

Appendix 4E Results for Announcement to the Market

Name of entity

ITL Limited

ABN or equivalent company reference
16 088 212 088

Reporting Period
30 June 2011
(Comparative period – 30 June 2010)

2.0 Results for announcement to the market

SA'000

2.1 Total revenues from ordinary activities	Down		1%	to	41,123
2.2 Profit/(loss) from continuing operations after tax attributable to members	Up	Large	13,801	to	940
2.3 Net profit/(loss) for the period attributable to members	Up	Large	13,801	to	940
2.4 Dividends (distributions)	Amount per security		Franked amount per security		
Current period					
Final dividend		-			-
Interim dividend		-			-
Previous corresponding period					
Final dividend		-			-
Interim dividend		-			-
2.5 Record date for determining entitlements to the dividend.	N/A				

2.6 Brief explanation of any of the figures reported above necessary to enable the figures to be understood.

Review and Results of Operations

ITL Limited - Consolidated Group

- Revenue for the ITL Limited Consolidated Group ('Group') for the year ended 30 June 2011 was \$41.123 million (2010: \$41.350 million). This reflected growth in Healthcare Australia sales, flat Innovative Products Group sales (adversely impacted by weakening of the U.S. dollar) and a decline in Healthcare SEA sales due to low government spending.
- Net Profit/(Loss) after Tax for the year ended 30 June 2011 was \$0.940 million (2010: loss of (\$12.861) million). This includes income tax expense of \$0.235 million (2010: credit of \$1.139 million) but it is not anticipated that any tax will be payable due to prior year tax losses.
- Profit/(Loss) before Tax for the year ended 30 June 2011 was \$1.175 million (2010: loss of (\$14.000) million)
- Included in this result are restructuring and impairment expenses of \$0.727 million (2010: \$11.625 million).
- Earnings before Interest, Tax, Depreciation & Amortisation and Restructuring & Impairment ("EBITDA") for the year ended 30 June 2011 was \$4.209 million (2010: \$1.084 million).
- Total Comprehensive Income shows a profit of \$0.454 million which also includes \$(1.049) million unrealised foreign currency translation loss. This reflects the impact of the strengthening Australian dollar in reducing the value of the investments in Malaysian entities. This has partly been offset by a gain of \$0.563 million from fair value revaluation of land & buildings in Malaysia.
- Positive Operating Cashflow for the year ended 30 June 2011 was \$3.296 million (2010: \$1.376 million). Included within the operating cashflow at 30 June 2011 is interest expense totalling \$0.588 million (2010: \$0.745 million).
- Cash and cash equivalents were \$2.457 million at 30 June 2011 (June 2010: \$3.107 million).
- Total external debt was \$5.048 million at 30 June 2011 (2010: \$10.057 million), with net debt balances of \$2.591 million (2010: \$6.950 million).
- The company has not declared a dividend for the year ended 30 June 2011.

3.0 NTA Backing	Current period 30 June 2011	Previous Period 30 June 2010
Net tangible asset backing per ordinary security	9.4 cents	8.2 cents
Net asset backing per ordinary security	11.4 cents	11.1 cents

4.0 Control gained or lost over entities having material effect

4.1	Name of entity (or group of entities) of which control was gained during the period	Not applicable, as there were no entities which control was gained/loss during the period.
4.2	Consolidated profit/(loss) from ordinary activities <u>after tax</u> of the controlled entity (or group of entities) since the date in the current period on which control was obtained.	Not applicable, as there were no entities which control was gained/loss during the period.
4.3	Date from which such profit has been calculated	Not applicable, as there were no entities which control was gained/loss during the period.
4.4	Profit/(loss) from ordinary activities after tax of the controlled entity (or group of entities) disposed during the period, for the whole of the previous corresponding period.	Not applicable, as there were no entities which control was gained/loss during the period.

5.0 Dividends

If this is the final dividend, has it been declared?

N/A

Amount per security

Dividends (distributions)	Amount per security	Franked amount per security	Amt per security of foreign sourced dividend
Current Year			
Final	-	-	-
Interim	-	-	-
Previous Year			
Final	-	-	-
Interim	-	-	-

Total Dividends (distributions) per security (interim + final)	Current Year	Previous Year
Final	-	-
Interim	-	-
Total	-	-

Additional information on current year dividends

Date the dividend (distribution) is payable N/A

Details of individual and total dividends or distributions and dividend or distribution payments. N/A

The dividend or distribution plans shown below are in operation.

