

Rule 4.3A

Appendix 4E

Preliminary final report

Name of entity:

Yowie Group Ltd

1.

ABN or equivalent company reference:

98 084 370 669

Reporting period:

Year ended 30 June 2014

Previous corresponding period:

Year ended 30 June 2013

2. **Results for announcement to the market**

		\$A	
2.1	Revenue from ordinary activities	up	209% to 129,976
2.2	Loss from ordinary activities for the period after tax attributable to members	up	173% to (6,437,129)
2.3	Net loss for the period attributable to members	up	173% to (6,437,129)
2.4 Dividends		Amount per security	Franked amount per security
	Final dividend	Nil	N/A
	Interim dividend	Nil	N/A
2.5	Record date for determining entitlements to the dividends	N/A	
2.6	Brief explanation of any of the figures reported above to enable the figures to be understood:		
	<p>The operating loss attributable to members of \$6,437,129 was principally due to selling, distribution and marketing costs ahead of first orders in the US \$1,443k the payment of certain fixed costs of establishing initial manufacturing of its chocolate product in advance of production \$425k, directors remuneration of \$897k and other corporate expenses required to initiate the Yowie confectionery business. The loss for the year was inclusive of a number of one-off write offs totalling \$1,563k. The Company also booked a foreign exchange loss of \$281k resulting from its main business operations being based in the US.</p>		

3. Consolidated Statement of Comprehensive Income

	Current Period 2014 \$	Previous Corresponding Period 2013 \$
Revenue from continuing operations	129,976	42,047
Unrealised foreign exchange gain	-	324,721
<i>Expenses:</i>		
Cost of sales	(5,070)	-
Selling and distribution	(1,173,923)	-
Marketing	(268,984)	-
Administration	(2,848,528)	(1,462,430)
Finance	(1,025)	(2,293)
Foreign exchange losses	(280,672)	-
Manufacturing fixed costs in advance of production	(425,428)	(441,684)
Write-off of product and Yowie World development costs	(954,479)	-
Write-off of other intangible assets	(63,446)	-
Write-off of commissioning costs	(345,047)	-
Write-off of inventory	(200,503)	-
Listing expense	-	(817,386)
Loss before income tax	(6,437,129)	(2,357,025)
Income tax expense	-	-
Loss after income tax expense	(6,437,129)	(2,357,025)
Attributable to:		
Members of the parent company	(6,437,129)	(2,357,025)
Other comprehensive income <i>Items that may be reclassified subsequently to profit or loss</i>		
Foreign currency translation	94,101	98
Total comprehensive income / (loss)	(6,343,028)	(2,356,927)
Basic loss per share (cents per share)	(6.62)	(5.68)
Diluted loss per share (cents per share)	(6.62)	(5.68)

4. Statement of Financial Position

	Current Period 30 June 2014 \$	Previous Corresponding Period 30 June 2013 \$
Current Assets		
Cash and cash equivalents	8,245,634	3,222,041
Trade and other receivables	73,869	38,631
Prepayments	1,185,739	673,176
Inventories	2,786,846	-
Total Current Assets	12,292,088	3,933,848
Non-Current Assets		
Plant and equipment	1,113,026	952,545
Intangible assets	239,301	565,815
Total Non-Current Assets	1,352,327	1,518,360
Total Assets	13,644,415	5,452,208
Current Liabilities		
Trade and other payables	934,299	486,312
Total Current Liabilities	934,299	486,312
Total Liabilities	934,299	486,312
Net Assets	12,710,116	4,965,896
Equity		
Contributed equity	19,041,398	5,077,714
Reserves	2,631,087	2,413,422
Accumulated losses	(8,962,369)	(2,525,240)
Total Equity	12,710,116	4,965,896

