



## ASX Announcement

# API announces the sale of Pharmacy Retailing (NZ) Limited for NZ\$40 million

14 December 2005

Integrated healthcare services company API today announced the sale of its New Zealand healthcare logistics business Pharmacy Retailing (New Zealand) Limited, trading as Healthcare Logistics and ProPharma, for NZ\$40 million. The sale is unconditional and scheduled for immediate completion.

The business is being acquired by PRNZ Limited, an entity co-owned and led by the current Pharmacy Retailing (NZ) Limited CEO Peter Merton. Sale consideration of NZ\$32 million cash will be paid immediately, with the remainder paid in installments. Proceeds of the sale represent the approximate book value of Pharmacy Retailing (NZ) Limited.

API remains the owner of significant assets in New Zealand. These include the wholly owned Healthcare Manufacturing Group, which manufactures a range of health and beauty products from two manufacturing plants in Auckland, including API's Private Label range.

API is also a 50 per cent joint venture partner in Pharmacybrands Limited (PBL), a pharmacy retail operator and owner of several leading pharmacy brands in New Zealand.

API Group Leader Jeff Sher said the divestment of Pharmacy Retailing (NZ) Limited allows API to focus on retail strategies in New Zealand.

"The pharmacy industry in New Zealand is partially deregulated, and API and PBL is focused on implementing a retail strategy that reflects this deregulated environment. This is centered on developing our offer and extending services to independent operators and to those who are members of our retail brands – Amcal, Unichem and Dispensary First. In addition, we are launching a fully compliant pharmacy model, Smart Pharmacy. Two pilot *Smart Pharmacy* sites will open in early 2006," Mr Sher said.

API has an agreement with Pharmacy Retailing (NZ) Limited to ensure the continued distribution and supply of products to its associated retail pharmacy outlets now and in the future.

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### For further information:

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