

NEWS RELEASE

23 DECEMBER 2008

In September 2008 IMF (Australia) Limited and McLachlan Thorpe Partners announced the launch of a class action on behalf of those who suffered loss in relation to the collapse of Pan Pharmaceuticals Limited (Pan) in April 2003. The launch of the class action followed the settlement reached between Mr Jim Selim, former managing director of Pan, and the Commonwealth of Australia in which Mr Selim was paid \$50 million in damages plus his costs.

On 23 December 2008 a representative proceeding was commenced in the Federal Court of Australia (New South Wales District Registry) against the Commonwealth of Australia and the officers of the Therapeutic Goods Administration who, in 2003, implemented the immediate suspension of Pan's manufacturing licence and recall of products manufactured by Pan since May 2002.

Pharm-a-care Laboratories Pty Limited is the representative party in the proceeding. The class action represents claims of 165 sponsors, customers and creditors of Pan and distributors and retailers of Pan products with a total current estimated claim value in excess of \$120 million.

An invitation was extended to the lawyers representing the Commonwealth to engage in discussions aimed at securing an early resolution of the claims of group members. This invitation was declined. Given the refusal of the Commonwealth to engage at an early stage, the class action proceeding has been filed.

The Commonwealth has ignored repeated requests for an inquiry into the action taken by the TGA against Pan which caused the collapse of Pan and which impacted so adversely on hundreds of other businesses. The members of the class action look forward to the conduct of the TGA being comprehensively examined by the Federal Court in the class action proceeding.

A copy of the News Release dated 5 September 2008 regarding the launch of the class action is attached.

IMF, which listed on the ASX in 2001, underwrites litigation in which the total claim exceeds \$2 million and among its current cases are those against Centro Properties, Opes Prime, Westpoint and AWB



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