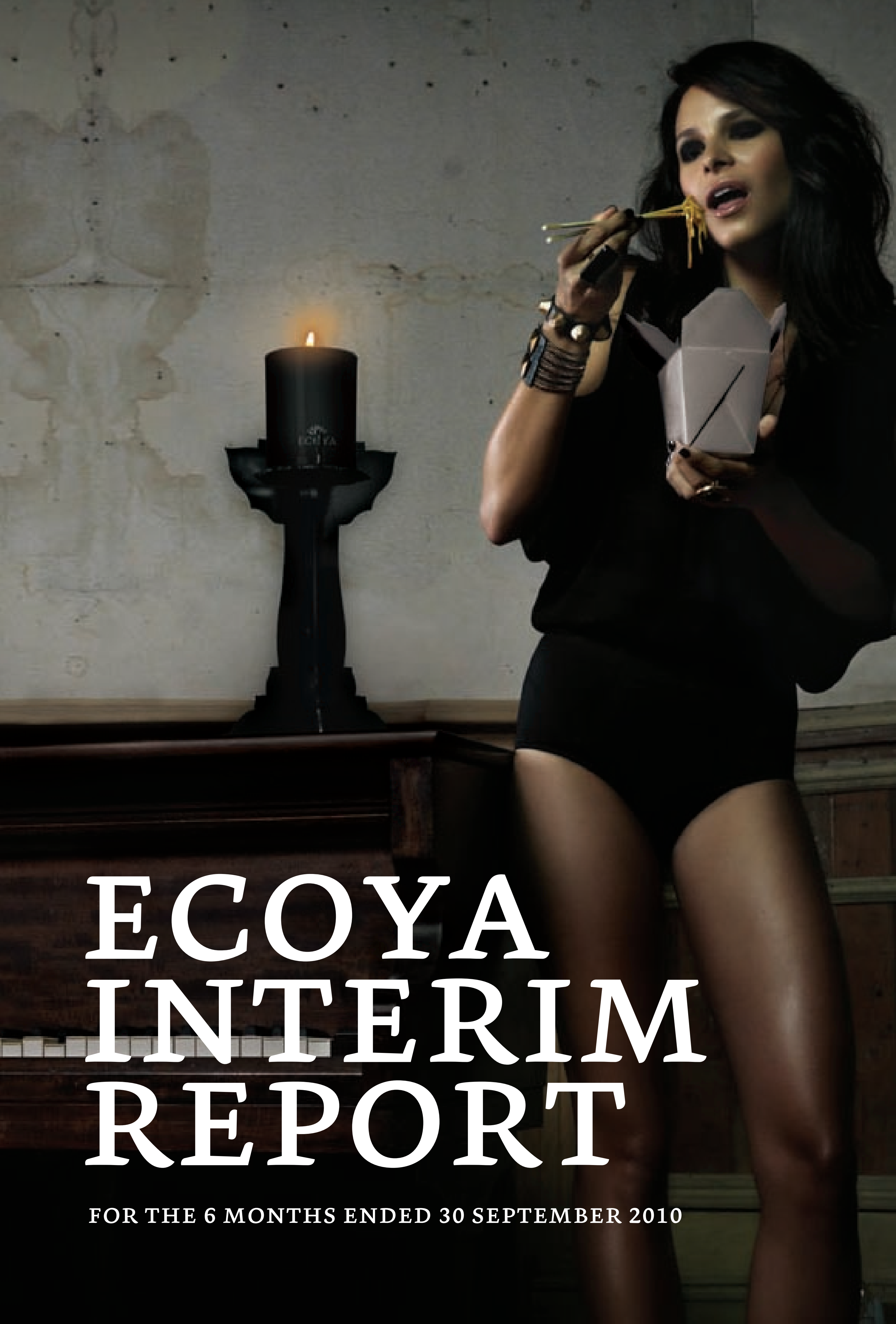

ECOYA INTERIM REPORT

FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2010

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ECOYA:

Chairman's and Managing Director's Report

Dear Ecoya Shareholder,

Welcome to Ecoya's interim report, for the six month period ended 30 September 2010.

We have achieved revenue for the half year of NZ$4.4m compared with NZ$1.6m (+ 176%) in the same period last year. This included one month of Trilogy trading, post the acquisition of the natural skincare company on 1 September 2010. The operating loss was NZ $2.0m. When including non-recurring items such as acquisition and listing costs the full reported loss is $2.6m, which is in line with prospectus forecasts. Ecoya confirms guidance that it is on track to meet those statements outlined at the time of IPO in May 2010.

We have experienced significant growth in the number of stores stocking Ecoya, with over 1400 worldwide. Ecoya continued to grow both same store sales and to grow the number of stores. In Australia, Ecoya is sold in over 1000 stores including David Jones. In New Zealand, Ecoya is ranged in over 250 stores including Smith and Caughey and leading Living and Giving and Farmers Stores. In the US, 100 stores including 8 Bloomingdales Department stores (which has recently increased to 20 stores) and Four Seasons Beverly Hills stock Ecoya. In key Asian cities there are over 50 stores, including Lane Crawford department stores in Hong Kong and Beijing. Home Fragrance, Body and Bath and Natural Skincare categories continue to be some of the fastest growing retail categories worldwide.

