



**ASX Announcement
2 October 2006**

API clarification to market speculation

Australian Pharmaceutical Industries Limited (API) wishes to clarify some statements which were reported on Friday, 29 September.

On 27 September, API announced in response to market speculation, that it had received informal approaches relating to ownership of the Company. These informal approaches relate both to the Company as a whole and to certain divisions within API. The Company reiterates that no firm proposals have been received.

As stated at the Company's Annual General Meeting on 28 September, the Company's Managing Director and CEO, Stephen Roche, reiterated that, "The primary focus of the Company at present is on rebuilding operational performance and meeting the needs of our customers".

Ends

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