



## Medbuy Takes Aim at Rising Healthcare Costs

*Leading group purchasing organization leverages Ariba's spend management solutions to reduce supply chain costs for Canadian healthcare providers*

**SUNNYVALE, CA, and LONDON, ONT. - January 24, 2006**- Ariba®, Inc. (Nasdaq: ARBA), the leading spend management solutions provider, today announced that it has signed an agreement with Medbuy, a national health care group purchasing organization owned by its members who are Canada's leading health care providers. Under the terms of the multi-year deal, Medbuy will leverage a comprehensive suite of Ariba's spend management solutions to enhance the efficiency of its procurement process and further reduce supply chain costs for its members.

"In today's healthcare environment, providers face a number of significant challenges: rising costs, limited resources and rapidly evolving market conditions. At Medbuy, our mission is to help them overcome these barriers by improving the efficiency of their supply chains," said Rick Cochrane, President and CEO, Medbuy.

To achieve this mission, Medbuy negotiates and manages contracts with suppliers on behalf of its more than 30 members. "We will drive close to \$600 million worth of contracts in 2006," Cochrane said. "To do this efficiently, we need a system that can capture and manage contracts, allow us to collaborate with our members on RFPs, and track rebates."

Prior to Ariba, Medbuy used a combination of homegrown software and manual processes to source and manage contracts. "We had automated systems, but they were automated to the extent that we had seven or eight different systems to download information from," Cochrane said. "With Ariba, we have all of the tools we need to fully automate the procurement process delivered in a single, integrated platform."

A critical factor in Medbuy's selection of Ariba was the flexibility of the company's solutions and what Cochrane sees as Ariba's ability to scale and grow with his business. "By 2007 we expect to have seen growth of more than 300 percent over a four year period and it is imperative that our systems be able to manage the additional capacity," Cochrane said. "We see Ariba as the leader in what they offer today and in their future product direction, which we can leverage to create competitive advantage for ourselves and our members."

Medbuy has subscribed to a combination of Ariba Analysis™, Ariba Sourcing™, Ariba Category Management™, Ariba Supplier Performance Management™, Ariba Contract Workbench™ and Ariba Contract Compliance™ solutions to enhance the efficiency of the company's procurement process and increase the savings that it generates for members.

"Few sectors of the economy are under greater pressure to identify and drive savings than healthcare," said Kevin Costello, chief commercial officer, Ariba. "Through the use of innovative technologies and the application of procurement best practices, Medbuy has taken the lead on lowering costs for hospitals across Canada. With Ariba's spend management tools, Medbuy has access to software, commodity expertise and sourcing services that it can access on demand to enhance its own efficiencies and create even greater value for its members."

### About Medbuy

Medbuy is a national health care Group Purchasing Organization owned by its members who are Canada's leading health care providers. On behalf of its members, Medbuy contracts with a wide variety of suppliers for goods and services in the health care field. The company's goal is to deliver the highest value possible so as to further enhance its members' ability to provide exceptional care to the patients they serve. For more information about Medbuy, please visit <http://www.medbuy.ca>

### About Ariba

Ariba, Inc. is the leading provider of Spend Management solutions to help companies realize rapid and sustainable bottom line results. Successful companies around the world in every industry use Ariba Spend Management software and services. Ariba can be contacted in the U.S. at 1.650.390.1000 or at [www.ariba.com](http://www.ariba.com)

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