Ecoya will be expanding its product range further into Body and Bath, with the addition of 5 new products over the next three months. Body and Bath is a significantly larger category than Home Fragrance. The extension of the product range to position Ecoya as a full Home Fragrance and Body and Bath provider was always a natural step for Ecoya. People become attached to certain fragrances and not only want these in their living room, but also in the bath and shower. This will complete our offering, and accelerate sales growth through existing stores and enable further penetration of the Ecoya product range into new stores.

In addition, the acquisition of skincare company Trilogy on September 1, will significantly increase full year revenue and decrease the full year loss from what was forecast in the prospectus. Trilogy currently has 3500 accounts worldwide, presenting significant distribution opportunities and synergies with the existing Ecoya business in the future. The acquisition of Trilogy offers a further extension into the complementary natural skin care category. Ecoya has a beautiful range of home fragrances brought to life through its candles, melts, oils and diffusers now complemented by a range of body pampering soaps, moisturisers, creams and lotions. Trilogy's products are designed to care for and rejuvenate the face and body with its award winning range of skin care formulations. The brands have a very similar consumer proposition.

We believe both businesses have a lot to gain from each other. There are also geographic advantages to the acquisition – Ecoya's strongest presence is in Australia, Trilogy in New Zealand. Trilogy has a growing presence and reputation in the UK and Ireland while Ecoya hasn't yet launched there. Similarly, Ecoya has established a beachhead in the US market whereas Trilogy has not yet entered the US. The complementary product range, the complementary geographic markets and distribution strategies, the opportunity for synergies and sharing of intellectual property and experience, have presented Ecoya with a unique opportunity to step change the Ecoya business and accelerate growth. This will enable the business to reach profitability earlier.

As the company grows, efficiencies are gained in the production process. The company believes there will continue to be gains in gross margin as volumes increase. The company has recently moved to a larger facility and new automated production equipment is being installed early in the New Year.

Best Regards,

Geoff Ross
Executive Chairman
17 December 2010

C. Schweighoffer.

Craig Schweighoffer
Managing Director
17 December 2010

ECOYA:

Financial Statements

Unaudited Consolidated Interim Statement of Comprehensive Income

For the period ended 30 September 2010

	NOTES	UNAUDITED 6 MONTHS ENDED 30 SEPTEMBER 2010 $'000	UNAUDITED 6 MONTHS ENDED 30 SEPTEMBER 2009 $'000	AUDITED YEAR ENDED 31 MARCH 2010 $'000
REVENUE	4	4,358	1,577	3,906
COST OF SALES		(2,120)	(1,039)	(2,830)
GROSS PROFIT		**2,238**	**538**	**1,076**
OTHER GAINS (LOSSES) - NET		(52)	25	(3)
EXPENSES				
DISTRIBUTION		(220)	(131)	(306)
SALES AND MARKETING		(1,109)	(278)	(1,566)
ADMINISTRATION		(2,775)	(928)	(1,602)
IPO LISTING EXPENSES		(502)	-	-
ACQUISITION COSTS	11	(135)	-	-
OTHER		(89)	(32)	(66)
FINANCE INCOME		119	-	135
FINANCE COSTS		(89)	(14)	(19)
LOSS BEFORE INCOME TAX		**(2,614)**	**(820)**	**(2,351)**
INCOME TAX EXPENSE		-	-	-
LOSS FOR THE PERIOD		**(2,614)**	**(820)**	**(2,351)**
OTHER COMPREHENSIVE INCOME				
FOREIGN CURRENCY TRANSLATION, NET OF TAX		86	14	(43)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**(2,528)**	**(806)**	**(2,394)**
LOSS FOR THE PERIOD ATTRIBUTABLE TO:				
EQUITY HOLDERS OF ECOYA LIMITED		(2,614)	(633)	(1,918)
MINORITY INTERESTS		-	(187)	(433)
		(2,614)	**(820)**	**(2,351)**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
EQUITY HOLDERS OF ECOYA LIMITED		(2,528)	(806)	(1,964)
MINORITY INTERESTS		-	-	(430)
		(2,528)	**(806)**	**(2,394)**

Unaudited Consolidated Interim Statement of Comprehensive Income

For the period ended 30 September 2010

(LOSSES) PER SHARE FOR (LOSS) ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY DURING THE PERIOD:	NOTES	DOLLARS	DOLLARS	DOLLARS
BASIC (LOSSES) PER SHARE		(0.06)	(8,064)	(0.24)
DILUTED (LOSSES) PER SHARE		(0.06)	(8,064)	(0.24)

