



EXPERIENCE STRATEGY POTENTIAL

2012-2013 ANNUAL REVIEW | TOWARDS THE NEXT 100 YEARS

Our strategy is to position our company for continued growth and improving shareholder value by becoming Australia's choice for health, beauty and well-being.

This is underpinned by the Customer Value Proposition, predicated on team members, suppliers and pharmacists working together for the benefit of all Australians.

It's a proven formula for growth.

CONTENTS

02	Highlights 2012–2013
04	Chairman's report
07	CEO and Managing Director's report
08	Our people
08	Sigma's values
09	Safety at Sigma
10	Sigma in the community
12	Our brands
14	Sigma supplier gala dinner
14	One supply chain
16	Celebrating Sigma's centenary
18	Looking ahead
19	Sigma's multi-channel capability
20	Senior management
22	Board of Directors
24	Media highlights
25	Corporate Governance Statement
30	Financial highlights



**OUR POTENTIAL
TO GROW,
LIES IN THE
POWER
OF OUR
PEOPLE AND
PARTNERSHIPS**

HIGHLIGHTS 2012–2013

DISTRIBUTION CENTRES

13

OUR SUPPLIERS

430

PHARMACY CUSTOMERS

4,000

SERVICING PHARMACIES WITHIN:

24 HRS

DIRECT PHARMACY-LED STORES

570

PRODUCT LINES

14,000

YEARS OF HEALTHCARE

100

TEAM MEMBERS

1,000

PRODUCTS DELIVERED DAILY

600,000

- Another strong financial performance sees total shareholder dividends for the 2012–13 year at 4.0 cents per share.
- Sigma has continued to invest in a range of strategic initiatives over the past twelve months.
- New executive leadership appointments finalised, complementing the skills and capabilities of the existing team.
- Amcal celebrates its 75th birthday and remains one of Australia's most recognised pharmacy brands.
- Guardian Pharmacy wins the 2012 Canstar Blue Most Satisfied Customer Award and the 2012 Roy Morgan Research Customer Satisfaction Award for Pharmacy.
- As part of its centenary celebrations, Sigma donated a total of \$42,550 to the Children's Hospital Foundations Australia, Alzheimer's Australia and Building Better Lives.
- Continuing to improve work environments with office refurbishments completed at Seven Hills, Toowoomba, Townsville and Rockhampton locations.

SALES REVENUE ROSE BY

3.1%

NET CASH

\$83M

RETURN ON INVESTED CAPITAL

13.5%*

12 MONTHS EBIT

\$71.1M*

HIGH PAYOUT RATIO OF

90%*

continues to reward shareholders for improved performance

* Excluding net litigation settlement expenses of \$48.0 million (pre tax)

• Excluding net litigation settlement expenses of \$33.6 million (post tax)

CHAIRMAN'S REPORT

I am pleased to present the Sigma Pharmaceuticals Limited Annual Report for FY13.

With a strong and energised management team and a clear strategy in place, Sigma has continued to build more effective partnerships with all our stakeholders. With full Board support, this strategy represented an initial investment of over \$15 million in people, infrastructure and processes this year, currently with an additional \$5 million in the pipeline.

Unfortunately Sigma's reported result of \$18.7 million of Net Profit After Tax (NPAT) was adversely affected by the settlement of a previous class action claim of \$33.6 million (post tax). Excluding this, the strong health of the underlying business is reflected in the 4% rise in underlying NPAT to \$52.3 million compared with \$50.3 million last year.

A fully franked final dividend of 2.0 cents a share takes the total shareholder dividends for the 2012/13 year to 4.0 cents per share and takes the overall pay-out ratio delivered to shareholders this financial year to 90% of underlying NPAT. This approach is consistent with the Board's commitment to continue rewarding shareholders for the improved financial performance of the company.

The Board is delighted that we can continue to provide a high pay-out ratio to our shareholders. Subject to our franking position, our current cash outlook indicates that we should be able to maintain these levels for the foreseeable future.

At year end Sigma has a strong net cash position of \$82.7 million, leaving the company well positioned for a challenging future.

The Company's transformation program has delivered great benefits and continues to drive energy and enthusiasm across the business.

As part of the celebrations of our 100th anniversary, Sigma has shared with team members, brand members and other stakeholders highlights of our long history.

I thank our shareholders for their ongoing support of Sigma and our renewed strategy. Our team members have also been fully supportive of management and worked hard to build on the successes of last year.

Finally I thank the Board for their ongoing leadership and brand members of Amcal, Amcal Max and Guardian, who have remained loyal supporters of Sigma.

I am looking forward to continued progress on our strategy, made possible by a talented team.



Mr Brian Jamieson, Chairman



With a strong and energised management team and a clear strategy in place, Sigma has continued to build more effective partnerships with all our stakeholders.

CEO AND MANAGING DIRECTOR'S REPORT

In our centenary year, I am proud to report that Sigma has delivered another strong result, balancing our obligation to deliver good healthcare outcomes for all Australians with the need to provide our shareholders with improving returns.

A highlight was a record high ROIC of 13.5%*. Sales revenue rose by 3.1%, reflecting market share gains made during the past twelve months, despite the dampening impact caused by ongoing PBS reform. Although PBS reform will be a factor affecting revenue going forward, Sigma will continue to work on measures to mitigate this impact. Our full year reported EBIT was \$23.1 million [underlying EBIT was \$71.1 million*] compared to \$70.3 million last year, slightly constrained by some one-off costs and promised reinvestment into the business.

This strong result was made possible by a reinvigorated retail strategy, at the heart of which is our Customer Value Proposition (CVP) – “placing pharmacists and consumers at the centre of everything we do for mutual benefit.” The CVP is the lens through which Sigma makes all of our business decisions. If a business decision doesn't add value for a pharmacist or their customer, we don't do it.

This year Amcal, one of the most recognised brands in the country, celebrated its 75th birthday. Its position as a leading national pharmacy brand remains strong.

Guardian Pharmacy won the 2012 Roy Morgan Research Customer Satisfaction Award for Pharmacy ahead of other leading Australian brands. Following on from winning the 2012 Canstar Blue Most Satisfied Customer Award, this award highlights the continued effort of our brand members in building a strong reputation in the marketplace for providing outstanding customer service.

To further support and promote our brands, Sigma appointed brand ambassadors – popular medical commentator Dr Cindy Pan for Guardian and television personality Georgie Parker as the new face of Amcal and Amcal Max.

With an ongoing commitment to attract and retain talented team members, Sigma has developed a dedicated workforce, focused on delivering strong results for all stakeholders. We completed the revitalisation of our leadership structure, complementing the depth of experience in our existing team.

To further support our team members, Sigma introduced a reward and recognition program, the 'Shine Awards', which recognised the outstanding achievements of individuals and teams, based on peer nominations.

Sigma proudly celebrated its 100 years of service to community pharmacy this year, continuing to build on the great vision of our founders Ernest Leete and Edwin Church.

In 1912 Sigma manufactured its well known Sigma remedies. Today, Sigma has maintained its commitment to offering products exclusively distributed by our Amcal, Amcal Max and Guardian customers.

Sigma will continue to pursue improved returns built on the significant investment undertaken in key operational parts of the business together with its enhanced retail offer. This is notwithstanding the broader difficulties facing the retail sector and ongoing PBS reform.

Sigma has come a long way in the past few years. Our strategy is aligned throughout the business and the company is now well positioned for growth.

Mr Mark Hooper, CEO & Managing Director

In our centenary year, I am proud to report that Sigma has delivered another strong result, balancing our obligation to deliver good healthcare outcomes for all Australians with the need to provide our shareholders with improving returns.

* Excluding net litigation settlement expenses of \$48.0 million (pre tax)

OUR PEOPLE

Sigma team members are at the heart of our success. We continue to attract, recruit and retain the industry's best and are committed to making our company a great place to work.

Sigma continues to invest in learning and development opportunities to extend the professional capabilities of our team members through a range of personal development programs.

SHINE AT SIGMA

2012 saw the launch of Sigma's reward and recognition program – Shine at Sigma.

