

Appendix 4D
HALF YEAR REPORT
Period ending 31 December 2013

1.

Name of Entity	ATW Holdings Ltd
ABN	85 100 531 191
Half Year Ended	31 December 2013
Previous Corresponding Reporting Period	31 December 2012

2. Results for Announcement to the Market

	Result \$	%Increase/ (Decrease)
Revenue from ordinary activities	0	(100%)
Loss from ordinary activities after tax attributable to members	(307,798)	(103%)
Net loss for the period attributable to members	(307,798)	(103%)

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 2013.

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

For and on behalf of the Directors



Robert Mair
Director

Dated this 8th day of May 2014

ATW Holdings Limited

ABN 85 100 531 191

and

Controlled Entities

HALF-YEAR REPORT

For the period ended

31 December 2013

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	Chairman
Robert Mair	Director
Carmel Hillyard	Director (Appointed 03/12/2013)
John Hurrell	Director (Appointed 03/12/2013)
John Driscoll	Director (Resigned 03/12/2013)

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
Fax: (08) 9315 2233
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 2013.

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)
Robert Mair	Non-Executive Director (appointed 21 May 2012)
Carmel Hillyard	Non-Executive Director (appointed 03 December 2013)
John Hurrell	Non-Executive Director (appointed 03 December 2013)
John Driscoll	Non-Executive Director (resigned 03 December 2013)

Review of Operations

Growth of revenue

Revenue was \$Nil for the half-year ended 31 December 2013 (\$3 for the half-year ended 31 December 2012) 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 2014 Financial Year

The Group loss after tax for the current period is \$307,797 compared with a loss after tax in the prior half-year of \$151,759 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 prior to the issuance of any further securities by ATW (such as under the proposed Prospectus, see below).

The agreement is subject to a number of conditions precedent, 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.

In support of the Proposed Transaction, 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 and again on 03 December 2013 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 and, 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.

The Fitgenes' acquisition proposal was put to a general meeting of shareholders on 07 April 2014, along with a number of resolutions in respect to the issuance of a Prospectus, such that the Company can seek to re-comply with Chapters 1 and 2 of the listing rules. All resolutions of members were passed at that meeting and the results were subsequently uploaded to the ASX website. Your directors are now completing the drafting of a Prospectus for release to the market once reviewed and approved by the Due Diligence Committee, ASX & ASIC.

ATW Holdings Limited ABN 85 100 531 191
AND CONTROLLED ENTITIES

Interim Financial Report

DIRECTORS' REPORT

After Balance Date Events

On 07 April 2014, the Company completed a meeting of members which included a comprehensive range of shareholder resolutions in respect to the proposed acquisition of Fitgenes Pty Ltd, the divestment of the Company's 49% equity interest in Medec International Pty Ltd, the issuance of options and other securities in support of a mezzanine capital raise followed by a retail capital raise, and a change of name from ATW Holdings Limited to Fitgenes Limited.

At that members meetings, all tabled resolutions were passed and the results were subsequently uploaded to the ASX website on that date.

Your directors are now finalising the drafting of a Prospectus such that ATW may raise sufficient capital to execute on its expansion strategy and re-comply with Chapters 1 & 2 of the ASX listing rules such that the Company's shares may become tradeable once again.

In support of the ATW's expansion strategy, the Company incorporated a 100% subsidiary called Fitgenes Perth Pty Ltd during November 2013 to eventually become the operating entity of a Fitgenes branded personalised health clinic in Perth, WA. Subsequent to incorporation, Fitgenes Perth Pty Ltd commenced trading on 01 April 2014 from temporary consulting rooms pending suitable premises being located that could be signed and fitted out as a Fitgenes branded clinic. A location in Maylands, Perth has now been secured and all council approvals for its use as a health care clinic were obtained during April 2014. At the time of writing the process of fitting out the premises was underway with the expected official opening of this clinic to occur during June 2014.

ATW has also entered into an agreement with the Fitgenes Hong Kong distributor to establish a joint venture entity to licence the Fitgenes brand and technology and manage expansion opportunities in that region, including the establishment of Fitgenes branded clinics. At the time of writing, the process of incorporating the joint venture entity had commenced and two possible locations for Fitgenes branded clinics have been identified with the joint venture partner, one in Causeway Bay, and the other in Central Hong Kong.

It should also be noted that the directors and management team of both ATW and Fitgenes Pty Ltd are in negotiations with various parties in respect to establishing and/or acquiring further health care clinics in Australia and South East Asia in anticipation of a successful capital raising process under the afore mention mezzanine round and retail Prospectus.

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 2013.

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

Director



Conrad Crisafulli

Dated this 8th day of May 2014

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 2013, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. 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.

A handwritten signature in black ink, appearing to read 'C Burton', with a stylized flourish at the end.

