

Appendix 4E

Preliminary Final Report

Name of entity

ITL Limited

ABN or equivalent company reference

16 088 212 088

1.0 Details of the reporting period and the previous corresponding period

Reporting Period: 30 June 2013

Previous Corresponding Period: 30 June 2012

2.0 Results for announcement to the market

Should be read in conjunction with most recent annual financial report

\$A'000

2.1 Revenue from continuing operations	Down	12 %	to	24,885
Revenues from ordinary activities	Down	19 %	to	24,885
2.2 Profit/(loss) from continuing operations after tax attributable to members	Down	11 %	to	2,458
Profit/(loss) after tax from ordinary activities attributable to members	Up	86 %	to	2,458
2.3 Net profit/(loss) for the period attributable to members	Up	86 %	to	2,458
2.4 Dividends		Amount per share		Franked Amount per share
Interim dividend paid		0.5 cents		0.5 cents
Final dividend declared		0.75 cents		0.75cents
2.5 Record date for determining entitlements to the final dividend				23 August 2013
2.6 Brief explanation of any of the figures reported above necessary to enable the figures to be understood.				
Refer to ASX Announcement and attached Review and Results of Operations				

Appendix 4E
ITL Limited – Year Ended 30 June 2013

3.0 NTA Backing	Current period 30 June 2013	Previous Period 30 June 2012
Net tangible asset backing per ordinary security	10.1 cents	9.9 cents
Net Asset Backing per ordinary security	12.5 cents	11.9 cents

4.0 Control gained or lost over entities having material effect

There were no entities where control was gained or lost during the period.

5.0 Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. Nil

6.0 Compliance Statement

The preliminary final report has been prepared based on 30 June 2013 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 2001*.

Attachments forming part of Appendix 4E:

1. Financial Report



Signed here:

Date: 14 August 2013

William Mobbs
Executive Chairman

ITL Limited
(ABN: 16 088 212 088)

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2013

ITL Limited

CORPORATE INFORMATION

ABN: 16 088 212 088

DIRECTORS

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

CHIEF EXECUTIVE OFFICER

Mr. William Mobbs

COMPANY SECRETARY

Mr. Trevor Doolan

REGISTERED OFFICE and PRINCIPAL PLACE OF BUSINESS

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

EY

INTERNET ADDRESS

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

ITL Limited

CONTENTS	PAGE
Review and Results of Operations	6
Consolidated Statement of Profit or Loss	8
Consolidated Statement of Comprehensive Income	9
Consolidated Balance Sheet	10
Consolidated Statement of Changes in Equity	11
Consolidated Statement of Cash Flows	12
Condensed Notes to the Consolidated Financial Statements	13

ITL Limited

REVIEW AND RESULTS OF OPERATIONS

Profit after Tax for the ITL Limited consolidated Group for the year ended 30 June 2013 was \$2.5m, which was an 86% improvement on the prior year profit of \$1.3m. The latter included a loss of \$(1.4m) in relation to the Healthcare SEA business which was sold effective 1 January 2012. This business is reported as a discontinued operation in the Group results.

Profit after Tax from the Continuing Operations of Healthcare Australia, Innovative Products Group and Corporate & Other was \$2.5m which was 11% below the prior year profit of \$2.8m.

Earnings per share from Continuing Operations for the year ended 30 June 2013 was 2.54 cents which was a 16% improvement over the prior year outcome of 2.19 cents per share. This reflected the benefit from active capital management with the ongoing share buyback.

Income tax expense was nil (2012:\$0.2m) due to the benefit of previously unrecognised prior year tax losses in Australia.

Profit before tax from Continuing Operations at \$2.5m was below the prior year result of \$3.0m. This reflected lower revenue partly offset by improved gross margins and savings in operating expenses.