The company has a Dividend Reinvestment Plan. Full details of this Plan are disclosed in the Prospectus lodged with ASIC and the ASX on 17 September 2003.

The last date(s) for receipt of election notices for the dividend or distribution plans. N/A

6.0 Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. *(If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from dd mm yy") or disposal ("to dd mm yy")).*

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Aggregate share of profit (loss)		Contribution to net profit (loss)	
	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period \$A'000	Current period \$A'000	Previous corresponding period \$A'000
Equity accounted associates and joint venture entities						
	N/A	N/A	-	-	-	-
	N/A	N/A	-	-	-	-

7.0 Other Information

Annual General Meeting

The annual general meeting will be held as follows:

Place: ITL Limited
1/63 Wells Road
Chelsea Heights VIC 3196

Date: Friday 18 November 2011

Time: 2:00 pm

8.0 Compliance Statement

The preliminary financial report has been prepared based on 30 June 2011 accounts which are in the process of being audited by an independent Audit Firm in accordance with the requirements of S302 of the Corporations Act.

Signed here: Date: 26 August 2011
William Mobbs
Executive Chairman

ITL Limited
(ABN: 16 088 212 088)

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2011

ITL Limited
CORPORATE INFORMATION

ABN: 16 088 212 088

DIRECTORS

Mr. William Mobbs (Executive Chairman)
Mr. Sanjay Sehgal (Chairman, Audit Committee)
Mr. Julian Gosse

CHIEF EXECUTIVE OFFICER

Mr. William Mobbs

COMPANY SECRETARY

Jennine McClure

REGISTERED OFFICE

Unit 1, 63 Wells Road
Chelsea Heights, VIC 3196

Tel: (03) 8773 3050

SHARE REGISTER

Boardroom Pty Ltd
Level 7
207 Kent Street
Sydney, NSW 2000
Tel: 1300 737 760
Fax: 1300 653 459

AUDITORS

INTERNET ADDRESS

<http://www.itl-limited.com>

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ITL Limited

DIRECTORS' REPORT

Your Directors submit their report for the year ended 30 June 2011

The names of the company's directors in office during the year ended 30 June 2011 and until the date of this report are as below. Directors were in office for the entire period unless otherwise stated.

Mr. William Mobbs (Executive Chairman - Appointed 18 August 2010)
Mr. Sanjay Sehgal (Appointed Director 18 August 2010 and Chairman, Audit Committee 30 August 2010)
Mr. Julian Gosse
Mr. Roy Rose (Resigned - 20 August 2010)
Dr. Mike Hirshorn (Resigned - 10 August 2010)
Mr. Brian Andrews (Managing Director & Chief Executive Officer - Resigned 18 August 2010)

COMPANY SECRETARY

Jennine McClure

PRINCIPAL ACTIVITIES

The principal activities of the company during the year were:

- Development, manufacture, distribution and sale of innovative medical devices.
- Manufacture, distribution and sale of medical procedure packs.
- Sale and service of medical equipment and instruments.

There were no significant changes in the nature of ITL's principal activities during the year.

EARNINGS PER SHARE

	2011 Cents	2010 Cents
Basic earnings per share	0.71	(9.77)
Diluted earnings per share	0.71	(9.77)

RESULTS

The consolidated net profit/ (loss) after tax of the ITL Limited Group for the year ended 30 June 2011 was \$0.940m (2010: loss of \$12.861m).

