

**ADDRESS GIVEN BY THE CHAIRMAN OF SIGMA PHARMACEUTICALS LIMITED  
BRIAN JAMIESON, AT THE ANNUAL GENERAL MEETING ON WEDNESDAY 8 JUNE 2011 IN  
MELBOURNE, AUSTRALIA**

Before we commence with the business of the meeting both Mark Hooper and I will take time to bring you up to date with Sigma's progress since the AGM last year.

We've come a long way in 12 months. When I addressed you last year at this time, it was clear Sigma faced some significant challenges. Over the year, the Board and management have worked diligently with staff to address these issues. Today it is pleasing to present to you a company that I believe is now in a sound and stable position and offers opportunity for growth in shareholder value.

We have a strong management leadership team led by Mark, and we are achieving the performance milestones we set ourselves.

The industry changes that caused Sigma to have to write down \$424 million of goodwill at year-end for 2010 are well known. The resulting debt repayment programme necessitated the Board to consider a number of alternatives, including the sale of assets, which ultimately resulted in the sale of the Pharmaceuticals Division to Aspen Pharmacare for gross proceeds of \$900 million.

Sigma used the proceeds from that sale to repay and retire most of its outstanding debt, including the syndicated debt facility and the off balance sheet debtors securitisation facility. To assist in the funding of our ongoing working capital requirements, Sigma extended its on balance sheet debtors securitisation debt facility for a further three year term and increased the limit of that facility to \$200 million.

We were very pleased to use the balance of the sale proceeds to reward shareholders through the payment of a fully franked special dividend of 15cents.

It is also important to note that following the sale and after payment of the special dividend Sigma has a strong balance sheet with minimal net debt.

On March 28 we reported the results for the financial year ending January 31 2011. These results included a full year contribution from the Pharmaceuticals Division which transferred to Aspen ownership on 31 January this year. The reported loss of \$235.4 million reflected a \$258.3 million impairment of goodwill relating to the Pharmaceuticals Division and other non-recurring items of \$49.4 million after tax.

While the reported loss was disappointing, it was pleasing to see improvement in the Group's underlying business performance. For the group, underlying EBIT of \$129.2 million (excluding the goodwill impairment and other non-recurring items) was at the upper end of guidance. Sales and underlying profit growth in the Healthcare Division reassures us that despite the difficult year, the core operations are sound. Our CEO Mark Hooper will discuss this in more detail later.

At last year's AGM, I presented a list of objectives as a scorecard for you to assess our performance over the coming year. At that time we were exploring the alternatives for

Sigma's future including possible asset sales. We had reinvigorated the Board and management to lead Sigma through its challenges. Debt reduction was a key objective with profitability and reduced working capital also an important areas of focus.

One year on, I am pleased to report our achievements in these areas. As discussed, following the sale of the Pharmaceuticals Division and payment of the special dividend, Sigma has minimal net debt.

While it is still early in the process of implementing our strategies for Sigma in its new structure, there have been improvements in underlying profitability measures and working capital. We acknowledge there is still much work to be done but with continued improvement as part of our new culture believe the company now has a sound foundation upon which we can grow shareholder value. We have achieved these objectives with the continued support of our customers, suppliers, and particularly our staff, who have worked tirelessly to meet the challenges. I sense renewed optimism and energy as the staff work to meet these challenges.

Perhaps even more exciting is where I believe Sigma can grow in the future. Sigma's core operations are in wholesaling and retail pharmacy support. It is one of Australia's three full line wholesalers, with over 30% share of this market. With over 500 Amcal (including Amcal Max) and Guardian member pharmacies, it owns the largest and third largest pharmacy retail brands in Australia.

We have completed a comprehensive strategic review which has examined our opportunities and challenges from both an industry and company perspective. A detailed plan has been compiled to position the company to meet those challenges and realise the opportunities.

I am pleased to inform you that trading for the year to date, is ahead of our expectations and above the level indicated for the underlying profit of the continuing business, as set out in our financial results for the year ended 31 January 2011 released in March 2011.

Mark will give you further details shortly.

Before turning to Mark, I would like to make mention of Bill Scott's valuable contributions to the Company.

Bill was appointed as a director of Sigma Company Limited in 1996 and of Sigma Pharmaceuticals Limited in 2005. As a shareholder and community pharmacist and an active participant in industry affairs, Bill offered a valuable insight for the Board into the needs of our customers and stakeholders.

On behalf of the Board and Management I thank you Bill.

Mark will now provide greater detail of Sigma's financial performance and to expand upon our plans and focus for 2012.

**Brian Jamieson**  
**Chairman, Sigma Pharmaceuticals Limited**  
**8 June 2011**