



Vita Life Sciences Limited
Appendix 4D
For the half year ended 30 June 2012

To : Company Announcements

Company: Australian Securities Exchange Fax No.:

Date: 28 August 2012 No. of pages 28 incl. cover

From: Ernest Chunge Fax No.:

Subject : **Appendix 4D**

Please see attached 30 June 2012 Half Yearly Report for Vita Life Sciences Limited (ASX - VSC).

This announcement is made pursuant to Listing rule 4.2A.3. For all enquiries please contact

Mr Ernest Chunge
Company Secretary
Vita Life Sciences Limited

Telephone 02 9545 2633

Fax 02 9545 1311



1. Company details

Name of entity

VITA LIFE SCIENCES LIMITED

ABN or equivalent company reference	Half year ended ('current period')	Half year ended ('previous period')
35 003 190 421	30 June 2012	30 June 2011

The information contained in this report is to be read in conjunction with Vita Life Sciences Limited's 2011 Annual Report and any announcements to the market by Vita Life Sciences Limited during the half year ended 30 June 2012.

2. Results for announcement to the market

		Percentage Change %	2012 A\$
2.1	Revenue	up 27.17	14,406,937
	Profit before income tax	up 144.22	1,099,021
2.2	Net profit after tax	up 167.44	985,870
2.3	Net profit attributable to members	up 169.26	992,594

2.4	Dividends (distributions)		Amount per security	Franked amount per security
2.5	Interim 2012 dividend	Record Date To Be Paid	0.5 cents	0.5 cents
		14 September 2012 16 October 2012		
	Final 2011 dividend	Record Date Paid	0.5 cents	0.5 cents
		30 March 2012 17 April 2012		

2.6 Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable the figures to be understood.

The Board of Directors is pleased to announce Vita Life Sciences Limited's ("Vita Life" or the "Group") profit after tax of \$0.986m for the half year to 30 June 2012 compared to \$0.368m in 2011, a 167% increase.

This increase was driven by the continual growth of revenue in the Established Business Units in Australia, Malaysia and Singapore, whilst maintaining current profit margins. Pleasingly, variable operating costs have decreased to 16.2% (2011: 20.2%) due to lower distribution costs.

Health Division

The Group's revenue for the period was \$14.4 million, an increase of \$3.1m or 27% on the same period in 2011. This increase includes \$0.49m from the Thailand venture, as a result of the change in accounting arising from the change in Board control. Excluding the revenue from Thailand gives a comparative revenue increase of \$2.6 million or 23% against 2011.

The Australian business again excelled, with profit doubling. Singapore bounced back from a disappointing 2011, with a 39% increase in profit for the comparative six months, and Malaysia continued its growth path with profit growth of 32% when compared with 2011 (in local currencies).

The Group's New Business units (China, Thailand Indonesia and Vietnam) recorded losses of \$0.28m in total, consistent with the first six months of 2011, however promising signs were shown with revenue increases in the Business Units ranging from 13% to 52% when measured in local currency. The Multi Level Marketing Business Unit in Malaysia saw sales drop in 2012 due to the transition to a new marketing strategy which became effective in July 2012, with revenues showing significant improvement in that month.

Investment Division

The Group has an equity interest of 6.3% (profit share of 20.1%) in a property project in Malaysia. The Investment division recorded a loss of \$3,516 (2011: profit of \$2,464).

The Group's divisional result for 1st Half 2012 is summarised in the table below:

<u>Half year ended 30 June</u>	2012			2011		
	Health	Investment	Total	Health	Investment	Total
Revenue						
Sales to external customers	14,406,937	-	14,406,937	11,328,668	-	11,328,668
Result						
Segment Results	1,395,058	(3,516)	1,391,542	702,044	2,464	704,507
Unallocated expenses	-	-	(220,883)	-	-	(177,975)
Profit before tax and finance costs			1,170,659			526,532
Finance costs			(71,638)			(76,524)
Profit before income tax			1,099,021			450,008
Income tax expense			(113,151)			(81,371)
Net profit for the period			985,870			368,637

3. Net tangible assets

	30 June 2012	30 June 2011
Net Tangible Assets per security	\$0.18	\$0.15

4. Entities over which control has been gained or lost during the period

Control over entities

Name of entity (or group of entities)

Vita Life Sciences (Thailand) Co Ltd
Vita Health (Thailand) Co Ltd

Date Control Gained

1 January 2012

Loss of control over entities

Name of entity (or group of entities)

Not applicable

5. Dividends

A dividend of 0.5 cents per share fully franked amounting to \$271,675 was paid on 17 April 2012 in relation to the year ended 31 December 2011.

