



Dear Fellow Shareholders,

I enclose Notice of the General Meeting that has been requisitioned by 18 of our shareholders to consider resolutions to replace Mr. Lambert and myself as directors of the Company with Mr. Murray (the former Managing Director) and Mr. Canning.

In the interest of keeping the Company's costs down we are also putting to the meeting a resolution to approve the buy-back of shares from Donna Murphy for \$1. This is the final part of the disposal of the Company's US business.

A number of shareholders have brought to the attention of the Board that Mr. Murray has made disparaging comments about the conduct of the Company's affairs and certain members of the Board. These statements are untrue, misleading and potentially libellous and/or defamatory. Please disregard them.

Since completing the disposal of the US and Australian businesses the Board has implemented a low cost structure. ICS has no full time employees in Australia, however the UK business, MBC, continues to operate as usual. MBC is profitable and showing good growth. Last week the Board approved a software replacement that will remove some current constraints and position the business for future growth. In Australia the necessary accounting, legal and governance services are engaged as required on hourly rates. The Directors remain on half fees of \$2,000 per month and \$4,000 per month for the Chairman.

The Board has met 9 times since Mr. Murray's redundancy and resignation on 30th April. The Directors discuss the Company's business on a daily basis. We have considered over 15 different proposals for ICS that could help us to restore shareholder value. Two of these proposals include undertakings for fully underwritten capital raisings. Most of the proposals to date have been rejected for various reasons but several are still under consideration. Unfortunately, as the Board's authority is under challenge, we are not in a position to advance any proposal until after this General Meeting.

Since taking redundancy Mr. Murray has put a proposal to the Board to acquire an Internet accommodation website. The Board declined this proposal because:-

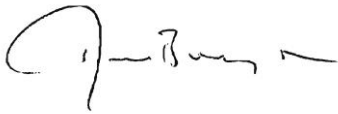
- It was proposed that ICS should purchase the business for scrip valued at \$750,000 yet the business has never been profitable and was about to be shut down by its owners.
- The business has very large and powerful entrenched competitors and no perceivable competitive advantage.

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- The proposal required a capital raising that was only partially underwritten.
- The proposal included re-hiring Mr Murray as Managing Director which would put a considerable burden on the company's current business model, cash resources and any funds raised.

In conclusion the Board has been advised by a number of significant shareholders that they want the existing Directors to continue with their efforts, on behalf of **all** shareholders, to improve shareholder value. There is a long way to go restore the value that has been lost, and all strategies have risk, but you have my assurance that the Board is diligently focussed on this task.

Yours sincerely



Ross Bunyon AM

Chairman

**YOUR VOTE IS IMPORTANT
SEND IN YOUR PROXY VOTING AGAINST
RESOLUTIONS 1, 2, 3, & 4
OR ATTEND IN PERSON**

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