INTERIM REPORT

trilogy ECOYA

TRILOGY INTERNATIONAL LIMITED

FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2013


trilogy
LIMITED EDITION
ROSAPENE™ DAY & NIGHT COLLECTION
Collection Jour et Nuit Rosapene™
trilogy
Rosehip Oil
Antioxidant+
trilogy
Vital Moisturising Cream
Crème Hydratante Essentielle
trilogy
Rosapene™ Night Cream
Crème de Nuit Rosapene™

Chairman and CEO Report

Welcome to the Trilogy International Interim Report for the six months ending 30 September 2013.

This half year saw overall revenue growth of 12%, with sales increasing from $12.2m in the same period last year to $13.6m for the current period. While both brands are performing strongly, April to September saw excellent growth from the Ecoya business in Australia and NZ.

At our Annual Meeting in September we advised that our revenue forecast for the full year ending 31 March 2014 was $30m, indicating 12% growth. In addition, full year operating earnings were forecast to be $2m before interest costs, tax and depreciation and we are on track to achieve these numbers.

The Trilogy and Ecoya brands are well placed to take advantage of opportunities in their respective channels. The large global skincare market is seeing a significant movement toward natural products and Trilogy's reputation for quality and performance positions it well to benefit from this shift in attitudes. For Ecoya, the opportunity is to continue establishing itself as the leading brand in the Australasian home fragrance market, while focusing on developing international market opportunities.

Trilogy

We have continued to invest in growing the Trilogy business, with a focus on product, brand and distribution networks.

2013 saw the completion of our packaging redesign project, with new product and packaging on shelves throughout the majority of our distribution channels and markets.

The focus on driving further growth in our home markets of Australia and New Zealand continues concurrently with strategic international expansion.

Australian distribution increased significantly across the year ended 31 March 2013 and we are now working with those partners to increase same store sales. Brand investment in Australia has comprised a combination of above and below the line marketing, with our multi-channel 100% Unretouched campaign the key activity for the period. Leveraging online and print advertising, media relations, social media and mass sampling, the campaign engaged new audiences with the brand and deepened the engagement with existing fans.

In New Zealand we have executed a split-focus strategy, driving brand advocacy at store level with a three-month nationwide training roadshow, while leveraging major consumer events and exhibitions to engage new audiences and cement brand loyalty amongst existing fans.

International opportunities continue to present themselves. In the USA we have recently been listed with the Wholefoods Market chain, which has 360 stores across the USA and United Kingdom. Our current listing covers 40 stores in the Midwestern region, predominantly centred around Chicago, which will help us establish a physical presence in the USA and build brand profile in the Midwest.

Trilogy is operating in Japan, South Korea, Hong Kong and Taiwan, as well as parts of South East Asia. Japan is our biggest Asian market, driven mainly by retail presence in the prestigious Isetan Shinjuku department store and CosmeKitchen, a national chain specialising in natural and organic cosmetics. In Hong Kong, we were recently listed in Mannings, one of the territory's leading pharmacy chains.

Ecoya

August 2012 saw a number of changes to the Ecoya product and management structure. A year on, we have seen significant growth in sales and brand value as a result.

New product development was a key growth driver across 2013 and will continue to be a focus through 2014, with exciting new innovations in the early stages of development. Ecoya's Christmas sales have been particularly strong, with the market reacting well to our seasonal offering.

In Australia and New Zealand, Ecoya has grown 41% against the same six month period last year. Good growth potential remains in both markets for 2014, and we're developing specific opportunities in key international markets.

This first half also saw a change a board level, with Rob Fyfe being replaced by successful Australian entrepreneur Mandy Sigaloff. Mandy brings to the board specialist expertise in digital and online, an area which presents exciting opportunities for both brand and sales growth. We expect Mandy's strategic insight to be of great benefit in the development of our online channels.

Finally, we would like to thank you for being a shareholder of Trilogy International. Each year presents new opportunities for our brands and we are excited at the development potential we see for the business. We would also like to acknowledge the efforts of our team in growing the business in 2013.

We wish you all a merry Christmas and a prosperous New Year.

