

Sigma Pharmaceuticals Limited

Presentation to Investors

- Acquisition of established brand portfolio and manufacturing facility
- A 1 for 3 accelerated renounceable pro rata entitlement offer to raise A\$297 million

7 September 2009



Important Information

This presentation has been prepared by Sigma Pharmaceuticals Limited (ABN 15 088 417 403) ("Sigma"). This presentation contains summary information about Sigma and its subsidiaries and is dated 7 September 2009. The information in this presentation does not purport to be complete or to provide all information that an investor should consider when making an investment decision. It should be read in conjunction with Sigma's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange which are available at asx.com.au. Certain announcements are also available at sigmaco.com.au (ASX code SIP).

This presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States, or to any person that is, or is acting for the account or benefit of, a "US person" (as defined in Regulation S under the Securities Act) ("US Person"). Securities may not be offered or sold in the United States absent registration or an exemption from registration. The securities to be offered and sold in the Offer have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons unless the securities are registered under the Securities Act or pursuant to an exemption from registration. This document may not be distributed or released in the United States or to, or for the account or benefit of, any US Person.

This presentation includes "forward-looking statements" within the meaning of securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or other similar words, and include statements regarding certain plans, strategies and objectives of management and expected financial performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Sigma, and its officers, employees, agents or associates. Actual results, performance or achievements may vary materially from any projections and forward looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward-looking statements and Sigma assumes no obligation to update such information.

Investors should also be aware that certain financial data included in this presentation are "non-GAAP financial measures" under Regulation G under the U.S. Securities Exchange Act of 1934, including EBIT (earnings before interest and taxes) and EBITDA (earnings before interest, taxes, depreciation and amortization). The disclosure of such non-GAAP financial measures in the manner included in this presentation would not be permissible in a registration statement under the Securities Act. The Company believes these non-GAAP financial measures provide useful information to users in measuring the financial performance and condition of its business. These non-GAAP financial measures do not have a standardized meaning prescribed by AIFRS and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with AIFRS. Investors are cautioned, therefore, not to place undue reliance on any non-GAAP financial measures and ratios included in this presentation.

In addition, the pro forma financial information set forth herein may not be, and does not purport to be, in compliance with Article 11 of Regulation S-X under the Securities Act.

This presentation is for information purposes only and is not financial product or investment advice or a recommendation to acquire Sigma shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal and taxation advice appropriate to their jurisdiction. Sigma is not licensed to provide financial product advice in respect of Sigma shares. Cooling off rights do not apply to the acquisition of Sigma shares. You should make your own decisions regarding the Offer and whether to participate based upon your own inquiries and independent advice.

The underwriter and advisors have not been involved in the preparation of, and have not authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this Presentation and do not make or purport to make any statement in this presentation and you acknowledge that there is no statement in this presentation which is based on any statement made by the underwriter and advisors. You acknowledge and agree that none of the underwriter and advisors and their affiliates, officers and employees, makes any representation or warranty as to the currency, accuracy, reliability or completeness of information and nor do they make any representations or warranties to you concerning the Offer and whether you should participate. You should make your own decisions regarding the Offer and whether to participate based upon your own inquiries and independent advice. The underwriter and advisors and their affiliates, officers and employees, to the maximum extent permitted by law, expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for any part of this document or in relation to the Offer. The underwriter and advisors and their affiliates, officers and employees, to the maximum extent permitted by law exclude and disclaim all liability for any expense, losses, damages or costs that may be incurred by you as a result of that information being inaccurate or incomplete in any way for any reason.



Executive Summary



Acquisition

- Acquisition of:
 - Distribution rights in Australia and New Zealand for 15 ethical pharmaceutical and healthcare brands from Bristol-Myers Squibb (“BMS”), including well recognised brands such as Lipostat and Pravachol
 - A modern pharmaceutical manufacturing facility at well below replacement cost
- c. A\$60 million cash price, representing what the directors believe to be an attractive acquisition multiple
- Annual turnover of approximately A\$50m, and management estimate of EBITDA contribution in the year ending 31 January 2011 of \$15m - \$17m^{(1), (2), (3)}
- Also contract manufacturing for BMS for up to five years
- Significant boost to Sigma’s branded prescription portfolio
- Acquisition expected to meet Sigma’s published acquisition criteria^{(1), (2)}
- Agreement reached after due diligence and negotiation period
- Closing expected by end of September

Acquisition consistent with Sigma’s strategy and investment criteria

(1) Note that this statement does not constitute a projection or representation by Sigma of its future financial performance

