

## SHAREHOLDER NEWSLETTER ISSUE 26, OCTOBER 2010

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### Summary

Following up from our half-year report Newsletter, I am pleased to advise shareholders that based on expected sales and expenditure between now and 31 December, we anticipate a profit after tax of between \$1,050,000 and \$1,350,000 for the year ending 31 December 2010. This is an expected improvement of between 5% and 30% over profit after tax of \$997,000 for the 2009 year (see footnote<sup>1</sup>).

We are very pleased to be continuing our improved performance and maintaining growth over last year. Despite the challenging market and strengthening Australian dollar, revenues should be up by over 20% on 2009.

### Buy Back Update

As advised in May this year, the company is undertaking a share buy-back. To date the company has bought back 69,000 shares at a cost of \$30,900. The buy-back scheme remains in place.

### Strategy Execution

I am pleased to say that we continue steady growth of our end user base and have added several new clients since the half-year. We have started the launch of our business partner version of Competitive Profiles, and we will be making some news in October/November with the official launch of the new end user portal. As we stated at the half-year we are aiming to increase the number of vendor partners with whom we have a direct business relationship as well as the number of end user clients.

Our investment in digital marketing has seen the creation of an improved client newsletter service and a doubling of traffic to our revamped blog site; both are a good indication of increased interest by the broader community in IDEAS and the issues we can help the industry address.

Competitive Profiles continues to be enhanced and we are seeing total usage at a strong level. We are introducing this month our new version of RPE2 - reflecting performance at workload level. We hope that this results in RPE2 receiving even broader acceptance in the end user, partner and vendor community.

We continue to be optimistic about both cementing our vendor business and growing our end user business; growing new revenue channels and being able to leverage and combine our analyst capabilities with the actionable intelligence in our subscription based tools.

I look forward to updating you as the year progresses.



Yours faithfully  
Stephen Bowhill ([stephenb@ideasinternational.com](mailto:stephenb@ideasinternational.com))  
CEO & Managing Director

<sup>1</sup> With full year 2010 profit after tax in the range noted above, the after tax earnings arising from the second half year period (July to December 2010) will be between \$306,000 (-48%) and \$555,000 (-6%) compared to \$590,000 profit after tax for the same six month period in 2009. It is important to note that second half year earnings for 2009 were lifted by the remission of \$238,000 in General Interest Charges levied by the Australian Taxation Office.