at the iSOFT Annual General Meeting to be held at iSOFT, Level 27, Tower Two, Darling Park, 201 Sussex Street, Sydney, commencing at 11.00am this morning.

End of release

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About iSOFT Group

iSOFT Group Limited (ASX: ISF) is a health information technology company listed on the Australian Securities Exchange.

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 38 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 3,500 specialists in 17 locations worldwide, including more than 2,300 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

iSOFT Group Limited Annual General Meeting

30 November 2010

Robert Moran

As you are no doubt all aware, we are meeting this year under very different circumstance to last year. The company has faced a number of challenges over the past 12 months.

Before we get to the formal part of today's meeting I would like to say a few words about the challenges of the last year, how and why we got it wrong, how the business has been tracking so far this fiscal year and the strategy we have implemented to get things back on track. Please note that all numbers that are referred to today are in constant currency terms.

As we announced at the release of our full year results in August, part of the overhaul of the business has involved some changes to the senior executive team and to the Board.

I was appointed non-executive Chairman in June although I have been a non executive director of the Board for the past two years. At the executive level, Gary Cohen stepped down as executive Chairman in June and as CEO at the end of August and he resigned from the Board in September. That month, we were pleased to be able to announce the appointment as Executive Director of Ron Series who will assist us in our restructuring program, which is a field in which he has considerable experience. During the year, Dr James Fox resigned as a Director. Steve Garrington resigned as a Director but remains in our management team in a Business Development role.

Today, we have announced the appointment of Andrea Fiumicelli as CEO. Andrea has been acting in the position since September.

Andrea will be running through the detail around what we have been doing at the operational level to get the company back on track in a few minutes.

Before that I just want to say how pleased we are that Andrea accepted the role as CEO. I personally oversaw the international search for a replacement for Gary Cohen. We were fortunate to have a number of high quality candidates, but it was Andrea who ticked all the right boxes. His experience in healthcare IT internationally was a key determinant in our decision to confirm Andrea as CEO. His knowledge of this company – its strengths and its weaknesses – is second to none and he has a very clear idea of where we should be heading. He has a passion to see this company succeed. Before joining iSOFT two years ago as chief operating officer, Andrea was running Agfa Healthcare IT, one of our major competitors.

Problems of 2010

Moving to the issues which we faced during fiscal year 2010, there were a number of factors which contributed to the poor financial performance.

Firstly, we failed to achieve the growth levels we had planned in many of our key markets. To a large extent, this was due to the impact of the global financial crisis on Government budgets across Continental Europe and the UK and to a lesser extent in other economies. As a result, overall planned spending on healthcare was wound back or deferred in many of our markets.

Secondly, we were too slow to react to the changed economic environment and did not rein in expenditure despite the fact that our growth expectations were not coming to fruition in the timeframe expected.

Thirdly, more than two-thirds of our revenue is generated in the UK and Europe, and the appreciation of the Australian dollar against the euro and the pound had a significant negative effect on our reported results.

Finally, there was a shortfall in the anticipated revenue from the UK National Programme for IT. With implementation by our partner CSC slower than expected, payment milestones that we had expected to be met were delayed. This not only deferred milestone payments to iSOFT but also had a knock on effect for other related revenue. There was also a lot of uncertainty in both operating and financial markets with respect to the National Programme running up to the UK election in May 2010 and following a change in the UK government. This has recently been clarified, with the Department of Health confirming that all existing contracts will be honoured. Andrea will provide you further detail in relation on the most recent announcements of the Department of Health in the UK in relation to the National Program and future procurement and deployment strategies for healthcare IT in England.

These negative events all hit us within a relatively short period of time putting a great deal of pressure on our cash flow position and reported earnings. This came as a very big disappointment to the whole company and of course to our shareholders. I acknowledge on behalf of the Board, the distress that this has caused to all involved and the impact on our share price speaks for itself.

Current performance

I know many of you have been frustrated by our lack of earnings guidance for the current year and clarity about how the business is performing this year. However, given the experiences of the last year and with so many parts of the business being reviewed, we hope you can also understand that we wanted to avoid building up expectations and making promises or forecasts that could change.

We are now in a position to update you on operations and give some indication of financial performance over the four months to the end of October.

We started this fiscal year with the knowledge that we would have substantially reduced revenues from the National Programme as the development phase winds down and that we would also have reduced revenues from the Netherlands where some large contracts were due to come to an end as a result of decisions taken in 2007. Together, these two factors reduce our starting point for the year by around \$35 million as compared to last year.

The challenge that the Board put to the executive management team for this year was to grow our other businesses at a rate sufficient to offset these declines; implying overall revenue for the year being equivalent to last year. This is the platform for the fiscal year 2011 business plan. To achieve this, the business will need to book higher revenues in the second half as compared to our target for the first half. This is in an environment where economies – particularly those of Europe, including the UK – remain weak, and public sector spending is constrained. So far, as expected, revenues for the first 4 months of this year are below those of the previous year and are slightly below budget but our target and aspiration for full year revenue remains the same, but this will be challenging. Andrea will make some comments in this regard.

On the cost side, we are progressing well in achieving our target of approximately \$30 million cost savings in FY11. This corresponds to an annualised run rate savings of \$50 million in expenses targeted by the end of FY11. Management layers and administrative and head office costs have been significantly reduced and that will continue throughout this year. Overall, headcount has been reduced significantly and Andrea will take you through that in detail. We have initiated a strategic review of our product suite and of the markets in which we operate to ensure that they will generate cash and profitability for iSOFT. Our operational restructuring is generating significant one-off largely to occur in the first half. There are also additional costs associated with our renegotiated banking facilities. Together, these two factors total around \$25 million making a traditional cash flow skew to the second half even more pronounced this year. This means that we have continued to operate in a cash flow negative position during the current half year, although we expect this situation to begin reversing in the second half of the fiscal year. Our negative cash flow position has been funded by the additional facilities made available to us by our banking syndicate.

It is important to stress that this is a transition year for iSOFT. Realistically it is fiscal year 2012 and those after it in which we will start seeing the real bottom line benefits from the work we are doing this year.

Management and Board renewal

As I mentioned briefly at the beginning of this speech, in addition to substantial cost reductions, significant changes have been made to the management team at iSOFT and a program of Board renewal is also underway.

Following the appointment of Ron Series in September, today we announced the appointment of a new Board member effective immediately following this meeting. Peter Housden will head our Audit and Compliance Committee after a short transition with the current head of the Committee, Tony Sherlock. Peter comes with a strong financial background, and considerable experience in multinational firms including in the healthcare industry.

Peter joins us today in the front row and I am sure you will have the chance to introduce yourself to him after the meeting should you wish to do so.

There are likely to be other Board changes in the short term reflecting the commitment we have made to Board renewal.