Revenue from Continuing Operations was \$24.9m (2012:\$28.3m). Innovative Products Group revenue decreased 8% (7% in U.S. dollars) to \$9.5m due to industry consolidation and reduced demand from the U.S. blood banking market. Healthcare Australia revenue declined 14% to \$15.3m due to the completion of major hospital contracts and competitive market place but still managed to significantly increase its profit.

Gross margins increased in both Healthcare Australia and Innovative Products Group due to improved manufacturing efficiencies, lower purchasing costs and nil net inventory write-downs or losses.

Other income for Continuing Operations declined significantly as the previous year included the recharge of some Head Office costs to the Healthcare SEA business which was sold effective 1 January 2012.

Operating expenses decreased by 5% reflecting overhead savings and reduced bonus remuneration, partly offset by higher product support costs and revaluation of some intercompany foreign currency balances.

Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA) from Continuing Operations for the year ended 30 June 2013 was \$3.5m (2012: \$4.0m). The Directors believe that EBITDA as a non-IFRS profit measure is useful to investors as it provides further information on the company's underlying profitability. The reconciliation between Profit before tax and EBITDA is as follows:

\$'000	2013	2012
Profit before Income Tax from Continuing Operations	2,453	2,983
Add back/(deduct):		
Depreciation and amortisation expense	957	1,024
Interest Expense	93	77
Interest Income	(2)	(42)
EBITDA from Continuing Operations	3,501	4,042

REVIEW AND RESULTS OF OPERATIONS (continued)

Group Operating Cashflow for the year ended 30 June 2013 was \$4.6m (2012: \$4.7m) .This reflected the significantly improved Group earnings result together with the benefit from share based remuneration payments. The strong operating cash generation was used to partly fund \$6.0m in relation to the ongoing share buyback (2012: \$4.1m). This was an effective means of returning surplus capital to shareholders and enabled the Group to maintain an efficient capital structure.

In addition, ITL declared and paid its first dividend since October 2008. A fully franked interim dividend of 0.5 cents per share was paid in respect of the half year ended 31 December 2012.

The net debt position was \$1.3m at 30 June 2013 compared with the net cash position of \$1.0m at 30 June 2012. The Group's gearing measured as net debt as a percentage of net debt plus equity was 11% (2012: nil)

ITL Limited

Consolidated Statement of Profit or Loss

for the year ended 30 June

	Note	30/06/2013 \$000's	30/06/2012 \$000's
Continuing Operations			
Revenue	2	24,885	28,283
Cost of Sales		(13,659)	(16,427)
Gross Profit		11,226	11,856
Other income	2	67	412
Salaries and employee benefits expense		(5,747)	(6,533)
Depreciation and amortisation expense	3	(321)	(334)
Finance costs		(93)	(77)
Premises and office expenses		(902)	(882)
Other expenses from ordinary activities		(1,777)	(1,459)
Total Expenses		(8,840)	(9,285)
Profit/(Loss) before income tax expense from continuing operations		2,453	2,983
Income tax benefit/(expense)		5	(232)
Profit/(Loss) for the year from continuing operations		2,458	2,751
Discontinued Operations			
Profit/(Loss) after tax for the year from discontinued operation	4(b)	-	(1,428)
Profit/(Loss) for the Year		2,458	1,323
Profit/(Loss) attributable to members of the parent		2,458	1,323
Earnings per Share			
Basic profit/(loss) per share (cents per share)		2.54 cents	1.06 cents
Diluted profit/(loss) per share (cents per share)		2.54 cents	1.06 cents
Earnings per share for continuing operations			
Basic profit/(loss) per share (cents per share)		2.54 cents	2.19 cents
Diluted profit/(loss) per share (cents per share)		2.54 cents	2.19 cents

The accompanying notes form part of these financial statements

ITL Limited
Consolidated Statement of Comprehensive Income
for the year ended 30 June

