AstiVita Limited ABN 46 139 461 733

3rd March 2014

AstiVita Shows Signs of Recovery

AstiVita announced today an after tax loss of $767,784 for the half-year ended 31 December 2013, compared to $1,252,000 corresponding period loss last year, which is an improvement of $484,216 on the same corresponding half 2012. The AstiVita Staff and Board have responded to the key areas identified in the Chairman's address in November 2013. In particular variable and office overheads have been reduced compared to the prior corresponding period. Sales for the half were affected by the protracted Federal Government election campaign and general poor market trading conditions.

Since 31 December 2013, the Board can report that based on unaudited management accounts, January and February 2014 shows AstiVita recording a small profit for the first time in over 18 months.

New General Manager, Sean Baldwin will commence employment on Monday, 10 March 2014. Sean's 11 years of industry experience, including 7 years as Marketing Manager with Crane Group is expected to have a significant positive impact, in particular on the next financial year results.

I will relinquish the position of Executive Chairman from the 7th April 2014 and return to being a Non-Executive Chairman.

I would like to thank the Staff at Astivita for making the short time I spent running AstiVita, both productive and enjoyable. In particular I'd like to comment on the Staff's endurance and commitment.

The Board will continue to provide the market with quarterly updates.

Lev Mizikovsky
Chairman

ENDS

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Appendix 4D – Interim Financial Report for Half Year Ended 31 December 2013

AstiVita Limited ABN 46 139 461 733

Name of Entity:	**ASTIVITA LIMITED**
ABN:	**46 139 461 733**
Current period:	**1 July 2013 to 31 December 2013**
Previous corresponding period:	**1 July 2012 to 31 December 2012**

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Key Information				$'000
Revenue from ordinary activities	down	5.5%	to	6,741
Loss after tax from continuing activities attributable to members	reduced by	38.66%	to	(768)
Net loss attributable to members	reduced by	33.04%	to	(768)

Dividends Paid and Proposed

The Board considers that no interim dividend will be paid

NET TANGIBLE ASSETS PER SHARE

	Half-year Ended 31 December 2013	Half-year Ended 31 December 2012
Net tangible assets per share	20.30 cents	38.79 cents

The 31 December 2012 Appendix 4D did not remove the deferred tax asset from the net tangible asset to calculate the net tangible asset per share. The net tangible asset per share as at **30 June 2013** amounted to **24.26 cents**.

CONTROL GAINED OR LOST OVER ENTITIES IN THE HALF YEAR

Subsidiaries

No changes to control over subsidiaries during the half year.

Associates and joint venture entities

The Group has no associates or joint ventures.

Compliance Statement

The report is based on financial statements reviewed by the auditor, copies of which are attached. The independent auditor's review statement includes an emphasis of matter in respect of going concern and accounting estimates.

AstiVita Limited

ABN: 46 139 461 733

Financial Statements

For the Half-Year Ended 31 December 2013

Contents

For the Half-Year Ended 31 December 2013

Directors' Report
For the Half-Year Ended 31 December 2013

Your Directors present their report on AstiVita Limited ("AstiVita") and its controlled entities ("Group") for the financial half year ended 31 December 2013.

1. **General information**

Directors

The names of the directors in office at any time during, or since the end of, the half year are:

Names	Position
L Mizikovsky	Executive Chairman
R Dudurovic	Non-executive Director
R Lynch	Non-executive Director
G Acton	Executive Director

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Pricipal Activities

AstiVita sells all of its household products under 1 entity. The main household products are:

- Bathrooms & Kitchen products;
- Renewable energy products including Photovoltaic ("PV") panels and energy efficient hot water systems
- Italian home appliances.

No significant change in the nature of these activities occured during the half year.

2. **Review of Operations and Results**

The Result

AstiVita incurred an after tax loss of $767,784 for the six months ended 31 December 2013.

Despite the loss the half-year result for AstiVita highlights a significant improvement in the operations of the business compared to the prior corresponding period. The slight decrease in sales is largely due to the effects of the protracted Federal Government election campaign and poor market trading conditions in 2013. The Board has responded to the key areas identified in the Chairman's Address in November 2013. In particular, variable and office overheads have been reduced compared to the prior corresponding period.