(2) See Key Risks section of this presentation, including under the heading “Brands/Manufacturing Acquisition”

(3) Management’s estimates based on: revenues and margin performance of the acquired brands to date; assumption of 5% volume decline from prior year; and toll manufacturing mark-up of 10% on fully absorbed manufacturing costs. Also see Key Risks section of this presentation, including under the heading “Brands / Manufacturing Acquisition”



Equity Raising

- Sigma is undertaking an equity raising of A\$297 million through a fully underwritten 1 for 3 accelerated renounceable⁽¹⁾ pro rata entitlement offer
- Fixed \$1.02 Offer Price
 - 16.0% discount to last close and 12.5% discount to TERP⁽²⁾
- Net proceeds will be used to:
 - Fund the acquisition of the brands and manufacturing facility from BMS
 - Create a stronger capital structure, notwithstanding that Sigma has no refinancing requirements until 2011
 - Reduce pro forma gearing from 41% to 29%⁽³⁾
 - Provide financial flexibility for further growth

(1) Renunciations will be sold through a bookbuild. There will not be any rights trading on ASX

(2) The theoretical ex-rights price is the theoretical price at which Sigma shares should trade immediately after the ex-date for the entitlement offer assuming 100% take-up of the entitlement offer. The theoretical ex-rights price is a theoretical calculation only and the actual price at which Sigma shares trade immediately after the ex-date for the entitlement offer will depend on many factors and may not be equal to the theoretical ex-rights price

(3) Including Sigma Rewards off balance sheet receivables financing facility

Acquisition of established brand portfolio and
pharmaceutical manufacturing facility
("Brands/Manufacturing Acquisition")



Brands/Manufacturing Acquisition from BMS

- Acquisition includes:
 - The right to manufacture, market and distribute 15 ethical pharmaceutical and healthcare brands in Australia and New Zealand, including well recognised brands such as Lipostat and Pravachol
 - The right to export a majority of the acquired brands to New Zealand
 - A modern pharmaceutical manufacturing facility located in Noble Park, Victoria
 - Production, laboratory, packing, warehouse and administrative functions
 - Over 13,000 square metres in building space
- Sigma and BMS also to enter into a toll manufacturing agreement for a period of up to five years, under which Sigma will be engaged by BMS to contract manufacture certain pharmaceutical products for BMS for distribution in overseas territories
- Annual turnover of approximately A\$50m (comprising A\$33m from acquired brands and A\$17m from contract manufacturing) and 130 employees

15 ethical pharmaceutical and healthcare brands with established positions in large market segments

- **Buspar** is an “anti-anxiety drug” used in central nervous disorders
- **Capoten** is an “antihypertensive drug” (blood pressure) used in cardiovascular related disorders
- **Florinef** is a “steroid hormone replacement drug” used in Addison's disease
- **Fungilin Lozenges** is a “antifungal agent” used for mouth infections
- **Kenacomb** is used for skin infections with inflammations
- **Kenacort** is used for hormone disorders (endocrine & metabolic disorders)
- **Kenalog in Orabase** is used to treat lesions or inflammatory conditions in the mouth
- **Pravachol** is used to control or reduce high levels of cholesterol
- **Lipostat** is a generic of Pravachol
- **Megace** is used for inoperable breast cancer
- **Mycostatin** (topical & oral drops) is used as an “antifungal agent” used for infections
- **Otocomb Otic** is used for ear infections with inflammations
- **Questran Lite** is used to relieve diarrhoea due to stomach (bile) disorders and also reduce high levels of cholesterol in blood
- **Sotacor** is used to decrease heart rate and force of heart contractions
- **Solavert** is a generic of Sotacor



Strategic Rationale

- Consistent with Sigma's stated strategy of investing in and growing its branded prescription portfolio
 - BMS brand rights being acquired are well recognised originator brands
 - Strong fit with existing Sigma brands, further broadening Sigma's product offering to the pharmacy channel
- Capitalises on Sigma's proven ability to sustain the market presence of well known brands
 - Builds on track record of acquisitions of brands from GlaxoSmithKline, Wyeth and Abbott
- Additional contract manufacturing
 - Adds BMS to Sigma's impressive portfolio of contract manufacturing customers, including GlaxoSmithKline, Sanofi-Aventis and Bayer



Expected to Meet Sigma's Stated Investment Criteria

- Price represents c. 3% of Sigma's enterprise value⁽¹⁾
- Acquisition is expected to meet all of Sigma's stated key investment criteria⁽²⁾
 - Positive NPV⁽³⁾ ✓
 - EPS positive in financial year ending 31 January 2011 ✓
 - Complementary business / growth opportunity ✓

