



4 September 2009

Dear Pharmacybrands Shareholder

Merger between Pharmacybrands & Life Pharmacy

The Board of Directors of Life Pharmacy is pleased to present you the offer that, if accepted, will result in the merger of Life Pharmacy and Pharmacybrands.

This shareholder pack includes:

- The Life Pharmacy Takeover Offer Document and Acceptance Form
- A Life Pharmacy Prospectus and Investment Statement in respect of Shares in Life Pharmacy
- The Pharmacybrands Target Company Statement, and
- The Simmons Corporate Finance Independent Advisers Report

As this is an important decision for you, we encourage you to read all documents carefully and take professional advice if required.

To accept the offer you should complete the acceptance form and send it in the enclosed reply paid envelope as soon as possible.

As previously advised by Pharmacybrands, the merger is being achieved by way of a Takeover Offer by Life Pharmacy offering **39.783** Life Pharmacy shares for each **one** Pharmacybrands share.

The Boards of Directors of both Pharmacybrands and Life Pharmacy have approved the merger. At Life Pharmacy's Annual Meeting held on 31 August 2009, its shareholders voted to approve the merger and all transactions associated with it. It is now the opportunity for Pharmacybrands' shareholders to approve the merger by accepting the offer.

Simmons Corporate Finance was commissioned by Pharmacybrands to provide an independent report on the merits of the offer. This report is attached to the Pharmacybrands "target company statement" required under the Takeovers Code.

The Simmons report concludes that "we assess the value of 39.783 fully paid Life Pharmacy ordinary shares to be in the range of \$19.89 to \$22.28. The assessed value of the Life Pharmacy Offer consideration is between 3% and 35% above our valuation range for the Pharmacybrands shares".

Cape Healthcare Limited (an entity associated with Peter Merton and Zuellig Group which is the majority shareholder of Pharmacybrands), and entities associated with each of Ian Sharp, Graham Gyde, Peter McSweeney, Kenneth Orr and Stephen Tatton (current or previous Directors of Pharmacybrands) have agreed to accept the takeover offer in respect of all of the shares they hold

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and control in Pharmacybrands. Acceptances from these parties represent approximately 69% of the shares in Pharmacybrands and demonstrate the support of major shareholders and the directors of Pharmacybrands.

The Board of Directors of Life Pharmacy and Pharmacybrands both recommend that you accept the offer.

If you have any questions in respect of the merger you should contact Craig Wilson at Life Pharmacy (details on the bottom of this letter) or Alan Wham or Vivek Singh at Pharmacybrands:

Pharmacybrands Limited
Private Bag 11-906
Ellerslie
Auckland

Yours faithfully,

A handwritten signature in black ink, appearing to read "M. S. Vukobratovic".

For and on behalf of the Life Pharmacy Board
Chairman

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