



OLEA AUSTRALIS LIMITED ABN44 089 145 424

19 July 2010

FAX To:

ASX COMPANY ANNOUNCEMENTS 1300 135 638 No. Of Pages

FROM

**OLEA AUSTRALIS LIMITED (Code OLE - Perth Home Exchange
(Fax 02 9238 0354)**

SUBJECT :-

AUDITED PRELIMINARY FINAL REPORT

Yours faithfully

A handwritten signature in black ink, appearing to read 'Alan Sutton', written in a cursive style.

ALAN SUTTON – COMPANY SECRETARY



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OLEA AUSTRALIS LIMITED

PRELIMINARY FINAL REPORT (ASX Code OLE)

FOR THE YEAR ENDED 30 JUNE 2010 (Previous Year 30 JUNE 2009)

AUDITED RESULTS FOR ANNOUNCEMENT TO THE MARKET

1. **2010 Revenue - Ordinary Activities** \$58,691 (Previous Year \$546,466) a decrease of 89%.
2. **2010 Loss for the Year from ordinary activities after tax** (attributable to members) was \$416,185. (Previous Year - Profit \$151,658.) The 2010 result represents a decrease of 374% from the previous year's profit).
3. **2010 Net Loss for Year attributable to members** was \$416,185, Previous Year a profit of \$1,553,379. The 2010 Result was a decrease of 127% from the Previous Year.

Dividend

It is not proposed to pay a dividend in respect of the 2010 Year (A dividend of 0.247cents was paid in respect of the previous year).

Review of Activities

During the financial year ending 30th June 2010 Olea Australis Limited :-

- Sold all retail olive oil business for \$245,000. Assets sold included the intellectual property relating to the brand, Danaragan Estate, a quantity of olive oil and various assets relating to the business.
- Collected the Trade and Other Receivables of in excess of \$500,000 including the amount receivable on the sale of Dandaragan Estate.
- Continued the restructure of the Group by the de-registration of non-operating subsidiaries relating to the Group's previous olive oil business.
- The Company has continued to keep expenses to realistic levels given the operations of the Company, notwithstanding that as a public company there is a minimum cost base that cannot be avoided.

**OLEA AUSTRALIS LIMITED
PRELIMINARY FINAL REPORT**

STATEMENT OF FINANCIAL PERFORMANCE

YEAR ENDED

30-June-2010

30-June-2009

	\$	\$
Revenues from ordinary activities	58,691	546,466
Expenses from ordinary activities	(474,876)	(437,188)
Borrowing costs	-	-
Share of net profits (losses) of associates and joint venture activities	-	-
Profit/(Loss) from ordinary activities before tax	(416,185)	109,278
Income tax benefit on ordinary activities	-	42,380
Profit/(Loss) from ordinary activities after tax	(416,185)	151,658
Profit/(Loss) from discontinued operations after tax	-	1,401,721
Net Profit(Loss)	(416,185)	1,553,379
Net profit (loss) attributable to outside equity interests	-	-
Net Profit/(Loss) for period attributable to members	(416,185)	1,553,379
Non-owner transactions changes in equity		
Capital Return	-	(13,585,536)
Capital Issued	231,250	
Dividend Paid	-	(1,523,208)
Total transaction and adjustments recognised directly in equity	231,250	(15,108,744)
Total changes in equity not resulting from transactions with owners as owners	(184,935)	(13,555,365)
EARNINGS PER SECURITY (EPS)	30-June-2010	30-June-2009
Basic EPS	(0.0067)	0.0025
EPS from continuing operations	(0.0067)	0.0003
EPS from discontinued operations	0.00	0.0022

OLEA AUSTRALIS LIMITED
PRELIMINARY FINAL REPORT
STATEMENT OF FINANCIAL PERFORMANCE YEAR ENDED
NOTES TO THE INCOME STATEMENT

