

Trading halt adds to Sigma's headache

February 26, 2010

SIGMA Pharmaceuticals may have to rein in its earnings guidance after yesterday asking for a trading halt on its shares so it could work on "end-of-year adjustments" to its accounts.

The healthcare company, which sells generic and branded drugs and owns national pharmacy banner groups Amcal and Guardian, did not indicate whether its earnings would be increased or decreased - although analysts fear the worst.

If Sigma downgrades its full-year earnings there could be a harsh investor backlash given that in September it launched a \$297 million capital raising at \$1.02 a share.

The shares previously traded at 90¢.

Sigma, which also owns the Herron headache tablet brand, posted a 4.9 per cent rise in net profit to \$32.2 million for the six months to July 31, in line with analyst expectations. Revenue rose 3.5 per cent to \$1.54 billion.

The company had forecast a modest increase in full-year profit.

Sigma has a January 31 balance date and is expected to release its full-year results next month.

Yesterday it told the Australian Securities Exchange that trading in its shares should be halted until Monday when it would inform the market of the changes to its guidance.

Workers at Sigma's Herron factory went on strike yesterday after the National Union of Workers claimed the company had offered them a redundancy package considerably lower than those at the company's other Australian sites.

The union said closure of the Brisbane plant, which is due later in the year after a decision to relocate work outside Queensland, would not only leave workers without jobs but also without the redundancy benefits that the company's other Australian workers received. Sigma bought the privately owned Herron in 2003.

Analysts have been concerned for some time about the weakness shown lately in Herron's sales.

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