

ASX RELEASE

ICSGlobal 2009 ANNUAL GENERAL MEETING

CHAIRMAN AND CEO ADDRESSES

CHAIRMAN'S ADDRESS

Delivered by Ross Bunyon, Sydney, 26 November 2009

It is a pleasure to deliver my third address to shareholders as Chairman of ICSGlobal.

As you are aware, it has been a challenging year for the Company and our shareholders. I would firstly like to highlight recent actions that the board has taken to address the issues that prevented us achieving cash flow positive during calendar 2009, as well as the negative impacts flowing from the global financial crisis and the reduction in our offshore earnings as a result of the stronger Australian dollar.

Specific actions taken by the board in the last few months include:

- The resolution of the Medicare litigation which cost \$430,000 in the 2009 financial year and \$370,000 in the 2010 financial year. This has saved the Company from incurring further significant legal costs and removed the risk that the Company would be liable for Medicare's costs.
- The suspension of the Thelma-US operation has saved \$625,000 per annum in the US and enabled the Company to achieve further cost savings of \$400,000 per annum from the Australian development team.
- Additional staff reductions in Australia have saved a further \$150,000 per annum.
- The executive and non executive directors have reduced their fees by approximately \$124,000 per annum
- The board has split the Company's operations into two distinct divisions. The first one being the medical banking division comprised of Thelma-Australia, Medical Billing & Collections, or MBC, in the UK and Medical Recovery Services, or MRS, in the US. The second division is Cybrand, whose focus is to generate revenue from the Company's existing products and services in industries and applications other than medical banking.

United States Operations

I would like to turn now to our US operations. The principle reason for not achieving our target of cash flow positive this calendar year is our US businesses not performing in line with the expectations of the board, or of the local management.

In the case of MRS, in the last few months the business has stabilised and going forward is expected to generate earnings before interest & tax of approximately US\$400,000 per annum. Key to this stabilisation has been:

- Firstly, the revenue generated by the large new Florida account that MRS won in February, is now progressively improving, although it has not yet produced the earnings that the MRS management were originally expecting.
- Secondly, payroll costs increased significantly for a few months during the change over of the IT systems used by a number of our largest customers. These costs have reduced significantly as the impacts of these new systems settle down, and payroll costs are now on track to go below their pre-acquisition levels.

In the case of Thelma-US, the decision to suspend the transaction business was a difficult one for the board, but one we believe was prudent if we are to put our existing assets to best use to trade our way to profitability. The US healthcare transaction market is the largest in the world, with a number of large established suppliers in the clearinghouse market. Our original strategy was to fast-track a high volume, low margin beachhead in the market through interchange partnerships with established clearinghouses, since volume was a pre-requisite for healthcare payers to allow us to build our own direct connections to them, thereby eliminating the interchange fees and improving our margins. Sufficient partnerships were established, the Thelma-US platform went into production, but as our quarterly volume graphs showed, target volumes were not being achieved. As an intermediary, we were reliant on our partners feeding us volume, the priority for doing so apparently slipping down the list as these companies addressed more pressing business issues of their own stemming from the global financial crisis.

Consequently, following a review of the Thelma-US business by management, a recommendation was made, and the board accepted, that it was not in the best interests of the Company at this point to continue investing over \$1 million per annum to establish the US transaction business.

The unexpected disappointing performance of our US operations during the year were major contributors to the decision to settle the Medicare litigation.

Mr Murray in his address will expand on the recent letter to shareholders and provide a more detailed status of operations and the way forward for the overall business.

Medicare Litigation

I would now like to turn to the Medicare litigation that we settled recently.

The Medicare litigation has been a significant cost and distraction for the management of the Company during the last 12 months. The Board's view is that Medicare's justification for developing and providing a free taxpayer-funded solution in competition to Thelma, in areas of the private health sector where Medicare are not a paying party to the transaction, especially given that the market was already well serviced by the private sector, was totally inappropriate. This being the case, and given the Company's investment in establishing the Thelma business before Medicare entered the market, the board felt that it had a duty to shareholders to take the matter up with Medicare.

Ultimately, weighing up the likely future costs of continuing with the litigation over another eighteen months to two years, the fact Medicare were making the most of their access to an unlimited supply of tax dollars to mount a defence, the risks associated with any litigation and particularly so in the area of competition law, the Board decided it was in the best interests of the Company and its shareholders to settle the matter.

I'd like to note that the Board has never wavered from a strong belief in the merits of our claim against Medicare, the damage their actions have caused to the Thelma business, and the cost this has had to ICSGlobal shareholders.

Going forward, Thelma will continue to market and support its services in Australia, including exploring ways to work with Medicare to help them deliver the government's policy objectives.

