



24 November 2006

Update

Dear shareholder

There has been a lot of recent speculation about API within our industry and in the media and I wanted to bring you up to date with the facts.

Sigma proposal

- No transaction has been agreed.
- The Board continues to hold discussions with Sigma Pharmaceuticals in relation to a takeover proposal for our company.
- **If** an offer does eventuate it will be on the basis of not less than \$2.50 cash per share. A scrip alternative may be offered by Sigma to API shareholders.
- The board of API believes it is in the interests of all shareholders to continue talking with Sigma. The board will only proceed to recommend an offer if the conditions of the proposal are clarified, acceptable, in the best interests of all shareholders, and in the absence of a superior proposal.

Business update

- Our business is focused on restoring confidence and implementing the strategic changes we see as necessary to grow the company.
- We continue to make changes to our operations to reduce costs and improve our responsiveness to customers.
- We are continuing to strengthen our systems and people to make sure we can respond more quickly to our customers and as a business to the changing environment.
- We are positioning the company for future growth and we can see momentum building across the business.

If there are further developments I will update you on their progress.

The Board, management and everyone at API is working hard to strengthen the business and ultimately deliver the value that shareholders expect.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Peter Robinson', written in a cursive style.

Peter Robinson
Chairman