

ITL Limited

Chairman's address for Annual General Meeting, Tuesday, 30th November 2004, Canberra

On behalf of the Board, I am pleased to welcome you to ITL Limited's second annual general meeting.

The year under review has been a time of transformation and growth. The company issued a prospectus in September 2003 to raise AUD\$21 Million and on successful completion listed on the Australian Stock Exchange in October 2003. At that time ITL acquired the Melbourne based procedure kit business, Surgicare Pty Limited, which has added both revenue and profits to the group. ITL is still holding cash in reserve to enable the company to take advantage of future opportunities.

The results for our first year as a listed company along with the resultant movement in the share price were disappointing. The US litigation, with legal expenses of \$1.5 million and the accrual of a settlement of \$1.1 million adversely affected the result, along with the appreciation of the Australian dollar.

The major achievements for the year include the securing of US Food & Drug Administration (FDA) approval for the SampLok® Sampling Kit (SSK); obtaining a \$2.4 million research and development grant from the Federal Government for the Transfusion Infusion Needle Assembly (TINA) project; and the successful integration of the Surgicare business into the group. We are encouraged by the possibilities for manufacturing products for outside customers, with Visiomed selecting ITL to manufacture the pilot run of its Funhaler® product.

In July 2004 ITL appointed a new Chief Financial Officer (CFO), Susan Williams, who has both listed company and medical industry experience. From today, Ms Williams will assume the additional role of company secretary. Tim McKinnon, the previous CFO has been transferred to ITL Asia Pacific, ITL's manufacturing facility in Malaysia, as Managing Director – Commercial.

Your board has been depleted by the resignation of one of the joint Managing Directors and founders of the business, Dr Jag Dillon. The board, including Dr Dillon took the view that the company would benefit from a single leader. Dr Dillon's resignation paved the way for this development. The Non Executive Directors immediately moved to appoint Mr. William Mobbs as sole Managing Director. We are confident that, under Mr Mobbs, the company's fortunes will be restored.

With Dr Dillon's retirement, the board is reduced to just three members. We have engaged a professional search firm, Proned, to assist us to locate a suitable candidate to become an additional non-executive director. Already there is strong interest in the position from a number of candidates. We expect to be in a position to announce a new appointment at or shortly after the time we release our results for the first half, in February.

Mr Julian Gosse retires by rotation and will submit himself to re-election later in the meeting. Subject to his reappointment, he will take over from me as Chairman from 1 January 2005. I will remain on the board as a non executive director.

STAFF

We wish to record our thanks to our loyal and hard working staff, many of whom have worked above and beyond what could have been expected to assist management in its efforts to turn the business around.

OUTLOOK

Trading for the first quarter of the current year has resulted in a much reduced rate of loss. We expect this improved trend to continue for the remainder of the year. We anticipate that trading for the first half will still result in a loss, which will be magnified by one-off events, including the payment to Dr Jag Dillon to satisfy the company's contractual obligations to him. Further restructuring costs are anticipated as the company strives to reduce its cost base.

We expect the second half to be profitable as cost cutting and revenue raising initiatives, commenced in the current half, take effect. We will give guidance as to the level of this anticipated profitability, when we release the first half results.