

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 2014

Previous Corresponding Period: 30 June 2013

2.0 Results for announcement to the market

Should be read in conjunction with most recent annual financial report

\$A'000

2.1 Revenues from ordinary activities	Up	4 %	to	25,864
2.2 Profit/(loss) after tax from ordinary activities attributable to members	Down	18 %	to	2,021
2.3 Net profit/(loss) for the period attributable to members	Down	18 %	to	2,021
2.4 Dividends		Amount per share		Franked Amount per share
Final dividend paid 2013		0.75 cents		0.75 cents
Interim dividend paid 2014		0.5 cents		0.5 cents
Final dividend declared 2014		0.5 cents		0.5cents
2.5 Record date for determining entitlements to the final dividend				26 August 2014
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				

3.0 NTA Backing	Current period 30 June 2014	Previous Period 30 June 2013
Net tangible asset backing per ordinary security	9.7 cents	10.1 cents
Net Asset Backing per ordinary security	12.1 cents	12.5 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 2014 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 2014

William Mobbs
Executive Chairman

ITL Limited
(ABN: 16 088 212 088)

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2014**

ITL Limited

CORPORATE INFORMATION

ABN: 16 088 212 088

DIRECTORS

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

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

Ernst & Young

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

2013/14 was a year of consolidation and investment for the future so as to position the ITL Group for enhanced profitability going forward.

Profit after tax for the consolidated Group for the year ended 30 June 2014 was \$2.02m, which was \$0.44m or 18% below the prior year 2012/13 profit of \$2.46m.

Earnings per share for the year ended 30 June 2014 was 2.41 cents compared with the prior year outcome of 2.54 cents per share. This included the benefit from active capital management with the ongoing share buyback.

Income tax expense was \$0.1m (2013: nil) with nil tax payable in Australia due to brought forward tax losses from prior years.

Profit before tax was \$2.1m (2013: \$2.5m). This reflected a 4% increase in revenue which resulted in an increase of \$0.3m in Gross Profit. This was offset by a \$0.7m or 8% increase in expenses arising from increased staff costs (due to stronger USD & MYR and to support growth), higher premises costs and higher funding costs.

Revenue was \$25.9m (2013:\$24.9m). Innovative Products Group revenue increased 15% to \$11.0m due to the stronger US dollar and increased sales to Australian customers. Healthcare Australia revenue decreased 3% to \$14.9m reflecting changes in sales mix and competitive pressures.

Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)* for the year ended 30 June 2014 was \$3.2m (2013: \$3.5m). The reconciliation between Profit before tax and EBITDA is as follows:

\$'000	2014	2013
Profit before Income Tax	2,076	2,453
Add back/(deduct):		
Depreciation and amortisation expense	911	957
Interest Expense	251	93
Interest Income	(3)	(2)
EBITDA	3,235	3,501

Group Operating Cashflow for the year ended 30 June 2014 was \$3.3m (2013: \$4.6m). This reduction reflected the lower cash profit and growth in working capital to support business growth. This operating cash generation, together with increased borrowings, was used to fund \$2.2m in relation to the ongoing share buyback (2013: \$6.0m), dividends of \$1.1m (2013:\$0.5m) and capital expenditure of \$2.3m (2013:\$0.4m). The latter primarily related to the acquisition and expansion of the new medical device factory at Bemban in Malaysia.

A fully franked interim dividend of 0.5 cents per share was paid and a fully franked final dividend of 0.5 cents per share declared in respect of the financial year ended 30 June 2014.

The net debt position was \$3.6m at 30 June 2014 (2013: \$1.3m). The Group's gearing, measured as net debt as a percentage of net debt plus equity, was 26% (2013: 11%).

*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.

Strategy and Outlook

New sales opportunities continue to be successfully pursued. Healthcare Australia is now supplying W.A. public hospitals with increasing volumes of intravenous cannula insertion packs. As a supplier of custom sterile packs, Healthcare Australia is also progressively increasing its market share in NSW public hospitals. In addition, the Innovative Products Group has a number of well advanced new business opportunities.

The Group has also launched a major initiative to reduce costs through outsourcing of basic operations from Australia to Malaysia and improved sourcing of key raw materials from Asia.

Innovative Products Group's Malaysian manufacturing company's quality system was inspected by the US Food and Drug Administration (FDA) in April 2014. The FDA is known for its thorough inspections and very high standards and this was the first time our manufacturing facility has been inspected despite supplying products into the US market for in excess of 10 years. The audit was passed successfully with no significant findings.

