



RELEASE

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SIGMA ANNOUNCES ACQUISITION OF ORPHAN AUSTRALIA

Sigma Pharmaceuticals Limited (“Sigma”) announced today that it has agreed to acquire Orphan Holdings Pty Ltd (“Orphan Australia”) from its existing shareholders, which include AMP Capital Investors and Orphan Australia’s founder and Executive Chairman, Mr Alastair Young for \$130 million in cash.

Orphan Australia is a privately-owned specialty pharmaceutical company based in Melbourne, which focuses on licensing, marketing and distribution of novel, highly specialised therapeutics from international pharmaceutical and biotech companies for sale in Australia and New Zealand.

Orphan Australia was founded in October 1995 and has successfully grown to become a leading Australian hospital specialist company dedicated to licensing and marketing specialist pharmaceutical products to treat serious or life-threatening diseases where treatment choice is limited or inadequate. Orphan Australia licenses products primarily from European and US based suppliers, registers these products for sale in Australia with the Therapeutic Goods Administration (TGA) and applies to list them on the Pharmaceutical Benefits Scheme (PBS) as appropriate. Orphan Australia primarily provides its niche products to medical specialist and hospital based pharmacies, whose orders are fulfilled by wholesalers, including Sigma.

Orphan Australia has generated double-digit revenue growth for the past three years and is expected to strongly contribute incremental sales and operating profits to the broader Sigma group. On a stand alone basis Orphan is expected to deliver sales of approximately \$40 million and \$13 million in earnings before interest, tax, depreciation and amortisation for the financial year ending 30 June 2008.

Sigma intends to maintain strong support for Orphan Australia’s current business plans and operations, which are expected to continue growing significantly driven by sales of current products, recent PBS listings and new licensed products. The acquisition of Orphan Australia provides a number of strategic and financial benefits to Sigma shareholders, including:

- Entry into high-value, high-growth specialised pharmaceuticals which have low risk profiles, minimal competition and which are complimentary to Sigma’s existing product range
- Enhancement of Sigma’s marketing and distribution reach into hospitals and the opportunity for Orphan Australia to leverage Sigma’s strong pharmacy relationships

- Further diversification of Sigma's interests in the Australian pharmaceutical industry
- Incremental sales and operating profits

Sigma's Managing Director Mr Elmo de Alwis said, "The acquisition of Orphan Australia complements our overall growth strategy by expanding our reach into niche pharmaceutical products with low commercial risk, but high growth potential and strong margins. It will also enhance our presence in Australian hospitals and with the specialists."

Mr Alwis added, "We are impressed with Orphan Australia's successful track record in licensing and registering new products and effectively promoting them within Australia. Orphan Australia has an excellent reputation with both its suppliers and customers. We expect Orphan to continue its strong performance in the future."

Alastair Young, Orphan Australia's founder and Executive Chairman said, "We are proud of our track record of being able to successfully commercialise highly specialised products that serve a high unmet medical need. Sigma's strength in the retail and pharmacy sector will complement our own in the hospital sector and we expect continued growth in the future."

Further points in relation to the acquisition:

- John Michailidis, CEO of Orphan Australia, to be retained as General Manager of the Orphan Business post-completion
- Key Orphan management are being retained on contracts post-completion
- It is currently intended that the acquisition will be funded through Sigma's existing debt facilities and cash reserves
- The acquisition is subject to a condition precedent that is expected to be satisfied in time for the scheduled completion in February 2008

Sigma's financial and legal advisers in relation to this acquisition are Global Markets Capital Group (GMCG, LLC) and Baker & McKenzie, respectively.

For further information about Sigma Pharmaceuticals Limited:
www.sigmaco.com.au

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