



**Marbletrend Group Limited**

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ABN 34 087 730 667

16 February 2012

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

### **INTERIM REPORT**

- **Results reflect material increase to core revenues with margins being maintained;**
- **Business Improvement Initiatives undertaken;**
- **Uncertain trading environment; and**
- **Increased interim fully franked dividend of 0.55 cents per share declared and Dividend Reinvestment Plan maintained.**

The Board is pleased to announce that Marbletrend Group Limited (**Marbletrend** or the **Company**) has, despite uncertain trading conditions, recorded a half year after tax profit attributable to members of **\$785,196** (2011: \$442,436) representing an **increase of 77.5%** after completion of the acquisition of the remaining minority interest in March 2011 which also allowed the Company to avail itself of the benefits of Tax Consolidation.

This result is based on net revenue (after discounts and rebates) of **\$23,332,115** (31 December 2010: 21,213,348), representing an **increased revenue** of 10.0% period on period.

EBITDA for the period was a record **\$1,613,349** (31 December 2010: \$1,505,470) representing an **increase of 7.2%** period on period.

The half year profit before tax of **\$924,448** (31 December 2010: \$1,063,784) represents a **decrease of 13.1%** period on period and is impacted by additional borrowing costs associated with the acquisition of the minority interest.

During the period, one-off charges in respect to establishment of the South Australian premises and abnormal expenses associated with leasehold improvements and make-good provisions for Company leased premises were made. Marbletrend has also changed the manner in which it will now support its sales and marketing through the appointment of an additional 8 sales representatives during the period and the abandonment of an outsourced service strategy. The Company has also strengthened product development and marketing to ensure a clear focus on continuous innovation and creation of demand for bathroom products.

These 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 over the past 6 months which has assisted in the maintenance of gross margins. With the strengthened sales team inducted, trained and in place, the Board is cautiously optimistic, despite the uncertain trading conditions, that the Company will continue to organically grow sales and maintain margins. Additionally, the outlook for sales into the mining sector remains positive.

During the period, the Company has instigated a formal Supply Chain and Logistics review of its operations and retained third party expertise to facilitate this process. In addition the company is completing a detailed review and is implementing a number of initial recommendations related to its existing IT platforms, Disaster Recovery plans and scalability to meet the forecast growth in sales. Finally the company has also implemented a number of recommendations delivered from two independent reviews of the company's sales, marketing and branding strategies. The culmination of each of these initiatives will be to place the Marbletrend business in the most advantageous position to yield additional margins from increased sales supported by a culture of service excellence. The costs of all these activities have been expensed during the period.

The Board is pleased to announce the declaration of an **increased** fully franked interim dividend of 0.55 cents per share (2011: 0.5 cents) payable to shareholders on 27 April 2012, with the record date being 5.00 pm (WST) on 13 April 2012. Shareholders may elect to participate in the Company's dividend reinvestment plan which will entitle shareholders to elect to acquire shares in the Company, rather than receive dividends, at a **5% discount** to the volume weighted average price of shares traded in the 5 trading days prior to the record date.

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

**MARBLETREND GROUP LIMITED  
AND ITS CONTROLLED ENTITIES**

**ABN 34 087 730 667**

**Appendix 4D  
Interim Financial Report**

**For the Half-Year Ended 31 December 2011**  
(Previous corresponding period: half year ended 31 December 2010)

**Half-year information given to ASX under listing rule 4.2A.3**

**Information should be read in conjunction with  
the 30 June 2011 annual financial report**

**Marbletrend Group Limited and its Controlled Entities**  
**ABN 34 087 730 667**

**RESULTS FOR ANNOUNCEMENT TO THE MARKET**

**HALF-YEAR ENDED 31 DECEMBER 2011**

**Dividends**

The Company has announced the payment of an interim fully franked dividend of 0.55 cents per share (2011: 0.5 cents) payable on 27 April 2012 with a record date of 13 April 2012. This represents a 10% increase in dividends paid over the previous period.

