



**Welcome to the 3rd
Annual General Meeting of
Healthzone Limited**

Friday 6 November 2009

Sydney

Healthzone Limited Overview

Healthzone... Australia's Wellness Sector Leader

- ✓ Largest Health Food Distributor
- ✓ Largest Health Food Retailer
 - ✓ Owner of the Healthy Life franchise system with 120+ stores nationally
- ✓ Leading Health Food Brand in China
 - ✓ 1400 retail counters throughout China
- ✓ Established businesses since 1968
- ✓ Listed on the ASX November 2006 (ASX: HZL)
- ✓ 49.1 mill shares on issue

Year in Review

Third consecutive year of record sales and profits

- ✓ Record EBITDA up 43% to \$6.3m
- ✓ Record NPAT up 23% to \$3m
- ✓ Record sales revenue up 63% to \$104m
- ✓ Growth in net assets by \$5.9m



Leadership

Sector leading management team with 100+ years of collective wellness sector experience providing superior knowledge, sales focused customer service, product innovation, and sound financial growth management...

- ✓ Retail
- ✓ Distribution
- ✓ Sales & Marketing
- ✓ Brand Development
- ✓ China Market



Executive Chairman
Peter Roach



Executive Director
Michael Wu



Finance Director &
Company Secretary
Michael Jenkins



General Manager
Products, Sales
& Marketing
Michael Trevaskis



General Manager
Group Retail Services
Geoff Sainsbury



General Manager
Operations
Matthew Jinks

Healthzone Businesses

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300+ Healthy Life products
100+ Natural Alternative
65+ HL Supplements
45+ Bod skincare
45 + Aurinda products

Supplier to
5,000+ outlets

- Pharmacy
- Health food
- Supermarkets
- Department Stores
- Australia
- Asia, North America, Europe

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120+ franchised stores
China master franchise
7 Company stores
430,000+ Club Life Loyalty members
Healthy Life News - 6 mill copies pa

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Distribution

✓ The Health Minders national health food warehouse and distribution business, which supplies more than 5 million products annually across more than 4,500 product lines to more than 5,000 customers, including health food chains, pharmacies and supermarkets.

✓ Jasham distribution of beauty and fragrance products to more than 1,700 pharmacies and department stores in Australia.

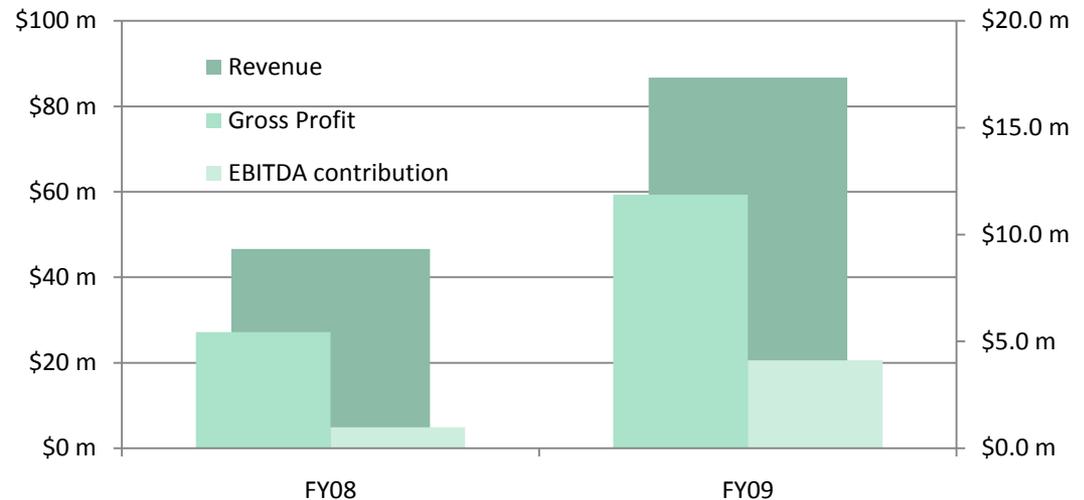
✓ Healthzone distribution through more than 1,400 outlets in China.

✓ Pro-Hair and Alexem national distribution of hair care and fragrance products to department store chains, niche retailers and salons.

✓ Wholesale distribution in North America, Europe and Asia.



Distribution



Distribution	FY08	FY09
Revenue	\$46.6 m	\$86.8 m
Gross Profit	\$5.4 m	\$11.9 m
EBITDA contribution	\$1.0 m	\$4.1 m

Distribution

- ✓ National distribution facilities
- ✓ Australian and international product supply customers
- ✓ Established 25 years
- ✓ Margin growth through value add services
- ✓ Margin growth through own brand development
- ✓ Introducing sophisticated market systems
- ✓ Accelerating Healthzone penetration of pharmacy sector
- ✓ Expansion of skincare and cosmetics distribution
- ✓ Key Objectives
 - ✓ Capitalise on Healthzone scale
 - ✓ Utilise Jasham relationships for Healthzone Pharmacy expansion
 - ✓ Streamline / reduce overheads

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Retail

✓ Healthy Life, Australia's leading national health food retail franchise, established for more than 30 years with more than 120 health food retail stores, including company stores.

