

# 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 2015

Previous Corresponding Period: 30 June 2014

### 2.0 Results for announcement to the market

Should be read in conjunction with most recent annual financial report

				<i>\$A'000</i>
2.1 Revenues from ordinary activities	Up	10 %	to	28,330
2.2 Profit/(loss) after tax from ordinary activities attributable to members	Up	5 %	to	2,121
2.3 Net profit/(loss) for the period attributable to members	Up	5 %	to	2,121
2.4 Dividends		Amount per share		Franked Amount per share
Final dividend paid 2014		0.5 cents		0.5 cents
Interim dividend paid 2015		0.5 cents		0.5 cents
Final dividend declared 2015		0.25 cents		0.246 cents
2.5 Record date for determining entitlements to the final dividend				26 August 2015
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				

<b>3.0 NTA Backing</b>	<b>Current period 30 June 2015</b>	<b>Previous Period 30 June 2014</b>
Net tangible asset backing per ordinary security	11.2 cents	9.7 cents
Net Asset Backing per ordinary security	14.0 cents	12.1 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**

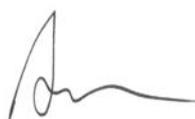
The economic entity has an interest (that is material to it) in the following entities. Nil

#### **6.0 Compliance Statement**

The preliminary final report has been prepared based on 30 June 2015 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: 18 August 2015

William Mobbs  
Executive Chairman

**ITL Limited**  
**(ABN: 16 088 212 088)**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**30 JUNE 2015**

# **ITL Limited**

## **CORPORATE INFORMATION**

**ABN: 16 088 212 088**

### **DIRECTORS**

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

### **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 12  
Grosvenor Place  
225 George Street  
Sydney, NSW 2000

Tel: 1300 737 760  
Fax: 1300 653 459

### **AUDITORS**

Ernst & Young

### **INTERNET ADDRESS**

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

### **MEDIA**

Walbrook IR  
Ben Knowles  
Tel: +61 426 277 760  
Email: ben.knowles@walbrookir.com.au

# ITL Limited

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# ITL Limited

## Review and Results of Operations

Profit after tax for the consolidated Group for the year ended 30 June 2015 was \$2.12m, which was \$0.10m or 5% above the prior year 2013/14 profit of \$2.02m.

Earnings per share for the year ended 30 June 2015 was 2.50 cents compared with the prior year outcome of 2.41 cents per share.

Income tax benefit was \$0.5m (2014: \$0.1m expense). This reflects the benefit of tax losses from prior years in Australia and the benefit of reinvestment and other allowances arising from capital expenditure in Malaysia.

Profit before tax was \$1.6m (2014: \$2.1m).

Consolidated revenue was \$28.3m, an increase of 10% compared with the prior year of \$25.9m. Healthcare Australia was up 24% to \$18.6m driven by strong sales of IV kits to W.A. hospitals. ITL BioMedical revenue decreased 4% to \$11.1m reflecting poor U.S. market conditions partly offset by the stronger US dollar and increased sales to Healthcare Australia.

Despite this 10% increase in revenue, gross profit was flat due to :

- the adverse impact of the Malaysian plant shutdown and relocation;
- provision for write-off of certain inventories, which contain a defective component sourced from a supplier;
- margin erosion in the Australian healthcare market; and,
- Healthcare Australia revenue growth was in lower margin products.

Other Income increased from \$0.1m to \$0.3m due to the profit on sale of the old Malaysian factory.

Expenses increased 7% or \$0.7m due primarily to the following major factors:

- Legal costs incurred in the protection and defence, through the U.S. Patents Office, of one of ITL's key U.S. patents;
- Transaction costs related to the proposed investment in MyHealthTest have been expensed rather than capitalised;
- Expenses associated with the relocation to the new Malaysian manufacturing facility; and,
- Expenses associated with the implementation of GST in Malaysia.

Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)\* for the year ended 30 June 2015 was \$2.8m (2014: \$3.2m). The reconciliation between Profit before tax and EBITDA\* is as follows:

	<u>2015</u>	<u>2014</u>
	\$'000	\$'000
Profit before Income Tax	1,611	2,076
Add back/(deduct):		
Depreciation and amortisation expense	927	911
Interest Expense	270	251
Interest Income	(21)	(3)
EBITDA*	<u>2,787</u>	<u>3,235</u>

\*The Directors believe that EBITDA as a non-IFRS profit measure is useful to investors as it provides further information on the Group's underlying profitability.

## **ITL Limited**

### **Review and Results of Operations (continued)**

Group Operating Cashflow for the year ended 30 June 2015 was \$1.4m (2014: \$3.3m). This reflected lower cash profit together with increased inventories and trade debtors. The former was due to a shorter than planned plant shutdown period in Malaysia and subsequent slower than anticipated run down in inventories. Higher trade debtors reflected Healthcare Australia business growth and slower collections for ITL BioMedical.

Capital expenditure of \$2.5m (2014: \$2.3m) primarily related to the expansion and renovation of the newly acquired manufacturing facility at Bemban in Malaysia. This was funded by the sale of the old Malaysian factory at Lahat for \$1.2m, together with increased long term bank loans.

A fully franked interim dividend of 0.5 cents per share was paid and a final dividend of 0.25 cents per share declared in respect of the financial year ended 30 June 2015.

The net debt position was \$4.5m at 30 June 2015 (2014: \$3.6m). The Group's gearing, measured as net debt as a percentage of net debt plus equity, was 28% (2014: 26%).

### **Strategy and Outlook**

During the year, ITL completed the expansion and renovation of the newly acquired modern medical device factory with clean rooms at Bemban in Malaysia. This new BioMedical manufacturing plant has been successfully commissioned and is operating efficiently. Manufacturing operations are expanding and diversifying as production of certain products is progressively transferred from Australia to Malaysia.

New business opportunities continue to be successfully pursued. Healthcare Australia is increasing its sales of intravenous cannula insertion packs and, as a supplier of custom sterile packs, is also progressively growing its market share in NSW public hospitals. ITL BioMedical has a number of well advanced R&D projects which will also provide new sales opportunities.

In addition to pursuing organic growth, ITL is looking to diversify into new growth opportunities. As part of this strategy, ITL has, subject to shareholder approval, proposed a strategic investment into direct to consumer pathology testing with the exclusive opportunity to acquire up to 100% of MyHealthTest Pty Ltd ("MHT") through a series of call options and provided certain milestones are achieved.

MHT's first entry into the testing market is the test used to diagnose and manage diabetes (the "HbA1c" test). MHT will enable customers to initiate the service online and receive their test kit at home. The customer then submits a sample back to MHT for laboratory testing and then obtains the results via a secure portal. MHT thus provides consumers with the convenience of not having to attend medical and pathology clinic appointments, cuts the costs of appointment fees and travel, and enables customers to manage their condition and health.

In April 2015, MHT was awarded an Accelerating Commercialisation grant of up to \$1 million from the Commonwealth Department of Industry and Science to fast track the roll out of the HbA1c test. Subsequently, in July the public launch of MHT occurred at the Canberra Innovation Centre to coincide with the commencement of National Diabetes Week.

# ITL Limited

## Consolidated Statement of Profit or Loss

for the year ended 30 June

	Notes	30/06/2015 \$000's	30/06/2014 \$000's
Revenue	2	28,330	25,864
Cost of Sales		(16,807)	(14,354)
Gross Profit		11,523	11,510
Other income	2	329	101
Salaries and employee benefits expense		(6,464)	(6,252)
Depreciation and amortisation expense	3	(295)	(278)
Finance costs		(270)	(251)
Premises and office expenses		(1,245)	(1,013)
Travel and accommodation		(419)	(332)
Business insurance		(229)	(239)
Product Registration & IP maintenance		(326)	(239)
Regulatory & QA costs		(104)	(136)
Other expenses from ordinary activities		(889)	(795)
Total Expenses		(10,241)	(9,535)
Profit before income tax		1,611	2,076
Income tax benefit/(expense)		510	(55)
<b>Profit for the year</b>		<b>2,121</b>	<b>2,021</b>
Profit attributable to members of the parent		2,121	2,021
<b>Earnings per Share</b>			
Basic profit per share (cents per share)		2.50 cents	2.41 cents

