

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action which you should take you are recommended to consult your solicitor, accountant or independent financial adviser authorised under the Financial Services and Markets Act 2000. If you have sold or transferred all of your Ordinary Shares in Impax Group plc, you should pass this circular and the accompanying documents to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Impax Group plc

(the “Company”)

(Incorporated and registered in England and Wales under the Companies Act 1985 (as amended) with registered number 3262305)

Directors:

J Keith R Falconer (Chairman)
Ian R Simm
Guy de Froment
Peter J Gibbs
David L Kempton
Mark B E White

Registered Office:

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London W1S 3EH

23 December 2008

To the holders of the Ordinary Shares (“Shareholders”)

Dear Shareholder,

The notice convening the Annual General Meeting is set out on pages 51 to 52 of the Annual Report and Accounts. Resolutions 1 to 6 deal with the ordinary business that normally takes place at the Annual General Meeting, and require no explanation. David Kempton retires as a Director at the Annual General Meeting by rotation in accordance with the Articles of Association of the Company. David is not seeking re-election as a Director. I would like to thank David for his contribution to the Company since his appointment to the Board in 2004.

Resolutions 7 and 9 provide for the grant of authorities to the Directors pursuant to the sections 80 and 95 of the Companies Act 1985 to allot shares. Resolution 7 will permit the issue of shares *pro rata* to existing Shareholders, and the issue of Ordinary Shares otherwise than to existing Shareholders for non-cash consideration, up to an amount equal to approximately one third of the Company’s existing issued share capital, being 38,527,500 Ordinary Shares. The authority will expire on 2 February 2014. Resolution 9 will permit the issue of up to 5,779,122 Ordinary Shares for cash otherwise than *pro rata* to existing Shareholders, being equal to 5 per cent. of the Company’s existing issued share capital. The authority will lapse 15 months after the Annual General Meeting or at the conclusion of the Annual General Meeting of the Company to be held in 2010, whichever occurs first.

The authorities sought will replace those granted at the last Annual General Meeting. The new authorities are being sought so as to maintain flexibility in the financing of the Company and to give the Directors the opportunity to take advantage of business opportunities as they arise.

As recently announced, the Board is proposing payment of a final dividend of 0.35 pence per Ordinary Share in respect of the financial year ended 30 September 2008. If approved by Shareholders pursuant to Resolution 8, the dividend will be payable to holders of Ordinary Shares on the register of members at

the close of business on 9 January 2009, being the record date, and is expected to be paid on or around 6 February 2009.

Finally, Resolution 10 provides for the amendment of the Articles of Association of the Company to take account of the changes in company law brought about by the provisions of the Companies Act 2006 which are already in force or are shortly to come into force, and to reflect other changes in law and practice since the Articles of Association were adopted in 2002.

The principal amendments to the Articles of Association are summarised in the Appendix to this letter. A copy of the Articles of Association as they are proposed to be amended are available for inspection during normal business hours on any weekday (Saturdays and public holidays excepted) at the offices of Faegre & Benson LLP, 7 Pilgrim Street, London EC4V 6LB from the date of this letter until the conclusion of the Annual General Meeting.

Your Directors believe that the resolutions numbered 7 to 10 to be proposed at the Annual General Meeting are in the best interests of the Company and its Shareholders as a whole and recommend you vote in favour of such resolutions, as they intend to do in respect of their own beneficial shareholdings.

Yours faithfully,

J Keith R Falconer

Chairman

APPENDIX

Summary of principal amendments proposed to the Articles of Association

Definitions

Article 2 of the Articles of Association (“the Articles”) is amended to insert definitions of the “1985 Act”, the “2006 Act” and the “Companies Acts” to cater for the fact that the Companies Act 2006 (the “2006 Act”) is being brought into force and the Companies Act 1985 (the “1985 Act”) is being repealed in stages. Consequential amendments are made throughout the Articles to reflect the inclusion of these new definitions.

Definitions of “electronic address”, “electronic form” and “electronic means” have been inserted to reflect the new terms under the 2006 Act.

The amendments to Article 3 clarify that documents and information which are sent electronically or placed on a website by the Company are “in writing”.

