



Dear Shareholder,

As this is my first shareholder newsletter as Managing Director, I would like to take the opportunity to thank you for your confidence in our company and also to confirm that I believe this information channel is a highly important one to maintain as a vehicle to inform you of the company's progress.

HALF-YEAR RESULTS

Ideas International Limited announced an 18 per cent increase in its primary business of subscription revenues to \$2.27 million for the half-year to 31 December 2001 - up from \$1.92 million for the previous corresponding period.

The company's total revenue from all sources at 31 December 2001 was up 4 per cent to \$2.37 million, with profit after tax for the same period down 61 per cent to \$155,594. The decrease in profit was due to the impact of increased personnel expenses incurred for new product development not yet being absorbed by an improved sales rate; however it is in line with our company forecast for the period.

It is worthy of note that our worldwide customer base of IT vendors and purchasers has remained supportive, with all major account subscriptions expiring in 2001 being renewed for a further 12 months.

Customer billings (i.e. invoices raised) before adjustment for unearned income were up 31 per cent for the latest half (see the KPI's table on the next page). This figure provides a positive indicator for the improving success of IDEAS newly expanded USA-based sales force.

Sales to non-vendor customers are improving with our multinational sales partner META Group recently winning a number of new Global 2000 accounts, including Accenture, Boeing, EDS, McKinsey, Merck, Shell, Target and Volkswagen.

DIVIDEND

The Ideas International board has declared a fully franked interim dividend of 3 cents per share to be paid on 20 March 2002 for holders registered at 4pm on 6 March 2002.

CPSAN

Our major new research product called CPSAN (which focuses on Storage Area Networking products and services) is to be released shortly. This is a hot-topic IT market segment that represents one of the few hardware and software areas expected to significantly grow in 2002. Companies operating in this marketplace have already shown a high level of interest in our CPSAN offering.

NEW PRODUCT DEVELOPMENT COSTS

Since our ASX listing in March 2001 we have been taking the approach of capitalising and amortising new product development costs for CPNetwork, CPPPM and CPSAN. These costs are now being written back over a six-year period in line with the anticipated life cycles of these products.

PHILANTHROPY

IDEAS is a company that is committed to supporting worthy causes in the wider community. Two recent initiatives support this ongoing commitment. Firstly, we have donated the time and expertise of

our Principal Systems Engineer, Phillip Persson, to assist the Motor Neurone Disease Association of NSW in the planning and implementation of a new computing solution to assist their charity fund-raising and member support efforts. Secondly, we recently donated a surplus large multi-processor compute server to the IT Department of the Adams School District in Denver, Colorado which will be setup as a new email server for all schools in the region.

KPI's TABLE

The Key Performance Indicators table has been revised with this issue to reflect a new comparative measure, which is 'Billings (Invoices Raised) Year-To-Date'. The previous measure of Billings is also retained but is now re-named as 'Billings (Invoices Raised) in Quarter'. The reason for this change is that a quarter-to-quarter view of our billings could be somewhat misleading if renewal subscriptions are subject to timing delays in settlement. Inclusion of the Year-to-Date value will typically offer a more informed insight as to how our business is tracking.

OUTLOOK

Sales of the new products in the Competitive Profiles range, CPNetwork and CPPPM, are proving difficult to achieve, particularly in North America, where the market is displaying an extremely conservative approach in committing to expenditure in new research areas. Despite a slowly improving overall sense of business confidence in the American markets we are finding that sales are hard to close as customer research expenditure budgets were typically set in the worst of times – i.e. in early calendar Q4 2001.

Due to the difficult trading conditions, the company is currently unable to predict the sales performance of the new products and their overall impact on the full year profit for June 2002, however, the profit forecast contained in the company's prospectus for this year is unlikely to be achieved based on the current sales performance of the new products.

Operating expenses remain tightly controlled however, and a dedicated management focus on expenditure reduction continues.

Directors and Management continue to have every confidence in the loyalty of our customer base and the future appeal of our products and capabilities. Current market conditions give rise for concern in the take up rate of new products, although feedback from current and targeted customers is positive and prospects remain encouraging.

KEY PERFORMANCE INDICATORS			
Internet Activity			
Promotional Web Site (free) - www.ideasinternational.com			
	Q2 2002	Q4 2001*	Change
	Oct/Nov/Dec	Apr/May/Jun	%
Requested Pages	243,955	172,501	41%
Number of Visitors	22,903	18,753	22%
Number of Visits	69,298	62,930	10%
* Same quarter last year unavailable			
Subscriber Web Site (customers)**			
	Q2 2002	Q2 2001	Change
	This Year Qtr.	Last Year Qtr.	%
Requested Pages	594,751	475,496	25%
Number of Visitors	4,293	3,752	14%
Number of Visits	66,723	54,319	23%
* **Only includes access on IDEAS server. A number of vendors who host IDEAS service on their own systems are excluded from the results.			
Financial Indicators			
	Q2 2002	Q2 2001	Change
	This Year Qtr.	Last Year Qtr.	%
In-force Contracts***	\$4,044,096	\$3,607,812	12%
Billings (Invoices Raised) in Quarter	\$1,144,890	\$661,969	73%
Billings (Invoices Raised) YearToDate	\$1,903,336	\$1,451,846	31%
Employees	38	28	39 (Budget)
***IDEAS defines "In-force Contracts" as the total of all subscription contracts currently operable without regard for duration or expiry date.			

FEEDBACK

As always we welcome your feedback on this Newsletter or the company in general. Thank you for your confidence in IDEAS.

Ian Birks

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Managing Director

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