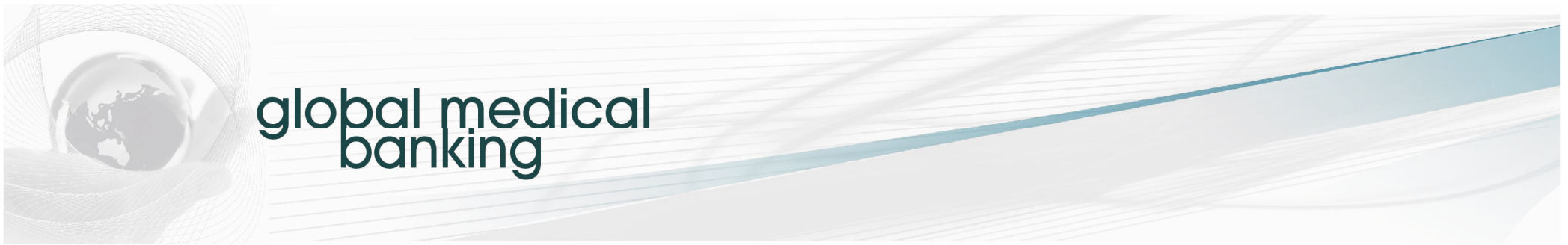




**Annual General Meeting**  
**Managing Director's Report**  
**27 November 2008**



### ◆ **Full Year Results:**

- *78% increase in revenue to \$1.8m*
- *Flat costs of \$4.0m even with the acquisition of LPBS*
- *Full year loss after tax \$1.8m (2007 \$2.6m)*
- *Strong cash position with no debt*

### ◆ **Australia:**

- *Volumes growing at 60% per annum*
- *Anti-competition litigation instigated against Medicare*
- *EziBill medical billing service launched*

### ◆ **UK:**

- *First acquisition bedded down with exciting growth prospects*
- *Strong management in place*
- *Operational challenge to manage the growth*

### ◆ **US:**

- *Strong management in place*
- *National “all payer” medical banking network operational*
- *Potential acquisitions identified*



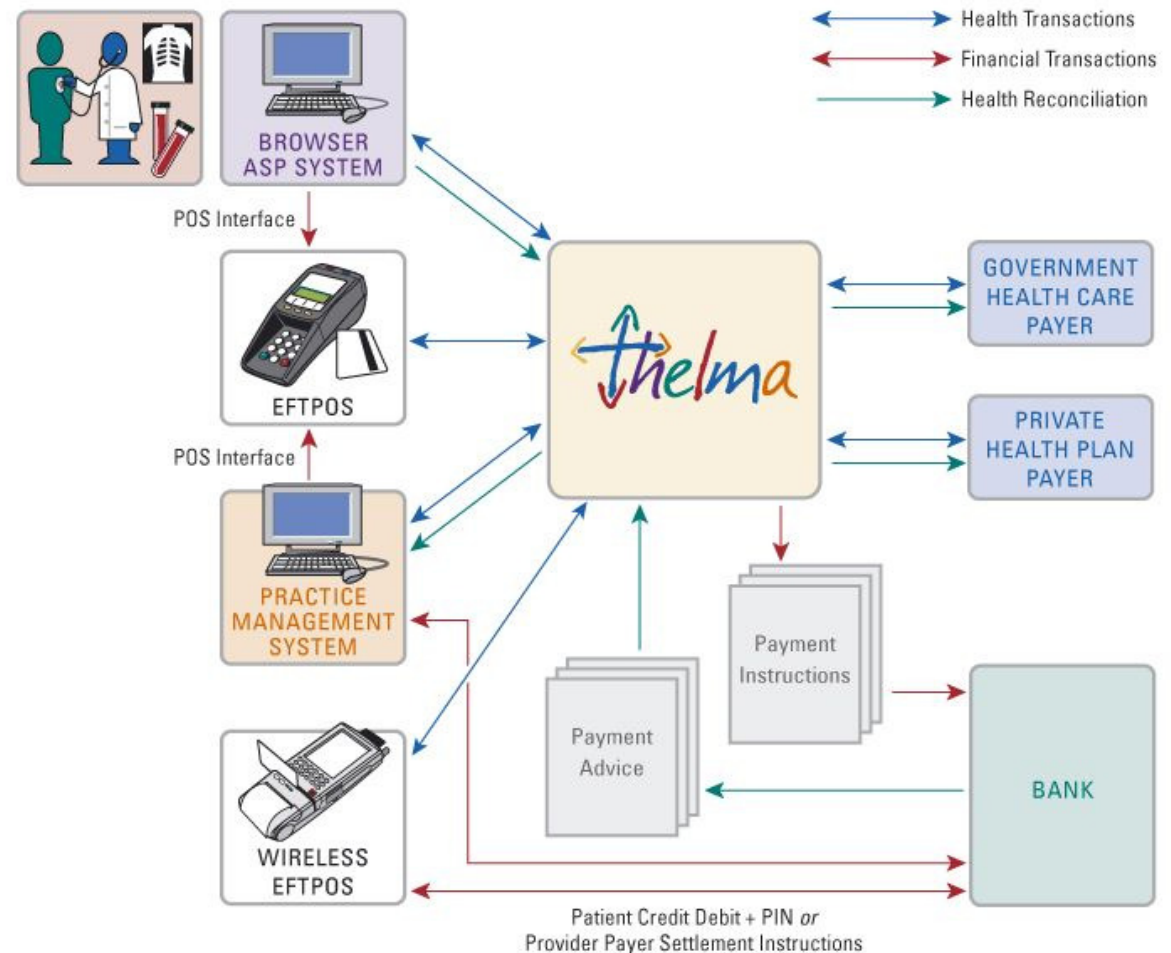
## medical banking: a new value creation model