	Note	30/06/2013 \$000's	30/06/2012 \$000's
Profit/(Loss)		2,458	1,323
<hr/>			
Other Comprehensive Income			
Items that may be reclassified subsequently to Profit or Loss			
Exchange differences on translating foreign operations		524	668
Income tax effect		-	-
			<hr/> 668
Items that will not be reclassified subsequently to Profit or Loss			
Fair Value Revaluation of Land & Buildings		-	(355)
Income tax effect		-	-
		<hr/> -	<hr/> -
Other comprehensive income for the period, net of tax		524	313
		<hr/>	<hr/>
Total comprehensive income attributable to members of the parent		2,982	1,636
		<hr/>	<hr/>

The accompanying notes form part of these financial statements

ITL Limited

Consolidated Balance Sheet

as at 30 June

	Note	30/06/2013 \$000's	30/06/2012 \$000's
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	412	1,007
Trade and other receivables		3,417	3,560
Inventories		3,725	4,099
Other current assets		379	447
TOTAL CURRENT ASSETS		7,933	9,113
NON-CURRENT ASSETS			
Property, plant and equipment		4,008	4,185
Product tooling and equipment		1,029	999
Intangible assets		678	875
Deferred tax assets		1,395	1,322
TOTAL NON-CURRENT ASSETS		7,110	7,381
TOTAL ASSETS		15,043	16,494
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		1,491	2,673
Borrowings	8	1,450	42
Current tax liabilities		-	1
Short-term provisions		681	617
TOTAL CURRENT LIABILITIES		3,622	3,333
NON-CURRENT LIABILITIES			
Borrowings	8	250	-
Long-term provisions		372	354
TOTAL NON-CURRENT LIABILITIES		622	354
TOTAL LIABILITIES		4,244	3,687
NET ASSETS		10,799	12,807
EQUITY			
Issued capital	7	30,333	35,080
Foreign currency translation reserve		(980)	(1,504)
Asset revaluation reserve		448	448
Share based payment reserve	7 (iv)	222	-
(Accumulated loss)/Retained earnings		(19,224)	(21,217)
TOTAL EQUITY		10,799	12,807

The accompanying notes form part of these financial statements

ITL Limited

Consolidated Statement of Changes in Equity

for the year ended 30 June

	Issued Capital	Share Based Payment Reserve *	Foreign Currency Translation Reserve	Options Reserve	Asset Revaluation Reserve	Retained Earnings	Total
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Balance at 1 July 2012	35,080	-	(1,504)	-	448	(21,217)	12,807
Profit for the period	-	-	-	-	-	2,458	2,458
Other Comprehensive income	-	-	524	-	-	-	524
Total comprehensive income for the year	-	-	524	-	-	2,458	2,982
Transactions with owners in their capacity as owners:							
Employee share option reserve	-	-	-	-	-	-	-
Dividend Payment	-	-	-	-	-	(465)	(465)
Asset Revaluation Reserve	-	-	-	-	-	-	-
Share Buy-back	(5,631)	-	-	-	-	-	(5,631)
Transaction Costs	(21)	-	-	-	-	-	(21)
Share based payments	905	222	-	-	-	-	1,127
Balance at 30 June 2013	30,333	222	(980)	-	448	(19,224)	10,799
Balance at 1 July 2011	38,957	-	(2,172)	26	898	(22,661)	15,048
Profit for the period	-	-	-	-	-	1,323	1,323
Other Comprehensive income	-	-	668	-	(355)	-	313
Total comprehensive income for the year	-	-	668	-	(355)	1,323	1,636
Transactions with owners in their capacity as owners:							
Employee share option reserve	-	-	-	(26)	-	26	-
Asset Revaluation Reserve	-	-	-	-	(95)	95	-
Share Buy-back	(4,403)	-	-	-	-	-	(4,403)
Transaction Costs	(18)	-	-	-	-	-	(18)
Share based payments	544	-	-	-	-	-	544
Balance at 30 June 2012	35,080	-	(1,504)	-	448	(21,217)	12,807

* refer to Note 7 (iv)

