

ASX and Media Release

Thursday 22 March, 2012

SIGMA DELIVERS STRONG RESULT

- **EBIT of \$70.3 million from continuing operations compared to a \$9.1 million loss last year.**
- **Net profit after tax from continuing operations of \$50.3 million compared to a net loss of \$73.1 million last year.**
- **Net cash position rises to \$113.6 million and operating cash flow increases by \$44.5 million.**
- **Strong improvement in ROIC – 12.4% versus 7.3% from prior year.**
- **Final dividend (fully franked) of 2.0 cents plus a special dividend (fully franked) of 1.5 cents, takes total dividends declared to 20.0 cents per share.**

Results

Sigma today announced a strong rise in profits for the year ended January 31 2012, built on gains in market share and improved working capital.

Revenue was down 2.1 per cent due to the impact of PBS reform and Pfizer's decision to distribute directly to pharmacies, however on a like-for-like it was up 10 per cent due to PBS growth and increased market share.

The 5.1% improvement in ROIC has been driven by profit growth and reducing invested capital, with further improvement expected next year.

“Sigma has delivered on its promise of sustainable improvement and has rewarded shareholders with a Total Shareholder Return of over 70% in the past year,” said Mr Mark Hooper, Sigma's CEO & Managing Director.

Dividend

The Board has determined to pay a final dividend (fully franked) of 2.0 cents plus a special dividend (fully franked) of 1.5 cents. The ex-dividend date to determine entitlements will be 7pm (AEDT) on 28 March 2012 and paid on 27 April 2012.

The Chairman of the Board, Mr Brian Jamieson, said “cash flows combined with a strong balance sheet will provide further opportunities for continued shareholder returns. Our intention is to maintain high payout ratios going forward.”

The Board has determined that the Dividend Reinvestment Plan will not apply in respect of the final and special dividends.

Outlook

“Sigma continues to build an increasingly more efficient business that will manage market competitiveness into next year,” said Mr Hooper.

“Although major PBS reforms are expected to dampen sales, we will continue to respond through cost reduction measures and the re-negotiation of customer terms to negate the impact on Sigma’s business.”

“Further cost savings are expected and will assist in funding continued investment in the business.”

“Retail provides us with the opportunity for growth, with an exciting new strategy to support our brands and put the customer and pharmacist at the centre of everything we do.”

Ongoing improvement in ROIC is expected to continue into FY13 which also provides the opportunity for sustained, strong cash flow and further shareholder returns.

Sue Morgan
General Counsel and Company Secretary

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