The accompanying notes form part of these financial statements

# ITL Limited

## Consolidated Statement of Comprehensive Income

for the year ended 30 June

	30/06/2015 \$000's	30/06/2014 \$000's
<b>Profit</b>	<b>2,121</b>	<b>2,021</b>
<b>Other Comprehensive Income</b>		
<b>Items that may be reclassified subsequently to Profit or Loss</b>		
Exchange differences on translating foreign operations	238	(206)
Income tax effect	-	-
	<b>238</b>	<b>(206)</b>
<b>Items that will not be reclassified subsequently to Profit or Loss</b>		
Fair Value Revaluation of Land & Buildings	-	(109)
Income tax effect	-	27
	-	<b>(82)</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>238</b>	<b>(288)</b>
<b>Total comprehensive income attributable to members of the parent</b>	<b>2,359</b>	<b>1,733</b>

The accompanying notes form part of these financial statements

# ITL Limited

## Consolidated Balance Sheet

as at 30 June

	Notes	30/06/2015 \$000's	30/06/2014 \$000's
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	1,103	122
Trade and other receivables		4,694	3,791
Inventories		5,645	4,369
Other current assets	6	1,007	679
		<hr/>	<hr/>
		12,449	8,961
Assets classified as held for sale	7	-	1,050
		<hr/>	<hr/>
<b>TOTAL CURRENT ASSETS</b>		<b>12,449</b>	<b>10,011</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	6,371	4,835
Product tooling	8	600	431
Intangible assets	8	466	549
Deferred tax assets		1,937	1,383
		<hr/>	<hr/>
<b>TOTAL NON-CURRENT ASSETS</b>		<b>9,374</b>	<b>7,198</b>
		<hr/>	<hr/>
<b>TOTAL ASSETS</b>		<b>21,823</b>	<b>17,209</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		3,088	2,410
Borrowings	10	2,279	2,430
Current tax liabilities		-	-
Short-term provisions		811	728
		<hr/>	<hr/>
<b>TOTAL CURRENT LIABILITIES</b>		<b>6,178</b>	<b>5,568</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	10	3,366	1,273
Long-term provisions		400	373
		<hr/>	<hr/>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>3,766</b>	<b>1,646</b>
		<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>		<b>9,944</b>	<b>7,214</b>
		<hr/>	<hr/>
<b>NET ASSETS</b>		<b>11,879</b>	<b>9,995</b>
<b>EQUITY</b>			
Issued capital	9	29,474	29,096
Foreign currency translation reserve		(948)	(1,186)
Asset revaluation reserve		-	48
Accumulated losses		(16,647)	(17,963)
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		<b>11,879</b>	<b>9,995</b>
		<hr/>	<hr/>

