



Market Update

20 October 2011

Healthzone Ltd Announces Successful Completion of \$9.9 M Capital Raise

SYDNEY; 20 October 2011 – Healthzone Limited (ASX: HZL; OTCQX: HLTZY), Australia’s leading natural products distributor, franchise retailer and producer of health, beauty and natural products, today announced the completion of the shareholder approved capital raise in the final amount of AUD\$9,884,230. Healthzone issued a total of 26,011,131 fully paid ordinary shares at an issue price of \$0.38 per share and 5,202,226 warrants over two tranches. In addition the Company has issued a further 1.1333 bonus shares for every five fully paid ordinary shares purchased in both tranche 1 and tranche 2 for a total of 5,895,683 bonus shares, issued pursuant to listing Rule 7.1.

The fundraising was managed by Euro American Equities, Inc. (EAE), which utilized the Global Alliance Partners (GAP), including Quam Financial Group. Investors in the transaction included Eu Yan Sang and the RENN Capital Group.

"EAE together with Quam Financial Services Group, based in HK, associated companies under the umbrella of Global Alliance Partners, are pleased to have been associated with this fund raising in cooperation with Eu Yang Sang and RENN Capital," commented Bernard Pouliot, Chairman of Quam Financial Group.

Peter Roach, Healthzone Executive Chairman, said, "We are pleased to complete the equity fundraising in such a challenging market environment. The funds will provide working capital and provide further investment for the continued expansion of Healthy Life China and the ongoing development of high margin proprietary products, which are already showing a positive improvement to our margins. We are also pleased to see continued progress towards our NASDAQ listing with the filing of our Form 20-F with the SEC."

About Healthzone Limited

Healthzone Ltd operates a portfolio of distribution, consumer product and retail business and is the largest such operator in the Australian Wellness sector with significant and growing Asian and China wellness market interests. 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; Health and Beauty Products, and Health Food Retail. For further information please visit www.healthzone.com.au

CONTACT:

Healthzone Limited

Peter Roach
Executive Chairman
Tel: +612 9772 7100

USA

The Trout Group
Investor Relations
Brian Korb
Tel: +1 646 378 2923

Australia

FCR
Financial & Corporate Relations
Ashley Rambukwella
Tel: +61 2 9235 1666