

Appendix 4D
HALF YEAR REPORT
Period ending 31 December 2011

1.

Name of Entity	ATW Holdings Ltd
ABN	85 100 531 191
Half Year Ended	31 December 2012
Previous Corresponding Reporting Period	31 December 2010

2. Results for Announcement to the Market

	Result \$	%Increase/ (Decrease)
Revenue from ordinary activities	3	(66%)
Loss from ordinary activities after tax attributable to members	(151,759)	(58%)
Net loss for the period attributable to members	(151,759)	(58%)

Dividends (Distributions)

	Amount per Security \$	Franked Amount Per Security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Record date for determining entitlement to dividends (if any)	Nil	Nil

3. Net Tangible Assets per Security

	Current Period	Previous Corresponding Period
Net tangible asset backing issued per ordinary share at balance sheet date	NIL	NIL

4. Dividends

No interim dividend has been declared in respect of the half-year ended 31 December 2012.

This report is provided to the Australian Securities Exchange (ASX) under ASX Listing Rule 4.2A.3

For and on behalf of the Directors



Director

Dated this 7th day of March 2013

ATW Holdings Limited

ABN 85 100 531 191

and

Controlled Entities

HALF-YEAR REPORT

For the period ended

31 December 2012

ATW Holdings Limited ABN 85 100 531 191
AND CONTROLLED ENTITIES
Interim Financial Report

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ATW Holdings Limited ABN 85 100 531 191
AND CONTROLLED ENTITIES

Interim Financial Report

CORPORATE DIRECTORY

This report covers the consolidated entity comprising ATW Holdings Limited ("Company") and controlled entities.

The presentation currency is Australian dollars.

DIRECTORS

Conrad Crisafulli Executive Chairman

John Driscoll

Robert Mair

COMPANY SECRETARY

Ian E Gregory

REGISTERED OFFICE

Altezza Partners Pty Ltd

Level 6, 360 Queen Street

Brisbane, Qld, 4000

Tel: +61 (07) 3010 8588

Fax: +61 (07) 3229 7641

ACN: 100 531 191

STOCK EXCHANGE

The company's shares are listed on the ASX Limited

CODE: ATW

The company's shares are listed on the Berlin-Bremen Stock Exchange TICKER SYMBOL: MZW

GERMAN SECURITIES CODE NUMBER : 726156

SHARE REGISTER

Security Transfer Registrars Pty Ltd

770 Canning Highway

Applecross WA 6153

Tel: (08) 9315 2333

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e-mail: registrar@securitytransfer.com.au

AUDITORS

BDO Audit (WA) Pty Ltd

38 Station Street Subiaco WA 6008

BANKERS

Westpac Banking Corporation

109 St Georges Terrace

Perth WA

SOLICITORS

Cooper Legal

Level 15, 251 Adelaide Terrace

Perth WA 6000

ATW Holdings Limited ABN 85 100 531 191

AND CONTROLLED ENTITIES

Interim Financial Report

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated group ("Group") for the half-year ended 31 December 2012.

Directors

The names of directors who held office during or since the end of the half-year:

Conrad Crisafulli	Executive Chairman (appointed a Director 27 September 2011, appointed Chairman 27 October 2011)
John Driscoll	Non-Executive Director (appointed 17 October 2012)
Robert Mair	Non-Executive Director (appointed 21 May 2012)
Mark Leong	Non-Executive Director (resigned 21 May 2012)
Ernest Boswarva	Non-Executive Director (resigned 17 October 2012)

Review of Operations

Growth of revenue

Revenue was \$3 for the half-year ended 31 December 2012 (\$9 for the half-year ended 31 December 2011) as ATW has no active business since the disposal by the Group of its main business activities, being the Singaporean operations of the Atos Wellness Pte Ltd group, Inahamani Pte Ltd and the Body Contours Pte Ltd group during the year ended 30 June 2011.

Profitability in the 1st half of 2013 Financial Year

The Group loss after tax for the current period is \$151,759 compared with a loss after tax in the prior half-year of \$360,025 due to the continued absence of any business operations necessary to generate profits.