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
<b>Balance at 1 July 2014</b>	<b>29,096</b>	-	<b>(1,186)</b>	<b>48</b>	<b>(17,963)</b>	<b>9,995</b>
Profit for the period	-	-	-	-	2,121	2,121
Other Comprehensive income	-	-	238	-	-	238
Total comprehensive income for the year	-	-	238	-	2,121	2,359
Transactions with owners in their capacity as owners:						
Transfer to retained earnings	-	-	-	(48)	48	-
Dividend Payment	-	-	-	-	(853)	(853)
Asset Revaluation Reserve	-	-	-	-	-	-
Share Buy-back	(206)	-	-	-	-	(206)
Transaction Costs	(1)	-	-	-	-	(1)
Share based payments	585	-	-	-	-	585
<b>Balance at 30 June 2015</b>	<b>29,474</b>	-	<b>(948)</b>	-	<b>(16,647)</b>	<b>11,879</b>
<b>Balance at 1 July 2013</b>	<b>30,333</b>	<b>222</b>	<b>(980)</b>	<b>448</b>	<b>(19,224)</b>	<b>10,799</b>
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
<b>Balance at 30 June 2014</b>	<b>29,096</b>	-	<b>(1,186)</b>	<b>48</b>	<b>(17,963)</b>	<b>9,995</b>

\* 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

	Notes	30/06/2015 \$000's	30/06/2014 \$000's
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		1,611	2,076
<u>Non-cash items:</u>			
Depreciation & amortisation	3	927	911
Net (gain)/loss on disposal of assets		(157)	17
Unrealised loss/(gain) on foreign currency transactions		156	(73)
Share based payments	9	585	776
<u>Changes in assets and liabilities:</u>			
(Increase) in trade and other receivables		(903)	(374)
(Increase)in other current assets	6	(328)	(300)
(Increase)in Inventories		(1,276)	(644)
Increase in trade and other payables		678	884
Increase in provisions		110	48
Income tax paid		(43)	(5)
<b>Net cash flow from operating activities</b>		<b>1,360</b>	<b>3,316</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for product tooling	8	(225)	(82)
Payment for property, plant and equipment	8	(2,154)	(2,161)
Payment for intangible assets	8	(123)	(51)
Proceeds from the sale of property, plant and equipment		1,246	4
<b>Net cash flow (used in) investing activities</b>		<b>(1,256)</b>	<b>(2,290)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings	10	1,942	2,003
Payment for dividends	4	(853)	(1,078)
Payment for Share buyback	9	(207)	(2,235)
<b>Net cash flow from / (used in) financing activities</b>		<b>882</b>	<b>(1,310)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>986</b>	<b>(284)</b>
Net foreign exchange differences		(5)	(6)
Cash at beginning of period	5	122	412
<b>CASH AT END OF PERIOD</b>	<b>5</b>	<b>1,103</b>	<b>122</b>

The accompanying notes form part of these financial statements

# ITL Limited

## Condensed Notes to the Consolidated Financial Statements

### 1. Basis of Preparation

This general purpose condensed financial report for the year ended 30 June 2015 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 2015 was authorised for issue in accordance with a resolution of the Directors on 18 August 2015.

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 2015, 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 2015 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-15</u>	<u>30-Jun-14</u>
Spot rate		
AUD/MYR	2.8905	3.0247
AUD/USD	0.7655	0.9419
Average rate for year ended 30 June		
AUD/MYR	2.8771	2.9550
AUD/USD	0.8318	0.9125

There have been no material adjustments to the accounting policies of the Group since 30 June 2014.

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

# ITL Limited

## Condensed Notes to the Consolidated Financial Statements (continued)

	<b>30-Jun-15</b>	<b>30-Jun-14</b>
	<b>\$000's</b>	<b>\$000's</b>
<b>2. Revenue and Other Income</b>		
<b>Revenue</b>		
ITL BioMedical	11,126	11,634
Healthcare Australia	18,626	14,981
Inter Segment	(1,422)	(751)
Total Sales Revenue	<u>28,330</u>	<u>25,864</u>
<b>Other Income</b>		
Gain on sale of property	245	-
Other	63	98
Interest income	21	3
Total Other Income	<u>329</u>	<u>101</u>
<b>Total Income</b>	<b><u>28,659</u></b>	<b><u>25,965</u></b>
<b>3. Depreciation and Amortisation</b>		
<b>Depreciation &amp; Amortisation expense</b>		
Depreciation of non-current assets		
Property, plant and equipment	659	645
Product Tools	77	75
<b>Total Depreciation</b>	<b><u>736</u></b>	<b><u>720</u></b>
Amortisation of intangible assets	<u>191</u>	<u>191</u>
<b>Total depreciation and amortisation expense</b>	<b><u>927</u></b>	<b><u>911</u></b>
Less: depreciation and amortization disclosed in cost of sales	<u>(632)</u>	<u>(633)</u>
<b>Total depreciation and amortisation expense</b>	<b><u>295</u></b>	<b><u>278</u></b>

