

ICSGlobal Limited 2003 Annual General Meeting

Chairman's Address by Mr Dean Pritchard

I intend to mention the main highlights of the year in review, to talk about corporate governance in ICSGlobal, and to make some comments about recent progress and the issues facing us in the future. Tim Murray, the Managing Director will then give a more detailed presentation on THELMA, the health industry and our current status.

2003 FINANCIAL YEAR

Financial year 2003 was a time of continued development of THELMA in the marketplace, with new customers signing up progressively and some important transaction opportunities emerging.

New funds signed during the 2003 financial year include Medibank Private, Lysaght Peoplecare, Commonwealth Bank's health fund, NIB and Grand United.

A range of new hospital signings including the Nova group of hospitals, St Luke's hospital complex in Sydney and the Bupa owned Hurstville Community Hospital saw our signed up hospital coverage rise from 7 per cent at the start of the 2003 financial year to around 23 per cent of the Australian private hospital market.

The Company's focus on implementing our signed up customer base has led to the emergence of the first real data from THELMA customers that provides valuable endorsement that the THELMA technology functions well and offers substantial business benefits to our customers.

A significant achievement in February this year was going live with Electronic Hospital claims to Medibank private. We see this transaction as potentially THELMA's key revenue generator as more and more hospitals discover the substantial business benefits that we deliver with this service.

However, many of the hospitals that we have signed up, and many with whom negotiations are substantially complete, have been waiting for our Eligibility service to go live with Medibank Private, as they are by far the largest fund.

We are absolutely delighted to tell you today, that following system implementation, testing, and volume testing with selected hospitals, that the Eligibility service to Medibank Private is open for business to all hospitals through THELMA. This is a very, very important milestone for the company, and I personally expect it to be a point where rapid acceleration of transactions through THELMA begin.

A highly focussed roll-out plan is now being actioned, and we will of course closely monitor progress.

The financial result for the 2003 year was a small improvement on the previous year, and notwithstanding the expensing of capital equipment for upgrading THELMA infrastructure to an industrial strength service, was clearly a disappointment for all of us at ICSGlobal.

Transaction volumes did not increase as quickly as we had expected, and again is evidence of the inherent inertia in our Health industry.

We had two capital raisings during the year, and in each case the company met strong support from investors.

CORPORATE GOVERNANCE

Again this year there has been a great deal of discussion about the standards of corporate governance in Australia, and we have continued to monitor developments that might have an impact on the company. This includes the recent release of draft legislation for CLERP 9 and the ASX Corporate Governance Council's best practice recommendations.

Your board places considerable importance on ensuring that ICSGlobal maintains an appropriate standard of corporate governance. In the 2003 Annual Report, we have described the corporate governance regime operating in the company, and our web site carries details of our policies and procedures.

The Board also has placed considerable importance on keeping the market informed of our progress. This is reflected in the number of ASX announcements made during the year and the regular newsletters from our Managing Director. The Company is committed to continuing with these practices.

One of the outcomes of the corporate governance reviews conducted by the Board was a decision to discontinue the retirement benefits plan for non-executive directors.

I would like to make some specific comments with respect to employee options: as part of our declared strategy for ensuring that we attract and keep the best people, and to develop long-term commitment to the company's success, we have again this year ensured that all employees participate in the option scheme.

There are currently x million options granted to employees, which represents y% of the issued shares. A significant portion of these options can only be exercised upon the achievement of performance milestones.

It is part of our policy also that options will not be granted to the Managing Director or non-executive directors.

FUTURE OUTLOOK

The need for electronic transactions is becoming more widely accepted in the health industry. This combined with our solid customer testimonials on the benefits of THELMA, gives us cause to feel confident and optimistic about the THELMA business.

Whilst the volume of transactions for the first quarter of the 2004 financial year have been disappointing, the announcement that Medibank eligibility is live is expected to lead to a significant increase in the volume of transactions from our existing customers and expected new signings.

I wish once again to thank the board and staff for their extraordinary contribution in this past year. The team has overcome countless hurdles, and in doing so has earned the respect of the industry, and has further enhanced THELMA's position in the marketplace.

The challenge remains to build revenue from the core business in this next year, and as well to remain alert to the potential for new associations and relationships during a period when the market participants are focussed on efficiency improvements. I am confident that we will succeed.

I will now ask Managing Director, Tim Murray to make a presentation to you about THELMA.