

**ICSGlobal Limited (ASX:ICS)**  
**Chairman's AGM Address**  
**19 October 2011**

**Introduction**

Good morning ladies and gentlemen and welcome to ICS Group's 2011 Annual General Meeting.

I'm Kevin Barry and I am the Chairman of the ICS Group.

The Company Secretary has confirmed that a quorum is present, so I formally declare the meeting open.

At this time, I would like to introduce the other members of the Board with me today.

- Gregory Quirk – non-executive Director and Company Secretary
- Victor Shkolnik – non-executive Director
- James Canning-Ure – non-executive Director

In addition, I would also like to introduce:

- Garry Chapman, the Managing Director on our UK business, Medical Billings and Collections ("MBC");
- Paul Bull from our auditor, PKF; and
- Matt Anderson and Kristie Brown from our legal advisers, Clayton Utz.

This annual general meeting convened to consider a number of resolutions concerning:

- the re-election of James Canning Ure to the Board;
- the FY10 Remuneration Report; and
- the issue of Performance Rights pursuant to the Performance Rights Plan.

I would like to remind everyone that, as a matter of courtesy to all members present, we ask that no audio or video recordings be taken during this meeting. If you have a mobile telephone with you could you kindly switch it off or into silent mode.

Before the formal business of the meetings, I will discuss the past year and outline some of the factors that underpin our future and Garry Chapman will update the meeting on the performance of MBC. We will take questions from members at the end of the presentation, so I would ask that you refrain from asking questions during the presentation. In addition, there will be an opportunity to ask questions in respect of each of the resolutions for the formal business. We will of course answer your questions to the best of our abilities. After the meeting, your Directors will be available for informal discussion over morning tea.

**Registration**

Before getting into the business of the meeting can I ask that all shareholders confirm that they have registered with the representatives of our share registry just outside this room as this will enable us to take the necessary polls to determine the resolutions. If you have not yet registered can I ask that you please do so now.

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## Overview of Operations

The 2011 financial year has seen ICS post its maiden net profit after tax of \$203,650 and deliver upon the strategy of resolving legacy issues and establishing the platform to allow the MBC to deliver future profitable growth.

A summary of the financial performance of the ICS Group for the 2011 financial year is summarised on the slide.

Despite the headwinds of a higher Australian dollar, the maiden net profit after tax was derived from ICS group revenue of \$1,845,717.

In addition, the Board has focused on streamlining the Australian operations of ICS to facilitate:

- A sustainable reduction in the cost base through the year, with ICS now having no full time executives in Australia. Going forward, the Board is also seeking to remove further costs from the business with a recent change in accountants and office premises;
- The realisation of full value for all the Australian assets, including:
  - The derivation of the initial earn out payment from the sale of the Australian Thelma business of \$101,849 for the 2011 financial year. A further payment of \$11,316 is due and, subject to the satisfaction of future revenue hurdles, this annual earn out payment is expected to continue in the future, subject to the total of earn out payments not exceeding \$1,250,000;
  - The derivation of a net \$188,362 R&D tax refund for R&D activities in Australia during the 2010 financial year; and
  - The recovery of \$44,090 of Australian Thelma debtors during the 2011 financial year.

The overall cash position of the ICS has strengthened with corporate cash at bank as at 30 September 2011 increasing to \$680,369.

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## MBC Overview

MBC was the Board's key operational focus during the year. In addition to my summary, Garry Chapman will provide further detail on the performance of MBC. The Board felt it was imperative for Garry to attend the AGM in order for shareholders to gain a direct understanding of the direction and growth for MBC. The Board is of the view that with the new business platform now in place and with the strategy to focus on targeted direct marketing, this should provide the business with the necessary resources to grow revenue in a cost effective manner.

MBC continues to grow strongly with underlying earnings before tax and corporate re-charges growing in local currency, terms by over 57% during the 2011 financial year from £159,416 (2010) to £250,551 (2011). This increase in earnings was driven by a 69% growth in revenue from £687,490 (2010) to £1,158,088 (2011).

In AUD terms, the growth rate of MBC earnings (before tax and corporate re-charges) has also been strong, with earnings growing from \$282,878 (2010) to \$365,181 (2011). The AUD earnings growth has been somewhat constrained by an 18% increase in the AUD exchange rate against the pound sterling over the 2011 financial year.

## New Business Opportunities

The Board takes the process of selecting a new business opportunity very seriously as this decision, together with maintaining the performance of the UK business, will ultimately drive shareholder returns. For this reason the Board is seeking new Australian business opportunities that will maximise value for shareholders. The Board is seeking the appropriate balance between price and current and prospective earnings of an acquisition, and its ability to restore shareholder value, within acceptable boundaries of risk. Importantly, any new acquisition must recognise full value for the UK business and other ICS assets and/or if possible be complementary to these businesses/assets.

The continued improvement in the cash position of the ICS group and profit growth in MBC ensures that the enterprise value of the ICS group continues to increase, therefore improving the value proposition for ICS shareholders upon the identification of a suitable new business opportunity.

Identifying a business the Board is satisfied to recommend to shareholders takes time and effort and the Board has reviewed over 20 proposals over 2010-2011. To date the Board has not identified a suitable opportunity to present to shareholders. The Board is being prudent during these times of financial uncertainty as we are of the view that the selection of the "right business" is more important than merely selecting "any business" for the sake of completing a transaction.

A summary of various opportunities reviewed over 2010-2011 is listed on the slide.

## Board Matters

In line with the current financial resources, the Board has undertaken to operate the ICS group under a low cost model whilst still ensuring that shareholder value is maintained and grown in the future. In order to operate the Company under such a model, I believe the current members of the Board have the necessary skills and contacts across a number of disciplines, including, accountancy, legal and corporate and credit advisory functions and mining experience to ensure the necessary functions within the ICS group are maintained without full time executives in Australia.

To remunerate members of the Board for current functions and to create a clear alignment of interests with shareholders, subject to shareholder approval, it is proposed to issue 1 m

Performance Rights per director ( 2 m to Chairman) that vest on the later of 1 July 2012 and the current share price increasing by 167% to 4 cents.

Performance Rights are also proposed to be issued to Garry Chapman linked to:

- ICS share price performance
- MBC revenue and profit growth
- Other agreed KPI's, including tenure
- Cancellation of existing options

I would also like to acknowledge the recent departure of Tim Murray from the Board.

Tim was the former CEO of ICS and was responsible for the overall management of ICS for over a decade up to April 2010.

That concludes my opening remarks. I will now hand over to Garry to discuss MBC's results in more detail and to update you on MBC's recent performance. Garry's presentation is as outlined in the slides.

#### **Open the Floor for Discussion**

Before we move to the business of the meeting, I will now open the meeting to questions. Only those people who hold blue registration cards are able to speak at this meeting. If you have any questions in relation to the business of this meeting, please raise your registration card and state your name. To allow all members an opportunity to ask questions, I would ask that you limit your questions to two questions at a time and, if we have time, you will be given the opportunity to ask any additional questions after all members have had a chance to speak. Does anyone have any questions?

Thank you for your comments and questions. I now close the discussion.

Kevin Barry  
*Chairman*  
19 October 2011