	<b>31 December 2011</b>	31 December 2010
<b>Net Tangible Assets attributed to the ordinary equity holders of the parent</b>		
Net Tangible Assets (including deferred tax assets and liabilities)	<b>8,037,713</b>	2,492,444
Net Tangible Assets per share (cents)	<b>13.01</b>	4.10
<b>Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the parent:</b>		
Basic earnings per share (cents)	<b>1.30</b>	0.72
Diluted earnings per share (cents)	<b>1.30</b>	0.72

**Brief explanation of results**

Refer to the Highlights Summary on the following page.

**Marbletrend Group Limited and its Controlled Entities**  
**ABN 34 087 730 667**

**HIGHLIGHTS SUMMARY**

**HALF-YEAR ENDED 31 DECEMBER 2011**

	31 December 2011	31 December 2010
<b>Revenue</b>	<b>23,332,115</b>	21,213,348
<b>Profit / (loss) before interest, tax, depreciation and amortisation</b>	<b>1,613,349</b>	1,505,470
<b>Profit / (loss) before tax (before non-controlling interest)</b>	<b>924,448</b>	1,063,784

The Board is pleased to announce that Marbletrend Group Limited (Marbletrend or the Company) has, despite uncertain trading conditions, recorded a half year after tax profit attributable to members of **\$785,196** (2011: \$442,436) representing an **increase of 77.5%** after completion of the acquisition of the remaining minority interest in March 2011 which also allowed the Company to avail itself of the benefits of Tax Consolidation.

This result is based on net revenue (after discounts and rebates) of **\$23,332,115** (31 December 2010: 21,213,348), representing an **increased revenue of 10.0%** period on period.

EBITDA for the period was a record **\$1,613,349** (31 December 2010: \$1,505,470) representing an **increase of 7.2%** period on period.

The half year profit before tax of **\$924,448** (31 December 2010: \$1,063,784) represents a **decrease of 13.1%** period on period and is impacted by the additional borrowing costs associated with the acquisition of the minority interest.

During the period, one-off charges in respect to establishment of the South Australian premises and abnormal expenses associated with leasehold improvements and make-good provisions for Company leased premises were made. Marbletrend has also changed the manner in which it will now support its sales and marketing through the appointment of an additional 8 sales representatives during the period and the abandonment of an outsourced service strategy. The Company has also strengthened product development and marketing to ensure a clear focus on continuous innovation and creation of demand for bathroom products.

These 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 over the past 6 months which has assisted in the maintenance of gross margins. With the strengthened sales team inducted, trained and in place, the Board is cautiously optimistic, despite the uncertain trading conditions, that the company will continue to organically grow sales and maintain margins. Additionally, the outlook for sales into the mining sector remains positive.

On comparative sales for the 6 month period ended 31 December 2011, sales are up 10.0% on the prior corresponding period. In addition, the Board notes these trading results have been positively impacted by the continued strength of the Australian dollar and that gross margins have been maintained above the Board's stated objective of 43.5% (2010: 42.0%)

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These 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 over the past 6 months which has assisted in the maintenance of gross margins. With the changed support to the company's sales activities the Board is cautiously optimistic, despite the uncertain trading conditions, that the Company will continue to organically grow sales and maintain margins.

During the period, the company has instigated a formal Supply Chain and Logistics review of its operations and retained third party expertise to facilitate this process. In addition the company is completing a detailed review and is implementing a number of initial recommendations related to its existing IT platforms, Disaster Recovery plans and scalability to meet the forecast growth in sales. Finally the company has also implemented a number of recommendations delivered from two independent reviews of the company's sales, marketing and branding strategies. The culmination of each of these initiatives will be to place the Marbletrend business in the most advantageous position to yield additional margins from increased sales supported by a culture of service excellence. The costs of all these activities have been expensed during the period.

Due to the requirement to build up stock prior to Chinese New Year as a consequence of an extended shut down of Chinese manufacturers, the Company has increased its inventories in November/December 2011 but has also noted strong cash collections over this period which has limited the normal cyclical challenge in December of stock build up and cash management.

The Board is pleased to report that sales in January 2012 were above budget and continue to be ahead of the same time last year in a difficult trading environment.

