

PHARMANET GROUP LIMITED

ABN 98 006 640 553

CHAIRMAN

MR JOHN PALERMO

DIRECTORS

DR CHRIS QUIRK

MR JOHN FOUND

COMPANY SECRETARY

MR JOHN PALERMO

REGISTERED OFFICE

LEVEL 1
284 OXFORD STREET
LEEDERVILLE
WESTERN AUSTRALIA 6007

TEL: +618 9242 2999

FAX: +618 9443 9960

Shareholder Update

2 November 2011

FOR IMMEDIATE RELEASE

ThermaLIFE® Featured at Australian Masters Games

ThermaLIFE® launch activities moved into high gear in October when the Company was a supporting sponsor of the Australian Masters Games. The games saw more than 10,000 sports enthusiasts converge on Adelaide for a week of Olympic-style sports competitions. With an average age of competitors being around 50, the Masters Games were the ideal venue to put ThermaLIFE® into the hands (and minds) of target customers.

There were numerous marketing activities implemented as part of the Company's sponsorship of the games. Participants and volunteers received ThermaLIFE® product information in their registration kits that also directed them to complete an online survey. Company personnel manned a booth during event registration to interact with the participants, hand out samples and conduct product demonstrations. Over the course of five days, the Company handed out over 10,000 samples and used many tubes of ThermaLIFE®. Confidence about the product grew with each day, as did feedback and testimonials from competitors and volunteers.

In conjunction with the Games activities, ThermaLIFE® advertising appeared in newspapers, and on radio and on TV. This approach was designed to reach both Games competitors and customers in the general community.

The total impact of the marketing activities associated with the Masters Games, the online survey and testimonials that resulted directly from the games provided a very positive consumer response to ThermaLIFE®.

Highlights from Australian Masters Games survey results from 120 participants included:

- 87% of survey respondents had tried their sample of ThermaLIFE®
- 78% of those who tried their sample indicated they achieved pain relief in 30 minutes or less
- 70% of those who tried their sample indicated that ThermaLIFE® either "totally" or "mostly" alleviated their pain
- 79% or those who tried their sample indicated they were "very likely" or "somewhat likely" to purchase ThermaLIFE®.



PHARMANET GROUP LIMITED

ABN 98 006 640 553

The types of comments participants made about ThermoLIFE® cream in the survey include:

ThermoLIFE® reduced area and severity of pain such that sleep was more possible.

ThermoLIFE® worked really well for very sore legs and backs that resulted from 4 days of cricket competition.

ThermoLIFE® is just short of a miracle for long term pain.

ThermoLIFE® is one of the best products I have experienced.

I would endorse ThermoLIFE® to anybody.

ThermoLIFE® made a real difference to the pain and discomfort normally felt after having to participate in any kind of sporting activity.

The Company also produced a full batch of sample tubes for use in product promotion. The quantities produced were sufficient to meet the needs of both the recent Australian Masters Games promotion as well as future promotional activities. With research and feedback indicating that the ThermoLIFE® product trial is one of the best tools to generate product sales, promotional sampling activities are planned throughout the year to drive consumer demand.

Product Extension Underway

The Company is currently finalising ThermoLIFE® label submissions in preparation for expanding the number of SKUs at pharmacy level. Market research indicates that there is a need for both a saleable smaller tube to allow consumers to evaluate the product, as well as an economy size for loyal users. Expanding the SKUs at the pharmacy level also helps to maximise ThermoLIFE® shelf presence at the pharmacy level.

Symbion Ranges ThermoLIFE® Cream

The Company has signed an agreement with wholesaler Symbion to range ThermoLIFE®. Through this agreement, ThermoLIFE® Cream will be available to Symbion pharmacy customers direct through the catalogue with orders filled directly from Symbion distribution centres rather than through a "charge through" system.

"We are pleased that we have now achieved another milestone toward widespread distribution of ThermoLIFE® in pharmacies," said Company Director John Found. "ThermoLIFE® is now available in two of the three pharmacy wholesalers, which means a majority of pharmacies have direct access to place product orders. This agreement also puts us in a better position to achieve ranging with key pharmacy buying groups and banner groups throughout the country."

REGISTERED OFFICE

LEVEL 1
284 OXFORD STREET
LEEDERVILLE
WESTERN AUSTRALIA 6007

TEL: +618 9242 2999

FAX: +618 9443 9960



PHARMANET GROUP LIMITED

ABN 98 006 640 553

About ThermaLIFE[®] Cream

ThermaLIFE[®] Cream is a product being sold as an OTC (over the counter) line through the pharmacy networks. Its indication is for the temporary relief of musculoskeletal and arthritic pain.

– Ends –

For further information:

Pharmanet Group Limited
Level 1, 284 Oxford Street, Leederville, Western Australia 6007
Phone: +61 8 9242 2999
Fax: +61 8 9242 5903
Email: info@pharmanet.com.au



REGISTERED OFFICE

LEVEL 1
284 OXFORD STREET
LEEDERVILLE
WESTERN AUSTRALIA 6007

TEL: +618 9242 2999

FAX: +618 9443 9960

