

18 December 2009

Dear Shareholder,

On behalf of the Board of Directors of Australian Pharmaceutical Industries Limited (API), I am pleased to invite you to attend the 2009 Annual General Meeting. Enclosed is the Notice of Meeting and Proxy Form which sets out the items of business.

In addition, a printed copy of the 2009 Annual Report is enclosed for those shareholders who have elected to receive a copy. The Annual Report can also be accessed from the API website www.api.net.au.

The meeting will be held on **Tuesday 19 January 2010 at Rydges Parramatta Hotel, 116-118 James Ruse Drive (corner Prospect Street), Rosehill, commencing at 2 PM**. Free parking is available in the hotel car park. Enter off Prospect Street or Watson Street. A map of the venue is on the reverse of this letter for your reference.

The main purpose of this meeting is to consider the financial accounts for the 12 months to 31 August 2009. In addition, the meeting will consider the re-election of two directors and the approval of a new Constitution for the Company. More details of these items are included in the attached Notice of Meeting (explanatory notes).

In line with previous years, the Board has chosen a location close to the Camellia Distribution Centre to offer shareholders the opportunity to visit its Sydney operations prior to the commencement of the Annual General Meeting.

We encourage shareholders who are interested in touring the warehouse operations to register their interest with the company by calling our office on 02 8844 2000 as there will be limited places. Tours will conclude by 1pm to allow adequate time to arrive at the Rydges hotel.

If you are attending the meeting please bring the enclosed documents with you to facilitate registration upon arrival at the meeting.

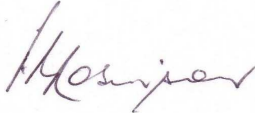
If you are unable to attend the meeting you are encouraged to fill in the enclosed proxy form. The proxy form should be returned as per the directions on the form to Registries Limited by 2pm on Sunday 17 January 2009. Alternatively you can take advantage of recording your proxy on-line. Details of how to do this are set out in the Notice of Meeting.

Corporate security holders will be required to complete a "Certificate of Appointment of Representative" to enable a person to attend on their behalf. A copy of this form is available from the company's share registry, Registries Ltd.

The information contained in this communication and any attachments to it are for the use of the named recipient. If you have received this information in error please notify Registries Ltd on 1300 737 760.

I look forward to seeing you at the meeting.

Yours sincerely



Peter Robinson
Chairman

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