**Marbletrent Group Limited and its Controlled Entities**  
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## **Directors' Report**

Your directors submit their report for the half-year ended 31 December 2011.

### **Directors**

The names of the company's directors in office during the period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Hamish M. Giles LLB, BEc  
*Executive Chairman*

Jeff Nicol MBA (Marketing) (*appointed 4 July 2011*)  
*Managing Director and Chief Executive Officer*

Michael N. Evett B.Sc (Honours)  
*Non Executive Director*

Peter. T. Reilly B. Acc, CA  
*Non Executive Director*

### **Nature of Operations and Principal Activities**

Marbletrent Group Limited is an Australian company that manufactures, imports, warehouses and distributes bathroom products for major customers throughout Australia including Bunnings, Reece, TradeLink, Plumbing Plus, Plumbtec, ABG, BIGA and Mitre 10.

### **Investments for Future Performance**

The Board continues to look at various businesses with the view to acquiring businesses in a market where vendor pricing has become more realistic. Any acquisition of a new business will have regard to allocation of management time, the capacity to integrate the business within the core activities of Marbletrent Group Limited and the return on investment generated.

### **Review and Results of Operations**

Marbletrent Group Limited generated net revenues of **\$23,332,115** for the half year ended 31 December 2011 (31 December 2010: \$21,213,348).

Margins have been sustained through developed efficiencies within the business, the maintenance of a strong Australian dollar and manufacturing efficiencies that have been achieved out of suppliers from China. In addition, the broad range of products sold by Marbletrent have on a period on period basis increased in sales in each product range and margins have been maintained at levels beyond the Board's stated objectives.

During the period, the company has instigated a formal Supply Chain and Logistics review of its operations and retained third party expertise to facilitate this process. In addition the company is completing a detailed review and is implementing a number of initial recommendations related to its existing IT platforms, Disaster Recovery plans and scalability to meet the forecast growth in sales. Finally the company has also implemented a number of recommendations delivered from two independent reviews of the company's sales, marketing and branding strategies. The

**Marbletrend Group Limited and its Controlled Entities**  
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culmination of each of these initiatives will be to place the Marbletrend business in the most advantageous position to yield additional margins from increased sales supported by a culture of service excellence.

The Company continues to focus on efficiencies that can be gained from its supply chain management and in addition has placed particular emphasis on expanding its marketing footprint within Australia and assessing more effective and efficient ways in which to market both the Marbletrend product and the Marbletrend brand.

Consolidated profit from continuing operations after income tax for the half year was **\$785,196** (31 December 2010: \$684,062) an increase of 14.8% on the previous corresponding period, which is predominantly impacted by additional borrowing costs to acquire the minority interest in March 2011.

During the period, one-off charges in respect to establishment of the South Australian premises and abnormal expenses associated with leasehold improvements and make-good provisions for Company leased premises were made. Marbletrend has also changed the manner in which it will now support its sales and marketing through the appointment of an additional 8 sales representatives during the period and the abandonment of an outsourced service strategy.

**Auditor's Independence Declaration**

In accordance with section 307C of the *Corporations Act 2001*, we have obtained a declaration of independence from our auditors Grant Thornton Audit Pty Ltd, a copy of which appears on page 20.

Signed in accordance with a resolution of the directors.



.....  
Hamish M Giles  
Executive Chairman

Signed this 16<sup>th</sup> day of February 2012



**Marbletrent Group Limited and its Controlled Entities**  
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**Statement of comprehensive income**

