



SONIC  
HEALTHCARE  
LIMITED

Friday 9 July 2004

**SONIC'S PROPORTIONAL TAKEOVER OFFER FOR  
INDEPENDENT PRACTITIONER NETWORK LIMITED**

In accordance with item 5 of section 633(1) of the *Corporations Act 2001* (Cth), enclosed is a copy of the Bidder's Statement of Sonic Healthcare Limited which includes:

- a proposed proportional offer for ordinary shares in Independent Practitioner Network Limited (ABN 13 083 519 377); and
- a copy of the Acceptance Form (which forms part of the proposed offer).

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



SONIC  
HEALTHCARE  
LIMITED

**ACCEPT SONIC'S OFFER  
NOW**

**OFFER by Sonic Healthcare Limited** (ABN 24 004 196 909)  
to acquire 2 of every 3 of your shares in  
**Independent Practitioner Network Limited** (ABN 13 083 519 377)  
for  
**8 cents CASH per IPN share**

**UNANIMOUSLY RECOMMENDED BY YOUR IPN DIRECTORS  
IN THE ABSENCE OF A SUPERIOR OFFER**

Sonic's Offer is NOW OPEN and is scheduled to close at 7:00pm (Sydney time) on 16 August 2004.

**TO ACCEPT SONIC'S OFFER, SIMPLY COMPLETE THE ENCLOSED  
ACCEPTANCE FORM AND RETURN IT IN THE ENVELOPE PROVIDED.**

If you did not receive the Acceptance Form or require a replacement, or if you have any questions about Sonic's Offer, please call 1800 102 439. If you are outside Australia, please call +613 9415 4000.

**DO NOT ACCEPT THE OFFER SENT TO YOU BY PRIMARY HEALTHCARE LTD:  
SIMPLY IGNORE THOSE DOCUMENTS.**

**THIS IS AN IMPORTANT DOCUMENT WHICH YOU SHOULD READ  
CAREFULLY. IF YOU ARE IN ANY DOUBT AS TO HOW TO ACT,  
YOU SHOULD CONSULT YOUR FINANCIAL OR LEGAL ADVISER.**

## Corporate Directory

### **Sonic Healthcare Limited**

95 Epping Road, North Ryde  
New South Wales, 2113, Australia

### **Share Registry**

Computershare Investor Services Pty Limited  
Level 5, 115 Grenfell Street, Adelaide  
South Australia, 5000, Australia

### **Offer Information Line (Monday to Friday, 8.30am to 5.00pm)**

Within Australia: 1800 102 439  
Outside Australia: +61 3 9415 4000

### **Financial Adviser to Sonic**

JP Morgan Australia Limited  
Level 32, Grosvenor Place  
225 George Street, Sydney  
New South Wales, 2000, Australia

### **Legal Adviser to Sonic**

Allens Arthur Robinson  
Level 23, The Chifley Tower  
2 Chifley Square, Sydney  
New South Wales, 2000, Australia

### **Important Dates**

Bidder's Statement lodged with ASIC: 9 July 2004  
Date of Offer: 12 July 2004  
Closing date for Offer: 7:00pm (Sydney time) on 16 August 2004  
\*These dates may change as permitted by the Corporations Act.



Dear IPN shareholder,

## ACCEPT THE SONIC OFFER NOW

I take great pleasure in enclosing an Offer by Sonic to acquire 2 of every 3 (ie. 66.67%) of your shares in IPN for a price of 8 cents cash per share. The Offer is subject to a limited number of conditions which are detailed in Section 5.6 of the enclosed Offer, including a minimum acceptance condition.

**The Offer is now open and is scheduled to close at 7:00pm (Sydney time) on 16 August 2004 (unless extended by Sonic in accordance with the Corporations Act).**

**To accept, you simply complete the enclosed Acceptance Form and return it in the envelope provided (pre-paid in Australia).**

Your IPN Directors have **unanimously recommended** that you accept Sonic's Offer in the absence of a superior offer, and have announced that they will accept for their own interests in IPN in the absence of a superior offer. Sonic believes that there are important reasons why you should accept its Offer.

- 1. Significant premium to recent prices:** Sonic's Offer represents a significant 78% premium to the average trading price of IPN shares for the 6 months to 4 June 2004.
- 2. Many small shareholders can accept the Offer for ALL their IPN Shares:** If, as a result of accepting the 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 shares. For example, assuming a closing market price of 7 cents per IPN share on the day you accept the Offer, if you hold 21,426 IPN shares or less then the Offer will apply to **ALL** of your IPN shares. (If you are not sure whether you would be left with a shareholding in IPN that is worth less than \$500, please call the Offer Information Line on 1800 102 439, or +61 3 9415 4000 if you are calling from outside Australia).
- 3. Commitment to IPN:** Sonic has made the Offer with the objective of ensuring IPN continues as a well supported, independent company with its model of networked independent medical practitioners. Sonic recognises that IPN's core strength is its dedicated group of medical practitioners, and believes that its own commitment to medical leadership, ethical practice and service excellence will enhance the achievement of IPN's strategic objectives. Sonic intends to be a committed long-term strategic partner for IPN.
- 4. More cash for your shares than if you accept Primary's offer, AND YOU GET TO KEEP A STAKE IN IPN if you wish:** You may recently have received or read about an offer by Primary Healthcare Limited for your IPN Shares. The Offer by Sonic represents a better deal than Primary's offer because Primary will only pay you 5 cents for each IPN share you own following which you will no longer be an IPN shareholder. Under Sonic's Offer you will receive 16 cents in cash for 2 of every 3 IPN shares you own **AND** you will also continue to participate in the future of IPN by owning 1 out of every 3 IPN shares that you currently own (unless, as a result of accepting the Offer, you would be left with a shareholding in IPN that has a market value of less than \$500 in which case Sonic will buy all of your shares).

**DO NOT ACCEPT THE PRIMARY OFFER: SIMPLY IGNORE THE DOCUMENTS SENT TO YOU BY PRIMARY HEALTHCARE LIMITED.**

If you have any questions about Sonic's Offer, please contact your broker or financial adviser, or call the Offer Information Line on 1800 102 439 (callers in Australia) or +61 3 9415 4000 (callers elsewhere).

I commend the Offer to you.

Yours sincerely,

Barry Patterson  
Chairman

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## **1. Important Information**

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### **1.1 ASIC**

A copy of this Bidder's Statement was lodged with ASIC on 9 July 2004. Neither ASIC nor any of its officers take any responsibility for the contents of this Bidder's Statement.

### **1.2 Privacy Collection Statement**

Personal information relating to your shareholding in IPN will be collected by Sonic from IPN, in accordance with its rights under the Corporations Act (as modified by ASIC for the purposes of the Offer). Sonic will share this information with its advisers and service providers where necessary for the purposes of the Offer. Sonic and its agents retained for the purposes of the Offer will use the information solely for purposes relating to the Offer. Generally, you have a right to access the personal information which Sonic and its agents may hold about you. You can contact the Offer Information Line if you have any queries about the privacy practices of Sonic.

### **1.3 Investment Decisions**

This Bidder's Statement does not take into account your individual investment objectives, financial situation or particular needs. You may wish to seek independent financial and taxation advice before deciding whether or not to accept the Offer.

### **1.4 Defined Terms, Interpretation and Time**

A number of defined terms are used in this Bidder's Statement. These terms are explained in Section 12 along with certain rules of interpretation which apply to this Bidder's Statement. All references to time in this Bidder's Statement are to Sydney time, unless otherwise stated.

This Bidder's Statement is dated 9 July 2004.



## 2. Summary of the Offer

This summary provides an overview of the Offer and is qualified by the detailed information contained in the rest of this document. You should read this Bidder's Statement in full before deciding how to deal with your IPN Shares. The terms of the Offer are contained in Section 5.

