ASX Announcement

Appendix 4E – Preliminary Final Report

For Release 27th August 2014

The Board and Management of Anittel Group Limited are pleased to present the attached Appendix 4E for the financial year ended June 2014.

Highlights and key elements of the Appendix are as follows:

As part of our long term strategy to reposition the Company, we divested the general hosting, carrier and network infrastructure business to Big Air (ASX: BGL) in January this year for a cash consideration of $6.5M. Although the sale has reduced revenue from $50.947M to $43.325M, the Company has cash reserves of $7.762M, and has been able to focus attention on the two key business units; IT Products & Services, and Cloud Only (part of the 'Telecommunications Services' business unit in FY14).

Also as part of the sale, the Company's operating profits and gain on sale was impacted by $0.767M, being $0.357M due to cost of disposal and by $0.410M due to subsequent restructuring costs necessitated by this divestment.

In respect to the Cloud Only Business Unit, the Tasmanian Government 'Cisco Hosted Collaboration Service' (HCS) project is progressing well, with over 7,500 end points being commissioned. While slower than originally forecast, the Company anticipates that deployments will continue to accelerate over the remainder of the year.

Initially focused on the Tasmanian Government project, the Cloud team have expanded its capability to broaden our market offering to include Enterprise and SME customers via our Collaboration Suite. These newly developed product offerings leverage our HCS investment and in-house skills.

We are continuing to pursue opportunities, and expanding our presales capability to meet market demands for our Cloud Collaboration Suite. Our Cisco HCS platform is appealing to organisations looking to consolidate traditional telephony support costs, and delivers a richer, more collaborative approach to communications in a secure, cost effective, and supported eco system.

In respect to the IT Products and Services business unit, revenue from the sale of hardware and software products has reduced by $1.4M however gross margin percentage has improved by 15% compared to the margin percentage achieved in the previous corresponding period.

Adjusted EBITDA for 30 June 2014 was negative $0.528M (30 June 2013: negative $0.255M) which reflects the significant and ongoing investment over the last 12 months in deploying our HCS offering.

The Board and Management believe the initiatives implemented in FY14 have positioned the Company to continue taking advantage of the market shift to cloud-based services.

Further Information:

Peter Kazacos
Managing Director & Executive Chairman

Anittel Group Ltd

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About Anittel:

Anittel provides Cloud, Internet, Telecommunication and IT services for organisation across regional and metropolitan Australia. The company is expanding through organic growth and targeted acquisitions to offer scale, geographic reach and expertise for existing and prospective customers.

Anittel Group Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Anittel Group Limited
ABN:	98 009 805 298
Reporting period:	For the year ended 30 June 2014
Previous period:	For the year ended 30 June 2013

2. Results for announcement to the market

				$'000
Revenues from ordinary activities	down	15.0%	to	43,325
Loss from ordinary activities after tax attributable to the owners of Anittel Group Limited	down	59.3%	to	(3,007)
Loss for the year attributable to the owners of Anittel Group Limited	down	59.3%	to	(3,007)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The loss for the consolidated entity after providing for income tax amounted to $3,007,000 (30 June 2013: $7,392,000).

Total adjusted earnings before interest, tax, depreciation and amortisation ('EBITDA') for the year from both continuing and discontinued operations was negative $528,000 (2013: $255,000).

EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for specific non-cash and significant items. The directors consider EBITDA to reflect the core earnings of the consolidated entity. The following table summarises key reconciling items between statutory profit after tax attributable to the shareholders of Anittel and Adjusted EBITDA.

	Consolidated	
	2014 (unaudited) $'000	2013 $'000
Loss after income tax benefit for the year attributable to the owners of Anittel Group Limited	(3,007)	(7,392)
Interest revenue	(77)	(60)
Finance costs	990	831
Depreciation and amortisation	1,566	1,366
Normal EBITDA	(528)	(5,255)
Adjustment for impairment of assets	-	5,000
Adjusted EBITDA	(528)	(255)

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(0.31)	(0.50)

4. Control gained over entities

Not applicable.