The accompanying notes form part of these financial statements

ITL Limited

Consolidated Statement of Cash Flows

for the year ended 30 June

	Note	30/06/2013 \$000's	30/06/2012 \$000's
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		2,453	1,555
<u>Non-cash items:</u>			
Depreciation & amortisation		957	1,205
Net loss on disposal of assets		24	4
Unrealised (gain)/loss on foreign currency transactions		35	14
Share based payments		1,070	501
Loss on sale of subsidiary		-	979
<u>Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:</u>			
Decrease in trade and other receivables		143	1,201
(Increase)/decrease in other current assets		68	(156)
Decrease in Inventories		374	1,391
(Decrease) in trade and other payables		(531)	(1,873)
Increase/(Decrease) in provisions		81	(3)
Income tax paid		(104)	(111)
Net cash flow from / (used in) operating activities		4,570	4,707
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for product tooling and development		(142)	(54)
Payment for property, plant and equipment		(178)	(101)
Payment for intangible assets		(67)	(72)
Proceeds from the sale of property, plant and equipment		-	1
Proceeds from disposal of subsidiaries, net of cash disposed	4 (e)	-	(1)
Net cash flow from / (used in) investing activities		(387)	(227)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		1,658	-
Payment for dividends		(465)	-
Payment for Share buyback		(5,983)	(4,090)
Repayments of borrowings		-	(1,842)
Net cash flow from / (used in) financing activities		(4,790)	(5,932)
NET INCREASE/(DECREASE) IN CASH HELD		(607)	(1,452)
Net foreign exchange differences		12	2
Cash at beginning of period	6	1,007	2,457
CASH AT END OF PERIOD	6	412	1,007

The accompanying notes form part of these financial statements

ITL Limited

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

1. BASIS OF PREPARATION

This general purpose condensed financial report for the year ended 30 June 2013 has been prepared in accordance with Australian Accounting Standards and the *Corporations Act 2001*.

The financial information in this report for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of the Directors on 14 August 2013.

ITL Limited is a limited company incorporated and domiciled in Australia whose shares are publicly traded. The principal activities of the company and its subsidiaries (the Group) are described in Note 11.

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.

It is recommended that this report should be read in conjunction with the Annual Report for the year ended 30 June 2013, when it becomes available, and be considered together with any public announcements made by ITL Limited and its controlled entities during the year ended 30 June 2013 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report apart from any that may be noted below.

Changes in Presentation of Financial Statements

The Consolidated Group has changed the presentation of the following statements:

The Consolidated Statement of Profit or Loss and the Consolidated Statement of Comprehensive Income have been presented separately in accordance with AASB 101 *Presentation of Financial Statements* in order to provide improved presentation for the users of the financial statements. There has been no change to the total amounts disclosed as a result of this.

The company has also elected to change the presentation of the Consolidated Statement of Cash Flows from the direct method to the indirect method as per AASB107 *Statement of Cash Flows* in order to present more relevant and meaningful information and to align with the internal management reporting format. There has been no change to the total amounts as a result of this.

Where practicable, the restatement of comparatives shows the information that would have been disclosed in the prior reporting period had any adjustments been applied, or any changes in new accounting standards been applied.

ITL Limited

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2013

1. BASIS OF PREPARATION (continued)

Foreign Currency Translation

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

	<u>30-Jun-13</u>	<u>30-Jun-12</u>
Spot rate		
AUD/MYR	2.8826	3.2431
AUD/USD	0.9133	1.0159
Average rate for year ended 30 June		
AUD/MYR	3.1486	3.1766
AUD/USD	1.0261	1.0319

There have been no material adjustments to the accounting policies of the Group since 30 June 2012.