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

Unaudited Consolidated Interim Statement of Financial Position

As at 30 September 2010

	NOTES	UNAUDITED 30 SEPTEMBER 2010 $'000	UNAUDITED 30 SEPTEMBER 2009 $'000	AUDITED 31 MARCH 2010 $'000
ASSETS				
CURRENT ASSETS				
CASH AND CASH EQUIVALENTS		1,300	109	310
TRADE AND OTHER RECEIVABLES		4,613	536	1,359
INVENTORIES		2,919	672	740
TOTAL CURRENT ASSETS		**8,832**	**1,317**	**2,409**
NON-CURRENT ASSETS				
PLANT AND EQUIPMENT	5	1,567	503	665
INTANGIBLE ASSETS	6	17,829	1,079	1,140
TOTAL NON-CURRENT ASSETS		**19,396**	**1,582**	**1,805**
TOTAL ASSETS		**28,228**	**2,899**	**4,214**
CURRENT LIABILITIES				
TRADE AND OTHER PAYABLES		4,664	924	1,834
INTEREST BEARING LIABILITIES	7	1,250	13	1,030
NON-INTEREST BEARING LIABILITIES	8	-	3,516	-
DERIVATIVE FINANCIAL INSTRUMENTS		149	-	23
TOTAL CURRENT LIABILITIES		**6,063**	**4,453**	**2,887**
NON-CURRENT LIABILITIES				
CONTINGENT CONSIDERATION PAYABLE	9	8,986	-	-
TOTAL NON-CURRENT LIABILITIES		**8,986**	**-**	**-**
TOTAL LIABILITIES		**15,049**	**4,453**	**2,887**
NET ASSETS/(LIABILITIES)		13,179	(1,554)	1,327
EQUITY				
CONTRIBUTED EQUITY	10	21,107	-	6,727
RESERVES		111	85	25
(ACCUMULATED LOSSES)		(8,039)	(1,278)	(5,425)
		13,179	**(1,193)**	**1,327**
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF ECOYA LIMITED		13,179	(1,193)	1,327
MINORITY INTEREST		-	(361)	-
TOTAL EQUITY		**13,179**	**(1,554)**	**1,327**

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

Unaudited Consolidated Interim Statement of Movements in Equity

For the period ended 30 September 2010

	NOTES	ATTRIBUTABLE TO EQUITY HOLDERS OF ECOYA LIMITED				
		SHARE CAPITAL $'000	ACCUMULATED LOSSES $'000	OTHER RESERVES $'000	MINORITY INTEREST $'000	TOTAL EQUITY $'000
BALANCE AT 1 APRIL 2009		-	(645)	71	(174)	(748)
NET LOSS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2009		-	(633)	-	(187)	(820)
FOREIGN CURRENCY TRANSLATION		-	-	14	-	14
TOTAL COMPREHENSIVE INCOME		-	(633)	14	(187)	(806)
BALANCE AT 30 SEPTEMBER 2009		-	**(1,278)**	**85**	**(361)**	**(1,554)**
NET LOSS FOR THE HALF YEAR ENDED 31 MARCH 2010		-	(1,285)	-	(246)	(1,531)
FOREIGN CURRENCY TRANSLATION		-	-	(60)	3	(57)
TOTAL COMPREHENSIVE INCOME		-	(1,285)	(60)	(243)	(1,588)
ISSUE OF ORDINARY SHARES	10					
FOR CASH		1,475	-	-	-	1,475
ACQUISITION OF FURTHER INVESTMENT IN SUBSIDIARY		2,258	(2,258)	-	-	-
CAPITALISATION OF RELATED PARTY LOAN		2,999	-	-	-	2,999
SHARE ISSUE COST		(5)	-	-	-	(5)
ACQUISITION OF MINORITY INTEREST		-	(604)	-	604	-
BALANCE AT 31 MARCH 2010		**6,727**	**(5,425)**	**25**	**-**	**1,327**

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

Unaudited Consolidated Interim Statement of Movements in Equity

For the period ended 30 September 2010

	NOTES	ATTRIBUTABLE TO EQUITY HOLDERS OF ECOYA LIMITED				
		SHARE CAPITAL $'000	ACCUMULATED LOSSES $'000	OTHER RESERVES $'000	MINORITY INTEREST $'000	TOTAL EQUITY $'000
BALANCE AT 1 APRIL 2010		6,727	(5,425)	25	-	1,327
NET LOSS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2010		-	(2,614)	-	-	(2,614)
FOREIGN CURRENCY TRANSLATION		-	-	86	-	86
TOTAL COMPREHENSIVE INCOME		-	(2,614)	111	-	(2,528)
ISSUE OF ORDINARY SHARES	10					
FOR CASH AT IPO		10,103	-	-	-	10,103
FOR CASH AT 17 SEPTEMBER		5,050	-	-	-	5,050
IPO SHARE ISSUE COSTS		(652)	-	-	-	(652)
17 SEPTEMBER SHARE ISSUE COST		(121)	-	-	-	(121)
BALANCE AT 30 SEPTEMBER 2010		**21,107**	**(8,039)**	**111**	**-**	**13,179**