The purpose of the program is to recognise and reward those Sigma employees and teams who demonstrate values and behaviours in line with Sigma's desired culture. Colleagues can nominate individual team members or teams for a Shine Award, which are given on a quarterly and annual basis.

The six cultural characteristics are:

- Partnerships
- Performance Excellence
- Empowerment and Accountability
- Agility
- Integrity and Respect
- Unity

SIGMA'S VALUES



Below: Vanessa San Jose receives the National Shine Award from Mark Hooper, CEO & Managing Director of Sigma Pharmaceuticals.



SAFETY AT SIGMA

Sigma is committed to providing, promoting and maintaining safe and healthy workplaces, equipment and systems. The health and well-being of team members is at the forefront of everything we do.

Safety is more than just following rules. It is about encouraging behavioural change.

Our guiding safety principles are:

- Prevent harm, eliminate hazards and reduce risk;
- Increase compliance, knowledge and awareness; and
- Promote and maintain a continuously improving safety culture.

With a dynamic safety program in place, we are creating safer work attitudes and encouraging behavioural change as a way of life.

Sigma's KPI results for the year reflect our growing safety culture and our team's engagement of safe practice in their daily activities. Our Cultural Survey highlighted an increasing belief of team members that they work in a safety conscious organisation. The year ended with a 38.5% reduction in Lost Time Injuries (LTIs).

We continue to develop and deliver targeted programs to reinforce the importance of creating safer workplaces and maintaining healthy bodies and minds. Team members participation rates in health and wellbeing programs continued to rise throughout the year.

Programs delivered throughout the year included Work Health Checks, Safe Work Australia Week activities, an influenza vaccination program, *Back to Basics* workshops and the commencement of foot health clinics for our logistics based team members.

Programs including complimentary access to gymnasium and sporting facilities along with on-site employee health seminars were also conducted.

Auditing of our health and safety management system was completed in all thirteen sites, with safety activities and training, along with site, plant and equipment improvements identified for the coming year.



SIGMA IN THE COMMUNITY

GUARDIAN ANGEL

The Guardian Angel knitting program continued in 2012, providing winter warmth to those in need.

Customer's collected complimentary knitting patterns from their local Guardian Pharmacy and discounted wool and yarn from Spotlight stores around Australia.

Completed garments were then distributed by The Variety Club to children and babies in shelters, indigenous communities and those affected by recent disasters in Australia and New Zealand.

The contribution the Guardian Angel knitting program makes to local communities is overwhelming, with over 100,000 garments knitted in its 14th year running.

Once again Sigma thanks Guardian Pharmacies for their continued support of this wonderful program.

FITTED FOR WORK

In 2012, Sigma and its staff donated handbags, shoes, and clothing to the non-profit organisation, Fitted for Work. This organisation supports women experiencing difficulties in seeking and keeping paid employment by assisting them with personal dressing services, mentoring and transition to work programs.

SIGMA'S BIRTHDAY CELEBRATIONS

During its birthday celebrations in 2012, Sigma offered its team the opportunity to give back to the community that has supported our company for over a century, by donating a special \$50 'Sigma Dollar' to one of three charities; Children's Hospital Foundations Australia, Alzheimer's Australia and Building Better Lives. A total of \$42,550 was divided between the organisations.

JUVENILE DIABETES RESEARCH FOUNDATION

The Juvenile Diabetes Research Foundation (JDRF) is the world's largest charitable supporter of type 1 diabetes research, having invested more than \$100 million in Australian research to date. Australia has one of the highest rates of type 1 diabetes in the world and Amcal's continued support of Jelly Baby Month raises the much-needed funds to help find a cure for this growing disease. During Jelly Baby Month in May, jelly baby themed merchandise is sold in our Amcal pharmacies.

CANCER COUNCIL – PINK RIBBON DAY

Amcal continues as a proud sponsor of the Cancer Council's Pink Ribbon Day. Cancer Council's Pink Ribbon Day helps raise awareness about breast cancer, as well as providing funds to support the many thousands of Australian women affected by this disease.

Breast and gynaecological cancers unfortunately touch everyone's life in one form or another, either directly or through the experience of family and friends. Every year, around 13,500 Australian women will hear the words 'you have breast cancer'. During October, Amcal pharmacies raise funds for Pink Ribbon Day to assist women in their brave fight against breast cancer. The money raised will help the Cancer Council fight cancer through prevention programs, support services and world-class cancer research.

VICTORIA POLICE BLUE RIBBON FOUNDATION

Sigma also donated to the Victoria Police Blue Ribbon Foundation in support of community projects undertaken in memory of those members of the Force killed in the line of duty.

TASMANIAN SPECIAL CHILDREN'S CHRISTMAS PARTY

Sigma supported the Tasmanian Special Children's Party, providing more than 1,400 children with special needs a day they will never forget. This event is the biggest party of its kind in the state and includes a star studded show featuring many local and national artists and lots of other activities such as rides, face painting, merry-go-rounds, jumping castles and much more.

MAKING LITTLE MIRACLES HAPPEN FOR QUEENSLAND BABIES AND CHILDREN

One in seven Queenslanders are born at Mater Mother's Hospital – making it the busiest maternity hospital in Australia. While at Mater Children's Hospital, specialist staff provide round-the-clock care to seriously ill children. These babies and children are affectionately known as Mater Little Miracles and the care they receive extends from pregnancy, to birth, infancy and childhood.

Guardian Pharmacy has been in partnership with Mater Little Miracles for over six years, during which time they have raised over \$60,000 through donations made in each store over the Easter period.

By supporting the Mater Little Miracles Appeal Sigma is helping Queensland's most vulnerable babies and children.



Young knitters:
John, Annaleigh and Samantha



Mark Hooper, CEO & Managing Director, Sigma Pharmaceuticals and Lauretta Hodgkinson (Sigma team member for over 40 years)



Charities supported during Sigma's birthday celebrations

OUR BRANDS



Dr Cindy Pan & Georgie Parker



In March 2012, Sigma announced an exciting new direction for our retail brands, Amcal, Amcal Max and Guardian.

Sigma launched the “I Am Amcal” campaign in mid 2012, featuring our new Amcal brand ambassador, Georgie Parker. The campaign positions the brand around the expertise of our pharmacists. I Am Amcal is a bold, simple message and a clear acknowledgment of personal ownership.

Amcal celebrated its 75th birthday in 2012 and was again independently acknowledged as Australia’s most recognised brand in pharmacy.

Sigma also launched a new branding campaign for Guardian centred around Advice. Trust. Care, which represents the three values that consumers associate with the brand.

According to research findings, consumers consider Guardian the most trusted pharmacy brand in the country.

This was recognised by Guardian Pharmacy winning the 2012 Canstar Blue – Most Satisfied Customers Award (for Pharmacy) and the 2012 Roy Morgan – Customer Satisfaction Award (Pharmacy).

Advice. Trust. Care. not only delivers a strong, clear message but has the potential to connect with consumers on an emotional level. The campaign also introduced our new Guardian brand ambassador, well known medical practitioner, Dr Cindy Pan.

Both campaigns created a new look and feel for the brands across all media channels including catalogues, points of sale, television and online.

2012 AMCAL AND GUARDIAN RETAIL CONFERENCE

The theme of the 2012 Amcal and Guardian Retail Conference, held in the week of the Australian Pharmacy Professional Conference (APP), was *Business Ready – Solutions for Our Changing Future*. With record attendance, the aim of the Conference was to equip Sigma’s brand members with a detailed outline of the Amcal and Guardian retail strategy, navigate an ever-changing healthcare landscape, provide solutions to deal with the impact of ongoing PBS reform and exclusive distribution threats, as well as meet key consumer needs and optimise sales.

The Conference agenda included a mix of professional and industry speakers, retail workshops and supplier exhibits, culminating in a gala dinner and awards evening. The Conference also offered exceptional networking opportunities with fellow brand members, key suppliers and Sigma’s management team.

