

Press Release

LifeBrandz Announces 1H05 Results and Exclusive Deal with the World's Largest Design Nail Manufacturer

- Posts six-month net profit after tax of \$3.0 million on sales of \$25.2 million
- Secures deal for Singapore, Hong Kong & Taiwan with US-based KMC Exim Corp, the world's largest premium nail care manufacturer and creator of Virtual Nails™
- Kicks off 'Lifestyle' sub-category with *Dashing Diva* nail spa and boutique offering

Singapore, 11 March 2005 – Home-grown lifestyle brand development and management group LifeBrandz Ltd (“LifeBrandz”) today released its financial results for the six-month period 01 August 2004 to 31 January 2005 (“1H05”) and announced that it has signed a Letter of Intent (“LOI”) with Dashing Diva Franchise Corp., (“Dashing Diva”), a subsidiary of KMC Exim Corp., (“KMC”) which is the world's largest manufacturer of design nails and creator of *Virtual Nails™*.

(I) 1H05 Financial Results

The Group recorded profit after tax of \$3.0 million on revenues of \$25.2 million which translates to earnings per ordinary share of 0.5 cent based on issued capital of 612 million ordinary shares.

Sales grew 12% to \$25.2 million in 1H05 compared to 1H04, due mainly to continued contribution from its major product lines and the introduction of new products. On a segmental basis, “Nutraceuticals” remained the key contributor accounting for \$17.0 million or 68% of Group's sales in 1H05, followed by “Cosmeceuticals” which saw continuing sales growth of *Intenz Skin Activator series*. “Functional Food and Beverages” consisted mainly of *Genki Tea* sales while the fourth major product category “Personal/Family care & Lifestyle” recorded initial sales of \$3.3 million from several new products rolled out during 1H05.

The Group's gross profit margin improved slightly from 63% in 1H04 to 64% in 1H05 due mainly to lower distribution and logistic costs.

Total operating expenses increased by \$4.6 million from \$7.7 million in 1H04 to \$12.3 million in 1H05. This was principally attributable to higher advertising and promotion ("A&P") expenses, increased headcount (including senior management staff) and higher expenses and charges arising from the Group's efforts to expand the business and penetrate new overseas markets. Compared to 1H04, the Group also incurred more frequent travel and professional and administrative fees resulting from the enlarged business operations, i.e., expansion to regional countries and an additional office in Hong Kong.

A&P expenses increased by \$3.1 million to \$9.4 million, representing 37% of the Group's total 1H05 Sales and remaining in line with the Group's previously stated guidelines. The increased A&P is in tandem with the increase in the number of products to more than 10 in 1H05 compared to only 2 products in 1H04.

The Group also invested a larger A&P budget towards building brand awareness for various products and further strengthening market share in existing markets. Additional A&P expenses were also incurred in 1H05 for newer markets such as Indonesia and for laying the groundwork for expansion into other countries including Taiwan and Thailand, as well as other business development activities.

However, the Group's expansion momentum into the Indonesia market was temporarily dampened by local circumstances e.g. Ramadan fasting month in October/November 2004 and the 26 December 2004 tsunami which affected consumer sentiments. Despite this, the Group remains positive about the Indonesia market and have received a subsequent batch order for Extrim tablets from its exclusive distributor DKSH Group.

Commenting on 1H05, LifeBrandz' CEO Michael Wong said, "The last few months have been an exciting period for the Group. Several new products were launched including a new brand TummiTrim which was well-received. We have also made significant headway in our push to penetrate new countries and recorded our first sale in Taiwan."

On outlook for 2H05 Mr Wong added, "The Group expects to launch more new and exciting products in 2H05, record its first sale in Thailand and make further expansion headway into other countries. Furthermore, we see tremendous opportunities in exploiting our core competence and track record in developing and managing lifestyle brands and concepts. The Group has been aggressively pursuing negotiations to advanced stages and several strategic developments are in the pipeline for 2H05 onwards. Shareholders can look forward to these developments which we believe will contribute positively to our earnings in subsequent periods."

