

Appendix 4E

Preliminary Final Report to the Australian Stock Exchange

Part 1

<i>Name of Entity</i>	<i>ITX GROUP LIMITED</i>
<i>ABN</i>	<i>77 107 656 833</i>
<i>Financial Year Ended</i>	<i>30 June 2010</i>
<i>Previous Corresponding Reporting Period</i>	<i>30 June 2009</i>

Part 2 – Results for Announcement to the Market

	\$'000	Percentage increase over previous corresponding period
Revenue from ordinary activities	159,591	9.1 %
Profit from ordinary activities before tax	10,677	3.1%
Net profit attributable to members	7,582	6.5 %

Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	4.25 cents	4.25 cents
Interim Dividend	2.75 cents	2.75 cents
Record date for determining entitlements to the dividends (if any)	20 August 2010	

Part 3 – Contents of ASX Appendix 4E

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Part 4 – Consolidated Income Statement

	2010	2009
	\$'000	\$'000
Revenue	159,591	146,305
<i>Investment revenue</i>	347	272
<i>Other income</i>	219	389
<i>Finished goods used</i>	(125,545)	(111,286)
<i>Employee Benefits expense</i>	(15,967)	(16,678)
<i>Depreciation and amortisation expense</i>	(920)	(1,133)
<i>Other expenses</i>	(7,048)	(7,517)
Profit before income tax expense	10,677	10,352
<i>Income tax expense</i>	(3,095)	(3,235)
Profit for the year	7,582	7,117

Part 5 – Retained Profits

<i>Retained profits at the beginning of the year</i>	13,176	8,934
<i>Profit for the year</i>	7,582	7,117
<i>Dividends provided for or paid</i>	(3,250)	(2,875)
<i>Balance at end of financial year</i>	17,508	13,176

Part 6 – Consolidated Balance Sheet

	2010 \$'000	2009 \$'000
<i>CURRENT ASSETS</i>		
<i>Cash and cash equivalents</i>	11,808	10,015
<i>Trade and other receivables</i>	28,960	28,573
<i>Inventories</i>	3,879	3,358
<i>Other</i>	526	168
Total Current Assets	45,173	42,114
<i>NON CURRENT ASSETS</i>		
<i>Property, plant and equipment</i>	2,347	713
<i>Deferred tax assets</i>	795	840
<i>Goodwill</i>	8,926	7,009
<i>Other intangible assets</i>	833	908
Total Non Current Assets	12,901	9,470
TOTAL ASSETS	58,074	51,584
<i>CURRENT LIABILITIES</i>		
<i>Trade and other payables</i>	31,074	30,166
<i>Current tax liabilities</i>	1,161	1,326
<i>Provisions</i>	1,165	1,080
<i>Other</i>	204	-
Total Current Liabilities	33,604	32,572
<i>NON CURRENT LIABILITIES</i>		
<i>Provisions</i>	451	194
<i>Other</i>	869	-
Total Non Current Liabilities	1,320	194
TOTAL LIABILITIES	34,924	32,766
NET ASSETS	23,150	18,818
<i>EQUITY</i>		
<i>Issued capital</i>	5,642	5,642
<i>Retained earnings</i>	17,508	13,176
TOTAL EQUITY	23,150	18,818

Part 7 – Consolidated Statement of Cash Flows

	2010 \$'000	2009 \$'000
Cash flows from operating activities		
<i>Receipts from customers</i>	175,197	154,518
<i>Payments to suppliers and employees</i>	(161,942)	(143,686)
<i>Cash generated from operations</i>	13,255	10,832
<i>Income tax paid</i>	(3,293)	(3,658)
Net cash provided by operating activities	9,962	7,174
Cash flows from investing activities		
<i>Interest received</i>	347	272
<i>Payments for property, plant and equipment</i>	(2,215)	(457)
<i>Proceeds from sale of property, plant and equipment</i>	98	26
<i>Payment for acquisition of business</i>	(3,149)	(7,843)
Net cash used in investing activities	(4,919)	(8,002)
Cash flows from financing activities		
<i>Dividends paid</i>	(3,250)	(2,875)
Net cash provided by financing activities	(3,250)	(2,875)
Net increase/(decrease) in cash and cash equivalents	1,793	(3,703)
<i>Cash and cash equivalents at the beginning of the financial year</i>	10,015	13,718
Cash and cash equivalents at the end of the financial year	11,808	10,015

Part 8 – Basis of Preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Part 9 – Commentary on Results

The consolidated entity's IT Distribution, IT Services (Web Hosting business which trades as ICO) and Technology Products Distribution (specialist printer business Briell Marketing) businesses performed well during the year in a difficult market. Group Revenue for the year was \$159,591,000 (2009 : \$146,305,000).

The Net Profit After Tax for the Year Ended 30 June 2010 was \$7,582,000 (2009 : \$7,117,000). The consolidated entity generated positive net cash flow from operating activities of \$9,962,000 for the year (2009 : \$7,174,000).