PHARMACY ASSISTANT ANNUAL CONFERENCE (PAAC)

PAAC is now the largest professional event for pharmacy assistants in Australia. It was created in 2009 to ensure that team members in Amcal, Amcal Max and Guardian pharmacies remain engaged and proud advocates of Sigma and our programs.

The conference is held once a year in all six states of Australia and provides an opportunity for delegates to meet and learn from other team members in a dynamic and exciting atmosphere.

The 2012 PAAC theme was *You, Your Team, Your Future*. Over 1000 delegates from around the country attended; another record for Sigma.

Sigma recognises that given the many changes in community pharmacy, providing the right tools to prepare pharmacy teams for a competitive and challenging future is vital. Delegates reflected on their own personal journey and also learned how to identify their strengths and develop strategies to work together as a team. Following PAAC, each delegate took with them knowledge and business strategies that could be used immediately in their own pharmacy.

In 2012 Management Engagement Program (MEP) ‘master classes’ were introduced into the PAAC agenda, focusing on developing skills and knowledge required to manage teams more effectively. Over 300 delegates undertook the MEP sessions.

Each year Sigma invests around \$1 million in PAAC. This includes contributions from program partners who in turn have the opportunity to attend the event and present to delegates. This year there were 22 program partners, up from 17 in the previous year.

PAAC TESTIMONIALS

“It is a great opportunity to engage with the pharmacy assistants and give them more knowledge on your products”
– ALCON

“PAAC is a great opportunity to interact with those who are on the front-line selling your product”
– RECKITT BENCKISER

“I learnt how to use the new marketing campaign ‘I Am’ to help promote the brand”
– QLD Participant

“PAAC was a wonderful experience. I have gained more confidence and knowledge from the conference”
– TAS Participant

“It’s a fabulous way to build relationships”
– HYDRALYTE

PHARMACY OF THE YEAR



The Hon Tanya Plibersek, Minister for Health, Scott McCahon, Cape York Guardian Pharmacy

One of Sigma’s more remote customer’s, the Cape York Guardian Pharmacy was awarded The Pharmacy Guild of Australia’s, Pharmacy of the Year Winner 2012. The announcement was made at the annual APP Conference in Surfers Paradise on 8 March in front of a large group of industry peers and the Minister for Health, The Hon Tanya Plibersek. The Award recognises Cape York Guardian Pharmacy’s outstanding contribution to the Weipa community and the whole Cape region.

Weipa is 2611km north of Brisbane, with a population of 3300 and is home to the largest bauxite mine in the world.

Despite its remoteness and sometimes trying times, the Cape York Guardian Pharmacy team continues to support and engage its local community with a professional service approach. Scott McCahon, owner of the Cape York Guardian Pharmacy believes that “living in a remote mining town does not mean the quality; presentation and professionalism of a pharmacy should be compromised”.

The Cape York Guardian Pharmacy is proud to be a committed member of the community, donating money and prizes to over 30 local charities and organisations, including sporting teams, kindergartens, community events, the local school, wildlife carers and individuals within the community experiencing misfortune in health. The team also works closely with the local indigenous communities.

With their dedication to the local community of Weipa, Cape York Guardian Pharmacy was also awarded the Excellence in Community Engagement Category.

SIGMA SUPPLIER GALA DINNER



Sigma held its inaugural Supplier Gala Dinner & Awards night in November, at the Plaza Ballroom in Melbourne. The event was hosted by Mark Hooper, Sigma's CEO and Managing Director and attended by over 200 representatives from our key suppliers.

The Dinner and Awards recognise that in order to achieve the goal of building better partnerships, Sigma has to invest in our business and value and reward excellence in our supplier network.

Guardian Pharmacy Ambassador, Dr Cindy Pan, mingled with guests, while Amcal and Amcal Max Ambassador, Georgie Parker, conveyed a special message by video.

Trophies were awarded for various categories including "Sigma Supplier of the Year" (won by Novartis) and "Sigma Centenary Award" (won by Ego Pharmaceuticals).

This event was launched as part of Sigma's centenary celebrations and will become an annual event on the Sigma calendar.

The Supplier Gala Dinner was the start of establishing a unique bond between Sigma and our suppliers, which will grow into the future.

ONE SUPPLY CHAIN

The CSO (Community Service Obligation) agreement between the Federal Government, The Pharmacy Guild of Australia and full-line pharmaceutical wholesalers ensures Australians have affordable, reliable and timely access to medicines, irrespective of where they live.

CSO distributors make it possible to deliver more than 6,000 medicines listed on the PBS, across vast distances and sparse populations within 24 hours of order cut-off time. It is a critical part of the Australian healthcare landscape.

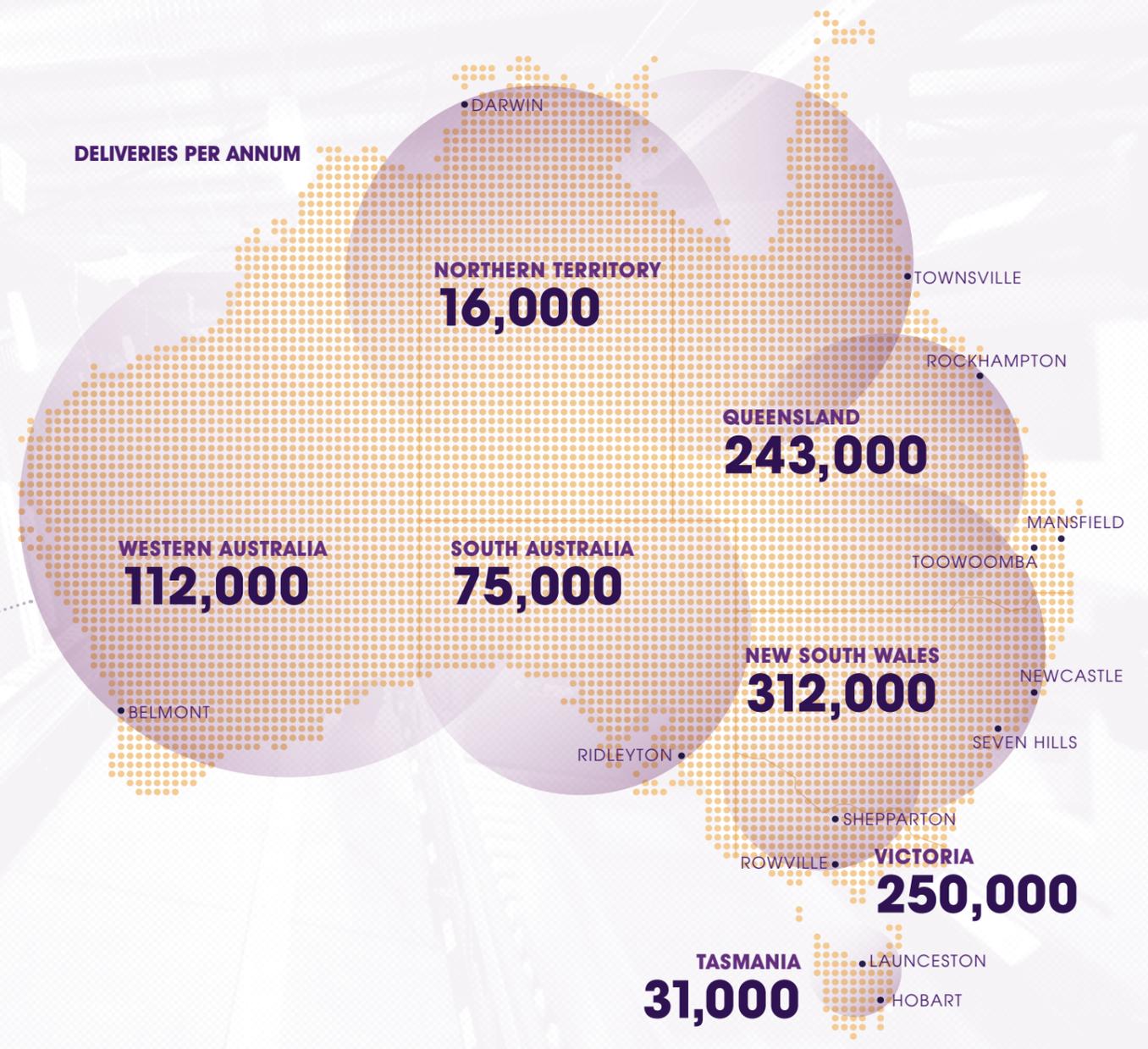
As a CSO distributor, Sigma services customers in some of the most remote locations in Australia. We deliver by road, air and sea to Christmas Island, Thursday Island and Cape York to the north and north west, Dover in the south and Byron Bay to the east.