(1) Enterprise value including Sigma Rewards off balance sheet receivables financing facility

(2) Note that this statement does not constitute a projection or representation by Sigma of its future financial performance. Also see Key Risks section of this presentation, including under the heading "Brands/Manufacturing Acquisition"

(3) At a discount rate which reflects a risk-adjusted cost of capital of Sigma

Equity Raising

- A\$297 million 1 for 3 accelerated renounceable⁽¹⁾ pro rata entitlement offer
 - Approximately \$132m institutional component
 - Approximately \$165m retail component
- Fixed A\$1.02 Offer Price
 - 16.0% discount to last closing price
 - 12.5% discount to TERP⁽²⁾
- New shares to rank equally with existing ordinary shares including in respect to the payment of dividends
 - Current intention is to pay an interim dividend per share in respect of half year ended 31 July 2009 at a rate no less than the prior corresponding period (3 cents per share), subject to final board approval⁽³⁾
- Fully underwritten by Deutsche Bank AG, Sydney Branch

(1) Renunciations will be sold through a bookbuild. There will not be any rights trading on ASX

(2) The theoretical ex-rights price is the theoretical price at which Sigma shares should trade immediately after the ex-date for the entitlement offer assuming 100% take-up of the entitlement offer. The theoretical ex-rights price is a theoretical calculation only and the actual price at which Sigma shares trade immediately after the ex-date for the entitlement offer will depend on many factors and may not be equal to the theoretical ex-rights price

(3) No assurance is given as to the payment of dividends (if any) in respect of any subsequent period



Offer Structure (cont.)

- The Entitlement Offer is available to Eligible Shareholders as at the Record Date (14 September 2009: 7.00pm AEST)
- Eligible Shareholders may choose to accept all or part of their pro rata entitlement or none at all
- Any part of an entitlement that is not taken up will be sold via a bookbuild process and any net proceeds of sale of entitlements in excess of the Offer Price will be returned to those shareholders who did not take up their entitlements in full

Event	Date
Announcement of the Acquisition and Entitlement Offer	7 September 2009
Institutional Entitlement Offer Opens	7 September 2009
Institutional Entitlement Offer Closes (non U.S. holders)	4.00pm (AEST), 8 September 2009
Institutional Bookbuild	9 September 2009
Trading Halt Lifted	10 September 2009
Record Date for the Retail Entitlement Offer	14 September 2009
Announcement of Half Year Results to 31 July 2009	14 September 2009
Retail Entitlement Offer Opens	17 September 2009
First Settlement Date – Institutional Offer	25 September 2009
First Allotment Date – Institutional Offer	28 September 2009
Normal Trading of New Sigma Shares on First Allotment	28 September 2009
Closing Date for Retail Entitlement Offer	7 October 2009
Retail Bookbuild	13 October 2009
Second Settlement Date – Retail Entitlement Offer	20 October 2009
Second Allotment Date – Retail Entitlement Offer	21 October 2009
Trading Commences for New Sigma Shares on the Second Allotment Date	22 October 2009
Dividend Record Date	22 October 2009
Trading Confirmation Statement Despatch Date	26 October 2009

Note that the above timetable is indicative only and may be subject to change with ASX approval. Sigma, in conjunction with the Deutsche Bank AG, Sydney Branch, and subject to the Corporations Act, the ASX Listing Rules and other applicable laws, has the right to vary any of the above dates without notice. The commencement of quotation of New Shares is subject to confirmation from ASX.



Offer Sources and Uses

- Net proceeds from the Offer will be used to fund the Brands/Manufacturing Acquisition from BMS and further reduce Sigma's gearing

Sources	A\$ million
Offer	297
Total	297

Uses	A\$million
Brands/ Manufacturing Acquisition from BMS	60 ⁽¹⁾
Transaction costs	10
Debt reduction	227
Total	297

(1) Converted to Australian dollars at A\$/US\$ exchange rate of 0.83



Places Sigma in Strong Financial Position

Sigma Unaudited Balance Sheet as at 31 Jul 2009 (A\$m)	Pre-acquisition and capital raising	Acquisition and capital raising adjustments ⁽³⁾	Post-acquisition and capital raising
Fixed assets	181.6	28.5	210.1
Intangibles	1,317.8	36.6	1,354.4
Working capital and other	32.1	(2.1)	30.0
Net on balance sheet debt	316.6	(227.0)	89.6
Sigma Rewards debt	518.2		518.2
Total equity	1,214.8	290.0	1,504.8
Net Debt/(Net Debt + Equity) ⁽¹⁾	20.7%		5.6%
Net Debt/(Net Debt + Equity) ⁽²⁾	40.7%		28.8%

