



**ASX Release**  
**15 November 2006**

**Market update on API discussions**

Australian Pharmaceutical Industries (API) today advised that the Board had responded to Sigma Pharmaceuticals proposal to make a takeover offer and is continuing discussions with Sigma.

The discussions are based on the proposal put to API by Sigma, and will focus on a number of the conditions including those around scrip, ACCC matters and due diligence requirements.

The Board of API believes it is in the interests of all shareholders to continue talking with Sigma but have confirmed that it will only proceed to recommend an offer if they believe it to be in the best interests of all shareholders and in the absence of a superior offer.

API will provide an update on the progress of the discussions as required.

Ends

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*Media and investor enquiries:*

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