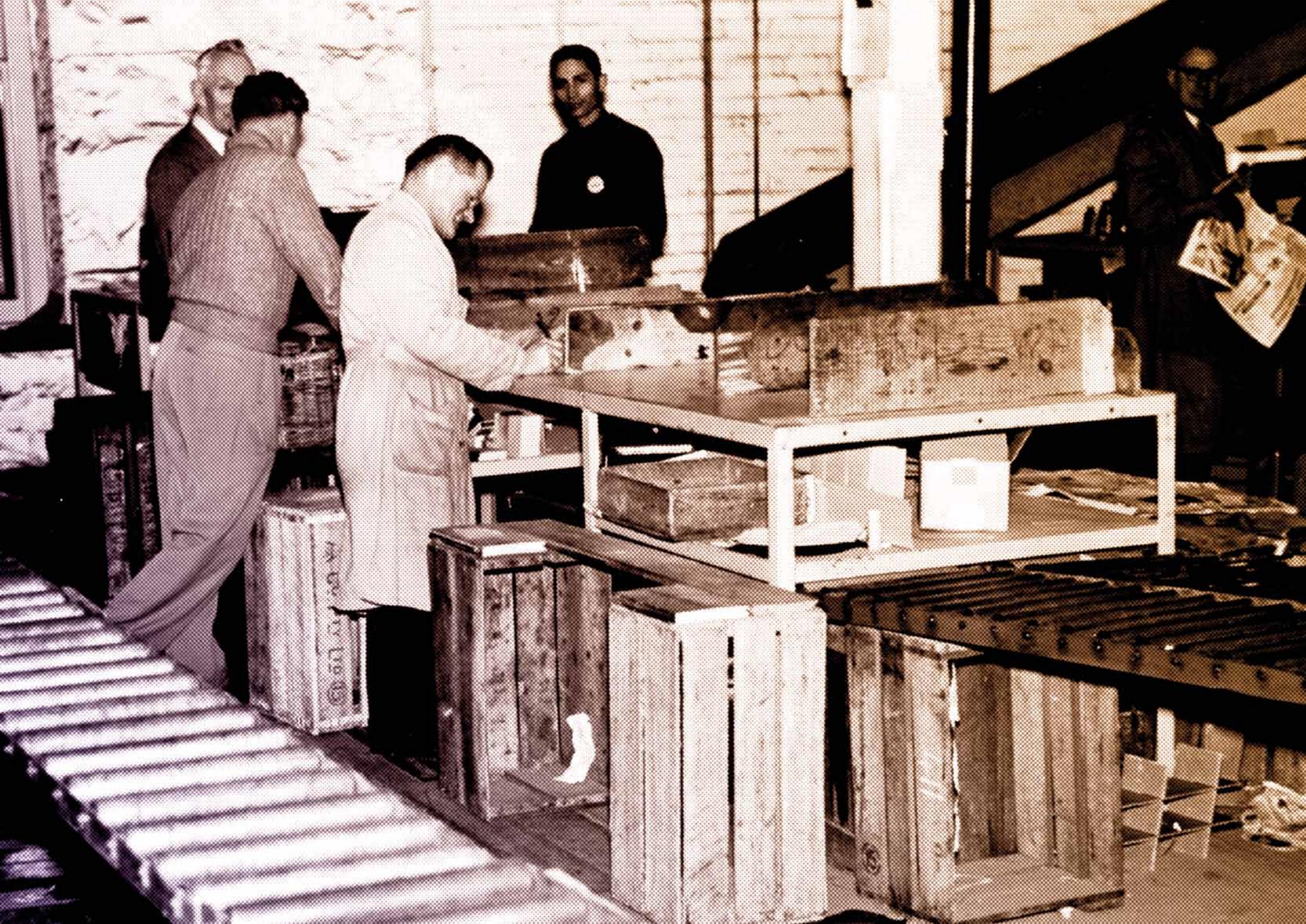
To do so, we are building one supply chain in partnership with our customers and suppliers.



SIGMA IS AUSTRALIA'S LARGEST PHARMACY-LED NETWORK

Sigma makes over 1 million deliveries per year to customers around Australia, using road, air and sea.





LOOKING AHEAD

PILOT STORES

Consumers today are looking for a shopping experience that goes beyond product alone.

With the ever increasing macro-economic pressures facing retail globally, consumers are looking for a unique retail experience based on one-to-one relationships, with well trained and well informed team members.

It is Sigma's aim to ensure our brands are relevant in their local communities, by placing pharmacists and consumers at the centre of our decision making.

Therefore, we are investing significantly in developing a number of pilot stores across numerous demographics, Australia wide.

The purpose of this investment is to understand how consumers behave, to determine the most relevant mission proposition per location.

PHARMACY AND PROFESSIONAL SERVICES

Sigma will become the aggregator for consumers, suppliers and professional healthcare organisations.

Placing pharmacists at the centre of Sigma's business is paramount to differentiating our brands from those of our competitors. With this in mind, Sigma has made the decision to place the pharmacist and their skills at the heart of our business by refocusing our efforts on professional services.

Disease management and interventions are the key pillars of an integrated patient care model. By focusing on pharmacy and professional services, Sigma will attract likeminded pharmacy partners who ultimately believe in the welfare of their customers and this changing dynamic will generate fundamental industry change.



Pharmacy and professional services include consumer medicine information, SMS prescription reminders, return of unwanted medicines, dose administration aids, meds checks, diabetes checks, Home Medicine Reviews, weight management and blood glucose monitoring.

MULTI-CHANNEL

By mid-2013 Sigma will launch its multi-channel platform.

Our aim is to gain greater market share through opening new channels that have traditionally been reserved for brick and mortar stores. We anticipate that our reach will continue to grow as our multi-channel platform develops.