**For the half-year ended 31 December 2011**

	Consolidated	
	31 December 2011	31 December 2010
Note	\$	\$
<b>Continuing operations</b>		
Sale of goods (net of rebates and discounts)	23,326,039	21,208,135
Other revenue	6,076	5,213
<b>Revenue</b>	<b>23,332,115</b>	<b>21,213,348</b>
Cost of Sales	(14,382,301)	(13,381,253)
<b>Gross profit</b>	<b>8,949,814</b>	<b>7,832,095</b>
Net gain/(loss) on available for sale financial assets	-	(90,120)
Distribution expenses	(2,229,262)	(1,930,528)
Marketing expenses	(695,317)	(612,245)
Occupancy expenses	(1,065,740)	(800,716)
Administrative expenses	(3,649,252)	(3,080,179)
Other expenses	(158,002)	(142,158)
Finance costs	(227,793)	(112,365)
<b>Profit/(loss) from continuing operations before income tax</b>	<b>924,448</b>	<b>1,063,784</b>
Income tax expense	(139,252)	(379,722)
<b>Net profit/(loss) for the period from continuing operations</b>	<b>785,196</b>	<b>684,062</b>
<b>Other comprehensive income</b>		
Net fair value gain/(loss) on available-for-sale financial assets	-	45,956
<b>Total other comprehensive income</b>	<b>-</b>	<b>45,956</b>
<b>Total comprehensive income for the period</b>	<b>785,196</b>	<b>730,018</b>
Net profit/(loss) for the period is attributable to:		
Non-controlling interest	-	241,626
Owners of the parent	785,196	442,436
	<b>785,196</b>	<b>684,062</b>
Total comprehensive income for the period is attributable to:		
Non-controlling interest	-	241,626
Owners of the parent	785,196	488,392
	<b>785,196</b>	<b>730,018</b>
<b>Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the parent:</b>		
Basic earnings per share (cents)	<b>1.30</b>	0.72
Diluted earnings per share (cents)	<b>1.30</b>	0.72

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

**Marbletrend Group Limited and its Controlled Entities**  
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**Statement of financial position**

**As at 31 December 2011**

	Note	Consolidated	
		31 December 2011	30 June 2011
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		61,545	32,977
Trade and other receivables		7,060,902	7,597,951
Inventories		10,539,038	9,845,404
<b>Total current assets</b>		<b>17,661,485</b>	<b>17,476,332</b>
<b>Non-current assets</b>			
Available for sale financial assets		64,900	64,900
Property, plant and equipment		2,951,795	2,610,003
Deferred tax assets		383,299	442,505
Intangible assets		198,250	348,550
Goodwill		2,351,162	2,351,162
<b>Total non-current assets</b>		<b>5,949,406</b>	<b>5,817,120</b>
<b>TOTAL ASSETS</b>		<b>23,610,891</b>	<b>23,293,452</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Bank overdraft		443,421	198,722
Trade and other payables		6,581,776	6,924,283
Interest-bearing loans and borrowings		627,320	525,362
Income tax payable		89,301	369,922
Provisions		554,735	538,895
<b>Total current liabilities</b>		<b>8,296,553</b>	<b>8,557,184</b>
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings		4,443,018	4,514,178
Deferred tax liability		249,244	122,283
Provisions		34,951	40,288
<b>Total non-current liabilities</b>		<b>4,727,213</b>	<b>4,676,749</b>
<b>TOTAL LIABILITIES</b>		<b>13,023,766</b>	<b>13,233,933</b>
<b>NET ASSETS</b>		<b>10,587,125</b>	<b>10,059,519</b>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the parent</b>			
Contributed equity	6	13,401,777	13,366,998
Retained Earnings / (Accumulated losses)		(2,840,006)	(3,319,402)
Reserves		25,354	11,923
<b>Parent Interests</b>		<b>10,587,125</b>	<b>10,059,519</b>
<b>TOTAL EQUITY</b>		<b>10,587,125</b>	<b>10,059,519</b>

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

**Marbletrent Group Limited and its Controlled Entities**  
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**Statement of changes in equity**