<p><b>What is the Offer?</b></p>	<p>Sonic Healthcare Limited (<b>Sonic</b>) is offering to acquire <b>2 of every 3</b> (i.e. 66.67%) of your ordinary shares in Independent Practitioner Network Limited (<b>IPN</b>) for <b>8 cents CASH</b> per share.</p> <p><b>Accordingly, if you accept the Offer, you will:</b></p> <ul style="list-style-type: none"> <li>• <b>receive 16 cents for 2 of every 3 of your IPN Shares; and</b></li> <li>• <b>get to keep 1 of every 3 of your IPN Shares to deal with as you please.</b></li> </ul> <p>For example, if you own 30,000 IPN Shares you will receive \$1,600 in cash and continue to own 10,000 IPN Shares.</p> <p>Please note that you may only accept the Offer for two-thirds (ie. 66.67%) of the IPN Shares held by you, and not a lesser proportion (unless Section 5.5(c) applies to you). <b>HOWEVER, IF BY ACCEPTING SONIC'S OFFER YOU WILL BE LEFT HOLDING LESS THAN \$500 OF IPN SHARES THEN SONIC WILL BUY ALL OF YOUR SHARES FOR 8 CENTS EACH.</b> For example, assuming a closing market price of 7 cents per IPN Share on the day you accept Sonic's Offer, if you then hold 21,426 IPN Shares or less, the Offer will apply to <b>ALL</b> of your IPN Shares.</p> <p>The following table outlines the shareholding levels <i>at or below</i> which Sonic would buy <b>ALL</b> of your IPN Shares (note that this calculation depends on the closing share price on the day you accept the Offer).</p> <table border="1" data-bbox="496 1131 1396 1209"> <tr> <td>Closing price</td> <td>5.0c</td> <td>5.5c</td> <td>6.0c</td> <td>6.5c</td> <td>7.0c</td> <td>7.5c</td> <td>8.0c</td> </tr> <tr> <td>Shareholding</td> <td>29,997</td> <td>27,270</td> <td>24,999</td> <td>23,076</td> <td>21,426</td> <td>19,998</td> <td>18,747</td> </tr> </table> <p>If you are not sure whether you would be left with a shareholding in IPN that is worth less than \$500 please call your stockbroker, financial adviser or the Offer Information Line.</p>	Closing price	5.0c	5.5c	6.0c	6.5c	7.0c	7.5c	8.0c	Shareholding	29,997	27,270	24,999	23,076	21,426	19,998	18,747
Closing price	5.0c	5.5c	6.0c	6.5c	7.0c	7.5c	8.0c										
Shareholding	29,997	27,270	24,999	23,076	21,426	19,998	18,747										
<p><b>When does the Offer open and close?</b></p>	<p>This Offer is <b>OPEN NOW</b> and is scheduled to close at 7:00pm on 16 August 2004.</p> <p>Sonic may choose to extend the Offer in accordance with the Corporations Act.</p>																
<p><b>How do I accept the Offer?</b></p>	<p><b>To accept the Offer, you simply complete the enclosed Acceptance Form and return it in the envelope provided (pre-paid in Australia).</b></p> <p>Alternatively, you may follow the detailed instructions set out in Section 3.</p>																
<p><b>Do I pay brokerage or stamp duty if I accept?</b></p>	<p>No.</p>																
<p><b>When will I be paid?</b></p>	<p>If you accept the Offer, you will be sent payment within 1 month of the later of the date you accept, and the date the Offer becomes unconditional. In any event, assuming the conditions of the Offer you accept are satisfied or waived, you will be sent payment within 21 days of the end of the Offer Period.</p>																

<b>Conditions</b>	<p>The Offer is subject only to:</p> <ul style="list-style-type: none"> <li>• Sonic acquiring voting power in IPN of at least 45% before the end of the Offer Period;</li> <li>• no other person having voting power in IPN of 40% or more at any time before the end of the Offer Period; and</li> <li>• no Prescribed Occurrences (as defined in Section 5.6(b)) happening between the time the Bidder's Statement is given to IPN and the end of the Offer Period.</li> </ul> <p>Sonic may choose to waive any of these conditions in accordance with the Offer.</p>
<b>Further information</b>	<p><b>If you have any queries about the Offer or how to accept, please call the Offer Information Line on 1800 102 439 or + 61 3 9415 4000 if you are calling from outside Australia (Monday to Friday, 8.30am to 5.00pm).</b></p>

### 3. How to accept the Offer

**To accept the Offer you simply complete the enclosed Acceptance Form and return it in the envelope provided (pre-paid in Australia).**

Alternatively, you may follow the instructions below. Further details are set out in Section 5.4.

<b>How do I accept?</b>	How you accept will depend on whether your IPN Shares are held in an <b>Issuer Sponsored Holding</b> or a <b>CHESS Holding</b> . The Acceptance Form enclosed has been personalised to reflect this for you.
<b>Are my IPN Shares in an Issuer Sponsored Holding or a CHESS Holding?</b>	Your IPN Shares are held in an <b>Issuer Sponsored Holding</b> if the statement you received from IPN detailing the number of IPN Shares you hold showed that your holder number started with an “I”. Your personalised Acceptance Form enclosed with this document will also indicate if your IPN Shares are held in an Issuer Sponsored Holding.  On the other hand, your IPN Shares are held in a <b>CHESS Holding</b> if the statement you received from IPN detailing the number of IPN Shares you hold showed that your holder number started with an “X”. Your personalised Acceptance Form enclosed with this document will also indicate if your IPN Shares are held in a CHESS Holding.
<b>Issuer Sponsored Holding</b>	If your IPN Shares are held in an <b>Issuer Sponsored Holding</b> , complete the relevant sections of the enclosed Acceptance Form, sign in the space provided, and:  post it in the enclosed envelope (prepaid in Australia);  <b>OR</b>  post it to:  Independent Practitioner Network Limited Takeover C/- Computershare Investor Services Pty Limited Reply Paid 2988 Adelaide SA 5001  <b>OR</b>  deliver the Acceptance Form to:  Computershare Investor Services Pty Limited Level 5, 115 Grenfell Street Adelaide SA 5000
<b>CHESS Holding</b>	If your IPN Shares are held in a <b>CHESS Holding</b> , you should instruct your stockbroker to accept on your behalf. Alternatively, if you do not wish to contact your stockbroker, complete the Acceptance Form, sign in the space provided and post it in the enclosed envelope (pre-paid in Australia) or mail/deliver to Computershare Investor Services Pty Limited at the addresses set out above. This will authorise Sonic, on your behalf, to instruct your stockbroker to accept.

## 4. Why You Should Accept The Offer

### 4.1 Unanimous recommendation by the Directors of IPN

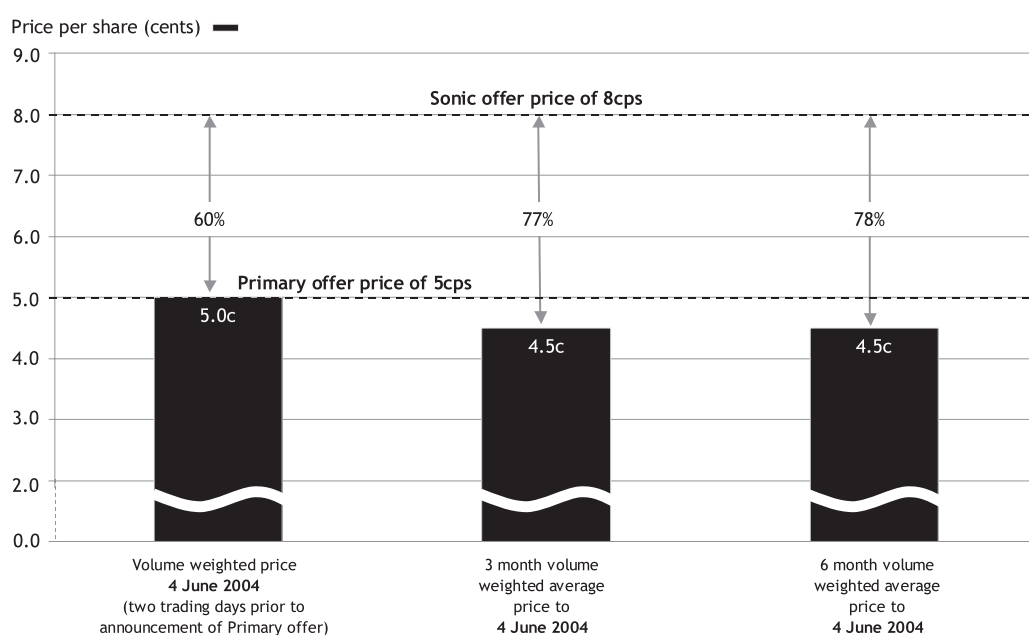
- The Directors of IPN have unanimously recommended that you accept Sonic's Offer in the absence of a superior offer emerging.
- Each of the IPN Directors intends to accept the Offer in respect of their personal shareholdings in the absence of a superior offer emerging.

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

Sonic's Offer of 8 cents cash per share represents a significant premium to the pre-Offer trading price of IPN Shares:

- a **60% 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 **77% premium** to IPN's share price in the 3 months leading up to 4 June 2004; and
- a **78% premium** to IPN's share price in the 6 months leading up to 4 June 2004.

#### Offer price relative to recent IPN trading



Note: Price per share rounded to 2 decimal places

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

### 4.3 IPN has not traded above 8 cents per share since 2002<sup>2</sup>

#### IPN share price history



### 4.4 Many IPN Shareholders can accept Sonic’s 8 cents per share Offer for ALL of 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 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 cents per share for **ALL** of your IPN Shares. 8 cents per IPN Share is 60% 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.

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

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

You will receive 8 cents per IPN Share for 2 of every 3 shares (ie. 16 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 7.0 cents per IPN Share.<sup>4</sup> This represents:

- a **40% premium** to IPN's share price of 5.0 cents on 4 June 2004;
- a **55% premium** to IPN's share price in the 3 months leading up to 4 June 2004; and
- a **56% premium** to IPN's share price in the 6 months leading up to 4 June 2004.

**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.**

#### 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 fees

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.

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

<sup>4</sup> Calculated as 2 x 8 cents per share + 5.0 cents per share, divided by 3.

