



ASX Announcement

API's Kingsgrove, NSW, manufacturing site sold for \$11.2 million

- **Manufacturing to close at Kingsgrove at end May**
- **Property sale profit expected to cover closure costs**
- **API manufacturing consolidates into New Zealand facilities**
- **Significant stock levels to ensure supply of products during transition**
- **API fully committed to private label**

28 April 2005: Integrated healthcare services company Australian Pharmaceuticals Industries Limited ("API") today announced it has signed an agreement to sell its Kingsgrove, NSW, manufacturing site to Bethany Properties Pty Ltd for \$11.2 million.

The sale follows API's announcement in December 2004 of its intention to close its Kingsgrove plant and consolidate manufacturing into API's two New Zealand manufacturing plants. Manufacturing at Kingsgrove will cease at the end of May.

Closure costs for the Kingsgrove plant are expected to be covered by the profit of the disposal of the Kingsgrove land and buildings.

API Group Leader, Jeff Sher, said: "The property sale is a good outcome for API. We remain fully committed to manufacturing and to private label. Private label is a critical part of our offer to our retail brands.

"API is consolidating three plants into two, maximising the use of our manufacturing capabilities and leveraging the strength of New Zealand capabilities.

"To ensure supply of product, the facilities at Kingsgrove have been in production full-steam since the closure was announced in December 2004. During that time, the plant has produced significant stock levels to ensure the supply of products while Kingsgrove manufacturing transfers to the New Zealand facilities.

"The New Zealand manufacturing plants are world class operations. By fully utilising our capabilities in New Zealand, API is securing the future for manufacturing," Mr Sher said.

For further information:

Media

Simon Burrow (Group Marketing Leader) 03 87203120/ 0439730800

Investors

Chris Gardoll (Chief Financial Officer) 02 88442101