Results for announcement to the market

1. Results for the half year to 31 December 2012 and the corresponding period to 31 December 2011

Company Result			**A$'000**
Revenue from ordinary activities	up 15%	to	3,402
Losses for the period attributable to members	down 31%	to	(74)

For the Period ending	**31 Dec 12**	**31 Dec 11**
Net tangible asset per share	$0.03	$0.03
Net asset per share	$0.04	$0.04

Dividends

No interim dividend is payable

2. Brief Explanation of the Result

Refresh did very well in the first half with revenue growth of 15%. The improved business resulted from additional marketing efforts across the whole Company. All 4 operating segments are profitable and the growth trend is anticipated to continue.

Losses for the period improved by a drastic 31% at -$74k compared to same period last year. This resulted from improved performance across the board.

For more details, please refer to Page 3 of the Directors' Report.

3. Details of entities over which control has been gained or lost during the period

Nil

4. Details of individual and total dividends or distributions and dividend or distribution payments

Nil

5. Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan

Nil

6. Details of associates and joint venture entities including the name of the associate or joint venture entity and details of the reporting entity's percentage holding in each of these entities and – where material to an understanding of the report - aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period.

Nil

Refresh Group Limited

and its controlled entities

ABN 28 079 681 244

Half Year Financial Report

31 December 2012

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DIRECTORS' REPORT

Your directors submit their report for the half-year ended 31 December 2012.

DIRECTORS

The names of the directors of the Company in office at the date of this report or during the half-year are:

Henry Heng
Edmund Teo
Mun Yew Chan
Jamie Gee Choo Khoo

REVIEW AND RESULTS OF OPERATIONS

Refresh reported improved performance with revenue improving 15% and its bottomline 31% compared with last year's performance over the same period. The good performance was mainly attributed to:

1. Revenue growth and improved profitability has been consistent across all 4 operating segments. This resulted from improved marketing efforts. All segments showed improved revenue. The best performance was Victoria with revenue growing by 43%. Detailed results are found in Note 4f Operating Segment.
2. Australia underwent one of its hottest summers which has helped immensely in this growth. The hot summer continued into the second half.
3. The cost cutting initiatives implemented continues to flow through resulting in improved cost structure.

This has helped all segments to be profitable, achieving an operating profit of $203k. After corporate expenses, earnings before interest and tax comes to a $32k loss. Interest expense added another $42k resulting in total loss of of $74k for the half year. Current cost of financing is high with interest rate ranging from 12% pa to 20% pa. The Company will continue to look at alternative sources of financing.

Capital expenditure is necessary for the Company to improve its productivity. $127k was spent to upgrade existing plant and equipment and acquire new assets.

Revenue will continue to grow in the second half. Coupled with better cost control, the Company anticipates improved profitability at the end of the year.

AUDITOR'S INDEPENDENCE DECLARATION

We have obtained an independence declaration from our auditors, Grant Thornton Audit Pty Ltd, which is included on page 4.

Signed for and on behalf of the directors in accordance with a resolution of the Board.

Henry Heng
Executive Chairman
Dated 27 February 2013
Perth, Western Australia

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Auditor's Independence Declaration
To The Directors of Refresh Group Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Refresh Group Limited for the half-year ended 31 December 2012, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C A Becker
Partner - Audit & Assurance

Perth, 27 February 2013

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	6 months to 31 December 2012 $	6 months to 31 December 2011 $
Revenue	3,402,503	2,947,511
Cost of Sales	(1,458,648)	(1,163,307)
Gross Profit	1,943,855	1,784,204
Other income	(2,573)	(24,471)
Marketing Expenses	(260,328)	(235,304)
Distribution Expenses	(650,770)	(604,098)
Administrative Expenses	(761,703)	(694,352)
Occupancy Expenses	(303,889)	(284,775)
Results from operating activities	(35,408)	(58,796)
Finance income	3,623	69
Finance costs	(42,240)	(49,048)
Net finance costs	(38,617)	(48,979)
Loss before income tax	(74,025)	(107,775)
Income tax expense (credit)	-	-
Net loss attributable to members of Refresh Group Limited	(74,025)	(107,775)
Total comprehensive income/(loss) attributable to members of Refresh Group Limited	(74,025)	(107,775)
Basic earnings/(loss) per share (cents per share)	(0.08)	(0.13)
Diluted earnings/(loss) per share (cents per share)	(0.08)	(0.13)