## 5. The Offer Terms

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### 5.1 The Offer

- (a) Sonic offers to acquire 66.67% of your IPN Shares on the terms and subject to the conditions set out in this Offer. You may only accept this Offer for two-thirds (ie. 66.67%) of the IPN Shares held by you, and not a greater or lesser proportion. For example, if you hold 30,000 IPN Shares, you can only accept this Offer in respect of 20,000 IPN Shares.
- (b) This Offer extends to any person who is able during the Offer Period to give good title to a parcel of IPN Shares and has not already accepted an Offer for those IPN Shares (see Section 5.5(b)). If you accept this Offer in respect of two-thirds (ie. 66.67%) of your IPN Shares, you are not entitled to accept the Offer for your remaining IPN Shares (**Remaining Shares**), nor can a transferee of your Remaining Shares. Your Remaining Shares will effectively be “tagged” so that a transferee of the Remaining Shares will be prevented from accepting this Offer.
- (c) Despite paragraphs (a) and (b), if accepting this Offer would leave you with less than a Marketable Parcel of IPN Shares, this Offer extends to the whole of that parcel and you will be deemed to have accepted for (and will receive consideration for) 100% of your IPN Shares. However, if Sonic is of the opinion that any IPN Shareholder has attempted to split or divide its holding of IPN Shares in an attempt to obtain an advantage from the mechanism contained in this Section 5.1(c), Sonic may give notice to that IPN Shareholder (and other IPN Shareholders whom Sonic is of the opinion have participated in that split or division) stating Sonic’s opinion. After that notice has been so given:
- (i) the IPN Shareholder specifically identified or nominated by Sonic in the notice shall, for the purposes of this Offer, be taken to hold all the IPN Shares held by it and each of the other IPN Shareholders whose names are set out in the notice;
  - (ii) each of the other IPN Shareholders whose names are set out in the notice shall, for the purposes of this Offer, be taken to hold no IPN Shares; and
  - (iii) the IPN Shareholder specifically identified or nominated by Sonic in the notice shall be deemed to have accepted this Offer in respect of all the IPN Shares held by it and each of the other IPN Shareholders whose names are set out in the notice.
- (d) This Offer extends to IPN Shares in existence as at close of business on the Register Date, and does not extend to IPN Shares which are issued during the period from the Register Date to the end of the Offer Period as a result of the conversion or exercise of rights attached to other securities convertible into IPN Shares (including IPN Options) in issue as at the Register Date.
- (e) If you accept this Offer, Sonic will be entitled to all Rights (being those accruing after the date this document is lodged with ASIC) in respect of your IPN Shares which it acquires under this Offer, as well as your IPN Shares themselves. If any Rights are received by you and such documents as may be necessary to vest title to those Rights in Sonic or the benefit of those Rights are not passed on to Sonic, Sonic may reduce the consideration payable to you under this Offer by the value, as reasonably assessed by Sonic, of those Rights (see Section 5.10(h)).

(f) If necessary, if the number of your IPN Shares to which this Offer relates is not a whole number, it will be rounded down to the nearest whole number.

(g) This Offer is dated 12 July 2004.

## 5.2 Consideration

The consideration offered for each of your IPN Shares to which this Offer relates is 8 cents in cash.

## 5.3 Offer Period

This Offer commences on the date the first of the Offers is made, which will be 12 July 2004, and remains open for acceptance until 7.00 pm (Sydney time) on 16 August 2004, unless it is withdrawn or extended.

Sonic may, in accordance with the Corporations Act, extend the period during which this Offer remains open for acceptance.

## 5.4 How to accept the Offer

The method by which you can accept the Offer will depend on whether your IPN Shares are in an Issuer Sponsored Holding or a CHESS Holding.

Your IPN Shares are in an **Issuer Sponsored Holding** if they are held on IPN's register of shareholders in Australia and are sponsored directly by IPN as issuer.

Your IPN Shares are in a **CHESS Holding** if they are held on IPN's register of shareholders in Australia and are sponsored by a Broker or other CHESS Participant or if you are a Controlling Participant.

### (a) Issuer Sponsored Holdings

If any of your IPN Shares are in an Issuer Sponsored Holding, to accept this Offer you must **complete, sign and send** the accompanying Acceptance Form in accordance with the instructions on it together with all other documents required by those instructions so that they are **received** before the expiry of the Offer Period. You may send the completed Acceptance Form (together with any documents required by the instructions on that form) in the envelope provided (pre-paid in Australia). You may alternatively send the Acceptance Form and any associated documents to:

Independent Practitioner Network Limited Takeover  
C/- Computershare Investor Services Pty Limited  
Reply Paid 2988  
Adelaide SA 5001

Alternatively, you may deliver the Acceptance Form and any associated documents to:

Computershare Investor Services Pty Limited  
Level 5, 115 Grenfell Street  
Adelaide SA 5000

The transmission of the Acceptance Form and other documents is at your own risk. No acknowledgment of receipt of documents will be given. However, you may check whether your acceptance has been processed by calling the Offer Information Line on 1800 102 439 (callers in Australia) or +61 3 9415 4000 (callers elsewhere).



**(b) CHESS Holdings**

If your IPN Shares are in a CHESS Holding, to accept this Offer you must comply with the ASTC Settlement Rules. To accept this Offer in accordance with the ASTC Settlement Rules:

- (i) you should instruct your Controlling Participant (i.e. Broker) such that the Controlling Participant initiates acceptance of this Offer in accordance with Rule 14.14 of the ASTC Settlement Rules before the expiry of the Offer Period; or
- (ii) if you are a Controlling Participant (i.e. Broker), acceptance of this Offer must be initiated in accordance with Rule 14.14 of the ASTC Settlement Rules before the expiry of the Offer Period.

Alternatively, you may **complete, sign and send** the Acceptance Form in respect of those IPN Shares which are in the CHESS Holding in accordance with the instructions on it, together with all other documents required by those instructions. This will authorise Sonic to instruct your Controlling Participant (i.e. Broker) to initiate acceptance of this Offer on your behalf. You must ensure that the Acceptance Form is received by Sonic in time for Sonic to give instructions to your Controlling Participant, and your Controlling Participant to carry out those instructions, before the expiry of the Offer Period. You will be taken to have completed acceptance of this Offer when your Controlling Participant initiates acceptance of this Offer in accordance with Rule 14.14 of the ASTC Settlement Rules.

If you choose to complete the Acceptance Form, then the transmission of the Acceptance Form and other documents is at your own risk. No acknowledgment of receipt of documents will be given. However, you may check whether your acceptance has been processed by calling the Offer Information Line on 1800 102 439 (callers in Australia) or +61 3 9415 4000 (callers elsewhere). Please also note that any documents that are faxed to Computershare will only be accepted if and when the original completed documents have been received by Computershare, in each case within the periods specified in or required by this Offer.

**(c) Nominee holdings**

If your IPN Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee, you should contact that nominee for assistance in accepting this Offer.

**(d) Status of Acceptance Form**

The Acceptance Form forms part of this Offer.

The requirements on the Acceptance Form must be observed in accepting this Offer in respect of any IPN Shares held in an Issuer Sponsored Holding. Acceptance of this Offer for IPN Shares held in an Issuer Sponsored Holding will be effective only when (subject to paragraph (e) below), the properly completed Acceptance Form (together with any document required by the instructions on that form) has been received not later than the end of the Offer Period.

**(e) Discretion of Sonic**

Despite paragraphs (a) to (d) above, Sonic may at its discretion treat any Acceptance Form received before the end of the Offer Period (at one of the addresses specified in paragraph (a) or such other address as may be acceptable to Sonic) as valid or waive any

requirement of paragraph (a) to (d) in any case, but the payment of the consideration in accordance with this Offer will not be made until any irregularity has been resolved or waived and any other documents required to procure registration have been received by Sonic.

Please call the Offer Information Line on 1800 102 439 (callers in Australia) or +61 3 9415 4000 (callers elsewhere) if you have any queries about the Offer.

## 5.5 Persons to whom the Offer is made

- (a) An Offer in this form and bearing the same date is being made to and will be sent to each holder of IPN Shares so registered as at close of business (Sydney time) on the Register Date.
- (b) Subject to Section 5.1(b), a person who:
- (i) is able during the Offer Period to give good title to a parcel of IPN Shares; and
  - (ii) has not already accepted an Offer for those IPN Shares;
- may, in accordance with section 653B(1) of the Corporations Act, accept this Offer as if an offer on terms identical with the Offer had been made to that person in relation to those IPN Shares.
- (c) If at any time during the Offer Period your IPN Shares consist of two or more distinct portions (for example, where you hold IPN Shares as nominee for separate beneficial owners), this Offer is deemed to consist of separate corresponding Offers made to you for the respective distinct portions of your IPN Shares. You may accept two or more such deemed separate corresponding Offers at the same time as if they were a single Offer for each distinct portion of IPN Shares. An acceptance by you of one of the Offers which is deemed to exist in respect of a distinct portion of IPN Shares is ineffective unless you have given to Sonic a notice which:
- (i) if it relates to IPN Shares in a CHESS Holding, must be in an electronic form approved by the ASTC Settlement Rules; or
  - (ii) if it relates to IPN Shares in an Issuer Sponsored Holding, must be in writing, stating that the relevant IPN Shares consist of a distinct portion and your acceptance specifies the number of IPN Shares in the distinct portion to which the acceptance relates. If this applies to you, please call the Offer Information Line on 1800 102 439 (callers in Australia) or +61 3 9415 4000 (callers elsewhere) for such additional copies of this Bidder's Statement and Acceptance Form as are necessary.

## 5.6 Conditions

This Offer and any contract that results from your acceptance of this Offer is subject to the fulfilment of the following conditions.

### (a) Minimum acceptance

Before the end of the Offer Period, Sonic has voting power in at least 45% of the issued ordinary shares in IPN.