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5. Loss of control over entities

Name of entities (or group of entities)	Anittel Communications Pty Limited	
Date control lost	31 January 2014	
		$'000
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)		299
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) whilst controlled during the whole of the previous period (where material)		1,141

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6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

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7. Dividend reinvestment plans

Not applicable.

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8. Details of associates and joint venture entities

Not applicable.

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9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

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10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements are currently in the process of being audited and an unqualified opinion is expected to be issued.

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11. Attachments

Details of attachments (if any):

The Preliminary Annual Report of Anittel Group Limited for the year ended 30 June 2014 is attached.

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12. Signed

Signed ________________________________ Date: 27 August 2014

Justyn Stedwell
Company Secretary
Sydney

Anittel Group Limited

ABN 98 009 805 298

Preliminary Annual Report - 30 June 2014

Anittel Group Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2014

	Note	Consolidated 2014 (unaudited) $'000	2013 $'000
Revenue from continuing operations	2	36,060	37,212
Expenses			
Cost of sales		(19,364)	(21,133)
Occupancy		(1,340)	(1,226)
Administration		(16,820)	(16,231)
Impairment of assets		-	(5,000)
Other expenses		(973)	(1,399)
Finance costs		(944)	(756)
Loss before income tax expense from continuing operations		(3,381)	(8,533)
Income tax expense		-	-
Loss after income tax expense from continuing operations		(3,381)	(8,533)
Profit after income tax (expense)/benefit from discontinued operations	3	374	1,141
Loss after income tax expense for the year attributable to the owners of Anittel Group Limited		(3,007)	(7,392)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Anittel Group Limited		(3,007)	(7,392)
Total comprehensive income for the year is attributable to:			
Continuing operations		(3,381)	(8,533)
Discontinuing operations		374	1,141
		(3,007)	(7,392)
		Cents	**Cents**
Earnings per share for loss from continuing operations attributable to the owners of Anittel Group Limited			
Basic earnings per share	9	(0.135)	(0.386)
Diluted earnings per share	9	(0.135)	(0.386)
Earnings per share for profit from discontinued operations attributable to the owners of Anittel Group Limited			
Basic earnings per share	9	0.015	0.052
Diluted earnings per share	9	0.015	0.052
Earnings per share for loss attributable to the owners of Anittel Group Limited			
Basic earnings per share	9	(0.120)	(0.334)
Diluted earnings per share	9	(0.120)	(0.334)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Anittel Group Limited
Statement of financial position
As at 30 June 2014

	Note	Consolidated 2014 (unaudited) $'000	2013 $'000
Assets			
Current assets			
Cash and cash equivalents		7,762	2,129
Trade and other receivables		3,304	4,360
Inventories		417	158
Other		166	604
Total current assets		11,649	7,251
Non-current assets			
Receivables		173	257
Property, plant and equipment	4	2,481	1,901
Intangibles	5	6,054	10,801
Total non-current assets		8,708	12,959
Total assets		20,357	20,210
Liabilities			
Current liabilities			
Trade and other payables		5,260	5,946
Borrowings		1,011	432
Provisions		929	998
Revenue received in advance		1,708	2,544
Total current liabilities		8,908	9,920
Non-current liabilities			
Borrowings	6	13,170	10,316
Provisions		273	257
Total non-current liabilities		13,443	10,573
Total liabilities		22,351	20,493
Net liabilities		(1,994)	(283)
Equity			
Issued capital	7	57,351	56,058
Other equity		5,200	5,200
Reserves		8	5
Accumulated losses		(64,553)	(61,546)
Total deficiency in equity		(1,994)	(283)

The above statement of financial position should be read in conjunction with the accompanying notes

Anittel Group Limited
Statement of changes in equity
For the year ended 30 June 2014

Consolidated	Issued capital $'000	Other equity $'000	Reserves $'000	Accumulated losses $'000	Total deficiency $'000
Balance at 1 July 2012	56,058	5,200	30	(54,154)	7,134
Loss after income tax expense for the year	-	-	-	(7,392)	(7,392)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(7,392)	(7,392)
Transactions with owners in their capacity as owners:					
Share-based payments	-	-	(25)	-	(25)
Balance at 30 June 2013	56,058	5,200	5	(61,546)	(283)