**For the half-year ended 31 December 2011**

	Consolidated						Total \$
	Ordinary shares \$	Retained earnings \$	Asset revaluation reserve \$	Employee equity benefits reserve \$	Owners of the parent \$	Non- controlling interest \$	
<b>At 1 July 2011</b>	13,366,998	(3,319,402)	-	11,923	10,059,519	-	10,059,519
Profit / (loss) for the period	-	785,196	-	-	785,196	-	785,196
Other comprehensive income	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	785,196	-	-	785,196	-	785,196
<b>Transactions with owners in their capacity as owners</b>							
Share based payment	-	-	-	13,431	13,431	-	13,431
Dividend paid/ proposed	-	(305,800)	-	-	(305,800)	-	(305,800)
Shares Issued	124,671	-	-	-	124,671	-	124,671
Share buy-back	(89,892)	-	-	-	(89,892)	-	(89,892)
<b>At 31 December 2011</b>	13,401,777	(2,840,006)	-	25,354	10,587,125	-	10,587,125
<b>At 1 July 2010</b>	13,360,863	(6,073,346)	24,471	21,480	7,333,468	-	7,333,468
Profit / (Loss) for the period	-	442,436	-	-	442,436	241,626	684,062
Other comprehensive income	-	-	45,956	-	45,956	-	45,956
<b>Total comprehensive income for the period</b>	-	442,436	45,956	-	488,392	241,626	730,018
<b>Transactions with owners in their capacity as owners</b>							
Share based payment	-	-	-	4,989	4,989	-	4,989
Dividend paid/ proposed	-	(186,967)	-	-	(186,967)	(80,128)	(267,095)
Share buy-back	(56,587)	-	-	-	(56,587)	-	(56,587)
Transferred to/ from non- controlling interest	-	-	-	-	-	(161,498)	(161,498)
<b>At 31 December 2010</b>	13,304,276	(5,817,877)	70,427	26,469	7,583,295	-	7,583,295

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

**Marbletrent Group Limited and its Controlled Entities**  
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**Statement of cash flows**

**For the half-year ended 31 December 2011**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 December 2011</b>	<b>31 December 2010</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		<b>26,310,505</b>	23,581,941
Payments to suppliers, employees and others (inclusive of GST)		<b>(25,154,991)</b>	(22,438,498)
Interest received		<b>1,676</b>	1,913
Interest paid		<b>(227,794)</b>	(112,365)
Income tax paid		<b>(226,830)</b>	(100,121)
<b>Net cash flows from operating activities</b>		<b>702,566</b>	932,870
<b>Cash flows from investing activities</b>			
Dividends received		<b>4,400</b>	3,300
Purchase of property, plant and equipment		<b>(411,783)</b>	(305,166)
Proceeds from sale of property, plant and		<b>40,884</b>	17,500
Proceeds from sale of available-for-sale financial		<b>-</b>	63,550
<b>Net cash flows from/ (used in) investing</b>		<b>(366,499)</b>	(220,816)
<b>Cash flows from financing activities</b>			
Repayment of borrowings		<b>(281,176)</b>	(104,205)
Payment for share buy-back		<b>(89,892)</b>	(27,297)
Dividends paid		<b>(181,130)</b>	(380,445)
<b>Net cash flows from/ (used in) financing</b>		<b>(552,198)</b>	(511,947)
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(216,131)</b>	200,107
<b>Cash and cash equivalents at beginning of period</b>		<b>(165,745)</b>	577,351
<b>Cash and cash equivalents at end of period</b>	<b>4</b>	<b>(381,876)</b>	777,458

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

**Marbletrend Group Limited and its Controlled Entities**  
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**Notes to the Half-Year Financial Statements**

**For the half-year ended 31 December 2011**

**1. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

**Basis of preparation**

The general purpose condensed half-year financial report for the half year ended 31 December 2011 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB134 ensures compliance with International Financial Reporting Standard IAS34 Interim Financial Reporting.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is also recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2011 and considered together with any public announcements made by Marbletrend Group Limited and its controlled entities during the half-year ended 31 December 2011 in accordance with the continuous disclosure obligations of the ASX Listing rules.

The half-year consolidated financial statements comprise the financial statements of Marbletrend Group Limited and its subsidiaries as at 31 December 2011 (“the Group”).

There were no changes in accounting policies and method of computation to those adopted in the most recent annual financial report.

**Changes in Accounting Policy**

The Group has adopted all of the new revised Standards and Interpretations issued by the Australian Standards Board (the AASB) that are relevant to its operations and effective for the current period.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group’s accounting policies and has no effect on the amounts reported for the current or prior periods. The new and revised Standards and Interpretations has not had a material impact and not resulted in changes to the Group’s presentation or disclosure in its half-year financial statements.

