

ICSGlobal Limited (ASX:ICS)

Shareholder Update

13 September 2010

ICSGlobal has had a year of significant change. The key features of the year have been:

- **Disposal of the US and Australian businesses**
- **Turnaround of the business from loss to profit on a continuing basis**
- **Significant profitable growth in the UK business**
- **Turnaround to a forecast positive operating cash flow position**
- **Turnaround to positive NTA**
- **Clean and debt free balance sheet**
- **Additional capabilities added to the Board**

Overview

During the year the US and Australian business models became unsustainable and these businesses were disposed of in April 2010. Since then the Board has focussed on:

- Improving the quality and strength of the UK business; and
- Given that the UK business alone is not currently of sufficient size by itself to justify a listed status, the Board has embarked upon the search for an additional business to acquire.

It is important to recognise that the hard decisions made by the Board have brought the Company through its difficulties to a sustainable debt free position with the potential to pursue additional business opportunities.

Financial Results

The financial results for the year ended 30 June 2010 is an overall loss of \$3,744,088, which is comprised of:

- A profit of \$333,782 from continuing operations;
- A loss of \$3,859,617 from discontinued operations, in particular the sold US and Australian businesses; and
- A loss of \$218,254 from foreign exchange translation adjustments.

Depending on the future financial performance of the Australian business that was sold during the year, there is some potential upside from an “earn out” payment, however, the amount of any such payment is uncertain and nothing has been brought to account at this point.

Key Financial Information

	2010	2009	Change
	\$	\$	%
Revenue from Continuing Operations	1,213,360	1,165,357	4.1%
Other Continuing Revenue	34,338	180,719	
Total Continuing Revenue	1,247,698	1,346,719	
Profit (loss) from Continuing Operations	9,091	(2,815,915)	
UK Profit before tax and corporate re-charges	299,291	150,097	99.4%
Net Assets	2,715,893	4,505,463	
Intangibles	2,214,282	5,223,009	
Net Asset Value per ordinary share	1.64 cents	3.0 cents	
Net Tangible Assets	501,611	(717,546)	170%
Ordinary shares on issue <i>*post 4 August 2010 buy back</i>	165,700,917 *	149,985,972	
NTA per ordinary share (cents)	0.3 cents	(0.5) cents	160%
Cash and equivalents at balance date	393,208	471,039	

UK Business

As a result of the restructure, the sole operating business of ICSGlobal is now Medical Billing & Collection (MBC) business in the UK. MBC is the leading medical billing company in the UK and recognised as such by the market as offering a first class service to its clients.

MBC is growing strongly with underlying earnings before tax and corporate re-charges growing by approximately 100% in AUD terms from \$150,097 in 2009 to \$299,291 in 2010. It would be remiss of the Board not to thank the UK team, headed by Garry Chapman and Diana Bell, who have achieved revenue growth and improved earnings despite the issues facing the other businesses in the group.

The Board is focussed on supporting the expected growth in the MBC business and has recently approved an investment in a new business management platform which includes customised software tailored to the business and clients of MBC. The investment should ensure that MBC properly services its existing client base and is well placed to offer tailored services to larger medical clients. This investment should position the business to open up new markets and grow revenue and profitability.

The projected total cost of this infrastructure is £ 0.2 million including software costs and new hardware and hosting infrastructure. This project commenced in June 2010 and, moving as quickly as we prudently can, should see all existing customers migrated to the new platform early in the calendar new year. The Board is balancing the tight timeframe and urgency of this project with our overall capital requirements.

New Opportunities for ICS Global

In addition to the profitable MBC business, the Board is seeking new Australian business opportunities that maximise value for shareholders. The Board is seeking the appropriate balance between, price and current and prospective earnings of an acquisition and its ability to restore shareholder value within acceptable boundaries of risk.

Identifying a business the Board is satisfied to recommend to shareholders takes time and effort and the Board has reviewed over 15 proposals to date. The Board is currently actively reviewing a number of proposals in the financial services, IT and natural resources sectors, and once an appropriate business opportunity has been identified and reviewed, the Board will provide full details to shareholders.

As mentioned previously, the Company had made a non-binding offer for one opportunity in the financial services industry and is awaiting final vendor feedback on the offer.

In line with the current financial resources, the Company continues to operate under a low cost model in order to maintain shareholder value.

Thank you for your on-going patience and support.



Kevin Barry
Chairman
ICSGlobal Limited