

## ASX RELEASE – 24 May 2006

### Business Update

We are pleased to advise that progress is continuing as planned. Below is an update of our progress on each of the fronts outlined in the previous Letter to Shareholders.

#### AUSTRALIA

- Hospital transactions: volumes continue to grow in line with the March quarter trend, with new records set this month. New hospitals and health funds from our contracted customer base are progressively going live. New signings of both hospitals and funds also continue on a regular basis. The Brisbane Private (200 beds) and Mater Townsville (170 beds), are two notable recent hospital signings.
- Medical Claims: these are now live on a commercial basis. The quickest way to ramp these volumes is to work with the vendors that provide the software to the doctors, and we are well advanced with plans to connect to two vendors. The design phase of connections, to a number of provider groups, are also nearly complete.
- Medicare RFI: There has been no further word on this from government. It is our expectation that following the recent announcement by government of the new Medicare Smartcard initiative, that the original RFI will be re-packaged to ensure the new claims and payments system sought in the original RFI is "Smartcard enabled". Our view is that the Smartcard initiative is an indication of the government's resolve improve the Medicare claiming process, and THELMA is still perfectly positioned to play a leading role in this.

#### UK

- The connection to DGL, the largest software vendor to medical specialists in the UK, is on track to be live before June 30. DGL have a customer base of over 4,000 specialists.
- Links to two other software vendors are being designed, but the principle focus is to get DGL live.
- The link to one of the six largest private health insurers is also on track. THELMA-UK will then be progressively connected to the insurers. The Top 6 insurers make up over 80% of the industry in the UK.
- The hospital claim pilot with Capio is still on track to commence in June, though our principle focus is to ensure medical claims go live as soon as possible. Capio-UK owns and operates a network of 21 private hospitals and 8 NHS treatment centres.
- The design of the connection between TrakHealth and THELMA is in progress

## US

- MAP continues to make good progress with some of the large US employers and more recently banks. The final agreement between MAP and ICSGlobal should be signed in June, but it is not holding up progress.
- The US banks are emerging as strong leaders in the US Federal “Consumer Driven Healthcare” initiative, and we are using our relationship with the Medical Banking Project to increase the number of banks we are engaging with.
- Our discussions with Kaiser Permanente have revealed little scope for THELMA in KP’s *internal* efficiency improvement program, but THELMA has been flagged as a possible *external* connectivity solution between KP and the outside US healthcare system at a later date.
- Solution design discussions with ACS continue in relation to THELMA being deployed as a module in their new Medicaid Enterprise System. ACS has the government Medicaid contract for 14 States.
- Florida-based ADS Response has emerged as a promising channel for THELMA into US hospitals, and talks are in progress on a range of relationship possibilities between ADSR and ICSGlobal. THELMA perfectly complements ADSR’s product offering, and vice versa, for the US hospital market.
- Talks with Texas-based MedSynergies continue. MedSynergies offer a range of technology services to hospitals and health funds and are currently seeking real time eligibility and claiming capabilities.

The next full business update will be provided around the end of the financial year. Any material developments and agreements will be announced to the market as they occur.

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### **About ICSGlobal and THELMA**

Founded in 1990 as an engineering and IT consultancy, ICS Group listed on the Australian Stock Exchange as ICSGlobal Limited in 1999 [ASX:ICS]. Since 2000, ICSGlobal’s core business has been the unique “any-to-any” health industry clearing house technology **THELMA** (**T**ransactional **H**ealth **E**xchange **L**inking **M**ultiple **A**pplications), which ICSGlobal built, owns and operates. THELMA creates interoperability between the broad range of new and legacy software systems that typically exist in health systems. This enables health industry business partners in any country to conduct financial, clinical and administrative transactions electronically over the Internet. In Australia, THELMA’s customer base continues to grow steadily, now standing at over 60% of private health insurers and over 40% of national private hospital beds. THELMA also processes claims into the national Medicare system. THELMA went live in the UK in July 2005. Plans for the rollout of THELMA in the US are being developed with a number of organisations, after THELMA was certified to operate in the US in November 2005. For more information visit [www.icsglobal.net](http://www.icsglobal.net) and [www.thelma.com.au](http://www.thelma.com.au).