As you are aware, I am the Managing Director of Oceania Capital Partners, the company's largest shareholder and as such I am not considered independent under the corporate governance rules of the ASX. When I agreed to become Chairman in June, it was for a specific set of short term objectives. My short term objectives were to ensure that the necessary business restructure was planned and execution begun; to effect management change and to increase management focus on operational matters; and, to the extent possible, to normalise the relationship between the company and its banks to provide a stable platform for the company to pursue its future.

Much of what I was tasked to do has been achieved in the short term and it is appropriate that we appoint an independent chairman to the Board in due course to take the company through the next phase. We are presently undertaking the process to identify a person who can take this independent role. I will continue my involvement in the company as a non executive director.

As part of the overall renewal process, we have an active search for up to two directors underway. Two of our long standing directors, Peter Wise and Claire Jackson have indicated that they will stand down as and when required over the next few months to facilitate that renewal process.

In addition to the appointment of a new CEO, the executive management team has been restructured and operates in a more operationally focused manner. We have followed the principle of simplifying as many aspects of the management structure as possible.

Capital structure

Having achieved stabilisation of our debt facilities in the short term and being well down the track of implementing the operational restructure, it is now time to look to put the company's capital structure on a more stable footing. We are carrying too much debt for the level of trading of the business and this needs to be rectified.

We have previously announced that we have been investigating all alternatives to address this position and we have initiated a strategic review with our advisers, UBS in Australia and Gleacher Shacklock in the UK.

The aim of this review is to consider strategies that will enable ISF to repay its existing bank facilities and to enter into new, longer term finance facilities with a lower level of overall debt. It is envisaged that the outcome of this review might take the form of the introduction of a new strategic investor or potentially a change of control transaction. However, I do not wish to pre-empt the outcome of this process as other options may emerge that deliver on our stated objective. Shareholders will be updated as and when there are material developments in relation to this strategic review process.

We have also previously announced that we are considering a limited number of asset sales or business closures in order to reduce debt and improve cash flow and this process continues.

Finally, I would like to make a comment about our current debt facilities. In September we announced iSOFT and its banking syndicate had agreed new terms for the company's senior debt facilities which total GBP152 million. While this has stabilised the short term funding of the company, we are incentivised to reduce debt levels because of the all-in costs of those new facilities (including cash interest, payment-in-kind interest and holding and exit fees) are very high

when everything is taken into account. We are grateful for the support of the banking syndicate but neither party considers this position as sustainable in the longer term.

We recently informed the market that there had been a trigger which brought forward the end date of the bulk of our facilities to March 2012 rather than the pre-existing termination date in 2013. We would have been able to maintain the longer dated term of our facilities had we been successful in raising a significant amount of new capital by 15 November 2010. This was not able to be achieved within the limited timeframe.

Before I hand over to Andrea, I would like to recap. We have conducted a review of the business and have adopted a 3 year business plan which sees the company returning to profitability.

- First, we are well underway on an operational restructure and cost reduction program.
- Second, we are undertaking a significant program of Board and management renewal.
- And finally, we are investigating how best to strengthen the company's capital base to deal with our current level of indebtedness.

I would like to hand over now to Andrea who will be able to give you more detail about what has been happening in the business at an operational level.

Andrea Fiumicelli

Thank you Robert and good morning Ladies and Gentlemen.

I was very honoured to be appointed CEO after acting in the position since September, and I look forward the opportunity to steer the company into a more fruitful and profitable period.

As Robert has said, the past four months have been about consolidation.

Robert has outlined the challenges we faced and I would like to focus on the progress that has been made in getting iSOFT back on track.

Slide 4

On the revenue side, management entered FY2011 knowing that we were beginning the year with lower contracted revenues than FY2010 due to contracted declines in the National Programme and several contracts ending in the Netherlands. But we have had some solid achievements so far this financial year.

Overall, the regions which have achieved higher revenues than last year in the first four months this fiscal year are the UK outside of the National Programme, Central Europe, Southern Europe and Latin America. But let me give you a snapshot of some of our successes across the world.

Two strategic deals in Germany will see iSOFT replacing Siemens and Agfa installed hospital information systems. In these deals, with the Wilhelmshaven Hospital and Bad Laasphe Clinic, both have also signed up to install the first Lorenzo Smart Solution which is a module for nursing management.

Another significant deal is our first Lorenzo sale in Spain. The hospital Transfronterizo, at the border of France and Catalonia, will be installing a Lorenzo Enterprise hospital information system. The hospital will be the first acute care facility supporting a cross-national healthcare model between Spain and France and has attracted a government subsidy for its development.

In the Middle East, we have signed our first radiology deal with the King Abdul Aziz Hospital.

In Australia we won a four-year upgrade and maintenance contract with the state of Western Australia for multiple patient administration system. We have also sold a clinicians mobility solution – making patient data accessible via an iPad or iPhone – to the 500-bed Cabrini Hospital in Victoria. The deal is significant in showing our ability to deliver innovative solutions on the latest platforms, and at speed to market.

iSOFT has signed a contract with the New Zealand National Healthcare IT Board and HIQ Ltd for a medication management pilot at the Taranaki District Health Board. This is iSOFT's second medication management pilot in New Zealand and will see an integrated solution of both MedChart and ePharmacy installed at Taranaki. The first pilot, at the Southern District Health Board, went live with MedChart on 13 October.

In the UK, iSOFT was awarded a contract to work with NHS Wales to roll out the Individual Health Record (IHR) nationwide. The IHR will make patient information held in iSOFT's GP systems available via the Welsh Clinical Portal.

Finally, iSOFT signed a 5 year deal with Pennine Acute Hospitals NHS Trust for an upgrade of an existing patient administration system (PAS) to provide additional patient and clinical functionality to improve patient care by enhancing the clinical information available to staff at its four hospitals in north Manchester, Bury, Rochdale and Oldham. iSOFT will install a number of web-based clinical solutions, including its new e-prescribing and medicines administration (ePMA) solution and HealthViews for order communications and consolidated access to patient data from across the trust.

Overall, in the four months to the end of October, revenues are tracking at around 10% below last year's levels for the same period due to the National Programme development contract declines, and the maintenance contracts in Holland coming to an end. Our expectation is that the second half will be stronger than the first, and our target in FY2011 is to maintain FY2010 levels of revenues despite the factors I just mentioned. This is an ambitious target. However both our contracted backlog and order pipeline are growing.

At the beginning of the year our contracted backlog was approximately \$300 million. When we take the contracted backlog at the end of October plus the revenues recognised since July 1 this year, the total is \$320 million.

Cost reductions

Slide 5

We have already achieved a lot in terms of cost reductions. Since June this year, we have managed to cut our cost base which was \$92 million in 4Q 2010 to \$79 million in 1Q 2011.

Slide 6

This slide shows our target of approximately \$30 million cost reductions in FY11 which we are making good progress on. This corresponds to an annualised run rate savings of \$50 million in expenses targeted by the end of FY11. These cost reductions do incur one-off restructuring costs of just under \$25 million this financial year, hence the full benefit of these cost reductions will not be seen until FY12.