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

ITL Limited

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2013

	Note	30-Jun-13 \$'000s	30-Jun-12 \$'000s
2. REVENUE and OTHER INCOME			
Revenue			
Innovative Products Group (IPG)		9,544	10,352
Healthcare Australia (HCA)		15,341	17,931
Sales Revenue from Continuing Operations		24,885	28,283
Sales Revenue from Discontinued Operation	4 (b)	-	2,329
Total Sales Revenue		24,885	30,612
Other Income			
Other revenue		65	370
Interest revenue		2	42
Other Income from Continuing Operations		67	412
Other Income from Discontinued Operations	4 (b)	-	21
Total Other Income		67	433
Total Income		24,952	31,045
3. EXPENSES – CONTINUING OPERATIONS			
Depreciation & Amortisation expense			
Depreciation of non-current assets			
Land & buildings		27	24
Furniture & Fittings		22	32
Leasehold Improvements		210	210
Office & Computer equipment		42	41
Product Tools & equipment		413	471
Total Depreciation		714	778
Amortisation of non-current assets			
Computer Software		106	117
Product Design/development		105	105
Patents, trademarks & licencing		32	24
Total Amortisation		243	246
Total depreciation and amortisation expense		957	1,024
Less depreciation and amortization disclosed in cost of sales			
		(636)	(690)
Total depreciation and amortisation expense		321	334

ITL Limited

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2013

4. DISCONTINUED OPERATIONS

(a) Description

ITL Limited sold 100% of its shares in ITL SEA Sdn Bhd and its wholly owned subsidiaries ITL Healthcare SEA Sdn Bhd and Heal Mediware Sdn Bhd. ITL Limited lost its power to govern the financial and operating policies of the above entities under an agreement on 1 January 2012 and hence has deconsolidated the above entities 1 January 2012. Accordingly, this division which had been reported as a separate segment by itself is reported in this financial report as a discontinued operation. The financial impact of this discontinued operation is set out below.

(b) Financial performance

The results of ITL SEA Sdn Bhd and its subsidiaries for the period are presented below:

	Note	30-Jun-13 \$'000s	30-Jun-12 \$'000s
Revenue	2	-	2,329
Cost of Sales		-	1,237
Gross Profit		-	1,092
Other Income	2	-	21
Expenses		-	(1,424)
Finance Costs		-	(138)
Profit/(Loss) before tax from discontinued operation		-	(449)
Income Tax expense		-	-
Profit/(Loss) after tax from discontinued operation		-	(449)
Loss on Sale of the discontinued operation	4 (e)	-	(299)
Reclassification of prior year foreign currency translation losses from equity*	4 (e)	-	(680)
Profit/(Loss) after tax of discontinued operation		-	(1,428)

* Paragraph 48 of AASB121 *The Effects of Changes in Foreign Exchange Rates* requires that on the disposal of a foreign operation the cumulative amount of the exchange differences relating to that foreign operation shall be reclassified from equity to profit or loss as a reclassification adjustment when the gain or loss on disposal is recognised. The total cumulative amount of the exchange differences that is included in the losses on disposal amounted to \$680,000.

ITL Limited

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2013

4. Discontinued Operations (continued)

(c) Carrying amounts of external assets and liabilities

As ITL Limited sold 100% of its shares in ITL SEA Sdn Bhd and its wholly owned subsidiaries ITL Healthcare SEA Sdn Bhd and Heal Mediware Sdn Bhd effective 1 January 2012 there are no carrying amounts in the balance sheet at balance date for comparative purposes. The major classes of assets and liabilities at the date of disposal were:

	Note	1-Jan-12 \$'000s
Assets		
Cash and cash equivalents	4 (e)	1,129
Trade and other receivables		1,626
Inventories		1,094
Property, plant and equipment	4 (g)	1,160
Other assets		470
Total Assets		5,479
Liabilities		
Trade and other payables		877
Borrowings		3,164
Other liabilities		29
Total Liabilities		4,070
Net Assets	4 (e)	1,409

(d) Cash Flow Analysis

The net cash inflows/(outflows) incurred are as follows:

	Note	30-Jun-13 \$'000s	30-Jun-12 \$'000s
Operating activities		-	(669)
Investing activities		-	-
Financing activities		-	(151)
Net cash inflow/(outflow)		-	(820)

