



**Media Release
27 September 2006**

API updated trading information

Australian Pharmaceutical Industries Limited (API) today announced that it had completed an operational review and as a result has updated trading information for the current financial year.

Sales have grown in the Retail division and have been maintained in Pharmacy Distribution. The earnings before interest, tax and depreciation (EBITD) in the first half, and prior to the one-off costs associated with finalising the 2006 full year accounts, is expected to be below the EBITD of \$29.6 million for the continuing businesses in the first half last year.

The EBITD performance is traditionally stronger in the second half, but is reliant on the success of the Christmas trading period.

The one-off costs incurred with the finalisation of the 2006 full year accounts to date are approximately \$4.5 million. This includes the cost of redundancies and consultants. There may be further adjustments as the investigations are ongoing.

Net profit after tax will be impacted by increased depreciation in the current financial year now that the Movex implementation is completed and higher interest costs as a result of deterioration in working capital management that was largely due to the delay in finalising the 2006 full year accounts.

Further information will be provided by the company at its Annual General Meeting at 2pm on 28 September.

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