Let me outline some concrete measures taken:

Slide 7

Our headcount has been reduced by around 20% to approximately 3800 as at September 2010 through a combination of pre-planned reductions and new reductions following our business initiatives. In December 2009, our headcount was approximately 4600. Further reductions of around 300 will be implemented by the end of FY11. A large number of these reductions are from India where the development phase of the CSC related business is winding down. We have also reduced global and headquarter personnel. It is important to stress that while we have been reducing headcount in some areas of the business we have been working hard to retain our customer facing staff in sales, service and business development to ensure that our personnel reductions do not impinge on our ability to service our customers and win new business.

We have simplified the management structure in iSOFT, and have increased the operational focus of our management team. A larger proportion of our group management are now based in the UK and Europe where the majority of our business is based.

We are also rationalising our product portfolio eliminating products that do not generate appropriate returns on investment while carefully transitioning customers to other products in a way that minimises the impact on our customers and iSOFT's business. Since the beginning of FY10 over 20 products have been sunsetted and this process will continue over the next 2 years.

Slide 8

We are simplifying and improving the way we develop and deliver products to our customers. We also have established five Development Centres of Excellence, streamlining our R&D from 19 locations previously, protecting iSOFT's capability to generate innovation in the healthcare market.

We are rationalising the number of offices in which we operate, and the next 3 years will see significantly reduced facilities costs.

And finally, we have significantly cut back discretionary spending such as on travel and marketing.

Focus on core markets

Slide 9

As part of our operational review of the business, we have examined the main markets in which we operate. As you can see from the slide, our reach is extensive with 70 million patient records being managed by 900,000 daily users across 40 countries and over 4000 hospitals and 8000 GP and community practices.

Slide 10

Going forward, we will focus on markets where we have sufficient scale, and can generate positive operating cash flow. In the markets where that is not achievable in the foreseeable future, we will exit or change our go-to-market strategy.

We have taken great care in reducing costs in a way that will not damage the fabric of the business, and will not jeopardise future growth potential for the business.

UK National Programme

Slide 11

Now I would like to spend a little time explaining to you the situation in the UK with the National Programme which has received considerable media coverage over the past year. It is important to stress that as you saw in a previous slide the National Programme previously comprised over 20% of our total revenues but is only expected to be about 9% of revenues in FY2011. This decline is consistent with the contractual arrangements we have with CSC and has been expected for some time.

It is important to acknowledge that delays have occurred in the implementation of our Lorenzo clinical and patient management product in the National Programme. This has had a knock on effect in terms of other revenue generating opportunities outside of the National Programme.

Roll-outs of this scale and complexity often hit hurdles at the implementation stage and things need to be ironed out. The roll-out to 3,500 users across five sites at the University Hospitals of Morecambe Bay went live in June and Birmingham Womens went live at the beginning of November. These are significant achievements. The NHS and CSC plan to deliver Lorenzo into Pennine Mental Trust in February 2011.

CSC and NHS are currently renegotiating the terms of their contracts for the National Programme. Once these negotiations are concluded, iSOFT and CSC can agree on the deployment schedule going forward, and the remaining milestone payments.

Separately, the Department of Health in the UK announced it is moving away from a centralised approach to IT procurement to a more locally-led regime. As Robert mentioned earlier, the Department has confirmed that it will honour the existing CSC contract in the National Programme, with the new system only applying for purchases from now on. We believe this represents a major opportunity for iSOFT given its large installed user base and existing relationships with NHS trusts. Such a move is also a boost for us because Lorenzo is an open system suitable for incremental additions to existing systems thereby preserving the value of existing investments by our customers.

Lorenzo

Slide 12

Due to the National Programme for IT in the UK, Lorenzo receives a great deal of attention in the media and therefore from investors. Lorenzo is a ground breaking platform that we believe the next generation of health management will be based on. The administrative and clinical information systems currently used to manage patients across the health network are in desperate need of significant modernisation. Lorenzo makes managing such things more effective, efficient and seamless.

Lorenzo is still at the early stage of its lifecycle, which we believe is 10 to 15 years. In FY08 and FY09, iSOFT generated substantial revenues from CSC through the development of Lorenzo for the National Programme. This development phase is coming to an end, hence the decline in revenues in FY10 and FY11 shown in the chart. In FY2011, Lorenzo will contribute approximately

10% of our revenues. Going forward, our other healthcare IT solutions will remain an important part of our revenues however Lorenzo revenues will increase significantly in FY12 and FY13 as iSOFT leverages its expertise gained in England in the rollout of Lorenzo Enterprise and Smart Solutions outside the National Programme. Already clients in the Netherlands, Germany and Spain have agreed to take Lorenzo solutions.

Lorenzo Enterprise is our core enterprise solution outside of the UK and we also offer Lorenzo Smart Solutions, which are individual modules which can be deployed as stand-alone solutions. These will enable us to achieve faster time to market, and fulfil specific market demands in a timely way.

Slide 13

We have strong businesses with healthy growth in countries in UK, Continental Europe, Latin America, Middle East and Africa and Asia Pacific. In these markets, we will roll out Lorenzo modules while maintaining existing products in some cases, and do full replacement in other cases as you can see in this chart. There is a clear plan in each market where the Lorenzo roll out is being managed to suit that country's demand and to meet the competitive pressures iSOFT faces.

Slide 14

This is demonstrated in my final slide, where we have started the introduction of Lorenzo alongside existing iSOFT products in a mid sized Acute Care hospital in the Netherlands. The blue shaded areas represent Lorenzo solutions, increasingly being installed as existing systems are replaced and upgraded. This approach is in line with the recent UK Department of Health changes in its implementation of the National Programme.

Conclusion

In conclusion, while FY2010 was a tough year for iSOFT and for its shareholders, we believe we are making good progress in terms of cost reductions and repositioning the business to be more profitable, while maintaining the capabilities to generate the expected innovation to support healthcare providers in enhancing the quality and the cost of the care delivery.

As we have said, FY2011 will be a transition year, but we expect to enter 2012 with a far more robust business.

I will now hand back to Robert.

Robert Moran

Outlook

Throughout all the turbulence of the past several months, we are encouraged by the continuing support of our customers. The quality of our product is unchanged, and our staff remain dedicated to the business.

We have a healthy base of contracted and recurring revenues and are confident that the changes we are undertaking will lead to iSOFT returning to profitable growth. In the medium term, we believe we can achieve revenue growth levels that are higher than GDP growth in our respective markets, and we have tasked management to achieve EBITDA margins of at least 20%. The current financial year, though, is one in which the necessary changes to reposition iSOFT, and the costs of implementing them, will significantly impact reported results.

We are carrying too much debt for the level of trading of the business and this needs to be rectified.