- ◆ “medical banking”, like traditional banking, combines technology and personalised services
- ◆ Our global strategy is to combine Thelma’s unique configurable clearinghouse technology with established, profitable medical billing services businesses that we acquire
- ◆ Vertically integrating or “bolting together” medical billing companies using Thelma creates a powerful new compound value creation model in a recession-proof industry



# What is medical banking?

- ◆ The “medical banking” process begins when a patient contacts a doctor, and ends when all monies have been paid, received and accounted for
- ◆ Thelma was built to replace the traditional manual processes in healthcare (phone, forms, fax, post) with banking-type infrastructure
- ◆ Electronic transactions save time, cuts costs and makes the whole healthcare system work more efficiently



## medical banking transactions

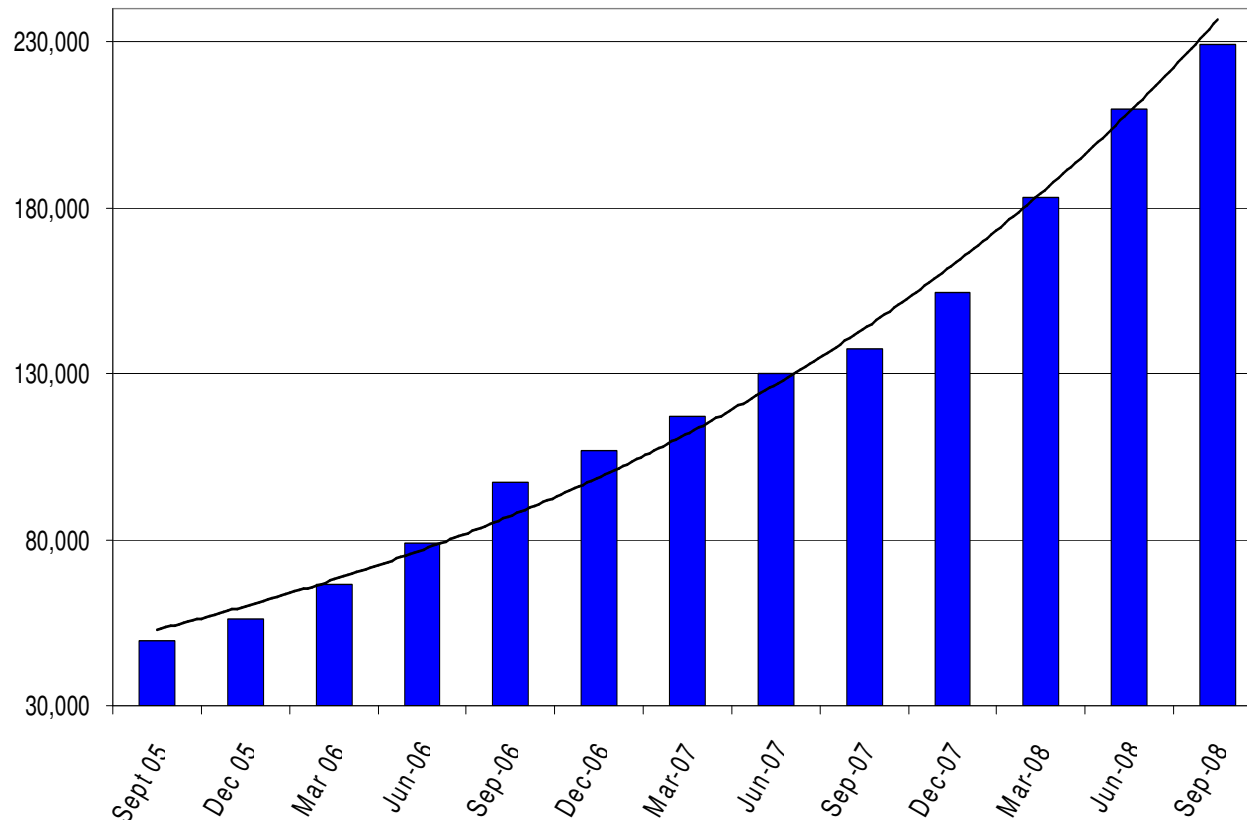
- ◆ Just as a cash withdrawal from an ATM involves 6-12 interchanges of data, so too the end-to-end medical banking process involves about a dozen different transactions
- ◆ In the US, they are defined by HIPAA (Health Insurance Portability and Accountability Act):

HIPAA Identifier	Live on THELMA	Transaction Description
270 / 271	Yes	Eligibility / Benefit Inquiry & Response, to determine if a patient has health insurance, whether the patient has to make a co-payment, etc.
997 / 864	Yes	Functional Acknowledgment – confirming the transaction was successful or not
837-I 837-P 837-D	Yes	Claim or Bill from a healthcare provider (doctor, hospital, dentist, lab, etc)
