



SONIC  
HEALTHCARE  
LIMITED

**TO: ASX Company Announcements Platform**

26 July 2004

**SONIC'S OFFER FOR INDEPENDENT PRACTITIONER NETWORK  
UNCONDITIONAL INCREASED OFFER PRICE**

Sonic Healthcare Limited ("Sonic") has today increased its proportional takeover offer for Independent Practitioner Network Limited (*IPN*) from 8 cents to 8.5 cents per share, and declared its offer unconditional.

Sonic has today lodged with ASIC a supplementary bidder's statement dated 26 July 2004 under section 643 of the Corporations Act, which includes a notice of variation in accordance with section 650D(1) of the Corporations Act and a notice of waiver of conditions in accordance with section 650F of the Corporations Act. The supplementary bidder's statement is attached to this announcement.

**Dr Colin Goldschmidt**  
**Managing Director**

# SONIC HEALTHCARE LIMITED

Supplementary Bidder's Statement &  
Notice under section 650D of the Corporations Act &  
Notice under section 650F of the Corporations Act



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## 1. Introduction

This document is a supplementary bidder's statement dated 26 July 2004 under section 643 of the *Corporations Act 2001* (Cth) (the **Corporations Act**). It includes a notice under section 650D of the Corporations Act to increase the offer price and a notice under section 650F of the Corporations Act to waive all conditions to the offer.

This document is issued by Sonic Healthcare Limited (ABN 24 004 196 909) (**Sonic**) in relation to Sonic's proportional takeover offer for 2 of every 3 (ie. 66.67%) ordinary shares in Independent Practitioner Network Limited (ABN 13 083 519 377) (**IPN**) dated 12 July 2004 (the **Offer**).

This Supplementary Bidder's Statement (including notices under sections 650D and 650F of the Corporations Act) (**Supplementary Statement**) supplements and is to be read together with the Bidder's Statement dated 9 July 2004 given by Sonic to IPN (**Bidder's Statement**).

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## 2. Increase in Offer price – Notice under section 650D of the Corporations Act

Sonic gives notice in accordance with section 650D of the Corporations Act that it varies the Offer by increasing the price payable for each IPN Share from 8 cents cash to 8.5 cents cash.

In accordance with section 620(2) of the Corporations Act, payment of the consideration to an IPN Shareholder will be made by Sonic no later than 1 month after the Offer is accepted by that shareholder (or no later than 1 month from the date of this Supplementary Statement in respect of those IPN Shareholders who have already accepted the Offer).

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## 3. Offer declared unconditional – Notice under section 650F of the Corporations Act

Sonic gives notice in accordance with section 650F of the Corporations Act that:

- it declares the Offer and each contract formed by acceptance of the Offer to be free from the conditions contained in section 5.6 of the Bidder's Statement; and
- its voting power in IPN, as at the date of this notice, is 34.49%.

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## 4. Amendments to Bidder's Statement

As a result of the increased Offer price, a number of changes have been made to the Bidder's Statement and these changes are detailed in the Schedule. In broad summary, the changes relate to references to: the Offer price, the consideration payable by Sonic under the Offer, and the size of the premium of the Offer price relative to previous trading prices of IPN shares. The revised Offer continues to be unanimously recommended by IPN's Directors, in the absence of a superior offer emerging. Moreover, IPN's directors have stated that they intend to accept the revised Offer in respect of their personal shareholdings **now**.

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## 5. Other

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### 5.1 Lodgment with ASIC

A copy of this Supplementary Statement was lodged with ASIC on 26 July 2004. This Supplementary Statement will prevail to the extent of any inconsistency with the Bidder's Statement. Neither ASIC nor any of its officers takes any responsibility for the contents of this Supplementary Statement.

### 5.2 Defined Terms

Words defined in the Bidder's Statement have the same meaning in this Supplementary Statement, unless the contrary intention appears.

### 5.3 Authorisation

This Supplementary Statement has been approved by a resolution passed by the directors of Sonic.

Dated: 26 July 2004

**SIGNED** for and on behalf of Sonic following a resolution of the directors of Sonic

A handwritten signature in black ink, appearing to be 'Colin Goldschmidt', written over a horizontal line.

Dr Colin Goldschmidt, Managing Director

A handwritten signature in black ink, appearing to be 'Chris Wilks', written over a horizontal line.

Chris Wilks, Director

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## Schedule – Amendments to Bidder's Statement

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1. References to "8 cents" in the Bidder's Statement when referring to the Offer are replaced with references to "8.5 cents".
2. References to "16 cents" in the Bidder's Statement when referring to the aggregate amount which IPN Shareholders who accept the Offer will receive for 2 of every 3 of their IPN Shares are replaced with references to "17 cents".
3. In the Chairman's letter on page 3 of the Bidder's Statement (specifically, in point number 1), the words "78% premium" are deleted and replaced with the words "89% premium".
4. In section 2 of the Bidder's Statement (specifically, in the response to the question "What is the Offer?"), the amount of "\$1,600" is deleted and replaced with the amount of "\$1,700".
5. In section 8.1 of the Bidder's Statement, the amount of "\$41.6 million" is deleted and replaced with the amount of "\$44.2 million".
6. Section 4 of the Bidder's Statement is deleted in its entirety and replaced with the following.

