Marbletrend Group Limited
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24 August 2011

Company Announcements Office
ASX Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

PRELIMINARY FINAL REPORT

- **Results reflect material increase in profit and core revenues;**
- **Continuing to focus on core business and growth options;**
- **Final fully franked dividend of 0.5 cents per share declared and payable on 28 October 2011; and**
- **Dividend Reinvestment Plan to operate with 5% discount.**

The Group's results for FY 2011 are pleasing with continued growth in its core product ranges and markets, despite continued softness in mining services revenue in both Western Australia and Queensland.

The Group's overall profit after tax for FY 2011 increased to a profit of $1,390,540 from a profit of $1,228,804 last year, a net improvement of $161,736 or 13.2%. Pre-tax profit increased to $2,164,406 from a profit of $1,726,298, a net improvement of $438,108 or 25.4%.

The Group's profit after tax for FY 2011 attributable to members of Marbletrend Group Limited was a profit of $1,043,953 (2010: $930,514), an increase of 12.2%. The Group's revenues (net of rebates and discounts) increased to $42.3 million (2010: $37.2 million) reflecting a 13.7% increase.

The Directors of Marbletrend Group Limited (**MBD or Company**) are pleased to advise that the Company has declared a final fully franked dividend of 0.5 cents per share payable to Shareholders on 28 October 2011, with the record date being 5:00 pm (AEST) on 13 October 2011 (**Record Date**).

The Company's Dividend Reinvestment Plan (**DRP**) <u>will operate</u> in respect to this final dividend pursuant to the DRP Rules. To be effective, a shareholder must elect to participate in the DRP at least five business (5) days prior to the record date. The price, for the purposes of the issuance of DRP Shares will be a **5% discount** to the volume weighted average price for a Share during the 5 trading days up to and including the record date. No brokerage, commission or other transaction costs will be payable by a participant in the DRP.

Total gross revenue (before rebates and discounts) for the Group was $46.8 M in FY 2011 (2010: $40.9 M), an increase of 14.4%. Marbletrend's core product range continued to trade well in FY 2011 with margins steadily improving despite continued softness in mining services revenue in both Western Australia and Queensland. Sales revenues in Victoria and Tasmania exceeded budget.

During the year, the Board undertook various capital management initiatives including the buying back and cancellation of 1,314,351 shares at a cost of $145,210 and the introduction of a DRP in relation to the FY11 interim and final dividend.

On 31 August 2010, the Board announced the declaration of a fully franked final FY10 dividend of 0.5 cents per share (inclusive of the $120,000 special dividend announced on 30 June 2010) payable to Shareholders on 29 October 2010.

On 11 May 2011, the Board announced the declaration of a fully franked interim dividend of 0.5 cents per share payable to Shareholders on 7 June 2011 and the implementation of the DRP in respect to this dividend.

Fully franked dividends of 1 cent per share (0.5 cents per share last year) were paid during the 2011 Financial Year and the instigation of the DRP allowed shareholders to acquire shares at a discount to the prevailing share price.

On 3 February 2011 the Board announced that it had come to agreement with representatives of John Penman Patterns Pty Ltd (JPP) in respect to the acquisition of the remaining 30% of Marbletrend Holdings Pty Ltd that Marbletrend Group Limited did not own. This resulted in Marbletrend Group Limited owning 100% of Marbletrend Pty Ltd – the main operating business of the Marbletrend Group. The acquisition was for $2,608,500 which after adjustments in respect to monies owing to Marbletrend Group Limited, a sum of $2,258,500 was paid to JPP at completion of the acquisition.

A subsequent General Meeting of shareholders held on 31 May 2011, ratified the requisite financial support resolutions required by the Company's banker in respect to the provision of an additional $2.0 million facility to facilitate the JPP acquisition.

The JPP acquisition has been earnings accretive and has increased net tangible assets per share of Marbletrend Group Limited to 12.10 cents (2010: 3.65 cents).

Improved trading results have been achieved through a general increase in sales in all product lines period on period and with a major increase in vanity sales. The Board is also pleased to note a more margin friendly product mix has been sold during the year which has assisted in the maintenance of gross margins. This, in part, has been driven by a more secure supply chain and increased efficiencies both in terms of procurement and manufacturing efficiency in China.

The Board also notes that the building sector has remained consistent with continued challenges in the Queensland market. It is likely the housing market will be challenged in the near term particularly having regard to the existing uncertainty in financial markets; however the underlying fundamentals of this sector remain positive. Research, development and innovation of new product undertaken during the year will see the Company release new products over the next six months which on initial market research will enhance both revenue and margin but also provide an additional competitive edge to the Marbletrend product range. The company will further develop our continuous innovation platform. In addition, the resilience and strength of the “do-it-yourself” (DIY) market continues to support the core business activities of Marbletrend.

The Company over the past 12 months has continued to focus on enhancing the stability and security of its supply chain out of China including the appointment of additional manufacturers to de-risk the existing manufacturing base. A recent trip to China has also highlighted additional opportunities that the Company is now pursuing. Our local manufacturing base is solid and adding value.