Despite recent challenges, iSOFT is still a great company at the cutting edge of the ehealth industry. Governments know that the healthcare system in most nations is archaic and needs to be more efficient and productive. iSOFT, with its world class solutions, is still in a prime position to take advantage of such health system upgrades.



iSOFT

Annual General Meeting
November 30 2010

Robert Moran

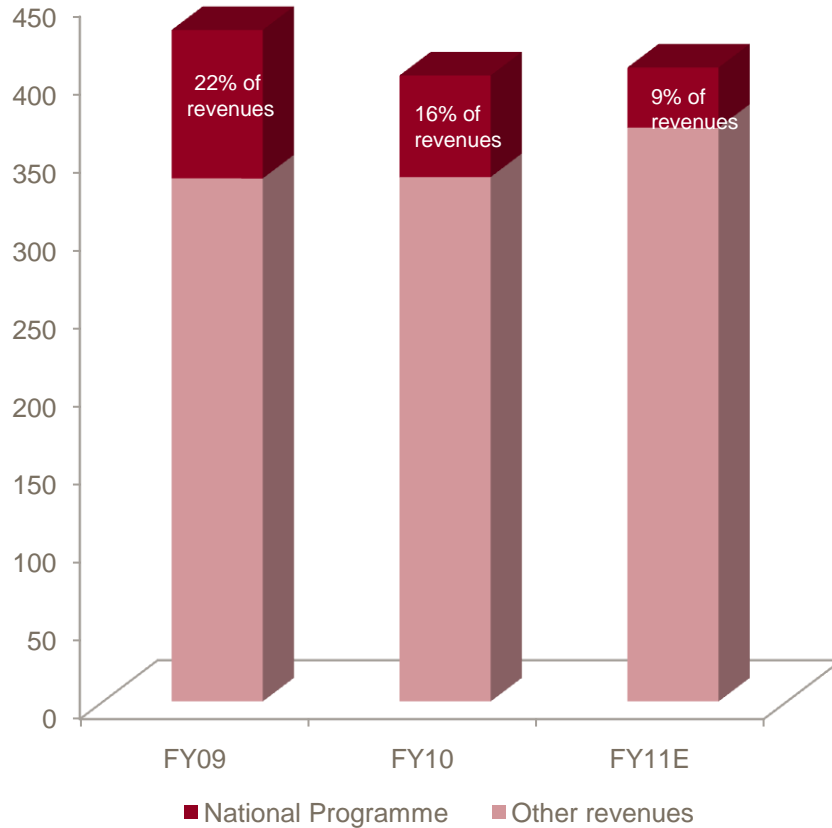
Non-executive Chairman

Andrea Fiumicelli

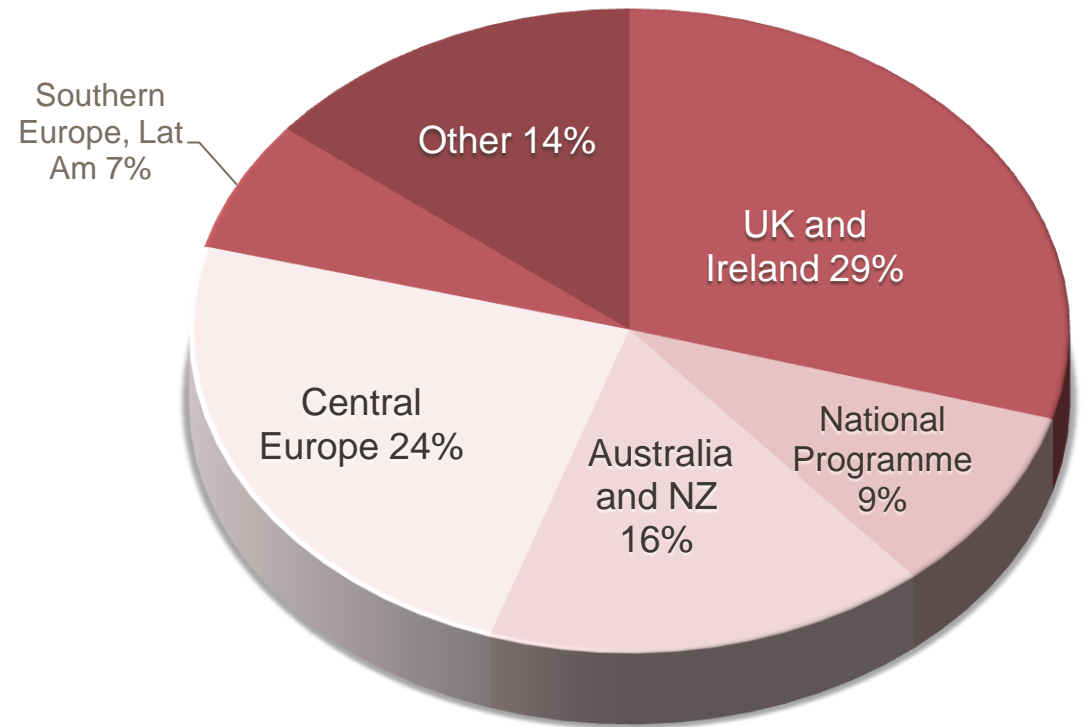
Chief Executive Officer

FY11 revenue outlook

\$m Revenue trends FY09-11E

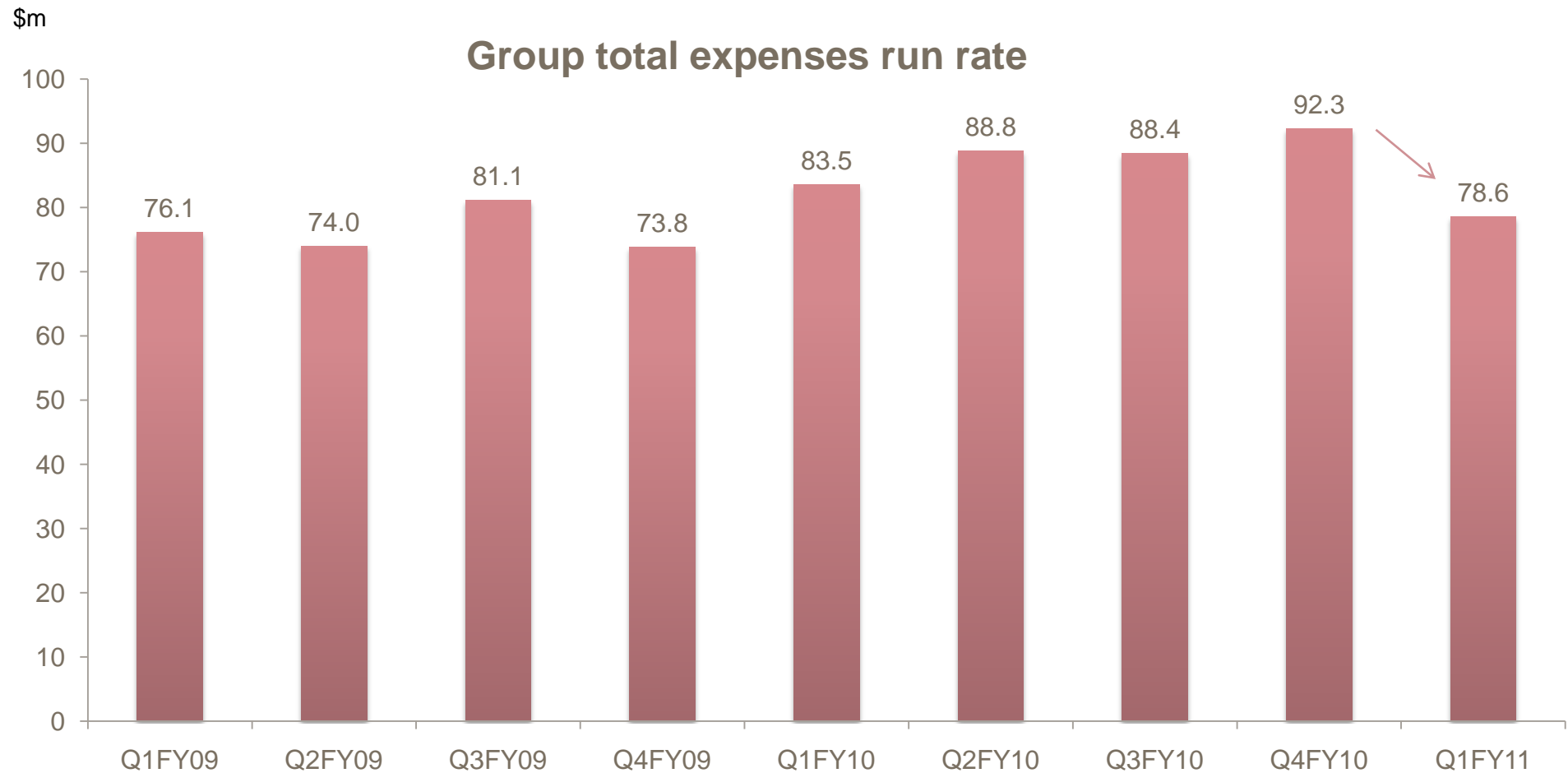


FY11 Revenue breakdown



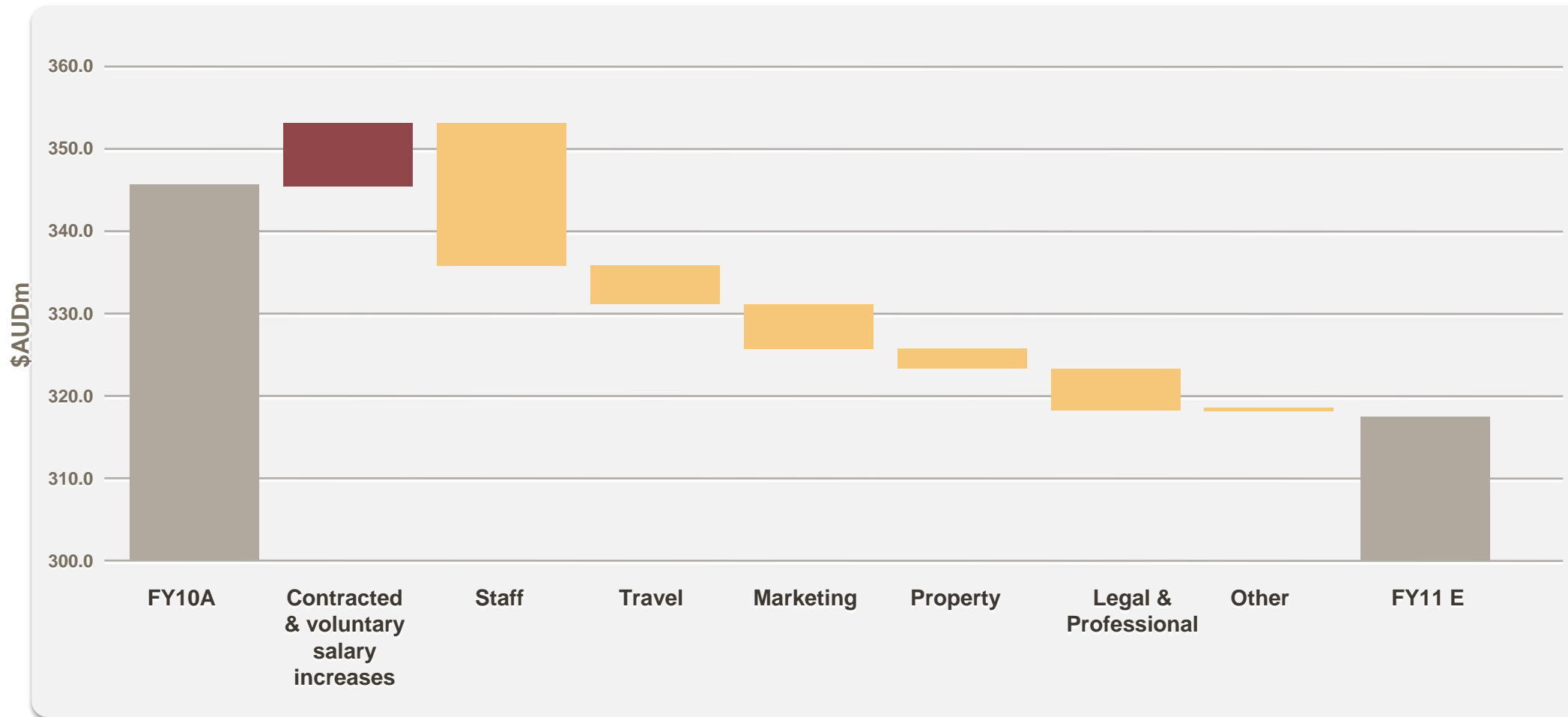
All data in the presentation is in constant currency terms based on 1 AUD = GBP 0.6102 and Euro 0.6836