Geoff Ross
Chairman

Stephen Sinclair
CEO

Financial Statements

Trilogy International Limited
Unaudited Consolidated Interim Statement of Comprehensive Income

For the 6 months ended 30 September 2013

	NOTES	Unaudited 6 months ended 30 September 2013 $000	Unaudited 6 months ended 30 September 2012 $000	Audited year ended 31 March 2013 $000
Revenue	5	13,571	12,163	26,666
Cost of sales		(5,371)	(4,466)	(9,611)
Gross Profit		**8,200**	**7,697**	**17,055**
Other income		-	8	8
Other gains(losses) – net		113	37	41
Expenses				
Distribution		(657)	(592)	(1,245)
Sales and marketing		(5,315)	(5,262)	(10,190)
Administration		(2,467)	(2,326)	(4,890)
Finance income		3	6	11
Finance costs		(252)	(350)	(702)
(Loss)/Profit Before Income Tax		**(375)**	**(782)**	**88**
Income tax credit/(expense)	10	106	(15)	(54)
(Loss)/Profit for the Period		**(269)**	**(797)**	**34**
Other comprehensive income:				
Items that may be reclassified to the Profit and Loss				
Foreign currency translation, net of tax		(503)	(30)	(63)
Total Comprehensive Income for the Period		**(772)**	**(827)**	**(29)**
(Losses)/profit per share attributable to the ordinary equity holders of the Company during the period:		Dollars	Dollars	Dollars
Basic (losses)/profits per share		(0.00)	(0.01)	0.00
Diluted (losses)/profits per share		(0.00)	(0.01)	0.00

THE ABOVE INTERIM STATEMENT OF COMPREHENSIVE INCOME SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING NOTES.

Trilogy International Limited
Unaudited Consolidated Interim Statement of Financial Position

As at 30 September 2013

	NOTES	Unaudited 30 September 2013 $000	Unaudited 30 September 2012 $000	Audited 31 March 2013 $000
Current Assets				
Cash and cash equivalents	8	1,535	1,409	1,185
Trade and other receivables	8	5,115	4,884	5,020
Inventories		5,991	5,672	5,539
Tax receivable		9	5	15
Derivative financial instruments	8	201	23	22
Total Current Assets		**12,851**	**11,993**	**11,781**
Non-Current Assets				
Plant and equipment	6	1,741	1,995	1,915
Intangible assets	7	17,674	17,844	17,790
Deferred tax asset		300	182	165
Total Non-Current Assets		**19,715**	**20,021**	**19,870**
Total Assets		**32,566**	**32,014**	**31,651**
Current Liabilities				
Trade and other payables	8	3,974	2,664	3,231
Interest bearing liabilities	8,9	30	7,102	6,576
Derivative financial instruments	8	-	-	40
Total Current Liabilities		**4,004**	**9,766**	**9,847**
Non-Current Liabilities				
Deferred tax liability		-	-	8
Interest bearing liabilities	8,9	6,700	1,250	-
Total Non-Current Liabilities		**6,700**	**1,250**	**8**
Total Liabilities		**10,704**	**11,016**	**9,855**
Net Assets		**21,862**	**20,998**	**21,796**
Equity				
Contributed equity	11	32,319	31,481	31,481
Reserves		(568)	(32)	(65)
(Accumulated losses)		(9,889)	(10,451)	(9,620)
Equity Attributable to Equity Holders of Trilogy International Limited		**21,862**	**20,998**	**21,796**

THE ABOVE INTERIM STATEMENT OF FINANCIAL POSITION SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING NOTES.

Trilogy International Limited
Unaudited Consolidated Interim Statement of Movements in Equity

