Vita Life Sciences Limited
Half Year Report June 2007

Vita Life Sciences Limited and its Controlled Entities
ABN 35 003 190 421

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Managing Director's Review

OVERVIEW

The Company successfully completed its planned capital raising of $6.66 million listing its shares for quotation on the Australian Securities Exchange Limited ("ASX") on 23 August 2007. This was the final step in a process that began in 2006. The process, approved by shareholders in April 2006, has resulted in:

- the Company's borrowings of $18.4 million being repaid;
- 61% of the Medical business being divested to shareholders via Cyclopharm Limited which subsequently listed on the ASX; and
- the Company's balance sheet restored with $3.02 million of shareholders equity compared to negative $6.25 million at June 2006.

Importantly, during this period Vita Life has been able to continue to build its Health division and establish its Investment division. Barring any unforseen circumstances, by year end both divisions are expected to contribute a small profit.

RIGHTS ISSUE TO SHAREHOLDERS

The Company's rights issue to shareholders and public offer of new shares was well received and oversubscribed with applications amounting to $7.65 million for the available $6.66 million new shares. 475 Vita Life shareholders and 140 investors subscribing for 33,292,152 new shares ($6,658,430) at $0.20 per share were allotted new shares on 17 August 2007 pursuant to this exercise.

At the time of listing the Company had 2,737 shareholders.

HEALTH DIVISION

The Company's principal activity is undertaken by its Health division which continued to make good progress during the first 6 months of 2007 notwithstanding revenue being down by 5.0% when compared to the previous corresponding period. Lower Health division revenue was primarily a result of lower sales in Australia, export sales and the strong Australian dollar as 57% of total revenue was derived from Asian markets. However the effect of the strong Australian dollar was largely offset by improved gross profit margins which amounted to $3.10 million ($3.06 million: 2006).

During the period under review, three new activities commenced; multi-level marketing in Malaysia, the launching of the Pharma Direct brand in Malaysia and the sale of the VitaHealth brand in Thailand.

Health division sales and EBIT of $5.61 million and a loss of $0.20 million respectively, were in line with the forecast contained in the Company's rights issue and public offer of new shares prospectus.

Operating expenses (distribution, marketing, occupancy, administrative and other) were tightly controlled at $3.26 million and included $0.42 million from the write back of legal costs which had been expensed in previous periods ($3.68 million before recovered costs). This compares to operating expenses of $4.21 million (adjusted for discontinued operations) in 2006.

The Health divisions established business units including its VitaHealth and Herbs of Gold brands produced EBIT $0.05 million for the period under review. The new business units, Multi Level Marketing, Pharma Direct and VitaHealth Thailand, commenced selling products towards end of May 2007 incurred losses in line with budget of EBIT $0.15 million.

Comparison of Results: 6 months ended June 2007 and 6 months ended June 2006

Comparison of current period profit and the previous period profit is not appropriate and requires adjustment for "like with like" analysis. EBIT and the profit after tax attributable to members for the 6 months ending June 2006 include $6.75 million from Pan Pharmaceutical dividend and contributions derived from discounted debt repayment and, profit from discontinued operations.

Managing Director's Review (continued)

EBIT was a loss of $0.15 million for the current period compared to a loss of $1.15 million in 2006 when compared on a like with like basis and adjusted for amounts referred to above. Net loss after tax and attributable to members of $ 0.20 million for the current period compares to a loss of $1.59 million (adjusted for amounts referred to above) in 2006.

The table below adjusts the 2006 results having regard to these factors.

Continuing operations for the half year ended	June 2007 $ mil	Adjusted June 2006 $ mil
Revenue	5.60	5.90
Operating Expenses	(-3.25)	(-4.21)
EBIT	(-0.15)	(-1.15)
Loss from continuing operations	(-0.25)	(-2.40)
Loss after MI	(-0.20)	(-1.59)

INVESTMENT DIVISION

The Investment division's operations commenced in June 2007 and its loss on an equity basis recorded in the Group was $0.01 million.

Our focus for the remainder of the year and going forward is to grow the new business units whilst ensuring the continuous improvements in our existing markets and business. Whilst we strive to grow further, we have to also balance the costs and investments of these new business ventures to ensure that new business venture costs does not overburden the Group.