During the year, the Company invested in a number of training and development initiatives in order to enhance the skills and capabilities of its workforce and this will continue to be a key focus of management. The Company has also focused extensively on occupational health and safety issues.

Consumer confidence continues to be fragile although it is evident that the DIY market and new homes have continued to support an underlying “fully employed” work force within Australia which in turn supports the acquisition of Marbletrend’s products.

The Company will continue to invest in logistics and supply chain management, particularly having regard to growth in revenues and warehousing capabilities.

There is likely to be increased margin pressure as a result of key customers focusing on increased domestic competition and the challenge for the Board and the Company is to both maintain strength of revenues, diversity of product range within the Company’s core focus, innovation in product development and manufacture together with margin protection.

As a consequence, whilst the Board will continue to review potential acquisitions and investments, the Board will maintain a core strategic focus on development of the business through organic growth, innovation and investment in its people.

During the year, the Board accepted the resignation of its Managing Director Rob Walton and we again thank him for his tremendous contribution to the Company. After undertaking an extensive recruitment process, we were also delighted to announce the appointment of Jeff Nicol as Managing Director of the Group with effect from 4 July 2011. Jeff has over 20 years experience in manufacturing, distribution, wholesaling and retailing mainly in building supply and related products. Jeff was formerly the General Manager of Trade at Bunnings Group Limited with profit and loss responsibility for the Bunnings Trade business and was also responsible for driving the strategies focused on developing all trade markets including residential and commercial construction.

Finally, the Board would like to thank our customers for their ongoing support and all Marbletrend staff for their efforts and commitment to the business.

Enquiries contact:

Marbletrend Group Limited
Hamish Giles
Executive Chairman
03 9820 2087

ABN 34 087 730 667

Appendix 4E
Preliminary final report

Financial year ended 30 June 2011
(previous corresponding period: year ended 30 June 2010)

RESULTS FOR ANNOUNCEMENT TO THE MARKET
Information given to ASX under listing rule 4.2A.3

		$
Revenue from ordinary activities (after rebates and discounts)	Up 13.7% to	42,254,430
Profit /(loss) from ordinary activities after tax attributable to members	Up 12.2% to	1,043,953

Dividends

Fully franked dividends of $483,994 (2010: $434,622) were paid or declared by the Group during the 2011 financial year on ordinary shares.

The Group has declared a final fully franked dividend for FY 2011 of 0.5 cents per share (2010: 0.5 cents) and the Company's Dividend Reinvestment Plan will operate in respect to this dividend.

	2011	2010
Earnings per share attributable to the ordinary equity holders of the parent		
Basic earnings per share (cents)	**1.72**	1.49
Diluted earnings per share (cents)	**1.72**	1.49
Net Tangible Assets attributable to the ordinary equity holders of the parent (note 6)		
Net Tangible Assets ($)	**7,297,901**	2,227,057
Net Tangible Assets per share (cents)	**12.10**	3.65
Net Tangible Assets per share adjusted for intellectual property (cents)	**12.67**	4.22

Highlights Summary

Selected financial information	2011	2010	% change
Revenue (after discount and rebates) ($)	42,254,430	37,150,420	13.7%
Profit /(loss) before tax, interest, depreciation, amortisation and impairment ($)	3,217,743	2,749,903	17.0%
Profit /(loss) before Non Controlling Interest and after tax ($)	1,390,540	1,228,804	13.2%
Return to members of MBD as a % of Average Assets (%)	4.68%	4.44%	
Return to members of MBD as a % of Average Equity (%)	12.05%	13.02%	

1. Financial Performance

The Group's profit after tax for FY 2011 increased to a profit of $1,390,540 from a profit of $1,228,804 last year, a net improvement of $139,430. Pre-tax profit was a profit of $2,164,406 from a profit of $1,726,298, a net improvement of $438,108.

The Group's results for FY 2011 are pleasing, despite continued softness in mining services revenue in both Western Australia and Queensland.

Total gross revenue (excluding rebates and discounts) for the Group was $46.8M in FY 2011 (2010: $40.9M). Marbletrend's core product range continued to trade well in FY 2011 with margins steadily improving despite continued softness in mining services revenue in both Western Australia and Queensland. Sales revenues in Victoria and Tasmania exceeded budget.

Fully franked dividends of 1 cent per share (0.5 cents per share last year) were paid during the 2011 financial year and the instigation of the DRP allowed shareholders to acquire shares in the Company at a 5% discount to the prevailing weighted average price.

2. Balance Sheet

During the year, the Board undertook various capital management initiatives including the buying back and cancellation of 1,314,351 shares at a cost of $145,210 and the introduction of a Dividend Reinvestment Plan in relation to the FY11 interim dividend.

As a consequence of robust sales during the year and the need to maintain stock levels to key customers, stock on hand and in transit increased almost $2.0 million to $9,845,404 (2010: $7,875,486). This increase continues to place pressure on working capital, which necessitates management's continued focus on debtor recovery.

The JPP acquisition has increased net tangible assets per share of Marbletrend Group Limited to 12.10 cents (2010: 3.65 cents).

