

**ADDRESS GIVEN BY THE CHAIRMAN OF SIGMA PHARMACEUTICALS LIMITED
BRIAN JAMIESON, AT THE ANNUAL GENERAL MEETING ON WEDNESDAY 9 MAY 2012 IN
MELBOURNE, AUSTRALIA**

On behalf of the Board of Directors and employees of Sigma Pharmaceuticals Limited, I welcome you to our 2012 Annual General Meeting.

I introduced you to the Board and the Executive Team earlier in the meeting.

Also in attendance are our general management team, many of whom have joined Sigma in the past 12 months. I encourage you to have a chat with them after the meeting.

At the outset I would like to thank the leadership team for their hard work and commitment this year – a time when Sigma has consolidated gains made in 2010 and continued to build on the momentum for further growth in 2011.

At the conclusion of my presentation, our Managing Director & CEO Mark Hooper will provide you with an overview of Sigma's strong financial performance and our strategic plans moving forward.

However, before handing over to Mark, I would like to review Sigma's past year.

Twelve months ago, I told you Sigma had come a long way after a year of significant challenges. We worked hard to sell the Pharmaceutical Division which repaid most of our outstanding debt and have subsequently gone from a net debt to a net cash position.

At that time, we set as our goals for 2011:

- Improving profitability; and
- Increasing the return on invested capital.

The Board and I are very pleased to report that we have achieved those goals and have a very positive outlook.

We have recorded an after tax profit of \$50.3 million (compared to a net loss of \$73.1 million last year) and a Return On Invested Capital of 12.4%, up from 7.3%, last year, due to improved profitability and the flow on benefits from working capital gains.

On March 22nd when Sigma reported our annual results for the financial year ending January 31 2012, we were very pleased to have declared a fully franked 2.0 cents dividend and a fully franked 1.5 cents special dividend. Over the past year we have declared a total of 20 cents in dividends, fully franked.

When viewed on a total shareholder returns basis, Sigma shareholders have enjoyed a return of over 70% in the year to 31 January 2012, which is a great result.

We also reported a strong balance sheet with a net cash position of \$113.6 million.

We took the decision to maintain such a strong cash position to protect the business in what is still a difficult financial market. However, our balance sheet also enables Sigma to consider further opportunities for shareholder returns.

I believe our improved performance is a reflection of the hard work by Mark and his team to manage the changing landscape in which Sigma operates and will continue to operate into the future.

Despite the build up, PBS reform had minimal impact on our overall performance due to measures taken by the business, including reducing customer trading terms and making further cost reductions in the business.

Those strategies also assisted us to manage the ongoing impact posed by Pfizer's decision to distribute directly to pharmacists.

Moving forward, the challenge for Sigma is to maintain our momentum.

While improving profitability and continuing to increase our ROIC are still priorities, Sigma has set clear objectives for 2012/13, including a renewed focus on our retail offer and further investment in our brands – Amcal, Guardian and Amcal Max.

The Board is very supportive of Sigma's new retail strategy and the new look senior management team who have been put in place to execute that strategy.

Between them, our senior managers have significant experience in retail and guided by our Chief Operating Officer Gary Dunne, have already begun the journey to bring our retail strategy to life.

The Director's are pleased with the progress made by our new management team on renewal and reinvigoration of our continuing business. We have built a strong platform for continued progress in the market place.

Mark will elaborate further on what has already been achieved by the team.

But before he does I'd like to mention that 2012 is Sigma's centenary year.

Celebrating a centenary is a wonderful and rare achievement in corporate history and as such Sigma takes its place amongst an extraordinary group of Australian companies such as the Commonwealth Bank and Wesptac.

It was in 1912 that Messrs Ernest Holloway Leete and Edwin Thomas Church started manufacturing and distributing Sigma lines from Leete's Malvern pharmacy.

Today Sigma has 13 distribution centres, 400 suppliers, 4,000 pharmacy customers, 12,000 product lines and we deliver 600,000 products daily.

We have formed a 100 year project team of staff representatives, who have taken on the task of working with historians to collate and document our history.

The project team has put together an impressive display in the foyer for you to browse while having a cup of coffee.

A wonderful commemorative magazine has also been produced which documents Sigma's rich history. Copies of the magazine are available in the foyer for you to take home.

Once again, thank you for being here today and showing your support for Sigma.

Before I hand over to Mark we'd like to play for you a short DVD of our achievements through the past 100 years.

Thank you.

Brian Jamieson
Chairman, Sigma Pharmaceuticals Limited
9 May 2012