

Wyeth®

Annual Report 2010



WYETH PAKISTAN LIMITED



# Mission, Vision & Values

## *Mission:*

We bring to the world pharmaceutical and healthcare products that improve lives and deliver outstanding value to our customers and shareholders.

## *Vision:*

Our vision is to lead the way to a healthier world. By carrying out this vision at every level of our organization, we will be recognized by our employees, customers and shareholders as the best pharmaceutical company in the world, resulting in value for all.

We will achieve this by being accountable for:

- ▶ Leading the world in innovation through pharmaceutical, biotech and vaccine technologies.
- ▶ Making trust, quality, integrity and excellence hallmarks of the way we do business.
- ▶ Attracting, developing and motivating our people.
- ▶ Continually growing and improving our business.
- ▶ Demonstrating efficiency in how we use resources and make decisions.

## *Values:*

To achieve our mission and realize our vision, we must live by our values:

### *Quality*

We are committed to excellence - in the results we achieve and in how we achieve them.

### *Integrity*

We do what is right for our customers, our communities, our shareholders and ourselves.

### *Respect for People*

We promote a diverse culture and a commitment to mutually respect our employees, our customers and our communities.

### *Leadership*

We value people at every level who lead by example, take pride in what they do and inspire others.

### *Collaboration - "Teamwork"*

We value teamwork - working together to achieve common goals is the foundation of our success.



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## COMPANY INFORMATION

### BOARD OF DIRECTORS

Iqbal Bengali  
Shahid Aziz Siddiqi  
Badaruddin F. Vellani  
Iftikhar Soomro  
Abdul Majeed  
Iftikar Ahmed Jafri  
S. M. Wajeeluddin

Chairman, Chief Executive & Managing Director

### COMPANY SECRETARY

S. M. Wajeeluddin

### AUDIT COMMITTEE

Iftikhar Soomro  
Badaruddin F. Vellani  
Iftikar Ahmed Jafri

Chairman

### EXECUTIVE COMMITTEE

Iqbal Bengali  
Abdul Majeed  
S. M. Wajeeluddin

Chairman, Chief Executive & Managing Director  
Director Marketing - EP & Human Resources  
Director Finance & Company Secretary

### SHARE TRANSFER COMMITTEE

Iqbal Bengali  
Abdul Majeed  
S. M. Wajeeluddin

Chairman, Chief Executive & Managing Director  
Director Marketing - EP & Human Resources  
Director Finance & Company Secretary

### BANKERS

Citibank, N.A.  
Standard Chartered Bank

### AUDITORS

**KPMG Taseer Hadi & Co.**  
Chartered Accountants

### LEGAL ADVISORS

Vellani & Vellani  
Orr Dignam & Company  
Syed Qamaruddin Hassan

### SHARE REGISTRAR

**THK Associates (Pvt.) Ltd.**  
Ground Floor, State Life Building # 3,  
Dr. Ziauddin Ahmad Road, Karachi-75530.  
Ph. # 92 - 213 - 5689021 - 5686658 & 111 - 000 - 322

### HEAD OFFICE / REGISTERED OFFICE

S-33, Hawkes Bay Road, S.I.T.E.,  
G.P.O. Box No. 167, Karachi.  
Ph. # 92 - 213 - 2354651 - 61  
Fax: 92 - 213 - 2354681  
Website: [www.wyethpakistan.com](http://www.wyethpakistan.com)

**Note:** These accounts are also available on our website.

## KEY OPERATING AND FINANCIAL DATA OF SIX YEARS

KEY INDICATORS	2005	2006	2007	2008	2009*	2010
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Trading results (Rs in millions)						
Net sales	1,776	1,945	2,108	2,384	2,306	2,310
Gross profit	664	756	735	705	501	481
Operating profit	323	364	325	254	1	32
Profit / (loss) before tax	327	389	359	229	(32)	43
Profit / (loss) after tax	227	324	245	144	(87)	26