The condensed consolidated financial statements should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

	Notes	31 December 12 $	30 June 12 $
ASSETS			
Current Assets			
Cash and cash equivalents		193,869	152,542
Trade and other receivables		998,214	633,221
Inventories		951,810	868,013
Total Current Assets		2,143,893	1,653,776
Non Current Assets			
Property, plant and equipment		1,893,826	1,933,773
Intangible assets	7	787,315	756,415
Total Non Current Assets		2,681,141	2,690,188
TOTAL ASSETS		4,825,034	4,343,964
LIABILITIES			
Current Liabilities			
Trade and other payables		709,594	538,528
Financial liabilities		390,037	409,030
Short-term provisions and accruals		144,848	120,277
Total Current Liabilities		1,244,479	1,067,835
Non-Current Liabilities			
Financial liabilities		36,273	46,550
Long-term provisions		61,707	49,468
Total Non-current Liabilities		97,980	96,018
TOTAL LIABILITIES		1,342,459	1,163,853
NET ASSETS		3,482,575	3,180,111
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital	6	8,783,084	8,406,595
Reserves		191,712	191,712
Accumulated losses		(5,492,221)	(5,418,196)
TOTAL EQUITY		3,482,575	3,180,111

The condensed consolidated financial statements should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Issued Capital	Fund Raising Cost	Other Reserves	Accumulated Losses	Total
Balance at 1 July 2011	8,946,150	(539,555)	191,712	(5,354,697)	3,243,610
Equity fund raising costs	-	-	-	-	-
Issue of share capital	-	-	-	-	-
Transactions with owners	8,946,150	(539,555)	191,712	(5,354,697)	3,243,610
Loss for the period	-	-	-	(107,775)	(107,775)
Balance at 31 December 2011	8,946,150	(539,555)	191,712	(5,462,472)	3,135,835
Balance at 1 July 2012	8,946,150	(539,555)	191,712	(5,418,196)	3,180,111
Equity fund raising costs	-	(3,411)	-	-	(3,411)
Issue of share capital	379,900	-	-	-	379,900
Transactions with owners	9,326,050	(542,966)	191,712	(5,418,196)	3,556,600
Loss for the period	-	-	-	(74,025)	(74,025)
Balance at 31 December 2012	9,326,050	(542,966)	191,712	(5,492,221)	3,482,575

The condensed consolidated financial statements should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	6 months to 31 December 2012 $	6 months to 31 December 2011 $
Cash flows from operating activities		
Receipts from customers	3,239,955	2,790,561
Payments to suppliers and employees	(3,358,240)	(2,812,256)
Borrowing costs	(33,288)	(40,415)
Interest received	3,623	69
Net cash flows used in operating activities	(147,950)	(62,041)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	-	2,877
Purchase of property, plant and equipment	(127,042)	(11,654)
Purchase of other non-current assets	(30,900)	-
Net cash flows used in investing activities	(157,942)	(8,777)
Cash flows from financing activities		
Proceeds from issue of shares, net of issue costs	376,489	-
Proceeds from related parties loans	-	101,240
Share Issue expenses	-	-
Repayment of borrowings	(29,270)	(23,336)
Net cash flows from financing activities	347,219	77,904
Net increase in cash and cash equivalents	41,327	7,086
Cash and cash equivalents at beginning of period	152,542	130,287
Cash and cash equivalents at end of period	193,869	137,373

The condensed consolidated financial statements should be read in conjunction with the accompanying notes

1. CORPORATE INFORMATION

The financial report of Refresh Group Limited for the half-year ended 31 December 2012 was authorised for issue in accordance with a resolution of the directors on 26 February 2013. Refresh Group Limited is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange.

The Group offers complete drinking water solutions. Its principal activities are the production and/or distribution of bottled water, coolers and filtration systems. Being the largest producer of distilled water in Australia, it also supplies pure water for commercial and industrial use.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half-year financial report does not include all of the 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.

The half-year financial report should be read in conjunction with the annual Financial Report of Refresh Group Limited as at 30 June 2012.

