



**ASX Release**  
**24 July 2007**

### **API to focus on core health and beauty business**

- API has sold the House franchise brand to an industry buyer
- API's business now focussed solely on health and beauty

Australian Pharmaceutical Industries Limited (API) will be concentrating its focus on further developing its leading health and beauty business following the sale of its House franchise brand.

API Managing Director and Chief Executive Officer, Stephen Roche, said that completing the sale of House was part of API's aim to concentrate more on its core growth assets.

"The opportunity for API is to build on our unique position in Australia's health and beauty market, where we have a number of industry leading positions," Mr Roche said.

"The House brand operates in a highly competitive market, primarily driven by suppliers, and it wasn't going to provide us with material growth opportunities in the future. It also wasn't aligned with our strategic plan to build the leading pharmacy, health and beauty presence by 2010-11," he said.

"We had taken the House brand as far as it could go in API without significant further investment and we believe it is a better use of shareholder funds to focus on core business opportunities."

On 26 June this year API advised that it was conducting a formal sale process in relation to its House and Price Attack franchise brands. The formal sale process was conducted following a number of informal enquiries and offers from a range of parties to acquire these brands.

The process for the House brand has progressed faster than expected and API has agreed to sell the business to Global Retail Brands Pty Ltd, a member of a specialist industry retail group. The transaction, valued at \$8.5 million (subject to completion accounts), is expected to be completed by 31 July. API will record a profit on the sale.

The evaluation process regarding API retaining or selling the Price Attack business is continuing.

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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 managing retail brands such as Priceline. The Consumer division is a niche player in over-the-counter pharmaceuticals and is based in New Zealand.

#### *Media and investor enquiries:*

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