

HERITAGE BRANDS ACQUIRES OSWIN LABORATORIES PTY LTD

Heritage Brands Limited (NSX Code: HBA) ("**Heritage Brands**" or the "**Company**") is pleased to announce that it has today entered into a conditional agreement to purchase Oswin Laboratories Pty Ltd ("**Oswin Laboratories**") which owns the iconic suncare brand Le Tan.

The acquisition of the Le Tan brand will give Heritage Brands a leadership position in the suncare skincare market and is in line with the company's stated strategy of continuous growth by supporting Australian iconic brands which are ethical and hold strong credentials of Australian provenance with the potential to expand into international markets in the core focus categories of Skin Care, Cosmetics and Aromatherapy.

Le Tan is distributed in all major pharmacies, API/Priceline and all major groceries.

Le Tan is the number one tanning brand in Australia with a Le Tan in a can sold every 2 minutes. Le Tan has been made in Australia since 1977 and is cruelty free.

The distribution gains arising from the acquisition will provide opportunities to expand the sales base for the Heritage Brands skincare and cosmetic ranges and should assist in Heritage Brands maintaining a leadership position in the fastest growing beauty category of Self-Tanning /Skin Finishing. It will open up opportunity to drive growth and innovation in the increasingly important category of sunsmart skincare.

This acquisition will expand Heritage Brands' portfolio of Australian iconic brands in cosmetics and skin care as well as its already established leadership position in the aromatherapy category. The Oswin Laboratories acquisition should have a positive impact on the sales and profitability of the Company.

Acquisition Terms

The consideration agreed to be paid for Oswin Laboratories is \$10 million plus the value of the net tangible assets on the balance sheet of Oswin Laboratories as at the completion date.

Assuming the conditions are satisfied, settlement of the acquisition of Oswin Laboratories is expected to occur on 31 July 2015.

The acquisition of Oswin Laboratories will add the Le Tan and Salon Tan brands to the existing Heritage Brands portfolio of Australis, Innox, Mode, Skin Republic, LAB², Nailene, Fing'rs, Revlon lashes and nails, Trim , In Essence, Oil Garden and Cottage Oil .

D J Fairfull

Chairman

Dated: 15 June 2015

C. Gendis

Managing Director

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