**(b) No prescribed occurrences**

Between the time the Bidder's Statement is given to IPN and the end of the Offer Period, none of the following occurrences (**Prescribed Occurrences**) happens:

- (i) IPN converts all or any of its shares into a larger or smaller number of shares;
- (ii) IPN or a subsidiary of IPN resolves to reduce its share capital in any way;
- (iii) IPN or a subsidiary of IPN enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) IPN or a subsidiary of IPN issues shares (other than as a result of the exercise of IPN Options) or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (v) IPN or a subsidiary of IPN issues, or agrees to issue, convertible notes;
- (vi) IPN or a subsidiary of IPN disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) IPN or a subsidiary of IPN charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) IPN or a subsidiary of IPN resolves to be wound up;
- (ix) a liquidator or provisional liquidator of IPN or of a subsidiary of IPN is appointed;
- (x) a court makes an order for the winding up of IPN or of a subsidiary of IPN;
- (xi) an administrator of IPN or of a subsidiary of IPN is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) IPN or a subsidiary of IPN executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of IPN or of a subsidiary of IPN.

**(c) No other person having 40% or more voting power**

At any time before the end of the Offer Period, no person (other than Sonic and its associates) has voting power in 40% or more of the issued ordinary shares in IPN.

**5.7 Nature of conditions**

- (a) Each of the conditions in Section 5.6 to which this Offer is subject is a condition subsequent and will not prevent a contract to sell your IPN Shares resulting from acceptance of this Offer, but any breach or non-fulfilment of the Offer will entitle Sonic, by notice in writing to you, to rescind a contract that results from your acceptance of this Offer as if that contract had not been formed.
- (b) Each of the conditions in each paragraph and each sub-paragraph which apply to this Offer will constitute and be construed as a separate, several and distinct condition. No condition which applies to this Offer will be taken to limit the meaning or effect of any other condition.
- (c) Sonic alone will be entitled to the benefit of the conditions which apply to this Offer and any breach or non-fulfilment of such condition may be relied on only by Sonic.

## 5.8 Waiver of conditions

- (a) Subject to the Corporations Act, Sonic may free the Offer and any contract resulting from acceptance of the Offer from the conditions in Section 5.6 generally or in relation to a specific occurrence by giving notice in writing to IPN and to ASX in accordance with section 650F of the Corporations Act. Any such notice may be given:
- (i) in the case of the “minimum acceptance” condition in Section 5.6(a) and the condition in Section 5.6(c) - not less than seven days before the end of the Offer Period; and
  - (ii) in the case of the “no prescribed occurrences” condition in Section 5.6(b) - not less than three business days after the end of the Offer Period.
- (a) If, at the end of the Offer Period (or, in the case of the condition in Section 5.6(b), within three business days after the end of the Offer Period), the conditions in section 5.6 have not been fulfilled and Sonic has not declared the Offer (or the Offer has not become) free from those conditions, all contracts resulting from the acceptance of the Offer and all acceptances that have not resulted in binding contracts will be automatically void.

## 5.9 Notice of status of conditions

The date for giving the notice as to the status of the conditions in Section 5.6 required by section 630(1) of the Corporations Act is 9 August 2004 (subject to variation in accordance with section 630(2) of the Corporations Act if the Offer Period is extended).

## 5.10 Effect of acceptance

By accepting this Offer in accordance with Section 5.4, you will have:

- (a) accepted this Offer for your IPN Shares to which this Offer relates (**Accepted Shares**) and agreed to sell those Accepted Shares to Sonic;
- (b) subject to the Offer being declared free from the conditions set out in Section 5.6 or those condition being fulfilled, assigned all of the beneficial interest in the Accepted Shares to Sonic, conveyed beneficial title to the Accepted Shares to Sonic and agreed to transfer legal title to the Accepted Shares to Sonic, and agreed that Sonic will be immediately entitled to cause the transfer of the Accepted Shares to be registered;
- (c) authorised Sonic (by its directors, servants or agents) to complete the Acceptance Form by inserting such details as are omitted in respect of the Accepted Shares and to rectify any errors in or omissions from the relevant form (including altering the number of IPN Shares stated to be held by you if it is otherwise than as set out in the relevant form and making any consequential changes to the number the Accepted Shares) as may be necessary to make the Acceptance Form an effective acceptance of this Offer or to enable registration of the transfer of the Accepted Shares to Sonic;
- (d) represented and warranted to Sonic that the Accepted Shares will, at the date of the transfer of them to Sonic, be fully paid and free from all Encumbrances of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that you have full power and capacity to accept this Offer and to sell and transfer the legal and beneficial ownership of the Accepted Shares to Sonic;
- (e) represented and warranted to Sonic that, if you are the legal owner but not the beneficial owner of the Accepted Shares:

- (i) the beneficial holder has not sent a separate acceptance of the Offer in respect of the Accepted Shares;
  - (ii) the number of IPN Shares you have specified as being the entire holding of IPN Shares you hold on behalf of the particular beneficial holder is in fact such entire holding; and
  - (iii) that you are irrevocably and unconditionally entitled to transfer the Accepted Shares, and to assign all of the beneficial interest therein to Sonic;
- (f) appointed Sonic and each of its directors, secretaries and officers severally as your true and lawful attorney, with effect from the date that this Offer, or any contract resulting from acceptance of this Offer, becomes free from its conditions or such conditions are satisfied or waived, with power to do all things which you could lawfully do concerning the Accepted Shares or in exercise of any right derived from the holding of the Accepted Shares, including:
- (i) attending and voting at any meeting of IPN;
  - (ii) demanding a poll for any vote to be taken at any meeting of IPN;
  - (iii) proposing or seconding any resolution to be considered at any meeting of IPN;
  - (iv) requisitioning the convening of any meeting of IPN and convening a meeting pursuant to any such requisition;
  - (v) notifying IPN that your address in the records of IPN for all purposes, including the despatch of notices of meeting, annual reports and dividends, should be altered to an address nominated by Sonic; and
  - (vi) doing all things incidental or ancillary to any of the foregoing,

and to have agreed that in exercising the powers conferred by that power of attorney, the attorney may act in the interests of Sonic as the intended registered holder and beneficial holder of the Accepted Shares.

This appointment, being given for valuable consideration to secure the interest acquired in your IPN Shares to which this Offer relates, is irrevocable, and terminates upon registration of a transfer to Sonic of your IPN Shares to which this Offer relates.

Sonic will indemnify you and keep you indemnified in respect of all costs, expenses and obligations which might otherwise be incurred or undertaken as a result of the exercise by an attorney of any powers under this paragraph;

- (g) irrevocably authorised and directed IPN to pay Sonic or to account to Sonic for all Rights in respect of the Accepted Shares subject, however, to any such Rights received by Sonic being accounted for by Sonic to you if this Offer is withdrawn or the contract formed by your acceptance of this Offer is rescinded or rendered void;
- (h) except where Rights have been paid or accounted for under paragraph (g), irrevocably authorised Sonic to deduct from the consideration payable in accordance with the terms of this Offer to which your acceptance relates the amount of all Rights referred to in paragraph (g) or any amount equal to the value of those Rights as reasonably assessed by Sonic (or, if there is a dispute, the Chairman of ASX or his nominee);
- (i) if you signed the Acceptance Form in respect of any of your IPN Shares in a CHESS Holding, irrevocably authorised Sonic:

- (i) to instruct your CHESSE Controlling Participant to initiate acceptance of the Offer in respect of all such IPN Shares in accordance with the ASTC Settlement Rules; and
- (ii) to give any other instructions concerning those IPN Shares to your CHESSE Controlling Participant on your behalf under the sponsorship agreement between you and the CHESSE Controlling Participant;
- (j) agreed that, if Section 5.11(c) applies to you, you will provide Sonic at your cost with all information and assistance required in order for Sonic to apply for requisite authorities or clearances from the Reserve Bank of Australia or the Australian Taxation Office; and
- (k) agreed that the contract formed by acceptance of this Offer will be governed by the laws of New South Wales and agreed to submit to the non-exclusive jurisdiction of courts exercising jurisdiction there.

### 5.11 Obligations of Sonic

- (a) If you accept this Offer in respect of your IPN Shares held in an Issuer Sponsored Holding or a CHESSE Holding, and the conditions of the Offer and of the contract resulting from the acceptance of the Offer are satisfied or are waived, then Sonic will arrange for a cheque to be drawn in Australian dollars in your favour for the amount of cash payable to you in accordance with this Offer and send the cheque to you at the address shown in the Acceptance Form by the end of whichever of the following periods ends earlier:
  - (i) 1 month after the date this Offer is validly accepted by you under Section 5.4 or, if at the time of your acceptance this Offer is subject to a condition in Section 5.6, within 1 month after the contract formed by your acceptance of this Offer becomes unconditional; or
  - (ii) 21 days after the end of the Offer Period.
- (b) All costs and expenses of the preparation of this Bidder's Statement and of the preparation and circulation of the Offer, and any stamp duty payable on transfers of IPN Shares, will be paid by Sonic.
- (c) If, at the time of acceptance of this Offer, any authority or clearance of the Reserve Bank of Australia or of the Australian Taxation Office is required for you to receive any consideration under this Offer or you are resident in or a resident of a place to which, or you are a person to whom:
  - (i) the *Banking (Foreign Exchange) Regulations 1959* (Cth);
  - (ii) the *Charter of the United Nations (Terrorism and Dealing with Assets) Regulations 2002* (Cth);
  - (iii) the *Charter of the United Nations (Sanctions - Afghanistan) Regulations 2001* (Cth);
  - (iv) the *Iraq (Reconstruction and Repeal of Sanctions) Regulations 2003* (Cth); or
  - (v) any other law of Australia that would make it unlawful for Sonic to provide consideration for your IPN Shares,

applies then acceptance of this Offer will not create or transfer to you any right (contractual or contingent) to receive the consideration specified in this Offer unless and until all requisite authorities or clearances are in place. See Section 7.7 for information as to whether this restriction applies to you.

