

LIFEBRANDZ LTD
Registration No.200311348E

Guidance on the Operating results for the financial year ending 31 July 2009

Prior to the announcement of the Company's unaudited results for the year ending 31 July 2009 ("FY2009"), the Board of Directors of Lifebrandz Ltd. (the "**Company**") would like to provide shareholders of the Company with an update on the asset impairment to the carrying value of the Group's property, plant and equipment which was highlighted in the Independent Auditors' Report for the financial year ended 31 July 2008.

Asset Impairment

The management, after discussing with the Board and the external Auditors, has just completed a preliminary impairment test of the Group's property, plant and equipment in several inactive outlets (the "**Fixed Assets**") as at 31 May 2009 and is of the opinion that the carrying value of the Fixed Assets is impaired given that the carrying value of the asset may not be recoverable.

Pursuant to Singapore Financial Reporting Standards ("**FRS**") 36 Impairment of Assets, the impairment loss on the Fixed Assets, chargeable to FY 2009 profit and loss account is approximately \$4.3 million. The impairment will result in a net loss for the fourth quarter ending 31 July 2009 and further increase the loss for FY2009. The details of the impairment are as follows:-

- (a) \$3.3 million from the write down of Luminox's Fixed Assets due to the closure of several of the Group's Outlets; and
- (b) \$1.0 million from the write down of The Cannery Pte Ltd's (formerly known as Ministry of Sound Pte Ltd) Fixed Assets due to the closure of Ministry of Sound outlet.

The recognition of the impairment loss on the Fixed Assets has no impact on the Company's and Group's cash flow. There will be a similar decrease in the net asset value of the Group.