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Market Update - 1st June 2005

ITL is pleased to release information about the Company's recent performance.

Finance

Following an improved performance from January to April (2005), ITL is tracking in line with forecasts (issued February 2005) for the second half of financial year 04/05 (Revenue \$12m, profit \$800k and EBITDA of \$1.75m).

ITL is now starting to see the benefits of the restructuring undertaken late last year. Revenue is up, costs are under control and the company is positioned to take advantage of further growth in our sectors of the healthcare market.

Innovative Products Division (IPD)

ITL continues to provide life saving needle safety products to countries with needle safety regulations as well as supporting the introduction of needle-safety into the rest of the world.

ITL has recently secured several multi-year contracts with both global and United States blood banking partners.

Most recently, ITL has extended its nine year relationship with Baxter Healthcare, the world's largest manufacturer of blood packs, for a further five years. ITL's DonorCare[®] needle guard product is pre attached to Baxter's whole blood collection sets.

ITL is also pleased to announce that it has renewed its three year global contracts with both Terumo Corporation for the DonorCare[®] product and Haemonetics Corporation for the SampLok[®] product. Both companies are major global suppliers of healthcare products in the blood industry.

A three year supply agreement covering ITL's blood banking line of safety and ergonomic products and equipment has also been signed with America's Blood Centres (ABC). ABC is a purchasing agency representing 83 individual US blood centres.

ITL's CEO Bill Mobbs says

"These significant global contracts will underpin the earnings of ITL in the medium term. We've had a focus in the last six months to renew and extend the contracts we have with some of the major players in the global blood industry. We're delighted to have achieved these important milestones. Our focus now is to continue working with our customers to deliver the next generation of safety devices. Our priority is to keep healthcare workers around the world safe from needle stick injuries".

Procedure Kits Division (PKD)

ITL is a major supplier of specialty operating room procedure kits to Australian Hospitals.

ITL has secured and is currently rolling out a three year contract for the supply of specialty operating room kits to the Prince Charles Hospital in Brisbane. ITL is proud to be working with one of Australia's leading hospitals specialising in cardio-thoracic surgery.

ITL has also secured a three year deal with Tasmanian Health and Human Services for monitoring kits.

Bill Mobbs says the procedure kit market will continue to grow.

"The trend in the United States and Europe and increasingly in Australia is toward the use of disposable drapes and gowns and customised kits. Healthcare workers are mindful of the need to reduce cross-infection at the same time as improving efficiencies. This is a sector of the market in which we already have a strong presence and capability. As it grows, we expect that demand for ITL's procedure kits will also grow".

Malaysian Distribution Alliance

ITL has finalised a strategic alliance with Heal Marketing Sdn Bhd, which will see ITL supply procedure and monitoring kits to Malaysian hospitals.

Heal Marketing specialises in the marketing of medical instruments, equipment and procedure kits to the surgical, critical and home care sectors, with particular focus on operating theatres, accident & emergencies, intensive/critical care units, diagnostic laboratories and respiratory care.

This alliance with Heal Marketing will help extend ITL's reach into Asia and will drive further productivity gains from ITL's highly accredited Malaysian manufacturing plant.

Bill Mobbs says "We're delighted to have reached agreement with such a reputable distributor as Heal Marketing. They have a tremendous reputation. Our initial aim is to use their established network to supply our procedure and monitoring kits to Malaysian hospitals. Once established, we'll look to use that experience and expertise to satisfy the demand for our products in other South East Asian markets.

We both recognise the potential fit of their distribution network and expertise with our technology and manufacturing capabilities. There are clear synergies, enabling both companies to further develop the Malaysian and South East Asian markets.

After successful implementation, ITL has an option to acquire Heal Marketing".

ITL (ASX: ITD, www.itl-limited.com) specialises in creating innovative medical devices and procedure kits for global healthcare markets. ITL manufactures in Australia and Malaysia, exports into 35 countries and has representative offices in North America, Europe, and Asia.