3. Acquisition and Investments

On 3 February 2011 the Board announced that it had come to agreement with representatives of John Penman Patterns Pty Ltd (JPP) in respect to the acquisition of the remaining 30% of Marbletrend Holdings Pty Ltd that Marbletrend Group Limited did not own. This resulted in Marbletrend Group Limited owning 100% of Marbletrend Pty Ltd – the main operating business of the Marbletrend Group. The acquisition was for $2,608,500 which after adjustments in respect to monies owing to Marbletrend Group Limited, a sum of $2,258,500 was paid to JPP at completion of the acquisition.

A subsequent General Meeting of shareholders held on 31 May 2011, ratified the requisite financial support resolutions required by the Company's banker in respect to the provision of an additional $2.0 million facility to finance the JPP acquisition.

The JPP acquisition has been earnings accretive.

4. Operations

The operations of Marbletrend are predominantly within Australia with very minor export income. Marbletrend specialises in the manufacture, import and warehousing and distribution of bathroom products for major customers throughout Australia including Bunnings, Reece, Trade Link, Plumbing Plus, Plumbtec and Mitre 10. It operates warehousing and branch office facilities in Victoria, Queensland, Western Australia and New South Wales with agencies supporting the operations of the business in South Australia, the Northern Territory, Tasmania and Northern Queensland. Marbletrend continues to support its Australian manufacturing which is located at Bayswater, Victoria.

Senior Management has over the past 12 months spent significant time both strategically and physically in China assessing manufacturing competencies, diversity for manufacturing and de-risking the Company's supply chain. This has included further investment in a distribution centre, engagement with Chinese domiciled agents and consultants in respect to product innovation and manufacturing and investment in distribution and logistics software.

This strategy has continued to realize best practice policies in respect to container load out, opportunities to participate in new product ranges, introductions to diversified manufacturing opportunities and enhanced local knowledge in respect to existing core product lines. During FY 2011, strength in the AUD assisted in margin whilst a reduction in mining services activity was compensated for by enhanced revenues in other core product lines.

Over the past 12 months management has continued to focus on debtor and stock management together with implementation of greater efficiencies during the year.

With greater than a 10% increase during the year in gross revenues, driven in part by a significant increase in vanity sales, management have specifically focused on warehouse logistics and stock management which continues to be challenging in light of the Company's existing property footprint. Revenue increases drives the need to hold greater levels of stock to meet customer requirements. FY 2011 has seen an increase in stock holdings of $2.0 million (2010: $1.3 million). As a consequence, the Company has retained external property consultants and supply chain logistics experts to review the current state of the business with a view to strategically advising as to the necessary steps that the Company will need to take as it seeks to grow its revenue base, product range and markets, both domestically and overseas.

The Victorian market continues to represent a major component of Marbletrend's overall sales together with both Queensland and Western Australia. A change in management structure and greater executive focus on New South Wales has seen revenues continue to lift in that region.

The Company continues to focus on research and development and innovation in order to develop greater diversity of product and in strategic initiatives in respect to Chinese manufacturing to deliver greater longer term revenues and margins in respect to the Company's activities whilst protecting its market share. Additionally, the Company has further developed its recognition of needing to understand fashion and trends and accordingly, during the year has undertaken extensive market research which will provide the platform for an enhanced and more focused sales and marketing strategy in FY12.

During the year Marbletrend continued its focus on Occupational Health and Safety guidelines and standards, better management of its inventory, implemented a restructure of its property requirements in Victoria and Western Australia and instigated a detailed strategic review of its property and warehousing requirements for the future. Various cost efficiencies have been realised during the year.

5. Outlook for FY 2012

The Board also notes that the building sector has remained consistent with continued challenges in the Queensland market. It is likely the housing market will be challenged in the near term particularly having regard to the existing uncertainty in financial markets; however the underlying fundamentals of this sector remain positive. Research, development and innovation of new products undertaken during the year will see the Company release new products over the next 6 months which on initial testing will enhance both revenue and margin but also provide an additional competitive edge to the Marbletrend product range. The Company will further develop our continuous innovation platform. In addition, the resilience and strength of the “do-it-yourself” (DIY) market continues to support the core business activities of Marbletrend.

The Company over the past 12 months has continued to focus on enhancing the stability and security of its supply chain out of China including the appointment of additional manufacturers to de-risk the existing manufacturing base. A recent trip to China has also highlighted additional opportunities that the Company is now pursuing.

During the year, the Company invested in a number of training and development initiatives in order to enhance the skills and capabilities of its workforce and this will continue to be a key focus of management. The Company has also focused extensively on occupational health and safety issues.

Consumer confidence continues to be fragile although it is evident that the DIY market and new homes have continued to support an underlying “fully employed” work force within Australia which in turn supports the acquisition of Marbletrend’s products.

The Company will continue to invest in logistics and supply chain management, particularly having regard to growth in revenues and warehousing capabilities.

There is likely to be increased margin pressure as a result of key customers focusing on increased domestic competition and the challenge for the Board and the Company is to both maintain strength of revenues, diversity of product range within the Company’s core focus, innovation in product development and manufacture together with margin protection.

As a consequence, whilst the Board will continue to review potential acquisitions and investments, the Board will maintain a core strategic focus on development of the business through organic growth, innovation and investment in its people.