### **5.12 Variation**

Sonic may vary this Offer as permitted by Part 6.6 Division 2 of the Corporations Act.

### **5.13 Withdrawal**

- (a) This Offer may be withdrawn with the consent in writing of ASIC, which consent may be given subject to such conditions (if any) as are specified in the consent. If so, Sonic will give notice of the withdrawal to ASX and to IPN and will comply with any other conditions imposed by ASIC.
- (b) If Sonic withdraws this Offer, all contracts arising from its acceptance will automatically be void.

## **6. Profile of Sonic**

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### **6.1 Overview**

Sonic is one of the largest medical diagnostic services company in the world, with annual revenues in excess of \$1 billion. Sonic services general practitioners, specialists, hospitals and community health centres in Australia, New Zealand, the United Kingdom and Hong Kong.

Sonic is also currently in the process of acquiring a controlling interest in one of the largest pathology groups in Germany as part of its European expansion strategy.

### **6.2 ASX-listed**

Sonic listed on the ASX in 1987. In 1992, Sonic's market capitalisation was around \$2 million and the share price was approximately 10 cents. Today, Sonic's market capitalisation is around \$2.3 billion, and the share price recently reached a high of \$9.25.

Sonic is predominantly Australian owned, and a significant proportion of the company's shares are owned by staff.

### **6.3 Operations**

The Board of Sonic is committed to the principle of medical leadership. Medical practitioners are directly involved in the management of Sonic's businesses at all levels, including the Board, the Managing Director, executive leadership of medical practice subsidiaries, and site management.

Sonic is structured as a "federation" of medical practices operating with a high degree of autonomy, with each practice maintaining its own unique identity and local market focus, yet co-operating together to achieve best practice and group wide synergies. Sonic's management structure has enabled the company to achieve significant market share and profit enhancement for more than a decade.



Sonic's medical practices are household names in their local communities.

**(a) Pathology Practices**

<b>PRACTICE</b>	<b>LOCATION</b>
<b>Australia-wide</b>	
Sonic Clinical Institute	Sydney Head Office
Sonic Clinical Trials	Sydney Head Office
Lifescree Australia	Sydney Head Office
<b>New South Wales</b>	
Douglass Hanly Moir Pathology	Sydney metropolitan & NSW coastal
Barratt & Smith Pathology	Blue Mountains, regional NSW, Mildura
Southern-IML Pathology	Illawarra region
<b>ACT</b>	
Capital Pathology	ACT & far south coast NSW
<b>Queensland</b>	
Sullivan Nicolaides Pathology	Brisbane metropolitan & regional Queensland
Cairns Pathology	Cairns
Northern Pathology	Townsville
<b>Victoria</b>	
Melbourne Pathology	Melbourne metropolitan & regional Victoria
<b>South Australia</b>	
Clinipath Laboratories	Adelaide metropolitan region
<b>Western Australia</b>	
Clinipath	Perth metropolitan
Bunbury Pathology	Bunbury & surrounds
<b>Tasmania</b>	
Hobart Pathology	Southern Tasmania
Launceston Pathology	Northern Tasmania
North West Pathology	North-west Tasmania
<b>New Zealand</b>	
Diagnostic Medlab	Auckland metropolitan area & northern region of the North Island
Medlab Central	Palmerston North & central region of the North Island
Medlab South	South Island
Valley Diagnostics	Lower Hutt & southern region of the North Island
<b>United Kingdom</b>	
TDL – The Doctors Laboratory	London metropolitan

**(b) Diagnostic Imaging Practices**

<b>PRACTICE</b>	<b>LOCATION</b>
<b>New South Wales</b>	
Castlereagh Imaging	Sydney metropolitan region
Hunter Imaging Group	Newcastle & Hunter Valley
Illawarra Radiology Group	Illawarra region
<b>Queensland</b>	
Queensland X-Ray	Brisbane metropolitan & regional Queensland
<b>Western Australia</b>	
SKG Radiology	Perth metropolitan & regional Western Australia
<b>New Zealand</b>	
Canterbury Medical Imaging	Christchurch metropolitan
Mercy Radiology	Auckland metropolitan
Palmerston North X-Ray	Palmerston North
<b>Hong Kong</b>	
Castlereagh Imaging	Hong Kong

**6.4 Core Values**

Sonic's Core Values have been developed with input from Sonic's 11,000 plus staff. Sonic's core values are:

- **Commit to Service Excellence**  
*To willingly serve all those with whom we deal with unsurpassed excellence.*
- **Treat each other with Respect & Honesty**  
*To grow a workplace where trust, team spirit and equity are an integral part of everything we do.*
- **Demonstrate Responsibility & Accountability**  
*To set an example, to take ownership of each situation to the best of our ability and to seek help when needed.*
- **Be Enthusiastic about Continuous Improvement**  
*To never be complacent, to recognise limitations and opportunities for ourselves and processes and to learn through these.*
- **Maintain Confidentiality**  
*With regard to patient records and all information pertaining to patients as well as other professional and commercial issues.*

These Core Values have been adopted by each of the medical practices which comprise the Sonic Group, and apply to every member of staff.

## **6.5 Financial information**

Sonic expects to report revenue in excess of \$1.03 billion and EBITA in the range of \$185-\$195 million for the year ending 30 June 2004. Sonic's management is proud to have achieved double digit core EPS growth every year for the past 8 years.

## **6.6 History of Sonic's relationship with IPN**

In July 2000 Sonic took a strategic 10% stake in Foundation Healthcare (now IPN) and entered into a strategic alliance with Foundation/IPN. This enabled Sonic to indirectly participate in the development of corporatised general practice. The relationship between Sonic and IPN has been strong and beneficial.

Sonic believes that the medical profession in Australia and is best served by an independently operating, strong and growing IPN, as opposed to corporate general practice being dominated by one player. Sonic would welcome IPN into its federation of medical practices, operating autonomously but with links to the strength and resources of Sonic.

## **6.7 Website access**

Further information about Sonic can be found on the website: [www.sonichealthcare.com](http://www.sonichealthcare.com).

## 7. Additional Information

### 7.1 Relevant interests and voting power held in IPN

According to documents provided by IPN to Sonic (including IPN's register of shareholders and register of optionholders) in response to a request made by Sonic pursuant to section 641(1) of the Corporations Act, the total number of securities in each class of IPN securities on issue as at 5 July 2004 is as follows.

Class	Number
IPN Shares	971,503,373
IPN Options	23,127,596

#### (a) IPN Shares

As at the date of this Bidder's Statement, Sonic had a relevant interest in 190,734,465 IPN Shares, and voting power of 19.63%.

As at the date immediately before the first Offer is sent, Sonic had a relevant interest in 190,734,465 IPN Shares and voting power of 19.63%.

#### (b) IPN Options

The 23,127,596 IPN Options comprise the following classes:

- (i) 3,300,000 IPN Options (held by 7 persons) granted under IPN's employee share option schemes, being as follows:

Number	Date of Grant	Expiry Date	Exercise Price
380,000	22/08/02	21/08/07	13.2 cents
190,000	22/08/02	21/08/07	13.2 cents
760,000	23/11/02	30/11/07	8.5 cents
500,000	23/11/02	31/10/06	8.5 cents
500,000	23/11/02	30/03/07	8.5 cents
500,000	23/11/02	31/12/06	8.5 cents
500,000	23/11/02	30/04/05	8.5 cents

- (ii) 14,239,596 IPN Options granted on 20 August 2002 to Ralph Shreeve, the managing director of IPN, with an exercise price of 13.2 cents (of which 11,400,000 IPN Options have an expiry date of 7 October 2005 and the other 2,839,596 IPN Options have an expiry date of 7 October 2006); and

- (iii) 5,558,000 IPN Options (held by 8 persons) as follows:

Number	Date of Grant	Expiry Date	Exercise Price
1,558,000	20/08/02	03/05/05	52.6 cents
4,000,000	20/08/02	31/12/04	35.0 cents

Both as at the date of this Bidder's Statement and immediately before the first Offer is sent, Sonic does not have a relevant interest in any IPN Options.

The Offer does not extend to any IPN Shares that are issued on the exercise of IPN Options during the period from the Register Date to the end of the Offer Period.

## 7.2 Particulars of dealings in IPN Shares

### (a) Acquisitions or disposals of IPN Shares by Sonic or associates during previous 4 months

In the 4 months before the date of this Bidder's Statement, neither Sonic nor any associate has provided (or agreed to provide) or received (or agreed to receive) consideration for an IPN Share under a purchase or agreement to purchase or a sale or agreement to sell, other than as set out below.

Date of Purchase	Number acquired	Cash sum per IPN Share
7 April 2004	6,200,000	4.58 cents
8 April 2004	500,000	4.70 cents
9 June 2004	210,000	5.12 cents
21 June 2004	5,514,089	5.83 cents

In the period between the date of this Bidder's Statement and the date of the Offer, neither Sonic nor any of its associates has provided (or agreed to provide) or has received (or agreed to receive) consideration for an IPN Share under a purchase or agreement to purchase or a sale or agreement to sell.

