



ATOS  
WELLNESS  
ACN 100 531 191

ASX Release

15<sup>th</sup> August 2011

The Company Announcements Office  
ASX Ltd  
*via electronic lodgement*

## **EXECUTION OF SHARE SALE & BUSINESS SALE AGREEMENTS WITH AUSTRALIAN HEALTHCARE ENTERPRISES AND MEGA HEALTH**

The Directors of Atos Wellness Limited (ASX: ATW) ("Company") are pleased to advise that the Company has signed a Share Sale Agreement with Australian Healthcare Enterprises Pty Ltd ("AHE") and a Business Sale Agreement with Mega Health Pty Ltd ("MH") to acquire 100% ownership of AHE and the complete business assets of the going concern South Australian Health Distributors ("SAHD").

AHE is an Australian based business which has agreements and concepts to establish a national and international new multipurpose healthcare and food products trading entity through the acquisition of several well established wholesale and retail businesses and through an online health products retail operation.

MH is the owner of an existing wholesale and retail business in the health food industry and SAHD operates the wholesale distribution facility in Adelaide, servicing the South Australian and Northern Territory markets.

The agreement provides for ATW to:

- Acquire 100% of the equity in AHE, the company which holds the Intellectual Property and concepts in expanding existing wholesale distribution and establishing new manufacturing and TGA licensed facilities. Consideration of \$300,000 is payable by the issue of 15,000,000 fully paid shares in ATW.
- Acquire 100% of the operations of SAHD. Consideration of \$1,000,000 is payable by the issue of 50,000,000 fully paid shares in ATW.

Following this transaction, the Company projects that the new business will generate an EBIT in excess of \$250,000 from revenue of \$5.7 million for the period November 2011 to June 2012. It is projected that in the following full financial year to June 2013, EBIT will increase to approximately \$1.6 million on revenues of \$15 million.

Approval to issue the shares pursuant to these Agreements will be sought from shareholders at a general meeting to be held in late September 2011. The Notice of General Meeting and Explanatory Notes will contain full information on the transaction to enable shareholders to make an informed decision.

Following the approval of shareholders, the Company proposes to undertake a capital raising of approximately \$5 million and full details of the purpose of the funds will be presented at the general meeting of shareholders.

The acquisition was first announced to the Annual General Meeting on 21 April 2011 and the Directors believe that this opportunity will revitalise the Company and place it on a solid foundation for the future, thereby adding value for the shareholders.

The Company advises that two further acquisition proposals announced at the same meeting and also on 9 May 2011, being an investment in V Pay Cash and Medicare Pte Ltd, both based in Singapore, will no longer be pursued at this stage.

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