The loss comprises administration expenses such as ASX listing fees, accounting fees, audit fees, annual report costs, consulting fees, directors' fees, office rental, share registry expenses and legal fees.

Comment on operations

The group does not have an operating business, having divested its major investment in Atos Wellness Pte Ltd Singapore Group in April 2011.

On 20 December 2011, the directors signed a Sale and Purchase Agreement to acquire 100% ownership of the capital of Fitgenes Pty Ltd ("Proposed Transaction") by way of a 'script for script' rollover. The consideration agreed to conclude this transaction is for ATW to issue 14,409,715 fully paid ATW shares to the Fitgenes shareholders that may represent up to 78.1% of ATW's voting power.

The agreement is subject to a number of conditions precedents, most of which have now been satisfied, however the proposed transaction does require ATW to re-comply with Chapters 1 and 2 of the listing rules of the Australian Stock Exchange. Since closure of the ATW Entitlement Offer and the Fitgenes interim round (details below) during September 2012, the Directors of both companies have been preparing documentation and preparing for the issuing of a Prospectus during the quarter ending 30 June 2013. The Fitgenes' acquisition proposal is scheduled to be put to a general meeting of shareholders along with a Prospectus for approval at an EGM prior to 30 June 2013.

An Independent Experts' Report ("IER"), prepared by DMR Corporate Pty Ltd, on the proposed acquisition of Fitgenes, was released to the market on 10 November 2011, and subsequently updated 20 March 2012 to reflect changes in circumstances of ATW including the need for the Company to re-comply with Chapters 1 and 2 of the Listing Rules, updated financial information, the proposed sale of the Company's 49% equity interest in Medec International Pty Ltd for a total consideration of between \$114,500 and \$199,500 to Siva Ananda Rajah S/O Retnam per the Share Sale Agreement signed 29 December 2011 which will be tabled for approval at the next Company EGM.

ATW Holdings Limited ABN 85 100 531 191
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Interim Financial Report

DIRECTORS' REPORT

During the half-year ending 31 December 2012 ATW completed an Entitlement Offer of up to \$141,815. A total of \$48,929 cash was received which left a shortfall of \$92,885. The offer had been underwritten up to \$120,000, however due to unforeseen circumstances the underwriter was unable to honour this commitment. Subsequently ATW concluded an agreement with Fitgenes to place the entire Shortfall with Fitgenes resulting in that company becoming a Substantial Shareholder in ATW, further confirming the commitment of both entities to conclude the Proposed Transaction.

During the same period Fitgenes has completed an interim raise to fund the capital raising process required for the Company to re-comply with the listing rules.

After Balance Date Events

On 11 February 2013, the company announced an update on the Fitgenes Pty Ltd Share Purchase disclosing that since closure of the ATW Entitlement Offer and the Fitgenes interim round the Directors of both companies have been preparing documentation and preparing for the issuing of a Prospectus during the quarter ending 30 June 2013. This process has included identifying and assessing further assets for acquisition that are synergistic with the Fitgenes business in support of that company's expansion strategies for Australia, Asia, Europe, the UK and America.

During this time Fitgenes has continued its geographic expansion to now include New Zealand and Hong Kong; extended its product offering into pathology services; commercialised two new gene panels; and released its proprietary HTML based gene diagnostic and practice management software to its Certified Practitioners across Australia, New Zealand, Singapore, Malaysia and Hong Kong.

Fitgenes has also launched the most advanced and comprehensive Women's Health Program available utilizing genetic profiling comprising of a 16 week controlled program including pathology and ongoing nutrigenomics, nutritional, and lifestyle interventions.

As a result of all this work and progress, your Directors believe that the value of the Fitgenes business has increased markedly. This in turn will benefit all ATW shareholders through reduced dilution.

Auditor's Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 5 for the half-year ended 31 December 2012.

This report is signed in accordance with a resolution of the Board of Directors.