Chris Burton

Director

BDO Audit (WA) Pty Ltd

Perth, 8 May 2014

ATW Holdings Limited ABN 85 100 531 191

AND CONTROLLED ENTITIES

Interim Financial Report

CONSOLIDATED INCOME STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Note	Consolidated Group	
		31.12.2013	31.12.2012
		\$	\$
Revenue		-	3
Employee benefits expense		(58,328)	(30,388)
Rent and occupancy costs		(727)	(3,432)
Legal fees		(121,332)	(7,158)
Research costs		-	-
Depreciation and amortisation		(643)	-
Administration expenses		(126,768)	(110,784)
Profit/(Loss) before income tax		(307,798)	(151,759)
Income tax expense		-	-
Profit/(Loss) attributable to members of the parent entity		(307,798)	(151,759)
Basic earnings per share (cents per share)		(0.11)	(0.06)
Diluted earnings per share (cents per share)		(0.11)	(0.06)

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 2013

	Consolidated Group	
	31.12.2013	31.12.2012
	\$	\$
Profit/(Loss) for the period	(307,798)	(151,759)
Other comprehensive income		
Movement from translation of foreign controlled entities	-	-
Other comprehensive income for the period, net of tax	-	-
Total comprehensive loss for the period attributable to members of the parent entity	(307,798)	(151,759)

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 2013**

		Consolidated Group	
	Note	31.12.2013	30.06.13
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		333	26,106
Trade and other receivables		15,453	24,231
Other current assets		-	12,188
TOTAL CURRENT ASSETS		15,786	62,524
NON-CURRENT ASSETS			
Property, plant and equipment		-	643
TOTAL NON-CURRENT ASSETS		-	643
TOTAL ASSETS		15,786	63,167
CURRENT LIABILITIES			
Trade and other payables		527,249	391,032
Borrowings		350,471	-
TOTAL CURRENT LIABILITIES		877,720	391,032
NON-CURRENT LIABILITIES			
Borrowings		-	226,271
TOTAL NON-CURRENT LIABILITIES		-	226,271
TOTAL LIABILITIES		877,720	617,303
NET ASSETS		(861,934)	(554,136)
EQUITY			
Issued capital	6	5,140,629	5,140,629
Accumulated losses		(6,002,563)	(5,694,765)
TOTAL (DEFICIENCY)/EQUITY		(861,934)	(554,136)

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 2013**

	\$	\$	\$	\$
	Share Capital Ordinary	Accumulated Losses	Option Reserve	Total
Balance at 1.7.2013	5,140,629	(5,694,765)	-	(554,136)
(Loss) attributable to members of parent entity	-	(307,798)	-	(307,798)
Total comprehensive income for the period	5,140,629	(6,002,563)	-	(861,934)
Transactions with owners in their capacity as owners	-	-	-	-
Shares issued during the year	-	-	-	-
Balance at 31.12.2013	5,140,629	(6,002,563)	-	(861,934)

	Share Capital Ordinary	Accumulated Losses	Foreign Currency Translation Reserve	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)

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 2013

	Consolidated Group	
	31.12.2013	31.12.2012
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	-	-
Payments to suppliers and employees	(149,973)	(149,262)
Interest received	-	3
Net cash provided by/(used in) operating activities	(149,973)	(149,259)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	141,815
Proceeds from borrowings	124,200	-
Net cash provided by financing activities	124,200	141,815
Net increase/(decrease) in cash held	(25,773)	(7,444)
Cash at beginning of period	26,106	61,649
Cash at end of period	333	54,205

The accompanying notes form part of these financial statements

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 2013

NOTE 1: BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2013 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: 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 prior to issuance of any further securities.

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, Fitgenes 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 were still to be met however please refer to the After Balance Date Events section of this report (page 13) as shareholder approval for this acquisition was finalised at the Company's meeting of members held on 07 April 2014.

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 2013

NOTE 3: 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 4: 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 2013.

NOTE 5: SHARE CAPITAL MOVEMENT

Share capital at 01.07.13	5,140,629
Shares issued during half year	-
Balance of share capital at 31.12.13	<u>5,140,629</u>

NOTE 6: RELATED PARTY TRANSACTIONS

During the half-year, the consolidated group received \$NIL (2012: \$92,885) 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	
31.12.2013	30.06.2013
\$	\$

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

Transactions with related parties:

—	Equity capital to/(from) associated companies - Fitgenes Pty Ltd	-	(92,885)
—	Loans to/(from) associated companies - Fitgenes Pty Ltd	(350,471)	(226,271)

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 - Ananda 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	31,225	55,726

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 2013

NOTE 7: 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. 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.

On 07 April 2014, the Company completed a meeting of members which included a comprehensive range of shareholder resolutions in respect to the proposed acquisition of Fitgenes Pty Ltd, the divestment of the Company's 49% equity interest in Medec International Pty Ltd, the issuance of options and other securities in support of a mezzanine capital raise followed by a retail capital raise, and a change of name from ATW Holdings Limited to Fitgenes Limited.