The Board intends to invest in the business over the coming year which is likely to increase the cost base of the Company with the view to increasing the management base to leverage greater sales and margins in the coming years. A particular focus of this spend will be in respect to marketing and innovation together with a review of the Company’s supply chain and logistics.

6. Management Changes

During the year, the Board accepted the resignation of its Managing Director Rob Walton and after undertaking an extensive recruitment process we were also delighted to announce the appointment of Jeff Nicol as Managing Director of the Group with effect from 4 July 2011.

Jeff has over 20 years experience in manufacturing, distribution, wholesaling and retailing mainly in building supply and related products. Jeff was formerly the General Manager of Trade at Bunnings Group Limited with profit and loss responsibility for the Bunnings Trade business and was also responsible for driving the strategies focused on developing all trade markets including residential and commercial construction.

Statement of Comprehensive Income
For the Year ended 30 June 2011

	Note	Consolidated 2011 $	2010 $
Continuing operations			
Sale of goods (net of rebates and discounts)		**42,243,312**	37,050,158
Other revenue	3(a)	**11,118**	100,262
Revenue		**42,254,430**	37,150,420
Cost of Sales		**(26,561,966)**	(23,820,365)
Gross profit		**15,692,464**	13,330,055
Net gain / (loss) on available for sale financial assets		**(90,120)**	256,654
Distribution expenses		**(3,658,419)**	(3,241,796)
Marketing expenses		**(1,387,828)**	(1,084,732)
Occupancy expenses		**(2,006,789)**	(1,464,903)
Administrative expenses		**(5,701,807)**	(5,493,298)
Finance costs		**(308,921)**	(269,479)
Other expenses	3(b)	**(374,174)**	(305,856)
Fair value loss on financial instrument		**-**	(347)
Profit/(loss) from continuing operations before income tax		**2,164,406**	1,726,298
Income tax expense		**(773,866)**	(497,494)
Net profit/(loss) for the period from continuing operations		**1,390,540**	1,228,804
Other comprehensive income			
Net fair value gain/(loss) on available-for-sale financial assets		**45,956**	24,101
Total other comprehensive income		**45,956**	24,101
Total comprehensive income for the period		**1,436,496**	1,252,905
Net profit/(loss) for the period is attributable to:			
Non-controlling interest		**346,587**	298,290
Owners of the parent		**1,043,953**	930,514
		1,390,540	1,228,804
Total comprehensive income for the period is attributable to:			
Non-controlling interest		**346,587**	298,290
Owners of the parent		**1,089,909**	954,615
		1,436,496	1,252,905
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the parent:			
Basic earnings per share (cents)		**1.72**	1.49
Diluted earnings per share (cents)		**1.72**	1.49

Statement of Financial Position
As at 30 June 2011

	Note	Consolidated 30 June 2011 $	30 June 2010 $
ASSETS			
Current assets			
Cash and cash equivalents	**4**	**32,977**	577,351
Trade and other receivables		**7,597,951**	6,602,057
Inventories		**9,845,404**	7,875,486
Total current assets		**17,476,332**	15,054,894
Non-current assets			
Available for sale financial assets		**64,900**	172,625
Property, plant and equipment		**2,610,003**	2,366,859
Deferred tax assets		**442,505**	558,065
Intangible assets		**348,550**	492,750
Goodwill		**2,351,162**	2,378,112
Other receivables		**-**	292,450
Total non-current assets		**5,817,120**	6,260,861
TOTAL ASSETS		**23,293,452**	21,315,755
LIABILITIES			
Current liabilities			
Bank overdraft	**4**	**198,722**	-
Trade and other payables		**6,924,280**	5,445,016
Interest-bearing loans and borrowings		**175,362**	1,208,217
Income tax payable		**431,827**	2,845
Provisions		**538,898**	787,162
Total current liabilities		**8,269,089**	7,443,240
Non-current liabilities			
Interest-bearing loans and borrowings		**4,864,178**	1,923,920
Deferred tax liability		**122,283**	159,011
Provisions		**40,288**	52,422
Non controlling interest		**-**	4,403,694
Total non-current liabilities		**5,026,749**	6,539,047
TOTAL LIABILITIES		**13,295,838**	13,982,287
NET ASSETS		**9,997,614**	7,333,468
EQUITY			
Equity attributable to equity holders of the parent			
Contributed equity	**8**	**13,366,998**	13,360,863
Retained Earnings / (Accumulated losses)	**5**	**(3,381,307)**	(6,073,346)
Reserves		**11,923**	45,951
Parent Interests		**9,997,614**	7,333,468
TOTAL EQUITY		**9,997,614**	7,333,468