Notice of general meetings

Article 47 is amended to cater for the provisions in the 2006 Act relating to notice periods for convening general meetings. The 2006 Act reduces the minimum period for all general meetings, other than the Annual General Meeting, to 14 clear days.

Article 151 is amended to enable the Company to send or give any notice, document or information to any member in electronic form or by making it available on the Company’s website in accordance with the provisions of the 2006 Act.

In relation to joint holders of shares, Article 152 is amended to provide that the agreement of the first-named holder on the register of members to accept notice, documents or information electronically or via a website will be binding on the other joint holders.

Article 50 has been amended to ensure that proceedings at Company meetings are not invalidated in circumstances where, due to circumstances beyond the control of the Company, a notice of meeting is not received by a shareholder.

Votes of members

Article 66 has been amended to reflect the fact that under the 2006 Act a proxy is able to vote on a show of hands as well as on a poll.

Disclosure of interests

The provisions relating to the disclosure of interests in shares contained in the 1985 Act were repealed in January 2007. Section 793 and related sections of the 2006 Act which contain the corresponding company investigation powers previously contained in Section 212 of the 1985 Act were brought into force simultaneously. The Articles have been amended to reflect the replacement of Section 212 of the 1985 Act with Section 793 of the 2006 Act.

Proxies

Article 75 is amended to enable the Company to receive appointments of proxy in electronic form, subject to any conditions or limitations which are specified by the Company in the notice of meeting.

Article 76 is amended to require a member who appoints more than one proxy to specify the number of shares that each proxy can vote and to ensure that no proxy is appointed to exercise rights which any other proxy has been appointed by that member to exercise.

Article 77 has been amended to allow directors, when calculating the return period for forms of proxy, not to take account of non-working days in accordance with Section 327(3) of the 2006 Act.

Corporations acting by representatives

Article 79 has been amended in line with Section 323 of the 2006 Act to permit the appointment of more than one corporate representative by a member which is a body corporate.

Age of directors

The Articles are amended to delete the provision requiring a person's age to be disclosed in a notice convening a meeting at which he is proposed to be elected or re-elected if he has attained the age of 70 years or more.

Directors' interests in contracts

The Articles provide that a director can be party to, or interested in, a transaction or arrangement with the Company or in which the Company is interested provided that the director has declared the nature and extent of his interest in the transaction or arrangement. The Articles are amended to include a provision that will be effective from 1 October 2008 which continues to allow a director to be interested in a contract or arrangement with the Company if the interest is disclosed in compliance with the 2006 Act.

Directors' conflicts of interest

The 2006 Act sets out directors' general duties, largely codifying the existing law but including some important changes. Under the 2006 Act, from 1 October 2008, a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of a company of which he is a director. The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation.

The 2006 Act allows the board of a public company to authorise conflicts and potential conflicts, where appropriate, if the company's articles of association contain a provision to this effect. The 2006 Act also allows articles of association to contain other provisions for the authorisation of directors' conflicts of interest so as to avoid directors finding themselves in breach of a duty. The Articles as amended give the directors authority to approve such situations and include other provisions to allow conflicts of interests to be dealt with in a similar way to the current position.

There are safeguards that will apply when the board decides whether to authorise a conflict or potential conflict. First, only directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision, the directors must act in a way they consider, in good faith, will be most likely to promote the company's success. The directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

The Articles are also amended to include provisions relating to confidential information, attendance at board meetings and availability of board papers to protect a director from being in breach of a duty if a conflict or potential conflict of interest arises. These provisions will only apply where the situation giving rise to the potential conflict has previously been authorised by the board.

Indemnity

Article 161 is amended in line with the 2006 Act to extend the scope of potential indemnities which may be granted to directors of pension trustee companies. Under section 235 of the 2006 Act, a director of a pension trustee company can be indemnified by the pension trustee company itself or an associated company against liability incurred in connection with the company's activities as trustee of the scheme. The indemnity cannot extend to liabilities to pay criminal or regulatory fines or to defending criminal proceedings in which the director is convicted. Article 161 has also been amended to make it clear that the Article extends to directors of associated companies as well as directors of the Company.