Cost reductions progress



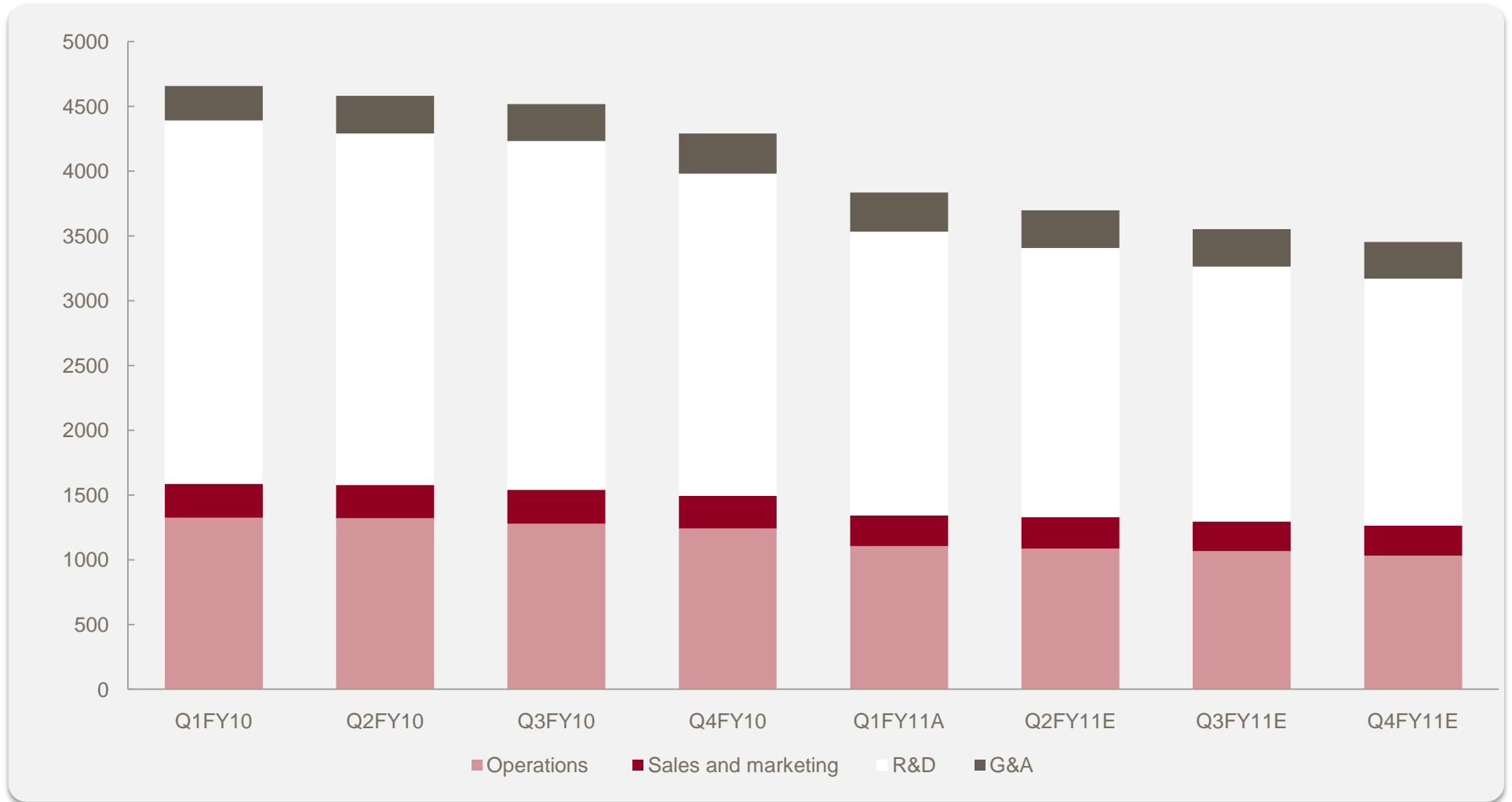
- All numbers are in constant currency terms and exclude restructuring costs
- Excluding restructuring costs, the quarterly run rate has reduced from \$88m in Q2 and Q3FY10 to \$79m in Q1FY11
- Numbers are adjusted for one-off items and timing impacts
- FY10Q3 and Q4 includes circa \$10 million annualised costs of companies acquired.

FY11 cost savings



Numbers are total expenses (which exclude third party cost of sales)

Headcount analysis



G&A headcount includes all group employees on gardening leave

R&D Centres of Excellence

Northern Europe, Middle East, Africa

Products to address regional requirements, Lorenzo Product Management Delivery Operations

Continental Europe

Products to address regional requirements, Global Products iSOFT Laboratory iSOFT Radiology & Lorenzo Enterprise

India/South East Asia/CTO

Global Products eHIS, HIE and HiNT Offshore software service, Health Studio, Lorenzo Core Technology

