



3 June 2016

Dear Shareholder,

### **Australian Pharmaceutical Industries Limited (API) - Shareholder Update**

I have pleasure in outlining details of your fully franked interim dividend payment, and some important changes to future cash dividend payments. I also provide information on the way the Company communicates with you.

#### **Interim Dividend payment**

Further to our announcement on 21 April 2016, I am pleased to enclose the details of your fully franked interim dividend payment for the six months ended 29 February 2016.

The period again saw management deliver strong growth for shareholders, centred on the expanding Priceline Pharmacy network, while delivering sustainable returns through pharmacy distribution.

Directors are pleased that the continued organic growth of the company over recent years has also improved returns on shareholder equity and left the company in a strong financial position to pursue further growth. This sustained improvement in performance has once again allowed your Directors to pay a fully franked interim dividend of 2.5 cents per share, which is a 25 per cent increase on the same time last year.

We look forward to updating you on our full year performance on Thursday 20 October 2016.

#### **Important changes to future cash dividend payments**

As part of our drive for a more efficient service to our investors, we have decided that after payment of the current half year dividend on 3 June 2016, all future dividend payments to Australian registered holders will be made via direct credit into a nominated Australian financial institution account. No cheque payments will be made to Australian registered holders.

Direct credit is the safest and most secure way of receiving your dividend. It is also the fastest way for you to have access to your dividend funds and means you do not have to worry about your cheque being lost or stolen or delayed by postal delivery.

#### **➤ Action required by shareholders**

If you currently receive your dividend payments by cheque, you will need to provide your bank account details by completing the enclosed Direct Credit Facility Form and returning it in the supplied reply paid envelope to our share registry, Boardroom Pty Limited.



Alternatively:

- the completed Direct Credit Facility Form can be faxed to +61 2 9279 0664; or
- you can provide your banking details on-line at [www.investorserve.com.au](http://www.investorserve.com.au)  
If not already registered you will need to register by selecting the 'register now' button and completing the steps to create an account.

If you do not provide your account details, your next dividend payment will be set aside and retained on your behalf in a non-interest bearing bank account until your account details are received by the share registry.

If you already receive your dividend payments by direct credit, you do not need to take any further action and this letter is for your information only.

### **Important information about email communications**

I would also like to remind shareholders there are significant benefits to receiving all shareholder information by email. It means all company information such as Annual Reports, Notices of Meeting, Dividend Statements and other Company related information can be received in a timely and cost effective manner.

#### **➤ Action required by shareholders**

To provide your email address, please complete the attached "eCommunication" election form and return it in the supplied reply-paid envelope to our share registry, Boardroom Pty Limited.

If you have any questions in relation to your holding, the payment of dividends or communication preferences, please contact Boardroom Pty Limited on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) or via email to: [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au).

Yours sincerely,

**Peter Robinson**  
Chairman