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COMPANY INFORMATION

BOARD OF DIRECTORS

Arshad Rahim Khan	Chairman, Chief Executive & Managing Director
Bernard Poussot	Alternate : Aliya Yusuf
Robert N. Power	Alternate : Dr. Munawar Ali Uqaili
Stephen Higgins	Alternate : Javed Iqbal
Baldev Arora	Alternate : Humayun Nazir
Khwaja Bakhtiar Ahmed	
Behram Hasan	Nominee of N.I.T.

COMPANY SECRETARY

Khwaja Bakhtiar Ahmed

AUDIT COMMITTEE

Javed Iqbal	Chairman
Aliya Yusuf	
Dr. Munawar Ali Uqaili	

BANKERS

Citibank, N.A.
ABN-Amro Bank
Standard Chartered Bank

AUDITORS

A. F. Ferguson & Co.

LEGAL ADVISORS

Orr. Dignam & Company
Syed Qamaruddin Hassan

SHARE REGISTRAR

THK Associates (Pvt) Ltd.
Ground Floor,
Modern Motors House,
Beaumont Road, Karachi.
Ph. # 5689021, 5686658

HEAD OFFICE / REGISTERED OFFICE

S-33, Hawkes Bay Road, S.I.T.E.,
G.P.O. Box No. 167, Karachi.
Telephone : 2354651-61 & 111-777-333
Fax : 92-21-2354681
Website: www.wyethpakistan.com
Note: These accounts are also available on our website.

DIRECTORS' REPORT

Your Directors report the second quarter and half yearly results of 2005.

The overall net sales for the second quarter have slightly increased whereas net sales for the half-year have decreased as compared to same period last year. The main reason of reduction in net sales for both above periods is reduction in export sales. The second quarter and year to-date export sales have decreased to Rs.37 million (2004:Rs.78 million) and Rs.65 million (2004:Rs.101 million). However, the domestic sales for the quarter and half-year has increased over the corresponding periods of last year. The sales volume has improved over first quarter by 23.6%. This growth over last quarter was very challenging without any price increase for more than three years by the Government of Pakistan. As per our plan we have made a successful launch of a nutritional product, S-26 Gold. The initial response of this product is very encouraging.

As compared to last year, cost of sales as a percent of net sales is higher due to increase in prices of raw materials used in some of our key products. The distribution cost and administrative expenses for the quarter and half year have decreased due to restructuring measures taken last year. Despite high inflationary cost and hike in oil prices, your management has also managed to control operating costs and is continuously focused on new product launches.

We appreciate the untiring efforts and continuous dedication of our employees, following our mission, vision and values to attain company's objectives.



Arshad Rahim Khan
Chief Executive



Khwaja Bakhtiar Ahmed
Director

Date : August 24, 2005

A.F.FERGUSON & CO.

A member firm of

PRICEWATERHOUSECOOPERS 

A.F.Ferguson & Co.
Chartered Accountants
State Life Building No. 1-C
11 Chundrigar Road, P.O.Box 4716
Karachi-74000, Pakistan
Telephone: (021) 2426682-6 / 2426711-5
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REVIEW REPORT TO THE MEMBERS

We have reviewed the annexed balance sheet of Wyeth Pakistan Limited as at June 30, 2005 and the related profit and loss account, statement of changes in equity and cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'financial statements'), for the six months period then ended. These financial statements are the responsibility of the company's management. Our responsibility is to issue a report on these financial statements based on our review. The figures of the profit and loss account for the quarters ended June 30, 2004 and 2005 have not been reviewed as we are required to review only the cumulative figures for the six months period ended June 30, 2005.

We conducted our review in accordance with the International Standard on Auditing as applicable to review engagements. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review nothing has come to our attention that causes us to believe that the annexed financial statements are not presented fairly, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.



A.F. Ferguson & Co.
Chartered Accountants
Karachi.

Date: August 25, 2005


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BALANCE SHEET

As at June 30, 2005 (Unaudited)

	Note	June 30, 2005	December 31, 2004
		(Rupees '000)	
NON-CURRENT ASSETS			
Property, plant and equipment	5	175,337	174,544
Long-term loans		35,490	5,588
Long-term deposits		1,819	1,859
Deferred taxation		-	192
		<u>212,646</u>	<u>182,183</u>
CURRENT ASSETS			
Spares		2,395	1,915
Stock-in-trade		337,307	527,910
Trade debts		57,534	43,330
Loans and advances		83,302	9,306
Deposits and prepayments		10,023	6,246
Other receivables		12,334	13,830
Taxation – net		174,973	182,933
Cash and bank balances		312,605	309,999
		<u>990,473</u>	<u>1,095,469</u>
		<u>1,203,119</u>	<u>1,277,652</u>
SHARE CAPITAL AND RESERVES			
Share capital		142,161	142,161
Reserves		700,000	666,000
Unappropriated profit		120,041	107,681
		<u>962,202</u>	<u>915,842</u>
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance leases		365	1,039
Deferred taxation		1,542	-
		<u>1,907</u>	<u>1,039</u>
CURRENT LIABILITIES			
Trade and other payables		237,625	359,227
Current maturity of liabilities against assets subject to finance leases		1,385	1,544
		<u>239,010</u>	<u>360,771</u>
CONTINGENCIES AND COMMITMENTS	3	-	-
		<u>1,203,119</u>	<u>1,277,652</u>

The annexed notes 1 to 9 form an integral part of these financial statements.


