

Form 603

Corporations Law
Section 671B

Notice of initial substantial holder

To: Company Name/Scheme **AUSTRALIAN PHARMACEUTICAL INDUSTRIES LIMITED**

ACN/ARSN **000 004 320**

1. Details of substantial holder (1)

Name: **UBS Group AG and its related bodies corporate**

ACN/ARSN (if applicable)

The holder became a substantial holder on: **30 May 2016**

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Persons' votes (5)	Voting power (6)
Ordinary	24,523,392	24,523,392	5.01%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
UBS AG	Fund Manager with power to exercise control over voting shares	104,803 Ordinary
UBS Asset Management Trust Company	Fund Manager with power to exercise control over voting shares	14,415 Ordinary
UBS Asset Management (UK) Limited	Fund Manager with power to exercise control over voting shares	7,467 Ordinary
UBS Fund Management (Switzerland) AG	Fund Manager with power to exercise control over voting shares	50,958 Ordinary
UBS Securities Australia Ltd	Beneficial Owner	11,811,978 Ordinary
UBS AG Australia Branch	Prime Broker that has exercised its borrowing right in respect of shares pursuant to a Prime Broking Agreement (see Appendix A)	12,533,771 Ordinary

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities	
UBS AG	Various Custodians	UBS AG	104,803	Ordinary
UBS Asset Management Trust Company	Various Custodians	UBS Asset Management Trust Company	14,415	Ordinary
UBS Asset Management (UK) Limited	Various Custodians	UBS Asset Management (UK) Limited	7,467	Ordinary
UBS Fund Management (Switzerland) AG	Various Custodians	UBS Fund Management (Switzerland) AG	50,958	Ordinary
UBS Securities Australia Ltd	Brispot Nominees Pty Ltd	UBS Securities Australia Ltd	11,811,978	Ordinary
UBS AG Australia Branch	UBS Nominees Pty Ltd	UBS AG Australia Branch	12,533,771	Ordinary

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Please see Appendix B.				

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ ARSN (if applicable)	Nature of association
UBS AG	Related body corporate
UBS Asset Management Trust Company	Related body corporate
UBS Asset Management (UK) Limited	Related body corporate
UBS Fund Management (Switzerland) AG	Related body corporate
UBS Securities Australia Ltd	Related body corporate
Brispot Nominees Pty Ltd	Related body corporate
UBS AG Australia Branch	Related body corporate
UBS Nominees Pty Ltd	Related body corporate

7. Addresses

The addresses of persons named in this form are as follows:

Name	Addresses
Details of all UBS offices can be found through the following link: http://apps2.ubs.com/locationfinder/	

SIGNATURE

Print Name: Pepe Chan

Capacity: Authorised signatory

Sign Here:

Date: 1 June 2016

Print Name: Weixiao Qin

Capacity: Authorised signatory

Sign Here:

Date: 1 June 2016

Contact details for this notice:

Weixiao Qin
Compliance Operations
(T) +65 6495 8217

Holder of relevant interest	UBS AG, Australia Branch
Type of agreement	Prime Brokerage Agreement
Parties to agreement	(i) UBS AG, Australia Branch ("UBS AG") (ii) Client (Please refer to Appendix A-1.)
Transfer date	Please refer to Appendix A-1.
Holder of voting rights	UBS AG
Are there any restrictions on voting rights?	Please refer to the details below.
If yes, detail	Since all right and title in the securities passes to the transferee (i.e. UBS AG), the transferee has the right to vote. However, in certain circumstances, the transferee may seek to arrange for instructions to be exercised in accordance with the instructions of the transferor (i.e. Client).
Scheduled return date (if any)	None, subject to the terms of the relevant loan.
Does the borrower have the right to return early?	Yes.
If yes, detail	The borrower (i.e. UBS AG) has the right to return at its discretion.
Does the lender have the right to recall early?	Yes.
If yes, detail	The lender (i.e. Client) can recall at its request subject to compliance with margin requirements and the terms of the relevant loan.
Will the securities be returned on settlement?	Yes.
If yes, detail any exceptions	None.

The information in this appendix is based on the relevant standard UBS agreement.
A copy of the agreement is available to the company, or responsible entity to whom the prescribed form must be given, or to ASIC, upon request.

Prime Brokerage Agreement - UBS AG, Australia Branch

Parties to agreement	Transfer date
Regal Funds Management Pty Ltd as trustee and manager of Atlantic Absolute Return Fund	(i) 9 May 2016 (ii) 26 May 2016
Regal Funds Management Pty Limited as trustee of the Regal Asian Quant Fund	(i) 9 May 2016
Regal Funds Management Pty Limited as trustee for Regal Australian Long Short Geared Equity Fund	(i) 9 May 2016
Arcadia Comm Spec Fund 9	(i) 9 May 2016
CFS Specialist Fund 20	(i) 9 May 2016 (ii) 19 May 2016 (iii) 24 May 2016
Regal Funds Management Pty Limited as Trustee of the Regal Australian Small Companies Fund	(i) 9 May 2016
Regal Funds Management Pty Limited as trustee and manager of Tasman Market Neutral Fund	(i) 23 May 2016 (ii) 24 May 2016 (iii) 27 May 2016 (iv) 30 May 2016