Director and Executive Remuneration

As part of the Company's total commitment to becoming profitable and cash flow positive, effective from 1 September, the non executive directors have halved their fees. Mr Murray also agreed to reduce his remuneration by fifteen percent from 1 October 2009. These arrangements will be reviewed once the Company is profitable.

Summary

In summary, cost reduction and control measures implemented in the last few months mean that each of the three business units that make up our medical banking division: Thelma-Australia, MBC and MRS - are now profitable and making a positive contribution towards corporate costs.

Suspending the Thelma-US service removes over a million dollars in costs from the company, and together with settling the Medicare litigation and the splitting of the Company's business into two divisions, frees management to focus fully on maximising revenue from our proven products and services. The launch of Cybrand is seen as an important part of this, leveraging our human capital and intellectual property into applications other than medical banking.

These measures, and our cash reserves, place the Company in the best position at any time in the last few years, to trade itself into profitability.

The board believe that the current costs of the business represent an appropriate balance between keeping costs as low as possible, whilst maintaining the growth potential of the Company. The board will continue to monitor this balance and will act to reduce costs further if required.

As I ask Tim Murray to present our revenue growth plans going forward, may I record the thanks of the Board to Tim and all of the ICSGlobal team for their commitment and contribution in the last 12 months.

MANAGING DIRECTOR'S ADDRESS

Delivered by Tim Murray, Sydney, 26 November 2009

Today I would like to expand on the recent letter to shareholders, review the status of each current business unit, and how we plan to put the products and services within them to best use to maximise revenue.

Australian Health Business Update

For Thelma-Australia, it will be business as usual. We are operating the business within the worst market environment that has existed since 2002, when Medicare Australia first announced their intention to set up an equivalent free service in direct competition with Thelma. However, despite the obvious challenges this created for our business, overall Australian Thelma transaction volume has continued to grow at around 50% per annum. In fact, in the September 2009 quarter, we achieved record volumes for each of our different transaction types.

While these growth figures might sound impressive, the reality is absolute electronic transaction numbers are still low because, in the space where Thelma operates, the Australian private healthcare system is still largely a paper-based system. The CEO of a private health insurer recently aired his frustration to me that 80% of the medical claims and 95% of the hospital claims that reach them are still paper-based.

Why is this? In 2002, between Thelma and a number of other privately owned electronic claiming solutions, the private healthcare market was fully serviced, and it was just a matter of healthcare businesses connecting to these services as and when it suited them. However, Medicare Australia's promise of a free, all-things-to-all-people solution at that point was obviously an exciting prospect for the private health sector. All they had to do was wait, which is what the majority did, and are still doing.

Looking forward for the Thelma business in Australia, we are unsure what will happen with volume and transaction mix into the future. We expect some transactions will continue to grow strongly as they have been, while commercial reality would dictate that some of the transaction services that Medicare are offering for free, will decline over time.

Importantly the Thelma Australia business unit makes a positive contribution to corporate overheads. On this basis, and the fact that the Thelma technology and its supporting team comprise the skeleton of the new Cybrand division, it is our intention to continue to operate Thelma in Australia for the foreseeable future.

United Kingdom Health Business Update

MBC made good progress during the year. The business has consolidated and strengthened its operations, while managing to grow its revenue and profit in exceptionally tough economic conditions. The continued revenue growth from new sales was particularly pleasing given that some of our long standing doctor's monthly billings have reduced by up to 20% since the start of the global financial crisis.

MBC is rapidly consolidating its position as the UK's leading Company in the outsourced patient billing services sector. The growth of MBC going forward is likely to only be organic, as there appears to be no other billing companies in the UK large enough to warrant acquisition.

As MBC claim volume grows, the business case for deploying Thelma in the UK, even as a free electronic claims service to the private health insurers, starts to become viable. If the private insurers would agree to receive electronic claims via Thelma, return an electronic remittance advice and pay electronically – which is just standard medical banking practice - the cost savings to MBC would be substantial, and more than justify providing free electronic claims to the private insurers.

Another approach to the private insurers will be mounted in the new year.

United States Health Business Update

With the suspension of the Thelma-US transaction business, we now have a stable, profitable beachhead in the United States in MRS.

There has been no change to ICSGlobal's plans to continue with our US billing company "roll up" consolidation. We have established a good network of agents and other "spotters" who regularly bring potential billing company acquisitions to us. However, no further US acquisitions will be made until such time as ICSGlobal is in itself, a stable, profitable business platform.

The suspension of the Thelma-US transaction service does not affect our US billing company roll up plans. As the consolidation process progresses, the business case for redeploying Thelma-US will be regularly re-evaluated.

