



Pharmacybrands

PHARMACYBRANDS LIMITED FULL YEAR RESULT

Auckland, 28 May 2013 – Pharmacybrands Limited (NZX: PHB) today reported a net profit after tax of \$13.2 million attributable to the shareholders for the twelve months to 31 March 2013, an improvement of \$3.3 million (33%) on the corresponding period last year (2012: \$9.9 million). This was driven by cost savings in pharmacies (including associates), incremental revenues from acquisitions, the elimination of one-off costs incurred last year and improved interest costs.

Net cash inflows from operating activities were \$14.9 million (2012: \$12.9 million) including \$3.5 million (2012: \$2.8 million) by way of dividends received from associates. As at balance date the net cash position (net of debt) increased to \$8.3 million resulting in the net interest income being \$0.9m up on last year.

The profit was achieved on consolidated operating revenues of \$105.1 million (2012: \$105.5 million). The reported revenue of \$105.1million does not include associate revenue of \$173.2 million (2012: \$147.0 million). Including the associates, the total revenue is \$278.3 million, an increase of \$25.8 million as a result of acquisitions and full year reporting of Radius Medical.

Total assets of the Group are now \$96.8 million (\$2012: \$83.1 million), with total liabilities of \$22.8 million (\$2012: \$20.7 million).

Dividend

The Directors have resolved to pay a fully imputed final dividend of 3.5 cents per share to shareholders on the register as at 5 pm on 12 June 2013. The dividend will be paid on 21 June 2013 and the Dividend Reinvestment Plan will be operative for this dividend payment. This brings the total dividend pay-out for the financial year ended 31 March 2013 to 5.5 cents per share fully imputed, representing 52% of NPAT for the full year.

Pharmacy business

On a same store basis (which includes associates, revenue for which is not included in the consolidated group revenue) Pharmacy store revenue declined by 2.3%. This is driven by a mixture of both dispensary and retail declines. Chairman, Peter Merton said, "The dispensary decline is not really a concern as it is driven by lower medicine prices which do not materially affect our profit as it is driven by dispensing service fees. However, retail activity was challenging in the period under review. Nevertheless we have recorded modest signs of improvement in retail revenues since the balance date."

"The franchise business continues to be steady, with 302 stores in the fold," he added. "We continue to look to add new franchisees as well as increasing our equity investments in pharmacy businesses."



Medical business

Pharmacybrands acquired Radius Medical Group with effect from 1 June 2011 and has acquired an equity interest in three further medical centres since 31 March 2012. Radius Medical Group increased the number of Management Services Agreements by three. The Medical business contributed over 10% (2012: 5.3%) of the Group NPAT this year.

"We see good potential for further growth in this part of the business," said Mr Merton. "The company will continue to look to acquire interests in medical centres of critical mass or to combine smaller centres".

Summary

"The company is focussed on expanding its primary healthcare offering" said Mr Merton. "We have taken significant steps towards achieving this in the 2013 financial year through the expansion of our Medical Division, while still maintaining a first class Pharmacy Division".

"In the Pharmacy Division, decisions have been made to rationalise the brands and move to a single loyalty programme," Mr Merton added. "New initiatives in the professional services area are ensuring that our pharmacies have a clear point of difference to competitor pharmacies and other healthcare providers, key staff appointments have been made and e-commerce initiatives are well underway."

ENDS

About Pharmacybrands

Pharmacybrands Limited operates retail pharmacy and medical groups. The retail pharmacy group comprises the Unichem, Amcal, Life Pharmacy, Radius and Care Chemist brands. In total the company represents 302 retail outlets operating throughout New Zealand including 142 Unichem Pharmacies, 75 Amcal Pharmacies, 26 Life Pharmacies, 26 Care Chemist Pharmacies and 33 Radius Pharmacies. Of the 302 retail outlets, the company has an ownership interest in 72 stores. The medical group includes the Radius and The Doctors brands and has 23 medical centres operating in New Zealand, of which the company has an ownership interest in 8.

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Results for announcement to the market		
Reporting Period	12 months to 31 March 2013	
Previous Reporting Period	12 months to 31 March 2012	
	Amount (000s)	Percentage change
Revenue from ordinary activities	\$105,064	-0.45%
Profit from ordinary activities after tax attributable to security holders	\$13,188	32.69%
Net profit attributable to security holders	\$13,188	32.69%
Dividend	<p>Directors have resolved to declare a final dividend of a net 3.5 cents cash per share, fully imputed at 28% making a full year fully imputed dividend of total 5.5 cents cash per share.</p> <p>The final dividend will be paid on 21 June 2013 to shareholders on the register as at 5 pm on 12 June 2013. The DRP will be operative for this dividend payment.</p>	
Comments	Please refer to the attached Audited Consolidated Financial Statements for the year ended 31 March 2013.	