# ITL Limited

## Condensed Notes to the Consolidated Financial Statements (continued)

### 4. Dividends Paid and Proposed

	30-Jun-15 \$000's	30-Jun-14 \$000's
Declared and paid during the year:		
Interim franked dividend for 2015: 0.5 cents per share (2014: 0.5 cents per share)	426	419
Final franked dividend for 2014: 0.5 cents per share (2013: 0.75 cents per share)	427	659
Dividends paid	<u>853</u>	<u>1,078</u>
Declared after the year end:		
Final cash dividend for 2015: 0.25 cents per share (2014: 0.5 cents per share)	212	413
<b>Balance of franking account at year end</b>	<b>89</b>	<b>455</b>
Franking debits that will arise from the payments of dividends as at the end of the financial year	(89)	(177)
<b>Remaining balance of franking account</b>	<u>-</u>	<u>278</u>

### 5. Cash and Cash Equivalents

	30-Jun-15 \$000's	30-Jun-14 \$000's
Cash on hand	2	1
Cash at bank	1,101	121
Total Cash and Cash Equivalents	<u>1,103</u>	<u>122</u>

### 6. Other Current Assets

Loan to Related Party	470	101
Prepayments	380	407
Deposits to Suppliers	157	171
Total Other Current Assets	<u>1,007</u>	<u>679</u>

On 20 March 2015 ITL Limited entered into a revised loan agreement with Mr. W. Mobbs, Executive Chairman. The loan facility amount of \$450,000 was fully drawn at 30 June 2015. Interest is payable at 12% and there was accrued interest of \$19,944 at 30 June 2015. The repayment is the earlier of 30 June 2016 and the day ITL completes the subscription for options to be issued in new fully paid ordinary shares in MyHealthTest Pty Ltd with an aggregate subscription price of \$450,000.

### 7. Assets Classified as Held for Sale

	30-Jun-15 \$000's	30-Jun-14 \$000's
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. Settlement of this sale was completed on 15 December 2014.

# ITL Limited

## Condensed Notes to the Consolidated Financial Statements (continued)

### 8. Fixed Assets

Cost or Valuation	Property Plant and Equipment \$000's	Product Tooling \$000's	Intangible Assets \$000's	Total \$000's
<b>At 30 June 2013</b>	<b>7,302</b>	<b>3,794</b>	<b>3,556</b>	<b>14,652</b>
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)
<b>At 30 June 2014</b>	<b>10,856</b>	<b>917</b>	<b>3,600</b>	<b>15,373</b>
Additions	2,154	225	123	2,502
Exchange Differences	257	38	10	305
Disposals	(601)	(4)	(158)	(763)
<b>At 30 June 2015</b>	<b>12,666</b>	<b>1,176</b>	<b>3,575</b>	<b>17,417</b>
<b>Accumulated Depreciation and Amortisation</b>				
<b>At 30 June 2013</b>	<b>3,294</b>	<b>2,765</b>	<b>2,878</b>	<b>8,937</b>
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)
<b>At 30 June 2014</b>	<b>6,021</b>	<b>486</b>	<b>3,051</b>	<b>9,558</b>
Depreciation and amortisation	659	77	191	927
Exchange Differences	138	17	10	165
Disposals	(523)	(4)	(143)	(670)
<b>At 30 June 2015</b>	<b>6,295</b>	<b>576</b>	<b>3,109</b>	<b>9,980</b>
<b>Net Book Value</b>				
30 June 2014	4,835	431	549	5,815
30 June 2015	6,371	600	466	7,437