835	Yes	Claim Payment Remittance Advice, often called Explanation of Benefit (EOB)
276 / 277	Yes	Claim Status Inquiry (Request) and Notification (Response)



## Progress in Australia: transaction services

Australian Transaction Volumes



- ◆ Volume continues to grow at around 60% per annum
- ◆ This is despite Medicare's deliberate efforts to eliminate the private sector from eHealth in Australia
- ◆ Consequently Thelma has filed a claim against Medicare in the Federal Court alleging abuse of market power in offering a free product in competition to Thelma
- ◆ The board remains confident in the merits of our claim against Medicare



## Progress in Australia: billing services

- ◆ The medical billing services market is fragmented in Australia
- ◆ No current acquisition prospects have been identified
- ◆ Consequently ICSGlobal has launched its own Australian medical billing company called “EziBill”, based on the successful London Patient Billing model



## The US opportunity

- ◆ The largest and most complicated healthcare system in the world, with estimates of 50 billion administration transactions costing 20-30% of the national US healthcare spend of around US\$3 trillion per annum
- ◆ An exceptional medical banking transaction opportunity for Thelma in the US to fill in the medical banking “gaps” that exist between the established eHealth providers
- ◆ An exceptional clinical transaction opportunity around electronic health records (EHR). In 2004, President Bush enacted legislation known as the HIE (Health Information Exchange) Act to give Americans a secure, interoperable EHR by 2014. Market activity around the HIE Act is gaining momentum