In December 2013, ITL completed the acquisition for \$1.4m of an existing modern medical device factory with clean rooms at Bemban in Malaysia. Our existing facilities at Lahat are significantly space constrained and relocation to this substantially larger facility will provide a long term solution for the expansion plans of the Innovative Products Group. The overall Group will also benefit through the planned transfer of some business from Healthcare Australia to this new Malaysian facility.

The expansion and renovation of this new Malaysian facility at a cost of approximately \$2.0m is progressing well. Completion and relocation from the existing facility is planned for the end of this calendar year.

Funding for this capital expenditure and working capital growth is being provided by ongoing operating cash flow generation together with increased term loan funding facilities of \$1.65m which have been approved by the Group's banks.

On 27 June 2014 a Sale & Purchase Agreement (subject to regulatory approvals) was executed by ITL Asia Pacific Sdn Bhd for the sale of the existing leasehold land and buildings at Lahat in Malaysia for a sale price of \$1.3m. Completion is scheduled by the end of this calendar year and funds will substantially be used to pay down existing debt in Malaysia.

ITL Limited

Consolidated Statement of Profit or Loss

for the year ended 30 June

	Note	30/06/2014 \$000's	30/06/2013 \$000's
Revenue	2	25,864	24,885
Cost of Sales		(14,354)	(13,659)
Gross Profit		11,510	11,226
Other income	2	101	67
Salaries and employee benefits expense		(6,252)	(5,747)
Depreciation and amortisation expense	3	(278)	(321)
Finance costs		(251)	(93)
Premises and office expenses		(1,013)	(902)
Travel and accommodation		(332)	(300)
Business insurance		(239)	(256)
Product Registration & IP maintenance		(239)	(225)
Regulatory & QA costs		(136)	(127)
Other expenses from ordinary activities		(795)	(869)
Total Expenses		(9,535)	(8,840)
Profit before income tax		2,076	2,453
Income tax benefit/(expense)		(55)	5
Profit for the year		2,021	2,458
Profit attributable to members of the parent		2,021	2,458
Earnings per Share			
Basic profit per share (cents per share)		2.41 cents	2.54 cents

The accompanying notes form part of these financial statements

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

	Note	30/06/2014 \$000's	30/06/2013 \$000's
Profit		2,021	2,458
Other Comprehensive Income			
Items that may be reclassified subsequently to Profit or Loss			
Exchange differences on translating foreign operations		(206)	524
Income tax effect		-	-
		(206)	524
Items that will not be reclassified subsequently to Profit or Loss			
Fair Value Revaluation of Land & Buildings		(109)	-
Income tax effect		27	-
		(82)	-
Other comprehensive income for the period, net of tax		(288)	524
Total comprehensive income attributable to members of the parent		1,733	2,982

The accompanying notes form part of these financial statements

ITL Limited

Consolidated Balance Sheet

as at 30 June

	Note	30/06/2014 \$000's	30/06/2013 \$000's
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	122	412
Trade and other receivables		3,791	3,417
Inventories		4,369	3,725
Other current assets	6	679	379
		8,961	7,933
Assets classified as held for sale	7	1,050	-
TOTAL CURRENT ASSETS		10,011	7,933
NON-CURRENT ASSETS			
Property, plant and equipment	8	4,835	4,008
Product tooling	8	431	1,029
Intangible assets	8	549	678
Deferred tax assets		1,383	1,395
TOTAL NON-CURRENT ASSETS		7,198	7,110
TOTAL ASSETS		17,209	15,043
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		2,410	1,491
Borrowings	10	2,430	1,450
Current tax liabilities		-	-
Short-term provisions		728	681
TOTAL CURRENT LIABILITIES		5,568	3,622
NON-CURRENT LIABILITIES			
Borrowings	10	1,273	250
Long-term provisions		373	372
TOTAL NON-CURRENT LIABILITIES		1,646	622
TOTAL LIABILITIES		7,214	4,244
NET ASSETS		9,995	10,799
EQUITY			
Issued capital	9	29,096	30,333
Foreign currency translation reserve		(1,186)	(980)
Asset revaluation reserve		48	448
Share based payment reserve	9 (iv)	-	222
(Accumulated loss)		(17,963)	(19,224)
TOTAL EQUITY		9,995	10,799