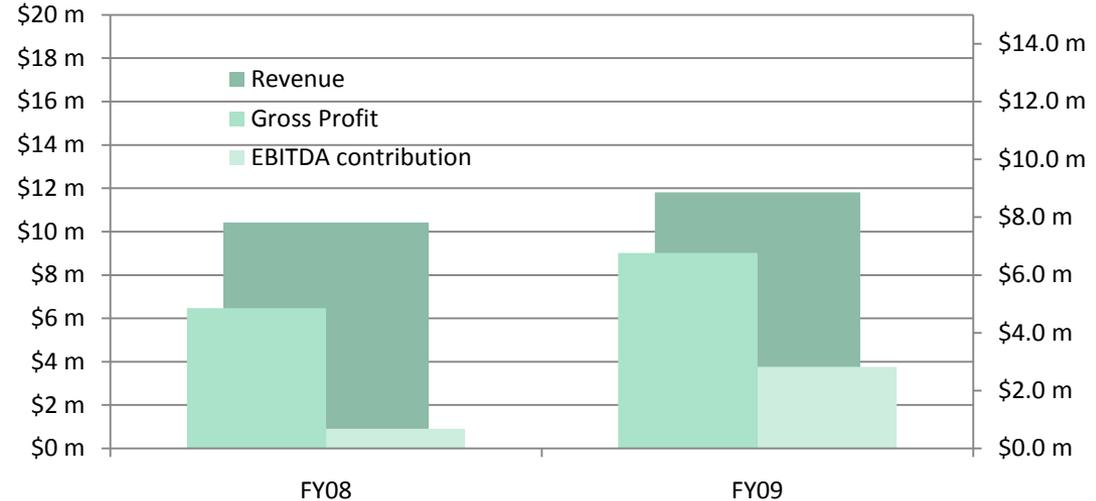
✓ The Healthy Life Catalogue, Australia's leading wellness products catalogue for retailers, which is complemented by electronic ordering, news and communications systems.

✓ More than 430,000 registered Club Life loyalty members.

✓ Healthy Life News magazine which has a circulation of more than 6 million copies per annum.



Retail



Retail	FY08	FY09
Revenue	\$10.4 m	\$11.8 m
Gross Profit	\$4.8 m	\$6.8 m
EBITDA contribution	\$0.7 m	\$2.8 m

Retail

- ✓ New Healthy Life store design
- ✓ New marketing strategy
 - ✓ Club Life 430,000 members
 - ✓ Loyalty Points
 - ✓ Bonus Points
 - ✓ Shareholder Bonus Points
 - ✓ Healthy Life News
 - ✓ Email & SMS
 - ✓ Digital Signage
 - ✓ Club Life E Newsletter
- ✓ Record Healthy Life Franchise Sales Growth with 19.4% revenue increase
- ✓ Record Franchisee Purchases from Healthy Life Warehouse increasing from 20.1% to 38.3% of COGS
- ✓ Record customer store visits increasing 14.3% to over 4 mill customer sales.
- ✓ Record Unit Sale increasing 9.9% to average \$26.33 per customer visit
- ✓ Launch of China Master Franchise

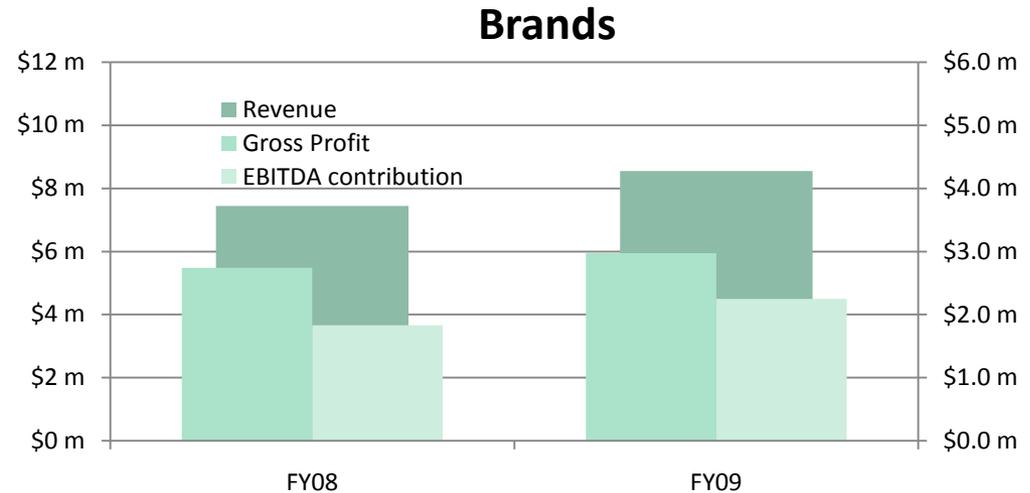
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Brands