DIVIDENDS

	Cents	\$'000
Final Dividends Recommended		
• On ordinary shares	-	-
Dividends paid in the year		
Final Dividend - 2010		
• On ordinary shares	-	-
Interim Dividend - 2011		
• On ordinary shares	-	-

ITL Limited

DIRECTORS' REPORT / continued

REVIEW AND RESULTS OF OPERATIONS

ITL Limited - Consolidated Group

- Revenue for the ITL Limited Consolidated Group ("Group") for the year ended 30 June 2011 was \$41.123 million (2010: \$41.350 million). This reflected growth in Healthcare Australia sales, flat Innovative Products Group sales (adversely impacted by weakening of the U.S. dollar) and a decline in Healthcare SEA sales due to low government spending.
- Net Profit/(Loss) after Tax for the year ended 30 June 2011 was \$0.940 million (2010: loss of (\$12.861) million). This includes income tax expense of \$0.235 million (2010: credit of \$1.139 million) but it is not anticipated that any tax will be payable due to prior year tax losses.
- Profit/(Loss) before Tax for the year ended 30 June 2011 was \$1.175 million (2010: loss of (\$14.000) million)
- Included in this result are restructuring and impairment expenses of \$0.727 million (2010: \$11.625 million).
- Earnings before Interest, Tax, Depreciation & Amortisation and Restructuring & Impairment ("EBITDA") for the year ended 30 June 2011 was \$4.209 million (2010: \$1.084 million).
- Total Comprehensive Income shows a profit of \$0.454 million which also includes \$(1.049) million unrealised foreign currency translation loss. This reflects the impact of the strengthening Australian dollar in reducing the value of the investments in Malaysian entities. This has partly been offset by a gain of \$0.563 million from fair value revaluation of land & buildings in Malaysia.
- Positive Operating Cashflow for the year ended 30 June 2011 was \$3.296 million (2010: \$1.376 million). Included within the operating cashflow at 30 June 2011 is interest expense totalling \$0.588 million (2010: \$0.745 million).
- Cash and cash equivalents were \$2.457 million at 30 June 2011 (June 2010: \$3.107 million).
- Total external debt was \$5.048 million at 30 June 2011 (2010: \$10.057 million), with net debt balances of \$2.591 million (2010: \$6.950 million).
- The company has not declared a dividend for the year ended 30 June 2011.

ITL Limited

DIRECTORS' REPORT / continued

REVIEW AND RESULTS OF OPERATIONS / continued

Summarised operating results are as follows:

	30-Jun-11 \$'000	30-Jun-10 \$'000
Revenue		
Sale of goods and services		
Innovative Products Group (IPG)	9,144	9,127
Healthcare Australia (HCA)	18,822	16,834
Healthcare South East Asia (HCSEA)	12,747	14,894
	<u>40,713</u>	<u>40,855</u>
Earnings Before Interest and Tax	1,721	(13,288)
Interest Income	42	33
Interest Expense	(588)	(745)
Profit/(Loss) before Tax	1,175	(14,000)
Income Tax Credit /(Expense)	(235)	1,139
Net Profit/(Loss) After Tax	<u>940</u>	<u>(12,861)</u>
Cashflow from Operations	<u>3,296</u>	<u>1,376</u>

The reconciliation between Profit/(Loss) before Tax and Earnings before Interest, Tax, Depreciation & Amortisation and Restructuring & Impairment is as follows :-

Profit/(Loss) before Tax	1,175	(14,000)
Add Interest Expense	588	745
less Interest Income	(42)	(33)
Add Depreciation & Amortisation	1,761	2,747
Add Restructuring & Impairment	727	11,625
Earnings before Interest, Tax, Depreciation & Amortisation and Restructuring & Impairment	<u>4,209</u>	<u>1,084</u>

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the consolidated entity that occurred during the financial year ended 30 June 2011 were as follows:

- During August 2010, Dr Mike Hirshorn, Mr Roy Rose and Mr Brian Andrews resigned as Directors. Mr William Mobbs and Mr Sanjay Sehgal were appointed as Directors on 18 August 2010.
- Mr William Mobbs has acted as Interim Managing Director and Chief Executive Officer since 18 August 2010 and became Executive Chairman on 18 October 2010.
- ITL Healthcare SEA Sdn Bhd restructured its Malaysian orthopaedics distribution business to become an exclusive sales commission agent. This strengthened the Company's balance sheet through removal of inventories and corresponding reduction in bank debt.
- Restructuring of all ITL's businesses during the year resulted in additional expenses of \$727 thousand. This includes costs relating to the above change in the Malaysian orthopaedics business, redundancies and other restructuring costs.
- ITL Asia Pacific Sdn Bhd successfully completed the sale of its remaining two parcels of land held in Chemor Malaysia. Net sales proceeds of \$422 thousand were applied to reduce bank debt.
- The Commonwealth Bank of Australia with facilities totalling \$2.5 million has replaced Bendigo & Adelaide Bank as banker to ITL Healthcare Pty Ltd effective 11 February 2011.
- ITL Healthcare SEA Sdn Bhd exceeded its maximum gearing ratio permitted under its borrowing facilities with United Overseas Bank during the year. This was rectified by 30 June 2011 and facilities are currently being renegotiated.
- Ernst & Young were appointed to replace PricewaterhouseCoopers as the Company's external auditors.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

