



ATOS
WELLNESS

ASX Release

Company Update on Restructure

9 September 2010: The Board of ATOS Wellness Ltd (**Company**) wishes to update shareholders as to the status of the Company restructure.

Shareholders would be aware that the Company has entered into three transactions:

- The sale of ATOS Wellness Pte Ltd, Inner Harmony Pte Ltd, Slimcare Studio Pte Ltd, Slimline Studio Pte Ltd, ATOS Consumer Products Pte Ltd as well as several other dormant/non-core entities to Ananda Retnam and Pathma Ayadurai (**ATOS Singapore Transaction**);
- The sale of the Company's 51% shareholding in Body Contours Pte Ltd to an unrelated Singapore investor (**BC Transaction**); and
- The proposed acquisition of Metabolic Pharmaceuticals Pty Ltd (**Metabolic Transaction**).

It was the initial intention of the Company to bundle all three transactions and call a single general meeting of shareholders to vote on the various resolutions associated with these transactions.

Due to a variety of commercial factors the Company has decided to unbundle the three transactions as follows:

- Complete the BC Transaction without shareholder approval.
- Proceed to call a general meeting of shareholders to approve the ATOS Singapore Transaction. Approvals will be sought pursuant to Listing Rule 10.1, 11.1.2 and 11.2.
- Delay all resolutions in respect to the Metabolic Transaction, as the parties remain in ongoing discussions in relation to this transaction. If the Metabolic Transaction proceeds, it is proposed to obtain approvals pursuant to section 611 item 7 of the Corporations Act at the Company's upcoming annual general meeting, at which time shareholders will have the benefit of an independent expert's report to consider the merits of this transaction.

The Company has consulted with the ASX in accordance with listing rule 11.1. It is to be noted that once the Company completes the BC Transaction and ATOS Singapore Transaction, the Company will have sold its main undertaking and therefore the Company will be technically moribund.

Whilst the sale of the main undertaking will usually result in Chapters 1 and 2 applying to any subsequent acquisition, the ASX has confirmed that the requirement to re comply with Chapters 1 and 2 will not apply unless:

- the Metabolic Transaction is not completed within 3 months of the ATOS Singapore Transaction; or
- the Metabolic Transaction does not proceed; or
- the ASX otherwise determines,

in which case the Company, after the completion of the ATOS Singapore Transaction, will be classified as a moribund entity and will need to re comply with Chapters 1 and 2 pursuant to listing rule 11.1.3.

On the basis of the above, the Company can confirm that:

- the BC Transaction will be completed in accordance with the terms of the Share Sale Agreement on 16 September 2010.
- a general meeting of shareholders will be held in October to approve the ATOS Singapore Transaction; and
- any resolutions with respect to the Metabolic Transaction, if that transaction is to proceed, will be put to the Annual General Meeting.

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