



**Media Release
21 August 2006**

CFO, Director and Audit Committee changes

Australian Pharmaceutical Industries Limited (API) today announced that at its request the Chief Financial Officer, Daniel Lucas, would be leaving the company with immediate effect. Mr Lucas joined the company on 6 March 2006 and his departure is not linked to the \$17.2 million one-off Other Expenses that the company announced on 14 August 2006. A search for his replacement has now begun and in the meantime the finance function will report directly to the Chief Executive Officer and Managing Director, Stephen Roche.

The company also said today that Mr Michael Smith had previously advised the Board of his intention to retire as a non-executive director and not seek re-election at this year's Annual General Meeting and as a consequence of this he has resigned as Chairman of the Audit and Compliance Committee. API's Chairman, Mr Peter Robinson, thanked Mr Smith for his valuable contribution over the past 25 years and will formally acknowledge his service at the AGM.

Mr John Murphy will be the interim Chairman of the Audit and Compliance Committee. The appointment is temporary on the basis that Mr Murphy, while he has the requisite skills to Chair the committee, does not meet the definition of an independent director to be the permanent Chairman. He is Managing Director of two funds that are managed by Investec Wentworth Private Equity Limited, which in aggregate have a relevant interest in 6% of the Company. At this time the Board believes Mr Murphy has the skills to Chair the committee and a long term appointment will be made once a suitable replacement is found for Mr Smith.

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