(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)

	30-Jun-15 \$000's	30-Jun-14 \$000's
<b>9. Issued Capital</b>		
Ordinary shares:		
At beginning of reporting period	29,096	30,333
Share Buy back (i)	(206)	(2,228)
Transaction costs net of tax (ii)	(1)	(7)
Shares issued during the period (share based payments) (iii) (iv)	585	998
	29,474	29,096
	<b>No.</b>	<b>No.</b>
	<b>000's</b>	<b>000's</b>
At beginning of reporting period	82,760	86,597
Share Buy back (i)	(939)	(7,303)
Shares issued during the period (share based payments) (iii)	2,857	3,466
	84,678	82,760
Weighted average number of shares	84,862	84,001

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	\$0.220	\$0.305
	Buy back price range	\$0.200-\$0.225	\$0.200-\$0.320
	Total cost of buy back \$'000s	206	2,228

(ii) The transaction costs represent brokerage costs associated with the buy back.

(iii) The Executive Share Plan ("ESP") was approved at the 31 October 2014 Annual General Meeting for the three year period to 30 October 2017. Under the ESP, and following approvals obtained at the 31 October 2014 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 is determined as the lesser of the volume weighted average of ITL prices during the 12 month period preceding the issue date and the current market price. Under the ESP there was one issue to key management personnel during the year ended 30 June 2015. This was 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:

•	12/8/2013 - issue price	-	\$0.233
	- fair value	-	\$0.285
•	1/11/2013 - issue price	-	\$0.263
	- fair value	-	\$0.300
•	14/8/2014 - issue price	\$0.200	
	- fair value	\$0.205	

(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)

#### 10. Borrowings

	30-Jun-15	30-Jun-14
	\$000's	\$000's
<b>Current</b>		
Bank overdrafts	-	350
Bankers Acceptances	1,257	1,689
Bank loans	873	254
Non-bank finance	149	137
	<u>2,279</u>	<u>2,430</u>
<b>Non-current</b>		
Bank loans	3,259	1,273
Non-bank finance	107	-
	<u>3,366</u>	<u>1,273</u>
	<u>5,645</u>	<u>3,703</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

On 11 August 2015 ITL Limited ("ITL") entered in to a Deed of Amendment and Restatement of Subscription and Option Agreement with MyHealthTest Pty Ltd ("MHT") and its shareholders. This amended the 29 April 2015 Agreement, details of which were contained in an ASX Announcement. This relates to a strategic investment in MHT, a direct to consumer pathology test provider, through a series of call options which provide an exclusive opportunity for ITL to acquire up to 100% of MHT. In addition to deferred timelines, the amendments primarily related to:

- Change in composition of exercise price for call options over all existing MHT shares from \$200,000 cash and \$1,800,000 in ITL shares (issue price as defined) to 100% i.e. \$2,000,000 in ITL shares (issue price as defined); and,
- Inclusion of milestones that must be achieved by MHT as a condition for ITL to exercise these options.

At the close of 17 August 2015 nil ordinary shares have been bought back since 30 June 2015.

On 18 August 2015, ITL Limited declared a final dividend of 0.25 cents per share. The record date is 26 August 2015 and payment date 3 September 2015.

# **ITL Limited**

## **Condensed Notes to the Consolidated Financial Statements (continued)**

### **13. Segment Reporting**

The Group's reportable segments are as follows:

#### **ITL BioMedical (formerly known as Innovative Products Group) ("BioMed")**

BioMed designs, manufactures, markets and distributes a range of biological safety sampling devices and hospital single use devices for the global human healthcare market.

BioMed capabilities and expertise include development and commercialisation of new patented products from initial concept through to sales. The division 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.

