

**Dear Shareholder,**

I'm pleased to have this opportunity to bring you up to date on your investment in IDEAS. It's fair to say that 2002 has been a difficult year for us in meeting the projections of our February 2001 IPO prospectus, however I feel that the company has many positive aspects to report and is well positioned for the future.

### **2002 TRADING CONDITIONS**

In response to the current market conditions we have a recently restructured our operation to focus on the key potential growth factors for the future. Our management philosophy going forward is reflected in a simple three-point plan that reflects the reality of today's business climate:

- Firstly, focusing heavily on maximising our opportunities from our high-value customers and mature products;
- Secondly, very closely managing our expense base; and
- Finally, positioning ourselves appropriately for the future.

While the downturn in the worldwide IT market has had a significant impact on the expected sales of the company's new product offerings, we have seen continued expanded demand for our existing research, particularly with our storage and services related research offerings, where we have achieved some major new account wins.

### **REVISED PROFIT FORECAST FOR JUNE 2002**

In March of this year we revised our end of year 2002 financial forecast in response to difficult trading conditions. Earlier announcements to shareholders about trading conditions indicated this review may be necessary.

The revised profit announcement indicated earnings before tax to be in the range \$320,000 to \$350,000, after one-off restructuring costs of \$80,000 to \$100,000.

Total revenues are forecast in the range \$4,700,000 to \$4,900,000, which represents a growth range of 8 to 13 percent over the previous year.

The recent company restructure is expected to reduce ongoing operating expenses by \$750,000 per annum for the 2003 financial year.

The expected softness in the earnings for the 2002 financial year is considered by the company as a one-off aberration in the company's consistent trading history.

### **DIVIDEND**

The Board of Directors has recommended that for the 2002 year a final dividend payment of 4 cents per share will be maintained subject to the achievement of the revised forecast earnings before tax. The dividend will be fully franked, and paid in September 2002.

## OUTLOOK

Directors and Management anticipate that IDEAS will be better positioned to achieve a significantly improved profit in the 2003 financial year as a result of the savings achieved through the recent company restructure and an improving sales performance.

While it is impossible to forecast how long the difficult economic conditions will last, we are ensuring that we are well prepared for when things improve. Our commitment to maximizing shareholder value has led us to apply rigorous analysis and improvements to our sales efficiency and cost structures. The current industry downturn has quite radically altered the landscape of the IT research business – and ultimately we believe this will be to our benefit as the business climate improves.

The company is pleased with the high levels of loyalty of our customer base, exemplified by the fact that all significant customers have renewed, or increased, their subscriptions thus far during the 2002 financial year.

## ANNUAL REPORT

Enclosed with this newsletter is a form indicating whether or not you wish to receive a printed copy of our upcoming 2002 annual report. In the interests of savings costs, and the environment, we would cordially ask that those shareholders who can access the annual report online over the Internet please do so, and if needed, print a copy directly from our web site.

The form also provides the option to be notified by email when the annual report is available online.

Even if you have sent in a similar form previously can you please complete the form provided with this newsletter to ensure that our records are as up to date as possible.

## KPI TABLE

An update of our regular Key Performance Indicators table is provided on this page, which reflects continued strong positive movement in many of the underlying factors that drive our business model.

KEY PERFORMANCE INDICATORS				
<b>Internet Activity</b>				
<b>Promotional Web Site (free) - www.ideasinternational.com</b>				
	<b>Q3 2002</b>	<b>Q3 2001</b>	<b>Change</b>	
	Jan/Feb/Mar	Jan/Feb/Mar	%	
Requested Pages	198,590	168,994	18%	
Number of Visitors	21,076	18,689	13%	
Number of Visits	63,352	60,250	5%	
<b>Subscriber Web Site (customers)**</b>				
	<b>Q3 2002</b>	<b>Q3 2001</b>	<b>Change</b>	
	This Year Qtr.	Last Year Qtr.	%	
Requested Pages	528,319	452,576	17%	
Number of Visitors	4,177	3,932	6%	
Number of Visits	57,960	53,195	9%	
* **Only includes access on IDEAS server. A number of vendors who host IDEAS service on their own systems are excluded from the results.				
<b>Financial Indicators</b>				
	<b>Q3 2002</b>	<b>Q3 2001</b>	<b>Change</b>	
	This Year Qtr.	Last Year Qtr.	%	
<b>In-force Contracts***</b>	\$4,060,456	\$3,738,695	9%	
<b>Billings (Invoices Raised) in Quarter</b>	\$2,069,918	\$1,828,087	13%	
<b>Billings (Invoices Raised) YearToDate</b>	\$3,973,252	\$3,282,932	21%	
<b>Employees</b>	29	33	-12%	
***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 continued support of IDEAS.



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