



22 August 2008

<<NAME>>
<<ADDRESS1>>
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Dear Shareholder

LIFE PHARMACY RIGHTS ISSUE

Life Pharmacy Limited (*Life*) is undertaking a 3 for 2 renounceable rights issue under which all shareholders shall be entitled to subscribe for new ordinary shares in Life at \$0.40 per share on a pro rata basis in proportion to existing shareholdings. The issue price for new shares is payable in two tranches; an initial \$0.20 per new share payable on application and the outstanding \$0.20 per new share payable on 18 September 2009 (one year following allotment of the new shares).

As you are a current shareholder of Life, you are entitled to subscribe for new shares in Life by way of the rights issue. In addition to your pro rata entitlement, you may apply for up to an additional 50,000 new shares pursuant to an oversubscription facility. This oversubscription facility will pool together the rights not exercised by shareholders, and applications will either be scaled, balloted, or the upper limit of new shares will be reduced (Life reserves the right to use its discretion) in the event that the number of applications sought by shareholders exceeds the number of shares available in the pool.

Application has been made to NZX for permission to list the rights, and all requirements of NZX relating thereto that can be complied with on or before the date of this advertisement have duly been complied with. However, NZX accepts no responsibility for any statement in this advertisement. The rights are to be quoted and tradable on the NZSX from 9.00 am on 22 August 2008 until 5.00 pm on 15 September 2008. You may buy or sell rights at any time during this period. If you choose to sell your rights, you can expect to be charged brokerage by your broker. If you take up your rights, there will not be any charges for you to pay.

Application has been made to NZX for permission to list the new shares, and all requirements of NZX relating thereto that can be complied with on or before the date of this advertisement have duly been complied with. However, NZX accepts no responsibility for any statement in this advertisement. The new shares will be allotted on 18 September 2008, at which point they will be quoted and tradable on the NZSX.

The board wishes to thank you for your continued support of Life and encourage you to increase your shareholding in Life under this rights issue and the associated oversubscription facility.

Yours faithfully

Liz Coutts
Chairman, Life Pharmacy Limited

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