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ASX and Media Release **Monday, 28 March 2011**

Sigma Completes Stabilisation Phase and Declares Special Dividend

- **Sigma announces net loss of $A235.4 million, including a non-cash goodwill impairment charge of $A258.3 million**
- **Underlying FY11 EBIT of $129.2 million**
- **Sigma's continuing operations remain strong with a solid customer base and growing market share**
- **Sigma to invest in growing and strengthening its retail brands and private label offering**
- **Sale of Pharmaceuticals Division to Aspen enabled Sigma to fully repay its Syndicated and Sigma Rewards Debt Facilities and pay a special fully franked dividend of 15 cents**

Results

Sigma Pharmaceuticals Limited ("Sigma") today announced a net loss for the group of $A235.4 million for the year ended 31 January 2011. The result, which compares with a loss of $398.3 million last year, includes a non-cash impairment charge of $258.3 million to the group's goodwill.

The results include a full year of activities from the Pharmaceutical Division, which was sold to Aspen Asia Pacific Pty Ltd on 31 January 2011.

The underlying EBIT for the combined Healthcare Division and Pharmaceuticals Division was $129.2 million.

Sigma's ongoing Healthcare Business remains sound and profitable, with full year 2010/11 sales revenue up 6.6 per cent to $2.9 billion. Underlying FY2011 EBIT for Healthcare was $46.7 million.

Sigma's Managing Director, Mr Mark Hooper, said: "While the reported net loss was disappointing, it is pleasing to see at the operational level, the Healthcare Business has continued to grow and remain stable despite the recent challenging times."

Mr Mark Hooper further commented: "With the business stabilised, we can concentrate on reinvigorating our core operations, in both wholesale and retail. A culture of responsiveness and innovation will place the company well to meet industry's on-going change. We have a clear financial model as we seek profitable growth with due regard to key metrics including return on investment."

Special Dividend
The Board has determined that a special dividend of $0.15 per share is to be payable. The record date to determine entitlements for the dividend will be 7pm (AEST) on 11 April 2011. The dividend will be fully franked and paid on 11 May 2011.

The Chairman of the Board, Mr Brian Jamieson, said: "The Board considered it appropriate to determine to pay a special dividend to its shareholders following the sale of the Pharmaceuticals Division. He acknowledged the loyalty of Sigma's shareholders whom he thanked for supporting the Company through its recent difficulties."

Debt Facilities
Sigma utilised a portion of the net proceeds of the sale of the Pharmaceuticals Division to Aspen Asia Pacific Pty Ltd, to fully repay its syndicated and Sigma Rewards debt facilities.

Sigma has successfully negotiated the extension of its Waratah trade receivables facility for a further 3 year term, and increased the facility to $200 million. This will be Sigma's only debt facility and will be utilised in the management of Sigma's working capital.

Outlook
Following the sale of the Pharmaceuticals Division, Sigma is focused on its full line wholesaling and retail pharmacy operations. Our Healthcare Business has performed well during a challenging period for Sigma.

On 6 December 2010, Sigma announced that a major supplier had withdrawn from the Australian full line wholesaling model, resulting in the projected decrease of up to 15% of Sigma's wholesale sales revenue. Sigma worked quickly to identify and implement mitigating strategies for Pfizer's decision such as costs savings and further reductions in customer trading terms and discounts, to offset the potential impact of this change and PBS reform on its future earnings.

Sue Morgan
General Counsel and Company Secretary

Further information
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