Statement of Changes in Equity

For the Year ended 30 June 2011

	Consolidated							
	Ordinary shares	Retained earnings	Asset revaluation reserve	Other Reserves	Employee equity benefits reserve	Owners of the parent	Non-controlling interest	Total
	$	$	$	$	$	$	$	$
At 1 July 2010	13,360,863	(6,073,346)	(45,956)	70,427	21,480	7,333,468	-	7,333,468
Profit / (loss) for the period	-	1,043,953	-	-	-	1,043,953	346,587	1,390,540
Other comprehensive income	-	-	45,956	-	-	45,956	-	45,956
Total comprehensive income for the period	-	1,043,953	45,956	-	-	1,089,909	346,587	1,436,496
Transactions with owners in their capacity as owners								
Share based payment	17,604	-	-	-	(9,557)	8,047	-	8,047
Dividend paid/ proposed	-	(483,994)	-	-	-	(483,994)	(80,128)	(564,122)
Shares Issued	133,741	-	-	-	-	133,741	-	133,741
Share buy-back	(145,210)	-	-	-	-	(145,210)	-	(145,210)
Transfer from Share Option Reserve	-	70,427	-	(70,427)	-	-	-	-
Transferred to/ from non-controlling interest	-	2,061,653	-	-	-	2,061,653	(266,459)	1,795,194
At 30 June 2011	13,366,998	(3,381,307)	-	-	11,923	9,997,614	-	9,997,614
At 1 July 2009	13,516,802	(6,569,238)	(70,057)	70,427	10,050	6,957,984	-	6,957,984
Profit / (Loss) for the period	-	930,514	-	-	-	930,514	298,290	1,228,804
Other comprehensive income	-	-	24,101	-	-	24,101	-	24,101
Total comprehensive income for the period	-	930,514	24,101	-	-	954,615	298,290	1,252,905
Transactions with owners in their capacity as owners								
Share based payment	-	-	-	-	11,430	11,430	-	11,430
Dividend paid/ proposed	-	(434,622)	-	-	-	(434,622)	(134,838)	(569,460)
Share buy-back	(155,939)	-	-	-	-	(155,939)	-	(155,939)
Transferred to/ from non-controlling interest	-	-	-	-	-	-	(163,452)	(163,452)
At 30 June 2010	13,360,863	(6,073,346)	(45,956)	70,427	21,480	7,333,468	-	7,333,468

Statement of Cash Flows

For the Year ended 30 June 2011

	Note	Consolidated 2011 $	2010 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**45,412,004**	40,788,617
Payments to suppliers, employees and others (inclusive of GST)		**(43,678,470)**	(39,109,095)
Interest received		**2,337**	7,033
Interest paid		**(308,921)**	(269,479)
Income tax paid		**(350,727)**	(112,503)
Net cash flows from/ (used in) operating activities		**1,076,223**	1,304,573
Cash flows from investing activities			
Dividends received		**7,700**	7,700
Purchase of property, plant and equipment		**(691,952)**	(394,308)
Proceeds from sale of property, plant and equipment		**91,646**	68,909
Proceeds from sale of available-for-sale financial asset		**63,550**	286,654
Payment for purchase of available-for-sale financial asset		**-**	(64,900)
Payment for buy-out of Non Controlling Interest		**(2,258,500)**	-
Net cash flows from/ (used in) investing activities		**(2,787,556)**	(95,945)
Cash flows from financing activities			
Repayment of borrowings		**(314,172)**	(207,418)
Proceeds from borrowings		**2,000,000**	-
Payment for share buy-back		**(145,210)**	(155,939)
Dividends paid		**(572,381)**	(445,310)
Net cash flows from/ (used in) financing activities		**968,237**	(808,667)
Net increase/ (decrease) in cash and cash equivalents		**(743,096)**	399,961
Cash and cash equivalents at beginning of period		**577,351**	177,390
Cash and cash equivalents at end of period	**4**	**(165,745)**	577,351

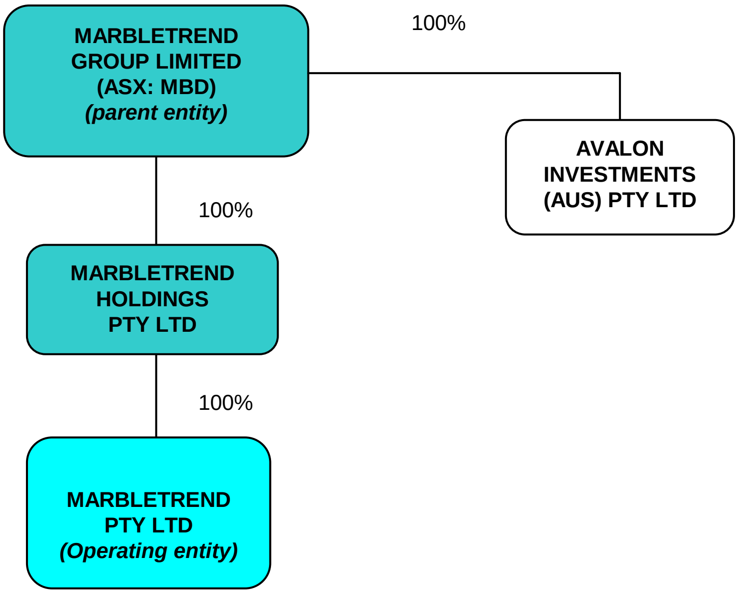
Notes to the Financial Statements
For the Year ended 30 June 2011

1. Basis of preparation and Accounting Policies

Basis of preparation

This preliminary final report has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

Marbletrend Group Limited (**Group** or **Company**) is a Company limited by shares and is incorporated and domiciled in Australia. This report covers the consolidated group of Marbletrend Group Limited and the entities that it controlled during the financial year, which are outlined in the following illustration of the group's corporate structure:



The Group also has two wholly owned subsidiaries as follows:

- Marbletrend Holdings Pty Ltd (ACN 127 289 061).
- Avalon Investments (Aus) Pty Ltd (ACN 103 074 102).

