

Pharmacybrands Limited: Half Year Result

Results for announcement to the market		
Reporting Period	6 months to 30 September 2012	
Previous Reporting Period	6 months to 30 September 2011	
	Amount (000s)	Percentage change
Revenue from ordinary activities	\$54,235	0.11%
Profit from ordinary activities after tax attributable to security holders	\$6,225	51.79%
Net profit attributable to security holders	\$6,225	51.79%
Dividend	Directors have resolved to declare a dividend of a net 2 cents cash per share, with 1.7 cents per share fully imputed at 30% and balance fully imputed at 28%.	
Comments	Please refer to the attached Consolidated Financial Statements for the half year ended 30 September 2012.	

Auckland, 28 November 2012 – Pharmacybrands Limited (NZX: PHB) today released interim consolidated financial statements for the six months to 30 September 2012.

The trading results include a full half year comparison for Radius Pharmacy Ltd but, as a result of the timing of acquisitions, the comparison for Radius Medical covers only the four month period, from 1 June 2011 to 30 September 2011.

Financial highlights for the six months to 30th September 2012:

- Net profit after tax (NPAT) of \$6.2 million an increase of 51.8% on the \$4.1 million reported for the same period last year.
- Cash flow from operating activities was \$6.3 million, up 43.8% on the \$4.4 million reported for the same period in 2011.
- Earnings per share for the period were 5.16 cents, up 33.8% on the 3.85 cents for the comparative period.
- A 2012 final dividend of 3.5 cents per share was paid on 5 September 2012 fully imputed to 30%. \$1.4 million was paid in cash to shareholders.

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- At the Annual Meeting shareholders approved an optional dividend re-investment plan, under which the company issued 2.35 million shares at \$1.2119 on 5 September 2012.
- The Directors declared a dividend of 2 cents per share for the six months ending 30 September 2012, of which 1.7 cents per share is fully imputed to 30% and the balance fully imputed to 28%. The record date for dividend is 11 December 2012 and the payment date is 21 December 2012.

Business Highlights

The company continued its expansion plans, investing in four medical centres and three pharmacies during the period. Many of these acquisitions were settled late in the period so the earnings impact has therefore been minimal.

Earnings growth versus the same period last year was affected by one off write downs and acquisition costs having an NPAT impact of \$1.1 million last year. In the current six months we have also seen cost savings due to central office consolidation following last year's Radius acquisition.

The strength of our pharmacy franchise group remains a big focus and we have developed further services to assist franchisee pharmacy revenue growth.

"The company has continued to introduce new professional services within pharmacy, taking advantage of the rescheduling of an antibiotic so as to allow prescribing by trained pharmacists. In addition we trained an additional 160 pharmacists to administer flu vaccinations next winter", says Chief Executive, Alan Wham.

"We have further invested in IT infrastructure through consolidating our e-commerce platforms and, most importantly, developing our customer relationship management to extend our loyalty capability and reach. We intend to use this technology through our network to target consumers based on their purchase history. This will allow the company to increase the electronic component of its marketing mix over time."

Total pharmacy and medical centre revenue for the period (including revenues of associates) was \$122.6 million, up \$7.9 million from the corresponding period last year. However, this increase was largely driven by the additional two months of Medical and a small contribution due to the timing of acquisitions rather than organic growth.

"Same store revenues for our equity interest pharmacies, including retail and dispensary, were down 1.2%," says Chief Executive, Alan Wham. "Retail remained challenging throughout the period with retail revenue of these pharmacies down 2%. The same store gross profit for the

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period was down \$0.4 million. Same store costs were flat for the period. We expect to see the focus placed on cost control to flow through in the form of savings in the second half.”

ENDS

About Pharmacybrands

Pharmacybrands Limited is New Zealand’s only listed Retail Pharmacy group and comprises the Unichem, Amcal, Life Pharmacy, Radius Pharmacy and Care Chemist brands. In total the Company represents 300 retail outlets operating throughout New Zealand including 139 Unichem Pharmacies, 75 Amcal Pharmacies, 26 Life Pharmacies, 33 Radius Pharmacies and 27 Care Chemist Pharmacies. Of the 300 retail outlets, the Company has an ownership interest in 68 pharmacies. The Company also has an ownership interest in 10 Radius Medical Centres.

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