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 \$000's	Share Based Payment Reserve * \$000's	Foreign Currency Translation Reserve \$000's	Asset Revaluation Reserve \$000's	Retained Earnings \$000's	Total \$000's
Balance at 1 July 2013	30,333	222	(980)	448	(19,224)	10,799
Profit for the period	-	-	-	-	2,021	2,021
Other Comprehensive income	-	-	(206)	-	-	(206)
Total comprehensive income for the year	-	-	(206)	-	2,021	1,815
Transactions with owners in their capacity as owners:						
Transfer to retained earnings				(318)	318	-
Dividend Payment	-	-	-	-	(1,078)	(1,078)
Asset Revaluation Reserve	-	-	-	(82)	-	(82)
Share Buy-back	(2,228)	-	-	-	-	(2,228)
Transaction Costs	(7)	-	-	-	-	(7)
Share based payments	998	(222)	-	-	-	776
Balance at 30 June 2014	29,096	-	(1,186)	48	(17,963)	9,995
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:						
Dividend Payment	-	-	-	-	(465)	(465)
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

* refer to Note 9 (iv)

The accompanying notes form part of these financial statements

ITL Limited

Consolidated Statement of Cash Flows

for the year ended 30 June

	Note	30/06/2014 \$000's	30/06/2013 \$000's
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		2,076	2,453
<u>Non-cash items:</u>			
Depreciation & amortisation		911	957
Net loss on disposal of assets		17	24
Unrealised (gain)/loss on foreign currency transactions		(73)	35
Share based payments	9	776	1,070
<u>Changes in assets and liabilities:</u>			
(Increase)/Decrease in trade and other receivables		(374)	143
(Increase)/decrease in other current assets		(300)	68
(Increase)/Decrease in Inventories		(644)	374
Increase/(Decrease) in trade and other payables		884	(531)
Increase in provisions		48	81
Income tax (refund)/paid		(5)	(104)
Net cash flow from operating activities		3,316	4,570
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for product tooling and development		(82)	(142)
Payment for property, plant and equipment		(2,161)	(178)
Payment for intangible assets		(51)	(67)
Proceeds from the sale of property, plant and equipment		4	-
Net cash flow (used in) investing activities		(2,290)	(387)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		2,003	1,658
Payment for dividends		(1,078)	(465)
Payment for Share buyback		(2,235)	(5,983)
Net cash flow from / (used in) financing activities		(1,310)	(4,790)
NET INCREASE/(DECREASE) IN CASH HELD		(284)	(607)
Net foreign exchange differences		(6)	12
Cash at beginning of period	5	412	1,007
CASH AT END OF PERIOD	5	122	412

The accompanying notes form part of these financial statements

ITL Limited

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1. BASIS OF PREPARATION

This general purpose condensed financial report for the year ended 30 June 2014 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 2014 was authorised for issue in accordance with a resolution of the Directors on 14 August 2014.

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 13.

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 2014, 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 2014 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.

Foreign Currency Translation

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

	<u>30-Jun-14</u>	<u>30-Jun-13</u>
Spot rate		
AUD/MYR	3.0247	2.8826
AUD/USD	0.9419	0.9133
Average rate for year ended 30 June		
AUD/MYR	2.9550	3.1486
AUD/USD	0.9125	1.0261

There have been no material adjustments to the accounting policies of the Group since 30 June 2013.

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 2014

	30-Jun-14 \$'000s	30-Jun-13 \$'000s
2. REVENUE and OTHER INCOME		
Revenue		
Innovative Products Group	11,005	9,544
Healthcare Australia	14,859	15,341
Total Sales Revenue	25,864	24,885
Other Income		
Other	98	65
Interest revenue	3	2
Total Other Income	101	67
Total Income	25,965	24,952
3. DEPRECIATION & AMORTISATION		
Depreciation & Amortisation expense		
Depreciation of non-current assets*		
Property, plant and equipment	645	500
Product Tools	75	215
Total Depreciation	720	715
Amortisation of intangible assets	191	243
Total depreciation and amortisation expense	911	957
Less depreciation and amortization disclosed in cost of sales	(633)	(636)
Total depreciation and amortisation expense	278	321