Dividends

The Board considers that no interim dividend will be paid.

3. Other Items

Significant Changes in state of Affairs

At the Annual General Meeting in November 2013, shareholders unanimously approved an unsecured loan facility of up to $2,000,000 with further advances available at the discretion of Rainrose Pty Ltd, an entity controlled by the Executive Chairman. As at 31 December 2013 the loan amounted to $1,615,000.

During the half-year, AstiVita Limited has negotiated for the purchase of intangible assets from it's 50% owned controlled entity, Bompani Italia Pty Ltd. The agreement with Bompani Italia Pty Ltd and it's non-controlling shareholders sees AstiVita Limited acquire intangible assets related to brand names and regulatory approvals with the expectation that the benefits of these assets will now flow only to the equity holders of AstiVita Limited. Consideration for the acquisition is non-cash and relates to the forgiveness of certain loans owning from the subsidiary to AstiVita Limited.

No other significant changes in the Group's state of affairs occured during the financial half-year.

After balance date events

No matters or circumstances have arisen since end of the financial half-year which have significantly affected or could significantly affect the operations of the Group, the results of the operations or the state of affairs of the Group in future financial years.

4. Rounding of Amounts

The Group has applied the relief available to it in ASIC Class order 98/100 and accordingly certain amounts in the financial report have been rounded off to the nearest thousand dollars.

5. Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is attached to this report.

This report is signed in accordance with a resolution of the Board of Directors.

Executive Chairman: ....

Dated: 2 March 2014

AstiVita Limited

ABN 46 139 461 733

Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001*

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2013 there have been:

i. no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Hanrick Curran Audit Pty Ltd
Authorised Audit Company: 338599

M. J. Green
Director

Brisbane, 2 March 2014

ALLIOTT GROUP
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Liability limited by a scheme approved under Professional Standards Legislation

AstiVita Limited

ABN: 46 139 461 733

Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2013

	Note	31 December 2013 000's $	31 December 2012 000's $
Revenue	2	**6,741**	7,132
Other income	2	**282**	20
Changes in inventories of finished goods		-	375
Labour, raw materials and consumables used		**(5,778)**	(5,810)
Employee benefits expense		**(937)**	(1,287)
Depreciation and amortisation expense		**(75)**	(70)
Net foreign exchange loss		-	(58)
Other expenses		**(1,249)**	(2,100)
Finance costs		**(18)**	-
Profit/(Loss) before income tax		**(1,034)**	(1,798)
Income tax expense		**266**	546
Net Profit/(Loss) from continuing operations		**(768)**	(1,252)
Other comprehensive income		-	-
Total comprehensive income for the half year		**(768)**	(1,252)
Total Comprehensive Income for the Half Year Attributable to			
Owners of Astivita Limited		**(768)**	(1,147)
Non-controlling interest		-	(105)
		(768)	(1,252)
Earnings Per share			
From continuing and discontinued operations:			
Basic earnings per share (cents)		**(2.47)**	(4.80)
Diluted earnings per share (cents)		**(2.47)**	(4.80)

"The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes"

AstiVita Limited

ABN: 46 139 461 733

Statement of Financial Position

As at 31 December 2013

	Note	31 December 2013 000's $	30 June 2013 000's $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		459	1,169
Trade and other receivables	4	2,625	2,232
Inventories	5	4,830	5,896
Other assets		1,144	220
TOTAL CURRENT ASSETS		9,058	9,517
NON-CURRENT ASSETS			
Property, plant and equipment		209	232
Intangible assets		1,010	562
Deferred tax assets		2,001	1,742
TOTAL NON-CURRENT ASSETS		3,220	2,536
TOTAL ASSETS		12,278	12,053
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		924	1,678
Provisions		387	509
TOTAL CURRENT LIABILITIES		1,311	2,187
NON-CURRENT LIABILITIES			
Borrowings		1,615	-
Provisions		24	15
TOTAL NON-CURRENT LIABILITIES		1,639	15
TOTAL LIABILITIES		2,950	2,202
NET ASSETS		9,328	9,851
EQUITY			
Issued capital		7,284	7,284
Retained earnings		2,044	2,812
Equity attributable to owners of AstiVita Limited		9,328	10,096
Non-controlling interest		-	(245)
TOTAL EQUITY		9,328	9,851

