



ASX Announcement
31 October 2006

API Update to Sigma Offer

Australian Pharmaceutical Industries Limited (API) has, after the close of trading late today, received an updated highly conditional takeover proposal from Sigma Pharmaceuticals Limited (Sigma) at an increased price of \$2.50 per API share. The proposal is for cash only.

The Board of API will evaluate all its options, including the updated Sigma proposal, and provide advice to shareholders as soon as practical.

At this stage, there is no certainty that a formal offer will be made by Sigma. The Company advises that API shareholders should exercise caution in trading in API shares.

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