### (b) Benefits to IPN Shareholders in the last 4 months

- (i) In the 4 months before the date of this Bidder's Statement, neither Sonic nor any of its associates gave, offered to give or agreed to give a benefit to another person which was likely to induce the other person or an associate to:
- (A) accept an offer under the Offer; or
  - (B) dispose of securities in the bid class,
- which benefit was not offered to all holders of securities in the bid class for the Offer.
- (ii) In the period between the date of this Bidder's Statement and the date of the Offer, neither Sonic nor any of its associates gave, offered to give or agreed to give a benefit to another person which was likely to induce the other person or an associate to:
- (A) accept an offer under the Offer; or
  - (B) dispose of securities in the bid class,
- which benefit was not offered to all holders of securities in the bid class for the Offer.

## 7.3 Escalation agreements

Neither Sonic nor any of its associates has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

## 7.4 Date for determining holders of securities

For the purposes of section 633 of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) is the Register Date.

## 7.5 Statements made on the basis of ASX announcements

Where statements in this Bidder's Statement refer to or are based on statements made in or announcements made by IPN to ASX, Sonic will provide a copy of those announcements free

of charge to any person who asks for it during the Offer Period. Any requests for copies of those announcements may be made by calling the Sonic Offer Information Line.

#### **7.6 Consents to be named**

Each of Computershare Investor Services Pty Limited, JP Morgan Australia Limited and Allens Arthur Robinson have consented to statements in this Bidder's Statement being made based on statements by them in the form and context in which those statements have been included, and have not withdrawn that consent.

As contemplated by ASIC Class Order 01/1543, this Bidder's Statement also includes statements based on statements made by persons in the circumstances described in that Class Order. Those persons have not consented to the inclusion of statements in this Bidder's Statement based on statements made by them.

#### **7.7 Consent to early despatch**

The IPN Directors have, in accordance with section 633(1) Item 6 of the Corporations Act, agreed and consented to Sonic's Offer and accompanying documents (including this Bidder's Statement) being sent to IPN Shareholders earlier than the minimum 14 day period otherwise required by that Item.

#### **7.8 Approvals for payment of consideration**

Sonic is not aware of any IPN Shareholders who require any approval referred to in Section 5.11(c) in order to be entitled to receive any consideration under the Offer.

So far as Sonic is aware, unless the Reserve Bank of Australia has given specific approval under the *Banking (Foreign Exchange) Regulations 1959 (Cth)*, payments or transfers to or for the order of prescribed governments (and their statutory authorities, agencies and entities) and, in certain cases, nationals of prescribed countries are subject to certain limited exceptions, restrictions or prohibitions. Based on searches by Sonic, the prescribed governments, countries and entities are as follows:

- supporters of the former government of Federal Republic of Yugoslavia; and
- ministers and senior officials of the Government of Zimbabwe.

The places to which, and persons to whom, the *Charter of the United Nations (Terrorism and Dealing with Assets) Regulations 2002 (Cth)* currently apply include the Taliban, Usama bin Laden (also known as Osama bin Laden), a member of the Al-Qaida organisation (also known as the Al-Qaeda organisation), and any person named on the list maintained pursuant to United Nations Resolution 1390 (2002) by the Committee of the United Nations Security Council established pursuant to United Nations Resolution 1267 (1999).

The places to which and persons to whom the *Charter of the United Nations (Sanctions - Afghanistan) Regulations 2001 (Cth)* currently apply include a bin Laden Entity and a Taliban Entity (as those terms are defined in those regulations).

The *Iraq (Reconstruction and Repeal of Sanctions) Regulations 2003 (Cth)* apply in respect of assets of the previous government of Iraq, and assets removed from Iraq or acquired by a senior official of the previous government of Iraq or their immediate families. Transactions with such assets (including, if relevant, IPN Shares) require Ministerial approval.

## 8. Funding Arrangements

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### 8.1 Overview

As at the date of this Bidder's Statement, the maximum amount payable under the Offer will be approximately \$41.6 million (**Maximum Amount**) if Sonic acquires 66.67% of all IPN Shares in which it (or its associates) do not already have a relevant interest.

The necessary funds to be made available to Sonic to pay the Maximum Amount, and to meet any stamp duty and other transaction costs, will be sourced by Sonic from drawdowns under the Facility Agreement (as defined below). Sonic has not reserved any of its existing cash reserves or bank facilities for the purposes of funding its obligations under the Offer.

### 8.2 Funding details

#### (a) Facilities available

Sonic has entered into a facility agreement (the **Facility Agreement**) with Australia and New Zealand Banking Group Limited (**ANZ**) under which ANZ has agreed to make available to Sonic funding for acquiring IPN Shares under this Offer in amounts in excess of the Maximum Amount.

Under the Facility Agreement, no demand for repayment of funds may be made during the time at which Sonic has outstanding obligations to make payment under the Offer.

#### (b) Conditions precedent

The conditions precedent to the drawdown of funds under the Facility Agreement (other than those which have already been satisfied) are standard conditions precedent to banking facilities of this type and include:

- (i) execution of the Facility Agreement by each wholly-owned subsidiary of Sonic which is a guarantor; and
- (ii) receipt by ANZ of certain confirmations about IPN and the Offer.

#### (c) Events of default

The "events of default" under the Facility Agreement are normal "events of default" applicable to banking arrangements of this type.

#### (d) Representations and warranties

The representations and warranties given by Sonic and the guarantors to ANZ are normal representations and warranties applicable to banking arrangements of this type.

#### (e) Guarantee

The amounts owing under the Facility Agreement will be unconditionally guaranteed by Sonic and those of its subsidiaries which are guarantors under Sonic's existing senior debt facilities.

## **9. Intentions For IPN**

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### **9.1 Introduction**

This Section 9 sets out Sonic's present intentions on the basis of facts and information concerning IPN which are known to it as at the date of this Bidder's Statement. Final decisions regarding these matters will only be made following a detailed review of IPN's operations and after the close of the Offer Period.

### **9.2 Intentions for IPN as a partly owned subsidiary**

If, following the close of the Offer, IPN becomes a controlled entity of Sonic, Sonic's intentions are described below.

#### **(a) General intentions**

It is Sonic's present intention to:

- (i) maintain IPN as a company with official quotation on ASX, while it meets the requirements of the ASX Listing Rules for maintaining a listing;
- (ii) ensure that a majority of the Board of Directors of IPN are Sonic nominees; and
- (iii) form an Executive Committee whose objective will be to review all aspects of IPN's operations to fully consider opportunities for Sonic to introduce efficiencies and add value to IPN's operations.

#### **(b) Strategic Intentions**

Sonic is a supporter of the IPN business model of networked independent medical practitioners. Sonic believes it has considerable experience in the medical services industry, in particular in the areas of management, productivity enhancement, cost efficiencies, logistics, and site selection. Through the formation of an Executive Committee, which shall consist of selected IPN executives, Sonic intends to initiate a review of the ways Sonic can contribute its considerable industry knowledge to the benefit of IPN achieving its strategic objectives.

#### **(c) Review of operations**

In light of the more detailed information then available to it, and in context of Sonic's general corporate objectives, Sonic will undertake a detailed review of IPN's activities to evaluate their performance, profitability, prospects and strategic relevance. In particular, Sonic will carefully review the capital and financing requirements of IPN, and work with IPN to establish the most efficient and appropriate capital and debt platform for IPN, in the best interests of all IPN shareholders.

As part of this review, it may become apparent that some of the assets and businesses of IPN may not be regarded as having strategic relevance to IPN or to Sonic. This review will also consider the merits of and opportunities for divestiture of any underperforming or non-strategic assets, and the ongoing capital requirements of the IPN balance sheet.

#### **(d) Governance issues**

The extent to which Sonic's intentions for IPN described in this Section may be realised, if IPN is a partly-owned subsidiary, will be subject to:



- (i) the law and the ASX Listing Rules, in particular about related party transactions and conflicts of interest (in which regard, the role of independent directors of IPN will be important);
- (ii) the legal obligation of the then IPN board of directors to act in good faith in the best interests of IPN and for proper purposes (in which regard, the role of independent directors of IPN will also be important); and
- (iii) the outcome of the reviews referred to in paragraphs (b) and (c).

**(e) Other issues**

While IPN is a partly-owned subsidiary of Sonic, Sonic expects that it will be appropriate for IPN to retain separate corporate and operational management, whose functions will be likely to include strategic analysis, planning and marketing capability. Some head office functions could, in the interests of both groups, be made available to IPN under arrangements with the Sonic group. (Sonic has not decided which functions would be likely to be the subject of such arrangements and does not intend to make a decision on those matters until after the close of the Offer Period. The extent of any cost savings arising out of those arrangements would depend on the terms to be agreed with the IPN Board.)

**9.3 Intentions if IPN does not become controlled by Sonic**

If Sonic does not acquire a majority of voting power as a result of the Offer, Sonic will endeavour to execute its plan as it has outlined in Section 9.2 to the extent practicable through its non-controlling ownership percentage. Sonic may also consider continuing acquiring additional IPN Shares under the 'creep' provisions of Item 9 in section 611 of the Corporations Act, until it achieves that majority of voting power. In summary, those provisions permit Sonic (and its associates) to acquire up to 3% of IPN Shares every 6 months. Sonic has not yet decided whether it will acquire further IPN Shares under the 'creep' provisions, as that will depend upon the extent to which Sonic has capacity to acquire further IPN Shares and market conditions prevailing at the time.

