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SIGMA DELIVERS ANOTHER STRONG FINANCIAL RESULT WHILE CONTINUING TO RE-INVEST IN THE BUSINESS

- **SALES REVENUE RISES 3.1% DESPITE IMPACT OF PBS REFORM.**
- **REPORTED NPAT OF \$18.7 MILLION.**
- **EXCLUDING NET LITIGATION SETTLEMENT EXPENSE:**
 - Full Year EBIT rises to \$71.1 million.
 - NPAT up 4% to \$52.3 million.
 - ROIC rises to a record high for Sigma of 13.5%.
- **FINAL DIVIDEND (FULLY FRANKED) OF 2.0 CENTS.**
- **NET CASH OF \$82.7 MILLION AT 31 JANUARY 2013.**
- **INITIAL BUSINESS RE-INVESTMENT PROGRAM SUBSTANTIALLY COMPLETE.**

Results

Sigma today announced another strong financial result for the year ending January 2013. A highlight of the result was a record high ROIC of 13.5% (excluding net litigation settlement expense).

Sales revenue rose by 3.1% reflecting market share gains made during the past twelve months. This is despite the dampening impact caused by PBS reform.

Excluding net litigation settlement expense, full year EBIT was \$71.1 million versus \$70.3 million last year. The result was constrained by a number of one-off costs and the ongoing process of business reinvestment during the past year.

Reported NPAT of \$18.7 million was well below last year's result, reflecting the net impact from settlement of the class action proceedings. Excluding this, the strong health of the underlying business was reflected in the 4% rise in Net Profit After Tax to \$52.3 million versus \$50.3 million last year.

"Sigma has delivered continued improvement on its key financial metrics against the backdrop of the toughest era of PBS reform in more than a generation" said Mark Hooper, Sigma's CEO and Managing Director.

Sigma has also reported a strong net cash position of \$82.7 million, leaving the company well positioned for the future.

Dividend and Share Buyback

The Board of Sigma has determined to pay a final dividend (fully franked) of 2.0 cents a share. The final dividend brings total shareholder dividends for the 2012/13 year to 4.0 cents per share and takes the overall pay-out ratio delivered to shareholders this financial year to 90% of NPAT (excluding net litigation settlement expense). This approach is consistent with the Board's commitment to continue to reward shareholders for the improved financial performance of the company.

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“The Board is delighted that we can continue to provide a high pay-out ratio to our shareholders. Subject to our franking position, our current cash outlook indicates that we should be able to maintain these levels for the foreseeable future,” said Mr Brian Jamieson, Chairman of Sigma.

Important dates with respect to the final dividend are:

- Ex-dividend date 18 March 2013 (date shares begin trading ex-dividend)
- Record date 22 March 2013 (holders of shares at this date are eligible to receive the dividend)
- Payment date 19 April 2013.

The Board has determined that the Dividend Reinvestment Plan will not apply for the final dividend.

Re-investment

Consistent with Sigma’s strategy, the business has continued to invest in a range of strategic initiatives over the past twelve months. Once complete, this will represent an additional initial investment of approximately \$20 million. Approximately \$15 million has been spent to date. This covers all areas of the business and includes additional investment in systems and infrastructure, as well as an improved skill base.

These initiatives are expected to progressively deliver benefits to Sigma over the 2013/14 year.

Outlook

The company will continue to pursue improved returns built on the significant investment undertaken in key operational parts of the business together with its enhanced retail offer. This is notwithstanding the broader difficulties facing the retail sector and ongoing PBS reform.

“Sigma has come a long way in just a few years. Our strategy is aligned throughout the business and the company is well positioned for growth,” said Mark Hooper, CEO and Managing Director of Sigma.

Sue Morgan
General Counsel and Company Secretary

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