APPENDIX 4D

Half Year Report
For the six months ended 31 December 2012

Results for announcement to the market
(this information should be read in conjunction with the most recent annual financial report)

Extracts of the Vita Group Limited results for the half year ended 31 December 2012.

REVIEW AND RESULTS OF OPERATIONS

	Half year ended		
	31 December 2012 $'000	**31 December 2011 $'000**	**Growth %**
Operating revenue			
Telecommunications segment	**172,565**	**143,384**	**20%**
Computing segment	**49,482**	**59,648**	**(17%)**
Total operating revenue (a)	**222,047**	**203,032**	**9%**
Gross operating margin (b)	**69,268**	**66,487**	**4%**
Earnings before interest, taxation, depreciation and amortisation (c)	**10,206**	**6,925**	**47%**
Earnings before interest and taxation (d)	**4,859**	**2,704**	**80%**
Net profit for the period attributable to members	**2,684**	**930**	**189%**
Earnings per share (cents)	**1.88**	**0.65**	

(a) Total segment revenue excluding finance revenue
(b) Gross profit excluding finance revenue (consolidated statement of comprehensive income)
(c) Profit from continuing operations before income tax excluding depreciation and amortisation expenses and finance revenue and costs (consolidated statement of comprehensive income)
(d) Profit from continuing operations before income tax excluding finance revenue and costs (consolidated statement of comprehensive income)

Operating revenue was up 9% to $222.0m for the half year reflecting very strong growth in the Telecommunications segment, up 20% on the prior corresponding period, partially offset by weaker Computing revenues, down 17%. Telecommunications revenues benefited from the Group's continued rollout of the Telstra branded store network, and a continued operational focus on optimising returns from a maturing retail footprint. Lower Computing revenues were due to store closures in the last 12 months and soft like for like sales in old format Next Byte stores, offset by revenues from the rollout of new format Next Byte stores. In addition, Next Byte sales were impacted to some extent by the constrained supply of key Apple products after launch, such as iPhone 5, new iPad, and iPad Mini.

EBITDA was up 47% to $10.2m in the period, whilst EBIT improved 80% to $4.9m and profit attributable to shareholders rose 189% to $2.7m. The improvement in profitability reflects the growth in the Telecommunications business, particularly the focus on optimising store performance, coupled with tight control over operating expenditures across all parts of the Group. The Telecommunications business delivered EBITDA of $10.6m, 45% up on the same period last year. Next Byte made a small loss of $0.4m for the period after incurring restructuring costs of $0.5m, primarily relating to the migration of the portfolio from old to new format stores, and the outsourcing of service operations to Unisys. The transformation of the Next Byte business will yield benefits in terms of improved profitability in subsequent periods.

Results for announcement to the market (continued)
(this information should be read in conjunction with the most recent annual financial report)

REVIEW AND RESULTS OF OPERATIONS (continued)

Gross debt was $23.8m at the end of the period with the rollout of the Telstra network substantially complete. Cash flows were strong in the period, due to improved EBITDA and benefits from tighter working capital management, some of which will reverse in the second half. Cash and cash equivalents were $24.9m at the end of the period.

Effective 30 January 2013, David McMahon resigned from his position as Joint Chief Executive Officer and Company Director. Maxine Horne assumed sole responsibility for the position of Chief Executive Officer. Maxine Horne had been in charge of Group operations for some time and David McMahon's resignation is not expected to have any material impact on the Group.

Dividends

A 2013 interim fully franked dividend of 1.15 cents per share was approved by the Board on 28 February 2013 (31 December 2012: 0.75 cents per share fully franked).

Record date for the interim dividend will be 22 March 2013, with payment date being 12 April 2013.

There were no foreign sourced dividends or distributions.

Other information

Net tangible asset backing (7.0) cents per share (31 December 2011: (5.6) cents per share)