Consolidated	Issued capital $'000	Other equity $'000	Reserves $'000	Accumulated losses $'000	Total deficiency $'000
Balance at 1 July 2013	56,058	5,200	5	(61,546)	(283)
Loss after income tax expense for the year	-	-	-	(3,007)	(3,007)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(3,007)	(3,007)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 7)	1,293	-	-	-	1,293
Share-based payments	-	-	3	-	3
Balance at 30 June 2014	57,351	5,200	8	(64,553)	(1,994)

The above statement of changes in equity should be read in conjunction with the accompanying notes

Anittel Group Limited
Statement of cash flows
For the year ended 30 June 2014

	Note	Consolidated 2014 (unaudited) $'000	2013 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		51,890	56,622
Payments to suppliers and employees (inclusive of GST)		(53,052)	(57,126)
		(1,162)	(504)
Interest received		70	47
Interest and other finance costs paid		(304)	(173)
Net cash used in operating activities		(1,396)	(630)
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired		-	(13)
Payments for property, plant and equipment		(500)	(509)
Payments for intangibles		(18)	(781)
Payments for other assets		-	(46)
Proceeds from sale of business		6,500	-
Proceeds from sale of property, plant and equipment		-	37
Proceeds from release of security deposits		7	-
Net cash from/(used in) investing activities		5,989	(1,312)
Cash flows from financing activities			
Proceeds from issue of shares	7	1,397	-
Transaction costs on shares issued		(76)	-
Proceeds from leases		524	543
Repayment of borrowings		(50)	-
Repayment of leases		(755)	(357)
Net cash from financing activities		1,040	186
Net increase/(decrease) in cash and cash equivalents		5,633	(1,756)
Cash and cash equivalents at the beginning of the financial year		2,129	3,885
Cash and cash equivalents at the end of the financial year		7,762	2,129

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Going concern

As at 30 June 2014 the consolidated entity had a net liability position of $1,994,000 (2013: net liability position of $283,000) and cash and cash equivalents of $7,762,000 (2013: $2,129,000). The decrease in net assets from the prior year predominantly is the result of the sale of Anittel Communications during the year. The consolidated entity has positive net current asset position of $2,741,000 (2013: negative net current assets $2,669,000) and has incurred a loss after tax of $3,007,000 for the year ended 30 June 2014 (2013: loss after tax $7,392,000, including $5,000,000 impairment charge). Net cash outflows in operating activities for the year ended 30 June 2014 totalling $1,396,000 (2013: net cash outflow from operating activities totalled $630,000).

Cash flows have been negatively impacted by two major factors:
- Decrease in sales of IT hardware and software products at a rate greater than forecast and the relatively high operating cost base supporting this reduced revenue stream. Operating costs have declined, but not at the same rate as revenue; and
- A significant investment directly related to the implementation and commercialisation of the Cisco Hosted Unified Communication platform that commenced deployment of end point services in the current financial year 2014.

The Directors of the consolidated entity have undertaken various initiatives to strengthen the operating performance of the business, its net asset position, operating cash flows and cash resources and are of the view that the consolidated entity will continue as a going concern due to the following initiatives carried out as at date of these financial statements:
- Sale of Anittel Communications to BigAir Group Limited during the year generating $6,500,000 as cash consideration;
- Continued reduction in administration expenses by streamlining middle management layers and the realignment of resources post the divestment of the Communication business unit and implementation of further automation in key processes;
- Continued ramp up of the Tasmanian Government telephony project through focused initiatives to increase roll-out of end point services and pursuit of additional related sales opportunities;
- Securing extension to the repayment term of the shareholder loan facilities to 31 December 2015;
- Securing additional equipment leasing facilities of $3 million from the Commonwealth Bank of Australia in October 2013 to fund additional acquisition of telephony handsets and related software and equipment which are provided to the Government of Tasmania as a fully managed service;
- Securing a $200,000 loan from the Commonwealth Bank of Australia in October 2013 (funds received on 6 February 2014) to partially fund the installation services of the telephony handsets provided to the Government of Tasmania; and
- The sale of Anittel Communications triggered a termination of the previously undrawn shareholder facility of $5 million available from Peter and Vicki Kazacos owing to the business sale conditions contained within the facility document. This facility was renegotiated subsequent to year end and a new facility agreement was entered into of $4 million on 31 July 2014 providing flexible funding options that may be required from time to time by the consolidated entity.