It is also recommended that the half-year financial report be considered together with any public announcements made by Refresh Group Limited and its controlled entities during the half-year ended 31 December 2012 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of preparation

The half-year consolidated financial report is a general purpose financial report, which has been prepared in accordance with the requirement of the Corporations Act 2001, applicable Accounting Standards, including AASB134 Interim Financial Reporting and other mandatory professional reporting requirements. The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2012 annual financial report for the financial year ended 30 June 2012, except for the impact of the Standards and Interpretations described below. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(b) Significant accounting policies

The half-year consolidated financial statements have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to 30 June 2012.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these half-year consolidated financial statements.

(c) Basis of consolidation

The half-year consolidated financial statements comprise the financial statements of Refresh Group Limited and its controlled subsidiaries (the Group).

(d) Going Concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Consolidated entity incurred a net loss of $74,025 and had cash outflows from operations of $147,950 during the period ended 31 December 2012.

The ability of the consolidated entity to continue paying its debts as and when they fall due is dependent upon the consolidated entity's improving its profitable operations, the raising of additional equity funds and finance funding (as and when required) and limiting the consolidated entity's cash burn rate.

The management is continuing its effort to increase revenue through securing new contracts on its core business. With its recent drastic cost cutting measures and developing new strategies, the consolidated entity is expecting to produce a profit in the near future. We are also actively seeking funding from potential investors.

In the event that the consolidated entity is unable to continue as a going concern, it may be required to realise all assets at amounts different from that recorded in the statement of financial position, settle liabilities other than in the ordinary course of business, and make provision for other costs which may arise as a result of cessation or curtailment of normal business procedures.

3. SIGNIFICANT EVENTS AND TRANSACTIONS

On 11 July 2012, the Company made a placement of 10 million shares at 3 cents to raise $300,000. Refer Note 6.

On 3 August 2012, the Company acquired the assets relating to the distilled water business of Saradin Pty Ltd.
The acquisition was settled in cash for a total consideration of $33,502. Refer Note 7.

4. OPERATING SEGMENTS

Segment Information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

In identifying its operating segments, management follows the geographical location of the Group's operations. Corporate costs are included under "Other".

Types of products and services by segment

All segments provide the same type of products and services being the manufacture and sale of bottled water and filtration systems.

Basis of accounting for purposes of reporting by operating segments

(a) Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

(b) Intersegment transactions

There is no intersegment sale and corporate costs are not allocated. Corporate costs are classified under "Other" in the segment performance analysis.

(c) Segment assets

Segment assets are clearly identifiable on the basis of their nature and physical location.

(d) Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

(e) Unallocated items

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they not considered part of the core operations of any segment:

- income tax expense
- corporate costs
- deferred tax assets and liabilities
- current tax liabilities

(f) Segment performance

	WA	NSW	VIC	QLD	OTHER (Corporate)	TOTAL
31 December 2012						
Revenue from external customers	1,573,796	738,126	365,361	725,220	-	3,402,503
Segment operating profit/ (loss)	66,952	42,686	39,444	53,909	(277,016)	(74,025)
Total assets	2,027,801	883,596	408,511	1,324,672	180,454	4,825,034
Total liabilities	916,119	5,821	1,371	93,629	325,519	1,342,459
31 December 2011						
Revenue from external customers	1,451,470	577,532	255,599	662,910	-	2,947,511
Segment operating profit/(loss)	67,001	30,938	1,223	30,352	(237,289)	(107,775)
Total assets	1,748,186	984,264	381,232	1,341,499	17,480	4,472,661
Total liabilities	881,602	4,679	1,332	89,481	359,732	1,336,826

5. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net loss attributable to ordinary shareholders (after deducting interest on the convertible redeemable preference shares) by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of dilutive options and dilutive convertible non-cumulative redeemable preference shares).