(e) Total Consideration Received

Details of the sale of the division

	Note	30-Jun-13 \$'000s	30-Jun-12 \$'000s
Cash consideration received		-	1,128
Less Net assets disposed	4 (c)	-	(1,409)
		-	(281)
Incremental costs of disposal		-	(18)
Loss on sale of discontinued operation	4 (b)	-	(299)
Reclassification of prior year foreign currency translation losses from equity	4 (b)	-	(680)
Loss on disposal after tax		-	(979)

ITL Limited

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2013

4. Discontinued Operations (continued)

(e) Total Consideration Received (continued)

Net cash inflow/(outflow) on disposal:

Cash consideration received	-	1,128
less cash and cash equivalents disposed of: 4 (c)	-	(1,129)
<hr/>		
Reflected in the consolidated statement of cash flows	-	(1)
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Based on performance by the discontinued operation during the period 1 January 2012 to 31 December 2012 the “earn out” clause in the sale agreement was not triggered and no additional consideration will be receivable.

(f) Earnings per share

	30-Jun-13	30-Jun-12
Basic profit/(loss) per share (cents per share)	-	(1.14)
Diluted profit/(loss) per share (cents per share)	-	(1.14)

(g) Impairment of property, plant and equipment

ITL Healthcare (SEA) Sdn Bhd’s land and buildings in Kuala Lumpur, Malaysia, were revalued at 1 January 2012 by PTL Realty. The revaluation decrement of \$355 thousand was debited to the Asset Revaluation Reserve. The remaining balance of \$95 thousand in asset revaluation reserve was transferred to retained earnings.

ITL Limited

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2013

5. DIVIDENDS PAID

	30-Jun-13 \$'000s	30-Jun-12 \$'000s
Declared and paid during the year:		
Dividends on ordinary shares:		
Interim franked dividend for 2013: 0.5 cents per share (2012: nil)	465	-
Dividends paid	465	-
Balance of franking account at year end	917	1,116
	917	1,116

6. CASH AND CASH EQUIVALENTS

	30-Jun-13 \$'000s	30-Jun-12 \$'000s
Cash on hand	2	2
Cash at bank	410	1,005
Total Cash and Cash Equivalents	412	1,007

ITL Limited

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2013

	30-Jun-13	30-Jun-12
	\$000's	\$000's
7. ISSUED CAPITAL		
Ordinary shares		
At beginning of reporting period	35,080	38,957
Share Buy back (i)	(5,631)	(4,403)
Transaction costs net of tax (ii)	(21)	(18)
Shares issued during the period (share based payments) (iii)	905	544
	<u>30,333</u>	<u>35,080</u>
	No.	No.
	000's	000's
At beginning of reporting period	107,331	131,645
Share Buy back (i)	(25,500)	(27,609)
Shares issued during the period (share based payments) (iii)	4,766	3,295
	<u>86,597</u>	<u>107,331</u>

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on show of hands.

	30-Jun-13	30-Jun-12
(i) Buy back average price	\$0.221	\$0.159
Buy back price range	\$0.180-\$0.300	\$0.110-\$0.200
Total cost of buy back \$'000s	5,631	4,403
(ii) The transaction costs represent brokerage costs associated with the buy back.		
(iii) The Executive Share Plan ("ESP") was approved at the 18 November 2011 Annual General Meeting for the three year period to 30 June 2014. Under the ESP, shares may be issued to Executives and Directors in lieu of part or all of their annual remuneration including bonuses. The issue price is determined as the volume weighted average of ITL prices during the 12 month period preceding the issue date. Under the ESP there were two issues to key management personnel. These were recorded in the accounts at fair value which is the market price of the ITL shares on the day of the issue. Details are as follows:		
• 6/6/2012 – issue price	-	\$0.1438
- fair value	-	\$0.1650
• 24/8/2012 – issue price	\$0.1600	-
- fair value	\$0.1900	-

