

25 September, 2002

ASX ANNOUNCEMENT

API not to appeal ACCC merger decision

The Board of API today announced that it would not pursue an appeal process with the Australian Competition Tribunal, in respect of the proposed API/Sigma merger.

This decision follows the formal rejection by the ACCC on 12 September 2002 of the proposed API/Sigma merger.

API's Managing Director, Mr David Young said:

“While it is disappointing that the merger will now not proceed, I believe the company's medium term outlook remains positive, particularly in light of the recently announced acquisition of the Australian and New Zealand operations of the Zuellig Pharmaceutical business”.

The Zuellig Pharmaceutical business consists of Halas Dental Limited, Australia and New Zealand's largest distributor of dental products; Zuellig Pharma Limited which is New Zealand's largest distributor to retail pharmacy and the New Zealand manufacturing arm, PSM Healthcare Limited.

API is committed to its strategy, which was presented at the AGM earlier this month by Managing Director, Mr David Young, of delivering value to it's shareholders by continuing to improve customer satisfaction, lowering the costs of doing business through investment in technology and continuing to capitalise on opportunities within the healthcare services market.

API, established originally as a chemist's cooperative in 1910 and listed on the ASX in 1997, has four core business operations - pharmaceutical distribution, manufacturing, retail pharmacy services and hospital and medical distribution.

ISSUED FOR: AUSTRALIAN PHARMACEUTICAL INDUSTRIES LIMITED (ASX CODE: API)

FOR FURTHER
INFORMATION:

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