



31 August 2008

ASX/AIM Announcement

IT&e Limited releases 2007/08 Annual Result

IT&e Limited (ASX code: ITE, AIM: ITEL) today released its financial report for the year ended 30 June 2008.

In releasing the result the Chairman, Ellis Bugg said that the Board was disappointed to have to again report the company was in an operating loss position. He noted however that despite the disappointing financial result, the RAZOR product is now implemented or being implemented in 8 financial institutions and 3 exchanges around the world which gives the Board confidence in the future prospects for the Company.

Highlights of the year

- Two new sales of RAZOR's Clearing House Risk Management System to LCH Clearnet Group and a new US Clearing Organisation. These sales, combined with the RAZOR solution provided for the ASX, place the company in a good position in the Central Counter-Party risk management market.
- Selection by Calyon New York - RAZOR selected to support the requirements of the Bank's regulated AAA derivatives trading program.
- Sale to a major UK financial institution of a RAZOR solution for management of economic capital.
- Three successful implementations of RAZOR solutions;
 - Royal Bank of Canada (RBC) – global rollout of RAZOR Credit Risk and Economic Capital modules. RBC can now use RAZOR to obtain a more accurate view of credit exposure and limit utilisation across its trading business.
 - Man Group plc – implemented RAZOR's Economic Capital Credit Risk module.
 - Federal Home Loan Bank of Pittsburgh – implemented RAZOR's Credit Risk & Limit Management modules.

Factors impacting the loss

- Delays in sales due to the difficult banking environment
- The deferral of recognition (in accordance with AASB 118) of the sign-on portion (USD1m) of a RAZOR product license that was invoiced and paid prior to 30 June 2008
- Mutually agreed termination of a major joint NextSet/PTX development project as announced on 30 April 2008
- The resultant decrease in the discounted cash flow value of the NextSet/PTX asset requiring an impairment write-off

Financial Summary

\$000	F08	F07
Revenue	13,084	11,791
Operating loss	4,545	5,700
Net loss after impairment write-off	5,936	5,700
Net tangible assets	(475)	1,791



Outlook for the future

Mr Bugg noted that the company has affirmed that it should maintain its primary focus on the RAZOR product as it offers the greatest source of upside for stakeholders given its growing global reputation and client base and that should an opportunity emerge to sell non-strategic assets at an appropriate price this would be embraced.

He also advised that the organisation's cost structure had already been scaled back by approximately \$2.5m through reduced headcount and a tight control over all discretionary expenditure, and that the Board intends to seek shareholder approval at the AGM to de-list from the AIM market of the London Stock Exchange.

The Board, he confirmed, is committed to continuing to take steps needed to improve the financial performance of the company and will further restructure the business as appropriate to better align future revenue and expenses.

- END -

Enquiries/Additional Information:

IT&e

James Maranis – CEO: +61 2 9236 9427

Grant Thornton Corporate Finance

Fiona Owen: +44 20 7383 5100

About IT&e Limited

IT&e is a technology company dual listed on the Australian Stock Exchange and AIM Market of the London Stock Exchange, specialised in providing solutions to the global Financial Services markets.

IT&e offers three flagship products, RAZOR™ NextSetPTX™ and Monarque®, to financial institutions. **RAZOR** enables organisations to effectively address their market, credit and liquidity risk management requirements, both on an enterprise and a departmental basis. Razor clients include L.C.H.Clearnet Group, ANZ, HSBC, ASX, Federal Home Loan Bank, Pittsburgh, Man Group plc, RBC and Calyon New York. **PTX** enables on-line trading of over the counter securities across multiple asset classes (Securities, Money Market, FX, etc.) PTX clients include NAB and ANZ. **Monarque** supports trading and treasury management at major banks and broking houses, and comprises modules designed to automate front-office functions. Monarque clients include Brown Brothers Harriman, Bear Stearns and the Chicago Mercantile Exchange.

IT&e is headquartered in Sydney with offices in Melbourne, London, New York and Chennai, offering a highly skilled team of specialists, providing technology services across the financial markets and risk management business areas.

For further information about IT&e please visit our website at <http://www.ite-fs.com>