SIGMA'S MULTI-CHANNEL CAPABILITY



SENIOR MANAGEMENT

	<p>MR JEFF SELLS CHIEF FINANCIAL OFFICER</p> <p>Mr Sells rejoined Sigma in August 2010 having previously worked for Sigma as Group Treasurer from 2002 to 2004. Prior to rejoining Sigma, he was Chief Financial Officer of Citadel Resources Group Ltd from 2008 and before that spent four years as Chief Financial Officer for Oxiana Limited.</p>		<p>MR VINCENT GUALTIERI GENERAL MANAGER WHOLESALE SALES</p> <p>Mr Gualtieri commenced with Sigma in 1996. He managed wholesale sales in Victoria and Tasmania for Sigma, before moving into the National Sales Manager role five years ago. Prior to joining Sigma, Mr Gualtieri held the roles of Sales Manager and Administration Manager at Myer.</p>
	<p>MR GARY DUNNE CHIEF OPERATING OFFICER</p> <p>Mr Dunne commenced with Sigma in July 2011. Prior to Sigma, he was involved in restructuring roles including Managing Director and Acting CEO for Redgroup and Chief Operating Officer of Clive Peeters. Mr Dunne was General Manager of Supercenters and Strategy within the Coles Group and played an integral role in establishing ALDI in Australia as its first Regional Managing Director. Prior to this, Gary spent 17 years with Woolworths. He has a Bachelor of Business from Monash University and a Master of Enterprise from Melbourne University.</p>		<p>MR MICHAEL ROBERTSON GENERAL MANAGER RETAIL OPERATIONS</p> <p>Mr Robertson commenced with Sigma as the General Manager Retail Operations in February 2012. Mr Robertson has responsibility managing relationships with Sigma's retail members and ensuring the execution of Sigma initiatives with the pharmacy network. Mr Robertson has over 20 years retail experience in senior positions at companies including Specsavers, Bakers Delight, Coles Myer and Woolworths.</p>
	<p>MS SUE MORGAN GENERAL COUNSEL AND COMPANY SECRETARY</p> <p>Ms Morgan commenced with Sigma in 2007 as Corporate Lawyer and moved into the role of General Counsel in early 2008. She was appointed Company Secretary in August 2009 in addition to her General Counsel role. Prior to commencing with Sigma, Ms Morgan spent eight years with HGR Lawyers.</p>		<p>MR ALAN O'HARA GENERAL MANAGER SUPPLY CHAIN AND TRANSFORMATION</p> <p>Mr O'Hara was appointed to the position of General Manager Supply Chain and Transformation in March 2012. He is responsible for the effective delivery and balance of inventory in the Sigma network. Mr O'Hara was previously the General Manager of Supply Chain and Operations at Menora Food and has held senior logistics and supply chain roles at Henkel Australia, Carter Holt Harvey and Mistral International.</p>
	<p>MRS JACKIE PEARSON GENERAL MANAGER HUMAN RESOURCES</p> <p>Mrs Pearson commenced with Sigma in August 2005. Prior to joining Sigma, she provided human resources advice to a variety of organisations within the private, public and government sectors. Mrs Pearson is responsible for Sigma's human resources activities including Occupational Health and Safety.</p>		<p>MR RICHARD CHURCH GENERAL MANAGER LOGISTICS</p> <p>Mr Church commenced as the General Manager Logistics in November 2012 and is responsible for the service and supply of Sigma products to healthcare customers. Prior to joining Sigma, Richard held a variety of senior Logistics and Supply Chain roles at Coles Supermarkets over a period of 7 years. Mr Church was employed at Sainsbury in the UK for over 18 years in senior operational and logistics roles.</p>
	<p>MR RICHARD HARRIS GENERAL MANAGER SYSTEMS & INFORMATION TECHNOLOGY</p> <p>Mr Harris commenced with Sigma in early 2011 and was appointed to his current role in December. Prior to joining Sigma, he was a principal consultant with the firm, SMS Management & Technology and has held senior technical positions with Fujitsu in Australia and Japan and Ericsson Australia. Mr Harris is responsible for Sigma's business systems, IT infrastructure, information analytics and program management.</p>		<p>MS CLAIRE PALLOT GENERAL MANAGER MULTI CHANNEL</p> <p>Ms Pallot commenced with Sigma as the General Manager of Multi Channel in July 2012. Ms Pallot is responsible for establishing and driving a multi-channel retail strategy and practice for Sigma brands. Prior to joining Sigma, Ms Pallot was the Marketing Leader of Mercer for Australia and New Zealand. Ms Pallot's previous positions include Group Marketing Manager, PMP Limited and Group Account Strategy Director Rosetta, based in the United States.</p>
	<p>MR SCOTT JONES GENERAL MANAGER MERCHANDISE AND MARKETING</p> <p>Mr Jones commenced with Sigma in October 2010. He has over 20 years experience in brand marketing, merchandise and retail development. Mr Jones has held management positions at The Decor Corporation, Mitre 10 and more recently senior management responsibilities at Symbion Pharmacy Services.</p>		

BOARD OF DIRECTORS

MR BRIAN JAMIESON (CHAIRMAN)

FCA, MAICD, Non-Executive
Chairman and Director

Mr Jamieson was appointed a Director of Sigma Company Limited in May 2003, a Director of Sigma Pharmaceuticals Limited in December 2005, and Chairman of Sigma Pharmaceuticals Limited in June 2010. He is also Chairman of Mesoblast Limited, a Director of Oz Minerals Limited, Tatts Group Limited, Tigers Realm Coal Limited, and the Bionics Institute. He is a former Managing Partner of Minter Ellison Lawyers Melbourne, former Chief Executive of KPMG Australia and former director of Bank of Western Australia Limited, Care Australia, and HBOS Australia Limited. Mr Jamieson has over 30 years experience in providing advice and audit services to a diverse range of public and large private companies. He has not held any directorships of listed entities in addition to those set out above during the last three years.

MR MARK HOOPER (CEO AND MANAGING DIRECTOR)

BBus (Acc), CPA, FFTP,
MAICD, Executive Director

Appointed CEO and Managing Director of Sigma Pharmaceuticals Limited in August 2010. Mr Hooper has a broad range of experience in finance, commercial and operational matters primarily in the mining and pharmaceutical industries. He is a former Chief Financial Officer and Executive Director of PaperlinX Limited. From 2006 to 2008 Mr Hooper was the Chief Financial Officer and Chief Operating Officer for the Pharmacy and Consumer business at Symbion Health Limited. Prior to that he was Chief Financial Officer of Sigma from 2001 to 2006. Mr Hooper has not held a directorship of any other listed entity during the last three years.

MR RAYMOND GUNSTON

BComm (Hons), DipEd, CPA,
FTA, AICD, Non-Executive Director,
Member of the Risk Management
and Audit Committee, and
the Remuneration and
Nomination Committee

Mr Gunston was appointed a Director of Sigma Pharmaceuticals Limited in July 2010. He has over 30 years of extensive corporate and financial services experience in the public and private sectors, specialising in finance, treasury, mergers and acquisitions, and accounting. He is a former Chief Financial Officer of Tatts Group Limited, and a former director of many of the Tatts Group's subsidiary and associate companies. Mr Gunston has not held a directorship of any other listed entity during the last three years.

MS LINDA NICHOLLS AO

BA (Econ), MBA, FAICD,
Non-Executive Director,
Chair of Risk Management
and Audit Committee

Ms Nicholls was appointed a Director of Sigma Company Limited in April 1997 and of Sigma Pharmaceuticals Limited in December 2005. She is Chair of KDR VIC (Yarra Trams) and a Director of Low Carbon Australia Limited and Fairfax Media Limited. She is also a Director of the Harvard Business School Alumni Board and Walter and Eliza Hall Institute of Biomedical Science. Her previous roles include Chair of Healthscope Limited and Australia Post Corporation and a Director of St George Bank and Insurance Manufacturers of Australia. Ms Nicholls has over 28 years experience in banking and finance in Australia, the USA and New Zealand. She has not held any directorships of listed entities in addition to those set out above during the last three years.

Mr Manuel was appointed a Director of Sigma Pharmaceuticals Limited in October 2009.

He is a community pharmacist and an active participant in industry affairs with a special interest in cognitive services such as Opiate Dependency treatments, Compounding, and Aged Care pharmacy services. Mr Manuel is a Director of Perth North Metro Medicare Local Ltd and is the current Western Australian representative on the Amcal Members Advisory Committee (MAC). He is also a Branch Committee Member of The Pharmacy Guild of Australia (WA Branch). Mr Manuel has not held a directorship of any other listed entity during the last three years.

MR DAVID MANUEL

BPharm, MPS, MAICD,
Non-Executive Director,
Member of the Remuneration
and Nomination
Committee

Mr Bayes was appointed a Director of Sigma Pharmaceuticals Limited in June 2007.

Beyond Sigma Mr Bayes has held various board and executive positions. Previous roles include Chief Executive Officer of Choice Hotels Australasia, Chief Operating Officer of Mortgage Choice, Chief Executive Officer and Director of Bakers Delight, Non Executive Director of Chiquita Brands South Pacific Ltd, Non Executive Director of North Western Healthcare Network and Director of McDonald's Australia. Mr Bayes is a current member of the Victoria Council and the Australian Institute of Company Directors. He has over 30 years experience in multi-outlet retail business. Mr Bayes has not held any directorships of listed entities in addition to those set out above during the last three years.

MR DAVID BAYES

FAICD, Non-Executive Director,
Chairman of the Remuneration and
Nomination Committee, Member
of the Risk Management and
Audit Committee



MEDIA HIGHLIGHTS



CORPORATE GOVERNANCE STATEMENT

Your Board is committed to applying the ASX Corporate Governance Council's Best Practice Recommendations and as at this date considers that Sigma has adopted those recommendations in all material respects. In this Statement, the relevant governance items are linked to each of the ASX Best Practice Recommendations (2nd edition).