With the completion of the fund raising cum listing exercise on the ASX, the VLS Group is now in a net tangible assets position hence addressing the going concern issue raised in the past.

CASHFLOW

Net cash used in the course of ordinary operations of $1.06 million largely reflected the use of funds for corporate exercise, legal fees and new businesses. Comparison against the same period in 2006 is not appropriate as cash generated during that period includes amounts from the Medical business that was sold in late 2006.

OUTLOOK

Directors have forecast group sales revenue of $11.70 million for the full year implying second half sales of $6.10 million, an increase of 9% over the first half. Increased sales are expected to be derived from all divisions of the Company.

Both the Health and Investment divisions are budgeted to contribute small profits in the second half. Dividends from the Pan Pharmaceutical liquidation are also expected to contribute positively to the second half. The Company will continue to pursue its legal case against its former auditors, Arthur Andersen Singapore which is now part of Ernst and Young, the costs of which are expected to be substantial and may offset the potential profits referred to above.

Importantly management will continue to build solid foundations and new markets for sustaining profitability.

Eddie L S Tie
Managing Director

Directors' Report

The Directors of Vita Life Sciences Limited ("Company" or "Vita Life") submit their report together with the financial report for Vita Life Sciences Limited and its controlled entities for the half year ended 30 June 2007.

DIRECTORS

The names of the Company's directors in office throughout and since the end of the last financial year are set out below.

Mr V R Gould	Non-Executive Chairman
Mr Eddie L S Tie	Managing Director
Mr J S Sharman	Non-Executive Director
Mr H G Townsing	Non-Executive Director

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

PRINCIPAL ACTIVITIES

During the period under review the principal continuing activities of the consolidated entity consisted of formulating, packaging, sales and distribution of vitamins/supplements together with residential property development investment.

OPERATING AND FINANCIAL REVIEW

Operating Results for the Half Year

For the reporting period the economic entity recorded a consolidated loss after tax attributable to members of $203,315 (2006: Profit after tax $5,156,118).

EVENTS SUBSEQUENT TO PERIOD END

Initial Public Offering and Quotation of the Company's Shares on the Australian Securities Exchange Limited ("ASX")

On 17 August 2007, Vita Life completed a new share issue and on 23 August 2007 its ordinary shares re-commenced trading on the ASX. A total of 33,292,152 new ordinary shares were allotted at $0.20 each raising $6,658,430 before issue costs of approximately $550,261. The net proceeds from the new share issue are to be utilised towards the repayment of company borrowings and working capital purposes.

Directors' Report (continued)

Long Term Incentive Plan

At the Company's Annual General Meeting held on 31 May 2007, shareholders approved the issue of Long Term Incentive Plan (Plan) shares to Mr Eddie L S Tie, the Company's Managing Director. On 29 June 2007, 825,000 new shares were allotted under the Plan as follows:

Recipient	Number of Plan Shares	Exercise Price	Term	Performance Hurdle
Eddie L S Tie	325,000	$0.20 per share	2.6 years expiring 17 Jan 2010	No performance hurdle
	250,000	$0.20 per share	2 years expiring 30 June 2009	Cumulative PBT is not less than $2 million for the 2 years ending 30/06/09
	250,000	$0.23 per share	3 years expiring 30 June 2010	Cumulative PBT is not less than $4.5 million for the 3 years ending 30/06/10
	825,000			

OUTLOOK

Operations are expected to continue to build upon the foundations laid over the past 2 years which are aimed at returning Vita Life to sustainable profitability.

Directors forecast sales revenue of $11.70 million for 2007. Increased sales are expected to be derived from improved performance of the Company's established Health businesses (VitaHealth and Herbs of Gold brands) and the new activities (Multi Level Marketing and Pharma Direct) which commenced towards the end of the period under review.

Dividends from the Pan Pharmaceutical liquidation are expected to contribute positively to the second half of 2007. The Company will continue to pursue its legal case against Arthur Andersen, Singapore which is set for hearing in January and February 2008. Costs associated with the case will continue to be expensed.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 6.

This report is made and signed in accordance with a resolution of the Directors:

Dated at Sydney this 29th day of August 2007.