- ✓ More than 100 “Natural Alternative” products, including food, skin and body care and household cleaning products.
- ✓ The “Bod” range of premium skin care and beauty products, produced in Australia for sale in Australia, Japan, Hong Kong, Taiwan, Korea, Canada, Europe, Singapore, Malaysia and New Zealand.
- ✓ The “Aurinda” range of more than 45 vitamin and supplement products produced in Australia for export and local sale.
- ✓ The “Healthy Life” range of health foods and beverages which are sold exclusively through Healthy Life stores.
- ✓ More than 65 “HL” vitamin, herbal and mineral supplement products.



Products	FY08	FY09
Revenue	\$7.4 m	\$8.5 m
Gross Profit	\$2.7 m	\$3.0 m
EBITDA contribution	\$1.8 m	\$2.2 m

Brands

- ✓ Acquired HL Vitamin Licence
 - ✓ Exclusive Healthy Life Franchise brand
 - ✓ 65 SKU's expanding to 120 SKU's
- ✓ Launched new Healthy Life Foods
 - ✓ Exclusive Healthy Life Franchise brand
 - ✓ 35 SKU's expanding to 100 SKU's
- ✓ Launched Natural Alternative Range
 - ✓ More than 100 products launched with another 270 to be launched in FY2010
 - ✓ Exclusive to the Health Food Channel
- ✓ Expansion of Bod range by 15 SKU's
- ✓ Expansion of Aurinda range by 14 SKU's and new Australian brand launch
- ✓ Key Objectives;
 - ✓ Conversion of low margin distribution products to high margin own brand.
 - ✓ Expansion of exclusive brands into the health food channel.
 - ✓ Expansion of Bod skincare into the pharmacy channel.
 - ✓ Expansion of Export of Healthzone brands into Asia, North America & Europe.

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Global Markets

- ✓ Healthzone Brands expansion now includes wholesale export supply to Canada, North America, UK, Europe, China, Hong Kong, South Korea, Singapore, Taiwan and New Zealand.
- ✓ Healthzone Retail & Distribution now includes wholesale importing from the UK, Europe, New Zealand, Singapore and North America.



Social Responsibility

Vitamin Angels

Healthzone supports Vitamin Angels by selling merchandise and collecting donations in Healthy Life stores. In addition, Healthzone donates 25 cents for each HL brand supplement sold.

Packaging

Glass packaging for the HL range of supplements has been replaced with more environmentally friendly PET.

Paper

Healthzone is committed to the ecological and economical use of raw materials as well as the re-use of existing resources, and has moved to an ecologically sustainable paper in printing the Healthy Life News.



Outlook

- ✓ Profitable and expanding businesses
- ✓ Leading Health Food distributor
- ✓ Leading Health Food retailer
- ✓ Businesses established for 35+ years
- ✓ Sustainable competitive advantages
- ✓ Immediate opportunities for growth
- ✓ Experienced management team adding value to each business unit
- ✓ Established platform for long term growth



Formal Business

1. Financial Report

To receive and consider the financial report of the Company for the year ended 30 June 2009 and reports by directors thereon.

2. Resolutions

To consider and, if thought fit, pass the following ordinary resolutions:

Resolution 1 – Ratify appointment of Mr Michael Jenkins

“That, Mr Michael Jenkins be elected director of the Company.”

Resolution 2 – Re-election of Mr Peter Roach

“That, Mr Peter Roach shall be the Director elected to retire by rotation in accordance with clause 20 of the Company’s Constitution and, being eligible, be re-elected as a Director of the Company.”

Resolution 3 – Ratification of Shares Issue to Jasham Vendors

“To ratify the issue of 2,039,349 fully paid ordinary shares to the vendors of Jasham International Pty Limited, being deferred consideration in accordance with the terms of the share purchase agreement for that business.”

3. Advisory Resolution

To consider and, if thought fit, pass the following non-binding resolution:

“That the remuneration report for the year ended 30 June 2009 be adopted.”

We look forward to continued growth of Healthzone's businesses and thank our shareholders, franchisees, customers, suppliers and staff for their continuing support.

A close-up photograph of several green leaves, showing their veins and texture. The leaves are vibrant green and fill the bottom half of the image.

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