Directors have declared the payment of an interim dividend for the year ending 31 December 2012 of 0.5 cents per ordinary share fully franked, as disclosed at point 2.4 above.

6. Dividend Reinvestment plans

The Company's Dividend Reinvestment Plan (DRP) was in force when the final dividend was paid on 17 April 2012. A total of 103,379 ordinary shares at 31 cents per share (\$30,551 net of costs), were issued under the DRP.

The Board of Directors have resolved to suspend the Company's DRP until further notice.

7. Details of associates and joint venture entities

	Place of Incorporation	Ownership Interest	
		30 June 2012 %	30 June 2011 %
(b) Investment details			
Name of Company			
<i>Unlisted</i>			
- Mitre Focus Sdn Bhd	Malaysia	6.3	6.3
- Vita Life Sciences (Thailand) Co. Ltd	Thailand	49.0 #	49.0
- Vitahealth (Thailand) Co. Ltd	Thailand	74.0 #	74.0

Thailand Entities became subsidiaries due to change in Board Representation as of 1 January 2012

The acquired business contributed a net profit of \$14,675 to the Group for the period 1 January 2012 to 30 June 2012.



8. Information on Audit or Review

This interim report is based on accounts to which one of the following applies

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

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

Not applicable

9. For foreign entities, which accounting standards were used in compiling this report.

International Financial Reporting Standard - IFRS



Half Year Report 30 June 2012



Contents

Directors' Report	1
Directors' Report (continued)	2
Auditor's Independence Declaration	3
Consolidated Statement of Comprehensive Income	4
Consolidated Statement of Financial Position	5
Consolidated Statement of Cash Flow	6
Consolidated Statement of Changes in Equity	7
Notes to the Financial Statements	9
Directors' Declaration	17
Independent Review Report	18
General Information	20



Directors' Report

The Directors of Vita Life Sciences Limited ("Company" or "Vita Life") submit their report together with the financial report for Vita Life and its controlled entities for the half year ended 30 June 2012.

DIRECTORS

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

Mr Vanda R Gould	Non-executive chairman
Mr Eddie L S Tie	Managing director
Mr Henry G Townsing	Non-executive director
Mr Jonathan J Tooth	Non-executive director (appointed 26 July 2012)
Mr John S Sharman	Non-executive director (resigned 26 July 2012)

All 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 in review the principal continuing activities of the consolidated entity consisted of formulating, packaging, sales and distribution of vitamins and supplements and investment.

OPERATING AND FINANCIAL REVIEW

Operating Results for the Half Year

For the reporting period the economic entity recorded a consolidated profit after tax attributable to members of \$985,870 (2011: \$368,637).

DIVIDENDS

A dividend of 0.5 cents per share fully franked amounting to \$271,675 (2011: 0.5 cents per share fully franked totalling \$270,430) was paid on 16 April 2012 in relation to the year ended 31 December 2011. An interim dividend of 0.5 cents per share fully franked has been declared and will be paid on 16 October 2012. The record date for the interim dividend is 14 September 2012.

SIGNIFICANT EVENTS AFTER BALANCE DATE

Subsequent to 30 June 2012, the Group has purchased the 30% of Vita Lifesciences Sdn Bhd that was held by outside parties, making it a 100% subsidiary of the Group. Consideration for this purchase was effected by a set off of a loan from the Group to the minority shareholders amounting to 1,500,000 Malaysian Ringgit with no effect on net assets.

Australian subsidiary Herbs of Gold Pty Ltd terminated its \$1.2 million Invoice Finance Facility on 17 August 2012. There was no financial impact as the Facility was fully paid down in a previous period.