There has not been any other matter or circumstance in the interval between the end of the year and the date of this report that has materially affected or may materially affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial periods.

ROUNDING

The amounts contained in the accompanying year financial information have been rounded to the nearest \$1,000 (where applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

ITL Limited

DIRECTORS' REPORT / continued

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of ITL Limited support and have adhered to the principles of corporate governance.

The company's corporate governance statement is available on the company's website www.itl-limited.com, and also contained in the 2011 annual report.

Signed in accordance with a resolution of the Directors.



..... William Mobbs (Executive Chairman)
Melbourne, 26 August 2011

ITL Limited
DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of ITL Limited,

I state that in the opinion of the Directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including::
- (i) giving a true and fair view of the financial position as at 30 June 2011 and the performance for the year ended on that date of the consolidated entity; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



..... William Mobbs (Executive Chairman)
Melbourne, 26 August 2011

ITL Limited**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011**

		CONSOLIDATED	
	Notes	30-Jun-11 \$'000s	30-Jun-10 \$'000s
Revenue	2 (i)	40,713	40,855
Other Income	2 (ii)	410	495
		<u>41,123</u>	<u>41,350</u>
Cost of goods sold		(26,601)	(27,762)
Gross Profit		<u>14,522</u>	<u>13,588</u>
Salaries and employee benefit expenses		(7,603)	(8,956)
Depreciation and amortisation expenses	3 (a)	(1,034)	(1,820)
Finance costs		(588)	(745)
Premises & office expenses		(1,164)	(1,376)
Other expenses	3 (b)	(2,231)	(3,066)
Total Expenses		<u>(12,620)</u>	<u>(15,963)</u>
Profit/(Loss) before tax and before restructuring & impairment expenses		1,902	(2,375)
Impairment of assets	3 (c)	-	(11,221)
Restructuring expenses	3 (c)	(727)	(404)
Profit/(Loss) before tax		1,175	(14,000)
Income tax benefit/(expense)		(235)	1,139
Net Profit/(Loss) Attributable to Members of ITL Limited		<u>940</u>	<u>(12,861)</u>
Other comprehensive income (expenses)			
Foreign Currency translation		(1,049)	66
Fair Value Revaluation of Land & Buildings		563	(3)
Other comprehensive income (expenses) for the period, net of tax		<u>(486)</u>	<u>63</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>454</u>	<u>(12,798)</u>
Profit/(Loss) attributable to members of the parent		<u>940</u>	<u>(12,861)</u>
Total comprehensive income attributable to members of the parent		<u>454</u>	<u>(12,798)</u>
Earnings per share (cents per share)			
- Basic profit/(loss) per share (cents per share)		0.71	(9.77)
- Diluted profit/(loss) per share (cents per share)		0.71	(9.77)

