

healthzone limited

ACN 118 715 772

316 Horsley Road
Milperra NSW 2214

8 September 2009

Australian Securities Exchange Limited
Company Announcements Office

20 Bridge Street
Sydney NSW 2000

Jasham Integration

Healthzone Limited [ASX: HZL], the wellness and beauty sector producer, distributor and retailer, has today announced the issue of 2,039,349 new fully paid ordinary shares to the vendors of the Jasham in accordance with the business acquisition agreement completed in June 2008 (refer ASX release 30 June 2008). The Appendix 3B follows. Half the shares are held under voluntary escrow and are then available for trading after 31 January 2010 with the remaining 50% escrowed to 31 July 2010.

Peter Roach, Chairman of Healthzone Limited said: "Jasham has proven to be a good acquisition for Healthzone with its actual contribution consistent with that estimated at acquisition. Further we are focused on expanding company branded products distribution into the Jasham pharmacy channel of over 1,700 pharmacies in addition to Jasham's traditional fragrance and beauty products".

Peter Roach. MAICD
Healthzone Limited
Chairman
Tel (02) 9772 7100

About Healthzone

Healthzone (ASX: HZL) operates a portfolio of integrated consumer product, distribution and retail businesses in the wellness and beauty sectors. Each business provides immediate opportunities for earnings growth through business development and integration.

The company is a leading distributor of health foods, skincare and beauty products and operates Australia's largest health food franchise. Its Health Minders business is the leading health food distributor to the Australian health food channel, and owner of Australia's leading national health franchise Healthy Life with more than 120 stores. Healthzone owns and operates nine Healthzone retail stores and the Healthzone store master franchise, and produces the Aurinda range of supplement and vitamin products and Bod range of skincare and beauty products. The company was listed on the Australian Securities Exchange in 2006 and its website is www.healthzone.com.au.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

HEALTHZONE LIMITED

ABN

79 118 715 772

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|----------------------------|
| 1 | +Class of +securities issued or to be issued | Ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 2,039,349 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>The securities rank equally in all respects with existing ordinary shares</p>				
<p>5 Issue price or consideration</p>	<p>Total consideration \$600,000</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Deferred consideration for the acquisition of the Jasham business</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>8 September 2009</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 1556 989 1601">Number</th> <th data-bbox="989 1556 1295 1601">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1601 989 1836">49,089,299</td> <td data-bbox="989 1601 1295 1836">Ordinary shares</td> </tr> </tbody> </table>	Number	+Class	49,089,299	Ordinary shares
Number	+Class				
49,089,299	Ordinary shares				

+ See chapter 19 for defined terms.

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	None
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	NA
12	Is the issue renounceable or non-renounceable?	NA
13	Ratio in which the +securities will be offered	NA
14	+Class of +securities to which the offer relates	NA
15	+Record date to determine entitlements	NA
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	NA
17	Policy for deciding entitlements in relation to fractions	NA
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	NA
19	Closing date for receipt of acceptances or renunciations	NA

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

20	Names of any underwriters	NA
21	Amount of any underwriting fee or commission	NA
22	Names of any brokers to the issue	NA
23	Fee or commission payable to the broker to the issue	NA
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	NA
25	If the issue is contingent on +security holders' approval, the date of the meeting	NA
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	NA
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	NA
28	Date rights trading will begin (if applicable)	NA
29	Date rights trading will end (if applicable)	NA
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	NA
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	NA

+ See chapter 19 for defined terms.

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- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Entities that have ticked box 34(b)

38 Number of securities for which
 +quotation is sought

NA

39 Class of +securities for which
 quotation is sought

NA

40 Do the +securities rank equally in
 all respects from the date of
 allotment with an existing +class
 of quoted +securities?

If the additional securities do not
 rank equally, please state:

- the date from which they do
- the extent to which they
 participate for the next
 dividend, (in the case of a
 trust, distribution) or interest
 payment
- the extent to which they do
 not rank equally, other than in
 relation to the next dividend,
 distribution or interest
 payment

NA

41 Reason for request for quotation
 now

Example: In the case of restricted securities, end
 of restriction period

(if issued upon conversion of
 another security, clearly identify
 that other security)

NA

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)	NA	

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX’s absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Date: 8 September 2009
(Director)

Print name: Peter Roach

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+ See chapter 19 for defined terms.