Other than that referred to in the financial statements or notes thereto, no matters or circumstances have arisen since the end of the financial period which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Directors' Report (continued)

AUDITOR'S INDEPENDENCE DECLARATION

The Directors have received an Independence Declaration from the external auditor, Russell Bedford NSW. A copy of this Declaration follows the Directors Report.

Signed in accordance with a resolution of the Board of Directors

A handwritten signature in black ink, appearing to be 'Eddie L S Tie', written over a horizontal line.

Eddie L S Tie
Managing Director
Sydney, 28 August 2012



Russell Bedford
New South Wales

Level 42, Suncorp Place
259 George Street
Sydney NSW 2000
Australia

T: **+61 2 9032 3050**
F: +61 2 9032 3058
E: mail@russellbedfordnsw.com.au
W: www.russellbedford.com

28 August 2012

The Board of Directors
Vita Life Sciences Limited
Suite 630, Level 6
1 Queens Road
Melbourne VIC 3004

Dear Directors

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

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2012, there have been:

- No contraventions of the auditor independence requirements of 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

A handwritten signature in black ink, appearing to read "Gregory C. Ralph".

GREGORY C. RALPH M.Com., F.C.A.
Partner



Member of Russell Bedford International – with affiliated offices worldwide
Liability limited by a scheme approved under Professional Standards Legislation

Consolidated Statement of Comprehensive Income

For the half year ended 30 June 2012

	Notes	2012 \$	2011 \$
CONTINUING OPERATIONS			
Sale of goods		14,406,937	11,328,668
Cost of sales		(5,237,980)	(4,021,085)
Gross profit		9,168,957	7,307,583
Other income		37,701	33,809
Distribution expenses		(1,255,824)	(1,440,457)
Marketing expenses		(1,079,590)	(845,710)
Occupancy expenses		(359,686)	(329,088)
Administrative expenses		(5,315,235)	(4,213,533)
Other expenses		(84,157)	(84,650)
Share of associates (loss) / profit		(332)	51,239
Profit from continuing operations before interest and taxes		1,111,834	479,193
Finance income		58,825	47,339
Finance costs		(71,638)	(76,524)
Profit before income tax		1,099,021	450,008
Income tax expense		(113,151)	(81,371)
Net profit for the period		985,870	368,637
Other comprehensive income after income tax			
Exchange differences on translating foreign controlled entities		(165,739)	(105,430)
Other comprehensive income for the period, net of income tax		(165,739)	(105,430)
Total comprehensive income for the period		820,131	263,207
Profit attributable to minority interest		(6,724)	-
Profit attributable to members of the parent		992,594	368,637
		985,870	368,637
Total comprehensive income / (expense) attributable to:			
Minority interest		(9,102)	(12,337)
Members of the parent		829,233	275,544
		820,131	263,207
Earnings per share (cents per share)			
- basic earnings per share	5	1.83	0.68
- diluted earnings per share	5	1.72	0.64

The Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes to the Half Year Report.

Consolidated Statement of Financial Position

As at 30 June 2012

	Notes	30 June 2012 \$	31 December 2011 \$
ASSETS			
Current Assets			
Cash and cash equivalents		4,804,448	3,632,307
Trade and other receivables		4,354,311	3,285,380
Inventories		4,020,125	3,700,900
Other assets		592,249	284,536
Assets held for sale		-	22,425
Total Current Assets		13,771,133	10,925,548
Non Current Assets			
Trade and other receivables		462,521	464,828
Investment in associates		928,715	1,678,255
Property, plant and equipment		109,024	126,764
Intangible assets		62,077	65,862
Deferred tax assets		146,279	87,903
Total Non Current Assets		1,708,616	2,423,612
Total Assets		15,479,749	13,349,160
LIABILITIES			
Current Liabilities			
Trade and other payables		4,934,543	3,917,043
Current tax liability		75,166	34,009
Provisions		365,913	414,308
Total Current Liabilities		5,375,622	4,365,360
Non Current Liabilities			
Deferred Tax Liability		7,733	7,773
Provisions		26,743	19,982
Total Non Current Liabilities		34,476	27,755
Total Liabilities		5,410,098	4,393,115
Net Assets		10,069,651	8,956,045
Equity			
Issued capital		45,909,529	45,568,037
Accumulated losses		(34,634,143)	(35,355,062)
Employee share based payments reserve		408,346	271,677
Foreign currency translation reserve		(2,156,796)	(1,993,435)
Parent entity interest		9,526,936	8,491,217
Minority interest		542,715	464,828
Total Equity		10,069,651	8,956,045

The Statement of Financial Position should be read in conjunction with the accompanying notes to the Half Year Report.

