



AstiVita Renewables Ltd ABN 46 139 461 733

28th November 2013

Chairman's Address

In my address as Chairman, I will briefly comment on the June 2013 result and summarise some of the ongoing structural improvements to return AstiVita to profitability.

Financial Year 2013 Overview

AstiVita recorded trading loss of \$2.7 million after income tax.

The trading loss is the direct result of the following factors:

1. Not recognising the structural changes within our industry were permanent and fundamental in nature rather than temporary negative trading conditions.
2. Taking six months too long to reduce our variable and office overheads in line with sales revenue.
3. The general decline in revenue throughout 2013 through poor market trading conditions and our inability to properly direct our sales force.
4. The recently reported expansion and consequent loss of \$49 million in the last quarter, by Masters (a division of Woolworths) has put significant pressure on market share available to the independent importers and their resellers.

Outlook

The Board announced today an after tax loss of approximately \$473,000 based on unaudited management accounts up to 31 October 2013. The Board is starting to see improvement in some areas of the business and the Board will continue to provide the market quarterly updates.

Donna Jonathan has resigned from position of General Manager. We have replaced Donna with a new Sales and Marketing Manager, as well as myself acting as a part time Chief Executive Officer as well as Executive Chairman. Other than a new warehouse, reduced overheads and improvements in product selection and marketing material, we are seeing a general improvement in the volume of sales.

ENDS

Lev Mizikovsky
Chairman