CSC Lorenzo Regional Care

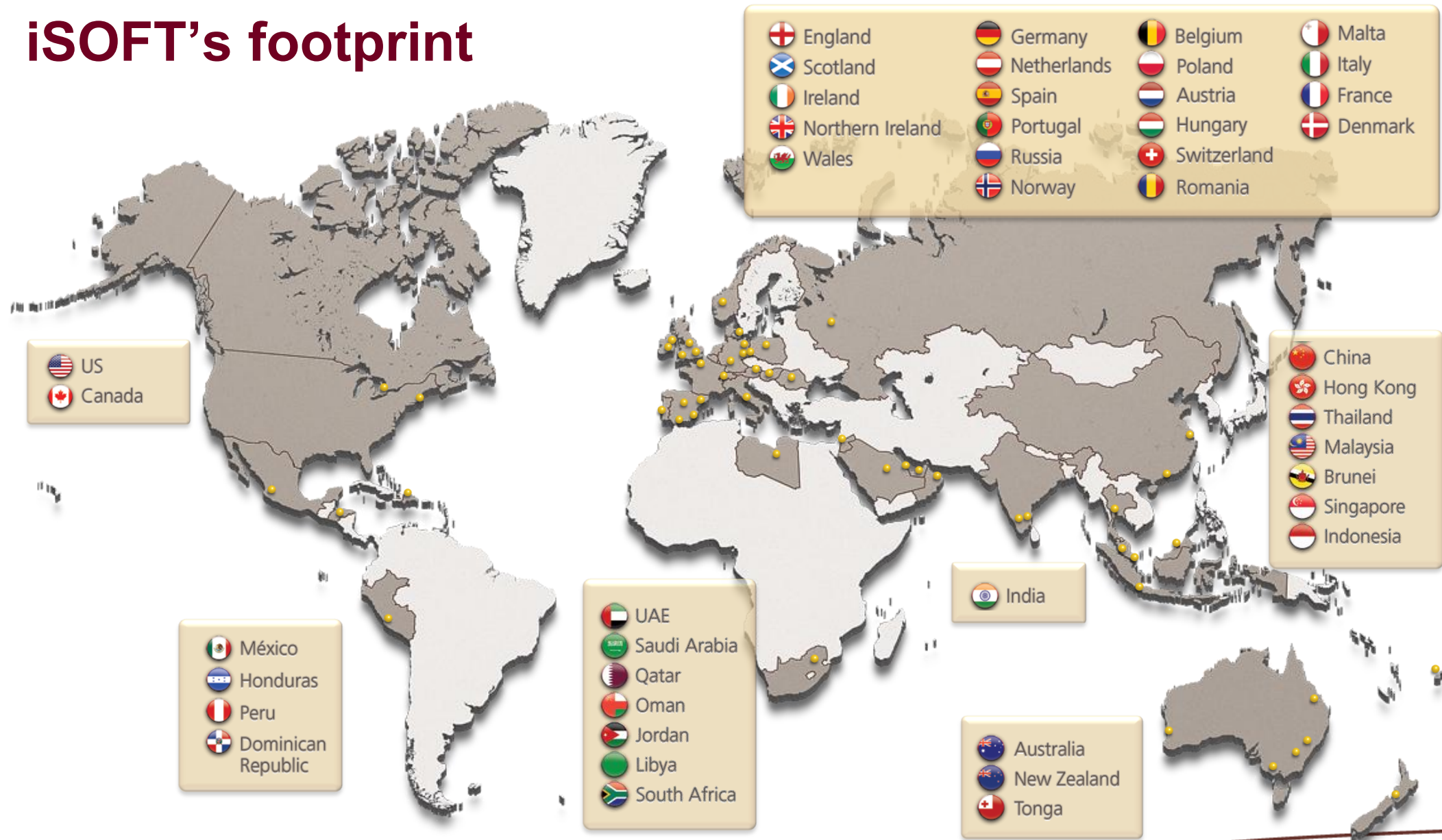
Southern Europe and America

Products to address regional requirements, Global Products Lorenzo Enterprise

Australia/ NZ

Products to address regional requirements, Global Products Medication Management

iSOFT's footprint



Focusing on core markets

UK and Ireland

Leading provider of hospital and laboratory systems; 60% market share in England; leading provider of hospital systems in Ireland

Netherlands

Leading provider of hospital systems, primary care, pharmacy and diagnostic laboratory systems

Germany

Leading provider of laboratory and radiology systems; No. 3 in hospitals systems

México

Supplier of hospital and primary care systems to public and private sectors

Spain

Strong position in hospital, primary care and laboratory systems

Australia/New Zealand

Leading provider of hospital systems

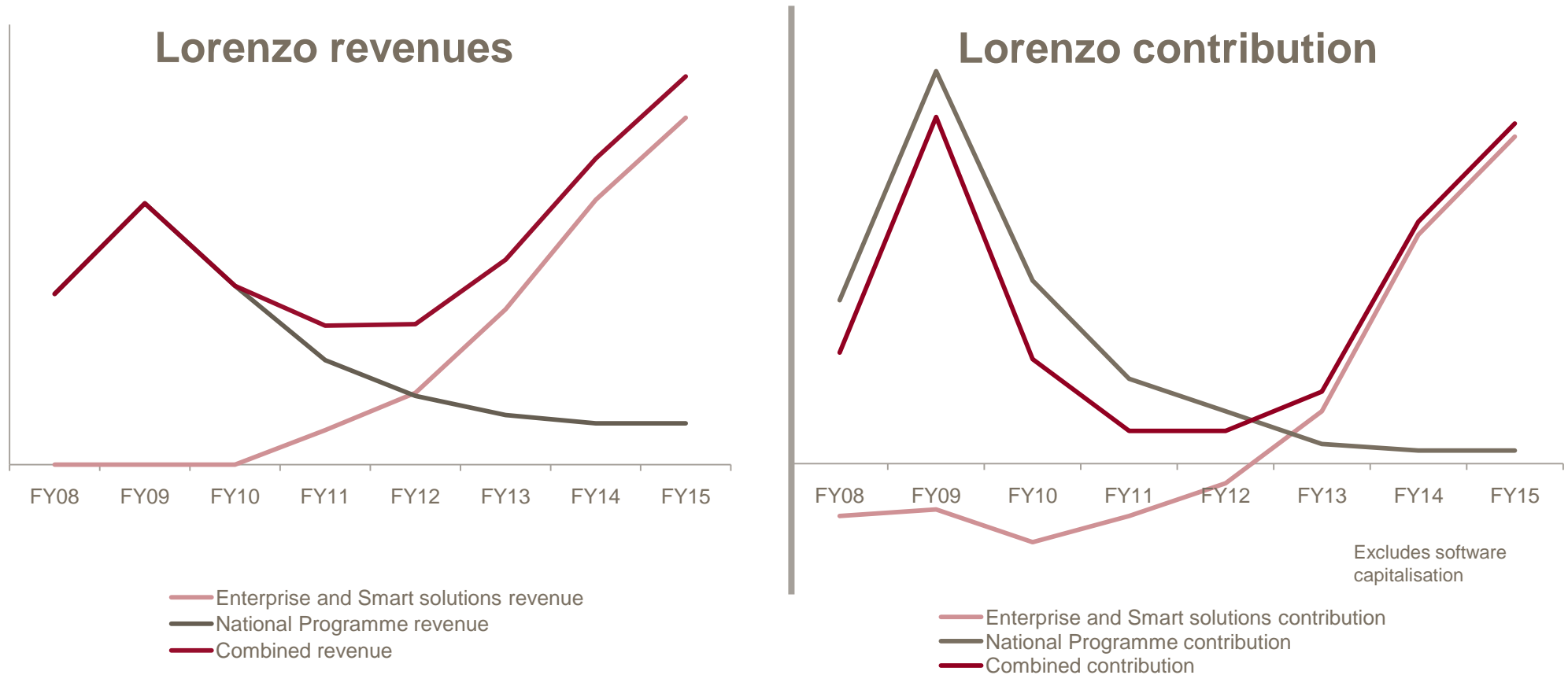
Lorenzo regional care (NPfIT)