Consolidated Statement of Cash Flow

For the half year ended 30 June 2012

	Notes	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt from customers		15,033,773	12,024,436
Proceeds from Pan Case Legal Settlement		-	5,000,000
Payments to suppliers and employees		(13,996,042)	(12,220,270)
Borrowing costs		(43,524)	(50,691)
Income tax paid		(130,410)	(30,373)
Interest received		58,825	47,339
Net cash flows provided by operating activities		922,622	4,770,441
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		22,425	-
Purchase of property, plant and equipment		(55,993)	(28,984)
Cash received upon acquisition of subsidiary		181,309	-
Net cash flows used in investing activities		147,741	(28,984)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans to associated entities		-	(82,679)
Repayment of external borrowings		-	(1,808,503)
Dividends Paid		(271,675)	(270,430)
Proceeds from loan repayment from LTIP		410,600	76,000
Shares bought back (net of costs)		(99,659)	(105,491)
Proceeds from issue of shares		30,551	34,663
Net cash flows provided by / (used in) by financing activities		69,817	(2,156,440)
Net increase in cash and cash equivalents		1,140,180	2,585,017
Net foreign exchange differences		31,961	10,184
Cash and cash equivalents at beginning of the period		3,632,307	406,741
Cash and cash equivalents at end of the period		4,804,448	3,001,942

The Statement of Cash Flow should 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 2012

	Note	Issued Capital \$	Employee Share Based Payments Reserve \$	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Attributable to Equity Holders of Parent \$	Minority Interests \$	Total \$
Balance at 1 January 2012		45,568,037	271,677	(35,355,062)	(1,993,435)	8,491,217	464,828	8,956,045
Comprehensive income								
Profit for the period		-	-	992,594	-	992,594	(6,724)	985,870
Other comprehensive income for the year		-	-	-	(163,361)	(163,361)	(2,378)	(165,739)
Total comprehensive income for the period		-	-	992,594	(163,361)	829,233	(9,102)	820,131
Transactions with owners, in their capacity as owners								
Issue of Shares (net of issue costs)		30,551	-	-	-	30,551	-	30,551
Recognition of non-controlling interest		-	-	-	-	-	86,989	86,989
Shares bought back		(99,659)	-	-	-	(99,659)	-	(99,659)
Repayment of loans on Employee share option scheme		410,600	-	-	-	410,600	-	410,600
Employee share option scheme		-	136,669	-	-	136,669	-	136,669
Dividends paid	7	-	-	(271,675)	-	(271,675)	-	(271,675)
Total transactions with owners		341,492	136,669	(271,675)	-	206,486	86,989	293,475
Balance at 30 June 2012		45,909,529	408,346	(34,634,143)	(2,156,796)	9,526,936	542,715	10,069,651

The Statement of Changes in Equity should 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 2012 (Cont.)

Note	Issued Capital \$	Employee Share Based Payments Reserve \$	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Attributable to Equity Holders of Parent \$	Minority Interests \$	Total \$
Balance at 1 January 2011	45,690,301	55,411	(36,297,153)	(1,797,084)	7,651,475	478,408	8,129,883
Comprehensive income							
Profit attributable to members of parent entity	-	-	368,637	-	368,637	-	368,637
Other comprehensive income for the period	-	-	-	(93,093)	(93,093)	(12,337)	(105,430)
Total comprehensive income for the period	-	-	368,637	(93,093)	275,544	(12,337)	263,207
Transactions with owners, in their capacity as owners							
Issue of Shares (net of issue costs)	34,663	-	-	-	34,663	-	34,663
Shares bought back	(105,491)	-	-	-	(105,491)	-	(105,491)
Repayment of loans on Employee share option scheme	76,000	-	-	-	76,000	-	76,000
Employee share option scheme	-	62,875	-	-	62,875	-	62,875
Dividends paid	-	-	(270,430)	-	(270,430)	-	(270,430)
Total transactions with owners	5,172	62,875	(270,430)	-	(202,383)	-	(202,383)
Balance at 30 June 2011	45,695,473	118,286	(36,198,946)	(1,890,177)	7,724,636	466,071	8,190,707