**9.4 Other intentions**

Subject to the foregoing (including, in particular, the outcome of Sonic's reviews outlined in Sections 9.2(b) and 9.2(c)), it is the present intention of Sonic:

- (a) to continue the business of IPN;
- (b) not to make any major changes to the business of IPN nor to redeploy any of the fixed assets of IPN; and
- (c) to continue the employment of IPN's present employees.

## 10. Tax Consequences

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**IPN Shareholders will need to consult their own tax advisors regarding the consequences of acquiring, holding or disposing of IPN Shares in light of their particular investment circumstances.**

### 10.1. Introduction

The following descriptions are based upon the laws as in effect at the date of this Bidder's Statement, but are not intended to be an authoritative or complete statement of the laws applicable to the particular circumstances of every IPN Shareholder. Those persons should seek independent professional advice about their own particular circumstances.

The following is a general description of the Australian income and capital gains tax consequences to IPN Shareholders of the acceptance of the Offer. The comments set out below are relevant where those securities are held as capital assets for the purpose of investment and not in connection with the conduct of a business.

Certain IPN Shareholders, such as those engaged in a business of trading or investment, those who acquired those securities for the purpose of resale at a profit or those which are banks; insurance companies; tax exempt organisations or superannuation funds or persons who acquired their IPN Shares in respect of their employment at IPN (or an associated company), will or may be subject to special or different tax consequences peculiar to their circumstances.

IPN Shareholders who are not resident in Australia for tax purposes should also take into account the tax consequences, under the laws of their country of residence, as well as under Australian law, of acceptance of either Offer.

The summary reflects the current provisions of the Income Tax Assessment Act 1936 and the Income Tax Assessment Act 1997 and the regulations made under those acts (collectively the **Tax Laws**).

### 10.2 Capital gains tax

Acceptance of the Offer will involve the disposal by IPN Shareholders of some of their IPN Shares, by way of transfer to Sonic. This change in the ownership of the IPN Shares will constitute a capital gains tax (**CGT**) event for Australian CGT purposes.

Since the Offer applies to only 66.67% of each IPN Shareholder's IPN Shares, each IPN Shareholder who did not acquire all of their IPN Shares at the same time for the same cost, will need to select those of their IPN Shares in respect of which they accept the Offer. In Taxation Determination TD 33, the Commissioner of Taxation states that for CGT purposes, a taxpayer may, by reference to their own records select the particular shares being disposed of or apply a First-In First-Out (FIFO) basis of identification.

Australian resident IPN Shareholders who acquired or are deemed to have acquired their IPN Shares after 19 September 1985 may make a capital gain or capital loss, depending on whether their capital proceeds from the event are more than their cost base (or in some cases indexed cost base) of their IPN Shares, or whether those capital proceeds are less than their reduced cost base of those shares.

The capital proceeds of the CGT event will be the sum of the amount of money received by the IPN Shareholder in respect of the disposal of the IPN Shares pursuant to the Offer.

The cost base of the IPN Shares is generally their cost of acquisition. Certain other amounts associated with acquisition and disposal, such as brokerage or stamp duty, may be added to the cost base.

Capital gains and capital losses are aggregated to determine whether there is a net capital gain. If so, that net capital gain is included in assessable income and subject to income tax. However, a '*CGT Discount*' may be available to reduce the taxable gain for certain holders of IPN Shares.

Capital losses may not be deducted against other income for income tax purposes, but may be carried forward to be offset against future capital gains.

In general, if an IPN Share is held for less than 12 months before disposal, the capital gain or loss is calculated on the difference between the capital proceeds and the cost base for the share.

If an IPN Share is held for 12 months or more before disposal, the capital gain or loss will be calculated using one of the methods described below:

- If the IPN Share was acquired *before* 11.45 am on 21 September 1999, the capital gain or loss is generally calculated on the difference between the capital proceeds and the cost base for the share, which (in the case of calculating a capital gain but not a capital loss) may be indexed for inflation up to 30 September 1999. However, if the relevant IPN Share is held by an individual, complying superannuation entity or trust, that shareholder must elect to use indexation, if they wish to do so, in which case they are not entitled to claim a '*CGT Discount*' (as discussed below).
- If the IPN Share was acquired *after* 11.45am on 21 September 1999 the capital gain or loss is generally calculated on the difference between the capital proceeds and the cost base for the share, with no indexation. If such shares are held by an individual, a complying superannuation entity or a trust for 12 months or more before disposal, those shareholders may also be able to claim a '*CGT Discount*'.

If an IPN Shareholder is an individual, complying superannuation entity or trust and held their IPN Shares for 12 months or more before accepting the Share Offer, they will be entitled to a '*CGT Discount*' for IPN Shares disposed of under the Share Offer, if they have not elected to use indexation of their cost base (as described above). The *CGT Discount* entitles such shareholders to reduce their net capital gain on those shares (after deducting available capital losses of the shareholder) by half, in the case of individuals and trusts, or by one-third in the case of complying superannuation entities. However, trustees should seek specific advice regarding the tax consequences of distributions attributable to discounted capital gains.

The *CGT Discount* is not available to companies, nor does it apply to IPN Shares held for less than 12 months. Special rules apply under the Tax Laws to determine if shares have been held for the requisite period. IPN Shareholders should seek their own advice on this.

IPN Shareholders who are not resident in Australia for income tax purposes are generally not subject to Australian CGT on the disposal of IPN Shares if they and their associates have not held 10% or more (by value) of the shares in IPN at any time in the five years preceding the disposal of the IPN Shares.

IPN Shareholders who acquired their IPN Shares before 20 September 1985 are generally not subject to Australian CGT in respect of their disposal of those shares.

### **10.3 Stamp duty and the Goods and Services Tax (GST)**

No stamp duty or GST is payable on the transfer of IPN Shares under the Offer.

## 11. Other Material Information

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There is no other information which:

- (a) is material to the making of the decision by a person to whom these Offers are made whether or not to accept an Offer;
- (b) is known to Sonic; and
- (c) has not previously been disclosed to the holders of IPN Shares other than as disclosed in this Bidder's Statement.

## 12. Defined Terms and Interpretation

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### 12.1 Defined Terms

In this Bidder's Statement the following words have these meanings unless the contrary intention appears or the context otherwise requires:

**Acceptance Form** means the acceptance form which accompanies this Bidder's Statement entitled "Acceptance Form" or, as the context requires, any replacement or substitute acceptance form provided by or on behalf of Sonic.

**Accepted Shares** has the meaning set out in Section 5.10(a).

**ANZ** means Australia and New Zealand Banking Group Limited (ABN 11 005 357 522).

**ASIC** means the Australian Securities and Investments Commission.

**ASTC** means ASX Settlement and Transfer Corporation Pty Ltd (ABN 49 008 504 532).

**ASTC Settlement Rules** means the operating rules of the settlement facility provided by ASTC.

**ASX** means Australian Stock Exchange Limited (ABN 98 008 624 691) or, as the context requires, the financial market operated by it.

**ASX Listing Rules** means the official listing rules of ASX.

**Bidder's Statement** means this document.

**Broker** means a person who is a share broker and a Market Participant in CHESS.

**CGT** means capital gains tax.

**CHESS** means Clearing House Electronic Subregister System, which provides for the electronic transfer of securities in Australia.

**CHESS Holding** means a holding of IPN Shares on the CHESS subregister of IPN.

**CHESS Participant** means a participant of ASX admitted to participate in the settlement facility operated by ASTC in accordance with the ASTC Settlement Rules.

**Controlling Participant** means the CHESS Participant who is designated as the controlling participant for shares in a CHESS Holding in accordance with the ASTC Settlement Rules.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Encumbrance** means any mortgage, charge, lien, encumbrance and interest of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind.

**IPN** means Independent Practitioner Network Limited (ABN 13 083 519 377).

**IPN Directors** means the directors of IPN from time to time.

**IPN Options** means options to subscribe for IPN Shares.

**IPN Shareholder** means a person registered as a holder of IPN Shares.

**IPN Shares** means fully paid ordinary shares in IPN, and all Rights attaching to them.

**Issuer Sponsored Holding** means a holding of IPN Shares on IPN's issuer sponsored subregisters.

**Market Participant** means a market participant under the ASTC Settlement Rules.

**Marketable Parcel** means a holding of IPN Shares with a value of not less than \$500, based on the ASX closing price for IPN Shares on the date of your acceptance of the Offer.

**Maximum Amount** is defined in Section 8.1.

**Offer** means, as the context requires, the offer for IPN Shares contained in Section 5.1, or the proportional off-market takeover bid constituted by that offer and each other offer by Sonic for IPN Shares in the form of that offer.

**Offer Period** means the period during which the Offer is to remain open in accordance with Section 5.3.

**Prescribed Occurrences** is defined in Section 5.6(b).

**Register Date** means 23 June 2004, being the date set by Sonic under section 633(2) of the Corporations Act.

**Rights** means in the case of IPN Shares, all accretions, rights and benefits attaching to or arising from the IPN Shares directly or indirectly after the date this Bidder's Statement is lodged with ASIC (including all rights to receive dividends and to receive or subscribe for shares, stock units, notes or options and all other securities, distributions or entitlements declared, paid or issued by IPN).

**Sonic** means Sonic Healthcare Limited (ABN 24 004 196 909).

**Target's Statement** means the Target's Statement to be issued by IPN in response to this Bidder's Statement, as required by the Corporations Act.

## 12.2 Interpretation

In this Bidder's Statement, the following rules of interpretation apply unless the context requires otherwise.