Financial position (Rs in millions)						
Shareholders' equity	1,071	1,263	1,411	1,131	982	1,009
Property, plant and equipment	174	180	217	227	180	145
Net current assets	896	1,077	1,185	901	794	847

Profitability							
Gross profit	%	37.39	38.87	34.87	29.57	21.73	20.82
Operating profit	%	18.19	18.71	15.42	10.65	0.04	1.39
Profit / (loss) before tax	%	18.41	20.00	17.03	9.61	(1.39)	1.86
Profit / (loss) after tax	%	12.78	16.66	11.62	6.04	(3.77)	1.13

Performance							
Fixed assets turnover	Times	10.21	10.81	9.71	10.50	12.81	15.93
Avg. inventory holding period	Days	169	170	156	143	144	163
Debtor's turnover	Times	22.30	18.95	17.01	12.51	8.87	14.09
Average collection period	Days	16	19	21	29	38	26
Return on equity	%	21.20	25.65	17.36	12.73	(8.86)	2.58

Liquidity							
Current	Times	3.45	3.58	3.93	3.43	2.71	2.56
Quick	Times	2.07	2.11	2.53	1.38	0.98	1.01

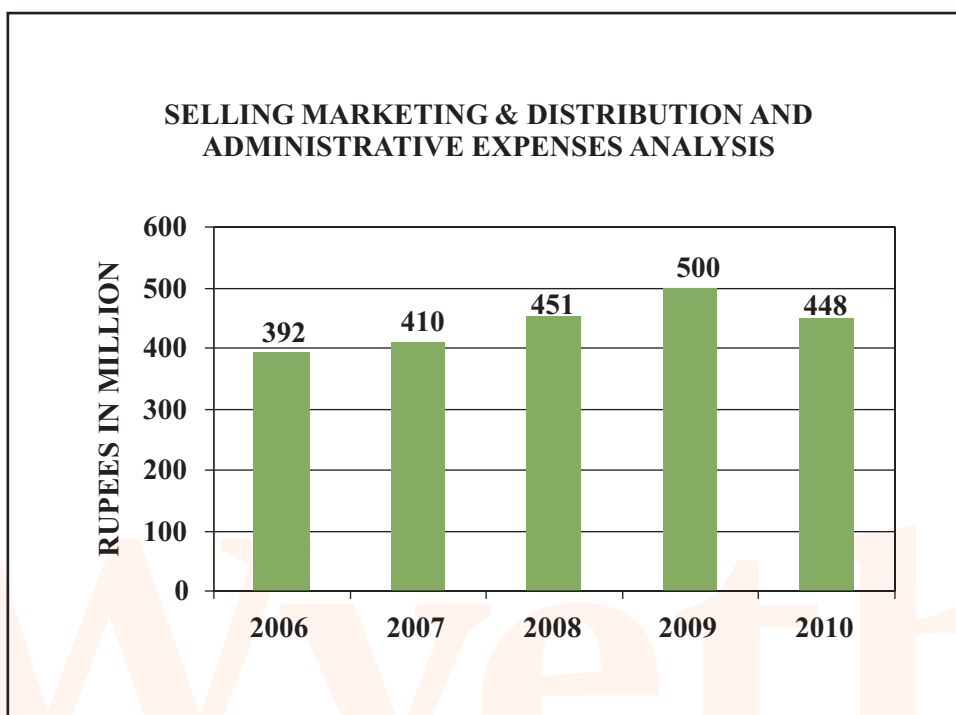
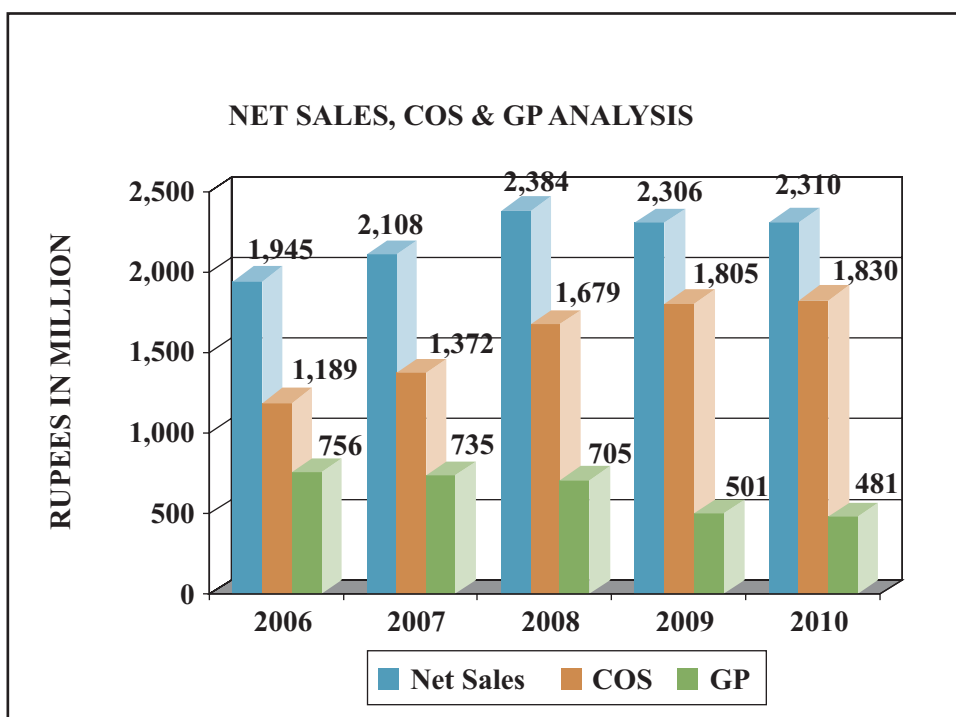
Valuation							
Basic earning / (loss) per share (before tax)	Rs	230.10	273.29	252.58	161.15	(22.22)	30.41
Basic earning / (loss) per share (after tax)	Rs	159.48	228.17	172.39	101.50	(61.09)	18.61
Breakup value per share	Rs	753.71	888.38	992.86	795.47	690.95	709.63
Dividend per share	Rs	60.00	65.00	130.00	250.00	-	10.00
Dividend payout ratio (after tax)	%	37.62	28.49	75.41	246.31	-	53.73
Price earning ratio	Times	12.29	9.41	12.41	25.62	-	49.08
Dividend yield	%	3.70	3.17	6.06	10.55	-	0.92
Market value per share**	Rs	1,960	2,147	2,140	2,600	1,265	914
Market capitalization	Rs (M)	2,786	3,052	3,042	3,696	1,798	1,299

\* Profit and Loss Account items reflect eleven months' period.

