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## **API Retail Division Reports Strong Christmas Trading**

### ***Retail Division December sales up 11%: up 13.8% year to date***

Integrated healthcare services company API today announced a successful Christmas trading period for its Retail Division, made up by the retail brands Priceline, Priceline Pharmacy, House and Price Attack. These brands joined the API brand portfolio when it acquired New Price Retail in October 2004.

Sales at the Retail Division increased 11% in the month of December, compared to the previous period of December 2003. The strong trading in the month of December contributed to the Retail Division's 13.8% increase in year to date sales from 1 September 2004.

Sales at Priceline and Priceline Pharmacy increased 7% like-for-like in the month of December, and 13% year to date. The House and Price Attack brands also achieved strong growth.

API Group Leader Jeff Sher said the strong trading results achieved by the Retail Division demonstrated the strength of the API retail offer, and the momentum within each brand.

"These encouraging Christmas trading results reflect the strength of our retail brands, and particularly of Priceline and the compliant Priceline Pharmacy brand," Mr Sher said. API currently has 146 company owned Priceline stores, and 19 franchised Priceline Pharmacy stores, with another 8 committed to open during the first quarter of 2005.

Mr Sher said that the integration process between New Price Retail and API was proceeding well with the API Banner brands Soul Pattinson, Chemworld, API Healthcare and Pharmacist Advice now part of the enlarged Retail division.

"We are busy with a comprehensive market research study to assess all our brands and to assist us in establishing the correct market positioning for each one. We envisage that this work will be completed by May 2005 after which we will be able to offer our pharmacy customers a compelling market-driven offer supplemented with a competitive suite of services," said Mr Sher.

"As articulated in our strategy, the sell down of company owned Priceline stores into pharmacies is now on track. Ballarat and Corio have now opened as Priceline pharmacies and further sales are expected."

Mr Sher said the Retail Division trading results were achieved while maintaining an extremely high level of service to API Banner Group members, and to independent pharmacists through the API Pharmacy Distribution Division.

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