



**ASX Release
7 February 2008**

API sales update and management change

Australian Pharmaceutical Industries Limited (API) previously advised the market that it would provide a sales update once January trading had concluded and today reported that its restoration of the business that commenced during 2007 has continued with further strong growth.

API's Managing Director and Chief Executive Officer, Stephen Roche, said that for the first five months of the financial year to the end of January, company sales of \$1,312 million are in line with expectations, up 18% on the same period last year.

Sales in the Pharmacy division for the five month period to the end of January were \$1,008 million, up 23% on the same period last year. Organic growth within the business has been pleasing and the integration of Alphapharm products has been successfully completed.

Sales in the Retail division for the continuing business for the five month period to the end of January were \$279 million, up 7.5% on the same period last year. Sales rebounded during the latter part of December and into January as it appeared Christmas shopping was later than usual. Same store sales for Priceline Pharmacy for the five month period to the end of January were 12.5% up on the prior year and same store sales for Priceline corporate were up 5% for the same period.

"The Christmas period sales through to the end of January are important and we are pleased we have met our targets which have us on track for the year," Mr Roche said.

"The integration of the Alphapharm distribution business has been a significant step for API, and enables us to provide our pharmacy customers a more comprehensive offering," he said.

"The Priceline Pharmacy store roll out continues and we have a well developed pipeline for 2008 keeping us on target for our growth plans. In the past six months we have grown our national presence across both Priceline brands in key categories such as OTC healthcare, colour cosmetics and dietary supplements."

API also advised that it has appointed Ashley Killick as an interim Chief Financial Officer (CFO) as a result of the resignation of the current CFO, David Marr, for personal reasons.



Mr Killick was most recently CFO of OAMPS Limited and prior to that he was a partner of PricewaterhouseCoopers. Mr Marr will stay with API through until April, ensuring a smooth transition for Mr Killick into the company.

Mr Roche thanked Mr Marr for his contribution and wished him well for his future. He also noted that Mr Killick's demonstrated experience would be valuable to API as the company continued to grow.

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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 a leader in the health and beauty market through its retail brands Priceline and Priceline Pharmacy. The Consumer division is a niche player in over-the-counter pharmaceuticals and is based in New Zealand.

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