Eddie L S Tie
Managing Director

Auditor's Independence Declaration

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LEAD AUDITORS INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

TO THE DIRECTORS OF VITA LIFE SCIENCES LIMITED

I declare that, to the best of my knowledge and belief, during the half year ended 30 June 2007 there have been:

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

RUSSELL BEDFORD NSW
Chartered Accountants

GREGORY C RALPH, M.COM, FCA
Partner
Sydney, 29 August 2007

Consolidated Income Statement

for the half year ended 30 June

	2007	2006
	$	$
Continuing operations		
Sale of goods	5,605,910	5,902,843
Cost of sales	(2,472,934)	(2,837,721)
Gross Profit	3,132,976	3,065,122
Distribution expenses	(219,878)	(185,779)
Marketing expenses	(684,982)	(734,935)
Occupancy expenses	(292,815)	(268,816)
Administrative expenses	(1,950,112)	(2,578,585)
Gain on redemption of convertible notes	-	6,045,306
PAN Pharmaceutical dividend income	-	701,067
Share of associate's loss	(22,960)	-
Other expenses	(109,415)	(449,089)
(Loss)/Profit from continuing operations before tax and finance costs	(147,186)	5,594,291
Finance income	15,332	27,903
Finance costs	(251,115)	(1,278,038)
(Loss)/ Profit before income tax	(382,969)	4,344,156
Income tax benefit/(expense)	125,454	(1,563)
(Loss)/ Profit after tax from continuing operations	(257,515)	4,342,593
Discontinued operations		
Profit after tax from discontinued operations	-	813,838
(Loss)/ Profit for the period	(257,515)	5,156,431
Loss/ (Profit) attributable to minority interest	54,200	(313)
(Loss)/ Profit attributable to members of the parent	(203,315)	5,156,118

Earnings per share	**cents**	**cents**
- basic (loss)/earnings per share for continuing operations	(2.01)	33.82
- basic earnings per share for discontinued operations	-	6.34
- basic (loss)/earnings per share	(1.58)	40.16
- diluted (loss)/earnings per share	(1.58)	40.16

The Income Statement is to be read in conjunction with the accompanying notes to the Half Year Report

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Consolidated Balance Sheet

as at

	30 June 2007	31 December 2006
ASSETS	$	$
Current Assets		
Cash and cash equivalents	308,730	1,930,982
Trade and other receivables	3,612,245	4,889,930
Inventories	2,140,369	1,682,120
Other assets	181,956	128,048
Assets held for sale-Cyclopharm Ltd	-	4,000,000
Total Current Assets	**6,243,300**	**12,631,080**
Non Current Assets		
Investment in associates	21,649	38,582
Property, plant & equipment	233,611	211,211
Intangible assets	65,255	77,699
Total Non Current Assets	**320,515**	**327,492**
Total Assets	**6,563,815**	**12,958,572**
LIABILITIES		
Current Liabilities		
Trade and other payables	5,787,052	6,479,607
Interest bearing loans and borrowings	3,529,756	8,135,124
Tax liabilities	71,841	241,188
Provisions	254,036	232,427
Total Current Liabilities	**9,642,685**	**15,088,346**
Non Current Liabilities		
Interest bearing loans and borrowings	6,155	6,213
Provisions	4,313	4,709
Total Non Current Liabilities	**10,468**	**10,922**
Total Liabilities	**9,653,153**	**15,099,268**
Net Liabilities	**(3,089,338)**	**(2,140,696)**
EQUITY		
Contributed equity	38,351,650	38,979,150
Foreign currency translation reserve	(1,387,427)	(1,347,739)
Accumulated losses	(40,399,836)	(40,196,521)
Parent entity Interest	(3,435,613)	(2,565,110)
Minority interests	346,275	424,414
Total Equity	**(3,089,338)**	**(2,140,696)**

The Balance Sheet is to be read in conjunction with the accompanying notes to the Half Year Report.

