

19 November 2009

API successfully completes the retail component of its \$150m equity raising

Australian Pharmaceutical Industries (ASX: API), a leading Australian healthcare company and one of Australia's leading health and beauty retailers, today announced the successful completion of the retail component of its 2 for 3 accelerated, non-renounceable entitlement offer ("**Retail Entitlement Offer**") to eligible retail shareholders, which closed on Tuesday, 17 November 2009. This follows the completion of the institutional placement and institutional component of the entitlement offer which raised approximately \$88 million.

As the Retail Entitlement Offer is fully underwritten, the total amount raised under the Retail Entitlement Offer is approximately \$62 million. API received applications for approximately 43 million new shares under the Retail Entitlement Offer. This included applications from eligible retail shareholders under the Retail Entitlement Offer for approximately 3 million new shares in excess of their entitlements. As a result, the shortfall in the Retail Entitlement Offer is approximately \$33 million (representing approximately 51 million new shares).

New Shares not applied for under the Retail Entitlement Offer will be issued to RBS Equity Capital Markets (Australia) Limited (RBS) at the offer price of \$0.65 ("**Offer Price**") in accordance with the terms of the underwriting agreement between API and RBS. RBS has in turn entered into sub-underwriting agreements with a broad group of institutional investors for the total number of retail shortfall shares.

Ineligible Shareholder Sale Process

Entitlements of ineligible foreign shareholders were offered for sale to certain sophisticated and professional investors through an institutional bookbuild on Wednesday, 18 November 2009. The bookbuild achieved a clearing price of \$0.65, which equals the Offer Price. Accordingly, no additional proceeds are available for distribution to ineligible foreign shareholders.

New shares under the Retail Entitlement Offer and the ineligible shareholder sale process will be allotted on Tuesday, 24 November 2009. These new shares are expected to commence trading on ASX on Wednesday, 25 November 2009.

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About API

Australian Pharmaceutical Industries Limited (API) is one of Australia's leading health and beauty companies. API's Pharmacy business provides wholesale distribution, business and marketing services to community pharmacies across Australia. The Retail division is one of Australia's leading health and beauty market retailers through its retail brand Priceline. The Consumer division is a niche player in over-the-counter pharmaceuticals and is based in New Zealand.

Investor enquiries:

Stephen Roche
Managing Director and Chief Executive Officer
03 8720 3007

Graeme Fallet
Chief Financial Officer
03 8720 3007

Media enquiries:
Stephen Kerr
PRX
03 9607 4500

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