Director



Conrad Crisafulli

Dated this 6th day of March 2013



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38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

6 March 2013

ATW Holdings Limited
The Board of Directors
Level 6, 360 Queen Street
BRISBANE QLD 4000

Dear Sirs,

**DECLARATION OF INDEPENDENCE BY CHRIS BURTON TO THE DIRECTORS OF
ATW HOLDINGS LIMITED**

As lead auditor for the review of ATW Holdings Limited for the half-year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of ATW Holdings Limited and the entities it controlled during the period.

Chris Burton
Director

BDO Audit (WA) Pty Ltd
Perth, Western Australia

ATW Holdings Limited ABN 85 100 531 191

AND CONTROLLED ENTITIES

Interim Financial Report

CONSOLIDATED INCOME STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Note	Consolidated Group	
		31.12.2012	31.12.2011
		\$	\$
Revenue		3	9
Employee benefits expense		(30,388)	(69,857)
Rent and occupancy costs		(3,432)	(1,082)
Legal fees		(7,158)	(60,102)
Research costs		-	(20,000)
Depreciation and amortisation		-	(403)
Administration expenses		(110,784)	(218,147)
Profit/(Loss) before income tax		(151,759)	(369,582)
Income tax benefit		-	9,557
Profit/(Loss) from continuing operations		(151,759)	(360,025)
Profit/(Loss) attributable to members of the parent entity		(151,759)	(360,025)
Overall Operations			
Basic earnings per share (cents per share)		(0.06)	(0.25)
Diluted earnings per share (cents per share)		(0.06)	(0.25)

The accompanying notes form part of these financial statements

ATW Holdings Limited ABN 85 100 531 191
AND CONTROLLED ENTITIES

Interim Financial Report

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

		Consolidated Group	
		31.12.2012	31.12.2011
		\$	\$
Profit/(Loss) for the period		(151,759)	(360,025)
Other comprehensive income			
Movement from translation of foreign controlled entities		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period attributable to members of the parent entity		(151,759)	(360,025)
Total comprehensive income attributable to:			
Members of the parent entity		(151,759)	(360,025)
		<u>(151,759)</u>	<u>(360,025)</u>

The accompanying notes form part of these financial statements

ATW Holdings Limited ABN 85 100 531 191**AND CONTROLLED ENTITIES****Interim Financial Report****CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012**

		Consolidated Group	
	Note	31.12.2012	30.06.12
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		54,205	61,649
Trade and other receivables		-	7,921
Other current assets		-	17,709
TOTAL CURRENT ASSETS		54,205	87,279
NON-CURRENT ASSETS			
Property, plant and equipment		1,344	1,344
TOTAL NON-CURRENT ASSSETS		1,344	1,344
TOTAL ASSETS		55,549	88,623
CURRENT LIABILITIES			
Trade and other payables		285,344	308,467
TOTAL CURRENT LIABILITIES		285,344	308,467
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		285,344	308,467
NET ASSETS		(229,795)	(219,844)
EQUITY			
Issued capital	6	5,140,629	4,998,814
Accumulated losses		(5,370,417)	(5,218,658)
TOTAL (DEFICIENCY)/EQUITY		(229,788)	(219,844)

The accompanying notes form part of these financial statements

ATW Holdings Limited ABN 85 100 531 191
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Interim Financial Report

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

	\$	\$	\$	\$	\$
	Share Capital Ordinary	Accumulated Losses	Option Reserve	Non- controlling Interests	Total
Balance at 1.7.2012	4,998,814	(5,218,658)	-	-	(219,844)
(Loss) attributable to members of parent entity	-	(151,759)	-	-	(151,759)
Total comprehensive income for the period	4,998,814	(5,370,417)	-	-	(371,603)
Transactions with owners in their capacity as owners	-	-	-	-	-
Shares issued during the year	141,815	-	-	-	141,815
Balance at 31.12.2012	5,140,629	(5,370,417)	-	-	(229,788)

	Share Capital Ordinary	Accumulated Losses	Foreign Currency Translation Reserve	Non- controlling Interests	Total
Balance at 1.7.2011	4,998,814	(4,619,297)	-	-	379,517
Profit attributable to members of parent entity	-	(360,025)	-	-	(360,025)
Total comprehensive income for the period	4,998,814	(4,979,322)	-	-	19,492
Transactions with owners in their capacity as owners	-	-	-	-	-
Shares issued during the year	-	-	-	-	-
Balance at 31.12.2011	4,998,814	(4,979,322)	-	-	19,492