The consolidated entity also continues to implement various operational initiatives including:
- Streamlining and focusing the entity, given the sale of the Communications business unit, on providing a broad range of IT, cloud and communications services directly to customers;
- Driving higher sales and margin for IT Products and Services by providing branch management greater flexibility and incentives to manage individual sites for profitability. This represents the company's ongoing focus on accountability and enables quicker action to address performance issues; and
- Continued focus on cost control measures including management of headcount resulting in reduced management layers and a more efficient cost structure.

The Directors are of the view that they will be successful in the above initiatives and that the consolidated entity will continue as a going concern and, therefore, will realise its assets and liabilities and commitments in the normal course of business and at the amounts stated in these financial statements as and when they fall due. The Directors remain confident about the successful achievement of projected targets and therefore no adjustments have been made to the financial statements relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Note 2. Revenue

	Consolidated 2014 (unaudited) $'000	Consolidated 2013 $'000
From continuing operations		
Sales revenue		
Sale of goods	22,361	23,788
Rendering of services	13,621	13,012
	35,982	36,800
Other revenue		
Interest	77	60
Other revenue	1	352
	78	412
Revenue from continuing operations	36,060	37,212

Note 3. Discontinued operations

Description

On 31 January 2014 the consolidated entity sold of its general hosting and network infrastructure and carrier business for cash consideration of $6,500,000 to listed carrier BigAir Group Limited (ASX: BGL).

Financial performance information

	Consolidated 2014 (unaudited) $'000	Consolidated 2013 $'000
Revenue	7,265	13,735
Total revenue	7,265	13,735
Cost of sales	(4,554)	(8,472)
Occupancy	(66)	(84)
Administration	(2,190)	(3,693)
Other expenses	(110)	(270)
Finance costs	(46)	(75)
Total expenses	(6,966)	(12,594)
Profit before income tax expense	299	1,141
Income tax expense	-	-
Profit after income tax expense	299	1,141
Gain on sale before income tax	75	-
Income tax expense	-	-
Gain on disposal after income tax expense	75	-
Profit after income tax (expense)/benefit from discontinued operations	374	1,141

Note 3. Discontinued operations (continued)

Cash flow information

	Consolidated	
	2014 (unaudited) $'000	2013 $'000
Net cash from/(used in) operating activities	(930)	350
Net cash from/(used in) investing activities	6,500	(96)
Net cash used in financing activities	(135)	(228)
Net increase in cash and cash equivalents from discontinued operations	5,435	26

Carrying amounts of assets and liabilities disposed

	Consolidated	
	2014 (unaudited) $'000	2013 $'000
Trade and other receivables	1,117	-
Other current assets	429	-
Receivables	85	-
Property, plant and equipment	914	-
Intangibles	6,108	-
Total assets	8,653	-
Trade and other payables	1,296	-
Borrowings	839	-
Provisions	59	-
Revenue received in advance	801	-
Total liabilities	2,995	-
Net assets	5,658	-

Details of the disposal

	Consolidated	
	2014 (unaudited) $'000	2013 $'000
Total sale consideration	6,500	-
Carrying amount of net liabilities disposed	(5,658)	-
Disposal costs	(767)	-
	-	-
Gain on disposal before tax income	75	-
Income tax expense	-	-
Gain on disposal after income tax	75	-

