



22 December 2006

Company Announcements Office
Australian Stock Exchange
Level 4
20 Bridge Street
SYDNEY NSW 2000

Re: ASX Listing Rules Compliance

Dear Sir,

API advised that Ms Carol Holley was appointed as an independent director effective 19 December, 2006. Ms Holley was also appointed Chairman of the Audit and Compliance Committee.

Further changes to the Audit and Compliance Committee include the appointment of Mr Barry Frost, with Mr David Fairfull and Mr Robert Millner ceasing to be members of the Committee. Mr John Murphy will continue as a member of the Committee. The Committee is comprised of a majority of independent Directors.

The Company now complies with ASX listing rule 12.7 which requires that an entity in the top 300 of the S&P All Ordinaries Index must comply with the best practice recommendations set by the ASX Corporate Governance Council in relation to the composition of its Audit and Compliance Committee.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Chris Gardoll', with a stylized flourish at the end.

Chris Gardoll
Company Secretary
Australian Pharmaceutical Industries Limited