

**ICSGlobal LIMITED A.B.N. 72 073 695 584**  
**DIRECTORS' REPORT**

Your directors submit the financial report of the economic entity for the six months ended 31<sup>st</sup> December 2002.

**Directors**

The names of directors who held office during or since the end of the half-year:

Mr Dean A. Pritchard      Mr Timothy J. Murray  
Mr Geoffrey E. Lambert

**Review of Operations**

The core business of ICSGlobal is the ownership and operation of THELMA (Transactional Health Exchange Linking Multiple Applications).

THELMA is positioned to become the clearing house for the Australian health industry. THELMA generates both subscription and transaction revenue through replacing existing manual, paper-based health administration processes with intelligent technologies that allows B2B transactions over the Internet. THELMA offers a means to perform these transactions at just a fraction of the existing manual costs, delivering massive cost savings to health sector participants.

During the first half of this financial year, ICSGlobal has made significant progress towards achieving this vision. On the health fund side, the signing of four funds including Medibank Private, Australia's largest health insurance fund, has taken our coverage of privately insured people from approximately 6% to approximately 45%.

On the hospital side, the number of hospitals and day surgeries contracted to use THELMA has increased from 35 to 80 hospitals and days surgeries. These hospitals provide services to approximately 14% of privately treated patients in Australia.

Major milestones achieved and contracts signed during the first half of this financial year include:

- 10 July 2002 Lysaght Peoplecare is the fourth health fund to sign up for THELMA
- 15 July 2002 St Luke's Hospital Complex signs up to use THELMA
- 24 July 2002 The Commonwealth Bank 's health fund (CBHS Friendly Society Limited) becomes the fifth health fund to sign up for THELMA
- 28 Aug 2002 Medibank, Australia's largest health insurance fund signs up to use THELMA and take an equity position of up to 19.9% in ICSGlobal
- 3 Sept 2002 Mater (QLD), a large group of public and private hospitals, sign up for THELMA
- 17 Sept 2002 200 Melbourne doctors to kick start THELMA 's Medical Claims
- 9 Oct 2002 NIB, the 6<sup>th</sup> largest health fund signs up for THELMA
- 10 Oct 2002 Northern Sydney Area Health Service sign up for THELMA
- 1 Nov 2002 Eight new hospitals and day surgeries sign up to use THELMA
- 21 Nov 2002 Eight new hospitals and day surgeries sign up to use THELMA
- 2 Dec 2002 Austin Repatriation Hospital became the first Victorian public hospital to sign up to use THELMA

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15 Jan 2003 Nova Health Limited sign up to use THELMA

**Capital Raisings**

ICSGlobal Limited completed one capital raising of \$2,000,000 during the half year. The funds raised are being applied to fund ICSGlobal's expansion of the THELMA infrastructure to cater for the expected large increase in transaction volumes and to fund the continued roll out of THELMA to the Australian health industry.

**Financial Result**

The financial result for the first half of the year was in line with expectation. The reduction in the revenue reflects the cessation of non-health consulting. Revenue from THELMA is expected to increase significantly in the second half of the financial year as the Company progressively implements the service at the numerous hospitals that signed THELMA User Agreements in the last six months. The result reflects the continued application of the company's policy of writing off all internal costs associated with the development and deployment of the THELMA service.

The company remains committed to becoming profitable and cashflow positive in the near future.

This report is signed in accordance with a resolution of the Board of Directors.



T.J. Murray

Managing Director

Dated this 31<sup>st</sup> Day of January 2003