For the 6 months ended 30 September 2013

	NOTES	Share Capital $000	Accumulated Losses $000	Other Reserves $000	Total Equity $000
		Attributable to equity holders of Trilogy International Limited			
Balance at 1 April 2012		29,195	(9,654)	(2)	19,539
Net loss for the half year ended 30 September 2012		-	(797)	-	(797)
Foreign currency translation		-	-	(30)	(30)
Total Comprehensive Income		**-**	**(797)**	**(30)**	**(827)**
Transactions with owners					
Issue of ordinary shares:	11				
For cash in April 2012		2,000	-	-	2,000
For cash from series 2 warrant allotment		3	-	-	3
Issued in July 2012		253	-	-	253
Shares in lieu of directors' fees		43	-	-	43
Share issue costs		(13)	-	-	(13)
Balance at 30 September 2012		**31,481**	**(10,451)**	**(32)**	**20,998**
Net profit for the half year ended 31 March 2013		-	831	-	831
Foreign currency translation		-	-	(33)	(33)
Total Comprehensive Income		**-**	**831**	**(33)**	**798**
Transactions with owners					
Issue of ordinary shares:	11	-	-	-	-
Balance at 31 March 2013		**31,481**	**(9,620)**	**(65)**	**21,796**
Net loss for the half year ended 30 September 2013		-	(269)	-	(269)
Foreign currency translation		-	-	(503)	(503)
Total Comprehensive Income		**-**	**(269)**	**(503)**	**(772)**
Transactions with owners					
Issue of ordinary shares:	11				
For cash from series 2 warrant allotment		777	-	-	777
Shares in lieu of directors' fees		63	-	-	63
Share issue costs		(2)	-	-	(2)
Balance at 30 September 2013		**32,319**	**(9,889)**	**(568)**	**21,862**

THE ABOVE INTERIM STATEMENT OF MOVEMENTS IN EQUITY SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING NOTES.

Trilogy International Limited
Unaudited Consolidated Interim Statement of Cash Flows

For the 6 months ended 30 September 2013

	NOTES	Unaudited 6 months ended 30 September 2013 $000	Unaudited 6 months ended 30 September 2012 $000	Audited year ended 31 March 2013 $000
Cash Flows from Operating Activities				
Receipts from customers (inclusive of GST)		14,338	12,965	28,596
Payments to suppliers and employees (inclusive of GST)		(14,353)	(14,993)	(28,474)
Government grants received		-	8	8
Interest received		3	6	11
Interest paid		(274)	(308)	(591)
Taxation paid		(33)	(7)	(30)
Net Cash Inflow / (Outflow) from Operating Activities	14	**(319)**	**(2,329)**	**(480)**
Cash Flows from Investing Activities				
Payments for plant and equipment		(167)	(499)	(751)
Proceeds from sale of plant and equipment		1	50	25
Payments for intangible assets		(36)	(203)	(251)
Net Cash Inflow / (Outflow) from Investing Activities		**(202)**	**(652)**	**(977)**
Cash Flows from Financing Activities				
Repayments on bank borrowings	9	-	(2,000)	(3,250)
Proceeds from bank borrowings	9	200	1,650	1,650
Net proceeds from issue of shares	11	775	2,228	2,215
Net Cash Inflow / (Outflow) from Financing Activities		**975**	**1,878**	**615**
Net increase/(decrease) in cash and cash equivalents		454	(1,103)	(842)
Cash and cash equivalents at the beginning of the period		1,109	1,904	1,904
Exchange gains/(losses) on cash and cash equivalents		(58)	6	47
Cash and Cash Equivalents at End of Period		**1,505**	**807**	**1,109**
Composition of Cash and Cash Equivalents				
Cash and cash equivalents		1,535	1,409	1,185
Bank overdraft		(30)	(602)	(76)
Total		**1,505**	**807**	**1,109**

THE ABOVE INTERIM STATEMENT OF CASH FLOWS SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING NOTES.

Notes to the Financial Statements 8-20

Trilogy International Limited
Notes to the Unaudited Consolidated Interim Financial Statements

For the 6 months ended 30 September 2013

1. General Information

Trilogy International Limited – formerly known as Ecoya Limited - (the "Company") together with its subsidiaries (the "Group") is a manufacturer and wholesaler of products in the home fragrance, body care and natural skincare categories.

The Company is a limited liability company domiciled in New Zealand.

These consolidated interim financial statements were approved by the Board of Directors on 27 November 2013.

2. Basis of Preparation of Half Year Report

This condensed consolidated interim financial information for the six months ended 30 September 2013 has been prepared in accordance with NZ GAAP. These financial statements comply with NZ IAS 34 'Interim Financial Statements' and with International Accounting Standard 34 (IAS 34). The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2013, which have been prepared in accordance with NZ IFRS, and IFRS.