5. Consolidated Statement of Cash Flows

	Current Period 2014 \$	Previous Corresponding Period 2013 \$
Cash flows from operating activities		
Receipts	25,899	11,689
Payments to suppliers and employees	(7,740,298)	(1,620,505)
Interest received	74,995	27,416
Interest paid	(982)	(2,293)
Net cash flows from operating activities	(7,640,386)	(1,583,693)
Cash flows from investing activities		
Payments for plant and equipment	(579,140)	(829,449)
Payments for product development	(678,456)	(491,096)
Pre-acquisition loan to Yowie Group Ltd	-	(280,000)
Cash in Yowie Group Ltd on acquisition	-	31,743
Net cash flows from investing activities	(1,257,596)	(1,568,802)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	14,507,419	5,119,250
Proceeds from exercise of options	185,000	-
Payment of share issue costs	(731,735)	(369,659)
Repayment of loan from former director	-	(37,841)
Net cash flows from financing activities	13,960,684	4,711,750
Net increase in cash held	5,062,702	1,559,255
Cash and cash equivalents at the beginning of the period	3,222,041	1,592,696
Effects of exchange rates on cash	(39,109)	70,090
Cash and cash equivalents at the end of the period	8,245,634	3,222,041

6. Consolidated Statement of Changes in Equity

	Contributed Equity	Share-based payment reserve	Foreign currency translation reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2012	2	-		(168,215)	(168,213)
Loss for the year	-	-	-	(2,357,025)	(2,357,025)
Other comprehensive income / (loss)					
Foreign currency translation	-	-	98	-	98
Total comprehensive income / (loss)	-	-	98	(2,357,025)	(2,356,927)
Transactions with owners recorded directly in equity					
Shares issued	7,891,591	-	-	-	7,891,591
Share issue costs	(2,813,879)	-	-	-	(2,813,879)
Share-based payments	-	2,413,324	-	-	2,413,324
Balance at 30 June 2013	5,077,714	2,413,324	98	(2,525,240)	4,965,896
Balance at 1 July 2013	5,077,714	2,413,324	98	(2,525,240)	4,965,896
Loss for the period	-	-	-	(6,437,129)	(6,437,129)
Other comprehensive income / (loss)					
Foreign currency translation	-	-	94,101	-	94,101
Total comprehensive income / (loss)	-	-	94,101	(6,437,129)	(6,343,028)
Transactions with owners recorded directly in equity					
Shares issued	14,692,419	-	-	-	14,692,419
Share issue costs	(728,735)	-	-	-	(728,735)
Share-based payments	-	123,564	-	-	123,564
Balance at 30 June 2014	19,041,398	2,536,888	94,199	(8,962,369)	12,710,116

7. Dividends (in the case of a trust, distributions)

Date dividend is payable	N/A
+Record date to determine entitlements to the dividend	N/A
If it is a final dividend, has it been declared?	N/A

Amount per security

	Amount per security	Franked amount per security at 30% tax (see note 4)	Amount per security of foreign source dividend
Final dividend: Current year	Nil	N/A	N/A
Interim dividend: Current year	Nil	N/A	N/A

Total dividend (distribution) per security (interim *plus* final)

	Current period	Previous Corresponding Period
Ordinary securities	N/A	N/A
Preference securities	N/A	N/A

8. Dividend or distribution plans in operation

N/A

The last date(s) for receipt of election notices for the +dividend or distribution plans	N/A
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9. NTA backing

	Current Period 2014	Previous Corresponding Period 2013
Net tangible asset backing per ordinary security	10.6 cents	6.2 cents

10. Control gained over entities having material effect

Name of entity (or group of entities) N/A

Consolidated loss from ordinary activities after tax of the controlled entity (or group of entities) since the date in the current period on which control was ⁺ acquired	
Date from which such profit has been calculated	
Loss from ordinary activities after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	

Loss of control of entities having material effect

Name of entity (or group of entities) N/A

Consolidated profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	N/A
Date to which the profit (loss) has been calculated	N/A
Consolidated profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	N/A
Contribution to consolidated profit (loss) from ordinary activities from sale of interest leading to loss of control	N/A

11. Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. *(If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from dd/mm/yy") or disposal ("to dd/mm/yy").)*

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss)	
	Current period	Previous corresponding period	Current period \$A	Previous corresponding period \$A
Equity accounted associates and joint venture entities				
N/A				
Total				
Other material interests N/A				
Total				

12. Significant information

Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position:

During the financial year the Company progressed towards its stated aim of production of its Yowie Confectionary product and first sales. Production commenced in January 2014 and first order for Yowie confectionery product in the US market was achieved in June 2014.

