

NEWS RELEASE

Pharmaniaga PBT Jumps 41% for FY2012
Declares Bonus Issue and Share Split

KUALA LUMPUR, February 18, 2013 – Pharmaniaga Berhad (Pharmaniaga) closed its fiscal year on a strong note registering a profit after tax of RM63 million compared with the previous year's RM53 million. This marks a 19% increase for the cumulative 12 month period ended 31 December 2012.

These positive results were achieved on the back of an improved turnover of RM1.8 billion for the full year compared with RM1.5 billion recorded in the preceding financial year. Growth was mainly led by higher sales volume for the Group's Government client in addition to better operational efficiency in its domestic as well as overseas businesses.

Pharmaniaga recorded a profit before tax (PBT) of RM4 million for its fourth quarter ended 31 December 2012, while revenue grew by 31% to RM482 million for the quarter under review compared with RM368 million for the previous year's corresponding quarter. For the quarter under review, the Group recorded a loss after tax of RM7 million due to the impairment of goodwill and under provision of tax for the previous financial year.

While for the full year, the Group registered a PBT of RM103 million, a 41% jump compared with RM73 million recorded last year. Earnings per share for the full year improved to 52 sen compared with 44 sen recorded in the previous financial year.

In line with the Group's strong performance, the Board has declared a fourth interim dividend of 10 sen per share for the fourth quarter under review bringing total dividend to date to 35 sen. The dividend will be paid on 27 March 2013 to shareholders on the register as at 6 March 2013. Total distribution for the year came in at RM41 million (2011: RM32 million), representing a respectable 67% payout ratio.

The Board has also proposed a share split involving the subdivision of every one existing ordinary share of RM1 each into two ordinary shares of 50 sen each. In addition, a proposed bonus issue of new ordinary shares on the basis of one bonus share for every 10 subdivided shares held is being offered to shareholders.

YBhg Tan Sri Dato' Seri Lodin Wok Kamaruddin, Chairman, Pharmaniaga Berhad said "As we have improved operational efficiency and delivered a stronger year of earnings, we have now undertaken a noteworthy effort to position Pharmaniaga in a more attractive light for existing and potential shareholders. With the proposed share split, we expect to see liquidity improve possibly attracting new shareholders while the bonus issue is another effort to enhance shareholder value. These corporate initiatives on the back of our strong earnings should pave the way for an exciting financial year ahead."

The Manufacturing Division continued making headway, recording a profit of RM43 million for the full year compared with RM14 million for the corresponding period last year, signifying a sizable jump primarily due to contribution from Idaman Pharma Manufacturing Sdn Bhd as well as improvements in productivity coupled with improved efficiency at its plants. The Logistics & Distribution Division registered a higher profit of RM61 million compared with last year's corresponding period of RM59 million mainly due to the concession business which generated higher sales volume and achieved improvements in operational efficiencies.

“We look forward to continue growing from strength to strength in 2013. Our focus will be to lock in sales opportunities in our growth areas especially the private sector. Given the nature of our business, research and development is an integral part of our strategy and our list of products currently in development stage will drive future growth for the Group.” 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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