

Initiate Acquisition Announce

Purpose

The purpose of this document is to address particular questions and provide additional insight about IBM's agreement to acquire Initiate. To view the full press release, go to: <http://www.ibm.com/press>.

Q. What are you announcing today?

On February 3, 2010, IBM announced that it has signed a definitive agreement to acquire Initiate Systems, Inc., a privately held company headquartered in Chicago, Illinois. Initiate is an established market leader in data integrity solutions for information sharing among Healthcare and Government organizations.

Q. When will this transaction be finalized?

This transaction is subject to customary closing conditions and regulatory clearance and is expected to close in the first quarter of 2010.

Q. Who is Initiate? What do they do?

Founded in 1995, Initiate's solutions enable clients to work more intelligently and efficiently, with a trusted view of data, including patient, provider and member information for healthcare systems, and a composite view of individuals to help government agencies provide more timely and effective citizen services.

The company has an established install base of over 200 clients, and provides a trusted, proven platform for sharing and aggregating information that:

- Delivers patient and provider solutions for integrating and delivering a trusted view of information for Health Care Information Exchange (HIE) and Enterprise Master Patient Index (EMPI) requirements
- Brings deep healthcare industry knowledge and experience in deploying healthcare information sharing solutions that support HL7 and HIPAA requirements
- Offers Accenx Exchange, a SaaS offering that enables providers and their affiliates to build information sharing communities and promote the adoption of electronic medical records
- Provides information integration solutions for government departments and agencies that need trusted information to improve services and boost efficiency.

Q. Why is IBM planning to acquire Initiate?

Healthcare organizations and governments around the world today are embarking on new initiatives to improve the health and safety of citizens.

- In healthcare, this means finding ways to simultaneously improve patient care and operational performance.
- Government clients are investing to provide more timely and effective citizen services, and to identify and integrate information across systems to boost efficiency.

A common requirement for all of these initiatives is proper management and delivery of trusted information when and where it is needed. The acquisition of Initiate complements IBM Information Management software, expanding capabilities for establishing and delivering trusted information, and enables IBM to help clients deliver smarter healthcare and smarter government solutions.

Q. How will Initiate customers benefit?

Initiate customers will immediately benefit from the combined technologies and skills of both companies, giving them an open standards-based infrastructure for sharing trusted information, with the expertise and global resources to help optimize their business transformations. They will

also benefit from the increased investment, global reach, industry expertise and support available from IBM. IBM remains committed to open standards and intends to continue to support and enhance the Initiate products across heterogeneous information systems.

Q. How will the acquisition affect Initiate Business Partners?

IBM is very interested in continuing relationships with the skilled Business Partners that have made the Initiate technology successful. As IBM works hard to deliver portfolio enhancements based on Initiate technology, Initiate Business Partners are encouraged to get started now. To find out more about establishing a deeper relationship with IBM, visit ibm.com/partnerworld/swvaluenet.

Q. How will the Initiate team fit organizationally within IBM?

Initiate will become part of the Information Management business, lead by Arvind Krishna, General Manager, IBM Information Management, within IBM Software.

Q. How does this affect IBM's Smarter Planet and New Intelligence vision?

The world today is experiencing a revolution, creating an explosion of information. Organizations that are taking advantage of this new wealth of information are able to make more intelligent decisions and rise to the top.

Healthcare systems need to be instrumented, interconnected and intelligent...

- **Intelligent** Using information in a predictive and preventive way can proactively keep people healthy, optimize clinical and business operations and differentiate services.
- **Interconnected** Connecting patients, clinicians, support groups and insurers removes information barriers so they can collaborate to make evidence-based decisions.
- **Instrumented** Capturing data in EMRs and from devices and sensors enables higher quality, safer care and increases operational visibility into staff and medical equipment use and condition.

Smarter government means collaborating across departments and agencies to access and manage resources more effectively, to become truly citizen-centric and boost efficiency levels.

IBM is helping clients achieve Smarter Healthcare and Smarter Government by using information to transform systems, gaining insight from the information explosion and seizing the opportunity to collect and share information pervasively across the entire value chain.

With the Initiate acquisition, IBM will expand capabilities for establishing and delivering trusted information to stakeholders and systems, helping healthcare and government clients improve operational performance, reduce risk, enable growth and deliver better patient care and improve public service.

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