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

Unaudited Consolidated Interim Statement of Cash Flows

For the period ended 30 September 2010

	NOTES	UNAUDITED 6 MONTHS ENDED 30 SEPTEMBER 2010 $'000	UNAUDITED 6 MONTHS ENDED 30 SEPTEMBER 2009 $'000	AUDITED YEAR ENDED 31 MARCH 2010 $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
RECEIPTS FROM CUSTOMERS (INCLUSIVE OF GOODS AND SERVICES TAX)		3,717	1,341	3,558
PAYMENTS TO SUPPLIERS AND EMPLOYEES (INCLUSIVE OF GOODS AND SERVICES TAX)		(6,786)	(2,224)	(5,939)
INTEREST RECEIVED		120	-	1
INTEREST PAID		(25)	(16)	(17)
TAXATION PAID		(290)	-	-
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	14	**(3,264)**	**(899)**	**(2,397)**
CASH FLOWS FROM INVESTING ACTIVITIES				
ACQUISITION OF SUBSIDIARY, NET OF CASH ACQUIRED	11	(9,519)	-	-
PAYMENTS FOR PLANT AND EQUIPMENT		(934)	(62)	(314)
PROCEEDS FROM SALE OF PLANT AND EQUIPMENT		107	-	20
PAYMENTS FOR INTANGIBLE ASSETS		-	(37)	(45)
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES		**(10,346)**	**(99)**	**(339)**
CASH FLOWS FROM FINANCING ACTIVITIES				
LOAN RECEIVED FROM PARENT		-	1,088	2,706
REPAYMENT OF LOAN FROM PARENT		-	-	(2,073)
REPAYMENTS ON FINANCE LEASE		(30)	1	(14)
REPAYMENTS ON BANK BORROWINGS	7	(1,000)	-	-
PROCEEDS FROM BANK BORROWINGS	7	1,250	-	1,000
LOAN RECEIVED FROM RELATED PARTY		-	-	117
REPAYMENT OF LOAN FROM RELATED PARTY		-	-	(178)
NET PROCEEDS FROM ISSUE OF SHARES	10	14,380	-	1,470
NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES		**14,600**	**1,089**	**3,028**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		990	91	292
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		310	18	18
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**1,300**	**109**	**310**

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

Trilogy Vital Moisturising Cream, Cream Cleanser and Certified Organic Rosehip Oil

Notes to the Financial Statements

1. General information

Ecoya Limited (the “Company” or “Parent”) together with its subsidiaries (the “Group”) is a manufacturer and wholesaler of products in the home fragrance, body and bath 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 17 November 2010.

2. Basis of preparation of half year report

This condensed consolidated interim financial information for the six months ended 30 September 2010 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 2010, which have been prepared in accordance with NZ IFRS.

3. Summary of significant accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2010 with the addition of the following:

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The Group has adopted the following new and amended IFRSs as of 1 April 2010:

NZ IFRS 3 (revised) : Business combinations

The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are at fair value at acquisition date, with contingent payments classified as debt subsequently remeasured through the statement of comprehensive income. All Group acquisition related costs are now expensed.

NZ IAS 27 (revised) : Consolidated and Separate Financial Statements

The revised standard requires the effect of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting treatment when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. NZ IAS 27 (revised) has had no impact on the current period.

NZ IAS 38 (amendment) : Intangible assets

The amendment is part of the Accounting Standards Review Board's ('ASRB') annual improvements project and has been applied by the Group from 1 April 2010. The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives.

As a result of adopting NZ IFRS 3 (revised), the Group's accounting policy for consolidations has been amended as follows:

Subsidiaries are entities that are controlled, either directly or indirectly, by the Group. Control exists when the Group has the power directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries and businesses by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income.

All material transactions between subsidiaries or between the Parent Company and subsidiaries are eliminated on consolidation.

4. 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 executive directors of the Group made up of the Executive Chairman, Managing Director, Executive Director and Chief Financial Officer. At 31 March 2010 the chief operating decision maker was identified as the Board of Ecoya. The change during the current period reflects the development of the business and the Group's organisation structure following the IPO and listing on the New Zealand Stock Market at the beginning of May 2010.

The chief operating decision maker considers the business from both a geographic and product perspective. During the current period, EBITDA for reportable segments was extended to include allocated head office costs. The head office function is based in NZ and operating costs associated with it have been allocated to geographies in line with sales. The listing and acquisition costs incurred by the head office function do not constitute operating costs. Comparative periods have been restated to allocate head office costs to geographies.

Following the acquisition of Trilogy on 1 September 2010 (note 11) the Group's products are now within two reportable segments (prior periods : one segment). One segment encompasses home fragrance, body and bath products, the other segment is the natural skincare category.

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.