"The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes"

Statement of Changes in Equity
For the Half-Year Ended 31 December 2013

31 December 2013

	Note	Issued Capital 000's $	Retained Earnings 000's $	Non-controlling Interests 000's $	Total Equity 000's $
Balance at 1 July 2013		7,284	2,812	(245)	9,851
Comprehensive income for the half-year					
Profit / (Loss) for the half-year		-	(768)	-	(768)
Total Comprehensive income for the half-year		-	(768)	-	(768)
Transfer of non-controlling interest		-	-	245	245
Balance at 31 December 2013		7,284	2,044	-	9,328

31 December 2012

	Note	Issued Capital 000's $	Retained Earnings 000's $	Non-controlling Interests 000's $	Total Equity 000's $
Balance at 1 July 2012		6,524	5,530	(43)	12,011
Comprehensive income for the half-year					
Profit / (Loss) for the half-year		-	(1,147)	(105)	(1,252)
Total Other comprehensive income for the half-year		-	(1,147)	(105)	(1,252)
Balance at 31 December 2012		6,524	4,383	(148)	10,759

"The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes"

AstiVita Limited
ABN: 46 139 461 733

Statement of Cash Flows
For the Half-Year Ended 31 December 2013

	Note	31 December 2013 000's $	31 December 2012 000's $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers (including GST) *		7,114	8,396
Payments to suppliers and employees (including GST)		(8,604)	(10,419)
Interest received		5	25
Interest paid		(3)	-
Income taxes paid		7	-
Net cash provided by (used in) operating activities		(1,481)	(1,998)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(17)	(18)
Payments for intangible asset		-	(12)
Net cash provided by (used in) investing activities		(17)	(30)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings		1,600	-
Share buy-back payment		(812)	-
Net cash provided by (used in) financing activities		788	-
Net increase (decrease) in cash and cash equivalents held		(710)	(2,028)
Cash and cash equivalents at beginning of half-year		1,169	2,936
Cash and cash equivalents at end of financial half-year		459	908

* Receipts for the 6 months ended 31 December 2013, were impacted by the decision to offer extended trading terms to most customers.

"The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes"

Notes to the Financial Statements
For the Half-Year Ended 31 December 2013

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

This condensed interim financial report for the half-year reporting period ending 31 December 2013 has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: Interim Financial Reporting.

The interim financial report is intended to provide users with an update on the latest annual financial statements of AstiVita Limited and controlled entities ("the Group"). As such it does not contain information that represents relatively insignificant changes occurring during the half-year within AstiVita Limited. This condensed financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of AstiVita Limited for the year ended 30 June 2013, together with any public announcements made during the half-year.

Rounding of amounts

The Company is an entity to which ASIC Class Order 98/100 applies and, accordingly, amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars, unless otherwise stated.

Accounting Policies

Except as described in below Note 1(b), the same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

(b) Adoption of new and revised accounting standards

During the current half-year, the following standards became mandatory and have been adopted retrospectively by the Group:

AASB 10 *Consolidated Financial Statements*

AASB 11 *Joint Arrangements*

AASB 12 *Disclosure of Interests in Other Entities*

AASB 13 *Fair Value Measurement*

AASB 119 *Employee Benefits*

AASB 127 *Seperate Financial Statements*

AASB 128 *Investment in Associates and Joint Ventures*

AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standard* (AASB 1,2,3,5,7,101,112,118,121,124,132,133,136,138,139,1023 & 1038 *and Interpretations* 5,9,16 & 17)

AASB 2012-9 *Amendments to* AASB 1048 *arising from the Withdrawal of Australian Interpretation* 1039

AASB 2012-2 *Amendments to Australian Accounting Standards - Disclosure - Offsetting Financial*

1 Summary of Significant Accounting Policies continued

(b) Adoption of new and revised accounting standards continued

Assets and Financial Liabilities

These Standards are mandatorily applicable from 1 January 2013 and thus, became applicable to the Group for the first time in the current half-year reporting period. The Group has applied these Accounting Standards retrospectively in accordance with AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* and the specific transition requirements in AASB 10 and AASB 11. Except as stated below, the adoption of these standards in the current half-year reporting period has had no impact on the Group's financial report.

