

## ASX RELEASE – 11 SEPTEMBER 2006

### Review Of Operations

In summary, apart from the organic growth in volumes locally, ICSGlobal has a number of major strategic opportunities unfolding in Australia, the UK and the US, any one of which has the potential to quickly and dramatically improve the financial position of the company.

#### Progress in Australia

- During the year, hospital transaction volumes grew by approximately 200%. Roll out of our hospital eligibility and hospital claim transactions to both public and private hospitals has matured into a very efficient, professional operation, and is still a unique service in Australia. Notable new hospitals that commenced using the THELMA service during the financial year include Mater South Brisbane Group of hospitals, Epworth Group of hospitals, Cabrini Group of hospitals, Mater Townsville Private Hospital, Brisbane Private Hospital, Calvary Health Care ACT, St Vincent's Hospital Lismore and Toowong Private Hospital. During the financial year, eleven new health insurance funds signed up and commenced using the THELMA service. This takes our national health insurance fund coverage to over 60%, made up of 24 funds including 11 of the top 15.
- Private patient medical claims (from specialists, pathologist, and radiologists) to health insurance funds is currently an important marketing focus in Australia. This is a market of about 11 million claims. Most of our current health insurance fund customers are already connected to the service and awaiting volume and a significant number of healthcare providers are registering through our web site to connect. Over 300 specialist doctors are already sending their claims through THELMA. The quickest way to ramp these volumes is to work with the vendors that provide the software to the doctors, to connect their software to THELMA. The announcement in June 2006 about Health Communication Network ('HCN'), Australia's leading provider of clinical and practice management software for GPs and Specialists, connecting to THELMA was a major development for ICSGlobal.
- ICSGlobal welcomed the recent announcement by the Prime Minister John Howard of new technology initiatives to enable Medicare claiming to be finalised at the doctor's surgery, rather than queuing to collect cash at a Medicare office. This is a positive sign of the government's resolve to work with the private sector to improve Medicare claims and payments. This is a further step in the process started by the Request for Information (RFI) issued by the Department of Human Services (DHS) in January this year. THELMA was included in a number of consortia that responded to this RFI. Given the preliminary solution design work done with several of the major banks over the past couple of years in anticipation of this new government initiative, and the fact that THELMA has been integrated to Medicare since April 2005, our view is THELMA is in a very strong position to be included in the final solution whatever form it takes. Details of the type of solution DHS will be looking for from the private sector are still to be released. The new solution may need to be "Smartcard enabled", which THELMA is already capable of handling.

#### Progress in the UK

- The rollout of THELMA-UK medical claims to the private health sector is proceeding as expected. Following the initial connection to the major UK software vendor to medical specialists, we are working with several of the major private health insurers to configure THELMA-UK to their business requirements. The rollout process is to repeat this process for each of the private health insurers - six of whom make up about 90% of the market. Other software vendors, when connected, will then roll out the electronic claims service to their doctor customer bases.
- We expect that hospital claims will also contribute to THELMA-UK revenue during the 2007 financial year.

- Once THELMA-UK has achieved widespread connectivity in the private health sector, and ramping volumes, opportunities exist for THELMA-UK to sell a range of electronic claims and reports back into the UK's massive National Health Service (NHS). The NHS has been progressively outsourcing public health to the private sector.

## Progress in the US

- The size of the US healthcare market means that a different approach is required to licensing and rollout of THELMA than that used for Australia and the UK, as there are simply too many payers and providers to market to and connect directly to. Instead, our principle US strategy is to licence THELMA to established "middle players" who need THELMA-type capability in order to participate in the federal government's Consumer Driver Healthcare initiative. These organisations include banks, large systems integrators, software and Internet technology companies, and various regional product channel partners. Examples of specific opportunities:
  - The announcement in August 2006 of Florida-based Automated Decision System Response Corp (ADSR, see [www.adsresponsecorp.com](http://www.adsresponsecorp.com)) and ICSGlobal combining the respective technologies to retrieve financial and clinical information from major US systems integrators to deliver to the point of consultation in ADSR's existing national hospital customer base.
  - A major US systems integrator looking at using THELMA's intelligent real time routing technology for almost a billion transactions initially, which will increase as additional types of transactions are added.
  - An established telephone-based patient payment and insurance information solution currently being utilised in over 400,000 physician locations across the US investigating adopting THELMA to become Internet-enabled.
  - One of the largest health insurers and a bank looking at THELMA to provide connectivity between their organisations to provide members with integrated health and financial services.
  - We continue to collaborate with MedAccessPlus (MAP, see [www.medaccessplus.com](http://www.medaccessplus.com)). MAP and ICSGlobal signed a Letter of Intent, announced in September 2005, and completed a Proof of Concept of THELMA for the US market in November, which enabled THELMA to receive HIPAA Certification to operate in the US. The final agreement between MAP and ICSGlobal will be influenced by the nature of the business that is ultimately jointly undertaken. As this is still unclear, the final agreement between MAP and ICSGlobal is on hold.
- While it is hard to pinpoint the source, size and timing of revenue from the US at this stage, we expect the US will make some contribution to revenue in the 2007 financial year.

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