Part 10 – Notes to the Consolidated Statement of Cash Flows

		2010 \$'000	2009 \$'000
(a)	<i>Reconciliation of cash</i>		
	<i>Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:</i>		
	Cash and cash equivalents	11,808	10,015
(b)	<i>Reconciliation of net cash flows from operating activities to profit after income tax</i>		
	Profit after income tax	7,582	7,117
	<i>(Gain)/loss on sale of non-current assets</i>	<i>(71)</i>	<i>(6)</i>
	<i>Depreciation and amortisation</i>	<i>920</i>	<i>1,133</i>
	<i>Interest income received and receivable</i>	<i>(347)</i>	<i>(272)</i>
	<i>Increase/(decrease) in current tax liability</i>	<i>(165)</i>	<i>(147)</i>
	<i>Increase/(decrease) in deferred tax balances</i>	<i>(33)</i>	<i>(276)</i>
	<i>Changes in assets and liabilities, net of effects from acquisition and disposal of businesses: (Increase)/decrease in assets</i>		
	<i>Trade and other receivables</i>	<i>(3)</i>	<i>(5,755)</i>
	<i>Inventories</i>	<i>185</i>	<i>(320)</i>
	<i>Other assets</i>	<i>(359)</i>	<i>30</i>
	<i>Increase/(decrease) in liabilities:</i>		
	<i>Trade and other payables</i>	<i>906</i>	<i>5,594</i>
	<i>Provisions</i>	<i>275</i>	<i>76</i>
	<i>Other liabilities</i>	<i>1,072</i>	<i>-</i>
	Net cash from operating activities	9,962	7,174

Part 11 – Details Relating to Dividends

<i>Date the dividend is payable</i>	<i>26 August 2010</i>
<i>Record date to determine entitlement to the dividend</i>	<i>20 August 2010</i>
<i>Amount per security</i>	<i>4.25 cents</i>
<i>Total dividend</i>	<i>\$2,125,000</i>
<i>Amount per security of foreign sourced dividend or distribution</i>	<i>NIL</i>
<i>Details of any dividend reinvestment plans in operation</i>	<i>None</i>
<i>The last date for receipt of an election notice for participation in any dividend reinvestment plans</i>	<i>N/A</i>

Part 12 – Earnings per Share

	<i>2010 Cents per share</i>	<i>2009 Cents per share</i>
<i>Basic earnings per share</i>	<i>15.2</i>	<i>14.2</i>
	<i>No. of Shares</i>	<i>No. of Shares</i>
<i>Weighted average number of ordinary shares for the purposes of basic earnings per share.</i>	<i>50,000,000</i>	<i>50,000,000</i>

Part 13 – Net Tangible Assets per Security

	<i>2010 Cents per share</i>	<i>2009 Cents per share</i>
<i>Net tangible asset backing per ordinary security (Based on shares on issue at year end)</i>	<i>26.8</i>	<i>21.8</i>

Part 14 – Issued Securities

	2010 \$'000	2009 \$'000
Share capital		
<i>50,000,000 fully paid ordinary shares</i>	5,642	5,642
Options	NIL	NIL

Part 15 – Segment Information

	2010			2009		
	<i>IT Distribution</i>	<i>Technology Products</i>	<i>IT Services</i>	<i>IT Distribution</i>	<i>Technology Products</i>	<i>IT Services</i>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Revenue</i>	141,060	11,502	7,029	127,598	10,345	8,362
<i>Result</i>	10,906	2,710	1,223	12,173	2,031	292
<i>Depreciation and amortisation</i>	(66)	(355)	(85)	(79)	(430)	(247)
<i>Assets</i>	28,439	4,683	451	28,334	3,281	1,152
<i>Liabilities</i>	28,449	2,332	524	28,071	1,187	608

Secondary reporting Business segments

None.

The Company's three segments operate in one principal geographical area, Australia.

Part 16 – Subsequent Events

Following the acquisition of Sun Microsystems by Oracle in January 2010, the representatives from Oracle have met with the company and have indicated that they would, in due course, advise us of revised terms and conditions for trading in Sun Microsystems equipment. At the date of this report, no further advice has been received from Oracle. It is not possible at the date of this report to determine the impact of the potential change in terms and conditions on revenue, profitability or working capital.

On the date of this report, the itX Board announced to the ASX that the company had executed a Scheme Implementation Agreement with Avnet Technology Solutions (Australia) Pty Limited as Bidder and Avnet (Australia) Pty Limited as Guarantor proposing to enter into a Scheme of Arrangement to acquire, subject to statutory and shareholder approval, all of the issued capital of itX. The itX Board has unanimously supported the proposal, in the absence of a superior proposal and subject to an Independent Expert determining that the Scheme is in the best interests of itX shareholders.

There has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Part 17 – Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited	<input checked="" type="checkbox"/>	The accounts have been subject to review	<input type="checkbox"/>
The accounts are in the process of being audited or subject to review	<input type="checkbox"/>	The accounts have not yet been audited or reviewed	<input type="checkbox"/>