The following reflects the loss and share data used in the total operations basic and diluted earnings per share computations:

	CONSOLIDATED	
	31Dec 12	**31Dec11**
Loss attributable to members of the parent entity	(74,025)	(107,775)
Weighted average number of ordinary shares for basic earnings per share	97,645,255	86,046,065
Basic loss per share (cents per share)	(0.08)	(0.13)

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

6. ISSUED CAPITAL

	CONSOLIDATED	
	31 Dec 12	**30 June 12**
	$	**$**
Ordinary shares		
Issued and fully paid	8,783,084	8,406,595

Movements in ordinary shares on issue	*Number*	*$*
6 months to 31 December 2012		
At 1 July 2012	86,046,065	8,406,595
Issued on 11 July 2012	10,000,000	300,000
Issued on 12 July 2012	2,282,859	79,900
Fund raising costs		(3,411)
At 31 December 2012	98,328,924	8,783,084

Effective 1 July 1998, the Company Law Review Act abolished the concept of authorised capital. Accordingly, the Company does not have authorised capital or par value in respect of its issued shares.

7. ACQUISITION

On 3 August 2012, the Company acquired the assets relating to the distilled water business of Saradin Pty Ltd. Saradin supplied distilled water for commercial and industrial use under the trading name “Distilled Water Supplier”. The acquisition allows Refresh to expand further into this market segment.

The acquisition was settled in cash for a total consideration of $33,502.

The Group is in the process of completing the accounting for the acquisition and determining the fair values of the acquired assets of Saradin. Therefore disclosure of the fair values of the net identifiable assets and the goodwill arising from the acquisition cannot be made.

Finalisation of the acquisition accounting is expected to be completed before 30 June 2013.

8. INTANGIBLE ASSETS

Due to the current economic environment, changes to the Company’s operating results and forecasts, and a reduction in the Company’s market capitalisation, the Company determined a triggering event had occurred and performed a goodwill impairment test at 31 December 2012.No impairment of intangible assets had been recognized at 31 December 2012.

Goodwill is allocated to the Company’s cash generating units “CGUs”. The Company tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

In accordance with AASB 136, “Impairment of Assets”, the Company performed its goodwill impairment test by comparing the recoverable amount of each CGU with its carrying amount, including goodwill. The recoverable amount of a CGU was determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a five year period including a terminal value. The growth rate assumptions of 5%, reflecting achievement of at least a long-term estimate of inflation in the region in which each CGU operates. Management prepared the value-in-use calculations with reference to historical results and forecasts for each CGU.

The discount rate for each CGU was estimated based on the Company’s weighted average cost of capital adapted for the regions in which the CGUs operate. The discount rate used is 14%.

9. RELATED PARTY TRANSACTIONS

	CONSOLIDATED	
	31 Dec 12	**30 June 12**
	$	**$**
Loans (i)	140,000	140,000
Line of credit (ii)	230,000	250,000
Total amounts payable to related parties	370,000	390,000

(i) The loan facilities have a fixed interest rate of 20%
(ii) Unsecured revolving line of credit amounting with a limit of $300,000 and a 12% fixed interest rate.

These amounts are included in financial liabilities on the consolidated statement of financial position.

10. EVENTS AFTER BALANCE SHEET DATE

No significant events have occurred between the reporting date and the date of authorisation.

DIRECTORS' DECLARATION

In accordance with a resolution of directors of Refresh Group Ltd, I state that;

In the opinion of the directors:

a) the consolidated 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 financial position as at 31 December 2012 and the performance for the half-year ended on that date of the consolidated entity; and

   (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and

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

On behalf of the Board

Henry Heng
Executive Chairman
Dated 27 February 2012
Perth, Western Australia

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Independent Auditor's Review Report
To the Members of Refresh Group Limited

We have reviewed the accompanying half-year financial report of Refresh Group Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year..

Directors' responsibility for the half-year financial report

The directors of Refresh Group 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 and the Corporations Act 2001 and for such controls 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 consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a 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 half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Refresh Group Limited consolidated entity's financial position as at 31 December 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 the auditor of Refresh Group 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 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 Refresh Group Limited is not in accordance with the Corporations Act 2001, including:

a giving a true and fair view of the consolidated entity's financial position as at 31 December 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 Corporations Regulations 2001.

Material uncertainty regarding Going Concern

Without qualification to the conclusion expressed above, we draw attention to Note 2 (d) in the financial report which indicates that the Company incurred a net loss of $74,025 during the half year ended 31 December 2012 and, as of that date, the Company's cash outflows from operations was $147,950. These conditions, along with other matters as set forth in Note 3(d), indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C A Becker
Partner - Audit & Assurance

Perth, 27 February 2013