At that members meeting, all tabled resolutions were passed and the results were subsequently uploaded to the ASX website on that date.

Your directors are now finalising the drafting of a Prospectus such that ATW may raise sufficient capital to execute on its expansion strategy and re-comply with Chapters 1 and 2 of the ASX listing rules such that the Company's shares may become tradeable once again.

In support of the ATW's expansion strategy, the Company incorporated a 100% subsidiary called Fitgenes Perth Pty Ltd during November 2013 to eventually become the operating entity of a Fitgenes branded personalised health clinic in Perth, WA. Subsequent to incorporation, Fitgenes Perth Pty Ltd commenced trading on 01 April 2014 from a temporary consulting rooms pending suitable premises being located that could be signed and fitted out as a Fitgenes branded clinic. A location in Maylands, Perth has now been secured and all council approvals for its use as a health care clinic were obtained during April 2014. At the time of writing the process of fitting out the premises was underway with the expected official opening of this clinic to occur during June 2014.

ATW has also entered into an agreement with the Fitgenes Hong Kong distributor to establish a joint venture entity to licence the Fitgenes brand and technology and manage expansion opportunities in that region, including the establishment of Fitgenes branded clinics. At the time of writing, the process of incorporating the joint venture entity had commenced and two possible locations for Fitgenes branded clinics have been identified with the joint venture partner: one in Causeway Bay, and the other in Central Hong Kong.

It should also be noted that the directors and management team of both ATW and Fitgenes Pty Ltd are in negotiations with various parties in respect to establishing and/or acquiring further health care clinics in Australia and South East Asia in anticipation of a successful capital raising process under the aforementioned mezzanine round and retail Prospectus.

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 AND CONTROLLED ENTITIES

Interim Financial Report

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

NOTE 8: 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 \$307,797 (2012: loss of \$151,759) and a negative cash flow from operating activities of \$149,973 (December 2012: \$149,259) for the half year ended 31 December 2013. The Group has a cash balance of \$333 as at 31 December 2013 (30 June 2013: \$26,106).

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 prior to the issuance of any further securities. This agreement was subject to shareholder and regulatory approvals (please refer Note 7 as shareholder approval was obtained at the meeting of members held on 07 April 2014).
2. The ASX has 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;
- The Company completed a meeting of members on 07 April 2014 whereby all shareholder approvals were obtained for the proposed acquisition of Fitgenes and issuance of Convertible Notes (including the issuance of \$250,000 worth of Notes to related parties of the Directors such that the Company has sufficient funding to complete the Prospectus) and a Prospectus to allow the Company to raise sufficient capital to execute on its expansion plans and meet the re-compliance requirements of Chapters 1 and 2 of the ASX Listing Rules; and
- The Directors of both companies are currently completing the drafting of a Prospectus for release to the market once reviewed and approved by the Due Diligence Committee, ASX and ASIC.

Key steps remaining are:

- 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 until the issuance of a Prospectus. Such expenses will be of an administrative nature such as ASX listing fees, accounting fees, audit fees, consulting fees, director's fees, share registry expenses and minor legal fees.

However, the directors have entered into an agreement with ATW such that all director fees and consulting or other fees from related parties' of the directors 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 in the absence of successfully completing the afore-mentioned mezzanine or Prospectus raise, or generation of cash flow from subsidiary operations that are now beginning to trade (refer Note 7), the Company will require additional cash within the next 12 months to cover ongoing compliance costs. Fitgenes has previously 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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Interim Financial Report

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

NOTE 9: FAIR VALUE MEASUREMENT

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

Due to their short-term nature, the carrying amounts of the Company's current receivables, current payables and current borrowings are assumed to approximate their fair value.

ATW Holdings Limited ABN 85 100 531 191
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Interim Financial Report

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 16 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 2013 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 8th May 2014

INDEPENDENT AUDITOR'S REVIEW REPORT

To The Members of ATW Holdings Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of ATW Holdings Limited, which comprises the consolidated statement of financial position as at 31 December 2013, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report 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 matters 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 review report.

Basis for Disclaimer Conclusion

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

Comparatives

Our audit report in relation to the financial statements of ATW Holdings Limited as at 30 June 2013 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 2012 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

During the period ended 31 December 2013, ATW Holdings Limited held a 49% interest in Medec International Pty Ltd. 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 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 8 to the half-year financial statements, which indicates that company incurred negative cash flows from operating activities of \$149,973 during the half-year ended 31 December 2013. This condition, along with other matters as set forth in Note 8, 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 whether it will realise its assets, extinguish its liabilities and meet its commitments in the normal course of business at amounts stated in the half-year financial statements.

Emphasis of Matter

We draw attention to Note 4 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

BDO
A handwritten signature in black ink, appearing to read 'C Burton', is written over the printed name 'Chris Burton'.

Chris Burton

Director

Perth, 8 May 2014