ITL Limited

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2013

7. ISSUED CAPITAL (continued)

- (iv) The 2012/13 executive bonus scheme included a mandatory condition that at least 50% of incentives for certain executives were to be taken as shares, issued in accordance with the Executive Share Plan, instead of cash, with the executives to elect whether they wished to take a higher level than the 50% minimum. A Share Based Payment Reserve has been created at 30 June 2013 to reflect the future issue of shares based on the elections made at 30 June 2013. This was recorded in the accounts using a fair value of \$0.31.

8. BORROWINGS

	30-Jun-13 \$'000s	30-Jun-12 \$'000s
Current		
Bank overdrafts	-	-
Bankers Acceptances	1,172	-
Bank loans	107	10
Hire purchase liability	-	32
Non-bank financing – insurance	171	-
	<u>1,450</u>	<u>42</u>
Non-current		
Bank loans	250	-
Hire purchase liability	-	-
	<u>250</u>	<u>-</u>
	<u>1,700</u>	<u>42</u>

9. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities, other than bank guarantees, as at the date of this report.

10. EVENTS AFTER BALANCE DATE

On 10 July 2013 ITL Limited, through its wholly owned subsidiary ITL Asia Pacific Sdn Bhd, executed an Agreement to acquire long term leasehold land and an existing medical device factory with clean rooms in Perak, Malaysia. This is subject to the usual regulatory approvals. Total purchase consideration is approximately \$1.5m which will be settled by a combination of approximately \$1.0m cash and 1.4m ITL Limited shares. ITL's existing manufacturing facilities in Ipoh Malaysia are significantly space constrained and this modern facility will provide further space for expansion. Relocation to the new site will occur after proposed modifications and enhancements are completed and, subsequently, the existing leasehold land and buildings will be sold.

ITL Limited

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2013

10. EVENTS AFTER BALANCE DATE (continued)

On 29 July 2013, ITL Asia Pacific Sdn Bhd received and accepted an offer from Malayan Banking Berhad to increase its existing facilities from RM7.2m (\$2.5m) to RM12.2m (\$4.2m). These facilities will be used to fund the above property acquisition and support business growth.

On 30 July 2013, ITL Limited announced a further share buyback to an amount not exceeding 10% of its outstanding shares effective from 23 August 2013 to 22 August 2014 unless terminated earlier. This is part of ITL's ongoing capital management program.

On 31 July 2013, ITL Healthcare Pty Ltd received and accepted an offer from Commonwealth Bank of Australia to increase its existing facilities from \$1.7m to \$2.7m. These facilities will be used to support business growth particularly in the NSW and WA markets.

On 12 August 2013, 2,810,294 ordinary shares were issued to key management personnel under the Executive Share Plan at an issue price of \$0.233

At the close of 13 August 2013 1,500,000 ordinary shares have been bought back since 30 June 2013 and cancelled at a cost of \$0.45m. These shares were all acquired at a price of \$0.30. Issued capital at 13 August 2013 is 87,907,177 ordinary shares.

On 14 August 2013, ITL Limited declared a fully franked final dividend of 0.75 cents per share. The record date is 23 August 2013 and payment date 2 September 2013.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2013

11. SEGMENT REPORTING

The Group's reportable segments are as follows:

Continuing Operations:

Innovative Products Group ("IPG")

ITL's Innovative Products Group (IPG) designs, manufactures, markets and distributes a range of biological safety sampling devices for the human and animal global healthcare markets.