**Comparatives**

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

**Marbletrend Group Limited and its Controlled Entities**  
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**Notes to the Half-Year Financial Statements (continued)**

**For the half-year ended 31 December 2011**

**2. SEGMENT INFORMATION**

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.

*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.

*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 half year ended 31 December 2011 and 31 December 2010.

**Marbletrend Group Limited and its Controlled Entities**  
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**Notes to the Half-Year Financial Statements (continued)**

**For the half-year ended 31 December 2011**

**2. SEGMENT INFORMATION (CONTINUED)**

	<b>Bathroom Products \$</b>	<b>Corporate \$</b>	<b>Total \$</b>
<b>Half year ended 31 December 2011</b>			
<b>Revenue</b>			
Sales to external customers	23,326,039	-	23,326,039
Other revenue	-	6,076	6,076
Inter-segment revenue	-	514,416	514,416
<b>Total segment revenue</b>	<b>23,326,039</b>	<b>520,492</b>	<b>23,846,531</b>
<b>Segment net operating profit after tax</b>	<b>620,366</b>	<b>465,631</b>	<b>1,085,997</b>
Interest revenue	-	20,996	20,996
Interest expense	171,293	47,253	218,546
Depreciation and amortisation	491,351	-	491,351
Income tax expense	328,538	(189,286)	139,252
Capital expenditure	723,757	-	723,757
Segment assets as at 31 December 2011	23,754,794	9,070,645	32,825,439
Segment Liabilities as at 31 December 2011	12,252,553	1,596,921	13,849,474
	<b>Bathroom Products</b>	<b>Corporate \$</b>	<b>Total \$</b>
<b>Half year ended 31 December 2010</b>			
<b>Revenue</b>			
Sales to external customers	21,208,135	-	21,208,135
Other revenue	-	5,213	5,213
Inter-segment revenue	-	297,967	297,967
<b>Total segment revenue</b>	<b>21,208,135</b>	<b>303,180</b>	<b>21,511,315</b>
<b>Segment net operating profit after tax</b>	<b>805,421</b>	<b>65,608</b>	<b>871,029</b>
Interest revenue	-	35,762	35,762
Interest expense	146,214	-	146,214
Depreciation and amortisation	329,321	-	329,321
Income tax expense	374,820	4,902	379,722
Capital expenditure	460,467	-	460,467
Segment assets as at 30 June 2011	23,375,989	9,037,667	32,413,656
Segment Liabilities as at 30 June 2011	12,193,313	1,993,495	14,186,808

**Marbletrend Group Limited and its Controlled Entities**  
**ABN 34 087 730 667**

**Notes to the Half-Year Financial Statements (continued)**

**For the half-year ended 31 December 2011**

**2. SEGMENT INFORMATION (CONTINUED)**

	<b>Consolidated</b>	
	<b>31 December 2011</b>	<b>31 December 2010</b>
	\$	\$
<b>i) Segment revenue reconciliation to the statement of comprehensive income</b>		
Total segment revenue	23,846,531	21,511,315
Inter-segment revenue elimination	(514,416)	(297,967)
Total revenue	23,332,115	21,213,348
Geographical revenue		
Australia	23,332,115	21,213,348
Total Revenue	23,332,115	21,213,348
<b>ii) Segment net operating profit after tax reconciliation to the statement of comprehensive income</b>		
Segment net operating profit after tax	1,085,997	871,029
Income tax expense at 30% (2010: 30%)	139,252	379,722
Intersegment eliminations	(300,801)	(186,967)
Profit/(loss) from continuing operations before income tax per the statement of comprehensive income	924,448	1,063,784
	<b>31 December 2011</b>	<b>30 June 2011</b>
	\$	\$
<b>iii) Segment asset reconciliation to the statement of financial position</b>		
Segment operating assets	32,825,439	32,413,656
Intersegment eliminations	(9,214,548)	(9,120,204)
Total assets per the statement of financial position	23,610,891	23,293,452
Geographical location of non-current assets other than financial instruments & deferred tax assets		
Australia	5,501,207	5,309,715
Total	5,501,207	5,309,715
<b>iv) Segment liabilities reconciliation to the statement of financial position</b>		
Segment operating liabilities	13,849,474	14,186,808
Intersegment eliminations	(825,708)	(952,875)
Total liabilities per the statement of financial position	13,023,766	13,233,933