(1) Excluding Sigma Rewards off balance sheet receivables financing facility; equity measured at book value

(2) Including Sigma Rewards off balance sheet receivables financing facility; equity measured at book value

(3) Pro forma adjustments based on cash purchase price of c. A\$60m and assuming the following: fixed assets acquired booked at \$28.5m, expected net working capital adjustments and other provisions of A\$(5.1)m as at completion date, cost of acquisition funded by equity raising of A\$297m, capitalised transaction costs related to capital raising of A\$7m net of deferred tax asset. Note the purchase price allocation reflects management's best estimate which includes independent external valuation work on fixed assets



Financial Information

- Sigma unaudited results for FY2010 H1 (subject to final review)^{(1),(2)}

A\$m	FY2010 H1	FY2009 H1	Δ FY2010 to FY2009
Revenue	1,516.5	1,465.8	▲ 3.5%
Reported EBITDA	99.1	103.3	▼ 4.0%
Reported EBIT	76.8	80.5	▼ 4.6%
Reported NPAT	32.2	30.7	▲ 4.9%

- Sigma maintains its previous guidance of modest growth in NPAT for the full year ending 31 January 2010⁽²⁾
 - Assumptions:
 - No changes to regulatory environment
 - No major business disruptions
 - No major changes in consumer or customer demand
 - New product launches as scheduled and as budgeted
 - No unusual competitor activities or initiatives or introduction of significant competitors
 - Stable industrial climate
 - No non-recurring items are anticipated in FY2010 H2
 - Also refer to Risk Factors in Appendix

(1) Half year results to be released on 14 September 2009

(2) Excluding impact of equity raising and acquisition

Ineligible Shareholders

- The Retail Offer is only available to Eligible Shareholders with a registered address in Australia and New Zealand and to institutional shareholders in certain other jurisdictions
- Shareholders who do not satisfy these criteria are not eligible to participate in the Offer (“Ineligible Shareholders”)
 - The New Shares that these Ineligible Shareholders would have been entitled to take up had they been eligible to participate in the Offer will be sold via the same bookbuild process that applies to Eligible Shareholders who did not take up their entitlements
 - Any net proceeds of sale in excess of the Offer Price will be returned to Ineligible Shareholders following conclusion of the bookbuild

- This section discusses some of the risks associated with an investment in Sigma
- This presentation is not financial product advice and has been prepared without taking into account your investment objectives or personal circumstances
- Before investing in Sigma shares, you should consider whether this investment is suitable for you. Potential investors should consider publicly available information on Sigma (such as that available on the websites of Sigma and ASX), carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional adviser before making an investment decision



Key Risks

Specific Risks

- Manufacturing and wholesaling margins
- Product liability
- Security
- Business interruption
- Environmental regulation
- Competition
- Intellectual property
- Reliance on key personnel
- Litigation risk
- Occupational, health and safety
- Renegotiation of Community Pharmacy Agreement and maintenance of Community Service Obligation Funding Pool
- Brands/manufacturing acquisition
- Other acquisitions

General Risks

- Share price and volume fluctuations
- Economic risks
- Government policies and legislation
- Taxation implications
- Changes in accounting policy
- Asset impairment

See Appendix for further details

Appendix

Key risks and disclaimers



Key Risks (cont.)

Specific Risks	
Manufacturing and Wholesaling Margins	<ul style="list-style-type: none"> From time to time, patents on pharmaceutical products expire, leading to the launch of less expensive generic branded products. The Australian Commonwealth Government regulates the maximum price that may be paid for these products when listed on the PBS schedule. Any changes to the PBS generally or in relation to Sigma's products may have a material impact on Sigma.
Product Liability	<ul style="list-style-type: none"> Sigma is exposed to the risk of product liability arising from defective products. Product liability risk is managed by quality assurance and control programs which are consistent with the licensing requirements of the Therapeutic Goods Administration. Sigma also has a comprehensive training program for relevant employees. Systems and procedures are in place to detect defective products and manage product recall. Sigma is also exposed to the risk of damage in handling products manufactured by pharmaceutical manufacturing companies. Insurance cover is maintained.
Security	<ul style="list-style-type: none"> Sigma has a high exposure to theft due to the nature of the product it manufactures and distributes. Measures adopted by Sigma in relation to security include the addition of permanent security personnel at major sites, physical barriers to entry, enhanced lighting, out of hours and weekend security patrols and camera surveillance where appropriate. Sigma's security procedures are reviewed on a regular basis with law enforcement agencies and security professionals.



