

FOR IMMEDIATE RELEASE

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MEDIA RELEASE

Pharmaniaga is 2nd in the Malaysian private sector market

Pharmaniaga is ranked 2nd by the International Medical Survey (IMS) in the second quarter ending 30 June 2006, moving up from 4th place in the previous quarter, in terms of private sector market share in Malaysia.

IMS is, an international organisation that monitors and tracks the performance of pharmaceutical companies in terms of sale and market share globally and publishes its report quarterly.

"We are certainly pleased with this achievement as we have been putting a lot of emphasis, focus as well as resources to grow this market segment. As we have indicated previously, we intend to grow the non-concession sector contribution to 60% by 2008 and this achievement proves that we are on track," said Azhar Hussain, Managing Director of Pharmaniaga Berhad

Overall, the Group posted a 3% increase in revenue for the second quarter ended 30 June 2006 compared to the same quarter last year. Similarly, the Group's revenue for the year to date grew by 7% when compared to the same period last year. The performance of the private sector pharmaceuticals sales, continue to register strong growth of approximately 24%. This is complemented by its Indonesian subsidiary, PT Millennium Pharmacon International Tbk (MPI), that had increased sales through its major principals.

However, the impact of margin pressures on products sold under the concession is still felt by the group as the Group's profit before taxation (PBT) for the current quarter and year-to-date contracted by 42% and 47% respectively against the same quarter and period last year.

"In the last price revision exercise, there was a contraction in net price of almost 4% which was made effective 1 April 2005," added Azhar.

Borrowing cost has also increased, in line with higher interest rates and borrowings utilized in the current quarter. Continued pressure of higher oil prices has also increased cost of doing business especially in Indonesia.

"While we continue to improve and enhance our services for the concession business, the Group will continue to pursue growth strategies and investments in non-concession as well as international business. We will also continue with measures to improve assets productivity. Most of these strategies are long term and therefore, we can expect to see some positive impact from a few of these strategies in 2007," said Azhar.

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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.

Issued for the Pharmaniaga Group by Corporate Communications Division, Pharmaniaga Berhad