



ASX Code: SIP

6 December 2010

ASX ANNOUNCEMENT

Sigma Pharmaceuticals has been informed by one of its major suppliers, Pfizer Australia (Pfizer) that from 31st January 2011 Pfizer will be expanding its current "Pfizer Direct" model so that all prescription products (PBS and non PBS) will be delivered by Pfizer direct to pharmacies. This program will by-pass the national full line wholesaling system. Pfizer also announced it would not be seeking to participate in the Community Service Obligation (CSO) funding pool.

Sigma will continue to distribute Pfizer's OTC & Consumer Products.

As a result of Pfizer's decision, Sigma expects its annual wholesaling revenues to decrease by approximately 10-15% from February 2011. However the full impact on future earnings is being assessed. Given the significance of this change, combined with the impact of the recent PBS reform legislation, this will accelerate the need for Sigma to further reduce its customer trading terms.

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