* Refer to Note 8 (a) regarding reclassification of fixed assets

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2014

4. DIVIDENDS PAID AND PROPOSED

	30-Jun-14 \$'000s	30-Jun-13 \$'000s
Declared and paid during the year:		
Interim franked dividend for 2014: 0.5 cents per share (2013: 0.5 cents per share)	419	465
Final franked dividend for 2013: 0.75 cents per share (2012: nil)	659	-
Dividends paid	<u>1,078</u>	<u>465</u>
Declared after the year end:		
Final fully franked dividend for 2014: 0.5 cents per share (2013: 0.75 cents per share)	413	659
Balance of franking account at year end	455	917
Franking debits that will arise from the payments of dividends as at the end of the financial year	<u>(177)</u>	<u>(282)</u>
	<u>278</u>	<u>634</u>

5. CASH AND CASH EQUIVALENTS

	30-Jun-14 \$'000s	30-Jun-13 \$'000s
Cash on hand	1	2
Cash at bank	<u>121</u>	<u>410</u>
Total Cash and Cash Equivalents	<u>122</u>	<u>412</u>

6. OTHER CURRENT ASSETS

	30-Jun-14 \$'000s	30-Jun-13 \$'000s
Loan to related party	101	-
Prepayments	407	344
Other	<u>171</u>	<u>35</u>
Total Other Current Assets	<u>679</u>	<u>379</u>

7. ASSETS CLASSIFIED AS HELD FOR SALE

	30-Jun-14 \$'000s	30-Jun-13 \$'000s
Land & Buildings held for sale	1,050	-

On 27 June 2014 a Sale & Purchase Agreement (subject to regulatory approvals) was executed by ITL Asia Pacific Sdn Bhd for the sale of the existing leasehold land and buildings in Ipoh, Malaysia.

**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2014**
8. FIXED ASSETS

	Property Plant and Equipment	Product Tooling	Intangible Assets	Total
Cost or Valuation	\$'000	\$'000	\$'000	\$'000
At 1 July 2012	6,948	3,272	3,494	13,714
Additions	179	141	67	387
Exchange Differences	179	399	26	604
Disposals	(4)	(18)	(31)	(53)
At 30 June 2013	7,302	3,794	3,556	14,652
Additions	2,118	95	81	2,294
Reclassification (a)	2,932	(2,932)	-	-
Revaluation (b)	(189)	-	-	(189)
Exchange Differences	(208)	(37)	(11)	(256)
Disposals	(41)	(3)	(26)	(70)
Transfer (c)	(1,058)	-	-	(1,058)
At 30 June 2014	10,856	917	3,600	15,373
Accumulated Depreciation and Amortisation				
At 1 July 2012	2,763	2,273	2,619	7,655
Depreciation and amortisation	500	215	243	958
Exchange Differences	34	295	24	353
Disposals	(3)	(18)	(8)	(29)
At 30 June 2013	3,294	2,765	2,878	8,937
Depreciation and amortisation	645	75	191	911
Reclassification (a)	2,335	(2,335)	-	-
Revaluation (b)	(80)	-	-	(80)
Exchange Differences	(127)	(18)	(10)	(155)
Disposals	(38)	(1)	(8)	(47)
Transfer (c)	(8)	-	-	(8)
At 30 June 2014	6,021	486	3,051	9,558
Net Book Value				
30 June 2013	4,008	1,029	678	5,715
30 June 2014	4,835	431	549	5,815

(a) Some fixed assets have been reclassified effective 1 July 2013 from Leasehold Improvements and Product Tooling to Plant and Equipment so as to provide more meaningful disclosure.

(b) Revaluation

On 19 February 2014 the Board of ITL Asia Pacific Sdn Bhd revalued the existing leasehold land and buildings in Ipoh, Malaysia at RM3,200 thousand (\$1,058 thousand). This was based on a valuation obtained from DeOne Properties Sdn Bhd. The resultant loss before tax of RM305 thousand (\$109 thousand) was debited to the existing Asset Revaluation Reserve.

(c) Transfer to Assets classified as held for sale (see Note 7)

ITL Limited

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2014

	30-Jun-14 \$000's	30-Jun-13 \$000's
9. ISSUED CAPITAL		
Ordinary shares:		
At beginning of reporting period	30,333	35,080
Share Buy back (i)	(2,228)	(5,631)
Transaction costs net of tax (ii)	(7)	(21)
Shares issued during the period (share based payments) (iii) (iv)	998	905
	<u>29,096</u>	<u>30,333</u>
	No. 000's	No. 000's
At beginning of reporting period	86,597	107,331
Share Buy back (i)	(7,303)	(25,500)
Shares issued during the period (share based payments) (iii)	<u>3,466</u>	<u>4,766</u>
	82,760	86,597
Weighted average number of shares	84,001	96,937

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.

