



12 September 2013

## MARKET UPDATE

### SIGMA SHAREHOLDERS CONTINUE TO BENEFIT DESPITE CHALLENGING TRADING CONDITIONS

- SALES REVENUE UP 3% AGAINST A FLAT PBS
- REPORTED EBIT OF \$24.9 MILLION / NET PROFIT OF \$16.3 MILLION FOR FIRST HALF OF FY14
- A FULLY FRANKED INTERIM DIVIDEND OF 2.0 CENTS MAINTAINS HIGH PAYOUT RATIO
- REINVESTMENT PROGRAM TO BENEFIT SECOND HALF

Sigma today announced a Net Profit of \$16.3 million for the half year ending July 31 2013.

“Sigma has delivered a solid performance in a difficult trading environment with PBS growth virtually non-existent and retail conditions subdued,” said Sigma’s CEO and Managing Director, Mark Hooper.

Sigma has also reaffirmed its commitment to reinvesting in its business as it heads into what is expected will be a stronger second half. This investment will strengthen core efficiency, while providing improved support for its pharmacy customers in an ever challenging landscape.

“While the pharmacy sector continues to face challenges, Sigma has undertaken a number of important initiatives to grow sales, including the industry leading Amcal and Guardian e-commerce platforms that were launched in mid-2013.”

Sigma is also growing its private and exclusive range, with the number of products in the pipeline set to double in the second half.

Sigma still has a strong net cash position of \$27 million that is down from \$83 million at January 2013, reflecting the share buy-back activity and movements in working capital. This is expected to increase over the second half which provides a strong platform for the business.

“The Board are pleased to continue rewarding shareholders by maintaining a 2.0 cent fully franked interim dividend,” said Chairman, Brian Jamieson.

Subject to its franking position, Sigma also expects a continuation of high dividend pay-out ratios to shareholders.

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Sigma's on-market share buy-back which has purchased 59.6 million shares to date, will continue at a slower rate in the second half.

"The company has enhanced its market share, which is a strategically important outcome given the flat PBS growth confronting the whole industry. We expect a stronger second half as the company begins to show the benefits of our reinvestment program," said Mr Jamieson.

Sigma continues to operate in a challenging environment, however, will look to the new government to provide greater certainty in the sector, including timely consultation on industry issues, strengthening of the CSO and limiting further changes to the PBS.

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