The Statement of Changes in Equity should 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 2012

1. CORPORATE INFORMATION

The Half Year financial report of Vita Life Sciences Limited ("Vita Life") for the half year ended 30 June 2012 was authorised for issue by a resolution of the directors on the date of this report.

Vita Life is a Company limited by shares incorporated and domiciled in Australia whose shares are 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

These general-purpose financial statements for the half-year reporting period ended 30 June 2012, have been prepared in accordance with the requirements of the *Corporations Act 2001*, and Australia Accounting Standard AASB 134 "Interim Financial Reporting." The group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Vita Life Sciences Limited. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the company for the year ended 31 December 2011, together with any public announcements made during the following half-year.

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.

The half-yearly financial statements have been prepared on a historical cost basis.

For the half-year reporting period to 30 June 2012, a number of new and revised Accounting Standard requirements became mandatory for the first time, some of which are relevant to the Group. A discussion of these new and revised requirements that are relevant to the Group is provided below:

AASB 124: Related Party Disclosures (December 2009) introduces a number of changes to the accounting treatment of related parties compared to AASB 124 (December 2005, as amended), including the following:

- The definition of a "related party" is simplified, clarifying its intended meaning and eliminating inconsistencies from the definition, including:
 - o the definition now identifies a subsidiary and an associate with the same investor as related parties of each other ;
 - o entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other;
 - o the definition now indentifies that, whenever a person or entity had both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other; and
 - o the definition now clarifies that a post-employment benefit plan and employer sponsor of such a plan are related parties of each other.

Notes to the Financial Statements

(continued)

2. BASIS OF PREPARATION (CONT.)

AASB2010-4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB1, AASB7, AASB101 & AASB134 and Interpretation 13] details numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements projects. Key changes include:

- clarifying the application of AASB 108 prior to an entity's first Australian Accounting – Standards financial statements;
- adding an explicit statement to AASB 7 that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments;
- amending AASB 101 to clarify that disaggregation of changes in each components of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes;
- adding a number of examples to the list of events and transaction that require disclosure under AASB 134; and
- marking sundry editorial amendments to various Standards and Interpretations.

Application of the amendments in AASB 2010-4 did not have a significant impact on the financial statement of the Group.

AASB1054: Australian Additional Disclosures and AASB 2011-1: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113] sets out the Australian-specific disclosures that are additional to IFRS disclosure requirements. The disclosure requirements in AASB 1054 were previously located in other Australian Accounting Standards.

Application of AASB 1054 did not have a significant impact on the financial statement of the Group.

Notes to the Financial Statements

(continued)

3. SEGMENT REPORTING

	Australia \$	Singapore \$	Malaysia \$	Others \$	Total \$
Half year ended 30 June 2012					
Revenue					
Sales to external customers	6,628,591	2,118,285	4,813,618	846,443	14,406,937
Segment results					
Profit / (loss) before tax and finance costs	627,698	362,628	545,185	(364,520)	1,170,991
Finance costs	(44,022)	(1,157)	(24,724)	(1,735)	(71,638)
Share of profit of associates	-	-	507	(839)	(332)
Profit before income tax					1,099,021
Income tax expense					(113,151)
Net profit for the period					985,870
Assets and liabilities					
Segment assets	8,746,973	1,557,962	2,943,531	1,302,568	14,551,034
Investment in associates					928,715
Unallocated assets					
Total assets					15,479,749
Segment liabilities	2,772,470	898,875	1,610,814	127,939	5,410,098
Total liabilities					5,410,098
Other segment information					
Capital expenditure	(7,367)	(9,945)	(17,140)	(21,541)	(55,993)
Depreciation	(1,760)	(13,924)	(19,142)	(8,396)	(43,222)
Amortisation	-	(3,905)	(548)	(1,433)	(5,886)