- | | | | |
|-----|--------------------------------|-----------------|-----------------|
| (i) | Buy back average price | \$0.305 | \$0.221 |
| | Buy back price range | \$0.200-\$0.320 | \$0.180-\$0.300 |
| | Total cost of buy back \$'000s | 2,228 | 5,631 |
- (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 17 November 2014. Under the ESP, and following renewed approval at the 31 October 2013 Annual General Meeting, shares may be issued to Executives and Directors in lieu of part or all of their annual remuneration including bonuses. The issue price was determined as the volume weighted average of ITL prices during the 12 month period preceding the issue date. Under the ESP there were 2 issues to key management personnel during the year ended 30 June 2014. These were recorded in the accounts at fair value which was the market price of the ITL shares on the day of the issue. Details are as follows:
- | | | |
|---|-------------------------|----------|
| • | 24/8/2012 – issue price | \$0.1600 |
| | - fair value | \$0.1900 |
| • | 12/8/2013 – issue price | \$0.2330 |
| | - fair value | \$0.2850 |
| • | 1/11/2013 – issue price | \$0.2630 |
| | - fair value | \$0.3000 |
- (iv) Shares issued of \$998 thousand during year ended 30 June 2014 includes \$222 thousand accrued at 30/6/13 as a Share Based Payments Reserve in respect of future planned share issues. The balance of \$776 thousand is consistent with the number shown in the Statement of Cash Flows.

ITL Limited

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2014

10. BORROWINGS

	30-Jun-14 \$'000s	30-Jun-13 \$'000s
Current		
Bank overdrafts	350	-
Bankers Acceptances	1,689	1,172
Bank loans	254	107
Non-bank financing – insurance	137	171
	<u>2,430</u>	<u>1,450</u>
Non-current		
Bank loans	1,273	250
	<u>1,273</u>	<u>250</u>
	<u>3,703</u>	<u>1,700</u>

11. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

12. EVENTS AFTER BALANCE DATE

At the close of 13 August 2014 194,086 ordinary shares have been bought back since 30 June 2014 and cancelled at a cost of \$0.04m. These shares were all acquired at a price of \$0.20. Issued capital at 13 August 2014 is 82,566,221 ordinary shares.

On 14 August 2014, ITL Limited declared a fully franked final dividend of 0.5 cents per share. The record date is 26 August 2014 and payment date 2 September 2014.

ITL Limited

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2014

13. SEGMENT REPORTING

The Group's reportable segments are as follows:

Innovative Products Group (IPG)

ITL's Innovative Products Group designs, manufactures, markets and distributes a range of biological safety sampling devices for global healthcare markets.

IPG capabilities and expertise include development and commercialisation 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 healthy 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.

ITL Limited

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2014

13. SEGMENT REPORTING (continued)

Corporate and other

The Corporate and other costs consist 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 2014 and 30 June 2013.

ITL Limited

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2014

13. SEGMENT REPORTING (continued)

Year ended 30 June 2014

	IPG	HCA	Total Segments	Corporate & Other	Adjusts and Elims.	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
External Customers	11,005	14,859	25,864	-	-	25,864
Inter Segment	629	122	751	-	(751)	-
	11,634	14,981	26,615	-	(751)	25,864
Other Revenue	58	40	98	-	-	98
Interest Revenue	2	-	2	1	-	3
Total segment revenue	11,694	15,021	26,715	1	(751)	25,965
Result						
Segment results *	2,535	616	3,151	(827)	-	2,324
Earnings Before Interest and Tax *	2,535	616	3,151	(827)	-	2,324
Interest revenue	2	-	2	1	-	3
Interest expense	(113)	(124)	(237)	(14)	-	(251)
Income tax expense	(706)	(177)	(883)	828	-	(55)
Total segment results *	1,718	315	2,033	(12)	-	2,021

*Includes corporate recharges to each segment

ITL Limited

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2014

13. SEGMENT REPORTING (continued)

Year ended 30 June 2013

	IPG	HCA	Total Segments	Corporate & Other	Adjusts and Elims.	Total
	\$'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
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*	1,591	763	2,354	104	-	2,458

*Includes corporate recharges to each segment