	30-June-2010	30-June-2009
Profit/(Loss) from ordinary activities attributable to members	\$	\$
Profit/(Loss) ordinary activities after tax	(416,185)	1,553,379
Less(plus) outside equity interests	-	-
Profit/(Loss) ordinary activities after tax attributable to members	(416,185)	1,553,379
REVENUE AND EXPENSES FROM ORDINARY ACTIVITIES		
	\$	\$
Revenue from sales or services	-	-
Interest Income	50,423	546,466
Other Income	8,268	-
Details of relevant expenses		
Marketing Expenses	4,884	3,856
Occupancy Expenses	6,834	15,266
Administrative Expenses	458,616	408,108
Depreciation and amortisation excluding amortisation of intangibles	4,542	9,558
Accumulated losses	\$	\$
Accumulated losses at beginning of the financial period	(4,313,153)	(4,343,324)
Net profit (loss) attributable to members	(416,185)	1,553,379
Net transfers from (to) reserves	-	-
Net effect of changes in accounting policies	-	-
Dividends and other equity distributions	-	(1,523,208)
Accumulated losses at end of financial period	(4,729,338)	(4,313,153)

**OLEA AUSTRALIS LIMITED
PRELIMINARY FINAL REPORT**

BALANCE SHEET	AS AT	30-June-2010	30-June-2009
		\$	\$
Current Assets			
Cash and cash equivalents		1,530,274	1,171,784
Trade and other receivables		15,202	569,124
Total Current assets		1,545,476	1,740,908
Non-current assets			
Property plant and equipment		-	4,542
Total non-current assets		-	4,542
Total Assets		1,545,476	1,745,450
Current Liabilities			
Trade and other payables		149,124	155,464
Provisions		4,738	13,422
Total current liabilities		153,862	168,886
Total Liabilities		153,862	168,886
Net Assets		1,391,614	1,576,564
Equity			
Issued capital/reserves		6,120,952	5,889,702
Accumulated losses		(4,729,338)	(4,313,153)
Equity attributable to members of parent entity		1,391,614	1,576,549
Outside equity interests in controlled entities		-	15
Total equity		1,391,614	1,576,564

OLEA AUSTRALIS LIMITED
PRELIMINARY FINAL REPORT

	YEAR ENDED	
	30-June-2010	30-June-2009
STATEMENT OF CASH FLOWS	\$	\$
Cash flows from operating activities		
Cash receipts in the course of operations	303,496	1,170,887
Cash payments in the course of operations	(472,081)	(251,967)
Finance costs paid	-	(20)
Interest received	50,825	546,466
Income taxes paid	-	(822,349)
Net cash flows used in operating activities	(117,760)	643,017
Cash flow from investing activities		
Proceeds on disposal of discontinued operation	245,000	10,668,076
Proceeds on disposal of property, plant and equipment	-	8,015
Net cash flows from investing activities	245,000	10,676,091
Cash flows from financing activities		
Net proceeds from issue of shares	231,250	-
Dividends paid	-	(1,523,208)
Return of capital	-	(13,585,536)
Net cash flows provided by financing activities	231,250	(15,108,744)
Net increase (decrease) in cash and cash equivalents	358,490	(3,789,636)
Cash and cash equivalents at the beginning of the financial year	1,171,784	4,961,420
Cash and cash equivalents at the end of the financial year	1,530,274	1,171,784

Non-cash financing and investing activities

There were no non-cash financing and investing transactions which have had a material effect on on consolidated assets and liabilities.

Reconciliation of cash

Reconciliation of cash at the end of period (as shown in the consolidated statements of cash flows) to the related items in the accounts is as follows.

	\$	\$
Cash on hand and at bank	1,530,274	1,171,784
Total cash at end of period	1,530,274	1,171,784

EARNINGS PER SECURITY (EPS)

The weighted average number of ordinary shares used in the calculation of basic earnings per share is 623,272,464 (2009: 616,683,423)

NTA Backing

Net tangible asset backing per ordinary security

30-June-2010	30-June-2009
\$0.00196	\$0.0025

OLEA AUSTRALIS LIMITED**PRELIMINARY FINAL REPORT****Dividends/Distribution**

Amount per Security

Amount per Security	Franked amount per security at % tax	Amount per security of foreign source dividend
Final dividend : Current year	NIL	N/A
Final dividend : Previous Year	0.247cents	NIL
Interim dividend : Current year	NIL	N/A
Interim dividend : Previous Year	NIL	N/A

Total dividend (Distribution) per security (interim plus final)

Ordinary securities

Current Year	Previous Year
NIL	0.247Cents

Preliminary Final Report - final distribution on all securities

Ordinary securities

Orther equity instruments

Current Year	Previous corresponding period - \$
NIL	1,523,208
NIL	0
NIL	1,523,208

No distribution plans were in operation during 2010 and 2009 years.

