

HEADLINE

Group Limited

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For immediate release to the market

BUSINESS UPDATE

Please find attached for release to the market details of a new product launch.

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Ian Gordon
Company Secretary

PRICELINE AND MOTHERCARE AUSTRALIA COMBINE “ALL WE KNOW” TO LAUNCH EXCLUSIVE BABY TOILETRIES RANGE

Priceline and Mothercare are pleased to announce an exciting strategic initiative of exclusively introducing Mothercare's new and extensive baby toiletries range across Priceline store network. Mothercare is the world's leading parenting retail company with 50 years experience in the mother and baby retail industry. The new baby toiletries range – branded “All We Know” – is a culmination of the company's experience in serving mums since 1961.

With over 300 stores, Priceline is unrivalled as Australia's largest pharmacy and women's health and beauty store network. Priceline is therefore best placed to successfully launch “All We Know” baby toiletries with the products becoming available in Priceline stores in August. The launch of the exclusive Mothercare range is consistent with the Priceline strategy to further grow their presence in the women's health and beauty segment.

The “All We Know” range will complement the expanded Baby range offered in Priceline and Priceline Pharmacy stores. “All We Know” provides Priceline the opportunity to further capitalize on the strength of its offer in Baby Toiletries and Skincare and differentiate its offer from Grocery, Discount Department stores and other Pharmacy channels. With Priceline already gaining market share in this area, the strength and credibility of the Mothercare brand will help ensure Priceline enhances its position as a destination for all Mother and Baby health and personal care needs.

Michael Langham, GM of the Priceline business, states that “launching exclusively a quality range of baby toiletries products developed by a recognized authority on parenting like Mothercare is an important strategic initiative for both businesses. We think the inherent brand recognition of Mothercare amongst mothers in the Australian market will accelerate the market penetration of the new toiletries range and we are excited by this partnership and growth opportunity. We are focused on growing our presence as a leading retailer of health and beauty products and this exclusive range further enhances our market position.”

Ross Bartlett, responsible for the Mothercare Australia merchandising strategy, responded to Mr. Langham's comments by underlining the fact that Mothercare is very excited to have Priceline as a partner as Mothercare is launched nationally. “To have a presence in over 300 Priceline stores with quality representation of our baby toiletries range accelerates greatly our endeavours to achieve a national footprint for the Mothercare business.

Priceline is a clear market leader and we are proud to have the opportunity to be working with them. The depth and activity of their customer base will assist us enormously in our communication to all Australian women that Mothercare Australia is here.”

Both companies are looking at this initiative as the first in potentially a long list of cooperation opportunities that may extend as far as collaborating on new product development initiatives. The companies are looking forward to the success of the "All We Know" range Australia-wide.

Michael Langham
General Manager – Priceline Pty Ltd

Ross Bartlett
Director – Retail
Mothercare Australia

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