Notes to the Financial Statements

(continued)

3. SEGMENT REPORTING (CONT.)

	Australia \$	Singapore \$	Malaysia \$	Others \$	Total \$
Half year ended 30 June 2011					
Revenue					
Sales to external customers	5,095,760	1,826,794	4,185,590	220,524	11,328,668
Segment results					
Profit / (loss) before tax and finance costs	192,092	209,827	276,323	(202,949)	475,293
Finance costs	(50,995)	(1,080)	(22,791)	(1,658)	(76,524)
Share of profit of associates	-	-	51,239	-	51,239
Profit before income tax					450,008
Income tax expense					(81,371)
Net profit for the period					368,637
Assets and liabilities					
Segment assets	5,856,002	1,388,872	2,664,073	392,968	10,301,915
Investment in associates					1,628,700
Total assets					11,930,615
Segment liabilities	2,071,724	656,906	900,254	111,024	3,739,908
Total liabilities					3,739,908
Other segment					
Capital expenditure	(930)	(459)	(26,484)	(1,111)	(28,984)
Depreciation	(2,221)	(705)	(34,921)	(1,565)	(39,412)
Amortisation	-	-	(1,227)	(2,116)	(3,343)

Notes to the Financial Statements

(continued)

4. NET TANGIBLE ASSETS

	30 June 2012	30 June 2011
	\$	\$
Net assets per share	0.19	0.15
Net tangible assets per share	0.18	0.15
	Number	Number
Weighted average number of ordinary shares for net assets per share	54,184,724	53,856,783

5. EARNINGS PER SHARE

	30 June 2012	30 June 2011
	\$	\$
(a) Earnings used in calculating earnings per share		
Net profit attributable to equity holders from continuing operations	985,870	368,637
Loss attributable to minority interest	6,724	-
Net profit attributable to equity holders of the parent used to calculate EPS	992,594	368,637
	Number	Number
(b) Weighted average number of shares		
Weighted average number of ordinary shares for basic earnings per share	54,184,724	53,856,783
Adjusted weighted average number of ordinary shares for diluted earnings per share	57,788,474	57,384,674

Notes to the Financial Statements

(continued)

6. CONTRIBUTED EQUITY

	30 June 2012	31 December 2011	30 June 2012	31 December 2011
	Number	Number	\$	\$
Issued and paid up capital				
Ordinary shares	57,653,508	57,845,060	45,909,529	45,909,529
Ordinary shares				
Balance at beginning of the financial period	57,845,060	54,245,307	45,568,037	45,690,301
Share buy back (a)	(294,931)	(821,683)	(99,659)	(232,927)
Shares issued during the financial period (b)	103,379	133,936	30,551	34,663
Cancellation of Plan Shares of certain employees and Director (c)	(325,000)	(77,500)	-	-
Issue of shares to employee / director (d)	325,000	4,365,000	-	-
Plan shares exercised (e)	-	-	410,600	76,000
Balance at end of the financial period	57,653,508	57,845,060	45,909,529	45,568,037

a) A total of 294,931 ordinary shares were bought back in the period ended 30 June 2012 as approved by the shareholders in the 19 May 2011 and 16 May 2012 Annual General Meeting at a total cost of \$99,659.

b) A total of 103,379 ordinary shares were issued on 17 April 2012 at 31 cents per share (\$30,551 net of costs) under the Dividend Reinvestment Plan (DRP).

c) In 2009, the Company granted limited recourse loans and approved the issue of 325,000 ordinary shares to Mr Eddie Tie of the Group under a Long Term Incentive Plan.

In view of the limited recourse loans having fallen due for these participants, the Plan Shares were offered, in accordance with the terms of the Plan, as settlement of the loan provided by the Company for the purchase of these Plan Shares. The Company cancelled the 325,000 Plan shares issued.

d) At the Company's Annual General Meeting of 16 May 2012, shareholders approved limited recourse loans to be granted for the issue of 325,000 ordinary shares to the Managing Director under a Long Term Incentive Plan.