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

Segment Information

	Unaudited 6 months ended 30 September 2010					
	Australia $'000	New Zealand $'000	US $'000	UK & Ireland $'000	Rest of World $'000	Reportable Segments $'000
Home Fragrance, Body and Bath						
Segment revenue	2,850	153	106	-	35	3,144
Revenue from external customers	2,850	153	106	-	35	3,144
EBITDA	(1,187)	(606)	(265)	-	(69)	(2,127)
Natural Skincare						
Segment revenue	465	472	9	243	25	1,214
Revenue from external customers	465	472	9	243	25	1,214
EBITDA	222	17	5	112	13	369
Total segment revenue	3,315	625	115	243	60	4,358

	Audited year ended 31 March 2010					
	Australia $'000	New Zealand $'000	US $'000	UK & Ireland $'000	Rest of World $'000	Reportable Segments $'000
Home Fragrance, Body and Bath						
Segment revenue	3,675	231	-	-	-	3,906
Revenue from external customers	3,675	231	-	-	-	3,906
EBITDA	(2,229)	(80)	-	-	-	(2,309)

Segment Information

	Unaudited 6 months ended 30 September 2009					
	Australia $'000	New Zealand $'000	US $'000	UK & Ireland $'000	Rest of World $'000	Reportable Segments $'000
Home Fragrance, Body and Bath						
Segment revenue	1,577	-	-	-	-	1,577
Revenue from external customers	1,577	-	-	-	-	1,577
EBITDA	(799)	-	-	-	-	(799)

Reconciliation of EBITDA to the Group's Loss Before Tax

	Unaudited 6 months ended 30 September 2010 $'000	Unaudited 6 months ended 30 September 2009 $'000	Audited year ended 31 March 2010 $'000
EBITDA for reportable segments	(1,758)	(799)	(2,309)
Listing and acquisition costs	(637)	-	-
(Losses)/gains on derivative financial instruments	(139)	26	(23)
Depreciation and amortisation	(110)	(33)	(135)
Finance income, net	30	(14)	116
Loss before tax	**(2,614)**	**(820)**	**(2,351)**

A reconciliation of EBITDA to the Group's loss before tax is provided as shown above. Revenues from external customers are all derived from the sale of goods in the home fragrance, body and bath and natural skincare categories.

Segment assets and liabilities are not included within the reporting to the chief operating decision maker and hence have not been included within the disclosures.

5. Plant and Equipment

Plant and Equipment

	Unaudited 6 months ended 30 September 2010 $'000	Unaudited 6 months ended 30 September 2009 $'000	Audited year ended 31 March 2010 $'000
Opening net book amount	665	468	468
Additions	934	92	313
Additions on acquisition (note 11)	145	-	-
Disposals	(107)	(21)	(20)
Depreciation	(89)	(29)	(121)
Exchange differences	19	(7)	25
Closing net book amount	**1,567**	**503**	**665**

In the current period the Australian operation moved to a new manufacturing site in Sydney which required capital expenditure for new production lines and an office fit out.

6. Intangible Assets

Intangible Assets

	Goodwill $'000	Trademarks $'000	Software $'000	Total $'000
6 months ended 30 September 2010				
Opening net book amount	1,072	33	35	1,140
Acquisition of Trilogy (note 11)	16,616	30	47	16,692
Exchange differences	17	-	-	17
Additions	-	-	-	-
Amortisation charge	-	(10)	(11)	(20)
Closing net book amount at 30 September 2010	**17,705**	**53**	**71**	**17,829**
Cost	17,705	73	91	17,869
Accumulated amortisation	-	(20)	(20)	(40)
Net book amount	**17,705**	**53**	**71**	**17,829**
Year ended 31 March 2010				
Opening net book amount	1,021	36	-	1,057
Exchange differences	51	1	-	52
Additions	-	-	45	45
Amortisation charge	-	(4)	(10)	(14)
Closing net book amount at 31 March 2010	1,072	33	35	1,140
Cost	1,072	43	45	1,160
Accumulated amortisation	-	(10)	(10)	(20)
Net book amount	**1,072**	**33**	**35**	**1,140**

Intangible Assets

	GOODWILL $'000	TRADEMARKS $'000	SOFTWARE $'000	TOTAL $'000
6 MONTHS ENDED 30 SEPTEMBER 2009				
OPENING NET BOOK AMOUNT	1,021	36	-	1,057
EXCHANGE DIFFERENCES	7	-	-	7
ADDITIONS	-	-	19	19
AMORTISATION CHARGE	-	(2)	(2)	(4)
CLOSING NET BOOK AMOUNT AT 30 SEPTEMBER 2009	**1,028**	**34**	**17**	**1,079**
COST	1,028	43	19	1,090
ACCUMULATED AMORTISATION	-	(9)	(2)	(11)
NET BOOK AMOUNT	**1,028**	**34**	**17**	**1,079**

