31 March 2005

Company Announcements Office
Australian Stock Exchange Ltd
4th Floor, 20 Bridge St
Sydney NSW 2000

**IPN announce a proposed selective reduction of capital**

IPN intends to put a proposal to its shareholders to selectively reduce IPN's share capital such that Sonic Health Care Limited ("Sonic"), after completion, remains the only shareholder in IPN.

To that end Sonic has confirmed that it will provide funding to IPN for the selective reduction of capital on the basis of IPN returning 7 cents per IPN share to all shareholders (other than Sonic) in return for the cancellation of all IPN's shares(other than those held by Sonic). This is subject to the execution of mutually acceptable documents in terms of Sonic's funding commitment. IPN will be appointing an independent expert to ensure that the proposed selective reduction of capital is fair and reasonable to all shareholders.

The proposed transaction is subject to shareholder approval and further information and documentation will be forwarded in due course.

Yours Sincerely

Ralph Shreeve

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