Key Risks (cont.)

Specific Risks (cont.)	
Business Interruption	<ul style="list-style-type: none"> • Sigma is susceptible to having its business interrupted by factors including failure of critical plant and equipment (such as computer systems), interruption to supplies, loss or destruction of assets by fire or disruptions caused by industrial action. Sigma continues to refine and develop its business recovery plans, which identify potential risks and set out strategies for avoiding and minimising interruption and restoring business to normal. Sigma maintains policies of insurance in respect of insurable risks in accordance with usual commercial practice.
Environmental Regulation	<ul style="list-style-type: none"> • Sigma's manufacturing and wholesale distribution sites (including the site to be acquired from BMS) are required to comply with stringent environmental regulations. If any breach of these regulations occurs at any of these sites, Sigma may be subject to material clean-up costs and other liabilities. • Sigma has manufacturing and operational licences in place for all sites where required relating to effluent discharge as well as dangerous goods. All sites are subject to the broad environmental legislation governing pollution, noise and waste handling and disposal.
Competition	<ul style="list-style-type: none"> • Sigma's financial performance or operating margins and the value of Sigma could be materially adversely affected if existing competitors increase market share or new competitors enter the market. • The risk exists that one or more of the competitive products in development now or in the future will prove more efficacious, more cost effective or more acceptable to patients than Sigma's product. It is possible that a competitor may be in the market place sooner than Sigma and establish itself as the preferred product. • Such competition and new technologies can have the effect of decreasing the financial value of products and reducing Sigma's sales, pricing and profit margins. • Given the highly competitive nature of the pharmaceutical industry, there is a risk that new entrants, particularly those from overseas operating in less regulated jurisdictions with significantly lower costs, will encroach upon Sigma's market share.



Key Risks (cont.)

Specific Risks (cont.)

Intellectual Property

- The ability of Sigma to operate without infringing the proprietary rights of third parties is an integral part of Sigma's business.
- A significant part of Sigma's business relates to the manufacture and sale of generic branded products. The growth of this part of the business depends predominantly on the off patent product pipeline and the successful launch of generic equivalents to the market. Failure to launch new products in a timely manner and as budgeted may have a material adverse impact on Sigma.
- The pharmaceutical market in Australia is highly competitive, and the increased penetration of the generic branded products into the market, increases the risk of litigation from the drug developers asserting a breach of their patent and other intellectual property rights in the product. There are significant costs in defending such actions, and as a significant player in the manufacture of generic branded product, there is a risk Sigma will be forced to defend its right to manufacture some generic branded products.
- Further, Sigma licenses intellectual property in order to manufacture some products. There can be no assurances that any third party will abide by or perform their respective obligations under such agreements. There is also a risk that the licences may be terminated. However, Sigma has a more diversified business model than other comparable Australia pharmaceutical companies. Its earnings are generated from a diverse range of pharmaceutical products and so are not reliant on any one particular product. Accordingly, whilst there is a risk of decreased earnings should Sigma not retain a particular licence, the potential impact is unlikely to be significant.



Key Risks (cont.)

Specific Risks (cont.)	
Reliance on Key Personnel	<ul style="list-style-type: none"> • Sigma is committed to providing an attractive employment environment, conditions and prospects to assist in retaining its key senior management personnel. However, there can be no assurance that Sigma will be able to retain these key personnel. The loss of key personnel or the inability to recruit and retain high calibre staff could have a material adverse effect on Sigma. The additions of new employees and the departures of existing employees, particularly in key positions, can be disruptive and could also have a material adverse effect on Sigma.
Litigation Risk	<ul style="list-style-type: none"> • Litigation risks to Sigma include, but are not limited to, product liability, intellectual property disputes, customer claims, personal injury claims and employee claims. If any claim were to be pursued and be successful it may adversely impact the sales, profits or financial position of Sigma.
Occupational, Health and Safety (OH&S)	<ul style="list-style-type: none"> • If Sigma fails to comply with necessary OH&S legislative requirements, it could result in fines, penalties and compensation for damages as well as reputational damage to Sigma.
Renegotiation of Community Pharmacy Agreement and maintenance of Community Service Obligation Funding Pool	<ul style="list-style-type: none"> • The Fourth Community Pharmacy Agreement (the Fourth Agreement) established the Community Service Obligation Funding Pool (“CSO”). The CSO provides funding to pharmaceutical wholesalers, including Sigma, who supply the full range of PBS medicine to community pharmacies anywhere in Australia at the PBS price. The aim is to ensure the availability of all PBS medications to all Australian communities. This initiative has been very successful over the previous four years. • The Fourth Agreement will end on 30 June 2010. There is no guarantee that the successful CSO will continue to be provided following negotiation of the Fifth Agreement by the Australian Government and the Pharmacy Guild of Australia. There is also a risk that the Fifth Agreement may bring about other changes that effect the business of a pharmaceutical wholesaler such as Sigma.