Consolidated Cash Flow Statement

for the half year ended 30 June

	2007 $	2006 $
Cash flows from operating activities		
Cash receipts in the course of operations	5,371,741	11,432,713
Cash payments in the course of operations	(6,149,669)	(11,636,894)
Interest received	15,332	12,304
Borrowing costs	(251,116)	(330,844)
Income tax paid	(43,893)	(423,107)
Dividend received	-	701,068
Net cash flows (used in)/ provided by operating activities	(1,057,605)	(244,760)
Cash flows from investing activities		
Payments for property, plant and equipment	(22,400)	(29,275)
Proceeds from sale of investment	4,000,000	-
Investment in associate company	(22)	-
Payments for FDA approval	-	(65,804)
Net cash flows provided by / (used in) investing activities	3,977,578	(95,079)
Cash flows from financing activities		
Proceeds from issue of shares	-	549,805
Proceeds from borrowings	3,450,596	2,950,000
Repayment of borrowings	(6,836,651)	(2,588,668)
Loans to unrelated entity	(755,898)	(325,000)
Loans to associate company	(349,093)	-
Loans from unrelated entity	-	216,653
Net cash flows (used in)/ provided by financing activities	(4,491,046)	802,790
Net (decrease)/ increase in cash held	(1,571,073)	462,951
Cash at beginning of the financial period	1,930,982	1,003,959
Net foreign exchange differences	(51,179)	7,468
Cash flows at the end of the financial period	308,730	1,474,378

The Cash Flow Statement is to be read in conjunction with the accompanying notes to the Half Year Report.

Consolidated Statement of Changes in Equity

for the half year ended 30 June 2007

	Contributed Equity	Accumulated losses	Foreign Currency Translation Reserve	Attributed to Equity Holders of Parent	Minority Interest	Total
	$	$	$	$	$	$
CONSOLIDATED At 1 January 2007	38,979,150	(40,196,521)	(1,347,739)	(2,565,110)	424,414	(2,140,696)
Loss attributable to members of the parent entity	-	(203,315)	-	(203,315)	-	(203,315)
Loss for the period attributable to minority interest	-	-	-	-	(54,200)	(54,200)
De-recognition of share capital issued pursuant to long term employee incentive plan (Note 8(ii))	(627,500)	-	-	(627,500)	-	(627,500)
Exchange difference on translation of foreign operations	-	-	(39,688)	(39,688)	(23,939)	(63,627)
Balance at 30 June 2007	38,351,650	(40,399,836)	(1,387,427)	(3,435,613)	346,275	(3,089,338)
At 1 January 2006	38,081,445	(50,003,853)	(1,823,229)	(13,745,637)	(37,536)	(13,783,173)
Profit attributable to members of the parent entity	-	5,156,118	-	5,156,118	-	5,156,118
Profit for the period attributable to minority interest	-	-	-	-	312	312
Issue of share capital	815,204	-	-	815,204	-	815,204
Exchange difference on translation of foreign operations	-	-	943,134	943,134	620,200	1,563,334
Balance at 30 June 2006	38,896,649	(44,847,735)	(880,095)	(6,831,181)	582,976	(6,248,205)

The Statement of Changes in Equity is to be read in conjunction with the accompanying notes to the Half Year Report.

Notes to the Financial Statements

for the half year ended 30 June 2007

1. CORPORATE INFORMATION

The Half Year financial report of Vita Life Sciences Limited ("Vita Life Sciences") for the half year ended 30 June 2007 was authorised for issue by a resolution of the directors on 29 August 2007.

Vita Life Sciences is a Company limited by shares incorporated and domiciled in Australia. From 23 August 2007, the Company's shares were publicly traded on the Australian Securities Exchange (ASX).

The nature of the operations and principal activities of the Group are described in the Director's Report.

2. BASIS OF PREPARATION

The Half Year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and applicable Accounting Standards including *AASB 134 Interim Financial Reporting* and other mandatory financial reporting requirements. The financial report has also been prepared on a historical cost basis.

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 recommended that the Half Year financial report be read in conjunction with the annual report for the year ended 31 December 2006 and considered together with any public announcements made by Vita Life during the half year ended 30 June 2007 in accordance with the continuous disclosure obligations of the ASX Listing Rules.

The financial report is presented in Australian dollars.

The accounting policies adopted are consistent with those in prior reporting periods.

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period.

3. GOING CONCERN

As at the end of the financial period, the Group had current liabilities which exceeded current assets by $3,399,385 (2006: $ 2,457,266). On 17 August 2007 the Company allotted 33,292,152 new shares of $0.20 each raising $ 6,658,430 cash before issue costs restoring the Company to a net asset position. Refer Note 10-Events After The Balance Sheet Date for further details. Accordingly, the Directors believe it appropriate that these Half Year financial statements be prepared on the basis of the Company continuing as a going concern.

