

NEWS RELEASE

Pharmaniaga Records 136% Growth in PAT for Q3

KUALA LUMPUR, November 6, 2012 – Pharmaniaga Berhad (Pharmaniaga) delivered a strong set of earnings recording a profit after tax of RM26 million for its third quarter ended 30 September 2012 compared with RM11 million for the corresponding quarter last year. While profit before tax for the quarter under review was RM29 million compared with RM16 million for the same quarter last year.

For the cumulative nine month period, Pharmaniaga delivered a significantly improved profit after tax of RM71 million compared with RM41 million recorded last year, signifying a strong 73% growth.

Cumulatively, for the nine month period, the Group registered a cumulative profit before tax of RM99 million, signifying a 74% growth compared with RM57 million recorded in the corresponding period last year. These positive results were achieved on the back of a notably improved turnover of RM1.33 billion, signifying a 16% jump in revenue growth compared with RM 1.15 billion last year.

EPS improved as well for the nine month period to 59 sen compared with 34 sen last year.

As a result of the Group's solid performance, the Board of Directors declared an increased dividend of 10 sen per share (Quarter 2, 2012: 7.5 sen per share) bringing total dividend to date for the year to 25 sen. This reflects the Group's intention to reward loyal shareholders with impressive returns and as earnings improve, hopefully sustain long term capital growth.

YBhg Tan Sri Dato' Seri Lodin Wok Kamaruddin, Chairman, Pharmaniaga Berhad said, "We have performed very well during this quarter, strengthening our business potential on the back of improved demand from our varied clientele. Driving factors include the continuing need for medical treatment, growing healthcare needs and an ageing population. Furthermore we have made significant productivity enhancements to our system and manufacturing processes."

The Manufacturing Division performed very well for the nine months, recording a profit of RM41 million compared with RM13 million for the corresponding period last year, signifying a commendable jump of 215%. The strong performance was primarily due to contribution from Idaman Pharma Manufacturing Sdn Bhd as well as improvements in productivity and efficiency at all the plants.

The Logistics & Distribution Division delivered a profit before tax of RM59 million compared with last year's corresponding period of RM44 million. The key contributor was the concession business which achieved a higher sales volume together with improvements in operational efficiencies.

"We will strengthen our efforts, as demand for generic drugs offers much potential in the local market. At the same time, the concession business is expected to see further growth given that our key client is satisfied with our performance to date. The Group is confident of strengthening shareholder value, by working on the fundamentals of improving earnings and profitability." concluded YBhg Tan Sri Dato' Seri Lodin.

Forward looking statements

This release may contain certain forward-looking statements with respect to the financial conditions, results of operations and business of the Group and certain plans and objectives of Pharmaniaga Berhad with respect to these items. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

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