Key Risks (cont.)

Specific Risks (cont.)	
Brands/ Manufacturing Acquisition	<ul style="list-style-type: none"> • The Brands/Manufacturing Acquisition is expected to meet all of Sigma’s published investment criteria. Risks in relation to this expectation include: <ul style="list-style-type: none"> – Sales volumes of the products acquired may decline more than anticipated over coming years; – Sigma is unable to meet its obligations to BMS under the proposed toll contract manufacturing agreement with BMS; – Volumes are not maintained during the life of the contract manufacturing agreement; – Product quality is not maintained; – The Brands/Manufacturing Acquisition is not successfully integrated into Sigma or costs related to the business increase; – Key staff in BMS are not retained or large numbers of staff transferred are required to be made redundant; – Completion risks, including the possibility that conditions precedent to the sale agreement are not satisfied; – The business depends upon certain third party suppliers and intellectual property licences. These supplier relationships and licences will need to be maintained; and – The agreement pertaining to the proposed Brands/Manufacturing Acquisition is subject to the satisfaction of various conditions which are largely procedural in nature. Notwithstanding, in the event these conditions are not satisfied or waived by the vendor, the proposed acquisition will not proceed.
Other Acquisitions	<ul style="list-style-type: none"> • Sigma may also consider further acquisitions of businesses that fit within its strategy. There is a risk that appropriate acquisition opportunities or alliances may not be available or that the target companies may not enter into dealings with Sigma. There is no guarantee that future potential acquisitions will be available on favourable terms or that they will be successfully integrated.



Key Risks (cont.)

General Risks	
Share Price and Volume Fluctuations	<ul style="list-style-type: none"> • Securities may experience extreme price and trading volume fluctuations. Following the Offer, there may not be an active trading market in the Sigma shares. If a market is not sustained, it may be difficult for investors to sell their shares at a price that is attractive to them or at all. The price of the New Shares may not be representative of the price that will prevail after the Offer. • The equity market has experienced price and volume volatility that has affected the share price of many companies. Security prices for many companies have experienced wide fluctuations that have often been unrelated to the operating performance of those companies. Fluctuations such as these may adversely affect the market price of Sigma shares.
Economic Risks	<ul style="list-style-type: none"> • Sigma is exposed to economic factors in the ordinary course of business. Factors such as changes in fiscal, monetary and regulatory policies can adversely impact Sigma's earnings. Given that interest rates in Australia and New Zealand are at historically low levels, there is a likelihood of some increase in the medium to longer term. Through the import and export activities of Sigma, and thorough its investment in New Zealand, Sigma has some exposure to changes in foreign exchange rates. • Wherever possible overseas contracts are negotiated in Australian dollars. Where a liability or asset arises in a currency other than Australian dollars, the exposure is covered by forward sale or purchase of the currency. A portion of all variable interest rate commitments are hedged by the use of fixed-for-floating interest rate swaps. The principal amount and the duration of these swaps is determined by the total level of Sigma's borrowings and the interest rate outlook prevailing in the financial markets.



Key Risks (cont.)

General Risks (cont.)	
Government Policies and Legislation	<ul style="list-style-type: none"> • Sigma operates in highly regulated industry segments. Sigma may be affected by changes to government policies and legislation, including those relating to the pharmaceutical industry, property, the environment, taxation, the regulation of trade practices and competition.
Taxation Implications	<ul style="list-style-type: none"> • Future changes in Australian taxation law, including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect taxation treatment of an investment in Sigma shares, or the holding and disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which Sigma operates, may impact the future tax liabilities of Sigma.
Changes in Accounting Policy	<ul style="list-style-type: none"> • Sigma is subject to the usual business risk that there may be changes in accounting policies which impact on Sigma.
Asset Impairment	<ul style="list-style-type: none"> • As a consequence of the global financial crisis, the Australian Securities and Investments Commission has specifically identified impairment of assets as an issue for Australian companies. The Sigma Board regularly monitors impairment risk. Sigma has a high level of intangible assets and has grown by brand acquisition. Consistent with accounting standards, Sigma is periodically required to assess the carrying value of its assets, including its brands. Where the value of an asset is assessed to be less than its carrying value, Sigma is obliged to recognise an impairment charge in its profit and loss account. Impairment charges can be significant and operate to reduce the level of a company's profits and, potentially, its capacity to pay dividends. Impairment charges are a non-cash item.