The primary objective of the company for the year ahead is to expand the footprint for the availability of the Yowie product range in the United States.

The Group's net loss attributable to members of the Company for the financial year ended 30 June 2014 was \$6,437,129 (financial year ended 30 June 2013: \$2,356,025).

As at 30 June 2014 the Group's consolidated cash position was \$8,245,634 (30 June 2013: \$3,222,041) and the Company had 117,824,223 ordinary shares on issue.

The operating loss attributable to members of \$6,437,129 was principally due to selling, distribution and marketing costs ahead of first orders in the US \$1,443k the payment of certain fixed costs of establishing initial manufacturing of its chocolate product in advance of production \$425k, directors remuneration of \$897k and other corporate expenses required to initiate the Yowie confectionery business. The loss for the year was inclusive of a number of one-off write offs totalling \$1,563k. The Company also booked a foreign exchange loss of \$281k resulting from its main business operations being based in the US.

During the year, the Company raised a total of \$14,507,419 through various issues of a total of 46,304,352 ordinary fully paid shares. A further \$185,000 was raised from the exercise of listed options.

Funds raised from the issues are being used towards general working capital and to further business development and growth, and to advance the ongoing market rollout of the Company's Yowie products in the US market.

13. Foreign entities set of accounting standards used in compiling the report (IAS)

N/A

14. Commentary on the results for the period

14.1 Earnings per security (EPS)

	Current Period 2014	Previous Corresponding Period 2013
Basic EPS (cents per share)	(6.62)	(5.68)
Diluted EPS (cents per share)	(6.62)	(5.68)

14.2 Returns to shareholders (Including distributions and buy backs)

	Current Period 2013 \$	Previous Corresponding Period 2012 \$
Ordinary securities	N/A	N/A
Preference securities	N/A	N/A
Other equity instruments	N/A	N/A
Total	N/A	N/A

The dividend or distribution plans shown below are in operation.

N/A

The last date(s) for receipt of election notices for the dividend or distribution plans

N/A

Any other disclosures in relation to dividends (distributions).

N/A

14.3 Significant features of operating performance

Refer to Item 12.

14.4 Segment Information

The Group has only one reportable segment, which relates to the establishment of its confectionery business. All production and sales to date have taken place in the United States. The internal reports reviewed by the board separately present administration costs relating to the US, Australia and Hong Kong. The net result is presented on a consolidated basis.

2014	United States \$	Australia \$	Hong Kong \$	Unallocated \$	Total \$
Sale of goods	12,328	-	-	-	12,328
Cost of sales	(5,070)	-	-	-	(5,070)
Selling and distribution	(1,173,923)	-	-	-	(1,173,923)
Marketing	(175,191)	(93,793)	-	-	(268,984)
Administration costs	(915,123)	(1,882,607)	(50,798)	-	(2,848,528)
Manufacturing fixed costs in advance of production	(425,428)	-	-	-	(425,428)
Other revenue				117,648	117,648
Foreign exchange losses				(280,672)	(280,672)
Finance costs				(1,025)	(1,025)
Write-offs				(1,563,475)	(1,563,475)
Loss after income tax					(6,437,129)

All other income and expenses, and assets and liabilities, are reviewed by management on a consolidated basis. Segment reporting did not apply to the year ended 30 June 2013.

14.5 Report on trends in performance

None

14.6 Report any factors which have affected the results during the reporting period or which are likely to affect results in the future, including those where the effect could not be quantified.

N/A

15. Compliance statement

This report is based on accounts to which one of the following applies.
(Tick one)

- 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.

16. If the accounts have not yet been audited or subject to audit review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:

N/A

17. If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:

N/A



Sign here:
(Director)

Date: 29 August 2014

Print name: Wayne Loxton