AASB 10 *Consolidated Financial Statements* is effective for annual reporting periods beginning on or after 1 January 2013 and therefore the Group has applied it for the first time in these financial statements. AASB 10 includes a new definition of control, including additional guidance for specific situations such as control in a principal / agent situation and when holding less than majority voting rights may give control. AASB 10 supersedes the previous requirements of AASB 127 *Consolidated and Separate Financial Statements* and Interpretation 112 *Consolidation - Special Purpose Entities* and resulted in consequential amendments to a number of other standards.

The Group has reviewed its investment in other entities to determine whether any changes were required for consolidated reporting or related disclosures under AASB 10, AASB 11 or AASB 12. The composition of the consolidated entity is the same under AASB 10 and therefore there is no change to the reported financial position and performance.

AASB 13 *Fair Value Measurement* does not change what and when assets or liabilities are recorded at fair value. It provides guidance on how to measure assets and liabilities at fair value, including the concept of highest and best use for non-financial assets. As the Group does not measure any assets or liabilities at fair value, AASB 13 has not changed the measurement basis for any assets and liabilities.

AASB 119 Employee Benefits changes the basis for determining the income or expense relating to defined benefit plans and introduces revised definitions for short-term employee benefits and termination benefits.

The Group reviewed the annual leave liability to determine the level of annual leave which is expected to be paid more than 12 months after the end of the reporting period. This review did not result in any material reclassification of short-term employee benefits.

Notes to the Financial Statements
For the Half-Year Ended 31 December 2013

1 **Summary of Significant Accounting Policies continued**

(c) **Critical accounting estimates and judgments**

The preparation of the half-year financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

An allowance for inventory obsolescence of $618,594 (30 June 2013: $271,000) has been recognised by the Group at 31 December 2013. The allowance was determined after taking into account the sales history and age of various products on hand at 31 December 2013, in accordance with the methodology established and used by the Group at 30 June 2013.

An allowance for doubtful debts of $176,779 (30 June 2013: $179,000) has been recognised by the Group at 31 December 2013. The allowance was determined after taking into account historical collection rates, specific knowledge of the debtor, past bad debt experience and contractual performance against allowed credit terms. All of these matters were considered in accordance with the methodology established and used by the Group at 30 June 2013.

A provision for warranty costs of $343,201 (30 June 2013: $403,000) has been recognised by the Group at 31 December 2013. The provision is based on the methodology established and used by the Group at 30 June 2013. The provision is based on past claims and expected future costs, having regard to recent trends and available information.

Deferred tax asssets of ($2,001,192) (30 June 2013: $1,742,000) have been recognised by the Group at 31 December 2013. The Group has exercised judgements in determining the probability of future taxable profits being generated against which the recognised tax losses will be able to be offset.

(d) **Going Concern**

The directors have prepared the half-year financial report on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. This is deemed to be appropriate not withstanding that the company has incurred losses for the half-year of $768,000 (31 December 2012: $1,252,000). As at 31 December 2013, the company has net assets of $9,328,000 (30 June 2013: $9,851,000).

The Group's ability to continue as a going concern is dependent of its ability to reverse the currently occurring operating losses by restructuring operations, increasing sales, realising the value inherent in inventory on-hand, recovering trade debtors and, if necessary, obtaining replacement debt or equity funding. Rainrose Pty Ltd, a related party, has agreed to advance up to $2,000,000. Of the amount agreed to be advanced, the Group has drawn $1,600,000 as at 31 December 2013 (refer note 6).

