

FOR IMMEDIATE RELEASE

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MEDIA RELEASE

7TH ANNUAL GENERAL MEETING

To the Group, 2004 was an outstanding year of growth as we recorded the highest turnover ever in our history - almost RM800.0 million, which was an increase of 26.5% over 2003's figure of RM632.6 million. The Group also registered a consolidated profit before tax of RM81.8 million compared to RM66.8 million in 2003, an increase of 22.5%. Earnings per share grew to 50.18 sen for 2004, compared to 40.70 sen for 2003.

This tremendous growth was driven by key initiatives in three main areas:

1. The securing of USD13.3 million worth of contracts to supply pharmaceuticals and medical equipment to the Middle East.
2. Private sector sales grew by 24.1 % over the preceding year.
3. The 80.0 % increase in the non-concession sales to the government sector.

The Pharmaniaga Board has recommended and our shareholders have approved a final tax exempt dividend of 10.5 sen per share which, together with an interim dividend paid of 4.5 sen per share, gives a total annual tax exempt dividend on 15.0 sen per share for 2004. This reflects a maintenance of dividend payout ratio of almost 30 % for the year ended 31 December 2004.

In terms of achievements, 2004 was an exciting year for the Group as we saw growth in the non-concession sector due to:

1. The undertaking of an enterprise-wide Customer Relationship Management (CRM) programme to inculcate a service-oriented culture amongst employees to boost service levels.
2. The implementation of focused and structured marketing initiatives i.e event participation, event sponsorship and one-to-one marketing.
3. The launch of several new products by our private sector:
 - a. Innoherb, a health supplement range from France;
 - b. Ticlopidine for stroke patients;
 - c. Clarithromycin Susp for treatment of bacterial infections in children;
 - d. Itrconazole for treatment of fungal infections and
 - e. Paracetamol C&F, which is a remedy for colds and flu.
- f. 4 BE products received approval in 2004 which brings the total number of BE products for the Group to 25.

2004 also saw us making headway into new international markets:

1. 1 December 2004, we completed the acquisition of 55% equity in PT Millennium Pharmacon International Tbk (MPI) for approximately RM12.2 million to enable us to tap the Indonesian market and to create an effective distribution channel for our products via one of the top ten leading distributors of pharmaceuticals in Indonesia.
2. May 2004, we signed an MOU with China WorldBest Group of Companies (CWGC) to explore in the areas of manufacturing and distribution of intravenous drips, as well as the warehousing and distribution of pharmaceutical products in China.

In line with our tagline of “enriching life together” as part of our re-branding exercise in 2003, we have embarked on Corporate Social responsibility (CSR) activities that bring tangible value to our employees, our shareholders, customers and the community we

operate in. In response to the tsunami disaster that struck the region at the end of December 2004, Pharmaniaga was among the first to come forward to supply medical and pharmaceutical products to the National Emergency Relief Team that left the country for Banda Aceh on the day immediately after the disaster struck. We remain optimistic for 2005, in line with the bright outlook of the Malaysian healthcare industry. Going forward, we shall leverage on our strategic domestic network as well as embark on an aggressive international expansion. As of now, Pharmaniaga is well positioned to be the leading generic manufacturer following the completion of various facilities and enhancements to our production capabilities – the upgrading of the Bangi and Bandar Sri Iskandar plants, the construction of SVI plant in Puchong, the commercialization of Cephalosporin production and the acquisition of the remaining 30% equity interest of Pharmaniaga Logistics Sdn Bhd.

For 2005, we will maintain focus on our core businesses while continuing to build our capability and investments within the healthcare industry in terms of infrastructure and human capital in order to provide excellence in the field. We will also continue to strengthen our brand presence and positioning to deliver our promise of doing business with a conscience to achieve an “enriching life together”.

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ABOUT PHARMANIAGA BERHAD

Pharmaniaga Berhad is Malaysia’s leading pharmaceuticals group and a member of the UEM Group. The company is driven by its core businesses in generic pharmaceuticals R&D and manufacturing, warehousing and distribution of pharmaceutical and medical products, sales & marketing, as well as hospital equipping provision of turnkey contract services. Pharmaniaga has also created a niche in healthcare IT solutions which forms the backbone of its operations.