The accompanying notes form part of these financial statements

ATW Holdings Limited ABN 85 100 531 191
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Interim Financial Report

CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Consolidated Group	
	31.12.2012	31.12.2011
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	-	1,187
Payments to suppliers and employees	(149,262)	(284,866)
Interest received	3	8
Income tax (payments)/ refunds	-	-
Net cash provided by/(used in) operating activities	(149,259)	(283,671)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on disposal of subsidiaries	-	250,000
Net cash (used in)/provided by investing activities	-	250,000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	141,815	-
Net cash used in financing activities	141,815	-
Net increase/(decrease) in cash held	(7,444)	(33,671)
Cash at beginning of period	61,649	178,862
Cash at end of period	54,205	145,191

The accompanying notes form part of these financial statements

ATW Holdings Limited ABN 85 100 531 191

AND CONTROLLED ENTITIES

Interim Financial Report

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

NOTE 1: BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2012 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

These interim financial statements are intended to provide users with an update on the latest annual financial statements of ATW Holdings Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that these financial statements be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2012, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in these half-year financial statements as were applied in the most recent annual financial statements.

NOTE 2: PROFIT FOR THE PERIOD

Consolidated Group	
31.12.2012	31.12.2011
\$	\$

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

Net gain on the disposal of investment in controlled entity	-	-
Termination fees	-	(30,000)

In the half year ending 31 December 2011 a termination fee of \$30,000 was paid to Australian Health Care Enterprises Pty Ltd following the termination of agreements to acquire the company and Mega Health Pty Ltd.

NOTE 3: SHARE BASED PAYMENT

On 20 December 2011, the Company entered into an agreement to acquire 100% of the issued capital of Fitgenes Pty Ltd ("FG"). The consideration for the acquisition will be by way of a 'script for script' rollover. The consideration agreed to conclude this transaction is for ATW to issue 14,409,715 fully paid ATW shares to the Fitgenes shareholders that may represent up to 78.1% of ATW's voting power.

Fitgenes Pty Ltd is an Australian company dedicated to integrating leading edge genetic profiling with systems, methodologies and 'Nutrigenomic' interventions to ethically deliver programs focused on measurable improvements in health and well-being. Over the past two years, FG has commenced the commercialisation process and has delivered its program with very positive and measurable results to many satisfied private and professional individuals. These programs, and underlying intellectual property, are based on over 15 years of research and development by the founders. 'Nutrigenomics' is the science of how our nutrition, exercise and lifestyle choices interact with our genes and hence influence how our bodies function. Further details may be obtained at www.fitgenes.com.

The acquisition is subject to a number of conditions precedents, including the Company obtaining shareholder approval and regulatory approval from the Australian Securities and Investments Commission and the ASX. At the balance date, these conditions are still to be met.

ATW Holdings Limited ABN 85 100 531 191

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Interim Financial Report

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

NOTE 4: OPERATING SEGMENTS

Segment Performance

The Group does not have any operating businesses, having divested its major investments in Atos Wellness Pte Ltd Singapore group in April 2011. Accordingly, the Group no longer has any reporting segments.

NOTE 5: CONTINGENT LIABILITIES

The Company is continuing to defend a claim for a liquidated sum of \$40,000 in respect of the sale by a former subsidiary of a 'caloriefit' machine. The Company's defence is that it was not a party to the sale as at the date of the sale contract, being 21 September 2009.

There are no other contingent liabilities at 31 December 2012.

NOTE 6: SHARE CAPITAL MOVEMENT

Share capital at 01.07.12	4,998,814
Shares issued during half year	141,815
Balance of share capital at 31.12.12	<u>5,140,629</u>

NOTE 7: RELATED PARTY TRANSACTIONS

During the half-year, the consolidated group received \$92,885 (2011: NIL) from Fitgenes Pty Ltd by way of equity funds under the ATW Entitlement Offer to assist with the group's working capital requirements.