The cost of the equity-settled transactions are measured by reference to the fair value of the equity instruments at the date at which they were granted. The cost is recognised in the income statement together with a corresponding increase in equity, over the period in which the performance and/ or service conditions are fulfilled (the vesting period), ending on the date on which the employees become fully entitled to the award (the vesting date).

For the period ended 30 June 2012, the Company recognised \$136,669 (1st Half 2011: \$62,875) in the income statement with a corresponding increase in employee share based payment reserve.

e) During the period ended 30 June 2012, a sum of \$87,400 was paid by the Managing Director and employees of the Group to retire limited recourse loans for a total of 380,000 ordinary shares issued under the Company's Long Term Incentive Plan in 2009. and a sum of \$323,200 was paid by the Managing Director and employees of the Group to retire limited recourse loans for a total of 1,535,000 ordinary shares issued under the Company's Long Term Incentive Plan in 2011.

Notes to the Financial Statements

(continued)

7. DIVIDEND

A dividend of 0.5 cents per share fully franked amounting to \$271,675 (2011: 0.5 cents per share fully franked totalling \$270,430) was paid on 16 April 2012 in relation to the year ended 31 December 2011. An interim dividend of 0.5 cents per share fully franked has been declared and will be paid on 16 October 2012. The record date for the interim dividend is 14 September 2012

8. CHANGES IN COMPOSITION OF THE GROUP

As of 1 January 2012, the Thailand companies treated as associates in prior years (Vita Health (Thailand) Co Ltd and Vita Life Sciences (Thailand) Co Ltd) have been treated as subsidiaries, due to a change in composition of the board of directors of the associates resulting in the Vita Life Group gaining control. There has been no change in the equity structure or holders of equity of the two Thailand companies, and no consideration was exchanged in this business combination.

Details of the purchase consideration and net assets acquired are as follows:

	Fair Value \$
Purchase consideration:	
Cash paid	-
Carrying value of Associates at 31 December 2011	(16,993)
	<u>(16,993)</u>
Fair value of net assets/(liabilities) acquired 1 January 2012:	
Cash and cash equivalents	189,797
Receivables	187,034
Loans receivable	310,164
Inventories	166,440
Investments	15,861
Property, plant and equipment	6,237
Other assets	20,341
Payables	(410,767)
Long term loans payable	(427,583)
Other liabilities	(8,205)
Foreign exchange revaluation on fair valuing assets	20,677
	<u>69,996</u>
Less – Non-controlling interest	<u>(86,989)</u>
	<u>(16,993)</u>

i) Acquired receivables

All Trade Receivables are expected to be received in full.

ii) Non-controlling interest

The Group has chosen to recognise the non-controlling interest at fair value for this acquisition, based on the values as included in the Thailand entities financial statements as at 31 December 2011.

iii) Revenue and profit contribution

The acquired businesses contributed revenues of \$485,963 and net profit of \$14,675 to the Group for the period 1 January 2012 to 30 June 2012.

iv) Reversal of previous years impairment expense

A loan with Vita Health (Thailand) Co Ltd was tested for impairment in previous years, and an amount of \$81,967 was provided for. This change in circumstances indicates the impairment is unnecessary, and the impairment of \$81,967 has been reversed in the Statement of Comprehensive Income as a component of administration costs.

Notes to the Financial Statements

(continued)

9. COMMITMENTS

There are no significant changes to the commitments as previously disclosed in the Annual Report for the financial year ended 31 December 2011.

10. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to 30 June 2012, the Group has purchased the 30% of Vita Lifesciences Sdn Bhd that was held by outside parties, making it a 100% subsidiary of the Group. Consideration for this purchase was effected by a set off of a loan from the Group to the minority shareholders amounting to 1,500,000 Malaysian Ringgit with no effect on net assets.

Australian subsidiary Herbs of Gold Pty Ltd terminated its \$1.2 million Invoice Finance Facility on 17 August 2012. There was no financial impact as the Facility was fully paid down in a previous period.