Marbletrend Pty Ltd is a wholly owned subsidiary of Marbletrend Holdings Pty Ltd.

Avalon Investments (Aus) Pty Ltd has been a wholly owned subsidiary since incorporation of the subsidiary.

The preliminary final report is presented in Australian dollars and all values are rounded to the nearest dollar unless otherwise stated.

Apart from the change in accounting policy noted below, the accounting policies and method of computation are the same as those adopted in the most recent annual financial report.

Changes in Accounting Policy

The following amending Standards have been adopted from 1 July 2010. Adoption of these amendments has not resulted in any changes to the Group's accounting policies and have had no affect on the amounts reported for the current or prior periods.

IFRS2 Amendments to International Financial Reporting Standards
The amendments clarify the accounting for group cash-settled share-based payment transactions, in particular, the scope of AASB 2 and the interaction between IFRS 2 and other standards.

An entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash.

AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project
Introduces amendments into Accounting Standards that are equivalent to those made by the IASB under its program of annual improvements to its standards. A number of the amendments are largely technical, clarifying particular terms, or eliminating unintended consequences. Other changes are more substantial, such as the current / non-current classification of convertible instruments, the classification of expenditures on unrecognised assets in the statement of cash flows and the classification of leases of land and buildings.

AASB 2009-8 Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions
This Standard makes amendments to Australian Accounting Standard AASB 2 *Share-based Payment* and supersedes Interpretation 8 *Scope of AASB 2* and Interpretation 11 *AASB 2 – Group and Treasury Share Transactions*.

The amendments clarify the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction.

The amendments clarify the scope of AASB 2 by requiring an entity that receives goods or services in a share-based payment arrangement to account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash

AASB 2009-10 Amendments to Australian Accounting Standards – Classification of Rights Issues
The amendment provides relief to entities that issue rights in a currency other than their functional currency, from treating the rights as derivatives with fair value changes recorded in profit or loss. Such rights will now be classified as equity instruments when certain conditions are met.

AASB 2009-12 Amendments to Australian Accounting Standards
This amendment makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations. The amendment to AASB 124 clarifies and simplifies the definition of a related party as well as providing some relief for government-related entities (as defined in the amended standard) to disclose details of all transactions with other government-related entities (as well as with the government itself)

AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19
This amendment to AASB 1 allows a first-time adopter may apply the transitional provisions in Interpretation 19 as identified in AASB 1048.

Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments
This interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability are “consideration paid” in accordance with paragraph 41 of IAS 39. As a result, the financial liability is derecognised and the equity instruments issued are treated as consideration paid to extinguish that financial liability.

The interpretation states that equity instruments issued in a debt for equity swap should be measured at the fair value of the equity instruments issued, if this can be determined reliably. If the fair value of the equity instruments issued is not reliably determinable, the equity instruments should be measured by reference to the fair value of the financial liability extinguished as of the date of extinguishment.

AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project
Amends a number of pronouncements as a result of the IASB's 2008-2010 cycle of annual improvements to provide clarification of certain matters.

The key clarifications include:

- The measurement of non-controlling interests in a business combination
- Transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised AASB 3 Business Combinations (2008)
- Transition requirements for amendments arising as a result of AASB 127 Consolidated and Separate Financial Statements.

Accounting Standards and Interpretations issued but not yet effective
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting year ending 30 June 2011 are listed below:

Standard / Interpretation	Summary	Application date of standard*	Application date for Group*
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9	The revised Standard introduces a number of changes to the accounting for financial assets, the most significant of which includes: • two categories for financial assets being amortised cost or fair value • removal of the requirement to separate embedded derivatives in financial assets • strict requirements to determine which financial assets can be classified as amortised cost or fair value, Financial assets can only be classified as amortised cost if (a) the contractual cash flows from the instrument represent principal and interest and (b) the entity's purpose for holding the instrument is to collect the contractual cash flows • an option for investments in equity instruments which are not held for trading to recognise fair value changes through other comprehensive income with no impairment testing and no recycling through profit or loss on derecognition • reclassifications between amortised cost and fair value no longer permitted unless the entity's business model for holding the asset changes • changes to the accounting and additional disclosures for equity instruments classified as fair value through other comprehensive income	1 January 2013	1 July 2013
AASB 2010-2 Amendments to Australian Accounting Standards arising from reduced disclosure requirements	This Standard gives effect to Australian Accounting Standards - Reduced Disclosure Requirements. AASB 1053 provides further information regarding the differential reporting framework and the two tiers of reporting requirements for preparing general purpose financial statements.	30 June 2014	1 July 2014

