

MEDIA RELEASE

PHARMANIAGA'S REVENUE FOR FINANCIAL YEAR 2006 SURPASSES ONE-BILLION MARK

Shah Alam - Pharmaceutical-based Pharmaniaga Berhad staged an impressive performance for its financial year ended December 31 2006, turning in revenue surpassing the one-billion mark and a commendable growth in its profit for the year.

The Group revenue for the year under review grew by 13.0 per cent to RM1.058 billion from RM936.431 million registered for its financial year 2005.

The Group posted a 22.2 per cent increase in its profit for the year to RM35.6 million compared to RM29.13 million recorded for its previous financial year.

For the fourth quarter 2006, Pharmaniaga's profit for the year surged significantly to RM18.2 million from RM1.18 million posted for the previous corresponding quarter. This is mainly due to the gain on disposal of 70 per cent equity stake in its non core business Pharmaniaga Solutions Sdn. Bhd to UEM World Berhad of RM7.33 million.

The Group revenue for the fourth quarter under review rose by 9.3 per cent to RM266.94 million from RM244.21 million registered for the fourth quarter of the previous financial year.

The Group's basic earnings per share for the year under review improved to 31.78 sen from 25.98 sen recorded for the year before.

Pharmaniaga's impressive performance was mainly attributed to increased concession sales to the Ministry of Health and private sector pharmaceuticals sales. The Group saw

an improved contribution from its Indonesian subsidiary, PT Millennium Pharmacon International Tbk.

On May 25, last year, Pharmaniaga announced its Key Performance Indicators are revenue growth and return on equity of 20 per cent and 10 per cent respectively. For the financial year 2006, Pharmaniaga's revenue charted a growth of 13.0 per cent mainly due to the non materialization of projects under medical product and services unit. Nevertheless, the Group managed to achieve its return on equity of 10.4 per cent.

The KPIs announced is in line with the Government's call to improve GLC performance as prescribed in the GLC Transformation Manual. The above two factors were selected as they represented the company's five-point focus value creation strategies which are productivity of resources, expansion and growth of business, people and organizational development, system and processes improvements and image and perception management. Pharmaniaga expects the strong performance to follow through the current financial year.

"The continued growth of the Malaysian economy provides a supportive environment for further growth in the healthcare industry. Hence, we are confident that the Group will improve its operational results for its current financial year," said Mohamad Abdullah, Managing Director of Pharmaniaga Berhad.

Going forward, Mohamad says Pharmaniaga will continue to focus and increase its market share by leveraging on its strategic domestic network and improve assets productivity that have been put in place.

According to Mohamad, Pharmaniaga will pursue its growth strategies to improve assets productivity. To achieve this, he says the Group, among others, will continue to invest in non-concession and international business.

"Most of these strategies are long-term, therefore, we can expect to see some positive impact from a few of these strategies beginning this year," says Mohamad.

In addition, he says the Group will continue to intensify its efforts to grow its business in Indonesia and other key ASEAN markets.

"We are pleased with our achievement so far. A lot of emphasis and resources have been invested in order to grow this market segment. We intend to grow the non concession sector contribution to 60 per cent by 2009 and our achievement proves that we are on track," Mohamad says.

Pharmaniaga is ranked second in the Malaysian pharmaceutical generic players as audited by the IMS Health Malaysia Sdn Bhd (IMS). IMS publishes its report quarterly for the industry and as of September 2006, Pharmaniaga has maintained its second position among the generic companies. However, the gap between Pharmaniaga and the leader has narrowed within an arm's reach.

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ABOUT PHARMANIAGA BERHAD

Pharmaniaga Berhad, a member of the UEM Group, is an investment holding company listed in the Main Board of Bursa Malaysia. The Pharmaniaga Group's core businesses are generic pharmaceuticals manufacturing, research and development, marketing and sales, warehousing and distribution of pharmaceutical and medical products as well as supply, trading and installation of medical and hospital equipment.

With a vision to be the premier Malaysian pharmaceuticals company, Pharmaniaga is guided by its philosophy of 'doing business with a conscience' and empowered by its mission of **enriching life together**.

Already operating in 38 sites across 3 countries (Malaysia, Indonesia & Vietnam) the Pharmaniaga Group is poised to be a regional player in the international pharmaceuticals arena.