3. Summary of Significant Accounting Policies

The accounting policies used in the preparation of these condensed interim financial statements are consistent with those used in the previously published condensed interim financial statements as at and for the six months ended 30 September 2012 and the audited financial statements as at and for the year ended 31 March 2013, except as described below:

NZ IFRS 10, 'Consolidated Financial Statements'. Under NZ IFRS 10, subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group has power over an entity, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The adoption of this new standard has not resulted in material accounting or disclosure changes for the Group.

NZ IFRS 13, 'Fair Value Measurement'. NZ IFRS 13 measurement and disclosure requirements are applicable for the March 2014 year end. The Group has included the disclosures required by NZ IAS 34. See note 8.

4. Seasonality of Operations

Due to the seasonal nature of the Home Fragrance & Body Care segment, higher revenues and operating profits in this segment are usually expected in the second half of the year than the first six months. Natural Skincare revenues and operating profits are more evenly spread between the two half years.

5. Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker and the Board. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

Although certain geographies do not currently meet the NZ IFRS 8 quantitative thresholds, management has concluded that these segments should be reported as they are closely monitored by the chief operating decision maker as potential growth segments and are expected to materially contribute to Group revenue in the future.

The chief operating decision maker assesses the performance of the operating segments based on a measure of EBITDA. This measurement basis excludes fair value gains and losses on derivative financial instruments and the effects of non-recurring expenditure from operating segments. Interest income and costs are not allocated to segments as this type of activity is driven by the Group's head office function which manages the cash position of the Group. Head office costs, other than listed company costs, are allocated to segments in line with their sales.

The segment information provided to the chief operating decision maker for the reportable segments is as follows:

Unaudited 6 months ended 30 September 2013

	Australia $000	New Zealand $000	US $000	UK & Ireland $000	Rest of World $000	Other $000	Total $000
Home Fragrance, Body Care							
Segment revenue	3,651	1,305	314	50	230	401	5,951
Revenue from external customers	3,651	1,305	314	50	230	401	5,951
EBITDA	(169)	32	(151)	(13)	(60)	(208)	(569)
Natural Skincare							
Segment revenue	2,473	2,849	64	844	1,051	339	7,620
Revenue from external customers	2,473	2,849	64	844	1,051	339	7,620
EBITDA	(163)	977	(13)	(175)	351	(13)	964
Total Segment Revenue	**6,124**	**4,154**	**378**	**894**	**1,281**	**740**	**13,571**

Unaudited 6 months ended 30 September 2012

	Australia $000	New Zealand $000	US $000	UK & Ireland $000	Rest of World $000	Other $000	Total $000
Home Fragrance, Body Care							
Segment revenue	2,840	686	241	51	175	306	4,299
Revenue from external customers	2,840	686	241	51	175	306	4,299
EBITDA	(781)	(125)	(391)	(26)	(90)	(303)	(1,716)
Natural Skincare							
Segment revenue	2,952	2,644	108	1,000	889	271	7,864
Revenue from external customers	2,952	2,644	108	1,000	889	271	7,864
EBITDA	528	911	49	156	381	(23)	2,002
Total Segment Revenue	**5,792**	**3,330**	**349**	**1,051**	**1,064**	**577**	**12,163**

Audited year ended 31 March 2013

	Australia $000	New Zealand $000	US $000	UK & Ireland $000	Rest of World $000	Other $000	Total $000
Home Fragrance, Body Care							
Segment revenue	6,862	2,101	308	70	391	867	10,599
Revenue from external customers	6,862	2,101	308	70	391	867	10,599
EBITDA	(924)	(209)	(625)	(33)	(186)	(562)	(2,539)
Natural Skincare							
Segment revenue	5,764	5,618	259	1,887	2,004	535	16,067
Revenue from external customers	5,764	5,618	259	1,887	2,004	535	16,067
EBITDA	1,268	2,279	131	347	893	(63)	4,855
Total Segment Revenue	**12,626**	**7,719**	**567**	**1,957**	**2,395**	**1,402**	**26,666**

The "Other" segment displayed above refers to retail and online revenue and expenses that relate to transactions within the retail markets. The comparative revenue and EBITDA figures have been amended for the 6 months ended 30 September 2012 to reflect the "Other" segment in addition to the treatment of listed Company costs in a manner consistent with the current period.

