



Friday 29th April 2016

OPERATIONAL UPDATE

Vitaco Holdings Limited (ASX:VIT) is providing an operational update to the market in relation to a senior China-based hire, the successful launch of Aussie Bodies with Boots in the UK, and an update on the successful Musashi integration.

China General Manager

As part of progressing and implementing its business strategy in China, Vitaco has appointed Mr Jing Zhang as General Manager China, based in Shanghai. Mr Zhang represents the company's first China-based employee and will commence on 1 June 2016. He has over 10 years' experience successfully working in senior positions for foreign companies to establish and expand their businesses in China. In his current role, Mr Zhang is managing the importation and distribution of several foreign FMCG, household and food products in China, both online and offline.

Mr Zhang has a BSc in Food Science and Technology from Jian Nan University and an MSc in Food Production Management from the University of Nottingham.

CEO of Vitaco Ryan d'Almeida said, "Jing is a strong fit for Vitaco and is joining the company at the right time as we push further into China, establishing our infrastructure and distribution networks. This role complements the existing ANZ based China sales and marketing team. This team has recently been expanded and includes 10 people focussed on the China market."

Aussie Bodies Distribution with Boots UK

Vitaco has launched Aussie Bodies Lo Carb Mini Protein Bars in the United Kingdom, through a distribution arrangement with Boots, part of the Walgreen Boots Alliance, the largest pharmacy chain in the world. The Aussie Bodies bars will be available in their larger format stores, and also online with Boots.co.uk.

Vitaco will be supporting the launch, which went live on shelf earlier in April, with a mass consumer sampling program via direct mail as well as an extensive social media campaign. The initial product range is six flavours of Aussie Bodies Mini Protein Bars, each of which is less than 100 calories.

Mr d'Almeida said, "The UK consumption of sports nutrition products per capita is approximately one-third the amount in Australia and represents a significant upside opportunity for a brand that can bring active nutrition to the masses like Aussie Bodies has already done in Australia, where it remains the leading sports nutrition brand."

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Musashi Integration

Vitaco has successfully transitioned the Musashi portfolio of Sports Powders, Amino Acids and Protein Bar products to Vitaco's in-house manufacturing at East Tamaki in New Zealand. This includes a total of 83 products across the range, with the expected cost savings for these products being manufactured in-house being delivered. The transfer of the liquid drinks portfolio to a new manufacturer was completed in March, with the expected cost of goods savings for this range of products also delivered. Two of the three site leases in Melbourne have been closed out and marketing for the sub-lease of the remaining site is underway.

Mr d'Almeida said, "I'm very pleased to advise that the Musashi integration has now been completed, and as at the end of April we are now run-rating the annualised \$4 million EBITDA outlined in the prospectus. This has been a large scale project that has been executed by the team with absolute excellence".

-ENDS-

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