Cybrand

I would now like to turn to our new Cybrand division. The purpose of Cybrand is to generate revenue through leveraging the Company's existing human capital and intellectual property into applications other than medical banking.

The notion of selling products and consulting services is certainly not new to ICSGlobal. In fact, I launched ICS in 1990 as a boutique engineering and IT consultancy. During the nineties ICS grew to over 200 consultants working on projects in 33 countries out of offices in London, Hong Kong, Singapore and most Australian capital cities.

To allow me to focus totally on Cybrand, we have divided the company into two divisions: medical banking, comprised of Thelma-Australia, MBC and MRS, which is being led by our CFO, Lindsay Martin; and Cybrand, which I am leading.

I must confess that after almost 10 years of focusing on improving our healthcare system, I'm delighted to be driving Cybrand targeting applications other than medical banking, particularly given we have a suite of products and services to work with that is adaptable to so many different business applications and industries.

Something we learnt in the nineties was that the key to maximising revenue from our products and services is in packaging, pricing and making use of every channel to market. To do this there's three elements to the Cybrand business.

1. Consulting

A worldwide trend since 2000 has been software and hardware vendors teaming up with professional services firms, as evidenced by deals such as IBM buying PWC Consulting, Xerox buying ACS, Dell buying Perot Systems and Hewlett Packard buying EDS. Similarly, Cybrand's consulting services provide a bridge between our Thelma technology assets and the business world beyond medical banking. Consulting services allow us to gain an intimate understanding of our client's business, help us to stay in touch with the ongoing needs of our customers, who these days are expecting higher levels of service, and when this is done well, it leads to repeat business. Professional services also means that some elements of the Cybrand business lives outside the capital budgets of our customers.

2. Thelma-SaaS

Licensing some or all of the Thelma componentry is at the core of Cybrand, and the best way for us to maximise revenue from our current intellectual property. "SaaS" refers to "Software as a Service": rather than being sold as software, Thelma is provided as a "hosted service" and tailored for each customer. I should point out that Thelma-SaaS can't be licensed without an ongoing consulting services package to tailor, implement, operate and refine the solution.

3. Strategic Partnerships

While Cybrand is marketing our products and services directly to potential customers, through strategic partnerships we can exponentially increase the number of marketing channels available to us.

We're working with three different types of strategic partners.

- **Re-seller Partnerships**

Whereby Cybrand's products and services are bundled into the product suites of established software vendors, or the projects and proposals headed up by other software companies and consultancies.

- **Cybrand as a Reseller**

Whereby Cybrand sells another software vendor's products as a lead for consulting services.

- **Project Partnerships or Consortiums**

Whereby Cybrand teams with other consultancies and/or software vendors to bid for or execute specific projects larger than Cybrand could handle alone, or that require the combined technologies and expertise of the consortium partners.

While ever Cybrand is making use of existing staff and licensing our own technology, the additional revenue generated goes straight to the bottom line. This is the key element of our strategy to put our existing staff and products to best use to make the Company profitable.

Without doubt 2009 has been the most challenging year of ICSGlobal's nineteen year history. It is a credit to our staff, in Australia, the UK and the US, the way they have confronted these challenges with determination and resolve. Through the combination of these people, our technology, the restructuring of the Company's operations, the cost cuts during the year, and our cash reserves, the Company is in the best position than at any time in the last few years to move past the stifling impact that Medicare Australia has had on our business, and trade itself into profitability.

Thank you for your time today.

For further information please contact:

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About ICSGlobal

Founded in 1990, ICSGlobal listed on the Australian Stock Exchange in 1999 [ASX:ICS] as an "eCommerce enabler".

In 2000 we focused on making the Australian healthcare industry more efficient, building and operating an Internet-based clearinghouse called "Thelma". Thelma went live in Australia in 2000 and since then volume has continued to grow at over 50% per annum. In 2007 the Thelma service was expanded to "medical banking": combining internet technologies and outsourced "accounts receivable" services to shift healthcare administration into the realm of online banking. ICSGlobal established a medical banking beachhead in the UK market by acquiring Medical Billing & Collection (MBC) in 2007, which is now the UK's leading company in the outsourced patient billing services sector. A beachhead was established in US in 2008 through the acquisition of Medical Recovery Services, Inc. (MRS).

In 2009 ICSGlobal launched a new division, Cybrand, offering the skills sets and technologies that grew out of the Thelma project to help businesses make the best use of the web, and its vast array of media, to achieve specific business outcomes. Through Cybrand, Thelma is being marketed to other industries as "eCommerce in a Box" due to the speed and ease with which it can be configured and implemented for any situation that requires intelligent 2-way data interchange among a broad array of technology platforms.

For more information visit www.icsglobal.com.au.