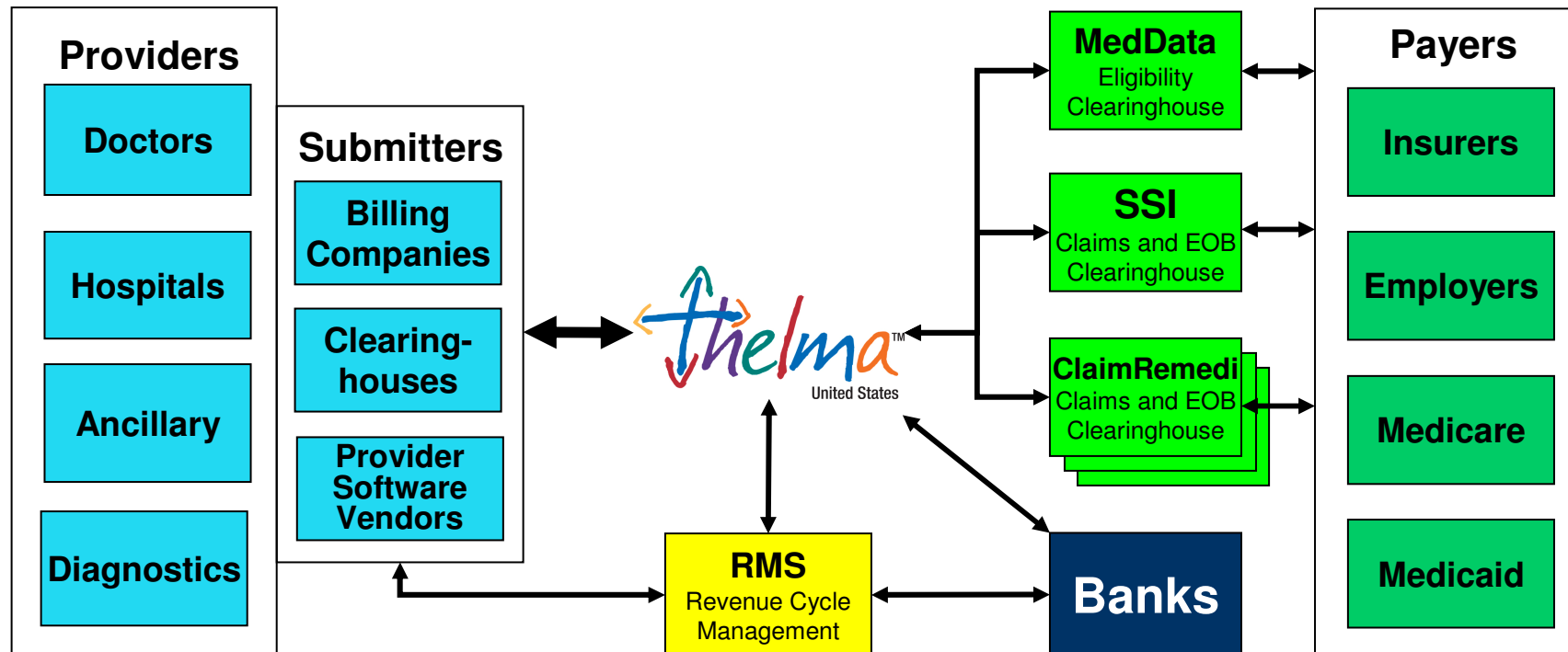
## Progress in the US: 2008 Diary

- ◆ March: Mr BP Fulmer commenced as President and CEO
- ◆ April: MedData signs for the interchange of eligibility transactions
- ◆ May: Revenue Management Solutions (RMS) signs for the interchange of revenue cycle management transactions
- ◆ June: SSI Group signs for the interchange of electronic claiming transactions
- ◆ July: Ms Patti Velasco commences as Executive VP, Healthcare Transaction Services. Ms Velasco and Mr Fulmer previously worked together for six years at ACS EDI Gateway, a US Fortune 500 eHealth company.
- ◆ August: ClaimRemedi signs for the interchange of electronic claiming transactions
- ◆ August: The first billing company customer, PRS URO, signs up
- ◆ August: Thelma-US goes live with real time eligibility checks to some 400 of the largest commercial and government (Medicare and Medicaid ) US payers
- ◆ October: Thelma-US goes live with electronic claiming to over 1,100 payers



# The Thelma-US medical banking network

- ◆ Working with our transaction partners, the Thelma-US national “all payer” medical banking network went live at the end of October, 6 months from commencement
- ◆ Thelma-US is hosted in Dallas, Texas with the back-up data centre in Herndon, Virginia



## Progress in the US: transaction services

- ◆ November is the first month the complete medical banking network has been available to healthcare providers
- ◆ Volume has commenced. Transaction volume from current Thelma-US clients being commissioned should be approximately 400,000 to 500,000 per month by June.
- ◆ Discussions are in progress with a range of parties in relation to potential transaction services and Thelma licensing representing volumes of up to 40 million claims per year.