Cash Generating Unit-Level Summary of Goodwill Allocation

	UNAUDITED 30 SEPTEMBER 2010 $'000	UNAUDITED 30 SEPTEMBER 2009 $'000	AUDITED 31 MARCH 2010 $'000
HOME FRAGRANCE, BODY AND BATH	1,089	1,028	1,072
NATURAL SKINCARE	16,616	-	-
	17,705	**1,028**	**1,072**

7. Interest Bearing Liabilities

On 10 September 2010 the Group entered into a multi-option facility with the Bank of New Zealand, comprising a committed cash advance and overdraft facility. The multi-option facility limit is $6,000,000 reducing to $5,000,000 by 10 January 2011. This facility was put in place to fund the Trilogy acquisition. At 30 September $1,250,000 was drawn against this facility under a rolling multi option facility for 31 days at an interest rate of 7.39%.

The committed cash advance facility with BNZ in place at 31 March 2010 was repaid on 30 April 2010 and the guarantee from The Bakery released.

8. Non- Interest Bearing Liabilities

Non- Interest Bearing Liabilities

	UNAUDITED 30 SEPTEMBER 2010 $'000	UNAUDITED 30 SEPTEMBER 2009 $'000	AUDITED 31 MARCH 2010 $'000
CURRENT UNSECURED			
THE BUSINESS BAKERY LP	-	3,534	-
C SCHWEIGHOFFER	-	(18)	-
	-	**3,516**	**-**

9. Contingent Consideration Payable

Contingent Consideration Payable

	UNAUDITED 30 SEPTEMBER 2010 $'000	UNAUDITED 30 SEPTEMBER 2009 $'000	AUDITED 31 MARCH 2010 $'000
OPENING BALANCE	-	-	-
TRILOGY CONTINGENT CONSIDERATION (NOTE 11)	10,000	-	-
FAIR VALUE DISCOUNT	(1,068)	-	-
UNWIND OF DISCOUNT	54	-	-
CLOSING BALANCE	**8,986**	**-**	**-**

The liability to the previous owners of Trilogy relates to the earn out component under the acquisition described in note 11.

10. Contributed Equity

Contributed Equity

	NUMBER OF ORDINARY SHARES	$'000
AS AT 1 APRIL 2009		
AUTHORISED AND ISSUED (NO PAR VALUE)	100	-
AT 30 SEPTEMBER 2009	100	-
SHARES ISSUED IN SATISFACTION OF RELATED PARTY LOAN	27,358,490	2,999
SHARES ISSUED IN CONSIDERATION FOR THE ACQUISITION OF ALL THE SHARES THEN HELD BY PAUNUI HOLDINGS LIMITED IN ECOYA PTY LTD	5,250,000	2,258
PROCEEDS FROM SHARES ISSUED	3,441,410	1,475
SHARE CONSOLIDATION	(3,050,000)	-
TRANSACTION COSTS RELATED TO THE ABOVE SHARE TRANSACTIONS	-	(5)
AT 31 MARCH 2010	**33,000,000**	**6,727**
PROCEEDS FROM SHARES ISSUED AT IPO	10,102,574	10,103
IPO LISTING EXPENSES	-	(652)
PROCEEDS FROM SHARES ISSUED ON 17 SEPTEMBER 2010	6,733,334	5,050
TRANSACTION COSTS RELATED TO THE 17 SEPTEMBER SHARE ISSUE	-	(121)
AT 30 SEPTEMBER 2010	**49,835,908**	**21,107**

On 30 April 2010 the Company allotted 10,100,000 shares, 2,525,000 series 1 warrants and 2,525,000 series 2 warrants. On 10 May 2010 the Company allotted an additional 2,574 shares, 643 series 1 warrants and 643 series 2 warrants. The total issue share price was $1. The shares and warrants were issued for cash.

The Company's shares and warrants commenced trading on the New Zealand Stock Market on 4 May 2010.

On 17 September 2010, the Company issued 6,733,334 ordinary shares for $0.75 per share to raise funds for the acquisition of Trilogy Natural Products Limited. The total issue price of $5,050,000 was settled in cash.

As part of the shares issued at the Initial Public Offering the following shares were issued to related parties;

- The Business Bakery subscribed for 2,882,597 ordinary shares and 720,653 series 1 warrants and 720,653 series 2 warrants.
- Interests associated with Richard Frank subscribed for 225,000 ordinary shares, 56,250 series 1 warrants and 56,250 series 2 warrants.
- Interests associated with Stephen Sinclair subscribed for 9,000 ordinary shares, 2,250 series 1 warrants and 2,250 series 2 warrants.
- Interests associated with Geoff Ross subscribed for 97,000 ordinary shares, 24,250 series 1 warrants and 24,250 series 2 warrants.
- Interests associated with Rob Fyfe subscribed for 325,000 ordinary shares, 81,250 series 1 warrants and 81,250 series 2 warrants.
- Interests associated with Craig Schweighoffer subscribed for 140,000 ordinary shares, 35,000 series 1 warrants and 35,000 series 2 warrants.
- Interests associated with Deeta Colvin subscribed for 38,619 ordinary shares, 9,654 series 1 warrants and 9,654 series 2 warrants.

