

FOR IMMEDIATE RELEASE

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MEDIA RELEASE

Higher Government and tender sales contribute to Q4 revenue

Shah Alam, 25 February 2011 – The Pharmaniaga Group today announced that revenue for the 2010 financial year improved by 6% compared with the previous year, but profit before tax contracted by 44.2% to RM45.5 million, from RM81.4 million recorded in 2009.

The contraction was the results of a provision of RM20.0 million for the slow moving product, oseltamivir, coupled with an increase in administration, selling and distribution expenses.

The oseltamivir was purchased during the height of the worldwide H1N1 pandemic in anticipation of increased demand from the market. However, the H1N1 situation improved subsequently and demand for oseltamivir reduced significantly.

Gross profit margin for the year to date also narrowed slightly to 14.8% from 15.7% recorded last year, due to the increase in contract supplier costs for the concession business.

Higher sales to government hospitals and higher tender sales contributed to an increase in revenue in the 4th quarter of 2010 by 16.1% at RM376.1 million, against RM323.9 million registered in the same quarter last year.

In addition, the Group had secured a new contract to supply medical equipment to a local health institution.

For the current year, the Group foresees strong competition in the private sector market, and remains focused on strategies and initiatives to grow market share in its core businesses.

The Group will continue to improve production efficiency and cost control as part of its initiatives to improve competitiveness and profitability.

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ABOUT PHARMANIAGA BERHAD

Pharmaniaga Berhad is an investment holding company listed on 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 is empowered by its mission of **enriching life together**. Already operating in 38 sites across 3 countries (Malaysia, Indonesia & Vietnam) the Pharmaniaga Group is positioned to be a regional player in the international pharmaceuticals arena.

***"Issued for the Pharmaniaga Group** by Corporate Communications Division, Pharmaniaga Berhad.
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