

ASX / Media Release

Ascent's 2009 Full-Year Results

Strong sales and profit growth in Australia and Asian operations

23 February 2010, Melbourne: Ascent Pharmahealth Ltd (ASX:APH) today reported its results for the full-year to 31 December 2009, delivering strong sales and EBITDA growth across its Australian and Asian operations in a tough market.

Full-Year Result Highlights

- Net sales of \$105.1 million
 - Australian sales for 2H-2009 of \$35.4 million up 20% on 2H-2008 of \$29.5 million
 - Asian sales for 2H-2009 of \$22.4 million up 109% on 2H-2008 of \$10.7 millionNote: 2H-2008 Asian sales are for five months only and do not include the Green Cross acquisition
- EBITDA of \$14.0 million
 - EBITDA/Sales ratio was 13.3% against 10.3% for the period ended 31 December 2008
- NPAT of \$9.2 million
- Positive operating cash flow of \$9.8 million for the full-year period

CEO Comments

“The Company has achieved growth in its Australian and Asian sales operations as its customer focussed strategies delivered market share increases,” said Mr Dennis Bastas, CEO and Managing Director of Ascent.

Mr Bastas added, “Ascent has seen significant increases in generic pharmaceutical usage in Australia post PBS reforms introduced in August 2008. This increase, along with customer growth and the introduction of a number of new generic medicines, has helped the business in Australia realise improved profitability despite increased competition. The acquisition of the Green Cross Pharma business in Singapore has also assisted the Company’s Singapore operations achieve solid growth in the face of a market downturn associated with the global financial crisis.

“The Australian and Asian markets continue to experience strong generic pharmaceutical growth as patent expiries and financial imperatives drive increased demand. The Company’s organic growth strategies along with the expansion of its sales operations in key Asian markets are expected to continue to provide Ascent with sustainable profit growth,” concluded Mr Bastas.

Australian Operations

Ascent continues to see strong volume growth in the generic pharmaceutical market in Australia. Increased competition across the industry has led to further pricing erosion as improved supply margins are used to secure market share.

The Australian operations achieved a gross profit increase of 8.3% on a 12-month comparative basis. This reflects a positive result for the Australian business when taking into account the discontinuation of low margin products from the previous period and the sales impact of PBS pricing reforms which took effect in August 2008.

In October 2009 the Company entered into a distribution and services agreement with Pfizer Australia to promote and sell Pfizer’s Established Product range of off-patent medicines to Australian pharmacies.

Although only reflected for the final two months of the reporting period the collaboration contributed positively to the overall result.

Operating expenses in the Australian operations increased by 17% in 2009 when compared to 2008 as the Company grew its field force to become one of the leading in-field sales operations to Australian pharmacy.

Asian Operations

The Company's Singapore based operations of Drug Houses of Australia experienced marginal sales growth on a 12-month comparative basis as the Singapore market contracted during the period. The global financial crisis caused a significant reduction in private health spending during the first half of 2009 while the later part of the year began to show signs of recovery. The Green Cross Pharma acquisition which was completed in April 2009 resulted in overall sales growth of 64% for the Singapore business for the full-year period.

The other Asian operations of Ascent achieved overall growth of 16% on a 12-month comparative basis.

Company Outlook

Ascent's focus on organic growth and cost improvements in 2009 has positioned it well to deliver sustainable profit growth in the competitive market of generic pharmaceuticals and consumer healthcare products in Australia and Asia.

This focus along with the Company's diverse operations has assisted the business to achieve a healthy EBITDA-to-Sales ratio of 13% in today's competitive generic pharmaceutical market. An increase of 30% on the previous corresponding period.

The Company will continue to focus on growth opportunities in Australia and Asia as it seeks to differentiate its offering and drive market share growth in all its markets.

Inquiries:

Dennis Bastas

Ascent Pharmahealth Ltd

+61 3 8677 6660

About Ascent Pharmahealth Limited (ABN 52 107 340 367):

Ascent (ASX:APH) sells over 400 products in eight countries and is one of Australia's and Asia's fastest growing and most dynamic pharmaceutical businesses. Ascent registers, markets, distributes and sells generic pharmaceuticals, consumer skincare and over-the-counter medicines. Key subsidiaries are Genepharma, one of Australia's largest generic pharmaceutical companies and Drug Houses of Australia, Singapore's largest generic pharmaceutical company with products distributed in eight Asian countries. The company listed on the Australian Securities Exchange in June 2004. For more information visit: www.ascentpharma.com.au.



Attachment 1

Final Result Full-Year 2009

	Reported Full-Year Results 31 Dec 2009 \$'000
Net sales	\$105,053
Cost of Sales	(\$67,123)
Gross Profit	\$37,930
<i>% Revenue</i>	<i>36.1%</i>
Other revenue	\$1,801
Operating Expenses	(\$25,727)
EBITDA	\$14,004
<i>% Revenue</i>	<i>13.3%</i>
Dep'n & Amortisation	(\$3,117)
EBIT	\$10,887
Interest Expense	(\$580)
Forex gain/loss on Loan	\$812
NPBT	\$11,119
Tax Expense	(\$1,942)
NPAT	\$9,177
EPS (cents)	3.7c