



Sigma Pharmaceuticals Limited

UBS Conference

Friday 2nd November 2007



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Overview

- Industry update
- Embrace
- Generics pipeline
- OTC (Chemists Own) & Herron
- Manufacturing (Dandenong)
- Wholesale market share
- Credit crunch (Impact on Sigma)
 - Interest rate exposure
- Share buyback
- Conclusions



Industry update

- API announcement – 8th October 2007
 - API becomes preferred distributor for Alphapharm's generics
 - Alphapharm to be preferred provider to API's banner stores
 - Initial five year agreement, commencing end October 07
- DHL announcement - 26th October 2007:
 - “ ...From Monday 29th October 2007, DHLK...has chosen for the time being not to claim CSO credits...until further notice”
 - “ ...partly due to Alphapharm's announcement to terminate its relationship with DHL and ..CHS...”

Industry update

Anticipated impact on Sigma

- Expecting minimal impact to Sigma generic sales resulting from Alphapharm moving distribution between DHL & API
- Potential for increase in share of CSO from November onwards as a result of less participants in the market, however partial offset as former DHL volume claim will now come via API
- Estimated previous DHL CSO income ~\$2m / month, of this the Alphapharm business estimated at > 65% of total claim
- Sigma remains the only true company to offer “Embrace” range of products & services



Embrace

- Improvement seen in Embrace compliance, with further improvements expected over balance of year
- This has been driven via strong relationships with pharmacy & stronger compliance enforcement incentives



Embrace

Compliance summary (key measures)

	Jul 07	Oct 07*
Wholesale	78%	~80%
Generics	45%	~47%
OTC	12%	~25%

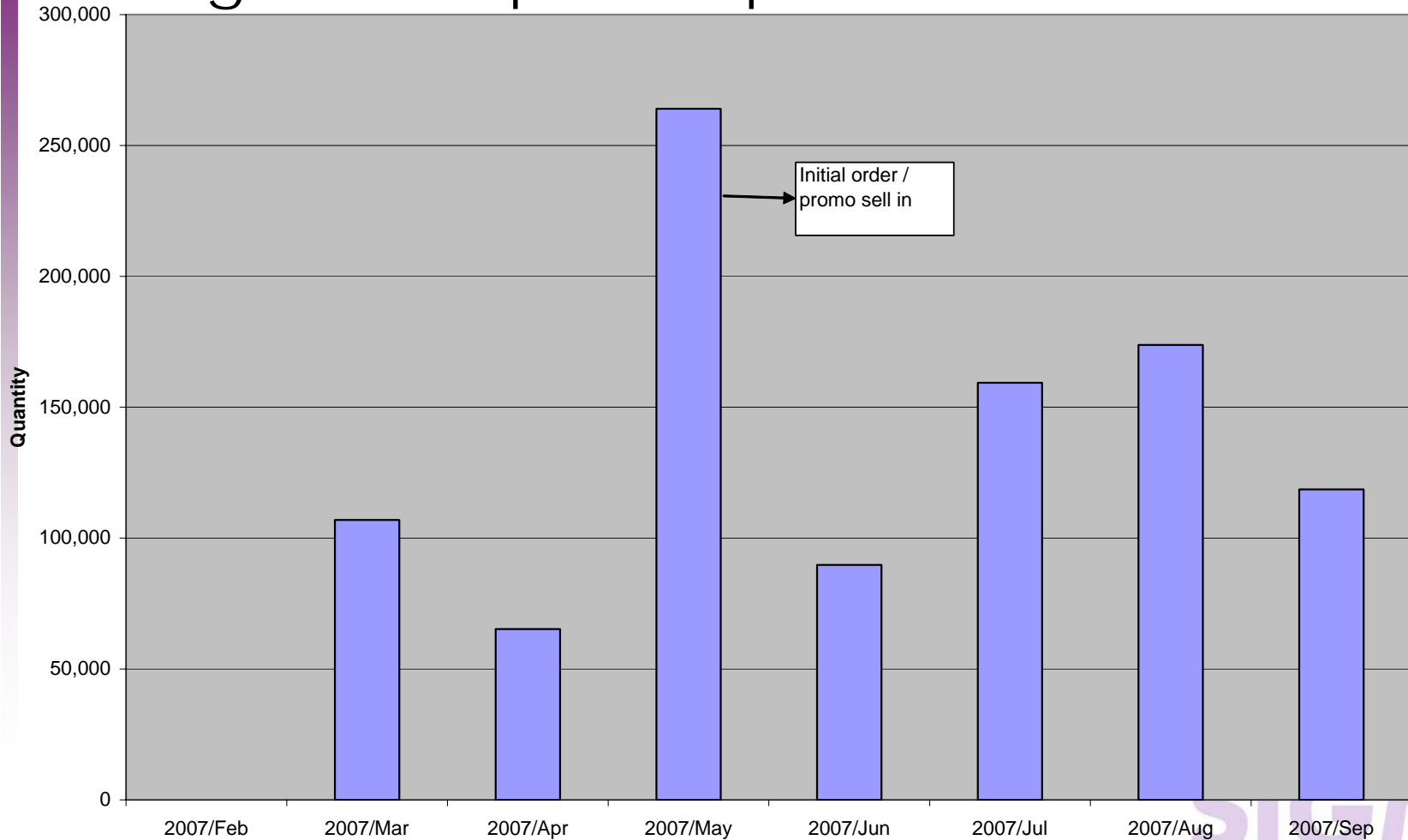
- Recent focus has been on OTC and generics compliance, with improvement expected during next few months in all areas