Disclaimers – Foreign Jurisdictions

Canada

The presentation constitutes an offering of the securities described herein only in those jurisdictions of Canada and to those persons where and to whom they may be lawfully distributed in Canada, and therein only by authorised persons. The presentation is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities referred to in this document in Canada.

The presentation must only be distributed in Canada to persons that are "accredited investors" within the meaning of National Instrument 45-106 – Prospectus and Registration Exemptions (NI 45-106) of the Canadian Securities Administrators.

No securities commission or similar authority in Canada has reviewed or in any way passed upon the presentation or the offering of New Shares in the Offer or the merits of the securities described herein and any representation to the contrary is an offence.

No prospectus has been or will be filed in Canada with respect to the offering of New Shares in the Offer or with respect to the resale of such securities. As such, any person in Canada lawfully participating in the Offer will not receive the information, legal rights and protections that would be afforded to such persons had a prospectus been filed and receipted by the applicable securities commission or similar authority in Canada. Any resale of the New Shares must be made in accordance with applicable Canadian securities laws.

United Kingdom

The presentation is only being distributed to, and are only directed at, persons in the United Kingdom that are existing shareholders of Sigma or qualified investors and also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "FSMA Order"); or (ii) high net worth entities or other persons falling within Article 49(2)(a) to (d) of the FSMA Order (all such persons together being referred to as "Relevant Persons"). The presentation and its contents are confidential and should not be distributed, published or reproduced (in whole part) or disclosed by recipients to any other person in the United Kingdom as this may contravene the Financial Services Markets Act 2000 ("FSMA"). Any investment or investment activity to which the presentation relate is available in the United Kingdom, to Relevant Persons only. Any person in the United Kingdom that is not a Relevant Person should not review it or act or rely on the presentation or any of its contents and is requested to return the presentation to the person who made it available to them.

Ireland

The presentation and any other materials in connection with the Offer relating to Ireland do not constitute a prospectus within the meaning of Part 5 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland ("the 2005 Act") or the Companies Acts of Ireland.

No offer of securities to the public is made, or will be made, that requires the preparation or publication of a prospectus pursuant to Irish prospectus law (within the meaning of Part 5 of the 2005 Act) in general, or in particular pursuant to the Prospectus (Directive 2003/71/EC) Regulations 2005 of Ireland.

No prospectus will be prepared in relation to the Offer for the purposes of the 2005 Act or those Regulations. The presentation is being distributed to less than 100 persons in Ireland, and accordingly there is no requirement to prepare or publish a prospectus under the 2005 Act or those Regulations.



Disclaimers – Foreign Jurisdictions (cont.)

Norway

The presentation has not been approved by, or registered with, any Norwegian securities regulators pursuant to the Norwegian Securities Trading Act of 29 June 2007, as amended. The presentation and any other materials in connection with the Offer relating to Norway have not been approved or disapproved by, or registered with the Oslo Stock Exchange, the Norwegian FSA, the Norwegian Registry of Business Enterprises or any other Norwegian authority. Accordingly, neither the presentation nor any other offering material relating to the offering of the New Shares and entitlements constitutes, or shall be deemed to constitute, an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007. The New Shares and entitlements may not be offered or sold, directly or indirectly, in Norway except;

(i) in respect of an offer of New Shares and entitlements addressed to investors subject to a minimum purchase of New Shares and entitlements for a total consideration of not less than €50,000 per investor;

(ii) to "professional investors" as defined in the Norwegian Securities Regulation of 29 June 2007 no. 876, being;

(A) legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(B) any legal entity which is registered as a professional investor with the Oslo Stock Exchange (No. Oslo Børs) and which has two or more of;

(1) an average of at least 250 employees during the last financial year;

(2) a total balance sheet of more than €43,000,000;

(3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(C) any natural person which is registered as a professional investor with the Oslo Stock Exchange (No. Oslo Børs) and which has two or more of;

(1) an average execution of at least ten – 10 – transactions in securities of significant volume per quarter for the last four quarters;

(2) a portfolio of securities with a market value of at least €500,000;

(3) worked or works, for at least one – 1 – year, within the financial markets in a position which presuppose knowledge of investing in securities;

(iii) to fewer than 100 natural or legal persons (other than 'professional investors' as defined in the Norwegian Securities Regulation of 29 June 2007 no. 876), subject to obtaining the prior consent of the underwriter for any such offer;

(iv) in any other circumstances provided that no such offer of New Shares and entitlements shall result in a requirement for the registration, or the publication by Sigma or the Underwriter of a prospectus pursuant to the Norwegian Securities Trading Act of 29 June 2007.