(II) Dashing Diva Exclusive Licensee Deal

Pursuant to a LOI signed between LifeBrandz and Dashing Diva, LifeBrandz is to be awarded the Exclusive Licensee for the New York-headquartered Dashing Diva Nail Spa and Boutique for Singapore, Hong Kong and Taiwan. LifeBrandz as Licensee will merchandise to retailers and establish, install, operate and franchise in-line salons, stores-within-stores and kiosks using the Dashing Diva systems, trademarks and service marks.

Since the opening of the first Dashing Diva store in Manhattan's hip Greenwich Village to critical acclaim, the innovative, stylish and cool Dashing Diva Nail Spa and Boutique has been the rave of customers, major fashion magazines and mainstream media worldwide. Dashing Diva outlets now span from the USA across to Japan and Korea.

What sets Dashing Diva apart is its total offering of the most comprehensive and best quality menu of nail care products and services including manicures, pedicures, nail extensions, wraps, massages, facials, and skin products all in a unique New York Dashing Diva Style Lab setting. Currently there are 10,000 products available including over 200 different shades of polish and hundreds of pre-decorated nails to match any outfit or any occasion. Guaranteeing a continuous stream of refreshing and innovative colours and ideas is parent company KMC who is internationally known for its artistic in-house product development team. KMC holds a number of patents for its unique inventions, including the patent-pending revolutionary new Virtual Nails™ and many other premium nail care products.

Commenting on LifeBrandz' exclusive licensee deal, LifeBrandz' CEO Mr. Michael Wong said, "We are very excited about this strategic partnership with the Dashing Diva management team. When we first found Dashing Diva in New York City, we knew this was a concept which we really wanted to secure. We are witnessing a period when Asians are growing in desire to de-stress, be entertained, look and feel better. The Dashing Diva offering does all this and the trendy women in Singapore, Hong Kong and Taiwan are more than ready to embrace this lifestyle. This is precisely the sort of dynamic opportunity we have been seeking to kick off our Lifestyle sub-category in style."

Mr Mark Greiz, Director of Asian Operation, KMC Exim Corporation added "We see Asia as being the next growth area for Dashing Diva. We chose LifeBrandz as our partner because of their knowledge of the region and their expertise in branding and marketing. We are extremely pleased and are as excited as LifeBrandz to develop this relationship further".

LifeBrandz envisages it will progressively introduce over 200 product and service points of sale across Singapore, Hong Kong and Taiwan within a year with a possibility of franchising Dashing Diva to the numerous independently owned mani/pedi shops and salons in the territory. The product, service offering and business model will be carefully selected and tailored to the customer preferences of the respective markets.

LifeBrandz is poised to capture the fragmented Asian nail care market. There is currently no single player of significant size, corporate brand or market clout in the nail care market. LifeBrandz intends to establish Dashing Diva as the standard for professionalism and premium service and will capitalise on its strong brand equity, already established merchandise distribution network and highly relevant customer membership base to effectively launch Dashing Diva.

LifeBrandz and Dashing Diva are currently setting out the final terms of the Distribution and Licence Agreement which is scheduled to be completed shortly.

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Issued on behalf of LifeBrandz Ltd by WeR1 Consultants Pte Ltd

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About LifeBrandz Ltd

Established in July 2001 and listed on the Singapore Exchange Main Board since 18 June 2004, LifeBrandz is a lifestyle brand development and management Group which develops and manages health, beauty, personal / family care and lifestyle products.

Based on its unique brand development and management approach LifeBrandz BDMA, the Group has the ability to effectively build and promote brands that it creates and owns into successful brands which meet customers' needs. LifeBrandz products are currently sold through more than a thousand points of sale in Singapore, Hong Kong, Indonesia and Taiwan, including chain and independent pharmacies, personal care stores, cosmetic companies and medical clinics.