



Sirtex Medical Limited

ABN 35 078 166 122

Level 33, 101 Miller Street
North Sydney NSW 2060

PO Box 6244
North Sydney NSW 2059

Phone: +61 2 9964 8400

Facsimile: +61 2 9964 8410

www.sirtex.com

29th November, 2012

Dear Shareholder,

Remuneration Update

It was encouraging to receive greater than 75% support for the Remuneration Report at our recent Annual General Meeting. However, your Board recognises that this does not mean that the Company can now reduce its focus on remuneration matters.

Your Board believes that it must continue to pursue improvements to ensure that we can attract and retain the high-calibre people needed to help the Company take advantage of the exciting opportunities ahead.

In our previous shareholder update, we foreshadowed that the base salary, and bonus arrangements, of some key executives needed to be increased to better reflect prevailing market conditions. As you would expect for a global company, market conditions continue to change and your Board is monitoring that.

We believe that an appropriate total remuneration package for our employees world-wide, who meet the Company's challenging performance standards, should be set at the P75 level. That is, we need to pay about mid-way between the middle and top of the market for that role in that country when performance has met challenging but achievable performance targets. Your Board feels that this overall target represents a reasonable balance between shareholder and staff interests.

Your Board also accepts that, to be competitive, remuneration packages need to comprise base pay, a short term incentive (STI) and a long term incentive (LTI). The STI and LTI are often referred to as "at risk" or variable remuneration, as they are not earned unless performance targets are achieved. The STI is based on annual Company profitability levers, while the LTI depends more directly on overall shareholder returns (including capital growth and dividends).

The proportions of each of these components can vary but currently the Company sets base pay at the middle of the market (P50) for that role in that country and, if our performance expectations are met, the STI and LTI together will bring the total package up to the targeted P75 level.

Of course, setting incentive hurdle scales is not an exact science. However, the incentive plans currently in place allow your Board appropriate discretions to adjust outcomes if situations change markedly.

Appropriate remuneration packages clearly depend on thorough and accurate market data. Accordingly, Sirtex has once again arranged for its independent remuneration consultant, Godfrey Remuneration Group (Godfrey) to conduct a study of remuneration packages for all areas of our operations across all countries. Godfrey will collate an extensive range of Australian and international data to identify market practice regarding total remuneration levels, as well as the proportions allocated to STIs and LTIs. Once collated, we will use these data to up-date and customise our remuneration packages across the Company, while still maintaining the P75 target for superior performance.

Early indications are that, as the Company has grown significantly since the last comprehensive remuneration review in 2010, increases in total packages for key executives should be expected. Remuneration levels world-wide correlate closely with market capitalisation, and Sirtex's capitalisation increased considerably in 2012, reflecting improved Company performance and future prospects.

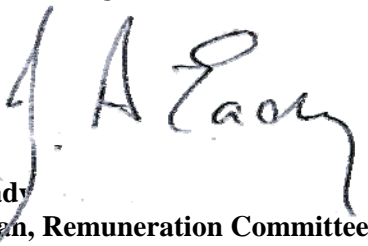
As a result of the earlier feedback from shareholders, where a strong view was that fees paid to the non-executive directors should include some "at-risk" component, the Company committed to explore ways to achieve this in a way that would not compromise the incentive plans applying to its executives. At present, non-executive director fees remain at the P50 level. Remuneration models involving "options" are being considered, in order to bring that remuneration also up to the targeted P75 level. Again, it is considered important to set remuneration at this level if Sirtex is to be able to attract and retain additional high calibre non-executive directors to our growing Company, and to better align the interests of the non-executive directors with the interests of shareholders.

Your Board, and our senior staff, are looking to the Godfrey study to ensure that the Company has remuneration package structures and levels that are fair and objective, and consistent with the overall target. We recognise that there will always be different perspectives regarding appropriate salaries and rewards, but we believe that, by basing our remuneration packages on up-to-date detailed market data, our Company will minimise subjectivity and have a sound basis for a fair remuneration standard.

Of course, your Board would welcome any comments on these issues that you might have – and again, thanks to those shareholders who have previously provided their input.

Yours sincerely

SIRTEX MEDICAL LIMITED



John Eady
Chairman, Remuneration Committee