4. SEGMENT REPORTING

The Group's primary reporting segment is geographic segments

	AUSTRALIA	SINGAPORE	MALAYSIA	OTHERS	Total	Discontinued operations	Total operations
	$	$	$	$	$	$	$
Half year ended 30 June 2007							
Sales to external customers	2,417,011	1,421,571	1,767,328	-	5,605,910	-	5,605,910
Net Profit /(loss) before income tax	(424,090)	174,878	(119,956)	(13,801)	(382,969)	-	(382,969)
Half year ended 30 June 2006							
Sales to external customers	2,484,300	1,617,202	1,801,341	-	5,902,843	4,357,423	10,260,266
Net Profit /(loss) before income tax	4,010,401	249,820	83,935	-	4,344,156	954,691	5,298,847

5. EARNINGS PER SHARE

	30 June 2007	30 June 2006
	$	$
(Loss)/ Profit after tax from continuing operations	(257,515)	4,342,593
Profit after tax from discontinued operations	-	813,838
Loss/ (Profit) attributable to minority interest	54,200	(313)
(Loss)/ Profit attributable to members of the parent	(203,315)	5,156,118
	Number	Number
Weighted average number of ordinary shares for basic earnings per share	12,839,725	12,839,725
Effect of dilutive securities from Long Term Incentive Plan issued on 29 June 2007	4,508	-
Weighted average number of ordinary shares for diluted earnings per share	12,844,233	12,839,725

On 31 May 2007 the Company consolidated its shares on the basis of one (1) share for every four (4) existing shares pursuant to the shareholders' resolution at the Company's Annual General Meeting. The 2006 comparative figures were adjusted to reflect the 1:4 consolidation as if it occurred in 2006.

6. INCOME TAX EXPENSE

	30 June 2007	30 June 2006
	$	**$**
Current income tax benefit/ (expense)	125,454	(1,563)
Accounting (loss)/ profit before income tax	(382,969)	4,344,156
At the statutory income tax rate of 30% (2006: 30%)	(114,891)	1,303,247
Expenditures not allowed for income tax purposes	65,535	91,116
Effects of lower tax rates on overseas income	(4,100)	(6,980)
Income tax (benefit)/ expense on operating profit before individually significant income tax items	(53,456)	1,387,383
Tax losses and timing differences not brought to account	53,456	(1,529,799)
Overprovision in prior years	125,454	-
Tax on discontinued operations	-	140,853
	125,454	(1,563)

7. DISCONTINUED OPERATIONS

Pursuant to Shareholders approval on 12 April 2006, a disposal/restructuring scheme involving the disposal of entities forming Cyclopharm Ltd and its subsidiaries commenced. In October 2006, Cyclopharm Ltd was deconsolidated as a subsidiary of the Company, with an equity interest of 11.8% as at 31 December 2006 remaining in the Company. On 11 January 2007, the remaining 11.8% interest was divested in total for the sum of A$ 4.0m which was accounted for as at 31 December 2006.

The results of the discontinued operations for the period up to 30 June 2006 are presented below:

	$
Revenue	4,357,423
Expenses	(3,377,038)
Finance Costs	(25,694)
Profit before tax from discontinued operations	954,691
Taxation	(140,853)
Profit after tax from discontinued operations	**813,838**

8. CONTRIBUTED EQUITY

Issued and paid up capital

	30 June 2007	31 December 2006	30 June 2007	31 December 2006
	No of Shares	No of Shares	$	$
Issued capital (a)	13,664,725	51,357,651	38,351,650	38,979,150

	30 June 2007	31 December 2006	30 June 2007	31 December 2006
(a) Movements in issued capital	No of Shares	No of Shares	$	$
Balance at the beginning of period	51,357,651	47,766,831	38,979,150	38,081,445
Issue of 3,590,820 ordinary shares at $0.25	-	3,590,820	-	897,705
1:4 Consolidation of ordinary shares (i)	(38,517,926)	-	-	-
De-recognition of employee/director long term incentive shares as no longer probable following consolidation of share capital (ii)	-	-	(627,500)	-
Issue of 825,000 shares to Managing Director (iii)	825,000	-	-	-
Balance at end of period	13,664,725	51,357,651	38,351,650	38,979,150

(i) Share consolidation

On 31 May 2007 the company consolidated its ordinary shares on issue on a 1:4 basis.