Note 4. Non-current assets - property, plant and equipment

	Consolidated 2014 (unaudited) $'000	Consolidated 2013 $'000
Leasehold improvements - at cost	321	322
Less: Accumulated depreciation	(137)	(84)
	184	238
Plant and equipment - at cost	130	130
Less: Accumulated depreciation	(130)	(130)
	-	-
Office equipment - at cost	786	790
Less: Accumulated depreciation	(724)	(704)
	62	86
Motor vehicles under lease	227	227
Less: Accumulated depreciation	(194)	(170)
	33	57
Computer equipment - at cost	1,068	2,487
Less: Accumulated depreciation	(772)	(1,330)
	296	1,157
Hosted Unified Communications- at cost	2,246	395
Less: Accumulated depreciation	(340)	(32)
	1,906	363
	2,481	1,901

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Leasehold improvements $'000	Plant and office equipment $'000	Motor vehicles under lease $'000	Computer equipment $'000	Hosted Unified Comm-unications $'000	Total $'000
Balance at 1 July 2012	100	230	60	720	-	1,110
Additions	201	59	69	939	395	1,663
Disposals	-	(1)	(10)	-	-	(11)
Impairment of assets	-	-	-	(204)	-	(204)
Transfers in/(out)	(1)	-	1	(42)	-	(42)
Depreciation expense	(62)	(202)	(63)	(256)	(32)	(615)
Balance at 30 June 2013	238	86	57	1,157	363	1,901
Additions	4	2	-	279	1,851	2,136
Disposals	(2)	(5)	-	(910)	-	(917)
Depreciation expense	(56)	(21)	(24)	(230)	(308)	(639)
Balance at 30 June 2014	184	62	33	296	1,906	2,481

Note 5. Non-current assets - intangibles

	Consolidated	
	2014 (unaudited) $'000	**2013 $'000**
Goodwill - at cost	1,261	40,608
Less: Accumulated impairment	-	(33,666)
	1,261	6,942
Software - at cost	2,496	1,925
Less: Accumulated amortisation	(1,037)	(775)
Less: Accumulated impairment	(300)	(300)
	1,159	850
Customer contracts and relationships - at cost	3,277	3,527
Less: Accumulated amortisation	(813)	(564)
Less: Accumulated impairment	(700)	(700)
	1,764	2,263
Hosted Unified Communications - at cost	2,072	766
Less: Accumulated amortisation	(202)	(20)
	1,870	746
	6,054	10,801

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill $'000	Software $'000	Customer contracts and relationships $'000	Hosted Unified Comm-unications $'000	Total $'000
Balance at 1 July 2012	10,737	1,171	3,351	-	15,259
Additions	-	283	-	766	1,049
Impairment of assets	(3,796)	(300)	(700)	-	(4,796)
Transfers in/(out)	1	39	-	-	40
Amortisation expense	-	(343)	(388)	(20)	(751)
Balance at 30 June 2013	6,942	850	2,263	746	10,801
Additions	-	982	-	1,306	2,288
Disposals	(5,681)	(269)	(158)	-	(6,108)
Amortisation expense	-	(404)	(341)	(182)	(927)
Balance at 30 June 2014	1,261	1,159	1,764	1,870	6,054

Note 5. Non-current assets - intangibles (continued)

Impairment tests for goodwill

Description of the cash generating units and other relevant information
Goodwill has been allocated to cash generating units ('CGUs') according to operating segment.

A segment-level summary of the goodwill allocation is presented below:

	Consolidated	
	2014 (unaudited) $'000	2013 $'000
Telecommunications services	1,261	6,942

All goodwill associated with the IT products and services CGU was written off in prior years.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by senior management covering a one-year period and projected cash flows for a further four years. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

Note 6. Non-current liabilities - borrowings

	Consolidated	
	2014 (unaudited) $'000	2013 $'000
Bank loans	120	-
Loan from director	3,204	2,970
Convertible notes payable	6,441	6,052
Lease liability	3,405	1,294
	13,170	10,316

Total secured liabilities
The total secured liabilities (current and non-current) are as follows:

	Consolidated	
	2014 (unaudited) $'000	2013 $'000
Bank loans	180	-
Loan from director	3,204	2,970
Convertible notes payable	6,441	6,052
Lease liability	4,356	1,726
	14,181	10,748

Assets pledged as security
The lease liabilities are effectively secured as the rights to the leased assets, recognised in the statement of financial position, revert to the lessor in the event of default.

