



Vita Life Sciences Limited (VSC)

ABN 35 003 190 421

Half Year Results of Vita Life Sciences Limited (the “Company”) for the 6 months ended 30 June 2007

The Company’s principal activity is undertaken by its Health division which continued to make good progress during the first 6 months of 2007. Sales and the loss after tax of \$5.61million and \$0.20 million respectively, were in line with the forecast contained in the Company’s rights issue and public offer of new shares prospectus dated 28 June 2007.

Revenue from the Health division was down by 5.0% when compared to the previous corresponding period primarily as a result lower sales to export markets and currency translation effect due to the strong Australian dollar. 57% of total revenue was derived from the Company’s Asian markets. The effect of the strong Australian dollar was offset by improved gross profit margins which amounted to \$3.13 million (\$3.06 million: 2006).

Operating expenses (distribution, marketing, occupancy, administrative and other) were tightly controlled at \$3.26 million and included \$0.42 million from the recovery 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, namely, VitaHealth and Herbs of Gold brands produced EBIT \$0.05 million for the half. The new business units, Multi Level Marketing and Pharma Direct, commenced selling products in June 2007 and incurred losses in line with budget of EBIT \$0.10 million.

The Investment division’s operations commenced in June 2007 and no revenue was recorded during the period and its loss on an equity basis was \$0.01 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 the sale of the Company’s Medical business, the Pan Pharmaceutical dividend, contributions derived from discounted debt repayment and profit from discontinued operations.

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	June 2006 \$ mil
Revenue	5.60	5.90
Operating Expenses	(3.25)	(4.21)
EBIT	(0.15)	(1.15)
PBT/(Loss) from continuing operations	(0.25)	(2.40)
PAT/(Loss) after MI	(0.20)	(1.59)

Appendix 1 contains the Company’s Consolidated Income Statement.

Cashflow

Net cash used in the course of ordinary operations of \$0.16 million largely reflected the use of funds for 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.

Consolidated Balance Sheet

Appendix 2 contains the Company's Consolidated Balance Sheet.

Outlook for the Second Half of 2007

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 Anderson 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.

Contact: Mr Eddie Tie or Mr Will Richardson

Address Suite 630,
1 Queens Rd
Melbourne 3004

Phone +613 9867 2811

Fax +613 9820 5957

Appendix 4D

This report has been prepared in compliance with ASX Listing Rule 4.2A.3 in line with the requirements of Appendix 4D.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Vita Life Sciences Limited (the “Company”) Half Year Report for the period ended 30 June 2007 (previous corresponding period ended 30 June 2006).

Revenue & Net Profit/ (Loss)

	Change	Percentage Change		\$
Revenue	Down by	5.0%	to	5, 605,910
Profit/(Loss) from ordinary activities after tax attributable to members	Down by	104.8%	to	(257,515)
Net Profit/ (Loss) attributable to members	Down by	103.8%	to	(203,315)

Brief Description of Profit / (Loss)

Whilst revenue was down on the previous corresponding period, it exceeded the Directors' forecast contained in the Company's rights issue and public offer prospectus dated 28 June 2007. Losses were also in line with the forecasts contained in the prospectus.

Comparison of current period profit and the previous period profit is not appropriate and requires adjustment for "like with like" analysis. EBIT and the net profit after tax for the 6 months ended June 2006 includes income from the sale of the Company's Medical business, dividends from the Pan Pharmaceutical liquidation, contributions derived from discounted debt repayment and profit from discontinued operations.

EBIT was a loss of \$0.15 million for the current period compared to a loss of \$1.15 million (adjusted for amounts referred to above) in 2006. The net loss after tax 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.

Refer to commentary on page 1 of this announcement for further details. Appendix 1 contains the Company's Consolidated Income Statement.

Net Tangible Assets per Security

	30 June 2007	30 June 2006
Net Tangible (Liabilities) / Assets per security	(\$ 0.24)	(\$ 0.17)

Appendix 2 contains the Company's Consolidated Balance Sheet.

Dividends

No dividends were declared or paid during the half year ended 30 June 2007 and no dividend has been proposed for payment. The Company does not propose payment of any dividend for the year ending 31 December 2007.

Details of Associates and Joint Venture Entities

During the period, the Company invested in Mitre Focus Sdn Bhd and is entitled to 20.4% of its project profit. As an associate company, Mitre Focus's financial contribution has been accounted for on an equity basis.

During this period, the share of loss from Mitre Focus was \$ 6,726.

Details of Entities Over Which Control Has Been Gained or Lost During the Period

Nil

Information on Audit or Review

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

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

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

International Financial Reporting Standard- IFRS

Description of dispute or qualification if the accounts have been audited or subjected to review.

Not Applicable



Signed by: _____
Company Secretary

Dated: 22 August 2007

Appendix 1

to Vita Life Sciences Limited's
Half Year Report for the period ended 30 June 2007

Consolidated Income Statement

	June 2007 \$	June 2006 \$
Continuing operations		
Sale of goods	5,605,910	5,902,843
Cost of sales	<u>(2,472,934)</u>	<u>(2,837,721)</u>
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	<u>(109,415)</u>	<u>(449,094)</u>
(Loss)/Profit from continuing operations before tax and finance costs	(147,186)	5,594,286
Finance income	15,332	27,903
Finance costs	<u>(251,116)</u>	<u>(1,278,038)</u>
(Loss)/ Profit before income tax	(382,970)	4,344,153
Income tax benefit/(expense)	125,454	(1,563)
(Loss)/ Profit after tax from continuing operations	<u>(257,515)</u>	<u>4,342,588</u>
Discontinued operations		
Profit after tax from discontinued operations	-	813,837
(Loss)/ Profit for the period	<u>(257,515)</u>	<u>5,156,426</u>
Loss/ (Profit) attributable to minority interest	54,200	(313)
(Loss)/ Profit attributable to members of the parent	<u>(203,315)</u>	<u>5,156,113</u>

Appendix 2

to Vita Life Sciences Limited's Half Year Report for the period ended 30 June 2007

Consolidated Balance Sheet

as at	30 June 2007	31 December 2006
	\$	\$
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 Associate	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
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 Assets	(3,089,338)	(2,140,696)
Equity		
Contributed Equity	38,351,650	38,979,150
Foreign currency translation reserve	(1,387,427)	(1,347,738)
Accumulated losses	(40,399,836)	(40,196,522)
Parent entity Interest	(3,435,613)	(2,565,111)
Minority interests	346,275	424,414
Total Equity	(3,089,338)	(2,140,696)