* Month to date October indicative



Generics pipeline

New generic / private products launched YTD



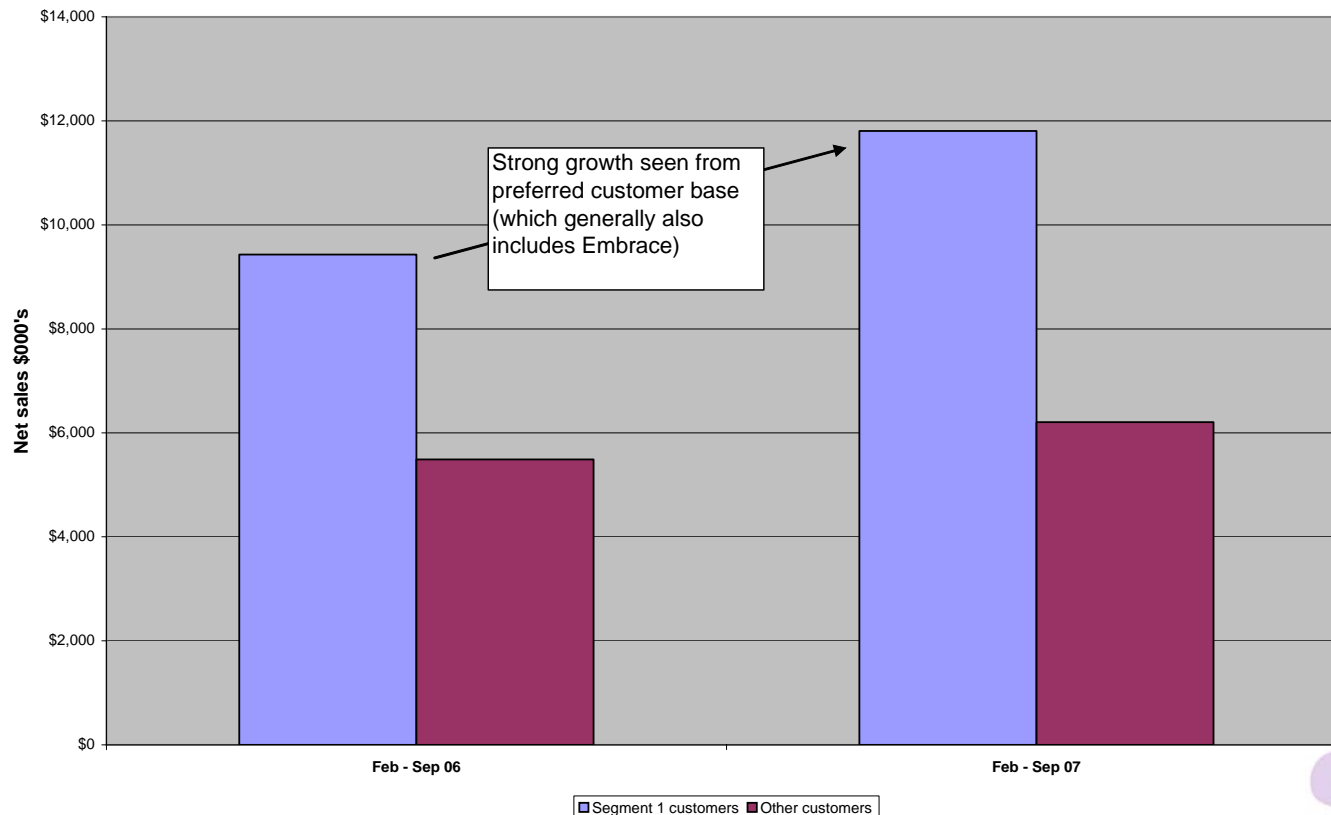
Product pipeline

- Significant new products expected during next 6 months (including new OTC launches into market)
- Major upcoming Generic launches in next 6 months of 6 new products - market value for products well in excess of \$100m



OTC – Chemists Own

- Strong growth in this category over last 8 months, driven by combination of Embrace / pricing and Pharmacy Guild endorsement



OTC – Herron

- New management team in place – significant FMCG & Grocery experience has been added to senior team in past 3 months
- Focus for 2007 includes:
 - Rebuild the sales team
 - Redesign product look & feel
 - Category reviews & new product development



OTC – Herron

- Focus for 2008/9 includes:
 - Launch Product repacking & repositioning
 - Rebuilding key customer relationships
 - Potential of new channels for selling product
 - Leverage Embrace harder

