



Innovating Technologies for Life

ITL Limited and Controlled Entities

ABN 16 088 212 088

Appendix 4E

Preliminary final report

For the year ended 30 June 2008

Contents

Results for announcement to the market

Review of operations

Full year report

**Results for announcement to the market**

				A\$'000
Revenue	up	10%	to	38,708
Profit/(loss) from operating activities before income tax *	down	27%	to	1,830
EBITDA *	down	19%	to	3,170
Profit/(loss) after income tax attributable to members	down	56%	to	763
Profit/(loss) for the period attributable to members	down	56%	to	763

* excludes restructure expenses, currency losses/(gains) and reversals/refunds of ATO tax penalties

Dividends paid during year	2008	2007
Final 2006/07 dividend	0.5 cents fully franked	1
Interim 2007/08 dividend	Nil	0.5
Total dividends paid	0.5 cents fully franked	1.5

Declaration of Final Dividend

The directors have declared a final, fully franked dividend of one-quarter of a cent (0.25 cents) per share.

The total dividend for the year is one-quarter of a cent (0.25 cents) cent per share fully franked.

The record date for determining entitlement to the final fully franked dividend is the 8th September 2008. The final dividend will be payable on the 16th October 2008.

Dividend reinvestment plan

The company's dividend reinvestment plan will not apply to this dividend.

Earnings per share (EPS)

	2008	2007
Basic EPS	\$0.006	\$0.016
Diluted EPS	\$0.006	\$0.016

Weighted average number of ordinary shares used in the calculation of:

Basic EPS	124,260,663	108,630,377
Diluted EPS	124,437,166	109,275,857

Asset backing per share

Net tangible asset backing	\$0.10	\$0.16
Net asset backing	\$0.30	\$0.31



Review of Operations

Group revenue grew by 9.6% from \$35.3 million to \$38.7 million, the addition of the IVT/IVM business has boosted the second half revenues.

Profit from operating activities before tax (excluding restructure expenses, currency losses/gains and reversals/refunds of ATO tax penalties) is down by 27% to \$1.8 million from \$2.5 million.

EBITDA (excluding one-off expenses not relevant to the operations of the business and currency losses/gains) has decreased by 19% to \$3.2 million from \$4.0 million.

Pre-tax profits of \$0.8 million were down on the previous year's \$2.1 million. Profit after tax of \$0.8 million was below last year's after tax profit of \$1.7 million.

International currency movements continued to have an adverse effect on the company's trading results. Due to ITL's growth strategy more than 60% of revenues are now generated offshore, primarily in US dollars and Malaysian ringgit. The Australian dollar has strengthened throughout the year against the US Dollar from 85 cents to 96 cents.

During the year, the Company pursued a strategy of establishing autonomous business units, recognising that each of the three key businesses had differing operational needs, information and customer service requirements. Supporting this strategy, a new General Manager for the Australian Healthcare business was appointed in late 2007, and the VP of Manufacturing relocated to Malaysia to the Asia Pacific manufacturing business. Both of these businesses have also had new senior management appointments in Supply Chain, Logistics and Finance departments. The group shed 80 people, 21% of its workforce between 1 July 2007 and 31 March 2008.

In late 2007, ITL successfully implemented a new business system, Dynamics AX, across all business units, replacing an antiquated information system which the business had outgrown. AX offers ITL full sales & manufacturing, integrated forecasting system capabilities, in addition to internet customer service tracking and reporting functions. Base modules were implemented in September through December 2007 with the more advanced planning modules scheduled for 2008-09.

The Australian Healthcare business (primarily consumables business) now has a new management team, including General Manager, Finance Manager, and Supply Chain Manager. The business achieved revenues of \$15.6m, which were down from \$16.7m in 2007. In house steriliser capability is fully operational and exhaustive validation trials completed to satisfy TGA requirements. The Melbourne facility has capacity to cope with considerably more sales and this is a key goal for the coming year. A new supply agreement that provides ITL with exclusive rights to a branded range of drapes and gowns – "SureSafe", was launched in May 2008 and extensive product trials are underway in a number of major hospitals.

The Malaysian Healthcare business (primarily medical equipment) was seriously impacted by the downturn in large medical infrastructure projects within Malaysia. The reliance on these large projects has now been lessened with the successful acquisition of IVT/IVM business in May 2008. The IVT/IVM product range was essentially Siemens Ultrasound products but with the acquisition ITL has expanded the distribution rights from Siemens to include all their imaging product range within Malaysia. The acquisition expanded our footprint in Malaysia with regional offices in Penang, Kuching and Kota Kinabalu. The ITL Malaysian sales business won the prestigious *Frost & Sullivan 2008 "Malaysian Medical Device Distributor of the Year" Award*.

The Innovative Products business manufactures at ITL's Ipoh Malaysian facility and sells mainly on a business to business basis outside of Australia and South East Asia. Sales are in US dollars and were flat against last year. Revenue growth in this region has been limited due to capacity issues at the Ipoh facility, however there have been marked improvements in manufacturing efficiencies in the second half of the year. Customer contracts with American Red Cross,



HemaQuebec and Terumo have been extended / renewed.

ITL continues to be committed to ongoing development of Innovative Products. Throughout the year ITL filed for:

- two new Australian patents
- two new PCT patents; and
- two new trademarks.

Dividend

The board of directors has declared a final fully franked dividend of one-quarter of a cent (0.25 cents) per share, which will be paid on 16th October 2008. Dividends declared for the year total one cent per share fully franked. ITL's Dividend Reinvestment plan **will not** apply to this dividend.

This report is based on the audited consolidated financial report.

A handwritten signature in black ink, appearing to read 'W. Mobbs', written over a light grey rectangular background.

William L Mobbs
Managing Director
25th August 2008