A reconciliation of EBITDA to the Group's loss before tax for the period is provided as follows:

	Unaudited 6 months ended 30 September 2013 $000	**Unaudited 6 months ended 30 September 2012 $000**	**Audited year ended 31 March 2013 $000**
EBITDA for reportable segments	395	286	2,316
Listed Company costs	(485)	(470)	(973)
Group EBITDA	(90)	(184)	1,343
Gains/(losses) on derivative financial instruments	219	(4)	(45)
Depreciation and amortisation	(255)	(250)	(519)
Finance (costs)/income, net	(249)	(344)	(691)
(Loss)/Profit Before Tax	**(375)**	**(782)**	**88**

Revenues from external customers are derived from sale of goods in the home fragrance, body care and natural skincare categories.

Revenues of approximately $2,413,000 (31 March 2013: $4,932,000; 30 September 2012: $2,463,000) are derived from a single external customer. These revenues are attributable to the natural skincare segment in Australia and New Zealand.

Segment assets and liabilities are not included within the reporting to the chief operating decision maker and hence have not been included within the segment information tables above.

6. Plant and Equipment

	Unaudited 6 months ended 30 September 2013 $000	**Unaudited 6 months ended 30 September 2012 $000**	**Audited year ended 31 March 2013 $000**
Opening net book amount	1,915	1,767	1,767
Additions	167	499	751
Disposals	(1)	(38)	(122)
Depreciation	(196)	(217)	(450)
Exchange differences	(144)	(16)	(31)
Closing Net Book Amount	**1,741**	**1,995**	**1,915**

7. Intangibles

	Goodwill $000	Brand $000	Trademarks $000	Software & Website Development $000	Total $000
Six Months Ended 30 September 2013					
Opening net book amount	14,646	2,830	119	195	17,790
Exchange differences	(93)	-	-	-	(93)
Additions	-	-	8	28	36
Amortisation charge	-	-	(7)	(52)	(59)
Closing Net Book Amount at 30 September 2013	**14,553**	**2,830**	**120**	**171**	**17,674**
Cost	14,553	2,830	152	306	17,841
Accumulated amortisation	-	-	(32)	(135)	(167)
Net Book Amount	**14,553**	**2,830**	**120**	**171**	**17,674**
Year Ended 31 March 2013					
Opening net book amount	14,668	2,830	88	100	17,686
Exchange differences	(22)	-	-	(1)	(23)
Disposals	-	-	-	(54)	(54)
Additions	-	-	44	207	251
Amortisation charge	-	-	(13)	(57)	(70)
Closing Net Book Amount at 31 March 2013	**14,646**	**2,830**	**119**	**195**	**17,790**
Cost	14,646	2,830	144	277	17,897
Accumulated amortisation	-	-	(25)	(82)	(107)
Net Book Amount	**14,646**	**2,830**	**119**	**195**	**17,790**
Six Months Ended 30 September 2012					
Opening net book amount	14,668	2,830	88	100	17,686
Exchange differences	(10)	-	-	-	(10)
Additions	-	-	24	177	201
Amortisation charge	-	-	(6)	(27)	(33)
Closing Net Book Amount at 30 September 2012	**14,658**	**2,830**	**106**	**250**	**17,844**
Cost	14,658	2,830	138	427	18,053
Accumulated amortisation	-	-	(32)	(177)	(209)
Net Book Amount	**14,658**	**2,830**	**106**	**250**	**17,844**

The cash generating unit-level summary of the indefinite lived intangibles' (goodwill and brand) allocation is presented below:

	Unaudited 6 months ended 30 September 2013 $000	Unaudited 6 months ended 30 September 2012 $000	Audited year ended 31 March 2013 $000
Home fragrance, body care	897	1,002	990
Natural skincare	16,486	16,486	16,486
Closing Net Book Amount	**17,383**	**17,488**	**17,476**

8. Financial Instruments

All financial assets other than derivatives are classified as loans and receivables. All financial liabilities other than derivatives are classified as measured at amortised cost. The fair value of financial assets and liabilities approximates their carrying value.

	Unaudited 6 months ended 30 September 2013 $000	Unaudited 6 months ended 30 September 2012 $000	Audited year ended 31 March 2013 $000
Trade and other receivables (net)	4,422	3,991	4,223
Cash and cash equivalents	1,535	1,409	1,185
Total Loans and Receivables	**5,957**	**5,400**	**5,408**

Prepayments and GST receivable do not meet the definition of a financial asset and have been excluded from the tables above.

