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ASX ANNOUNCEMENT

Formal Agreement Reached for \$900 Million Sale of Pharmaceuticals Division to Aspen Pharmacare

On 16 August 2010, Sigma announced that it had agreed in principle to sell its Pharmaceuticals Division to the Aspen Pharmacare Holdings Limited group of companies ("Aspen") for A\$900 million.

Sigma has now reached formal agreement with Aspen on the terms and conditions of the sale and the ongoing relationship between the two companies.

Sigma's Pharmaceuticals Division includes its Generics, Consumer, OTC, Herron, Ethical Products, Medical Products, Orphan and Manufacturing businesses. The Board's decision to sell this Division to Aspen followed careful consideration of a number of alternatives for Sigma's future, including expressions of interest for the whole of Sigma as well as for specific divisions of the Company.

Mr Brian Jamieson, Chairman of Sigma, said: "The Board considers the sale of the Pharmaceuticals Division to Aspen to provide the best outcome for Sigma shareholders. In particular, it enables Sigma to:

- significantly reduce its bank debt, enhancing the Company's financial flexibility;
- consider capital management initiatives, which could include the payment of a franked special dividend to shareholders; and
- retain full ownership of the Healthcare Division, which comprises the Wholesale and Retail businesses, in which Sigma is a leading market participant."

Mr Mark Hooper, Managing Director of Sigma, said: "Following the sale, Sigma will focus on business improvement initiatives and organic growth opportunities that build upon the strong relationships with our extensive pharmacy network. We will have an ongoing relationship with Aspen, which has the potential to provide a number of benefits. In particular, we have entered into a long-term supply agreement, under which Sigma will act as Aspen's preferred distribution partner, and arrangements whereby Aspen will manufacture product for Sigma on an ongoing basis.

The sale is subject to a number of conditions precedent, including Sigma shareholder, lender and regulatory approval. Directors will provide further information on the transaction in an Explanatory Memorandum and Notice of Meeting to be sent to shareholders in the near future. Sigma expects to hold an Extraordinary General Meeting to consider the sale in mid January 2011.

Subject to satisfaction of the conditions precedent, the transaction is scheduled to complete on 31 January 2011.

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Trading Update

Sigma has previously announced guidance for underlying FY2011 EBIT of the Sigma Group (including the Pharmaceuticals Division) of \$140 million to \$150 million. While trading continues in-line with expectations, as a consequence of the transitional arrangements for the transaction, Sigma has agreed with Aspen to cancel a number of planned product promotions, which had been scheduled for January 2011. There is also likely to be additional corporate expenses of \$5 million to \$7 million which were not included in the previous guidance.

As a result, the underlying FY2011 EBIT of the Sigma Group is now expected to be in the range of \$120 million to \$130 million.

Sigma's Syndicated Debt Facility

As previously announced, a loan repayment of \$50 million is due to be paid by 30 November 2010. Given the pending sale to Aspen, Sigma proposes to make an interim payment out of operational cashflow, with a deferral of the outstanding balance to the date of completion of the Aspen transaction. Sigma is in positive discussions with its banking syndicate in relation to amending these scheduled loan repayments.

Sue Morgan
GENERAL COUNSEL AND COMPANY SECRETARY