The accompanying notes form part of the financial statements

ITL Limited**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011**

		CONSOLIDATED	
	Notes	30-Jun-11 \$'000s	30-Jun-10 \$'000s
ASSETS			
Current Assets			
Cash and cash equivalents	9	2,457	3,107
Trade and other receivables	5	6,387	8,047
Inventories		6,584	11,256
Current tax assets		303	305
Other assets	6	431	678
Total Current Assets		<u>16,162</u>	<u>23,393</u>
Non-current Assets			
Property, plant and equipment		6,144	7,040
Product tooling		1,232	1,868
Intangible assets	7	1,191	2,104
Deferred tax assets		1,462	1,677
Total Non-current Assets		<u>10,029</u>	<u>12,689</u>
TOTAL ASSETS		<u>26,191</u>	<u>36,082</u>
LIABILITIES			
Current Liabilities			
Trade and other payables		5,092	10,383
Interest bearing loans and borrowings	10	4,596	9,579
Current tax liabilities		-	-
Provisions		588	671
Total Current Liabilities		<u>10,276</u>	<u>20,633</u>
Non-current Liabilities			
Interest bearing loans and borrowings	10	452	478
Provisions		415	361
Total Non-current Liabilities		<u>867</u>	<u>839</u>
TOTAL LIABILITIES		<u>11,143</u>	<u>21,472</u>
NET ASSETS		<u>15,048</u>	<u>14,610</u>
EQUITY			
Issued Capital	8	38,957	38,957
Foreign Currency Translation Reserve		(2,172)	(1,123)
Options Reserve		26	42
Asset Revaluation Reserve		898	335
Retained Earnings		(22,661)	(23,601)
TOTAL EQUITY		<u>15,048</u>	<u>14,610</u>

The accompanying notes form part of the financial statements

ITL Limited

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011**

	ISSUED CAPITAL	FOREIGN CURRENCY TRANSLATION RESERVE	OPTIONS RESERVE	ASSET REVALUATION RESERVE	RETAINED EARNINGS	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2010	38,957	(1,123)	42	335	(23,601)	14,610
Changes in equity for the year to 30 June 2011						
Profit for the Period					940	940
Other Comprehensive Income for the period		(1,049)		563		(486)
						-
Employee Share Option Reserve			(16)			(16)
As at 30 June 2011	38,957	(2,172)	26	898	(22,661)	15,048
As at 1 July 2009	38,957	(1,189)	50	338	(10,740)	27,416
Changes in equity for the year to 30 June 2010						
Total comprehensive income for the year, net of tax		66		(3)	(12,861)	(12,798)
Employee Share Option Reserve			(8)			(8)
As at 30 June 2010	38,957	(1,123)	42	335	(23,601)	14,610

The accompanying notes form part of the financial statements

ITL Limited**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011**

	30-Jun-11 S'000s	30-Jun-10 S'000s
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	44,182	43,945
Payments to suppliers and employees	(40,277)	(41,825)
Interest received	42	32
Interest paid	(588)	(745)
Income tax paid	(63)	(31)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>3,296</u>	<u>1,376</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(195)	(313)
Proceeds from sale of property, plant and equipment	427	836
Purchase of product tooling and development	(20)	(167)
Purchase of intangible assets	(25)	(189)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	<u>187</u>	<u>167</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from interest bearing liabilities	1,998	869
Repayment of interest bearing liabilities	(6,022)	(1,620)
NET CASH FLOWS USED IN FINANCING ACTIVITIES	<u>(4,024)</u>	<u>(751)</u>
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	<u>(541)</u>	<u>792</u>
Net foreign exchange differences	(109)	(178)
Cash and cash equivalents at beginning of period	9 3,107	2,493
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>9 2,457</u>	<u>3,107</u>

The accompanying notes form part of the financial statements

ITL Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

CORPORATE INFORMATION

The financial information in this report for ITL Limited for the year ended 30 June 2011 was authorised for issue in accordance with a resolution of the Directors on 26 August 2011.

ITL Limited is a company limited by shares and incorporated in Australia whose shares are publicly listed on the Australian Stock Exchange.

The nature of the operations and principal activities of the Group are described in Note 13.

1. BASIS OF PREPARATION

The financial information in this report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The financial information in this report should be read in conjunction with the Annual Financial Report of ITL Limited as at 30 June 2011, when it becomes available, which is prepared based on the Australian Accounting Standards.

It is recommended the Annual Financial Report of ITL Limited as at 30 June 2011 be considered together with any public announcements made by ITL Limited and its controlled entities during the year ended 30 June 2011 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

The following foreign exchange rates have been used in the preparation of the consolidated financial accounts:

	<u>30-Jun-11</u>	<u>30-Jun-10</u>
Spot rate		
AUD/MYR	3.2184	2.7793
AUD/USD	1.0595	0.8563
Average rate for year ended 30 June		
AUD/MYR	3.0464	2.9690
AUD/USD	0.9861	0.8799

(a) Basis of Accounting

There have been no material adjustments to the accounting policies of the Group since 30 June 2010.

