

Heritage Brands

18 March 2016

The Manager
National Stock Exchange of Australia Limited

Dear Sir/Madam

BREACH OF BANKING FACILITY

Heritage Brands Limited (the "**Company**") refers to note 11 of its financial results for the six months ended 31 January 2016 which were released to the market on Wednesday, 16 March 2016.

Note 11 advised that the Company had breached 2 financial covenants contained in its banking facility, due to the Company's unprecedented growth in the six months to 31 January 2016.

The Company advises the market that its bank does not intend to withdraw any of the Company's loan facilities as a result of the breaches and that the bank has agreed not to charge any increased interest as a result of the breaches.

The Company's financial covenants will be next reviewed by its bank as at 30 April 2016. The Company remains confident that the breaches will be rectified as at 30 April 2016, and will keep the market updated.

Yours faithfully,



Chris McGibbon
Company Secretary