Arshad Rahim Khan
 Chief Executive


Khwaja Bakhtiar Ahmed
 Director

PROFIT AND LOSS ACCOUNT

for the Quarter and Six Months period ended June 30, 2005 (Unaudited)

	For the quarter ended		For the six months period ended	
	June 30, 2005	June 30, 2004	June 30, 2005	June 30, 2004
	(Rupees '000)		(Rupees '000)	
Net sales	482,258	481,945	872,410	905,829
Cost of sales	290,862	285,910	541,865	550,307
Gross profit	191,396	196,035	330,545	355,522
Distribution cost	61,570	71,901	117,594	137,263
Administrative expenses	21,713	20,292	43,935	48,109
	83,283	92,193	161,529	185,372
Operating profit	108,113	103,842	169,016	170,150
Other income	8,704	7,410	13,443	9,153
	116,817	111,252	182,459	179,303
Financial charges	415	253	870	1,290
Other charges	8,779	7,744	13,412	12,401
	9,194	7,997	14,282	13,691
Profit before taxation	107,623	103,255	168,177	165,612
Taxation				
Current - for the period	33,859	27,036	50,304	44,503
- for prior years'	(1,301)	-	(1,301)	-
Deferred	1,452	(668)	1,734	(5,369)
	34,010	26,368	50,737	39,134
Profit after taxation	73,613	76,887	117,440	126,478
	(Rupees)		(Rupees)	
Earnings per share – basic and diluted	51.78	54.08	82.61	88.97

The annexed notes 1 to 9 form an integral part of these financial statements.



Arshad Rahim Khan
Chief Executive




Khwaja Bakhtiar Ahmed
Director

STATEMENT OF CHANGES IN EQUITY
for the Six Months period ended June 30, 2005 (Unaudited)

	RESERVES				Unappropriated Profit	Total
	Share Capital	Capital Reserve (Tax Holiday)	General Reserve	Total		
.....(Rupees '000).....						
Balance as at January 1, 2004	142,161	215	665,785	666,000	706	808,867
Profit for the six months period ended June 30, 2004	-	-	-	-	126,478	126,478
Balance as at June 30, 2004	<u>142,161</u>	<u>215</u>	<u>665,785</u>	<u>666,000</u>	<u>127,184</u>	<u>935,345</u>
Balance as at January 1, 2005	142,161	215	665,785	666,000	107,681	915,842
Profit for the six months period ended June 30, 2005	-	-	-	-	117,440	117,440
Dividend for the year ended December 31, 2004	-	-	-	-	(71,080)	(71,080)
Transfer to general reserve	-	-	34,000	34,000	(34,000)	-
Balance as at June 30, 2005	<u>142,161</u>	<u>215</u>	<u>699,785</u>	<u>700,000</u>	<u>120,041</u>	<u>962,202</u>

The annexed notes 1 to 9 form an integral part of these financial statements.



Arshad Rahim Khan
Chief Executive


Khwaja Bakhtiar Ahmed
Director

CASH FLOW STATEMENT
for the Six Months period ended June 30, 2005 (Unaudited)

	Note	June 30, 2005	June 30, 2004
(Rupees '000)			
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	6	155,747	323,464
Mark-up on running finance paid		(4)	(3)
Income tax paid		(41,043)	(27,318)
Finance lease charges paid		(152)	(259)
Increase in long-term loans		(29,902)	(632)
Decrease in long-term deposits		40	-
Net cash inflow from operating activities		84,686	295,252
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(14,740)	(18,392)
Proceeds from sale of property, plant and equipment		4,382	857
Net cash outflow from investing activities		(10,358)	(17,535)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid		(70,889)	(35,234)
Liabilities against assets subject to finance leases (net)		(833)	(871)
Net cash outflow from financing activities		(71,722)	(36,105)
Net increase in cash and cash equivalents		2,606	241,612
Cash and cash equivalents at the beginning of the period		309,999	80,701
Cash and cash equivalents at the end of the period		312,605	322,313

The annexed notes 1 to 9 form an integral part of these financial statements.


Arshad Rahim Khan
Chief Executive


Khwaja Bakhtiar Ahmed
Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the Six Months period ended June 30, 2005 (unaudited)

1. STATUS AND NATURE OF BUSINESS

Wyeth Pakistan Limited (the company) is a public company incorporated in 1949 in Pakistan. The address of its registered office is S-33, Hawkes Bay Road S.I.T.E., Karachi, Pakistan. The company is listed on the Karachi and Lahore Stock Exchanges. The company is engaged in manufacturing and marketing of research based ethical specialties and other pharmaceutical products.

2. BASIS OF PRESENTATION

2.1 These financial statements have been prepared in accordance with the requirements of the International Accounting Standard No. 34 'Interim Financial Reporting' and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi and Lahore Stock Exchanges.

