

ASX MEDIA RELEASE

Holista CollTech And Leading Australian Fast-Food Chain QSRH To Collaborate On Three Breakthrough Patents For Healthier Food

Kuala Lumpur/Perth, 8 November 2011 – Australian Securities Exchange-listed (ASX: HCT) **Holista CollTech Limited** (“Holista”) announced today the signing of a two-year exclusivity agreement with Quick Service Restaurant Holdings Pty Limited (“QSRH”). QSRH is one of Australia’s leading fast-food operators with over 600 restaurants in Australia.

Under the agreement, Holista, using its breakthrough patented technologies, will supply its proprietary ingredients exclusively to QSRH for joint research and development with HCT for a period of 2 years, with the aim of offering healthier food to QSRH customers without chemical additives. During this period Holista has agreed not to sell its ingredients or products to any other competitor of QSRH within the Australian market.

Holista is responsible for all costs of the research and development, presently budgeted on an indicative basis to be approximately \$820,000. Holista will receive milestone payments from QSRH for a portion of those costs, and will look to attract research and development grants to assist in the funding of such costs.

Prices for the supply of product by Holista to QSRH have been agreed on reasonable commercial terms. Sales are subject to the completion of work to integrate the Holista technology into the QSRH product pipeline and QSRH being satisfied that it will be able to commercially utilize any of the products. Holista and QSRH will jointly support this integration work. In recognition of this collaboration, Holista and QSRH have agreed to a preferential supply arrangement for a further 5 years and beyond the initial 2-year exclusivity.

The collaboration between Holista and QSRH, involves three patents and covers:

- a potato chip which absorbs less fat during frying;
- a low-sodium salt; and

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- a low GI bread which, when consumed, digests and absorbs carbohydrates more slowly while releasing glucose more gradually into the bloodstream.

Holista, a bio-technology food ingredient specialist with operations in Australia and Asia, will supply the natural ingredients for these three formulations. All the ingredients are Asian foods and are listed by Australia's Therapeutic Goods Administration (TGA) and the United States Food and Drug Administration (FDA) as "Generally regarded as safe (GRAS)".

QSRH, operator of iconic Australian brands - Red Rooster, Oporto and Chicken Treat – is proactive in its efforts to enhance the quality and health benefits of its food offerings.

"We are really excited to be the first Australian quick service restaurant chain looking to deploy these ground-breaking developments in food technology into our system. We believe they will deliver health benefits for our customers, and in turn offer us a substantial competitive advantage," said Mr Mark Lindsay, QSRH's Group CEO.

Holista conducted initial research on the ingredients in the United Kingdom, India and Malaysia before validation undertaken at the University of Western Australia as part of the commercialisation project.

"This is a landmark event because it is the first time in the world a major quick service restaurant group has attempted to tackle the global epidemic of obesity, diabetes and cardiovascular disease," said Dato' Dr. Rajen Marnickavasagar, CEO of Holista. "The success of this rollout in Australia could have major implications for the global fast-food industry."

Potato chips represent about 35.5% of worldwide savoury snacks consumption, with the global market for potato chips market – often cited as a leading cause for child obesity – estimated at US \$16.4 billion. Dr Rajen said Holista's process aims to not only reduce fat absorption by nearly 40% when the potatoes are fried, but the low-fat chips are crispier, less oily and lower in calorie content.

While many fast food consumers demand a 'salty' taste, the high sodium content can lead to cardiovascular diseases. Holista's process offers healthier, **low-sodium salt** that does not compromise taste or consumer satisfaction. Using natural ingredients, the low-sodium salt blunts the 'metallic after taste' usually associated with other low-sodium alternatives.

The Glycemic Index (“GI”) is a widely used measure on the effects of carbohydrates on blood sugar levels. Holista’s **Low-GI bread** reduces the effect by 38% with minimal effect on mouth feel, taste, texture and aroma. This is very important because the high intake of starch and the subsequent rise in blood sugar is increasingly linked to obesity.

Holista will issue further announcements as the various conditions are satisfied and will also consider strategies designed to strengthen the Company’s ability to further exploit its suite of value adding technologies throughout the world

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About Holista CollTech Limited

Listed on the Australia Securities Exchange (ASX: HCT) since 2004, Holista CollTech Ltd is a research-driven biotech company dedicated to delivering scientifically enhanced, engineered and first-class natural health supplements and wellness products for the general consumers. The Group develops, manufactures and commercialises “health-related” products to address the unmet and growing needs of natural medicine and is the only company producing sheep (ovine) collagen using its patented extraction methods.

Holista’s main operations are in Malaysia where it specialises in the research and development (R&D) and commercialisation of ovine collagen. Its other operating subsidiaries include Total Health Concept Sdn. Bhd. which distributes health supplements in Malaysia and South East Asia.

Holista has filed several global patent applications, two of which have been granted. To advance R&D in nutritional products, the Group is collaborating with world-leading institutions such as the University of Western Australia, Oxford Brookes University (UK), National Centre for Natural Products Research (US), Indian Institute of Integrative Medicine and University of Hamdard (India) and Tsinghua University (China).

The Group has a customer base of 45,000 and access to more than 1,700 distribution points.

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For more information, visit www.holistaco.com

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