

healthzone limited

ACN 118 715 772

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14 April 2010

ASX Limited
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ASX/MEDIA RELEASE

HEALTHZONE LAUNCHES ADR PROGRAM AND OTCQX QUOTATION IN THE USA

Leading distributor, franchise retailer and producer of health and beauty products, Healthzone Limited (ASX code: HZL), is pleased to announce the pre-launch disclosure of its American Depositary Receipt (ADR) program and dual quotation on the OTCQX exchange in the United States of America.

The ADR program will enable North American investors to buy Healthzone shares in the United States of America like USA based companies and with quotation of Healthzone securities in U.S. dollars in the form of ADR's on the OTCQX. Healthzone will maintain its primary listing on the Australian Securities Exchange (ASX) with access to larger North American capital markets, which have trading volumes of approximately 50 times that of the ASX, through its ADR program.

Healthzone's ADR program is sponsored by BNY Mellon, who is the leading depositary bank, managing substantially more sponsored Depositary Receipt programs than any other depositary bank in the world, with Depositary Receipts issued for more than 2,250 programs with companies from 70 countries. The Bank of New York has more than US\$20 trillion in assets under custody, with more than US\$900 billion in assets under management.

Further growth will be facilitated by Healthzone's dual listing on the OTCQX (www.otcqx.com), which is the premier over-the-counter securities exchange in the United States. The OTCQX alone is estimated to have market capitalisation of more than 50 per cent of the ASX and with its admission to the OTCQX, Healthzone will join global companies which have dual listings on the OTCQX, including Adidas, Air France, Allianz, Azko Nobel, BASF, Bennetton, Invensys, Marks & Spencer, Peugeot and Roche.

In commenting on this Company milestone, Peter Roach, Chairman, Healthzone, said,

"This is a major milestone in the development of Healthzone's international profile and markets. The ADR and OTCQX Programs will enable international investors to participate more easily in Healthzone's international growth and is expected to provide a range of benefits to Healthzone, including international profile, support by strategic investors in international markets and enhancing the liquidity of Healthzone securities in international capital markets, which is expected to enhance Healthzone's enterprise value."

Active trading of ADR's will occur shortly. Healthzone expects to make further announcements in the near future regarding the active support of the Company by brokers and institutions in the North America and Europe.

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ABOUT ADR & OTCQX

Research published on the ASX website (www.asx.com.au), which evaluated the benefits of American Depository Receipt Programs for 122 ASX listed companies over 25 years shows that:

- The increase in turnover for active ADR companies is more than double that of comparative control stocks;
- The reduction of proportional bid-ask spread for active ADR companies is more than double that of comparative control stocks;
- OTC-traded ADRs have a more significant effect on the overall change in liquidity than exchange-traded stocks.

Key benefits of Healthzone's ADR and OTCQX programs are expected to include:

- Increased liquidity of shares.
- Reduction of the buy-sell spread of shares.
- Greater participation by international investors in Healthzone.
- Potential elevation of Healthzone's PE multiple to comparable companies in the United States.
- Broader support for the Company's growth initiatives in the North America, Europe and Asia.

USA & CHINA EXPANSION

Healthzone continues to assess a range of opportunities in the \$100 billion North American and \$30 billion China nutrition, beauty and wellness markets, where sales encompass an annual sector growth of more than 8 per cent and 17 per cent respectively. Healthzone is currently advancing initiatives for growth of its brands, distribution and retail businesses in North America and China with a focus on high growth niche markets such as the organic skincare, cosmetics, baby care and hair care where sales growth ranges from 10 per cent to 17 per cent.

Healthzone has received significant interest from complementary businesses and investors in North America and Europe, who are enthusiastic to support Healthzone's further development in global wellness markets such as North America and China which are much larger and more developed than in Australia where Healthzone is uniquely positioned with its presence, experience and capabilities, to benefit from increasing trade of health and beauty products within these international markets.

For more information, please visit the Healthzone website at www.healthzone.com.au

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ABOUT HEALTHZONE

Healthzone Limited operates a portfolio of distribution, consumer product and retail businesses in the Wellness sector. Each business provides immediate opportunities for earnings growth through business development and integration. Healthzone's businesses are comprised of three principal activities.

Health and Beauty Distribution

- Healthzone Solutions: Australia's largest national health food distributor, with warehouse facilities in Sydney, Brisbane and Perth. www.healthzone.com.au/Solution/Home.asp
- Jasham International: Australia's largest parallel market beauty and fragrance product distributor to more than 3,300 pharmacies and department stores in Australia. www.jasham.com.au
- China: Healthzone distribution through more than 1,600 outlets in China.
- International: Distribution in North America, Europe and Asia.

Health and Beauty Products

- More than 300 "Healthy Life" products including health foods and beverages which are sold exclusively through Healthy Life stores in Australia with exclusive distribution agreements in place in China.
- More than 65 "HL" vitamin and supplement products which are sold exclusively through Healthy Life stores in Australia with exclusive distribution agreements in place in China. www.healthylife.net.au
- More than 120 "Natural Alternative" products, including food, household and cleaning products. www.naturalalternative.com.au
- The 'Bod' products are natural beauty products made in Australia. The new Bod Ecology range has recently been launched in 2010. These products are sold in Japan, Hong Kong, Taiwan, Korea, Canada, Europe and New Zealand. These products will be the target of further development of the significant export market potential. The Bod products range is also actively marketed through Healthzone franchise banner stores in Australia. www.bod.com.au
- The company produces a range of more than 45 supplement and vitamin products under its "Aurinda" brand, which are manufactured in Australia for export sale.
- The Company plans to acquire or develop its portfolio of Wellness products and is exploring opportunities to expand distribution of these products in Australian and international Wellness markets.

Health Retail

- Healthzone is the master franchisor of more than 130 health food retail stores www.healthylife.net.au
- The Company has eight stores owned outright
- Healthzone has more than 470,000 registered loyalty club members.
- Healthzone's Healthy Life News magazine has a circulation of more than 6 million copies per annum.