New Zealand

The presentation does not constitute a prospectus or investment statement and have not been registered, filed with or approved by any New Zealand regulatory authority under or in connection with the Securities Act 1978 (New Zealand). The disclosure materials are being distributed in New Zealand only to, (a) persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money; (b) persons who are each required to pay a minimum subscription price of at least NZ\$500,000 for the New Shares before the allotment of those New Shares; or (c) persons to whom securities may be offered in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2002. Under the institutional offer new shares are not being offered to any other person in New Zealand. Any investor who acquires New Shares under the institutional offer must not, in the future, sell those New Shares in a manner that will, or that is likely to, result in the sale of the New Shares being subject to the New Zealand Securities Act 1978 or that may result in Sigma or its Directors incurring any liability whatsoever.



Disclaimers – Foreign Jurisdictions (cont.)

Hong Kong

'Health Warning' where offers to 'professional investors' only

Important information for 'professional' and other legally permitted Hong Kong investors

WARNING

The contents of the presentation has not been reviewed or approved by any regulatory authority in Hong Kong. Recipients are advised to exercise caution in relation to any offer of Shares by Sigma. If a recipients is in any doubt about any of the contents of the presentation, they should obtain independent professional advice.

New Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document other than:

- (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong and any rules made under that ordinance; or
- (ii) in other circumstances which do not result in the presentation being a "prospectus" as defined in the Companies Ordinance (Cap.32) of Hong Kong or which do not constitute an offer to the public within the meaning of that ordinance.

Further, no person shall issue or have in its possession for the purpose of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the New Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong and any rules made under that ordinance.

The information relating to the offering contained herein may not be used other than by the person to whom it is addressed and may not be reproduced in any form or transferred to any person in Hong Kong.

This Offer is not an offer for sale to the public in Hong Kong and it is not the intention of Sigma that the New Shares be offered for sale to the public in Hong Kong.



Disclaimers – Foreign Jurisdictions (cont.)

Singapore

The Offer which is the subject of the presentation is not allowed to be made to the retail public. The presentation is not a prospectus as defined in the Securities and Futures Act (Cap 289) of Singapore (“the SFA”). Accordingly statutory liability under the SFA in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you.

The Offer is made in reliance on certain exemptions under the SFA, and is not made in or accompanied by a prospectus that is registered by the Monetary Authority of Singapore (“the Authority”). Conversely, the presentation and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of New Shares may not be circulated or distributed, nor may New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than:

- (i) to an institutional investor under Section 274 of the SFA;
- (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA; or
- (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where New Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

then the securities (as defined in Section 2 of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the new shares pursuant to an offer made under Sections 275 of the SFA except:

- (iii) to an institutional investor or to a relevant person as defined in Sections 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such securities of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further (in the case of the corporation), the transfer of securities of that corporation arise from an offer made in accordance with the conditions specified in Section 275(1A) of the SFA;
- (iv) where no consideration is or will be given for the transfer; or
- (v) where the transfer is by operation of law.

Term	Meaning
AEST	Australian Eastern Standard Time
AIFRS	Australian International Financial Reporting Standards
ASX	ASX Limited
BMS	Bristol-Myers Squibb
CSO	Community Service Obligation Funding Pool
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
Eligible Shareholders	Shareholders at 7.00pm (AEST) on 14 September 2009 with a registered address in Australia and New Zealand, and institutional shareholders in Canada, the United Kingdom, Ireland, Norway, Hong Kong and Singapore, who are not US persons or acting for the account of a US person
EPS	Earnings Per Share
GAAP	Generally Accepted Accounting Principles
New Shares	The new Sigma shares Eligible Shareholders may subscribe for under the terms of the Offer
NPAT	Net Profit After Tax
NPV	Net Present Value
Offer	Accelerated Renounceable Pro-Rata Entitlement Offer of Sigma Shares
Offer Price	A\$1.02 per New Share
OH&S	Occupational Health and Safety
PBS	Pharmaceutical Benefits Scheme
Retail Entitlement Offer	The offer of Sigma shares to retail shareholders
Sigma or The Company	Sigma Pharmaceuticals Limited ABN 15 088 417 403
TERP	Theoretical Ex-Rights Price
Underwriter	Deutsche Bank AG, Sydney Branch
U.S.	United States



SIGMA