## Progress in the US: billing services

- ◆ Nine medical billing acquisition targets have been reviewed
- ◆ Five of these have failed to meet our selection criteria; two have been placed on hold
- ◆ Two excellent prospects have been identified. Preliminary due diligence has been completed
- ◆ Efficiency gains from vertically integrating these two and Thelma has been assessed at >20% increase in earnings
- ◆ Both vendors are constructively participating in formulating deal funding arrangements appropriate for the current global financial situation



## Progress in the US: clinical information services

- ◆ Our clinical strategy is to license Thelma as “routing middleware” to send and retrieve clinical information between state-based HIEs and our medical banking network
- ◆ In response to the HIE Act, Thelma-US has pulled together the HIE Market Council:
  - ❑ Medical Banking Project (Council Chairman; John Casillas, [www.mbproject.org](http://www.mbproject.org) )
  - ❑ Georgia Institute of Technology (Co-Chairman; Dr. Mark Braunstein MD, [www.gatech.edu](http://www.gatech.edu))
  - ❑ TransUnion (Rod Bazzani, EVP [www.transunion.com](http://www.transunion.com))
  - ❑ Revenue Management Solutions (Tom Dean, CEO [www.revmansolutions.com](http://www.revmansolutions.com))
  - ❑ Thelma-US (founding member, B. P. Fulmer, CEO [www.thelma-us.com](http://www.thelma-us.com))
  - ❑ Benchmark Revenue Management (Tyson McDowell, CEO [www.benchmarkrevenue.com](http://www.benchmarkrevenue.com))
  - ❑ VisionShare (John Feikema, CEO [www.visionshareinc.com](http://www.visionshareinc.com))
- ◆ The purpose of the HIE Market Council is to develop market driven Health Information Exchange (HIE) business models that are financially self sustaining
- ◆ The first meeting has been held. The first HIE commercial proposal is expected in 2009
- ◆ Thelma-US is the founding member and the only member offering transaction and information routing services



## Progress in the UK: billing services

- ◆ ICSGlobal took control of our first acquisition, The London Patient Billing Service (LPBS), on 1<sup>st</sup> December 2007
- ◆ Mr Garry Chapman commenced as General Manager on 1 July 2008
- ◆ LPBS has been substantially restructured and the business processes re-engineered
- ◆ In parallel with the changes being made to the business, revenue growth of over 50% per annum is still being achieved
- ◆ The marketing focus has now moved from individual doctors to institutions, including active discussions with the UK's National Health Service (NHS) for the billing of public healthcare services that the NHS outsources to the private sector
- ◆ Very high demand for billing services; less than 1% of specialists being serviced
- ◆ The challenge with LPBS is to operationally manage the growth



## Progress in the UK: transaction services

- ◆ UK private health sector is comparable in size and structure to Australia
- ◆ Thelma-EU went live for consultant (specialist) claims to the first health insurer, Exeter Friendly Society, in August 2007
- ◆ The three major consultant software vendors in the UK have connected their products to Thelma-EU and are poised for take up and rollout
- ◆ However, the major UK health funds who control the market hold the view that electronic claims should be delivered to them for free
- ◆ Volume will ramp up through Thelma-UK as soon as the major health funds commit to paying for the electronic delivery of medical claims



## Summary

- ◆ ICSGlobal's global medical banking strategy represents a powerful compound value creation model in a recession-proof industry
- ◆ Solid management and business foundations are now in place in three key markets: Australia, USA and UK
- ◆ ICSGlobal is in a strong cash position with no debt
- ◆ The company's transition to profitability and beyond will depend upon the rate of organic growth and the size and timing of acquisitions
- ◆ ICSGlobal is uniquely positioned for transformational growth