IPG capabilities and expertise include development and commercialization of new patented products from initial concept through to sales. The group is located across three continents to leverage the unique geographical advantages of each area:

- Management and new product development is based in Australia;
- Manufacturing and tool making is based in Malaysia. Our manufacturing facility is TUV accredited, Quality Management System is ISO 13485: 2003 certified and, the Environmental Management System is ISO 14001: 2004 certified. Products include FDA 510K and/or CE mark as necessary.
- 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 including a pipeline of new patents, trademarks and designs. IPG's customer base includes 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")

Healthcare Australia is an Australian healthcare company that provides medical and surgical solutions to suit the individual needs of both public and private hospitals throughout Australia. Our goal is to provide quality innovative products that make healthcare professional's jobs easier whilst still providing best practice efficiencies and cost effectiveness.

HCA has three core product areas; Customised Procedure Packs, Catheter Laboratory kits and Invasive Pressure Monitoring kits which consist of products that have been created in consultation with Australian healthcare practitioners for the Australian market.

HCA's unique point of difference is a state of the art ethylene oxide steriliser and class 8 clean room assembly facility which enables HCA to pursue other potential areas for strong growth including OEM manufacturing of kits.

Corporate and other

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

ITL Limited

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2013

11. SEGMENT REPORTING (continued)

Discontinued Operations:

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.

ITL Limited sold 100% of its shares in ITL SEA Sdn Bhd and its wholly owned subsidiaries ITL Healthcare SEA Sdn Bhd and Heal Mediware Sdn Bhd. ITL Limited lost its power to govern the financial and operating policies of the group under an agreement on 1 January 2012 and hence has deconsolidated the entity on 1 January 2012.

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 2013 and 30 June 2012.

ITL Limited

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2013

11. SEGMENT REPORTING (continued)

Year ended 30 June 2013

	Innovative Products Group	Healthcare Australia	Total Segments	Corporate & Other	Adjusts and Elims	Total Continuing Operations
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
External Customers	9,544	15,341	24,885	-	-	24,885
Inter Segment	272	-	272	-	(272)	-
	9,816	15,341	25,157	-	(272)	24,885
Other Revenue	21	44	65	-	-	65
Interest Revenue	1	1	2	-	-	2
	22	45	67	-	-	67
Total segment revenue	9,838	15,386	25,224	-	(272)	24,952
Result						
Segment results *	2,207	1,141	3,348	(804)	-	2,544
Restructuring expense	-	-	-	-	-	-
Earnings Before Interest and Tax *	2,207	1,141	3,348	(804)	-	2,544
Interest revenue	1	1	2	-	-	2
Interest expense	(29)	(59)	(88)	(5)	-	(93)
Income tax expense	(588)	(320)	(908)	913		5
Total segment results from continuing operations*	1,591	763	2,354	104	-	2,458

*Includes corporate recharges to each segment

ITL Limited

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2013

11. SEGMENT REPORTING (continued)

Year ended 30 June 2012

	Innovat. Products Group \$'000	Health- care Aust. \$'000	Health- care SEA (disc. operation) \$'000	Total Segments \$'000	Corp. & Other \$'000	Adjusts. And Elims. \$'000	Total Cont. Ops. \$'000
Revenue							
External Customers	10,352	17,931	2,329	30,612	-	(2,329)	28,283
Inter Segment	385	-	-	385	-	(385)	-
	10,737	17,931	2,329	30,997	-	(2,714)	28,283
Other Revenue	16	31	1	48	323	(1)	370
Interest Revenue	38	4	20	62	-	(20)	42
	54	35	21	110	323	(21)	412
Total segment revenue	10,791	17,966	2,350	31,107	323	(2,735)	28,695
Result							
Segment results *	2,618	1,023	(364)	3,277	(639)	380	3,018
Restructuring expense	-	-	-	-	-	-	-
Earnings Before Interest and Tax *	2,618	1,023	(364)	3,277	(639)	380	3,018
Interest revenue	38	4	20	62	-	(20)	42
Interest expense	(12)	(41)	(105)	(158)	(24)	105	(77)
Income tax expense	(655)	(302)	-	(957)	725	-	(232)
Total segment results from continuing operations*	1,989	684	(449)	2,224	62	465	2,751

*Includes corporate recharges to each segment