At the date of this report and having considered the above factors, the Directors are confident of restructuring operations and sales and generating sufficient cashflows from operations so that the Group will be able to continue as a going concern. Notwithstanding this, there is significant uncertainty whether it will continue its normal business activities and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

These financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Notes to the Financial Statements
For the Half-Year Ended 31 December 2013

2 Revenue and other income

	31 December 2013 000's $	31 December 2012 000's $
Revenue		
Bathroom & Kitchen products	3,715	2,614
Solarpower products	3,021	4,493
Interest	5	25
	6,741	7,132
Other Income		
Other	282	20
	7,023	7,152

3 Operating Segments

(a) Segment Information

During the half-year, the Group has reassessed its segment disclosure obligations in accordance with AASB 8 Operating Segments, following the business restructure undertaken during the half-year. The Chief Operating Decision Maker (CODM), being the Executive Chairman and the Board, assesses the performance of the Group as a single segment, being involved in the supply in Australia of capital goods (i.e., domestic appliances and household systems).

4 Trade and other receivables

	31 December 2013 000's $	30 June 2013 000's $
CURRENT		
Trade Receivables	2,802	2,411
Provision for impairment	(177)	(179)
Total current trade and other receivables	2,625	2,232

Notes to the Financial Statements
For the Half-Year Ended 31 December 2013

5 Inventories

	31 December 2013 000's $	30 June 2013 000's $
CURRENT		
At cost:		
Finished goods	**5,420**	5,547
Goods in transit	**29**	620
Provision for obsolescence	**(619)**	(271)
	4,830	5,896

6 Dividends

No interim dividend will be payable.

7 Contingencies

In the opinion of the Directors, the Group did not have any contingencies at 31 December 2013 (31 December 2012:None).

8 Related Parties

(a) Loans

At the Annual General Meeting in November 2013, shareholders unanimously approved an unsecured loan facility of up to $2,000,000 with further advances available at the discretion of Rainrose Pty Ltd. The facility is for a maximum of 3 years and interest is to be capitalised every six months calculated using the variable home loan rate published by Commonwealth Bank of Australia on that day as amended during the Term. The capitalised interest as at 31 December 2013 is $14,827 (2012: NIL).

	31 December 2013 000's $	31 December 2012 000's $
Loans from Rainrose Pty Ltd	1,615	-

9 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial half-year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

10 Company Details

The registered office of the company is:

AstiVita Limited
172 Ingram Road
Acacia Ridge
QLD 4110

AstiVita Limited
ABN: 46 139 461 733

Directors' Declaration

The directors of the Group declare that:

1. The financial statements and notes, as set out on pages 4 to 13 are in accordance with the *Corporations Act 2001*, including:

    (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and

    (b) give a true and fair view of the Group's consolidated financial position as at 31 December 2013 and of its performance for the half-year ended on that date.

2. In the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Executive Chairman ....

Dated 2 March 2014

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF ASTIVITA LIMITED**

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of AstiVita Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2013, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with 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 half-year 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 2013 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 AstiVita 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 have complied with the independence requirements of the *Corporations Act 2001*.

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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 AstiVita 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 2013 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*.

Emphasis of matter – Going Concern

Without modifying our conclusion, we draw attention to Note 1 to the half-year financial report which indicates that the company incurred a net loss of $767,784 during the half-year ended 31 December 2013. This condition, along with other matters set forth in Note 1, indicates the existence of a material uncertainty, which may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

Emphasis of matter – Accounting Estimates

Without modifying our conclusion, we draw attention to Note 1 to the half-year financial report which describes the estimates and judgements about valuation allowances for inventory and receivables and provisions for warranty costs. These conditions, along with other matters set forth in Note 1, indicate the existence of a material uncertainty, which may cast significant doubt about the company's ability to recover inventory and receivables and settle warranties at the amounts stated in the financial report.

Hanrick Curran Audit.

Hanrick Curran Audit Pty Ltd
Authorised Audit Company: 338599

M. J. Green
Director

Brisbane, 2 March 2014