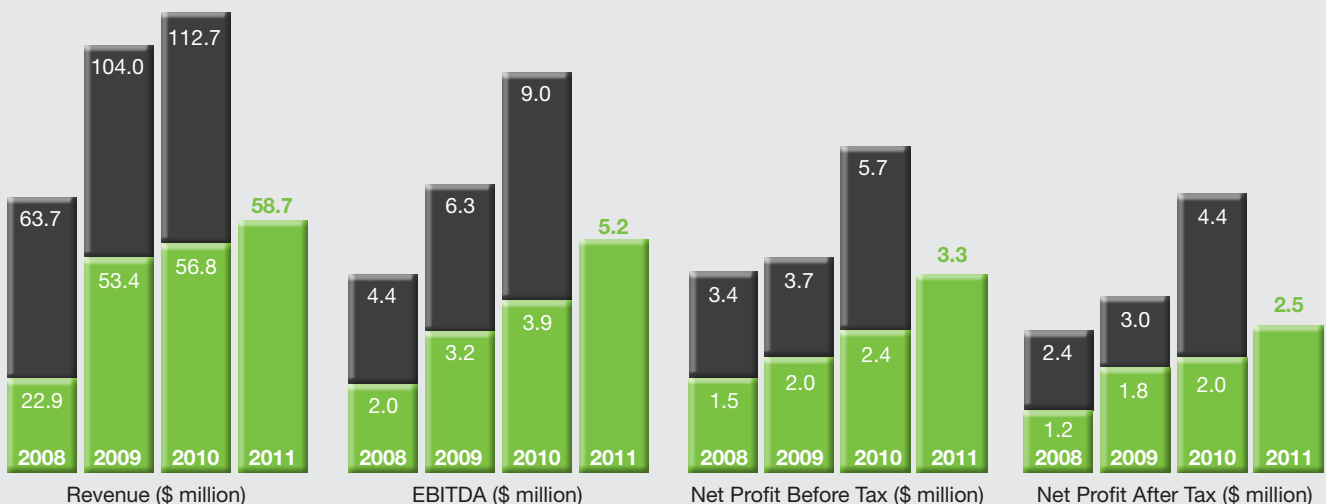


Healthzone reports first half profit *up 25.4%*

SYDNEY; 28 February 2011 - Australia's leading natural products distributor, franchise retailer and producer of health, beauty and natural products, Healthzone Limited (ASX: HZL. OTCQX: HLTZY), today announced a 25.4% increase in consolidated Net Profit After Tax to \$2.51 million. Sales Revenues increased by 3.4% to \$58.7 million compared to \$56.8 million for the previous corresponding period in FY2009. Healthzone has lifted Earnings Before Income Tax, Depreciation and Amortisation 30.9% from \$3.9 million to \$5.2 million for the previous corresponding period in FY2009.

Highlights:

- Record NPAT up 25.4% to \$2.51 million
- Record EBITDA up 30.9% to \$5.2 million
- Record Sales Revenue up 3.4% to \$58.71 million
- Net Asset Growth by 7.9% to \$35.4 million
- Healthy Life China Established and Trading
- Integrated Gold Mist Retail Chain
- Increase in Loyalty Club Membership to 518,000
- Launched New Zealand Manuka Honey Range



UPDATE;

Healthzone Executive Chairman Peter Roach said, the half year results are a reflection of the ongoing success of Healthzone's strategy to increase the emphasis on higher margin brands which has flowed solidly into margin growth ahead of revenues.

Mr Roach said, "Profit growth will continue to exceed revenue growth as Healthzone continues to replace low margin brands with high margin brands in its established wholesale and retail networks including Company owned stores. Our strategy to grow high margin brands through increased product development and strategic brand acquisition will continue to contribute significantly into higher profit revenue while traditional lower margin revenue will moderate into 2012 and beyond."

In support of the Gross Profit growth strategy Healthzone launched the Natural Alternative New Zealand Manuka Honey range in December 2010. A range of seventeen products with average Gross Profit four times that of the third party range previously distributed. The range is currently being extended and duplicated into the Aurinda brand for China retail sales.

The organic food market continues to increase with IBISWorld research recently forecasting 15.1% growth for the organic food category as the number one growth industry for Australia in FY2011 with reported 2010 category revenues exceeding \$1billion for the first time. Mr Roach said, "Healthzone have long recognized the organic food opportunity and we continue to focus on the Wild Food brand with more than 100 Wild Food organic food products under development for local and Asian market distribution through our established wholesale and retail networks."

Healthy Life franchise retail sales continue to grow in line with the market at 6.6% revenue growth for the half year with an increased level of support for Healthzone generated promotional activity and products. The integration of the Gold Mist Health retail chain is now complete with the increased sales of distributed and own brand products adding measurable depth to the retail segment profit results. Healthy Life China is now established and trading profitably with more than 120 new own brand products currently in the registration process for sale in China. Healthy Life China remains on target for 100 stores by the end of 2012.

INVESTOR RELATIONS;

Investor relations continues to be a key focus of the Healthzone Board. Executive Chairman Mr Peter Roach and Executive Director Mr Michael Wu have travelled extensively in the first half and continue to roadshow the Company in Australia, Asia, Europe and the USA resulting in a significant uplift in share liquidity.

OUTLOOK;

Mr Roach said, "While a more difficult retail environment was evident in recent month's compounded by a series of natural disasters, strategically and financially, many initiatives were undertaken in the first half of FY2011 and we believe these initiatives have positioned Healthzone well to deliver ongoing positive comparable sales and profitable growth in to the second half of FY2011."

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BACKGROUND NOTES

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.

www.healthzone.com.au

Healthzone's businesses are comprised of three principal activities;

Health and Beauty Distribution

- Healthzone Solutions, Australia's largest national health food distributor, with three warehouse facilities in Sydney 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
- Healthzone International distribution through more than 1,600 outlets in China.
- North America, Europe and Asia distribution.



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' and new BOD ecology products are natural beauty products made in Australia. 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
- Healthy Life China first store now open in Shanghai.
- Healthzone has more than 518,000 registered loyalty club members.
- Healthzone's Healthy Life News magazine has a circulation of more than 6 million copies per annum.
- Healthy U Healthy Life magazine first addition Autumn 2011.