Standard / Interpretation	Summary	Application date of standard*	Application date for Group*
AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	Emphasises the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments. Clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. Provides guidance to illustrate how to apply disclosure principles in AASB 134 for significant events and transactions. Clarify that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme, is to be taken in account.	31 December 2011	1 July 2012
AASB 1053 Application of Tiers of Australian Accounting Standards	This Standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements: a) Tier 1: Australian Accounting Standards; and b) Tier 2: Australian Accounting Standards - Reduced Disclosure Requirements. Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements. The following entities apply Tier 1 requirements in preparing general purpose financial statements: a) for-profit entities in the private sector that have public accountability (as defined in this Standard); and b) the Australian Government and State, Territory and Local Governments. The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements: a) for-profit private sector entities that do not have public accountability; b) all not-for-profit private sector entities; and c) public sector entities other than the Australian Government and State, Territory and Local Governments.	30 June 2014	1 July 2014
AASB 1054 Australian Additional Disclosures	This standard is as a consequence of phase 1 of the joint Trans-Tasman Convergence project of the AASB and FRSB. This standard relocates all Australian specific disclosures from other standards to one place and revises disclosures in	30 June 2012	1 July 2012

Standard / Interpretation	Summary	Application date of standard*	Application date for Group*
	the following areas: (a) Compliance with Australian Accounting Standards (b) The statutory basis or reporting framework for financial statements (c) Whether the financial statements are general purpose or special purpose (d) Audit fees (e) Imputation credits (f) reconciliation of net operating cash flow to profit (loss).		
AASB 2010-05 Amendments to Australian Accounting Standards	The Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the International Accounting Standards Board.	31 December 2011	1 July 2012
AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence project	This Standard amendments many Australian Accounting Standards, removing the disclosures which have been relocated to AASB 1054.	30 June 2012	1 July 2012
IFRS 13 Fair Value Measurement	IFRS 13 establishes a single source of guidance under IFRS for determining the fair value of assets and liabilities. IFRS 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value under IFRS when fair value is required or permitted by IFRS. Application of this definition may result in different fair values being determined for the relevant assets. IFRS 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.	31 December 2013	1 July 2014

*designates the beginning of the applicable annual reporting period unless otherwise stated

The Group is in the process of determining the extent of the impact, if any, of these Standards / Interpretations.

Comparatives

Where necessary the comparative information has been reclassified and repositioned for consistency with current period disclosures.

2. Operating Segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the manner in which the product is sold. Discrete financial information about each of these operating businesses is reported to the executive management team on at least a monthly basis.

The reporting segments are based on aggregated operating segments determined by the similarity of the products produced and sold/or the services provided, as these are sources of the Group's major risks and have the most effect on the rates of return.

Types of products and services

Bathroom Products

The Bathroom Products business is a manufacturer, importer and wholesaler of bathroom products for major customers throughout Australia. The products supplied in this business are shower bases, shower systems, vanities, free standing and acrylic baths, toilets and vitreous china bowls. The bathroom products business has been determined as an operating segment and reporting segment.

Corporate

The Corporate business provides technical services to the entire group. Some of these technical services included governance matters, compliance issues, strategic planning, accounting and legal advice. The corporate business has been determined as an operating segment and reporting segment.

Accounting policies and inter-segment transactions

The accounting policies used by the Group in reporting segments internally are the same as those contained in note 1 to the accounts and in the prior period except as detailed below;

Corporate Charges

Corporate charges comprise non-segmental expenses such as head office expenses and interest. Corporate charges are allocated to each business segment on a proportionate basis.

The following table presents revenue and profit information and certain asset and liability information for business segments for the years ended 30 June 2011 and 30 June 2010.

2. Operating Segments (continued)

	Bathroom Products $	Corporate $	Total $
Year ended 30 June 2011			
Revenue			
Sales to external customers	42,243,312	-	42,243,312
Other revenue	-	11,118	11,118
Inter-segment revenue	-	810,595	810,595
Total segment revenue	42,243,312	821,713	43,065,025
Segment net operating profit after tax	1,672,073	261,106	1,933,179
Interest revenue	-	61,386	61,386
Interest expense	329,411	28,207	357,618
Depreciation and amortisation	744,416	-	744,416
Income tax expense	719,125	54,741	773,866
Segment assets as at 30 June 2011	23,375,989	9,037,667	32,413,656
Capital expenditure	935,963	-	935,963
Segment Liabilities as at 30 June 2011	12,048,869	1,993,495	14,042,364

	Bathroom Products $	Corporate $	Total $
Year ended 30 June 2010			
Revenue			
Sales to external customers	37,050,158	-	37,050,158
Other revenue	5,268	94,994	100,262
Inter-segment revenue	-	504,489	504,489
Total segment revenue	37,055,426	599,483	37,654,909
Segment net operating profit after tax	994,301	525,025	1,519,326
Interest revenue	5,268	55,632	60,900
Interest expense	322,907	438	323,345
Depreciation and amortisation	754,126	-	754,126
Changes in fair value of financial instruments	-	(347)	(347)
Income tax expense	431,707	65,787	497,494
Segment assets as at 30 June 2010	20,840,865	7,499,440	28,340,305
Capital expenditure	587,228	-	587,228
Segment Liabilities as at 30 June 2010	10,518,175	320,870	10,839,045

