

ITL Corporate Update

ITL, the diversified medical technology company and owner of MyHealthTest, the provider of direct to consumer pathology testing, is pleased to provide an update on its anticipated current year financial results and business strategies.

MyHealthTest ("MHT")

MHT provides direct to consumer pathology testing for major chronic diseases to help people conveniently monitor and manage their health and well-being.

ITL acquired MHT in December 2015 and on 22 February announced it would increase its commitment and investment into the Company. Since then MHT has made significant progress in developing its business base and investing in the infrastructure to support its future operations:

- Extension of sales distribution network into pharmacies (refer 8 March ASX announcement);
- Acceptance into HCF's Health Technology Accelerator Program (refer 16 March ASX announcement);
- Investment in key IT systems including eCommerce, results portal and laboratory software;
- 5 new tests under development in addition to original diabetes test; and,
- Recruitment of expert staff to support the above initiatives.

MHT is a start-up Company that is anticipated to breakeven in late 2017/2018.

Healthcare Australia ("HCA") - Restructuring

HCA provides customised procedure packs, catheter laboratory kits and invasive pressure monitoring kits to Australian hospitals. These products have historically been manufactured at HCA's facilities in Melbourne.

As advised in numerous reports over the last few years the Australian market place has experienced and continues to experience continuous pricing pressure which has resulted in significant margin erosion. A number of strategies are being implemented to strengthen margins, reduce costs and improve profitability.

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ITL is an innovative diversified medical technology company that creates and manufactures leading edge medical devices for Operating Theatres, Bloodbanks and laboratories.

ITL's patented medical devices are sold in over 50 countries and protect healthcare workers in millions of procedures annually.

ITL's wholly owned subsidiary MyHealthTest creates and markets highly innovative direct to consumer pathology testing for major chronic diseases.

Australian Securities Exchange

Code: ITD

Ordinary Shares

94,438,177

Board of Directors

Bill Mobbs	Executive Chairman
Mark Peatey	Non-executive Director
Andrew Turnbull	Non-executive Director

Trevor Doolan	Company Secretary
David Holden	Chief Financial Officer

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Following the commissioning of ITL's state of the art facility in Malaysia in 2015, production of certain labour intensive products have progressively been relocated from Melbourne to Malaysia. Currently, one third of HCA's revenue (approx.) is sourced from ITL's Malaysian manufacturing facility where the lower costs are translating into higher margins.

2015/16 Financial Results

At the release of ITL's half yearly results in February, Directors advised that second half year results would be constrained by the start-up operating costs of MHT and margin squeeze in the HCA business.

In addition, during late May our Malaysian factory experienced a breakdown of its air conditioning facilities which service its cleanroom operations. This resulted in significant costs in terms of manufacturing inefficiencies, hiring of temporary equipment, replacement chiller, and maintenance work, which all meant a loss of production and deferred sales. The cause is still being investigated by technical engineering experts and insurance assessors. Some of the cost is likely to be recoverable from the building contractor, the equipment manufacturer or the insurance company but this is unlikely to be resolved for some time. This has significantly impacted second half results.

Due to these factors ITL full year profit before tax is anticipated to be around \$0.25 million. This is subject to foreign exchange movements and final sales outcomes.

Conclusion

2015/16 has seen a major change in the Company's growth strategy. Over the last 5 years ITL has been returned to profitability and has increased returns to shareholders through franked dividends and share buybacks. ITL will use the existing business to fund its transition through the next phase of its growth. This will come from the transformation of the business model to pursue high margin opportunities in emerging healthcare growth markets, accelerating development of innovative patented products for the global healthcare markets, and steering MyHealthTest to reach its commercial potential.

Bill Mobbs, Executive Chairman commented; "The last year has been both challenging and exciting. We consider MyHealthTest to have a niche in a potentially enormous market place, in particular diabetes where their tests are receiving high praise from the relevant industry bodies."

"The Board is confident the Company's current strategy with multiple revenue streams will enable ITL to provide increased returns to shareholders in the future."

Bill Mobbs
Executive Chairman