8. CONTRIBUTED EQUITY (continued)

(ii) De-recognition of employee/director shares

During the period, the Company derecognised the employee and director limited recourse share loans and capital of $627,500 (equivalent to 2,510,000 ordinary shares) issued previously under the Company's Long Term Incentive Plan (LTIP). Settlement of the loans is not considered probable as the shares have increased in price to $1.00 following the 1:4 consolidation of shares on 31 May 2007. The transaction will subsequently be treated as options.

In addition, the International Financial Reporting Council have recommended that where employee shares are issued under a limited recourse loan payment plan, the loan assets and the increment to share capital should not be recognised at grant date but rather, the transactions be treated as share options.

(iii) Shares issued to managing director (not recognised)

At the Annual General Meeting held on 31 May 2007, the shareholders approved the Company's Long Term Incentive Plan ("Plan") and the issue of 825,000 shares under a non-recourse loan to the Managing Director, Mr Eddie L S Tie. For further details on these shares refer to the Directors' Report.

The International Financial Reporting Council have recommended that where employee shares are issued under a limited recourse loan payment plan, the loan assets and the increment to share capital should not be recognised at grant date but rather, the transactions be treated as share options. Consequently the value of the discount which has been determined using a binomial pricing model will be charged to the income statement over the vesting period. Other increments to share capital will be recognised as the share loans are settled by the relevant employees.

9. COMMITMENTS AND CONTINGENCIES

There are no significant changes to the contingent assets and liabilities as previously disclosed in the 2006 Annual Report.

10. EVENTS AFTER THE BALANCE SHEET DATE

Initial Public Offering and listing on the Australian Stock Exchange

As of 17 August 2007, the Company completed a new share issue exercise and on 23 August 2007 the Company's ordinary shares were listed on the Australian Securities Exchange Ltd. A total of 33,292,152 new ordinary shares were allotted at $ 0.20 each raising $ 6,658,430 before issue costs of approximately $ 550,261. The net proceeds are to reduce borrowings and be applied to working capital.

Apart from the above, no other matters or circumstances have arisen since 30 June 2007 which significantly affected or may significantly affect the operations of the Company and the results of those operations, or the state of affairs of the Company in subsequent financial years.

Directors' Declaration

In the opinion of the directors of Vita Life Sciences Limited:

1. (a) The financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2007 and it's performance for the half-year ended on that date; and

   (ii) complying with Accounting Standard *AASB 134 Interim Financial Reporting*, Corporations Regulations 2001 and other mandatory professional reporting requirements.

   (b) There are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

Dated at Sydney this 29th day of August 2007.

Signed in accordance with a resolution of the directors:

Eddie L S Tie
Managing Director

Independent Review Report

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Independent Review Report To the members of Vita Life Sciences Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Vita Life Sciences Limited and the entities it controlled during the half year, which comprises the condensed balance sheet as at 30 June 2007, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, a statement or description of accounting policies, other selected explanatory notes and the directors' declaration.

Directors Responsibility on 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 half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim 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 company's financial position as at 30 June 2007 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 Vita Life Sciences 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*.

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 Vita Life Sciences Limited and the entities it controlled during the half year is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entities financial position as at 30 June 2007 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*.

RUSSELL BEDFORD NSW
Chartered Accountants

GREGORY C. RALPH M.Com., F.C.A.
Partner
Sydney, 29 August 2007

General Information

Directors
Vanda Gould
Non-Executive Chairman

Eddie L S Tie
Managing Director

John Sharman
Non-Executive Director

Henry Townsing
Non-Executive Director &
Company Secretary

Company Secretary
Henry Townsing

Corporate Office
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F: 61(03) 9820 5957

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NSW 2232
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F: 61 (02) 9545 1311

Asia Regional Office
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Damansara Utama
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259 George Street
Sydney NSW 2000

Share Registry
Gould Ralph Pty Ltd
Level 42,
259 George Street
Sydney NSW 2000
T: 61 (02) 9032 3000
F: 61 (02) 9032 3088

Bankers
National Australia Bank
Level 3 330 Collins Street
Melbourne VIC 3000

Solicitors
Piper Alderman
Level 24, 385 Bourke Street
Melbourne VIC 3000

Stock Exchange Listing
The ordinary shares of Vita Life Sciences Limited are listed on the Australian Securities Exchange Ltd (code: VSC).