### 4. Why You Should Accept The Offer

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#### 4.1 Unanimous recommendation by the Board of IPN

- The Directors of IPN have unanimously recommended that you accept Sonic's Offer in the absence of a superior offer emerging.
- Each of the IPN Directors has stated that s/he intends to accept the Offer in respect of their personal shareholdings **now**.

#### 4.2 Sonic's Offer represents a significant premium to IPN's recent trading prices

Sonic's Offer of 8.5 cents cash per share represents a significant premium to the pre-Offer trading price of IPN Shares:

- a **70% premium** to IPN's share price<sup>1</sup> of 5.0 cents on 4 June 2004, two trading days before Primary announced its unsolicited 5 cents per IPN Share takeover offer;
- a **88% premium** to IPN's share price in the 3 months leading up to 4 June; and
- a **89% premium** to IPN's share price in the 6 months leading up to 4 June.

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<sup>1</sup> Calculated as the volume weighted average trading price of IPN.

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## Offer price relative to recent IPN trading



Note: Price per share rounded to 2 decimal places

### 4.3 IPN has not traded above 8.5 cents per share since September 2002<sup>2</sup>

#### IPN share price history



### 4.4 Many IPN Shareholders can accept Sonic's 8.5 cents per share Offer for ALL their IPN Shares

If as a result of accepting Sonic's Offer you would be left with a shareholding in IPN that has a market value of less than \$500, Sonic will buy ALL of your IPN Shares. This

<sup>2</sup> Share price adjusted for 24 October, 2003 rights issue

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ensures that you will not be left with less than a "Marketable Parcel" of IPN Shares. It also gives you a selling price of 8.5 cents per share for **ALL** of your IPN Shares. 8.5 cents per IPN Share is **70%** more than you have been offered for your IPN Shares by Primary.

The following table outlines the shareholding levels at or below which Sonic would buy **ALL** of your IPN Shares. Note that the closing price of IPN Shares on the date you accept the Sonic Offer will be used to determine whether or not you will have less than a Marketable Parcel.

<i>If, for example, on the day you accept the Sonic Offer, the IPN closing share price is...</i>	<i>5.0c</i>	<i>5.5c</i>	<i>6.0c</i>	<i>6.5c</i>	<i>7.0c</i>	<i>7.5c</i>	<i>8.0c</i>
<i>then you will be left with less than a Marketable Parcel if you hold this many IPN Shares or less...</i>	29,997	27,270	24,999	23,076	21,426	19,998	18,747

If you have any questions on the operation of this mechanism please check with your stockbroker, financial adviser, or call the Offer Information Line.

#### 4.5 Sonic's Offer gives you a "blended" value at a significant premium

You will receive 8.5 cents per IPN Share for 2 of every 3 shares (ie. 17 cents) in cash, plus be left with your remaining IPN Shares (assuming you will not be left with less than a "Marketable Parcel" as a result of accepting Sonic's Offer, in which case Section 4.4 applies). Based on IPN's share price<sup>3</sup> of 5.0 cents on 4 June 2004 this would give you a "blended" value of 7.3 cents per IPN Share.<sup>4</sup> This represents:

- a **46% premium** to IPN's share price of 5.0 cents on 4 June 2004;
- a **61% premium** to IPN's share price in the 3 months leading up to 4 June; and
- a **62% premium** to IPN's share price in the 6 months leading up to 4 June.

**Under Sonic's Offer, you will receive more cash for your shares than if you accept the Primary offer, AND YOU WILL ALSO GET TO KEEP SOME IPN SHARES.** This is a better deal than Primary's unsolicited takeover offer which requires you to sell **ALL** of your IPN Shares for only 5 cents per share. **DO NOT ACCEPT THE OFFER SENT TO YOU BY PRIMARY HEALTHCARE LIMITED.**

<sup>3</sup> Calculated as the volume weighted average trading price.

<sup>4</sup> Calculated as 2 x 8.5 cents per share + 5.0 cents per share, divided by 3.

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## **4.6 You will have the opportunity to participate in the future of IPN with Sonic as a strategic partner**

You will still hold 1 of every 3 IPN Shares (assuming you will not be left with less than a "Marketable Parcel" as a result of accepting Sonic's Offer, in which case Section 4.4 applies). Your remaining shareholding will allow you to participate in the future of IPN as an independent company supported by Sonic as a committed strategic partner.

Sonic is Australia's leading medical diagnostic company, and one of the largest diagnostic imaging companies in the world. Sonic first listed on the ASX in 1987 and has since grown to a market capitalisation of more than \$2.3 billion. Growth has come about through a commitment to medical excellence and - as a partner to IPN - Sonic intends to leverage its industry expertise and strong management to accelerate achievement of IPN's strategic objectives.

Section 9 outlines the anticipated benefits of increased partnership between IPN and Sonic.

## **4.7 You will incur no brokerage charges**

By accepting the Offer you will not incur brokerage fees. Brokerage fees are otherwise payable if you choose to sell your IPN Shares on the market.