

NEWS RELEASE

Pharmaniaga Delivers Improved PAT for Q2

KUALA LUMPUR, August 8, 2012 – Pharmaniaga Berhad (Pharmaniaga) recorded a profit after tax of RM16 million for its second quarter ended 30 June 2012 compared with RM14 million for the corresponding period last year. While profit before tax for this quarter was RM28 million compared with RM19 million for the same quarter under review last year.

For the cumulative six month period, the Group delivered a significantly improved profit after tax of RM45 million, an increase of 50% compared with RM30 million recorded for the same period last year.

For the first six months, Pharmaniaga registered a cumulative profit before tax of RM71 million, signifying a 73% jump compared with RM41 million recorded in the corresponding period last year. For the first half of this financial year it achieved an improved turnover of RM903 million compared with RM782 million for the same period last year.

EPS improved as well for the half-year period to 38 sen compared with 25 sen in the same period last year.

True to its commitment to its shareholders, the Board of Directors has declared a dividend of 7.5 sen per share bringing total dividend to date for the year to 15 sen. This reflects the Group's intention to ensure that shareholders benefit from the sustained earnings achieved.

YBhg Tan Sri Dato' Seri Lodin Wok Kamaruddin, Chairman, Pharmaniaga Berhad said, "Our results for the first half of this year is indeed encouraging more so as we have achieved significant strides to bag new business opportunities during the period under review. Consequently we continue to improve on our operational efficiencies and strengthen productivity Group wide."

For the period under review the Logistics & Distribution Division delivered a profit before tax of RM49 million against last year's corresponding period of RM34 million. The primary contributor was due to the concession business which had achieved a higher sales volume accompanied by improvements in operational efficiencies.

The Manufacturing Division delivered a significantly higher profit before tax of RM21 million for the said period of this financial year compared with RM4 million for the same period last year. The key driver was due to contribution from the acquisition of Idaman Pharma Manufacturing Sdn Bhd (IPMSB).

"Looking ahead we are optimistic that Pharmaniaga should sustain its earnings, what more with the rising demand for generic drugs due to rising health care cost. Additionally, with the patent expiry of blockbuster drugs, we expect to seize the opportunity of riding the wave of demand for generic drugs. Towards this end we are optimistic that we will be able to receive the European Union certification for contract manufacturing at our new Puchong plant. This EU compliance certification essentially provides us with the opportunity to attract multinational companies from the EU to award us with contract manufacturing." concluded YBhg Tan Sri Dato' 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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