



Sigma Pharmaceuticals Limited

Presentation for the
BBY Healthcare Conference
24th November 2010

Jeff Sells – CFO



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- Sigma in transition
- Financial summary
- Rebuilding Sigma

Period of Change for next 18 months

- Company restructure

- Post Aspen sale, core focus in wholesaling/retail
- Board and Senior Management change has occurred

- Industry

- PBS reform

Financial Summary

A\$m	2011 H1			2010 H1	Δ 2011 to 2010 Underlying
	Reported	Non Recurring	Underlying	Underlying	
Sales	1,621.3	0.0	1,621.3	1,516.5	▲ 6.9%
EBITDA	(156.3)	(244.7)	88.4	101.9	▼ 13.2%
EBIT	(180.2)	(244.7)	64.5	79.5	▼ 18.9%
Interest expense	(37.7)	-	(37.7)	(36.4)	▲ 3.6%
NPAT	(218.5)	(237.3)	18.8	30.2	▼ 37.7%
Invested Capital ⁽¹⁾	1,629.2	-	1,629.2	2,136.4	▼ 23.7%
ROIC ⁽²⁾	(22.0)%		7.92%	7.44%	▲ 6.45%

(1) Net Assets *excluding* external debt, cash and tax balances **plus Sigma Rewards debtors**

(2) ROIC Underlying EBIT *divided by* Invested Capital (annualised)

Key Balance Sheet metrics

A\$m	Jul 2010	Jul 2009	Δ 2010 to 2009
Intangibles	654.2	1,317.8	▼ 50.4%
Working capital & other assets ⁽¹⁾	235.0	80.9	▲ 190.5%
Fixed assets	243.2	181.6	▲ 33.9%
Net on balance sheet debt	280.7	365.5	▼ 23.2%
Equity	851.7	1,214.8	▼ 29.9%
Sigma Rewards debt	538.3	518.2	▲ 3.9%
Total debt	819.0	883.7	▼ 7.3%
Debt/(Debt + Equity) ⁽²⁾	49.0%	42.1%	▲ 6.9%
Total interest	37.7	36.4	▲ 3.6%

(1) Includes investment in Sigma Rewards of \$58.1m (2010:\$48.9m)

(2) Debt includes Sigma Rewards; Equity measured at book value

- Transaction documents signed 23 November
 - Share sale agreement
 - Transitional services
 - Logistics and supply
 - Contract Manufacturing (Private Label Products)
- Preferred supply arrangements with Aspen
- Explanatory Booklet and Independent Expert Report by early December
- Shareholder vote mid January 2011
- Completion end January 2011



Rebuilding Sigma



Core business fundamentals positive

- Wholesale Division
 - Strong support from loyal customers
 - Growth in market share YTD
 - Investment in core assets planned

- Cost/margin inefficiencies can be addressed
 - Focus on fundamentals - return on assets
 - Improve working capital disciplines
 - Continue credit wind-back program
 - Improve inventory management practices
 - Reduce discounts

- Further enhance the retail support provided to our pharmacy customers
- Improve compliance to attract supplier support by
 - continued rollout of Amcal Max franchise (compliant), 19 stores signed to 5-year agreement
 - strengthen Guardian, Amcal brands
- Improved Security of Tenure to retail brands and Sigma
 - 120+ Amcal & Guardian pharmacies signed to new 3-year agreements





The New Sigma

- Is a pharmacy-focused distribution and retail support business
- Growth is underpinned by favourable demographics, albeit with some challenges in regard to the impact of PBS reform
- In this environment, the key asset base is the net funds invested in working capital
- Will renew its focus on efficient return on capital invested
- Will renew its focus on efficient cash flow management
- Will retain some upside to growth in Pharma through its ongoing relationship with Aspen

Short term focus

- Complete Aspen sale
- Capital management program
- Return on invested capital

Rebuild sound foundations for next stage of growth

Medium-longer term

- Value accretive opportunities in health and related sectors

Questions?



SIGMA

