

## Pharmaniaga's 2Q net profit up 35%

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**PHARMANIAGA** Bhd has seen its net profit rise 35.02% to RM17.7 million for its second quarter ended June 30, 2009, from RM13.11 million a year ago due mainly to the recognition of gain on disposal of its property, plant and equipment.

Revenue dipped downwards 5.73% to RM333.21 million from RM353.47 million previously. Earnings per share was 16.54 sen.

For its first half financial year ending December 31, 2009, the company's net profit inched upwards 2.08% to RM32.22 million from

RM31.65 million in the same period last year while revenue slipped 2.44% downwards to RM646.93 million from RM663.12 million previously. Earnings per share was 30.12 sen.

In a filing to Bursa Malaysia last Friday, Pharmaniaga said the dip in its revenue, both quarterly and year-to-date, was mainly due to the expiry of some tender sales and lower billings for sales of medical equipment. It said, however, despite the current challenging market conditions, sales to the private sector and at the Indonesian subsidiary have improved by 19.3% and 11.5% respectively.

The company also said that, despite the market situation, its concession sales business recorded a 3.2% growth rate while international sales and its Indonesian operations recorded growth rates of about 82.3% and 13.9% respectively. However, it said it was also impacted negatively by an increase in raw materials cost, effective from the second half of last year.

In a separate statement, Pharmaniaga's managing director Mohamad Abdullah said, "The increase in raw material costs from the second half of last year has caused a contraction of margins, and buyers are rather

more conservative in the current economic climate."

"The group has intensified its focus on securing further improvements in operational efficiency and cost containment. Implementation of these measures will help mitigate the effects of the challenging economic environment.

"In addition to these efforts, the group will continuously review its business model, enhance its capabilities and invest in areas that provide value to customers. The Group remains cautiously optimistic about results in the second half of the year", he added.

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**Pharmaniaga**