

28 August, 2008

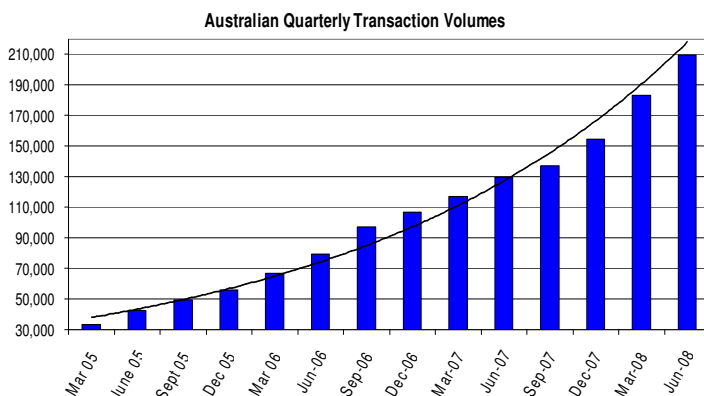
Dear Shareholder,

Highlights

- **Full Year Results:** 78% increase in revenue to \$1.8m; flat costs of \$4.0m even with the acquisition of LPBS; full year loss \$1.8m (2007 \$2.6m); cash on hand \$3.5m
- **Australia:** volumes continue to accelerate; steady flow of new customers
- **UK:** The London Patient Billing Service (LPBS) grew strongly and has new doctors queued to join
- **US:** Strong management team in place; major transaction partnerships in place; transactions live; solid deal pipeline for increasing transaction volume and acquisitions
- **Outlook:** expect to be cashflow positive and profitable this financial year subject to organic growth and acquisitions

Australian Update

Transaction volume growth in the June quarter continued at record levels, as shown in the graph below, and this trend should continue throughout calendar 2008. There has been a steady stream of new customers during the year, made up of health funds, hospitals, day surgeries, medical practices, diagnostic groups and medical software vendors.



The recent re-signing of nib health funds limited, a Thelma customer for almost six years and the nation's first private health insurer to list on the Australian Securities Exchange, was a solid endorsement of our products and services.

The Thelma business in Australia has been frustrated by Medicare Australia's anti-competitive tactics over the past five years to try to block the private sector's involvement in eHealth. Consequently, on 11 August 2008, Thelma Pty Ltd, a wholly owned subsidiary of ICSGlobal, filed an application in the Federal Court of Australia. Thelma alleges that Medicare

Australia has unlawfully used tax payer funds and its market power to try and replicate Thelma's electronic private health transaction services and offer them into the private health sector free of charge, in direct competition to Thelma, for the purpose or effect of eliminating or substantially damaging Thelma; and/or to deter or prevent Thelma from engaging in competitive conduct.

We have tried exhaustively since 2002 to engage in constructive dialogue with Medicare Australia and avoid litigation. However, they have refused to have any serious dialogue with us, opting instead to behave in a damaging and anti-competitive way.

In the interests of shareholders, Thelma has now been forced to bring litigation against Medicare Australia. Thelma will be seeking extensive damages and to create a level playing field between Thelma and Medicare.

UK Update

On 1 December, ICSGlobal took possession of its first acquisition, The London Patient Billing Service (LPBS). A rapid growth in customers put pressure on existing operations and affected productivity due to the need for more staff and additional premises.

In June Mr Garry Chapman was appointed General Manager of LPBS and he has quickly identified new business systems and processes that are set to more than double the billing productivity of staff. The re-engineering measures include streamlining the recruitment and training programs; internal knowledge sharing; and the establishment of billing teams based on medical speciality.

These measures set the business up to deal with major growth and allow Dr Diana Bell, the founder of LPBS, to progressively step back from operations to focus fully on sales and marketing in her role as Executive Director, Marketing for LPBS. Dr Bell has been busy developing a number of new business opportunities for LPBS, and has a large number of new doctors queued to join.

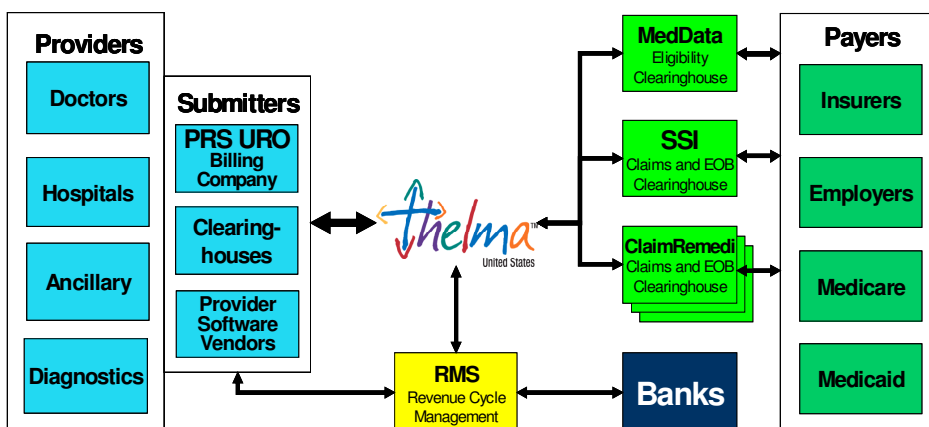
On the UK health transaction side, Thelma-EU is live for electronic consultant (ie specialist) claims between private health insurer Exeter Friendly Society and MidexPro, one of the UK's major medical specialist practice management software systems. The increase in volumes of Thelma-EU depends on when the large health insurers start accepting electronic claims. As LPBS grows, we expect the health insurers to become more interested in receiving the claims from LPBS electronically.

US Update

In March, Mr BP Fulmer commenced as President and Chief Executive Officer of Thelma-US, Inc. Three months later Ms Patti Velasco joined him as Executive Vice President, Healthcare Transaction Services. These two leading US medical banking executives previously worked together for six years at ACS EDI Gateway, Inc., a US Fortune 500 eHealth company.

Contracts have been signed for a number of strategic partnerships: in April with MedData for the interchange of eligibility transactions; in May with Revenue Management Solutions, L.L.C. for the interchange of revenue cycle management transactions; in June with The SSI Group Inc. for the interchange of electronic claiming transactions; and in August with ClaimRemedi Inc. for the interchange of electronic claiming transactions.

The opportunity for Thelma in the US arises from the fact that there are numerous established eHealth organisations, many of whom specialise in only a few of the 11 different electronic transaction types that are required for full "medical banking". Thelma-US acts as a hub or "interchange" to vertically integrate this myriad of transaction streams into a complete national electronic "medical banking network", as shown in the diagram below. This puts Thelma-US in a unique position of being able to give US healthcare providers and payers cost effective access to the full suite of medical banking transactions which puts them in control of



their revenue cycle. Thelma-US receives a fee for each transaction it interchanges between the various parties.

Thelma-US plans to build its US transaction business through a combination of organic growth and acquisitions. The first billing company customer, PRS URO, signed up in August.

Commercial transactions through Thelma-US went live this month. The Thelma-US system is hosted in Dallas, Texas with the Disaster Recovery data centre in Herndon, Virginia.

The US acquisition program has seen eight target companies reviewed. Five have failed to meet our selection criteria, and dialogue continues with three others.

We expect the US will become our major market during the coming financial year.

In summary, the global credit crisis that meant we were unable to fund our first US acquisition in January caused us to lose significant momentum towards becoming cashflow positive during fiscal 2008. However, we've recovered strongly since then. The exact timing of becoming profitable will depend upon the rate of organic growth and the size and timing of acquisitions.

Yours faithfully

Tim Murray
Chief Executive Officer