

FOR IMMEDIATE RELEASE

26 May 2010

MEDIA RELEASE**Pharmaniaga positions itself to remain competitive in the industry**

Shah Alam, 26 May 2010 – The Pharmaniaga Group today announced that the Group's revenue for the 1st quarter 2010 was 1.2% higher at RM317.6 million, compared to RM313.7 million in the preceding year corresponding quarter due to higher sales from the government sector.

However, profit before tax declined by 38.4% mainly due to lower gross profit margin as a result of product mix.

Compared to the immediate preceding quarter, the Group's revenue for the first quarter 2010 decreased by RM6.3 million or 1.9% from RM323.9 million to RM317.6 million. This was principally due to the completion of medical equipping projects in December 2009 coupled with lower sales from the private sector. However, this was partially mitigated by higher sales from government sector.

Profit before tax declined by RM15.1 million or 54.8% to RM12.4 million from RM27.5 million in the immediate preceding quarter, reflecting the lower gross profit margin due to product mix and loss of profit of RM0.4 million as a result of plant closure in March 2010. The Group also recognised gain on disposal of two lots of land in the previous quarter.

Commenting on the outlook of pharmaceutical industry, which is expected to improve this year in line with the global economic recovery, Pharmaniaga Berhad Managing Director Mohamad Abdullah said, "Despite the intense competition in the marketplace, the Group will continue to focus on strategies and initiatives to grow its market share in its core businesses and to also drive operational efficiencies".

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.
For enquiries, please contact Akmal Baqi Mohamed Ariff at 03 3344 5637 or 012 6658704 or by email akmalariiff@pharmaniaga.uemnet.com*