The financial statements comprise of the balance sheet as at June 30, 2005 and the profit and loss account, statement of changes in equity and the cash flow statement for the six months period ended June 30, 2005, which have been subjected to a review but not audited. The financial statements also include the profit and loss account for the quarter ended June 30, 2005.

The comparative balance sheet presented in these financial statements as at December 31, 2004 has been extracted from the audited financial statements of the company for the year ended December 31, 2004 whereas the comparative profit and loss account, statement of changes in equity and cash flow statement are for the six months period ended June 30, 2004 and were subjected to a review but not audited. The comparative profit and loss account for the quarter ended June 30, 2004 is also included in the financial statements.

2.2 The accounting policies adopted in the preparation of these financial statements are the same as those applied in the preparation of the financial statements of the company for the year ended December 31, 2004.

3. CONTINGENCIES AND COMMITMENTS

3.1 Contingent liabilities

Claims against the company not acknowledged as debt at June 30, 2005 amounted to Rs **22.246** million (December 31, 2004: Rs 24.080 million).

3.2 Commitments

Aggregate amount for capital expenditure contracted for, but remaining to be executed at June 30, 2005 amounted to Rs **7.878** million (December 31, 2004: Rs 14.066 million).

Letters of credit and bank guarantees at June 30, 2005 amounted to Rs **54.217** million (December 31, 2004: Rs 55.561million).

4. TAXATION

The income tax assessments of the company have been finalised upto and including the year ended December 31, 2003. While finalising the assessments of the company, the tax authorities have made arbitrary additions and disallowances to taxable income in various tax assessments upto the year ended December 31, 2001 which have resulted in tax demand of Rs **245.980** million. The tax demand has arisen mainly due to the following:

- The assessing officer has made additions to the income based on the contention that the company has allegedly paid excessive amount on import of raw materials.
- The assessing officer charged tax on purchases related to agriculture business of the company under presumptive tax regime by treating all purchases as commercial imports.
- The assessing officer also charged tax on gain on sale of the company's agriculture business and has also arbitrarily disallowed certain expenses attributed to that segment of this business.

Although the company has filed appeals with various appellate authorities, it has, as a matter of prudence made a provision of Rs **167.413** million against the above demands. The management is confident that the ultimate decision of the appeals will be in the company's favour.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	June 30, 2005	December 31, 2004
		(Rupees '000)	
Operating fixed assets	5.1	155,833	155,514
Capital work in progress		19,504	19,030
		175,337	174,544

5.1 Operating fixed assets

	Six months period ended June 30, 2005	Six months period ended June 30, 2004
	(Rupees '000)	
Additions	14,266	8,148
Disposals [having a net book value of Rs 0.767 million (2004: Rs 0.015 million)]	5,648	5,353
Write off [having a net book value of Rs nil (2004: Rs nil)]	1,166	-

6. CASH GENERATED FROM OPERATIONS

	Note	Six months period ended June 30, 2005	Six months period ended June 30, 2004
(Rupees '000)			
Profit before taxation		168,177	165,612
Adjustments for non-cash charges and other items:			
Depreciation		13,180	12,327
Provision for slow moving and obsolete stocks		55	5,903
Write back of potential expired stock claims		(1,944)	(3,150)
Profit on disposal of property, plant and equipment		(3,615)	(843)
Finance lease charges		152	259
Working capital changes	6.1	(20,258)	143,356
		(12,430)	157,852
		<u>155,747</u>	<u>323,464</u>
6.1 Working capital changes			
Decrease/(increase) in current assets:			
Spares		(480)	452
Stock-in-trade		190,548	98,072
Trade debts		(12,260)	63,957
Loans and advances		(73,996)	(1,237)
Deposits and prepayments		(3,777)	(1,165)
Other receivables		1,496	2,781
		101,531	162,860
Decrease in current liabilities:			
Trade and other payables		(121,789)	(19,504)
		<u>(20,258)</u>	<u>143,356</u>

7. TRANSACTIONS WITH RELATED PARTIES


	Six months period ended June 30, 2005	Six months period ended June 30, 2004
	(Rupees '000)	
Purchase of goods	45,466	35,475
Sale of goods	54,533	97,354
Loan to gratuity fund	30,000	-
Loan to provident fund	80,000	-
Contribution to retirement benefits funds		
• gratuity fund	2,005	3,669
• provident fund	2,793	3,812
• pension fund	594	1,835
	5,392	9,316
Dividends	51,252	25,626
Interest on loan to provident fund	1,445	-

8. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 24, 2005 by the Board of Directors of the Company.

9. CORRESPONDING FIGURES

The Securities and Exchange Commission of Pakistan has substituted the fourth schedule to the Companies Ordinance, 1984 which is effective from the financial year ending on or after July 5, 2004. Consequently, the corresponding figures have been restated for the purpose of comparison in respect of cost of sales, distribution cost and administrative expenses.


Arshad Rahim Khan
 Chief Executive


Khwaja Bakhtiar Ahmed
 Director