The Group has not elected to early adopt any new standards or amendments.

Going Concern Basis of Preparation

At 30 June 2011, ITL Healthcare SEA Sdn Bhd ("ITLHCSEA") had Malaysian Ringgit working capital and term loan facilities with United Overseas Bank Limited (UOB) of RM15.9m (AUD \$4.9m) and drawn down to the amount of RM10.7m (AUD\$3.3m).

In addition, ITLHCSEA has a security deposit with UOB of RM4.5m (AUD\$1.4m) and cash balance with UOB of RM1.4m (AUD\$0.4m). This results in net debt owing to UOB of RM4.8m (AUD\$1.5m) as at 30 June 2011. This is significantly less than the net debt owing to UOB at 30 June 2010 of RM8.4m (AUD\$3.0m).

The financial covenants in place stipulate that ITLHCSEA must not exceed a maximum gearing ratio of 2.75. This is based on the ratio of total bank borrowings against total net worth, excluding intangibles and pre-operating expenses, plus loans and advances from the holding company.

At 30 June 2010 and 31 December 2010 ITLHCSEA's gearing exceeded the maximum ratio. However, at 30 June 2011, ITLHCSEA fully complied with all covenants in respect of its loan facilities with UOB. In particular, ITLHCSEA's gearing ratio was 2.24 times compared with the maximum gearing ratio permitted of 2.75 times. If the security deposit and cash balance were offset against the borrowings, the gearing ratio would fall to 1.0 times.

The Company's facilities with UOB expired on 31 July 2011 and are due for renewal. ITLHCSEA is awaiting formal advice confirming the continuation of facilities. Consequently, all UOB borrowings have at this stage been classified as current in the accounts.

The Directors are confident that ITLHCSEA will continue to have the support of UOB and will meet its debts and commitments as they fall due.

Accordingly, the financial report has been prepared on a going concern basis.

(b) Prior Year Comparatives

In the Consolidated Statement of Income for the year ended 30 June 2010, there has been a reclassification between Cost of Goods Sold and various expenses so as to provide a consistent and more meaningful basis for comparison to the results for the year ended 30 June 2011.

ITL Limited**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011****CONSOLIDATED**

	30-Jun-11	30-Jun-10
	\$'000s	\$'000s

2. REVENUE

Profit before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the performance of the entity:

(i) Revenue

Sale of goods		
Innovative Products Group (IPG)	9,144	9,127
Healthcare Australia (HCA)	18,822	16,834
Healthcare South East Asia (SEA)	12,747	14,894
	<u>40,713</u>	<u>40,855</u>

(ii) Other income

Gain on foreign currency transactions	202	241
Other revenue	166	221
Interest revenue	42	33
	<u>410</u>	<u>495</u>

Total income from continuing operations

41,123	41,350
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3. EXPENSES**(a) Depreciation and Amortisation expenses**

Depreciation & Amortisation of non-current assets

Land & Buildings	40	50
Furniture & Fittings	53	61
Leasehold Improvements	244	754
Motor Vehicle	6	14
Office & computer equipment	96	127
Product Tools & Equipment	514	910
Production, QA and lab equipment	12	15
	<u>965</u>	<u>1,931</u>

Computer Software	137	239
Product Design/development	105	67
Patents,trademarks & licencing	554	510
	<u>796</u>	<u>816</u>

Total Depreciation and Amortisation

1,761	2,747
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Disclosed in cost of sales

(727)	(927)
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Total Depreciation & Amortisation of non-current assets

<u>1,034</u>	<u>1,820</u>
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	CONSOLIDATED	
	30-Jun-11 \$'000s	30-Jun-10 \$'000s
3. EXPENSES (Continued)		
(b) Other expenses		
Audit & accountancy	331	273
Business insurance	201	310
Communications	620	914
Consultants fees	36	415
Legal fees	86	114
Product related expense	137	185
Regulatory & QA expense	61	43
Travel and accommodation	635	714
Other expenses	124	98
Total other expenses	2,231	3,066

(c) Impairment & Restructuring Expenses		
Impairment of Goodwill	-	10,921
Impairment of product tools & development	-	300
Restructuring	727	404
Total Impairment & Restructuring Expenses	727	11,625