OLEA AUSTRALIS LIMITED**PRELIMINARY FINAL REPORT****ISSUED AND QUOTED SECURITIES**

Category of securities	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
Ordinary securities	709,183,423	709,183,423	N/A	N/A
Options	N/A	N/A	N/A	N/A
Issued during current period				
(a) Increase through issues	92,500,000	92,500,000	\$0.0025	\$0.0025
(b) In lieu of services	NIL	NIL	N/A	N/A
Exercised during current period	NIL	NIL	N/A	N/A
Expired during current period	NIL	NIL	N/A	N/A

BASIS OF FINANCIAL REPORT PREPARATION

There has been no event since the end of the current period which has had a material effect and which is not already reported in this Report or attachments.

TAXATION

(a) Income tax expense

The components of tax expense comprise:

Current tax

Deferred tax

Tax expense

The reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Company's applicable income tax rate is as follows:

Accounting profit/(loss) before tax from continuing operations

Accounting profit/(loss) before tax from discontinuing operations

Income tax expense/(benefit) at 30%

Tax losses utilised

Tax losses not recognised

Other non allowable items

Other tax deferred balances not recognised

Franking credits utilised

Over/Under provision in prior year

Sundry items

Income tax benefit/(expense)

Income tax expense comprises:

Current tax

Income tax benefit/(expense)

Closing balance at 30 June

The following deferred tax balances have not been recognised:

Deferred tax assets at 30%

Carry forward revenue losses

Temporary differences

	2010	2009
	\$	\$
Accounting profit/(loss) before tax from continuing operations	(416,185)	109,278
Accounting profit/(loss) before tax from discontinuing operations	-	1,401,721
	(416,185)	1,510,999
Income tax expense/(benefit) at 30%	(124,856)	453,300
Tax losses utilised	-	(408,385)
Tax losses not recognised	121,907	-
Other non allowable items	21,571	-
Other tax deferred balances not recognised	(18,622)	-
Franking credits utilised	-	(480,026)
Over/Under provision in prior year	-	(42,380)
Sundry items	-	435,111
Income tax benefit/(expense)	-	(42,380)
<i>Income tax expense comprises:</i>		
Current tax	-	(42,380)
Income tax benefit/(expense)	-	(42,380)
Closing balance at 30 June	-	-
The following deferred tax balances have not been recognised:		
Deferred tax assets at 30%		
Carry forward revenue losses	773,982	773,982
Temporary differences	20,431	-
	794,413	773,982

DISCONTINUED OPERATIONS**(a) Details of operations disposed of**

On 23 June 2009, the Board of directors entered into a sale agreement to dispose of their retail olive oil business. The final condition of the disposal was met on 22 July 2009. The proceeds from the sale of \$245,000 were received on 29 July 2009. ✓

(b) Financial performance of main undertaking disposed of

	30 June 2010 \$	30 June 2009 \$
Revenue	-	1,070,732
Expenses / losses	-	-
Gross profit/(loss)	-	1,070,732
Gain on Disposal	-	-
Profit before tax from discontinued operations	-	1,070,732
Tax expense on disposal of discontinued operations	-	-
Existing deferred tax liability	-	-
Profit for the year from discontinued operations	-	1,070,732

(c) Assets and liabilities and cash flow information of main undertaking disposed of

	2009 \$
Assets	-
Liabilities	-
<i>Net cash inflow on disposal:</i>	
Cash and cash equivalents consideration	10,668,076
Less cash and cash equivalents balance disposed of	-
Reflected in the consolidated cash flow statement	10,668,076

(b) Financial performance of retail olive oil business disposed of

	30 June 2010	30 June 2009
	\$	\$
Revenue	-	869,557
Expenses / losses	-	(638,564)
Gross profit/(loss)	-	230,993
Gain on Disposal	-	99,996
Profit before tax from discontinued operations	-	330,989
Tax expense on disposal of discontinued operations	-	-
Existing deferred tax liability	-	-
Profit for the year from discontinued operations	-	330,989

(c) Assets and liabilities and cash flow information of main undertaking disposed of

	2009
	\$
Assets	
Inventory	140,668
Property, plant & equipment	8,014
Net assets attributable to discontinued operations	148,682
<i>Consideration receivable:</i>	
Present value of deferred sales proceeds	(248,678)
Gain on disposal before income tax	(99,996)
<i>Net cash inflow on disposal:</i>	
Cash and cash equivalents consideration	-
Less cash and cash equivalents balance disposed of	-
Reflected in the consolidated cash flow statement	-