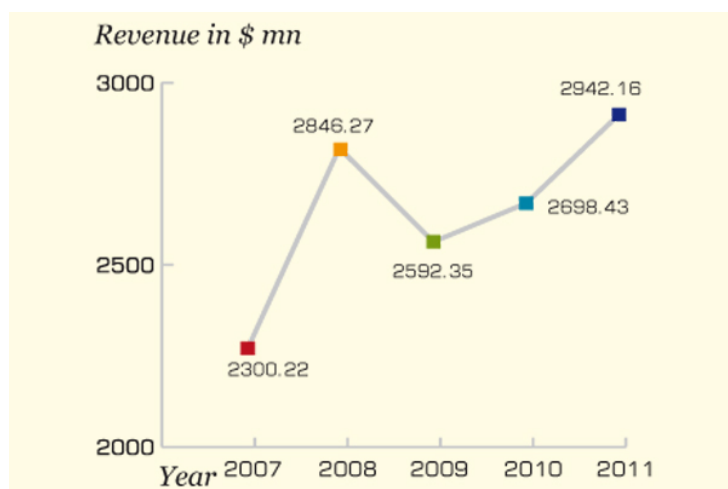


Sigma marks a century of achievements

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Sigma marks a century of achievements



After witnessing a turbulent year of 2009-10, the focus of Australia-based Sigma Pharmaceuticals in 2011 was restructuring and to strategically manage the retail and distribution business. In early 2011, Sigma reinvigorated the company's strategy and developed well-defined objectives that were implemented throughout the year. After the acquisition of Sigma's pharmaceutical division by South Africa-based Aspen Pharmaceutical in 2011 at \$206 million, its revised corporate strategy was focused on building the skills of human resources and reinvesting in its infrastructure to support a unified, integrated approach to meet the customers' and suppliers' needs.

The restructuring strategy and focus on its core business helped the company, established in 1912, to bounce back in 2011 from the negative growth in 2010. The company's revenue has grown from \$2.7 billion in 2010 to \$2.94 billion in 2011, registering about 10 percent growth.

Sigma is also strengthening its retail business. Its wholesale franchise was strengthened through Sigma's appointment as the preferred wholesaler for the Pharmacy Alliance and the Independent Pharmacy of Australia groups and it completed successful renegotiation of its contract with key customer, My Chemist and Chemist Warehouse group. In addition, the company saw a significant growth in the pharmacy advance retail offer for independent pharmacies in 2011.

Today, Sigma Wholesale is one of the successful full line pharmaceutical distributors in Australia. Its wholesale sales has

stood at \$1.6 billion per annum, and is offering daily delivery services to over 4,000 retail pharmacies from its 15 distribution centers located across Australia. Sigma maintains around 12,000 product lines in its major centers that cater to the vast majority of retail pharmacy's needs.

Sigma is now aiming to improve the efficiency of its logistics infrastructure as a key driver of profitability for its wholesale operations. The company has committed around \$10-15 million in capital works projects to upgrade its Brisbane, Sydney, and Melbourne warehouses.

The year 2012 is a period of excitement and challenges as the company celebrates its 100th anniversary. The company aims to continue to show its ability to evolve and respond to an ever-changing industry.

"The coming year brings further industry challenges. Major pharmaceutical benefits scheme (PBS) reform measures are expected to slow industry growth over 2012. Our strategic initiatives will continue, which we believe will position the company well for future growth," said Mr Mark Hooper, CEO and managing director, Sigma Pharmaceuticals.