4. DIVIDENDS PAID AND PROPOSED

Equity dividends on ordinary shares:

(a) Dividends paid during the year

Dividend paid for the year ended 30 June 2011: Nil cents (2010: nil cents)

- -

(b) Dividends proposed and not recognised as a liability

- -

	30-Jun-11	30-Jun-10
	\$'000s	\$'000s
5. TRADE AND OTHER RECEIVABLES (CURRENT)		
Trade receivables	6,274	7,399
Allowance for impairment loss	(242)	(369)
	6,032	7,030
Other receivables	59	(40)
Accrued revenue	296	1,057
	6,387	8,047

6. OTHER ASSETS (CURRENT)

Prepayments	247	357
Bonds and deposits	184	321
Total Other Assets	431	678

ITL Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	CONSOLIDATED	
	30-Jun-11	30-Jun-10
	\$'000s	\$'000s
7. INTANGIBLE ASSETS		
Goodwill		
Innovative Product Group (IPG)	-	-
Healthcare Australia (HCA)	-	-
Healthcare South East Asia Divison (HCSEA)	-	-
	<u>-</u>	<u>-</u>
Product development at Cost	764	1,481
Accumulated amortisation	(343)	(954)
	<u>421</u>	<u>527</u>
Patents, trademarks and licences at cost	2,703	3,392
Accumulated amortisation	(2,361)	(2,388)
	<u>342</u>	<u>1,004</u>
Business Development Software at cost	1,272	1,317
Accumulated amortisation	(844)	(744)
	<u>428</u>	<u>573</u>
Total Intangible Assets	<u>1,191</u>	<u>2,104</u>

8. ISSUED CAPITAL

Ordinary shares				
Issued and fully paid	<u>38,957</u>	<u>38,957</u>		
Movements in ordinary shares on issue				
		30-Jun-11		30-Jun-10
	No. of		No. of	
	Shares	\$'000s	Shares	\$'000s
Beginning of the financial period	131,645,386	38,957	131,645,386	38,957
Issued during the year				
- Dividend reinvestment plan	-		-	
- Executive and employee options exercised	-		-	
End of the financial period	<u>131,645,386</u>	<u>38,957</u>	<u>131,645,386</u>	<u>38,957</u>

ITL Limited**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	CONSOLIDATED	
	30-Jun-11	30-Jun-10
	\$'000s	\$'000s
9. CASH & CASH EQUIVALENTS		
Cash on hand	3	4
Cash at bank	954	1,531
Sinking Fund Deposits Malaysia	1,500	1,572
Total Cash & Cash Equivalents	<u>2,457</u>	<u>3,107</u>

	CONSOLIDATED	
	30-Jun-11	30-Jun-10
	\$'000s	\$'000s
10. INTEREST-BEARING LOANS AND BORROWINGS		
Current		
Bank overdrafts	4	1,070
Banker Acceptances	3,564	5,445
Bank Loans	849	2,698
Hire purchase liability	179	366
	<u>4,596</u>	<u>9,579</u>
Non Current		
Bank Loans	420	255
Hire purchase liability	32	223
	<u>452</u>	<u>478</u>
	<u>5,048</u>	<u>10,057</u>

11. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or contingent assets.

12. EVENTS AFTER BALANCE DATE

There has not been any other matter or circumstance in the interval between the end of the year and the date of this report that has materially affected or may materially affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial periods.

ITL Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

13. SEGMENT REPORTING

Business Unit Segments - Continuing Operations

The Group has identified its operating segments on the basis of the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the manner in which the product is sold, the nature of the services provided, the identity of the service line manager and country of origin. Discrete financial information about each of these operating businesses is reported to the executive management team on at least a monthly basis.

The Group's reportable segments represent strategic business units that offer different products and services to different markets. They are therefore as follows:

Innovative Products Group ("IPG")

ITL's Innovative Products Group (IPG) designs, develops, manufactures, markets and distributes a range of biological safety sampling devices into global markets.

The division's initial products were single use safety devices used primarily in the blood banking industry.

A strategy of diversification into different markets has been adopted by the group and now IPG has begun to sell new patented products into alternative markets such as Animal Healthcare and Laboratory and Clinical markets.