Consolidated Group	
31.12.2012	30.06.2012
\$	\$

(i) Transactions between related parties are non-interest bearing.

Transactions with related parties:

—	Equity capital to/(from) associated companies		
	- Fitgenes Pty Ltd	(92,885)	-

Transactions between related parties are on normal commercial terms and conditions are no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

(ii) Key Management Personnel

Deposit received for sale of Medec International Pty Ltd		
- Ananada Rajah	164,500	164,500
Consulting fee paid to a related entity of Robert Mair and John Driscoll		
- Fitgenes Pty Ltd	5,000	5,000
Director fees paid to a related entity of Robert Mair and John Driscoll		
- Altezza Partners	3,604	23,026

ATW Holdings Limited ABN 85 100 531 191

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Interim Financial Report

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

NOTE 8: EVENTS SUBSEQUENT TO REPORTING DATE

On 11 February 2013, the company announced an update on the Fitgenes Pty Ltd Share Purchase disclosing that since closure of the ATW Entitlement Offer and the Fitgenes interim round the Directors of both companies have been preparing documentation and preparing for the issuing of a Prospectus during the quarter ending 30 June 2013. This process has included identifying and assessing further assets for acquisition that are synergistic with the Fitgenes business in support of that company's expansion strategies for Australia, Asia, Europe, the UK and America.

During this time Fitgenes has continued its geographic expansion to now include New Zealand and Hong Kong; extended its product offering into pathology services; commercialised two new gene panels; and released its proprietary HTML based gene diagnostic and practice management software to its Certified Practitioners across Australia, New Zealand, Singapore, Malaysia and Hong Kong.

Fitgenes has also launched the most advanced and comprehensive Women's Health Program available utilizing genetic profiling comprising of a 16 week controlled program including pathology and ongoing nutrigenomics, nutritional, and lifestyle interventions.

As a result of all this work and progress, your Directors believe that the value of the Fitgenes business has increased markedly. This in turn will benefit all ATW shareholders through reduced dilution.

ATW Holdings Limited ABN 85 100 531 191

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Interim Financial Report

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

NOTE 9: GOING CONCERN

The financial report has been prepared on a going concern basis. The directors continue to monitor the on-going funding requirements of the Group and will seek further equity funding.

The company and its controlled entities incurred a loss of \$151,759 (2011: loss of \$360,025) and a negative cash flow from operating activities of \$149,259, (December 2011: \$283,671) for the half year ended 31 December 2012. The Group has a cash of \$54,205 as at 31 December 2012 (30 June 2012: \$61,649).

The directors nevertheless believe it is appropriate to prepare the financial statements on a going concern basis given the circumstances described below.

1. The company disposed of its Singapore-based operating undertaking, at a profit, in April 2011. On 20 December 2011, the directors signed a Sale and Purchase Agreement to acquire 100% ownership of the capital of Fitgenes Pty Ltd by way of a 'script for script' rollover. The consideration agreed to conclude this transaction is for ATW to issue 14,409,715 fully paid ATW shares to the Fitgenes shareholders that may represent up to 78.1% of ATW's voting power. This agreement was subject to shareholder and regulatory approvals.
2. The ASX has since ruled that its approval for this transaction is subject to the company re-complying with Chapters 1 and 2 of the Listing Rules. Fitgenes and the company have embarked on a programme to perfect such re-compliance.

Key steps completed are:

- ATW completed an Entitlement Offer during September 2012 raising \$141,815 comprising of a total of \$48,930 from 53 existing shareholders and \$92,885 from Fitgenes;
- During the same period Fitgenes has completed an interim capital raise of \$275,000 to fund the capital raising process required for the Company to re-comply with the listing rules; and
- The Directors of both companies have been preparing documentation and preparing for the issuing of a Prospectus during the quarter ending 30 June 2013.

