

Boustead takes over Pharmaniaga for RM534m

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BOUSTEAD Holdings Bhd is taking over the country's largest integrated pharmaceutical firm, Pharmaniaga Bhd, in its first major foray into the healthcare sector.

The conglomerate said yester-

day it would buy UEM Group Bhd's entire 86.8 per cent stake in Pharmaniaga for RM534 million cash, or RM5.75 a share.

This is a 12.7 per cent premium over Pharmaniaga's last traded price of RM5.10 on Thursday.

Boustead later plans to make a mandatory general offer for the rest of the shares it doesn't own "at a comparable price", group

managing director Tan Sri Lodin Wok Kamaruddin said.

"We expect to expand our pharmaceutical business in the region, particularly in Indonesia and Vietnam, through Pharmaniaga's existing logistics operations network there," he told reporters at a briefing yesterday.

He plans to maintain Pharmaniaga's Main Board-listed

status. The purchase, which should be completed by the end of this year, will enhance Boustead's earnings per share by 5 sen next year, he said.

"The offer price is slightly on the high side," analyst James Ratnam of TA Research told Business Times, adding that it worked out to a price earnings multiple of about 10 times.

The offer is higher than Pharmaniaga's average share price of RM4.75 so far this year, and peak of RM5.38.

"Still, the purchase is value accretive and there's also synergy potential," Ratnam added.

Lodin said he considered this to be Boustead's first serious foray

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