**Marbletrend Group Limited and its Controlled Entities**  
**ABN 34 087 730 667**

**Notes to the Half-Year Financial Statements (continued)**

**For the half-year ended 31 December 2011**

**3. OTHER REVENUE AND EXPENSES**

	<b>Consolidated</b>	
	<b>31 December 2011</b>	<b>31 December 2010</b>
	\$	\$
<b>(a) Other Revenue</b>		
Interest income	1,676	1,913
Dividends received	4,400	3,300
	<u>6,076</u>	<u>5,213</u>
<b>(b) Other Expenses</b>		
Amortisation of intangible property	150,300	109,500
Loss on disposal of fixed assets	7,702	8,584
Doubtful debts	-	24,000
Other expenses	-	74
	<u>158,002</u>	<u>142,158</u>

**4. CASH AND CASH EQUIVALENTS**

	<b>Consolidated</b>	
	<b>31 December 2011</b>	<b>31 December 2010</b>
	\$	\$
Cash at bank and in hand	61,545	777,458

**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 period end:

Cash at bank and in hand	61,545	777,458
Bank overdrafts	(443,421)	-
	<u>(381,876)</u>	<u>777,458</u>

**Marbletrent Group Limited and its Controlled Entities**  
**ABN 34 087 730 667**

**Notes to the Half-Year Financial Statements (continued)**

**For the half-year ended 31 December 2011**

**5. COMMITMENTS AND CONTINGENCIES**

- (i) **Legal claim**  
 Marbletrent Group Limited is not aware of any pending legal dispute.
- (ii) **Commitments**  
 There have been no changes to the commitments or contingencies for the period.

**6. CONTRIBUTED EQUITY**

	<b>Consolidated</b>	
	<b>31 December 2011</b>	<b>31 December 2010</b>
	<u>\$</u>	<u>\$</u>
<b>Issued and paid up capital</b>		
Issued and fully paid ordinary shares: 61,762,265 (30 June 2011: 60,335,118)	<b>13,401,777</b>	13,366,998
	<u>Units</u>	<u>\$</u>
<i>Movement in ordinary shares on issue:</i>		
<b>At 1 July 2011</b>	<b>60,335,118</b>	<b>13,366,998</b>
Share issue - Executive Share Plan	<b>1,100,000</b>	-
Share issue - Dividend Reinvestment Plan	<b>1,093,604</b>	<b>124,671</b>
Share Buy Back	<b>(766,457)</b>	<b>(89,892)</b>
<b>At 31 December 2011</b>	<b><u>61,762,265</u></b>	<b><u>13,401,777</u></b>

**Earnings Per Share**

Basic earnings per share for profit attributable to the ordinary equity holders of the parent is calculated by dividing net profit after income tax for the half year ended 31 December 2011 attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

The following reflects the information used in the basic earnings per share computations:

	<b>31 December 2011</b>	<b>31 December 2010</b>
	<u>\$</u>	<u>\$</u>
Net profit / (loss) after income tax attributable to the ordinary equity holders of the parent	<b>785,196</b>	442,436
	<u>Unit</u>	<u>Unit</u>
Weighted average number of ordinary shares for basic earnings per share	<b>60,541,154</b>	61,192,992

**Marbletrend Group Limited and its Controlled Entities**  
**ABN 34 087 730 667**

**Notes to the Half-Year Financial Statements (continued)**

**For the half-year ended 31 December 2011**

**7. EVENTS AFTER THE REPORTING DATE**

The directors are unaware of any events subsequent to the reporting date which could materially impact upon the financial position of the Company.

**8. RELATED PARTY DISCLOSURES**

**Director-related entity transactions**

*Services*

Accounting and sundry corporate services were provided by Salmon Giles Pty Ltd and Salmon Giles Corporate Pty Ltd, of which Mr Hamish Giles is a director, totalling \$73,250 for the period (31 December 2010: \$35,000).