- (a) A reference to **time** is a reference to Sydney time.
- (b) **Headings** are for convenience only and do not affect interpretation.
- (c) The **singular** includes the plural and conversely.
- (d) A reference to a **Section** is to a section of this Bidder's Statement.
- (e) A **gender** includes all genders.
- (f) Where a **word** or **phrase** is defined, its other grammatical forms have a corresponding meaning.
- (g) **\$ or A\$** or **¢** is a reference to the lawful currency in Australia, unless otherwise stated.
- (h) A reference to a **person** includes a body corporate, an unincorporated body or associations, another entity as well as a natural person.
- (i) A reference to a **person** includes a reference to the person's executors, administrators, successors, substitutes (including, but not limited to, persons taking by novation) and assigns.
- (j) A reference to any **legislation** or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it.

- (k) A reference to any **instrument** or **document** includes any variation or replacement of it.
- (l) Mentioning anything after **includes, including, for example** or similar expressions, does not limit what else might be included.
- (m) A term not specifically defined in this Bidder's Statement has the meaning given to it in the Corporations Act or the ASTC Settlement Rules, as the case may be.
- (n) A reference to a **right** or **obligation** of any two or more persons confers that right, or imposes that obligation, as the case may be, jointly and severally.
- (o) A reference to **you** is to a person to whom the Offer is made.
- (p) A reference to **your IPN Shares** is to IPN Shares in respect of which you were registered as a holder on the Register Date.
- (p) A reference to an **obligation** is to an obligation whether or not enforceable presently or in the future and whether on the fulfilment of a condition or by reason of the act of a third party or not.
- (r) References to an **arrangement, associate, subsidiary, related body corporate, relevant interest** and **voting power** are references to those terms as defined in the Corporations Act.

### **13. Approval of the Bidder's Statement**

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This Bidder's Statement has been approved by a resolution passed by the directors of Sonic.

Dated 9 July 2004

Signed for and on behalf of Sonic.

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

*Dr Colin Goldschmidt, Managing Director*



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# ACCEPTANCE FORM

This is an important document. If you are in doubt as to how to complete this form please consult your financial or other adviser immediately, or telephone the Offer Information Line on 1800 102 439. If you are outside Australia, please call +613 9415 4000.

**USE THIS FORM TO ACCEPT THE OFFER BY SONIC HEALTHCARE LIMITED (ABN 24 004 196 909) (“SONIC”) TO ACQUIRE 2 OF EVERY 3 OF YOUR SHARES (ie. 66.67%) IN INDEPENDENT PRACTITIONER NETWORK LIMITED (ABN 13 083 519 377) (“IPN”).**

Shareholder Reference  
Number (SRN):  
Subregister: Issuer Sponsored  
Number of IPN Shares held:  
Number of IPN Shares to be  
transferred:  
Consideration:

**If any of your details above are incorrect (eg. if you have bought or sold any of your IPN Shares), you must amend the above details and initial the alterations.**

You should read the Bidder’s Statement which accompanies this Acceptance Form. To accept the Offer referred to in the Bidder’s Statement, complete, sign and return this Acceptance Form. By accepting the Offer, you are accepting for 2 of every 3 of your IPN Shares (ie. 66.67%) only. You cannot accept the Offer for either a greater or lesser proportion of your IPN Shares. ^

Your IPN Shares are held on the issuer sponsored subregister (shown above). Sign in the appropriate box below.

## SIGN HERE

I/We, the person(s) named above, being the holder(s) of the IPN Shares shown above:

- (a) accept the Offer in respect of the number of my/our IPN Shares shown above as “Number of IPN Shares to be transferred” ^ and hereby agree to transfer to Sonic those IPN Shares for the consideration specified in the Offer; and
- (b) agree to be bound by the terms and conditions of the Offer, including my/our representations, warranties and agreements set out in the Bidder’s Statement.

If this form is signed under power of attorney, the attorney declares that he/she has no notice of revocation of that power.

Shareholder 1

Shareholder 2 (if joint)

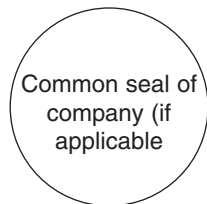
Shareholder 3

\_\_\_\_\_  
Director (if company)

\_\_\_\_\_  
Director/Secretary (if company)

\_\_\_\_\_  
Sole Director and Sole Company  
Secretary (if company)

Dated / /2004 Daytime telephone number -----



^ Note, however, if by accepting the Offer you will be left holding less than \$500 of IPN Shares, you will be deemed to have accepted the Offer for ALL of your IPN Shares (see section 5.1(c) of the Bidder’s Statement).

**Please refer overleaf for further important instructions. Your acceptance must be received no later than 7.00pm Sydney time on 16 August 2004 (unless the Offer is extended).**

## FURTHER IMPORTANT INSTRUCTIONS

Words used in this Acceptance Form have the same meaning as in the Bidder's Statement.

### Acceptance Instructions

- **Please check the front page** to ensure that your address and the number in "Number of IPN Shares held" is correct. If incorrect, please write your correct details and initial the changes.

If the number shown as "Number of IPN Shares held" is incorrect and you have made and initialled the correction as instructed above, then the "Number of IPN Shares to be transferred" and the "Consideration" will be deemed also to have been amended by you as follows:

- the "Number of IPN Shares to be transferred" will be calculated by multiplying the correct "Number of IPN Shares held" by two-thirds and, if necessary, rounding down the result to the nearest whole number, eg.

if the correct "Number of IPN Shares held" is 30,000, then the "Number of IPN Shares to be transferred" will be 20,000 (being  $30,000 \times 2/3$  and then rounded down, if necessary, to the nearest whole number)

- the "Consideration" will be calculated by multiplying the correct "Number of IPN Shares to be transferred" by 0.08, eg.

using the same example above, the "Consideration" will be calculated as follows:  
 $20,000 \times 0.08 = \$1,600.00$

- **Joint shareholders:** If your IPN Shares are held in the names of more than one person, all of you must sign this Acceptance Form.
- **Corporations:** This form must be signed by the authorised officers of the corporation and sealed (if required by, and in accordance with, the corporation's constitution) or a duly appointed attorney.
- **Power of Attorney and Deceased Estates:** If this form is signed under power of attorney, or by the executors of a deceased estate, or by the administrators, the relevant power or attorney, probate or letters of administration, together with any other documents required by law, must be attached.

### Lodgement Instructions

IPN Shareholders\* may return their completed Acceptance Form(s) by posting it using the reply paid envelope enclosed OR by delivering it to:

Computershare Investor Services Pty Ltd  
Level 5, 115 Grenfell Street  
Adelaide SA 5000

\*Overseas shareholders are urged to return their completed form by airmail to the address specified above.

IPN Shareholders can also fax their completed Acceptance Form to Computershare Investor Services to fax number (08) 8236 2305. IPN Shareholders must then mail their Acceptance Form by using the reply paid envelope OR deliver it to the address above as payment will not be processed until receipt of the mailed or delivered Acceptance Form.



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Holder Identification  
Number (HIN):  
Subregister: CHESS  
Number of IPN Shares held:  
Number of IPN Shares to be transferred:  
Consideration:

**If any of your details above are incorrect (eg. if you have bought or sold any of your IPN Shares), you must amend the above details and initial the alterations.**

You should read the Bidder’s Statement which accompanies this Acceptance Form. Your IPN Shares are held on the CHESS subregister (shown above). To accept the Offer referred to in the Bidder’s Statement, you can either:

- instruct your Broker or Controlling Participant to accept the Offer on your behalf; **OR**
- write their details here and sign and return this Acceptance Form.

Name	
Address	

By accepting the Offer, you are accepting for 2 of every 3 of your IPN Shares (ie. 66.67%) only. You cannot accept the Offer for either a greater or lesser proportion of your IPN Shares. ^

## SIGN HERE

I/We, the person(s) named above, being the holder(s) of the IPN Shares shown above:

- (a) accept the Offer in respect of the number of my/our IPN Shares shown above as “Number of IPN Shares to be transferred” ^ and hereby agree to transfer to Sonic those IPN Shares for the consideration specified in the Offer;
- (b) agree to be bound by the terms and conditions of the Offer, including my/our representations, warranties and agreements set out in the Bidder’s Statement; and
- (c) authorise Sonic to instruct my/our Broker or Controlling Participant to accept the Offer on my/our behalf.

If this form is signed under power of attorney, the attorney declares that he/she has no notice of revocation of that power.

Shareholder 1

Shareholder 2 (if joint)

Shareholder 3

\_\_\_\_\_  
Director (if company)

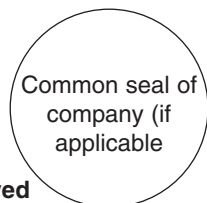
\_\_\_\_\_  
Director/Secretary (if company)

\_\_\_\_\_  
Sole Director and Sole Company Secretary (if company)

Dated     /     /2004

^ Note, however, if by accepting the Offer you will be left holding less than \$500 of IPN Shares, you will be deemed to have accepted the Offer for ALL of your IPN Shares (see section 5.1(c) of the Bidder’s Statement).

**Please refer overleaf for further important instructions. Your acceptance must be received no later than 7.00pm Sydney time on 16 August 2004 (unless the Offer is extended).**



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- **Corporations:** This form must be signed by the authorised officers of the corporation and sealed (if required by, and in accordance with, the corporation's constitution) or a duly appointed attorney.
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