Other than those mentioned in the financial statements and notes thereto, no matters or circumstances have arisen since the end of the financial period which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

11. CONTINGENT ASSETS AND LIABILITIES

The Group has no contingent assets or liabilities as at 30 June 2012.

12. RELATED PARTIES DISCLOSURES

Transactions with related parties

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial period.

	CONSOLIDATED	
	30 June 2012	30 June 2011
	\$	\$
Other transactions with related parties		
Business Intelligence & Support Inc. (i)	233,846	153,148
CVC Venture Managers Pty Ltd (ii)	55,102	50,715
	288,948	203,863

(i) Business Intelligence & Support Inc., a company in which Mr Eddie Tie is a director, and therefore a related party, provided international business advisory, sales, marketing and promotion services to the Group, and was paid a consultancy fee of \$233,846 during the financial period. \$50,189 remained payable as at 30 June 2012, and is disclosed in trade and other payables.

(ii) CVC Venture Managers Pty Limited, a company in which Mr Vanda Gould, Mr John Sharman and Mr Henry Townsing are directors, was paid consultancy fees of \$55,102 during the financial period. There was no amount payable as at 30 June 2012.

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 2012 and its 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.

Signed in accordance with a resolution of the directors:



Eddie L S Tie

Managing Director

Sydney, 28 August 2012



Russell Bedford

New South Wales

Level 42, Suncorp Place
259 George Street
Sydney NSW 2000
Australia

T: +61 2 9032 3050
F: +61 2 9032 3058
E: mail@russellbedfordnsw.com.au
W: www.russellbedford.com.au

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 period which comprises the consolidated condensed statement of financial position as at 30 June 2012, the consolidated condensed statement of comprehensive income, consolidated condensed statement of changes in equity, consolidated condensed 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 on the Half-Year Financial Report

The directors of Vita Life Sciences Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that 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 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 2012 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 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. Our review did not involve an analysis of the prudence of business decisions made by directors or management.



Member of Russell Bedford International – with affiliated offices worldwide
Liability limited by a scheme approved under Professional Standards Legislation

Matters Relating to Electronic Publication of the Reviewed Financial Report

This review report relates to the financial report of Vita Life Sciences Limited for the half year period ended 30 June 2012 included on the website of Vita Life Sciences Limited. The directors of the company are responsible for the integrity of the website and we have not been engaged to report on this integrity. This review report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial report. If users of the financial report are concerned with the inherent risk arising from publication on a website, they are advised to refer to the hard copy of the reviewed financial report to confirm the information contained in this website version of the financial report.

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 period 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 2012 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

RUSSELL BEDFORD NSW
Chartered Accountants



Gregory C. Ralph M.Com. FCA
Partner

Sydney, 28 August 2012



Member of Russell Bedford International – with affiliated offices worldwide
Liability limited by a scheme approved under Professional Standards Legislation

General Information

Board of Directors

Vanda Gould

Non-Executive Chairman

Eddie L S Tie

Managing Director

Jonathan Tooth

Non-Executive Director

Henry Townsing

Non-Executive Director

Company Secretary

Ernest Chunge

Corporate Office

Suite 630, Level 6
1 Queens Road
Melbourne VIC 3004
T: 61 (03) 9867 2811
F: 61 (03) 9820 5957

Australian Regional Office

Unit 1/ 102, Bath Road
Kirrawee
NSW 2232
T: 61 (02) 9545 2633
F: 61 (02) 9545 1311

Asian Regional Office

81G, Jalan SS 21/60
Damansara Utama
47400 Petaling Jaya
Malaysia
T: 60 (03) 7729 3873
F: 60 (03) 7727 4658

Securities Exchange Listing

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

Auditor

Russell Bedford NSW
Level 42, Suncorp Place
259 George Street
Sydney NSW 2000

Banker

Westpac Banking Corporation

National Australia Bank Limited

Solicitor

Henry Davis York

Share Registry

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

Change of Address

Shareholders who have changed address should advise our share registry in writing.

Annual Report Mailing

Shareholders who do not want the annual report or who are receiving more than one copy should advise the share registry in writing.

Vita Life Website

Vita Life has a website containing information about the Company, its Business and Products.

www.vitalifesciences.com.au

VLS