	Unaudited 6 months ended 30 September 2013 $000	Unaudited 6 months ended 30 September 2012 $000	Audited year ended 31 March 2013 $000
Trade payables and accrued expenses	3,385	2,321	2,671
Interest bearing liabilities	6,730	8,352	6,576
Total Financial Liabilities at Amortised Cost	**10,115**	**10,673**	**9,247**

Employee entitlements, GST payable and the deferred lease incentive do not meet the definition of a financial liability and have been excluded from the table above.

	Unaudited 6 months ended 30 September 2013 $000	Unaudited 6 months ended 30 September 2012 $000	Audited year ended 31 March 2013 $000
Derivative financial instruments - assets	201	23	22
Derivative financial instruments - liabilities	-	-	(40)
Total Derivative Financial Instruments	**201**	**23**	**(18)**

The table above represents the Group's assets and liabilities that are measured at fair value.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. These instruments are included in level 1. The Group did not have any level 1 financial instruments at 30 September 2013 (31 March 2013 and 30 September 2012: none).

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The Group's forward foreign exchange contracts are level 2 financial instruments at 30 September 2013, 31 March 2013 and 30 September 2012.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The Group did not have any level 3 financial instruments at 30 September 2013 (31 March 2013 and 30 September 2012: none).

Specific valuation techniques used to fair value instruments include: The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.

9. Interest Bearing Liabilities

On 10 September 2010 the Group entered into a multi-option facility with the Bank of New Zealand, comprising a revolving committed cash advance facility ('CCAF') and an overdraft facility. The facility expiry date was 17 September 2013, with monthly principal repayments of $62,500 from 30 June 2011 onwards, increasing to $162,500 from 30 April 2012.

On 29 March 2012 the Group agreed an updated facility with the Bank of New Zealand, refinancing the previous multi-option facility referred to above. The new facility has the same overall limit of $9,500,000 and comprises a revolving committed cash advance facility ('CCAF') of $2,000,000, a customised average rate loan facility ('CARL') of $7,000,000 and an overdraft facility of $500,000 and has an expiry date of 30 April 2015. There are no repayments due on the CCAF prior to the facility expiry date. No repayments on the CARL are due on or before 1 April 2013. The facility is secured by a first ranking registered and unrestricted general security agreement over the assets and undertakings of Trilogy International Limited and Trilogy Natural Products Limited.

On 13 May 2013, the Group agreed an updated facility with the Bank of New Zealand, refinancing the previous multi-option facility dated 29 March 2012. The new facility has the same overall limit of $9,500,000 and comprises a revolving committed cash advance facility ('CCAF') of $2,000,000, a customised average rate loan facility ('CARL') of $7,000,000 and an overdraft facility of $500,000 and has an expiry date of 30 April 2018. There are no repayments due on the CCAF or CARL prior to the facility expiry date. The facility is secured by a first ranking registered and unrestricted general security agreement over the assets and undertakings of the Trilogy International Limited and Trilogy Natural Products Limited. However as this updated facility was put in place after 31 March 2013 the CARL and overdraft amounts drawn down have been classified as current liabilities in the 31 March 2013 results in accordance with the 29 March 2012 facility's repayment terms.

At 30 September 2013 the CCAF facility was drawn down to $200,000 (31 March 2013: $nil; 30 September 2012: $1,250,000) with interest payable of 6.01% (31 March 2013: 0%; 30 September 2012: 6.03%).

At 30 September 2013 the CARL facility was drawn down to $6,500,000 (31 March 2013: $6,500,000; 30 September 2012: $6,500,000). This consisted of a fixed portion of $3,000,000 with interest payable of 6.20%, and a floating portion of $3,500,000 with interest payable of 5.93% (31 March 2013: fixed portion of $2,500,000 at 5.95% and floating portion of $4,000,000 at 6.05%; 30 September 2012: fixed portion of $2,500,000 at 5.95% and floating portion of $4,000,000 at 6.04%).

At 30 September 2013 the overdraft facility was drawn down to $30,000 (31 March 2013: $76,000; 30 September 2012: $602,000) with interest payable of 7.43% (31 March 2013: 5.52%; 30 September 2012: 7.48%).