BioMed distributes predominantly its own proprietary range of products and has an extensive intellectual property portfolio including a pipeline of new patents, trademarks and designs. Its customer base includes some of the largest multinational healthcare suppliers in the world.

BioMed 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. Its goal is to provide quality innovative products that make healthcare professionals' 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)**

### **13. Segment Reporting (continued)**

#### **Corporate and other**

The Corporate and other costs consist of the Board of Directors and head office costs but are not classified as a reportable segment under AASB8 *Operating Segments*.

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 2015 and 30 June 2014.

# ITL Limited

## Condensed Notes to the Consolidated Financial Statements (continued)

### 13. Segment Reporting (continued)

Year ended 30 June 2015

	BioMed \$000's	HCA \$000's	Total Segments \$000's	Corporate & Other \$000's	Adjusts and Elims. \$000's	Total \$000's
<b>Revenue</b>						
External Customers	9,704	18,626	28,330	-	-	28,330
Inter Segment	1,422	-	1,422	-	(1,422)	-
	<b>11,126</b>	<b>18,626</b>	<b>29,752</b>	<b>-</b>	<b>(1,422)</b>	<b>28,330</b>
Gain on sale of property	245	-	245	-	-	245
Other Revenue	20	43	63	-	-	63
Interest Revenue	2	-	2	19	-	21
	<b>267</b>	<b>43</b>	<b>310</b>	<b>19</b>	<b>-</b>	<b>329</b>
<b>Total segment revenue</b>	<b>11,393</b>	<b>18,669</b>	<b>30,062</b>	<b>19</b>	<b>(1,422)</b>	<b>28,659</b>
<b>Result</b>						
Segment results *	1,918	1,134	3,052	(1,067)	(125)	1,860
<b>Earnings Before Interest and Tax *</b>	<b>1,918</b>	<b>1,134</b>	<b>3,052</b>	<b>(1,067)</b>	<b>(125)</b>	<b>1,860</b>
Interest revenue	2	-	2	19	-	21
Interest expense	(115)	(145)	(260)	(10)	-	(270)
Income tax expense	(400)	(259)	(659)	1,169	-	510
<b>Total segment results *</b>	<b>1,405</b>	<b>730</b>	<b>2,135</b>	<b>111</b>	<b>(125)</b>	<b>2,121</b>

\*Includes corporate recharges to each segment

# ITL Limited

## Condensed Notes to the Consolidated Financial Statements (continued)

### 13. Segment Reporting (continued)

Year ended 30 June 2014

	BioMed	HCA	Total Segments	Corporate & Other	Adjusts and Elims.	Total
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Revenue</b>						
External Customers	11,005	14,859	25,864	-	-	25,864
Inter Segment	629	122	751	-	(751)	-
	<b>11,634</b>	<b>14,981</b>	<b>26,615</b>	<b>-</b>	<b>(751)</b>	<b>25,864</b>
Other Revenue	58	40	98	-	-	98
Interest Revenue	2	-	2	1	-	3
	<b>60</b>	<b>40</b>	<b>100</b>	<b>1</b>	<b>-</b>	<b>101</b>
<b>Total segment revenue</b>	<b>11,694</b>	<b>15,021</b>	<b>26,715</b>	<b>1</b>	<b>(751)</b>	<b>25,965</b>
<b>Result</b>						
Segment results *	2,582	616	3,198	(827)	(47)	2,324
<b>Earnings Before Interest and Tax *</b>	<b>2,582</b>	<b>616</b>	<b>3,198</b>	<b>(827)</b>	<b>(47)</b>	<b>2,324</b>
Interest revenue	2	-	2	1	-	3
Interest expense	(113)	(124)	(237)	(14)	-	(251)
Income tax expense	(706)	(177)	(883)	828	-	(55)
<b>Total segment results *</b>	<b>1,765</b>	<b>315</b>	<b>2,080</b>	<b>(12)</b>	<b>(47)</b>	<b>2,021</b>

\*Includes corporate recharges to each segment