

Press Release

LifeBrandz Posts Q3 2005 Net Profit of \$1.8 Million on 57% Growth in Q3 Sales to \$11.5 Million

- **Extends geographical expansion of EXTRIM into the Group's fourth overseas market, Thailand**
- **Commences sale of second brand into Indonesia – INTENZ Skin Activator series of oral supplements**
- **Expects to roll out plans for the inaugural launch of *Dashing Diva* in Singapore**

Singapore, June 3 2005 – Home-grown lifestyle brand development and management group LifeBrandz Ltd (“LifeBrandz”) today announced its financial results for the three-month period 01 February 2005 to 30 April 2005 (“Q3 2005”) and said it has commenced the sale of its highly successful EXTRIM Carbohydrate Neutraliser tablets in Thailand, marking its penetration of the Group's fourth overseas geographical market after Hong Kong, Indonesia, and Taiwan.

For the three months ended 30 April 2005 (“Q3 2005”), the Group achieved a net profit after tax of \$1.8 million on sales revenues of \$11.5 million which translated to earnings per ordinary share (no dilutive instruments applicable) of 0.29 cent based on the issued capital of 612 million ordinary shares (Q3 2004: net profit \$986,000, sales \$7.3 million, earnings per share based on pre-invitation share capital of 480 million ordinary shares was 0.21 cent).

The Group saw a 57% increase in sales in Q3 2005 compared to Q3 2004. This is largely attributed to continued contribution from its major product lines and increase in sales from the penetration of new overseas markets.

On a segmental basis according to main product category, “Nutraceuticals” saw continuing sales growth from \$5.2 million in Q3 2004 to \$8.2 million, maintaining its 71% share of the Group's enlarged sales base. “Cosmeceuticals” sales grew from \$2.1 million

in Q3 2004 to \$2.9 million or 25% in Q3 2005, while “Functional Food and Beverages” recorded \$0.4 million sales mainly of Genki Tea launched earlier.

In Q3 2005, the Group successfully made inroads into Thailand, its fourth overseas market following Hong Kong, Indonesia and Taiwan, with sales of EXTRIM Carbohydrate Neutralizer tablets and commenced sales of its second product in Indonesia – INTENZ Skin Activator oral supplements, following the penetration of this market by EXTRIM Carbohydrate Neutralizer product.

Commenting on Q3 2005 results, LifeBrandz’ CEO Michael Wong said, “We are pleased to have reached new milestones in our geographical expansion roadmap for our existing brands and products with EXTRIM penetrating a new country Thailand and the launch of our second brand INTENZ in Indonesia. We expect to build further on the initial momentum and increase brand awareness in our newer markets of Taiwan and Thailand.”

Total operating expenses increased by \$1.8 million from \$3.8 million in Q3 2004 to \$ 5.6 million in Q3 2005, largely attributed to higher advertising and promotion (“A&P”) expenses and other operating expenses in tandem with the expansion of the Group’s business.

While A&P expenses increased by \$1.3 million from \$2.7 million in Q3 2004 to \$4.0 million in Q3 2005, however, A&P expenses as a percentage to sales declined by 3% to 34% in Q3 2005. Moreover, A&P expenses incurred in Q3 2004 were mainly for Extrim Carbohydrate Neutralizer tablets and Intenz Skin Activator oral supplements, compared to Q3 2005, whereby the Group’s product portfolio was expanded to more than 10 products over 5 countries. The Group also invested further in A&P spending to build brand awareness and maintain and enhance its market shares.

Remaining operating expenses (including staff costs, depreciation and others) increased by \$0.6 million in line with the increase in staff strength, more frequent travelling to other countries, operating and administrative expenditure to support the increased business volume and overseas market penetration. In addition, expenses were also incurred for various business development and expansion initiatives including Taiwan and Thailand.

On outlook for Q4 2005 Mr Wong said, “We have pursued short-term and mid-term value creation initiatives aimed at significantly broadening its customer and earnings bases, leveraging on our track record in developing and managing lifestyle concepts to forge strategic partnerships with global players.

The fruits of our intense efforts over the past year will soon be revealed in update announcements as we progressively conclude negotiations for new pipeline offerings under our exciting Lifestyle sub-category, which is expected to contribute positively to our earnings in subsequent periods. We are concluding negotiations with some of the international F&B, retail entertainment and lifestyle brands that LifeBrandz has handpicked to transform over 80,000 square feet of prime commercial space in Clarke Quay into Singapore's revolutionary Lifestyle and Entertainment Venue."

As Dashing Diva's newly appointed exclusive licensee for Singapore, Hong Kong and Taiwan, LifeBrandz also expects to roll out plans to wow Singapore's trendsetters and tourists with the first Dashing Diva Nail Spa and Boutique in this region, reflecting Dashing Diva's existing acclaimed stores in USA, Tokyo and Seoul.

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Issued on behalf of LifeBrandz Ltd by WeR1 Consultants Pte Ltd

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About LifeBrandz Ltd (www.lifebrandz.com)

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, Taiwan and Thailand, including chain and independent pharmacies, personal care stores, cosmetic companies and medical clinics.

Westcomb Capital Pte Ltd was the Manager for LifeBrandz's initial public offer ("IPO") in June 2004.