(a) Fair Value

The fair value of current borrowings equals their carrying amount as the impact of discounting is not significant.

10. Income Taxes

Income tax expenses or credits are recognised based on management's estimate of the income tax liability expected for the full financial year.

11. Contributed Equity

	Number of ordinary shares	Number of unlisted non-voting shares	$000
As at 1 April 2012	58,690,568	-	29,195
Proceeds from shares allotted April 2012	2,222,223	-	2,000
Fair value of shares allotted July 2012	225,000	-	253
Proceeds from series 2 warrant allotment July 2012	3,125	-	3
Shares in lieu of directors' fees	39,124	-	43
Share issue costs	-	-	(13)
At 30 September 2012	**61,180,040**	**-**	**31,481**
No shares issued	-	-	-
At 31 March 2013	**61,180,040**	**-**	**31,481**
Proceeds from series 2 warrant allotment June 2013	57,000	720,653	777
Shares in lieu of directors' fees	61,700	-	63
Share issue costs	-	-	(2)
At 30 September 2013	**61,298,740**	**720,653**	**32,319**

(a) Share Issue

On 11 April 2012 the company issued 2,222,223 ordinary shares for $0.90 per share to two investment funds. The total issue price of $2,000,000 was settled in cash.

On 3 July 2012, following her retirement as an Independent Director, Collette Dinnigan purchased 225,000 ordinary shares for $1.00 per share, the issue price of $225,000 being settled in cash. The issue of these shares has been accounted for as a share-based payment, with the fair value of the shares amounting to $253,000 ($1.124 per share). The fair value was determined with reference to the market price on the grant date of 26 June 2012, discounted to allow for the terms and conditions such that these shares cannot be sold until 3 July 2013.

(b) Directors' Remuneration

Under the terms of the Company's constitution, directors can elect to take director fees in shares instead of cash. Both Richard Frank and Rob Fyfe have elected to take director fees in shares.

On 16 April 2012, 8,969 shares were issued to Rob Fyfe and 13,387 shares were issued to Richard Frank in satisfaction of director fees for the quarter to 31 March 2012 net of applicable withholding taxes.

On 16 July 2012, 6,727 shares were issued to Rob Fyfe and 10,041 shares were issued to Richard Frank in satisfaction of director fees for the quarter to 30 June 2012 net of applicable withholding taxes.

On 5 April 2013, 24,754 shares were issued to Rob Fyfe and 36,946 shares were issued to Richard Frank in satisfaction of director fees for the quarters ended 30 September 2012, 31 December 2012 and 31 March 2013 net of applicable withholding taxes.

(c) Warrants

During the year to 31 March 2013, 3,125 series 2 warrants were exercised for 3,125 ordinary shares.

On 15 June 2013, 777,653 series 2 warrants were exercised for 720,653 unlisted non-voting shares and 57,000 ordinary shares for total consideration amounting to $777,653, settled in cash.

As part of the series 2 warrant exercise, the following shares were issued to related parties at $1 per share:

On 15 June 2013, The Business Bakery exercised 720,653 warrants for 720,653 unlisted non-voting shares. The non-voting shares have the same rights and terms and rank uniformly in all respects with ordinary shares except that they shall initially bear no voting rights. These shares can, by written notice, be reclassified as an ordinary voting share by the holder.

On 15 June 2013, interests associated with Geoff Ross exercised 24,250 warrants for 24,250 ordinary shares. An agreement to transfer 24,250 shares to The Business Bakery LP to hold and control in reliance on clause 10 of the Takeovers Code (Class Exemptions) Notice (No 2) 2001 was completed on 20 June 2013.

12. Contingencies

There are no contingent liabilities at 30 September 2013.

13. Related Party Transactions

(a) Directors

The directors during the period were:

Stephen Sinclair
Grant Baker
Geoff Ross
Richard Frank
Rob Fyfe
Sarah Gibbs
Mandy Sigaloff

On 6 September 2013, Mandy Sigaloff was appointed as a new Independent Director, replacing outgoing Independent Director, Rob Fyfe, who did not seek re-election to the board at the company's annual meeting on 24 September 2013.