2. Operating Segments (continued)

i) Segment revenue reconciliation to the statement of comprehensive income

	2011	2010
Total segment revenue	**43,065,025**	37,654,909
Inter-segment revenue elimination	**(810,595)**	(504,489)
Total revenue	**42,254,430**	37,150,420
Geographical revenue		
Australia	**42,254,430**	37,064,892
United States	**-**	85,528
Total Revenue	**42,254,430**	37,150,420

Revenue from external customers by geographical locations is detailed below. Revenue is attributed to geographical location based on the location of the customers. The company does not have external revenues from external customers that are attributable to any foreign country other that as shown.

ii) Segment net operating profit after tax reconciliation to the statement of comprehensive income

Reconciliation of segment net operating profit / (loss) after tax to net profit / (loss) before tax:

	2011	2010
Segment net operating profit after tax	**1,933,179**	1,519,326
Income tax expense at 30% (2010: 30%)	**773,866**	497,494
Net fair value gain / (loss) on available-for-sale financial assets	**45,956**	24,101
Intersegment eliminations	**(588,595)**	(314,623)
Profit/(loss) from continuing operations before income tax per the statement of comprehensive income	**2,164,406**	1,726,298

iii) Segment assets reconciliation to the statement of financial position

	2011	2010
Segment operating assets	**32,413,656**	28,340,305
Intersegment eliminations	**(9,120,204)**	(7,024,550)
Total assets per the statement of financial position	**23,293,452**	21,315,755

The analysis of the location of non-current assets other than financial instruments and deferred tax assets is as follows.

	2011	2010
Australia	**5,309,715**	5,530,171
Total	**5,309,715**	5,530,171

iv) Segment liabilities reconciliation to the statement of financial position

	2011	2010
Segment operating liabilities	**14,042,364**	10,839,045
Intersegment eliminations	**(746,526)**	(1,260,452)
Non-controlling interest	**-**	4,403,694
Total liabilities per the statement of financial position	**13,295,838**	13,982,287

3. Revenue, Income and Expenses

	Consolidated 2011 $	Consolidated 2010 $
(a) Other Revenue		
Finance revenue	**2,337**	7,034
Distribution from partnerships	**-**	85,528
Dividend income	**7,700**	7,700
Other income	**1,081**	-
	11,118	100,262
(b) Other Expenses		
Amortisation - Intellectual Property	**246,200**	219,000
Loss on disposal of fixed assets	**102,958**	36,922
Bad debts expense	**7,000**	42,000
Other expenses	**18,016**	7,934
	374,174	305,856

4. Cash and Cash Equivalents

	Consolidated 2011 $	Consolidated 2010 $
Cash at bank and in hand	**32,977**	577,351

Reconciliation to statement of cash flows

For the purpose of the statement of cash flows, cash and cash equivalents are comprised of the following at year end:

	2011 $	2010 $
Cash at bank and in hand	**32,977**	577,351
Bank overdraft	**(198,722)**	-
	(165,745)	577,351

5. Accumulated Losses

	Consolidated 2011 $	Consolidated 2010 $
Balance 1 July	**(6,073,346)**	(6,569,238)
Profit/ (loss) for the year	**1,043,953**	930,514
Transfer from Other Reserves	**70,427**	-
Transfer upon buyout of Non Controlling Interest	**2,061,653**	-
Dividends paid during the year	**(483,994)**	(434,622)
Balance 30 June	**(3,381,307)**	(6,073,346)

6. Net Tangible Assets Per Share

	Consolidated	
	2011 $	2010 $
Net Tangible Assets per share	**12.10**	3.65
Add: Intellectual property	**0.58**	0.57
Net Tangible Assets per share adjusted for intellectual property rights	**12.67**	4.22

7. Commitment and Contingencies

The Group has no commitments or contingencies, other than ordinary operating leases undertaken in the ordinary course of business.

8. Contributed Equity

	2011	2010
Ordinary Shares		
Issued and fully paid	60,335,118	60,973,298
	Unit	**$**
Movement in ordinary shares on issue		
As 1 July 2010	60,973,298	13,360,863
Issue of Shares	1,631,171	133,741
Vesting of Shares per Employee Share Plan	-	17,604
Shares cancelled	(955,000)	-
Share buy back	(1,314,351)	(145,210)
At 30 June 2011	**60,335,118**	13,366,998

9. Events After the Balance Sheet Date

The Company declared a fully franked final divided of 0.5 cents per share payable to Shareholders on 28 October 2011 and the Company's Dividend Reinvestment Plan (**DRP**) will operate in respect to this final dividend.

10. Information on Audit or Review

This preliminary final report is based on accounts to which one of the following applies:

- ☐ The accounts have been audited
- ☐ The accounts have been subject to review
- ☑ The accounts are in the process of being audited or reviewed
- ☐ The accounts have not yet been audited or reviewed

Description of likely dispute or qualification if the accounts have not yet been audited or subject to review or are in the process of being audited or subject to review.

Not Applicable

Description of dispute or qualification if the accounts have been audited or subject to review.

Not Applicable