Release Sites

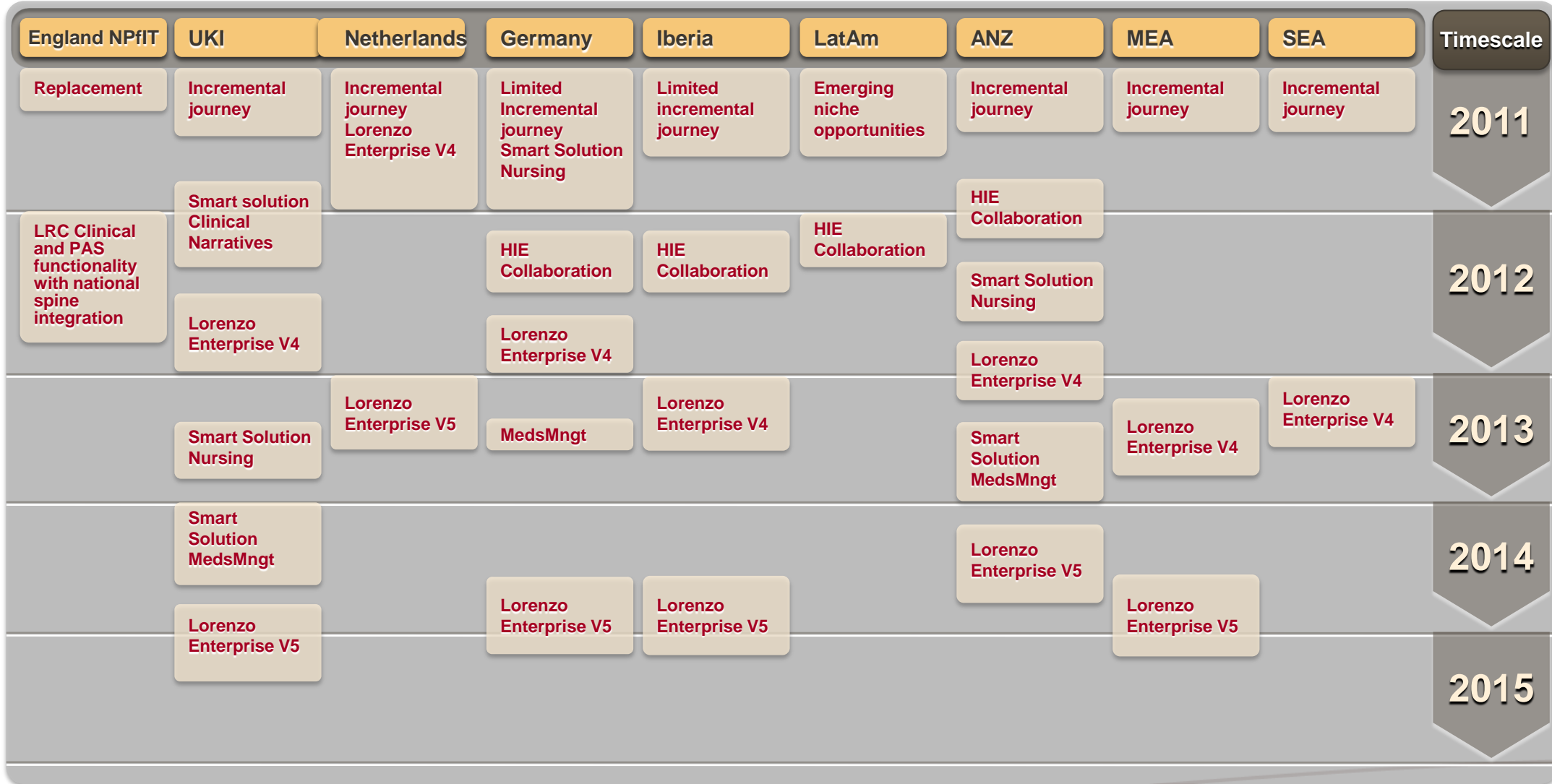
- 7 sites now live on Lorenzo Regional Care Release 1
- 3 sites now live on Release 1.9
 - Bury
 - Morecambe Bay
 - Birmingham Women's
- Pennine Mental Trust planned to go live in February 2011

Lorenzo revenues and contribution



- Lorenzo revenues will make up approximately 10% of revenues in FY11.
- National Programme revenue declines will be more than offset by other Lorenzo revenue growth from FY12.
- The contribution (including development costs) of Lorenzo will increase steeply from FY13.

Lorenzo go to market strategy by country

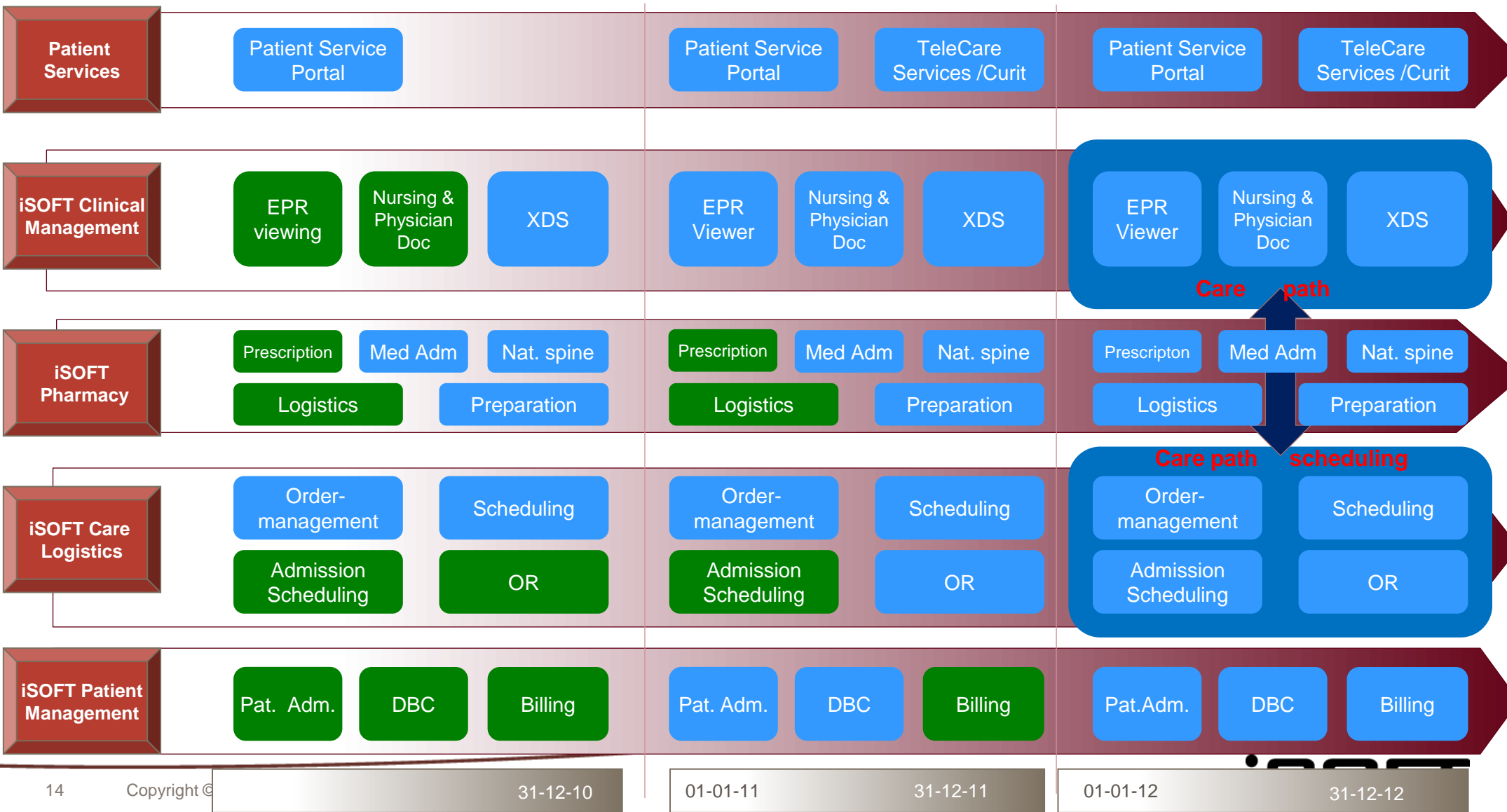


The Lorenzo journey at a hospital in Holland

 Lorenzo modules

 iSOFT core Software

TCV: €4.4 M (3 Year contract, March 10 start; € 2.8 M Lorenzo)





iSOFT