As part of the shares issued on 17 September 2010 the following shares were issued to related parties:

- The Bakery subscribed for 2,666,667 ordinary shares at 75 cents per share.
- Interests associated with Rich Frank subscribed for 266,667 ordinary shares at 75 cents per share.
- Interests associated with Rob Fyfe subscribed for 300,000 ordinary shares at 75 cents per share.

Warrants

At 30 September 2010 there were 2,525,643 series 1 warrants and 2,525,643 series 2 warrants on issue.

Each Ecoya warrant entitles the holder to subscribe for an ordinary share at an exercise price of $1.

The series 1 warrants are exercisable until 15 December 2011 and the series 2 warrants are exercisable until 15 June 2013. Any warrants not exercised by these dates will expire. The fair value of warrants is based on the last trading price at 30 September 2010 and is $0.05 each for series 1 warrants and $0.15 each for series 2 warrants.

11. Business Combinations

Current period

On 1 September 2010 the Group acquired 100% of the issued share capital of Trilogy Natural Products Limited ("Trilogy"). Contingent consideration of $10,000,000 has been recognised at fair value of $8,933,000 at acquisition. This relates to an earn out payment, half in cash and half in a variable number of $1 shares of Ecoya, dependent on Trilogy reaching certain earnings targets in the 2011 calendar year. The fair value of the contingent consideration has been calculated using a discount rate of 7.39% and has assumed a payment date of 31 March 2012. At acquisition date, the provisionally determined fair value of the net assets and liabilities in Trilogy equalled $2,871,000 and goodwill arising from the acquisition was $16,616,000.

At the date of acquisition, the acquired entity is involved in manufacturing and wholesale selling of products in the natural skincare category. This category is in growth globally and the Trilogy business fits well with the growth opportunity of the Ecoya business. Over time synergies will be realised through distribution, sales and marketing and procurement.

The goodwill is attributable to Trilogy's strong position and profitability trading in the natural skincare category in New Zealand and internationally. Synergies are expected to arise predominantly after the earn out period is complete.

(i) *Purchase consideration*
Details of the fair value of the assets and liabilities acquired and goodwill arising are as follows:

Purchase Consideration

	2010 $'000
CASH PAID	10,000
CONTINGENT CONSIDERATION	8,933
WORKING CAPITAL ADJUSTMENT	554
TOTAL PURCHASE CONSIDERATION	19,487
SHARE OF FAIR VALUE OF NET IDENTIFIABLE ASSETS ACQUIRED	(2,871)
GOODWILL	16,616

(ii) *Assets and liabilities acquired*
The assets and liabilities recognised as a result of the acquisition, provisionally determined, are as follows:

Assets and Liabilities Acquired

	FAIR VALUE $'000
CASH	481
TRADE AND OTHER RECEIVABLES	2,470
INVENTORIES	1,366
PLANT AND EQUIPMENT	145
INTANGIBLE ASSETS	77
TRADE AND OTHER PAYABLES	(1,668)
NET ASSETS	2,871

The fair value of the acquired identifiable intangible assets of $77,000 is provisional pending completion of the work to determine fair values for intangible assets.

(iii) *Acquisition-related costs*
The acquisition costs incurred by the Group were $135,000 in completing the transaction. These costs have been expensed to the Statement of Comprehensive Income.

(iv) *Contingent consideration*
The contingent consideration arrangement requires the Company to pay the former owners of Trilogy a further earn out payment of up to $10,000,000, half in cash and half in a variable number of $1 shares of Ecoya, dependent on Trilogy reaching certain earnings target for the year ending 31 December 2011. The potential undiscounted amount of all future payments that the Group could be required to make under this arrangement is between $nil and $10,000,000. The undiscounted fair value of the contingent consideration arrangement of $10,000,000 was estimated based on both historical earnings and forecast earnings for the year ending 31 December 2011.

(v) *Acquired receivables*
The fair value of trade and other receivables is $2,470,000 and includes trade receivables with gross contractual cash flows and a fair value of $2,122,000, none of which is expected to be uncollectable.

(vi) *Revenue and profit contribution*
The acquired business contributed revenues of $1,214,000 and net profit of $290,000 to the Group from 1 September 2010 to 30 September 2010. If the acquisition had occurred on 1 April 2010, consolidated revenue and consolidated profit for the half-year ended 30 September 2010 would have been $5,167,000 and $1,611,000 higher respectively.

12. Contingencies

There are no contingent liabilities at 30 September 2010 (31 March 2010 and 30 September 2009 : none).