(b) Key Management and Personnel Compensation

Sarah Gibbs provided consulting services to the Group through an associated Company, Bill & George's Investments Limited. Independent director fees for the period were payable to Richard Frank and Rob Fyfe. Refer to note 11 for details of shares issued in lieu of fees. Under the management services agreement between Trilogy International Limited and The Business Bakery dated 25 March 2010, Grant Baker, Stephen Sinclair and Geoff Ross provided services to the Company during the period.

	Unaudited 6 months ended 30 September 2013 $000	Unaudited 6 months ended 30 September 2012 $000	Audited year ended 31 March 2013 $000
Consulting fees	25	149	174
Directors' fees	131	186	327
Management services	228	235	464
Total	**384**	**570**	**965**

(c) Other Transactions

(i) with other related parties

During the period, The Business Bakery LP provided rental and operational services to the Group totalling $65,000 (31 March 2013: $140,000; 30 September 2012: $68,000). No marketing expenses were incurred on behalf of Ecoya NZ Ltd or Trilogy International Ltd during the period (31 March 2013: $22,000 - Trilogy International Ltd; 30 September 2012: $6,000 - Ecoya NZ Ltd).

Craig Schweighoffer made no purchases on behalf of the company during the period (31 March 2013: $9,000; 30 September 2012: $9,000). Mr. Schweighoffer resigned as a Director in June 2012 and as an Executive in November 2012.

	Unaudited 30 September 2013 $000	**Unaudited 30 September 2012 $000**	**Audited 31 March 2013 $000**
Payables to related parties:			
The Business Bakery LP	136	75	70
Independent Directors	50	25	79
Non-Executive Directors	29	29	29
Total	**215**	**129**	**178**

14. Reconciliation of (Loss)/Profit after Income Tax to Net Cash Flow Inflow from Operating Activities

	Unaudited 6 months ended 30 September 2013 $000	Unaudited 6 months ended 30 September 2012 $000	Audited year ended 31 March 2013 $000
(Loss)/profit for the period	(269)	(797)	34
Depreciation and amortisation	255	250	519
Loss on disposal of assets	-	-	165
(Gains)/losses on derivative financial instruments	(219)	4	45
Foreign exchange losses/(gains)	128	(25)	(41)
Shares in lieu of directors' fees	63	43	43
Deferred tax	(143)	1	23
Fair value element of July 2012 issue of shares	-	28	28
Movements in working capital:			
(Increase)/decrease in inventories	(673)	(636)	(503)
(Increase)/decrease in trade and other receivables	(340)	(632)	(787)
Increase in tax provisions	4	26	1
Increase/(decrease) in trade and other payables	875	(591)	(7)
Net Cash Outflow From Operating Activities	**(319)**	**(2,329)**	**(480)**

15. Events Occurring after the Balance Date

(a) Directors' Remuneration

On 2 October 2013, 19,524 shares were issued to Rob Fyfe in satisfaction of director fees for the quarter ended 30 June 2013 and from 1 July 2013 up to his resignation on 24 September 2013 net of applicable withholding taxes.

On 2 October 2013, 30,264 shares were issued to Richard Frank in satisfaction of director fees for the 2 quarters ended 30 June 2013 and 30 September 2013.

(b) Directors' Options

On 22 November 2013, 200,000 options were issued to Club QT Australia Pty Ltd (an entity associated with Mandy Sigaloff) as agreed prior to appointment of Mandy Sigaloff as a director of Trilogy International Limited. The detailed terms and conditions of the options issued on 22 November 2013, are that each ordinary share option will be converted into one ordinary share in Trilogy on exercise, by written notice, at an exercise price of $0.80 per option and expire on 30 September 2016.


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Corporate Directory

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Auditor

PricewaterhouseCoopers

Banker

Bank of New Zealand

Solicitors

Chapman Tripp

SHAREHOLDER INFORMATION

Company Publications

The Company informs investors of the Company's business and operations by issuing an Annual Report and an Interim Report.

Financial Calendar

Half year results announced	November
Half year report	December
End of financial year	31 March
Annual results announced	May
Annual report	June

Enquiries

Shareholders with enquiries about transactions or change of address should contact Computershare Investor Services on +64 9 488 8777.

Other questions should be directed to the Company at the registered address.

Share Register

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Stock Exchange

The Company's shares trade on the NZSX market operated by NZX Limited under the code TIL.


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