



ASX Code: SIP

15 July 2010

ASX ANNOUNCEMENT

Financial update

At the Annual General Meeting of Sigma Pharmaceuticals Limited on 21 June 2010, Sigma advised that given the performance of Sigma's Generics division to 31 May 2010 and the continuing volatility of the industry generally, there was considerable uncertainty that Sigma's budgeted performance will be achieved in the current financial year. Sigma also advised that significant one-off corporate costs arising from corporate activities including consideration of the proposal from Aspen Group would impact on this year's financial performance.

Sigma is now able to provide further information on its expected performance against budget.

Sigma expects that its underlying EBITDA¹ for the 2011 financial year will be in the range of \$190m to \$200m.

Other performance measures are expected to be in the following ranges:

	Underlying (\$m)	Reported (\$m)
EBITDA	190-200	180-190
EBIT	140-150	130-140
NPAT	53-57	43-47

End of period and other adjustments will, in line with usual practice, be considered with the preparation of Sigma's half year accounts.

Sigma's performance in the first five months of the financial year has been sound in most areas of the business. The Consumer, Manufacturing, Medical and Retail businesses have all performed broadly in line with expectations. The Wholesaling business has enjoyed sales growth of 9.3% year on year.

Operating costs remain in line with expectations, although corporate costs have significantly increased in the context of the Company's current corporate activities. These are one-off costs and are not expected to recur.

Performance in the Generics division remains below budget. Competition in this area remains intense. Sigma believes this is primarily due to suppliers seeking market share in anticipation of substantial future growth in the generics market. Considerable uncertainty remains, however, concerning the short term impact of foreshadowed regulatory changes.

The Sigma Board will continue to monitor performance closely and will endeavour to provide further guidance with Sigma's half year results.

Sue Morgan-Dethick
General Counsel & Company Secretary

¹ Excluding loss on sale of assets and one-off transaction advisory fees.

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