Note 6. Non-current liabilities - borrowings (continued)

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	2014 (unaudited) $'000	2013 $'000
Total facilities		
Bank loans	180	-
Related party loan facility	-	1,500
Equipment financing facility - Commonwealth Bank of Australia	3,000	-
	3,180	1,500
Used at the reporting date		
Bank loans	180	-
Related party loan facility	-	-
Equipment financing facility - Commonwealth Bank of Australia	1,679	-
	1,859	-
Unused at the reporting date		
Bank loans	-	-
Related party loan facility	-	1,500
Equipment financing facility - Commonwealth Bank of Australia	1,321	-
	1,321	1,500

The $3,000,000 equipment financing facility from the Commonwealth Bank of Australia, provides the consolidated entity additional financial capacity for the deployment of its managed hosted telephony services to the Tasmanian Government.

Note 7. Equity - issued capital

	Consolidated			
	2014 (unaudited) Shares	2013 Shares	2014 (unaudited) $'000	2013 $'000
Ordinary shares - fully paid	2,560,406,871	2,211,238,296	57,351	56,058

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	1 July 2012	2,211,238,296		56,058
Balance	30 June 2013	2,211,238,296		56,058
Issue of ordinary shares on rights issue	12 August 2013	291,668,575	$0.004	1,167
Issue of ordinary shares on rights issue	16 October 2013	57,500,000	$0.004	230
Transaction costs on shares issued *				(104)
Balance	30 June 2014	2,560,406,871		57,351

* includes $28,000 prepayment from the financial year ended 30 June 2013.

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Note 7. Equity - issued capital (continued)

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Options
There were 51,495,000 (2013: 175,742,500) options over ordinary shares at 30 June 2014.

Capital risk management
The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Management are constantly adjusting the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity is not subject to any externally imposed capital requirements.

The capital risk management policy remains unchanged from the 30 June 2013 Annual Report.

Note 8. Events after the reporting period

On 31 July 2014, Anittel repaid $4 million of debt to Peter and Vicki Kazacos.

As part of the transaction it was also agreed that:
- Peter and Vicki Kazacos will enter into a new agreement to provide a debt facility of up to $4 million;
- Future interest on the remaining principal (and any facility drawdowns) will be at the reduced interest rate of 7%; and
- No further interest will be calculated on the existing accrued interest.

No other matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 9. Earnings per share

	Consolidated	
	2014 (unaudited) $'000	**2013 $'000**
Earnings per share for loss from continuing operations		
Loss after income tax attributable to the owners of Anittel Group Limited	(3,381)	(8,533)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	2,509,988,843	2,211,238,296
Weighted average number of ordinary shares used in calculating diluted earnings per share	2,509,988,843	2,211,238,296
	Cents	**Cents**
Basic earnings per share	(0.135)	(0.386)
Diluted earnings per share	(0.135)	(0.386)

Note 9. Earnings per share (continued)

	Consolidated	
	2014 (unaudited)	2013
	$'000	$'000
Earnings per share for profit from discontinued operations		
Profit after income tax attributable to the owners of Anittel Group Limited	374	1,141
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	2,509,988,843	2,211,238,296
Weighted average number of ordinary shares used in calculating diluted earnings per share	2,509,988,843	2,211,238,296
	Cents	**Cents**
Basic earnings per share	0.015	0.052
Diluted earnings per share	0.015	0.052

	Consolidated	
	2014 (unaudited)	2013
	$'000	$'000
Earnings per share for loss		
Loss after income tax attributable to the owners of Anittel Group Limited	(3,007)	(7,392)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	2,509,988,843	2,211,238,296
Weighted average number of ordinary shares used in calculating diluted earnings per share	2,509,988,843	2,211,238,296
	Cents	**Cents**
Basic earnings per share	(0.120)	(0.334)
Diluted earnings per share	(0.120)	(0.334)

51,495,000 (2013: 51,495,000) options are excluded from the above calculations as they would be anti-dilutive for the period.