Consultancy services provided by Mr Michael Evett for the period were \$20,800 (31 December 2010: \$12,375).

**Equity instruments of directors**

*Interests at Reporting Date*

Interests in the equity instruments of Marbletrend Group Limited held by directors of the reporting entity and their director-related entities:

	Fully Paid Ordinary Shares		Options over Ordinary Shares	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
	Number	Number	Number	Number
H. Giles	4,662,677	4,047,500	-	-
J. Nicol	1,000,000	-	-	-
P. Reilly	14,343,237	13,346,719	-	-
M. Evett	314,879	314,879	-	-
	<b>20,320,793</b>	<b>17,709,098</b>	<b>-</b>	<b>-</b>

During the 6 months to 31 December 2011, entities associated with Mr Hamish Giles acquired 110,755 ordinary shares via the Company's dividend reinvestment plan and 504,422 ordinary shares through off-market transfers. During the 6 months to 31 December 2011 Mr Jeff Nicol acquired 1,000,000 ordinary shares subject to the terms and conditions of the Company's Executive Share Plan. During the 6 months to 31 December 2011, entities associated with Mr Peter Reilly acquired 602,657 ordinary shares via the Company's dividend reinvestment plan and 393,801 ordinary shares through on-market purchases.

**Marbletrend Group Limited and its Controlled Entities**  
**ABN 34 087 730 667**

**Notes to the Half-Year Financial Statements (continued)**

**For the half-year ended 31 December 2011**

**9. DIVIDENDS PAID OR PROPOSED**

On 16 February 2012 the Company announced the declaration of an interim franked interim dividend of 0.55 cents per share payable to shareholders on 27 April 2012, with the record date being 5.00 pm (WST) on 13 April 2012. Shareholders may elect to participate in the Company's dividend reinvestment plan which will entitle shareholders to elect to acquire shares in the Company, rather than receive dividends, at a 5% discount to the volume weighted average price of all shares traded in the 5 trading days prior to the record date.

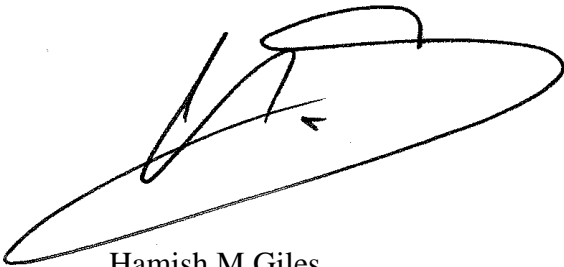
## DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Marbletrend Group Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
  - (i) give a true and fair view of the financial position as at 31 December 2011 and the performance for the half-year ended on that date of the consolidated entity; and
  - (ii) comply with Accounting Standard AASB134 "Interim Financial Reporting" and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'H. M. Giles', enclosed within a large, loopy oval scribble.

Hamish M Giles  
Executive Chairman

Melbourne, 16<sup>th</sup> February 2012

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**Auditor's Independence Declaration  
To The Directors of Marbletrent Group Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Marbletrent Group Limited for the half year ended 31 December 2011, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



A. J. Pititto  
Director - Audit & Assurance Services  
Melbourne, 16 February 2012.

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### **Independent Auditor's Review Report To the Members of Marbletrend Group Limited**

We have reviewed the accompanying half-year financial report of Marbletrend Group Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

#### **Directors' responsibility for the half-year financial report**

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's responsibility**

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Marbletrend Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Independence**

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

### **Electronic presentation of reviewed financial report**

This auditor's review report relates to the financial report of Marbletrent Group Limited for the half-year ended 31 December 2011 included on Marbletrent Group Limited's web site. The Company's directors are responsible for the integrity of Marbletrent Group Limited's web site. We have not been engaged to report on the integrity of Marbletrent Group Limited's web site. The auditor's review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

### **Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Marbletrent Group Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



A. J. Pititto  
Director - Audit & Assurance  
Melbourne, 16 February 2012.