This Statement outlines Sigma's system of governance. Further details can be found under the Corporate Governance section of Sigma's website (www.sigmaco.com.au).

BOARD OF DIRECTORS

The Board of Directors is primarily responsible for setting the strategic direction and corporate governance of the Sigma Group.

The Board has adopted a Board Charter which sets out the responsibilities of the Board and its structure and governance requirements. Under the Board Charter the Board has the following responsibilities:

- overseeing the management of Sigma
- reviewing and approving management's business plans and strategic opportunities
- succession planning
- appointment and annual evaluation of the CEO and Managing Director
- establishing strategic goals for management
- identifying the principal risks and overseeing appropriate control and management systems for them
- monitoring Sigma's performance with the aim of maximising long-term returns to Sigma shareholders at an acceptable level of risk.

Matters reserved to the Board include:

- overseeing Sigma's corporate strategy and monitoring management's implementation of that strategy
- appointing and removing, determining remuneration of, evaluating performance of and planning for the succession of the CEO and Managing Director
- overseeing remuneration policies and senior executive performance
- overseeing Sigma's control and accountability systems, particularly in relation to the integrity of financial and other reporting
- approving Sigma's annual financial plans and budgets, monitoring financial performance and approving the annual and half-year financial statements and reports
- acquiring and disposing of legal entities and significant capital assets
- approving significant borrowings and commitments
- matters relating to Sigma's securities including declaration of dividends

- reviewing and ratifying policies and systems of risk management, codes of conduct, legal compliance and corporate governance
- setting Sigma's values and standards of conduct and ensuring that these are adhered to in the interests of our shareholders, employees, customers and the community.

Subject to the specific authorities reserved to the Board under the Board Charter, and the authorities delegated to the Board committees, the Board has delegated to the CEO responsibility for the management and operation of the Sigma Group. The CEO is responsible for the day-to-day operations, financial performance and administration of the Sigma Group within the powers authorised to him from time to time by the Board. The CEO may make further delegation within the delegations specified by the Board and is accountable to the Board for the exercise of those delegated powers.

Further details of Board responsibilities, objectives and structure are set out in the Board Charter on Sigma's website.

ASX Best Practice Recommendation 1.1

BOARD COMPOSITION AND PERFORMANCE

Sigma's Board currently consists of one Executive and five Non-Executive Directors, including the Chairman.

The Constitution authorises the Board to appoint Directors to vacancies and to elect the Chair. One third of Directors (excluding the CEO and a Director appointed to fill a casual vacancy and rounded down to the nearest whole number) must retire at every annual general meeting. Other than the CEO, no Director may remain in office for more than three years without resigning and standing for re-election. Any Director appointed by the Board must stand for election at the next annual general meeting of shareholders.

On an annual basis the Board conducts a review of its structure, composition and performance. On a regular basis the Board undertakes a formal, independent performance review.

ASX Best Practice Recommendations 2.5 and 2.6

BOARD SELECTION PROCESS

The Board considers that a diverse range of skills, backgrounds, knowledge and experience is required in order to effectively govern the Sigma Group.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

The Board believes that orderly succession and renewal contributes to strong corporate governance and is achieved by careful planning and continual review. The Remuneration and Nomination Committee review the size and composition of the Board regularly and at least once a year as part of the Board evaluation process. The Board has a skills matrix covering the competencies and experience of each member. When the need for a new Director is identified, the required experience and competencies of the new Director are defined in the context of this matrix and any gaps that may exist. Generally a list of potential candidates is identified based on the skills required and other issues such as geographic location and diversity criteria. External advisors may be employed where necessary to search for prospective Board members. Candidates are assessed against the required skills and on their qualifications, backgrounds and personal qualities. In addition, candidates are sought who have a proven track record in creating shareholder value and the required time to commit to the position.

ASX Best Practice Recommendation 2.5

INDEPENDENCE OF DIRECTORS

As required under the Board Charter, the majority of the Board, including the Chairman, are independent Directors. Directors must notify the Company about any conflict of interest, potential material relationship with the Company or circumstance relevant to their independence.

Sigma has adopted a definition of 'independence' for Directors that is consistent with the ASX recommendations. Applying this definition, Mr Manuel (as a practising pharmacist) is not independent. The Board values the insight and advice provided by Mr Manuel.

All other Non-Executive Directors are considered by the Board to be independent, meaning that each one is generally free from any management role, or business interest or other relationship that could materially interfere with the Director's ability to act in the best interests of the Sigma Group as a whole.

Only those transactions permitted by Sigma's Constitution and the Corporations Act are conducted with Directors or their related parties. These are on the same commercial terms and conditions applying to any other external party, supplier or customer. Directors are required to disclose in writing any related party transactions. Related party transactions are set out in the notes to the Company's financial report.

Directors are also required to identify any conflict of interest they may have in dealing with Sigma's affairs and subsequently to refrain from participating in any discussion or voting on those matters. If a potential conflict of interest is likely to arise, the Director concerned does not receive copies of the relevant Board papers and withdraws from the Board meeting while those matters are considered. Accordingly, the Director concerned takes no part in discussion nor exercises any influence over other members of the Board if a potential conflict of interest exists.

On a regular basis Non-Executive Directors meet without the CEO and Managing Director or other members of management being present, to ensure that the Non-Executive Directors maintain independence of thought and judgement.

The Non-Executive Directors also meet independently with the external auditors at least twice a year.

Directors have a right of access to all Company information and executives. Directors are entitled, in fulfilling their duties and responsibilities, to obtain independent professional advice on any matter connected with the discharge of their responsibilities, with prior notice to the Chairman, at Sigma's expense.

ASX Best Practice Recommendations 2.1, 2.2, 2.3, 2.6

BOARD COMMITTEES

The Board has established the following committees to assist it in carrying out its duties and to allow detailed consideration of issues:

- Risk Management and Audit Committee
- Remuneration and Nomination Committee

Each committee comprises Non-Executive Directors, and the CEO and relevant senior executives attend by invitation. The committee structure, membership and effectiveness continue to be reviewed on a regular basis.

Each committee has its own charter setting out its role and responsibilities and the manner in which it is to operate. Further details of those charters are contained on Sigma's website.

Matters determined by committees are submitted to the Board as recommendations for decision.

The Board and committees meet regularly throughout the year and the frequency of Board and committee meetings and committee members' attendance at those meetings are set out in the Directors' Report. These meetings include both scheduled meetings of the Board and Board committees and meetings organised as required to deal with any specific or urgent matters requiring their attention or action. All committee meetings are open to all Board members to attend.

ASX Best Practice Recommendations 2.6, 4.1, 4.4, 8.1

RISK MANAGEMENT AND AUDIT COMMITTEE

The Risk Management and Audit Committee comprises Ms Linda Nicholls (Chairman), Mr David Bayes and Mr Ray Gunston, who are all independent Non-Executive Directors.

In accordance with its Charter, its main responsibility is to advise and assist the Board in establishing and maintaining a risk management framework, internal controls and standards for the management of the Sigma Group and to monitor the quality and reliability of the financial information of the Sigma Group.

The Committee recommends the appointment, removal and remuneration of the external auditors. It also reviews the activities and organisational structure of the internal audit function and reviews the appointment or replacement of the internal auditor.

The Committee receives regular reports from management and from the internal and external auditors. It also meets with the internal and external auditors without the CEO or other members of management being present at least twice a year. The internal and external auditors are free at any time to communicate directly with either the Chairman of the Committee or the Board.

The Committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

Prior approval of the Committee must be gained for non-audit work to be performed by the external auditor. There are specified qualitative limits on this non-audit work to ensure that the independence of the auditor is maintained.

There is also a requirement that the audit partner responsible for the audit not perform in that role for more than five years.

ASX Best Practice Recommendations 4.2, 4.3, 4.4

REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee comprises Mr David Bayes (Chairman), Mr Ray Gunston and Mr David Manuel, who are all Non-Executive Directors.

