



AstiVita Limited ABN 46 139 461 733

28th November 2014

Chairman's Address

In my address as Chairman, I will briefly comment on the June 2014 result and summarise some of the ongoing improvements to return AstiVita to profitability.

Financial Year 2014 Overview

The Company has made a number of improvements in its trading performance during 2014. AstiVita posted a trading loss of \$1.498 million for the financial year ended 30 June 2014, which is half the prior year losses.

AstiVita is committed to acquire and retain customers by providing only products that offer competitive advantage against other players within the industry, requiring further consolidation and enhancement of our product range.

Outlook

The Board announced today that further improvements are expected in the first half of this financial year.

The Board continues to make further refinements to its product offering and ranges to ensure products in all ranges are competitive against major industry players. We will continue to liquidate old product ranges and items that are no longer competitive including the remaining range of Toto products. A percentage of current losses can be attributed to stock purchased prior to 2012.

Highlighting the continued improvement of AstiVita is the Company has repaid a further \$350,000 to Rainrose Pty Ltd with repayments now totaling \$650,000 since June 2014, indicating strong positive cash flow this financial year.

The first container of Rosieres appliances has arrived and we expect to grow appliance sales in the next 6-12 months.

The Board would like to thank Scott Ison, our new General Manager, for his hard work and commitment since taking on the role in September 2014. The Board recognises there is still much hard work ahead to return the Company to profitability and thanks the understanding and patience of our shareholders.

The Board has initiated action against a supplier responsible for bulk of our warranty claims. At present, the company has withheld payment of approximately \$180,000 claimed by the supplier. The Board has also commenced legal action in New Zealand against our former New Zealand distributor with a view to recovering the AstiVita brand name (the New Zealand trade mark registration) and restoring associated revenues from the New Zealand market. Review of documents recently produced in the discovery process in that proceeding has raised the possibility of action against a former officer of the company. We are currently taking advice on these matters, but are not in a position to comment further at this stage.

ENDS

Lev Mizikovsky
Chairman