13. Related party transactions

(a) Parent entity

The Group is controlled by The Business Bakery LP, a Limited Partnership registered in New Zealand. The Business Bakery LP holds 61.4% of the shares at 30 September 2010 (31 March 2010: 75.9%, 30 September 2009 : 100%)

(b) Directors

The Directors during the period were:

	DATE OF APPOINTMENT
STEPHEN SINCLAIR	31 JANUARY 2008
GRANT BAKER	31 JANUARY 2008
GEOFF ROSS	23 NOVEMBER 2009
CRAIG SCHWEIGHOFFER	08 FEBRUARY 2010
RICHARD FRANK	08 FEBRUARY 2010
ROB FYFE	01 MARCH 2010
COLLETTE DINNIGAN	01 MARCH 2010
DEETA COLVIN	03 MAY 2010

(c) Key management and personnel compensation

The Managing Director of the subsidiary Ecoya Pty Limited, Craig Schweighoffer, provides services to the Group through an associated company, Paunui Holdings Pty Limited ("Paunui"). Consulting fees of $116,000 for the period (31 March 2010: $238,000 ; 30 September 2009 : $114,000) were payable to Paunui. Independent Director fees for the period were payable to Collette Dinnigan, Richard Frank, Rob Fyfe and Deeta Colvin, totalling $97,000 (31 March 2010: $13,000 ; 30 September 2009 : $nil). The total amount owing to the independent directors at 30 September 2010 was $88,000 (31 March 2010: $13,000 ; 30 September 2009 : $nil).

Under the management services agreement dated 25 March 2010 Grant Baker, Stephen Sinclair and Geoff Ross provided services to the Company during the period. The Company paid $255,000 to The Business Bakery for the provision of these services (31 March 2010 and 30 September 2009 : $nil).

(d) Other transactions

(i) with the parent company
The Business Bakery LP incurred travel and accommodation expenses on behalf of Ecoya Pty Limited of $nil for the period (31 March 2010: $89,000). The total amount owing to The Business Bakery at 30 September 2010 was $nil (31 March 2010: $89,000, 30 September 2009 : nil).

(ii) with other related parties
Craig Schweighoffer made purchases on behalf of the company during the year of $30,000 (31 March 2010: $229,000 ; 30 September 2009 : $132,000). At 30 September 2010 the amount due to Mr Schweighoffer relating to those purchases was $nil (31 March 2010: $nil ; 30 September 2009 : $77,000).

Funding provided by The Business Bakery LP at 30 September 2010 was $nil (31 March 2010 : $nil ; 30 September 2009 : $3,534,000).

14. Reconciliation of loss after income tax to net cash flow inflow from operating activities

Reconciliation of loss after income tax to net cash flow inflow from operating activities

	UNAUDITED 6 MONTHS ENDED 30 SEPTEMBER 2010 $'000	UNAUDITED 6 MONTHS ENDED 30 SEPTEMBER 2009 $'000	AUDITED YEAR ENDED 31 MARCH 2010 $'000
LOSS FOR THE PERIOD	(2,614)	(820)	(2,351)
DEPRECIATION AND AMORTISATION	110	33	135
LOSSES/(GAINS) ON DERIVATIVE FINANCIAL INSTRUMENTS	139	(26)	23
FOREIGN EXCHANGE (GAINS)/ LOSSES	49	14	(119)
MOVEMENTS IN WORKING CAPITAL:			
INCREASE IN INVENTORIES	(814)	(220)	(289)
INCREASE IN TRADE AND OTHER RECEIVABLES	(1,067)	(246)	(1,036)
DECREASE IN TAX PROVISIONS	(260)	-	-
INCREASE IN TRADE AND OTHER PAYABLES	1,193	366	1,240
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	**(3,264)**	**(899)**	**(2,397)**

15. Events occurring after the balance date

Share Purchase Plan

On 14 September 2010 the company announced a share purchase plan whereby shareholders on the register at 23 September 2010 were entitled to apply for up to $15,000 of new shares at 75 cents per share.

On 15 October 2010 the Company allotted 1,270,405 shares under the share purchase plan at 75 cents per share.

The following related parties participated in the share purchase plan:

Interests associated with Geoff Ross subscribed for 60,000 shares at 75 cents per share.

Interests associated with Stephen Sinclair subscribed for 8,000 ordinary shares at 75 cents per share.

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 9 November 2010 28,519 shares were issued to Rob Fyfe and 40,743 shares were issued to Richard Frank in satisfaction of director fees net of applicable withholding taxes.

ECOYA:

Corporate Directory

Registered Office and Address for Service

Level 1, Union Fish Building
116-118 Quay Street, Auckland 1010
PO Box 99 276, Newmarket, Auckland 1149,
New Zealand
Telephone: +64 9 367 9464
Facsimile: +64 9 367 9473
Website: www.ecoya.co.nz

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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Takapuna, North Shore City 0622
Private Bag 92 119, Auckland 1142, New Zealand
Telephone : +64 9 488 8777
Facsimile : +64 9 488 8787

Stock Exchange

The Company's shares and warrants trade on the NZSX market operated by NZX Limited under the codes ECO, ECOWA and ECOWB.

ECOYA