In accordance with its charter, the Committee's main responsibilities are to advise the Board on remuneration policies and practices, assess the necessary and desirable competencies of Board members, evaluate Board performance, review Board and management succession plans and to make specific recommendations on remuneration packages for the CEO, Non-Executive Directors and senior management based on an annual review.

The Remuneration and Nomination Committee is primarily responsible for providing recommendations to the Board in regards to the remuneration strategy, policies and practices applicable to Non-Executive Directors, the CEO and senior executives.

Further details of the responsibilities and activities of the Remuneration and Nomination Committee, remuneration policies and structures, details of remuneration and retirement benefits paid to Directors are set out in Sigma's Remuneration Report.

ASX Best Practice Recommendations 2.4, 2.5, 8.2

EXECUTIVE PERFORMANCE AND REMUNERATION

Sigma's Remuneration Policy was designed to recognise the competitive environment within which Sigma operates and also emphasise the requirement to attract and retain high-calibre talent in order to achieve sustained improvement in Sigma's performance. The overriding objective of the Remuneration Policy is to ensure that an individual's remuneration package accurately reflects their experience, level of responsibility, individual performance and the performance of Sigma. The key principles are to:

- link executive reward with the strategic goals and sustainable performance of the Company
- apply challenging corporate and individual key performance indicators that focus on both short-term and long-term outcomes
- motivate and recognise superior performers with fair, consistent and competitive rewards
- remunerate fairly and competitively in order to attract and retain top talent
- recognise capabilities and promote opportunities for career and professional development

- through employee ownership of Sigma shares, foster a partnership between employees and other shareholders.

In accordance with the policy, evaluation of senior executive performance and remuneration is undertaken by the CEO on an annual basis. Evaluation of the CEO's performance and remuneration is undertaken by the Remuneration and Nomination Committee and Board on an annual basis.

Sigma's executive remuneration policies and structures and details of remuneration paid to senior managers are set out in the Remuneration Report.

ASX Best Practice Recommendations 1.2, 2.4, 2.5, 8

RISK ASSESSMENT AND MANAGEMENT

The Board is committed to the identification, assessment and management of risk throughout Sigma's business activities.

The Company has established policies for overseeing and managing material business risks. The Company's overarching Risk Management Policy is posted on the Corporate Governance page of Sigma's website.

The Board's committee structure forms an important part of the risk management process. Through the Risk Management and Audit Committee, the Board has required management to design and implement a risk management and internal control system to manage Sigma's material business risks. It receives regular reports on specific business areas where there may exist significant business risk or exposure.

Sigma recognises that risk management is an intrinsic part of each manager's day-to-day activity. Each business division is individually responsible and financially accountable for ensuring that there are appropriate systems and structures in place to protect its people and assets, in accordance with Sigma's risk policies and systems.

Management reports to the Board through the Risk Management and Audit Committee as to the effectiveness of Sigma's management of its material business risks on a quarterly and annual basis.

The Board has received assurance from the CEO and the CFO that the declaration provided in accordance with S295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

An analysis and independent appraisal of the adequacy and effectiveness of the Company's risk management and internal control systems are carried out with the assistance of an external firm, independent of Management and the external auditor.

Sigma's auditors have direct access to the Risk Management and Audit Committee and meet with them in the absence of Management on at least a semi-annual basis. They have all necessary access to Management and the right to seek information or explanations.

ASX Best Practice Recommendation 7

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

DIVERSITY

The Company respects and values the competitive advantage of diversity and believes that in order to be a high-performing, agile and innovative organisation we must leverage the full potential of all of our people. We endeavour to nurture a culture that embraces individual difference in all its forms and values the many benefits that transpire from all aspects of diversity.

Specifically at the Board level, the Company is seeking to ensure that each Non-Executive Director contributes towards a broad mix of skills including financial, retail, operational, fiduciary, human resources and strategic. In addition, the Board values the benefits of diversity and is committed to promoting gender diversity at the Board level where possible.

In line with the amended ASX Corporate Governance Principles and Recommendations (Recommendation), the Company makes the following disclosures in relation to gender diversity.

DIVERSITY POLICY

In accordance with Recommendation 3.2, the Company has developed a Diversity Policy, which is available at www.sigmaco.com.au

MEASURABLE OBJECTIVES AND PROGRESS

In accordance with Recommendation 3.3 and the Company's diversity policy, measurable objectives for achieving gender diversity have been set by the Board and are reviewed annually in order to ensure that they remain relevant and to assess the Company's progress towards achieving them. During the financial year the Company has made the following progress towards achieving the measurable objectives:

Measurable objectives	Progress
Aim to increase the proportion of women on the Board as vacancies and circumstances permit	During the financial year no Board vacancies arose. The Board remains committed to ensuring that its composition is reflective of a broad range of skills, experience and diversity.
Aim to increase the proportion of women in executive and senior management positions as vacancies and circumstances permit	<p>A total of 15 executive and senior management vacancies were filled during the financial year with women filling eight of these vacancies. The number of women in senior executive positions has increased from 43% last year to 46% this year.</p> <p>A female Company representative sits on the interviewing panel for all executive and senior management vacancies. For each of these vacancies a diverse candidate pool is reviewed with the aim of interviewing suitable candidates from both genders.</p> <p>During recruitment activities the Company endeavours to balance the need to select the most suitably qualified and experienced candidate for the role with the advantages of promoting a diverse workforce.</p>
Target equal gender participation in key Talent Management programs	<p>Females accounted for 48% of employees who participated in programs sponsored by the Talent Management team.</p> <p>Participation in these programs is open to employees of both genders and selection is based on merit and suitability.</p>

PROPORTION OF WOMEN EMPLOYEES AND BOARD MEMBERS

In accordance with Recommendation 3.4, the Company makes the following disclosures in relation to the proportion of women in the organisation:

Disclosure requirement	Disclosure
Proportion of women employees in the whole organisation	As at 31 January 2013 58% of the Company's employees were women.
Proportion of women in senior executive positions	As at 31 January 2013 46% of senior executive positions ¹ within the Company were held by women.
Proportion of women on the Board of the Company	As at 31 January 2013 20% of the Company's Non-executive Directors were women.

1. Senior executive positions are those within the Leadership team, including the top three layers of the organisation.

ETHICAL STANDARDS

All Directors, managers and employees are required to act honestly and with integrity.

Sigma has developed and communicated to all employees and Directors the Sigma Code of Conduct. The Sigma Code of Conduct promotes:

- honest and ethical behaviour
- respect for people and property
- legal compliance.

In summary Directors and employees must:

- minimise conflicts of interest and disclose possible or potential conflicts
- avoid receipts of material gifts or benefits from third parties in connection with Sigma's business
- report any knowledge of fraud, material error, breach of law, or of a concealed practice against the interest of Sigma
- not use any Sigma asset on an unauthorised basis for personal use or gain (including goods, money, equipment, corporate cards, intellectual property or the services of other areas of the organisation)
- treat all stakeholders (Sigma team members, shareholders, customers, suppliers, the public and others on Sigma's behalf) courteously, fairly and without harassment or unlawful discrimination in any form
- comply with all federal, state and local laws and regulations.

Sigma has a Whistleblowing Policy designed to enable Sigma employees to raise concerns internally and at a high level and to disclose information that the individual believes in good faith shows serious malpractice or wrongdoing within Sigma, without fear of reprisal. No members of staff will be disadvantaged in raising legitimate concerns. Further details of Sigma's Code of Conduct and Whistleblowing Policy are set out on Sigma's website.

In addition, Sigma has in place and enforces a number of key policies governing the standards of ethical behaviour, compliance with legal obligations and due regard to the reasonable expectations of shareholders required of all Sigma personnel including: Occupational Health and Safety, Equal Employment Opportunities, Harassment, Good Working Relationships and Privacy policies.

ASX Best Practice Recommendations 3.1, 3.3

TRADING IN COMPANY SECURITIES

The Sigma Securities Trading Policy prohibits Directors or employees from trading in Sigma's shares if they are in possession of non-public, price-sensitive information. It also prohibits short-term trading and arrangements to manage the risk of price changes of any shares held under any Sigma share plan during their non-disposal period.