The division, which has the capabilities and expertise to develop and commercialize new patented products from initial idea through to sales, is spread across three continents to leverage the unique geographical advantages of each: -

1. Management and new product development is based in Australia;
2. Manufacturing and tool making is based in Malaysia. Our manufacturing facility is TUV accredited for CE marking, its Quality Management System certified to ISO 13485: 2003 and its Environmental Management System to ISO 14001: 2004;
3. Sales and marketing is based in North America where our largest customers and markets are located.

IPG distributes predominantly its own proprietary range of products and has an extensive Intellectual Property portfolio which is being constantly enhanced with new patents, trademarks and designs. IPG's customers comprise of some of the largest multinational healthcare suppliers in the world.

IPG is focused on providing year on year profit growth and leveraging its extensive and proven product commercialization resources to expand its product range and penetration in the global market.

Healthcare Australia "HCA"

The company has invested in creating a state of the art stand-alone operation with in-house ethylene oxide sterilisation capabilities and class 3000 clean room assembly facilities. Historically this operating unit's primary source of revenue has been derived from the production of a broad range of sterile medical procedure packs including monitoring kits. More recently the business has diversified with an increasing percentage of sales being derived from stand-alone medical devices such as gowns and drapes.

Healthcare South East Asia "HCSEA"

Headquartered in Kuala Lumpur, Malaysia, ITL Healthcare South East Asia markets and distributes medical equipment, surgical instruments and consumables to over 160 hospitals and medical centres throughout Malaysia. Since acquisition HCSEA has transitioned from a high value low volume capital equipment sales and marketing operation to a broad portfolio of products representing world class medical device manufacturers including Siemens and the Stryker Corporation.

Corporate and other

The corporate business segment consists of the Board of Directors and head office costs.

Transfer prices between business segments are set on an arms' length basis in a manner similar to transactions with third parties. Segment revenue, expense and results include transfers between business segments. Those transfers are eliminated on consolidation.

The following table presents the revenue and profit information regarding business unit segments for the years ended 30 June 2010 and 30 June 2011.

Year ended 30 June 2011	Innovative Products Group \$'000	Healthcare Australia \$'000	Healthcare South East Asia \$'000	Corporate & Other \$'000	Total \$'000
Segment revenue					
Revenue from operating activities					
Sale of Goods & Services	9,144	18,822	12,747	-	40,713
Gain (Loss) on foreign currency transactions	180	32	(10)	-	202
Other Revenue	24	37	105	-	166
Interest Revenue	1	11	30	-	42
	205	80	125	-	410
Total consolidated revenue	9,349	18,902	12,872	-	41,123
Result					
Segment results *	1,528	708	103	18	2,357
Restructuring Expense	(69)	(117)	(291)	(250)	(727)
					-
Earnings Before Interest Expense and Tax	1,459	591	(188)	(232)	1,630
Interest expense					(588)
Income tax expense					(235)
Transfer to Other Comprehensive Income - Foreign Currency Translation					173
Inter Segment Eliminations					(40)
Total segment results					940

* Includes corporate recharges to each segment

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

13. SEGMENT REPORTING / continued

Year ended 30 June 2010	Innovative Products Group \$'000	Healthcare Australia \$'000	Healthcare South East Asia \$'000	Corporate & Other \$'000	Total \$'000
Segment revenue					
Revenue from operating activities					
Sale of Goods & Services	9,127	16,834	14,894		40,855
Gain on foreign currency transactions	241				241
Other Revenue	160			61	221
Interest Revenue				33	33
	401	-	-	94	495
Total consolidated revenue	9,528	16,834	14,894	94	41,350
Result					
Segment results *	(1,976)	(923)	2,214	(1,245)	(1,930)
Impairment of Goodwill		(2,816)	(8,105)		(10,921)
Loss on sale of surplus land and buildings in Malaysia	(70)				(70)
Restructuring Expense	(157)	(34)	-	(143)	(334)
					-
Earnings Before Interest Expense and Tax	(2,203)	(3,773)	(5,891)	(1,388)	(13,255)
Interest expense					(745)
Income tax expense					1,139
Total segment results					(12,861)

* Includes corporate recharges to each segment