



Australian Pharmaceutical Industries Limited  
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**BankWest**  
Bank of Western Australia Ltd.  
ABN 22 050 494 454

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## **API and BankWest announce alliance**

Australian Pharmaceutical Industries Limited (API) and BankWest have announced a broad ranging alliance that includes the acquisition by BankWest of finance subsidiary API Finance Ltd with its \$300 million loan and lease book and the development of an expanded range of financial products and services for pharmacists.

Under the arrangement, BankWest will become the preferred provider of loans and other financial products for API pharmacy customers.

API will continue to maintain and build pharmacy and other health-related business customer relationships under the API Finance brand while BankWest will fund and credit manage the portfolio. API Managing Director David Young said the alliance with BankWest would build on the success achieved by API Finance in growing its loan book and enable API to bring to its customers a broader range of financial products.

“The decision to sell API Finance with its loan and lease book was the result of a strategic review of API’s core business activities,” Mr Young said. “The return of approximately \$135 million in funds will enable the board to consider a number of options to achieve the most effective capital management structure.”

BankWest Business Solutions Chief Executive Peter Jackson said the alliance confirmed BankWest’s position in the Australian pharmacy finance market.

“BankWest has built a strong presence in the pharmacy sector through our healthcare banking unit, which was set up last year as part of our industry specialisation strategy,” Mr Jackson said. “The arrangement with API reinforces our commitment to that strategy.

“BankWest will bring financial strength and proven expertise in product development and customer service to the alliance.

“During the course of our due diligence, we have been impressed with the credit quality of the API Finance loan and lease portfolio. For BankWest, the acquisition is expected to deliver a revenue uplift in 2003 with strong growth potential in subsequent years.”

Mr Young said that the relationship with BankWest would be important as API pursued its growth plans for the future.

# **Media Release**

“BankWest has already developed a strong reputation in the pharmacy sector, which we believe provides a solid platform on which API can build its business. The alliance will enhance our unique market position, and our experienced finance team will continue to support pharmacists and other health professionals with their finance needs,” Mr Young said.

“We consider financial services a strategic component of our competitive offering. The alliance will provide opportunities for our customers to easily access a wider range of competitive and innovative products and services designed to meet the specific needs of the healthcare sector.”

### **Media inquiries:**

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### **About Australian Pharmaceutical Industries Limited**

Australian Pharmaceutical Industries Limited (API) is an integrated healthcare services company. It is Australia's second biggest pharmaceutical wholesale distributor, with about 32 per cent of the Australian market.

API has a network of 16 pharmacy and medical distribution facilities across Australia and has recently moved its headquarters and main distribution facility to new premises in Camellia in Western Sydney.

With the recently acquired Zuellig Pharma and PSM Healthcare businesses in NZ, and the Halas Dental and HSA hospital supply businesses in Australia, API is well positioned to take full advantage of the capital returned as a result of the sale of API Finance with its loan and lease book.

API was formed in 1910 as a co-operative for pharmacists in NSW. The company listed on the ASX in June 1997. API now has a market capitalisation of approximately \$550 million and 2300 full-time equivalent staff.

### **About API Finance Ltd**

API Finance is a wholly owned subsidiary of API. It was established through the acquisition by API of Botany Finance Limited in 1978 (Botany Finance was later renamed API Finance). Since this time, API Finance has achieved solid asset growth by leveraging API's pharmaceutical wholesale business operations.

## **About BankWest**

BankWest offers a full range of business and retail banking products and services, with operations throughout Australia serving some 660,000 customers.

BankWest has extended its reach from its WA corporate headquarters, to become a genuine national provider of financial services to Australian business and retail customers.

In Western Australia, BankWest is the market leader with about one quarter of all bank advances and deposits. Customers are served through an extensive network of branches, agencies and electronic banking facilities, as well as state-of-the-art, 24-hour telephone and Internet banking services.

Business Banking growth outside WA has featured the development of successful strategies that have positioned BankWest as differentiated to the competition in terms of service offering, responsiveness and value delivered.