Trading is not permitted in the period between end of full and half-year and the release of full or half-year results respectively or in the week prior to the annual general meeting. In addition, Directors must obtain prior approval for any trading from the Chairman, and senior staff must seek prior approval from the CEO or the Company Secretary.

Regular reminders of Sigma's Securities Trading Policy are issued to senior management. Further details of Sigma's Security Trading policy are set out on Sigma's website.

ASX Best Practice Recommendations 3.2, 3.3

COMMUNICATION AND CONTINUOUS DISCLOSURE

Sigma has a Continuous Disclosure Policy which sets out the requirements aimed to ensure full and timely disclosure to the market of material issues relating to the Sigma Group to ensure that all stakeholders have an equal opportunity to access information.

The policy reflects the ASX Listing Rules and Corporations Act continuous disclosure requirements.

Regular briefings and presentations are given. Any new information that is presented will have been disclosed to the ASX and posted on Sigma's website, together with all ASX releases. Sigma's external auditor attends the annual general meeting to answer questions regarding the audit.

Further details of Sigma's communications and continuous disclosure policy and procedure are set out on Sigma's website.

ASX Best Practice Recommendations 5.1, 5.2, 6.1, 6.2

INTERESTS OF STAKEHOLDERS

Sigma promotes the highest ethical and professional standards. As a company with a reputation for fair and responsible dealing with stakeholders (including shareholders, customers, employees and government regulatory authorities) the Board demands that the highest standard of ethical behaviour be maintained and fostered throughout the organisation.

Sigma accepts the need for a legal regulatory framework of business and for a fair taxation regime. Sigma will therefore at all times seek to comply with the spirit as well as the letter of all applicable laws and regulations (both domestic and foreign) and where appropriate evaluate actions in a broader social context.

Sigma also retains the right to manage its affairs in an efficient, well-ordered and systematic manner, giving due consideration to tax and its goal of maximisation of returns to its shareholders.

Sigma requires a culture and system of compliance and accountability to be maintained throughout the organisation and for all employees to take pride in this underlying ethical basis of the organisation, acting legally and responsibly in all matters.

Directors and employees must comply with the codes of conduct that have been adopted by Sigma. These have been set out in earlier sections.

ASX Best Practice Recommendations 3, 7

FINANCIAL HIGHLIGHTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JANUARY 2013

	2013 \$'000	2012 \$'000
Sales revenue from continuing operations	2,942,391	2,853,867
Cost of goods sold	(2,733,982)	(2,651,188)
Gross profit	208,409	202,679
Other revenue and income	38,835	36,618
Warehousing and delivery expenses	(101,922)	(91,639)
Sales and marketing expenses	(33,476)	(46,376)
Administration expenses	(33,804)	(27,059)
Net Litigation settlement expense	(48,004)	–
Depreciation and amortisation	(5,665)	(5,509)
Plant rationalisation and restructuring	(1,276)	1,570
Profit before financing costs	23,097	70,284
Financial income	4,170	7,142
Financial expenses	(2,339)	(5,517)
Net financing income	1,831	1,625
Profit before income tax	24,928	71,909
Income tax expense	(6,242)	(21,647)
Profit from continuing operations	18,686	50,262
Loss from discontinued operations	–	(1,090)
Profit for the year	18,686	49,172
Other comprehensive income /(loss)		
Changes in the fair value of cash flow hedges	(933)	(931)
Exchange differences on translation of foreign operations	85	2
Income tax relating to components of other comprehensive income	254	279
Other comprehensive income/(loss) for the year, net of tax	(594)	(650)
Total comprehensive income for the year	18,092	48,522

	Cents	Cents
Earnings per share (EPS) for profit attributable to the ordinary equity holders of the company:		
Basic EPS	1.6	4.2
Diluted EPS	1.6	4.2
Earnings per share (EPS) from continuing operations attributable to the ordinary equity holders of the company:		
Basic EPS	1.6	4.3
Diluted EPS	1.6	4.3

This statement is an extract from the statutory statements taken from the 2012–13 Financial Report and does not include all the notes normally included in an annual financial report.

Accordingly, this statement is to be read in conjunction with the 2012–13 Financial Report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2013

	2013 \$'000	2012 \$'000
Current assets		
Cash and cash equivalents	112,692	148,601
Trade and other receivables	566,219	576,056
Income tax receivable	13,746	–
Inventories	255,010	214,217
Prepayments	3,721	2,687
Total current assets	951,388	941,561
Non-current assets		
Trade and other receivables	9,903	37,692
Property, plant and equipment	73,556	68,602
Intangible assets	14,237	14,597
Net deferred tax assets	7,087	12,404
Total non-current assets	104,783	133,295
Total assets	1,056,171	1,074,856
Current liabilities		
Trade and other payables	403,580	340,669
Borrowings	30,000	35,000
Income tax liabilities	–	6,192
Provisions	10,177	8,997
Deferred income	141	503
Total current liabilities	443,898	391,361
Non-current liabilities		
Provisions	1,245	888
Deferred income	222	80
Total non-current liabilities	1,467	968
Total liabilities	445,365	392,329
Net assets	610,806	682,527
Equity		
Contributed equity	1,337,226	1,365,258
Reserves	14,511	16,035
Accumulated losses	(740,931)	(698,766)
Total equity	610,806	682,527

This statement is an extract from the statutory statements taken from the 2012–13 Financial Report and does not include all the notes normally included in an annual financial report.

Accordingly, this statement is to be read in conjunction with the 2012–13 Financial Report.

FINANCIAL HIGHLIGHTS (CONTINUED)

FIVE YEAR SUMMARY

	2009 (\$m ²)	2010 (\$m ²)	2011 (\$m ²)	2012 (\$m)	2013 (\$m)
Operating results					
Sales revenue	3,081.3	3,220.4	3,339.6	2,853.9	2,942.4
EBITDA	235.0	(276.4)	(111.3)	74.7	28.8
EBIT	190.3	(322.2)	(159.0)	69.2	23.1
Profit / (Loss) before tax	113.5	(394.3)	(237.7)	70.8	24.9
Profit / (Loss) after tax	80.1	(398.3)	(235.4)	49.2	18.7
Financial position					
Working capital	179.5	216.5	615.2	495.1	436.1
Fixed assets (incl intangibles)	1,515.0	1,113.6	67.6	83.2	87.8
Other assets & liabilities	(108.9)	(61.8)	(52.0)	(9.4)	4.2
Capital employed	1,585.6	1,268.3	630.8	568.9	528.1
Net debt / (Net Cash)	387.7	210.6	(202.1)	(113.6)	(82.7)
Net assets	1,197.9	1,057.7	832.9	682.5	610.8
Shareholder related					
Dividend					
– ordinary per share	7.0c	3.0c	–	3.5c	4.0c
– special per share	–	–	15.0c	1.5c	–
– total dividends (\$m)	59.9	35.0	176.8	58.9	47.0
Earnings / (Loss) per share	9.4c	(41.7c)	(20.2c)	4.2c	1.6c
Dividend payout ratio	75%	N/A	N/A	120%	251%
Net tangible asset backing per share	(16c)	14c	69c	57c	51c
Market capitalisation (year-end) (\$m)	1,044	1,102	524	707	773
Ratios & Returns					
EBIT margin ¹	6.2%	-10.0%	-4.8%	2.4%	0.8%
Gearing ²	24.5%	16.6%	N/A	N/A	N/A
Interest cover ^{3,4}	3.1x	(3.8x)	(1.4x)	N/A	N/A

1. EBIT/Sales Revenue

2. Net Debt/Capital Employed (year end). As at 31 January 2011, 31 January 2012 and 31 January 2013 the Group had cash and cash equivalents over and above total debt.

3. Reported EBITDA/Net Financing Costs (times)

4. As at 31 January 2012 and 31 January 2013, the Group had positive Net financing income.

5. Includes the Pharma Division results. This business was sold to Aspen in 2011.





Sigma Pharmaceuticals Limited
Registered Office
3 Myer Place, Rowville
Victoria 3178 Australia

www.sigmaco.com.au