Plans in place for 2 year turnaround of the brand



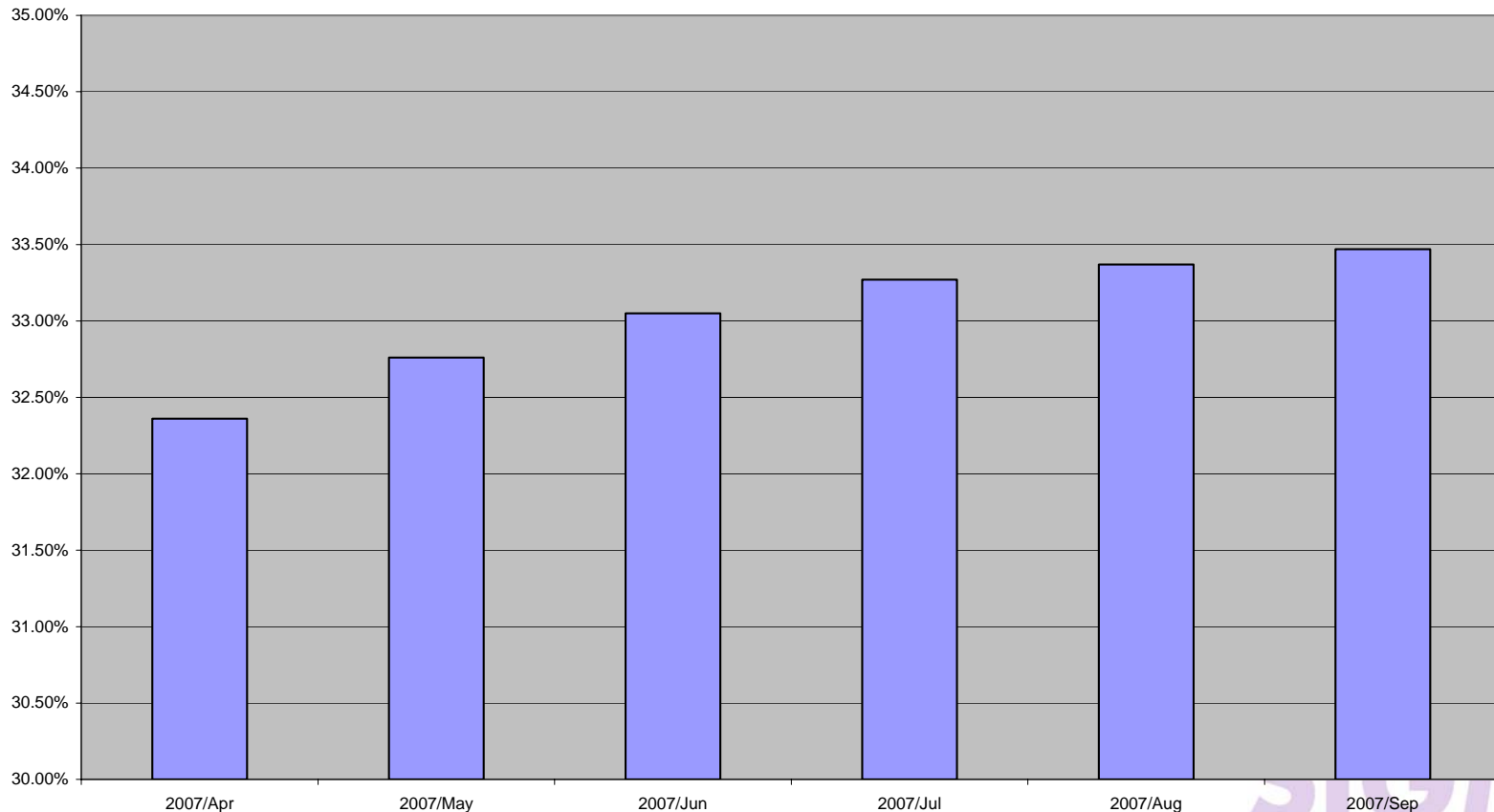
Manufacturing

- Transition to Dandenong well advanced, full benefits to be realised during 2008
- Liquids plant – tubing & bottle lines operational,
- Clayton – Plant fully closed by May 08

Wholesale market share

- The 2007 year has seen continual strong growth in the wholesale business – supported by market share gains

Sigma MAT market share - Last 6 months per IMS data



Credit crunch – Sigma impact

Program	Collateral backed security	Limit (\$m)	Term (yrs)	Maturity
Waratah	Sigma Trade a/c	100	3	Feb 09
Aurora - SR	Sigma Trade a/c	550	3	Mar 08
Gateway	Freehold mtge	250	3	Nov 09

- Committed funding on all programs
 - Each underlying lender has standby liquidity facilities
- Exemplary performance in all programs
 - Attractive to investors who post credit crunch are seeking such high performing asset classes to invest in
- Interest rate hedged circa 65% year 1, 50% year 2

Share buyback

Month	Shares (m)	Cost (\$m)	Ave cost to date (\$)
Jul	25.5	46.3	1.82
Aug	49.9	83.7	1.68
Sep	50.7	84.8	1.67
Oct	76.3	122.1	1.60

- Gearing at 31 Jan 2007 – 16%. Assuming remainder of buyback @ \$1.50/share, comparative gearing is 25%
- Interest cost to date approx \$1.3m

Conclusions

- Company well positioned as only true provider across key product categories & service offers for pharmacy (via Embrace)
- Opportunity to leverage high margin products with growth expected in OTC range and across Embrace customer base





Thankyou