Key steps remaining are:

- The Company to conduct an extraordinary general meeting to table a Prospectus (including Independent Accountant's Report) and secure shareholder approval for the transaction;
 - The Company, in collaboration with Fitgenes, to raise sufficient capital from enough separate shareholders to meet all the re-compliance requirements, including net assets, shareholder spread and working capital, at a share price of at least \$0.20 per share post-consolidation.
3. Only minimal expenses will be incurred during the period from the date of this report till the issuance of a Prospectus is completed. Such expenses will be of an administrative nature such as ASX listing fees, accounting fees, audit fees, consulting fees, directors fees, share registry expenses and minor legal fees. However, the directors have entered into an agreement with ATW such that all director fees shall be accrued until completion of the planned capital raising to be conducted for the acquisition of Fitgenes thereby reducing ATW's current cash expenditure and aligning the director's efforts with increasing value for the ATW shareholders.
 4. The Directors note that the Company will require additional cash within the next 12 months to cover ongoing compliance costs. Fitgenes has therefore provided a pledge of ongoing financial support until such time as either the successful completion of the proposed transaction with Fitgenes has been completed or, failing this, ATW has entered into an agreement with an alternative vendor.

The agreement with Fitgenes and the programme described above provide the basis for the board's view that the company remains a going concern. The directors nevertheless acknowledge that the company's status as a going concern is contingent upon the successful conclusion of this programme resulting in the acquisition of Fitgenes and the re-admission of the company's shares onto the official list of the ASX.

ATW Holdings Limited ABN 85 100 531 191
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DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 19 are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting, the Corporations Regulations 2001; and
 - b. 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.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director



Conrad Crisafulli

Dated this 6th day of March 2013

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ATW HOLDINGS LIMITED

Report on the half-year financial statements

We have reviewed the accompanying half-year financial statements of ATW Holdings Limited, which comprises the consolidated statement of financial position as at 31 December 2012, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity 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 statements

The directors of the disclosing entity are responsible for the preparation of the half-year financial statements that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial statements that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial statements based on conducting our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. However, because of the matter described in the basis for disclaimer of conclusion, we were not able to obtain sufficient appropriate review evidence to provide a basis for a review conclusion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of ATW Holdings Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Basis for Disclaimer Conclusion

A limitation of scope in our work exists for the reasons described below.

Comparatives

Our audit report in relation to the financial statements of ATW Holdings Limited as at 30 June 2012 expressed a disclaimer of opinion arising from a limitation of scope on the financial statements. Our previous review report for the period ended 31 December 2011 also expressed a disclaimer of conclusion arising from a limitation of scope on those statements. We were still unable to obtain sufficient appropriate review evidence to satisfy ourselves regarding the comparatives.



Medec International Pty Ltd Group

During the period ended 31 December 2012, ATW Holdings Limited held a 49% interest in Medec International Pty Ltd Group. Medec International Pty Ltd and its subsidiaries have not been subject to a review for the current and prior year.

ATW Holdings Limited has not included the results of Medec International Pty Ltd and its subsidiaries in its consolidated half year financial statements for the current and prior financial years and we have been unable to perform any review procedures in relation to these entities, nor have we been able to assess the impact of the exclusion of these entities on the consolidated half-year financial statements of the Group.

Disclaimer of Auditor's Conclusion

Because of the significance of the matters described in the Basis for Disclaimer Conclusion, as described in the preceding paragraphs, we are unable based on our review, which is not an audit, to obtain sufficient appropriate evidence to provide a basis for a review conclusion. Accordingly, we do not form a conclusion on the half-year financial statements.

Emphasis of Matter

Without modifying the paragraphs above we draw attention to Note 9 to the half-year financial statements, which indicates that group incurred negative cash flows from operating activities of \$149,259 during the half-year ended 31 December 2012. This condition, along with other matters as set forth in Note 9, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the group may be unable to realise its assets and discharge its liabilities in the normal course of business at amounts stated in the half year financial statements.

Emphasis of Matter

We draw attention to Note 5 to the half-year financial statements, which describe the uncertainty related to the outcome of a lawsuit filed against the entity. Our conclusion is not qualified in respect of this matter.

BDO Audit (WA) Pty Ltd

Chris Burton
Director

Perth, Western Australia
Dated this 6th day of March 2013