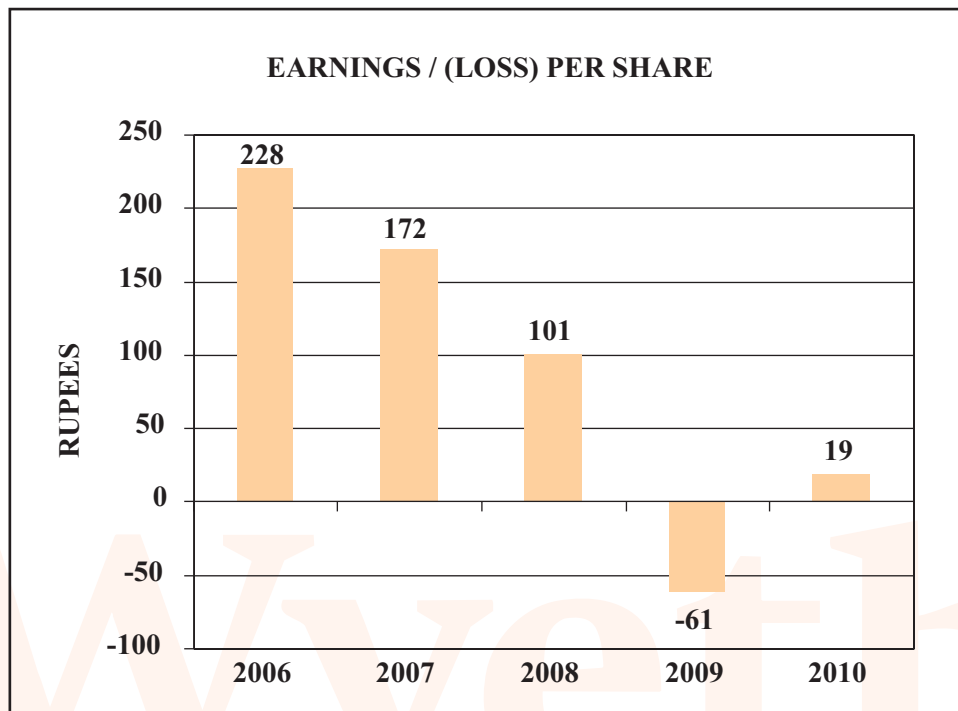
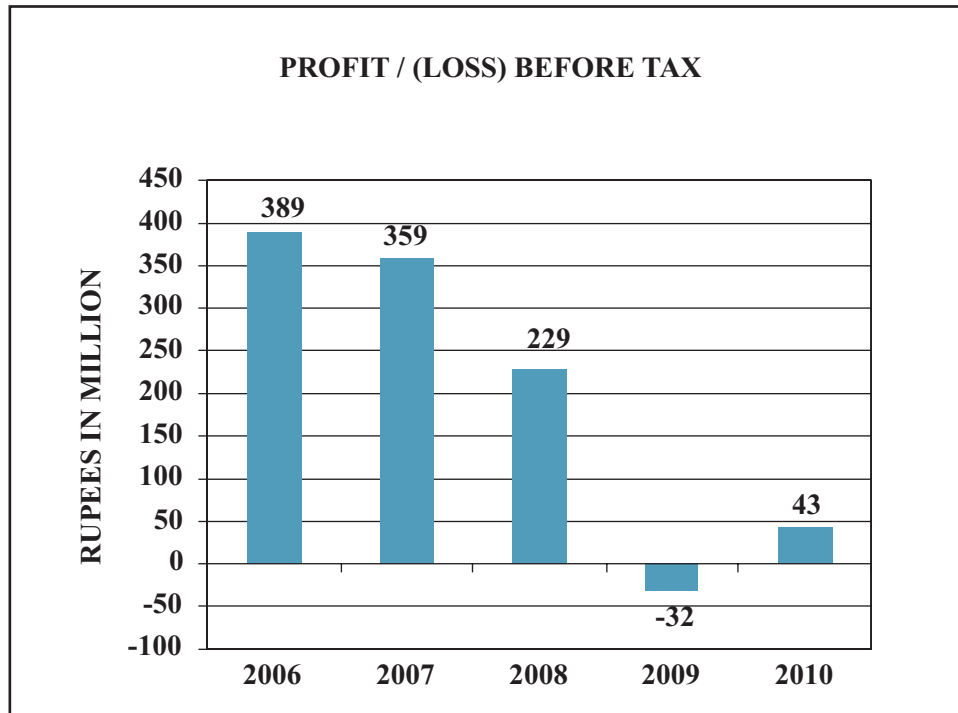
All Balance Sheet Items for the years 2005-2008 show the position as at December 31 and for the years 2009 & 2010 show the position as at November 30.

\*\* Market value per share for the years 2005-2008 has been taken at December 31, whereas market value per share for the period / year 2009 & 2010 has been taken at November 30.

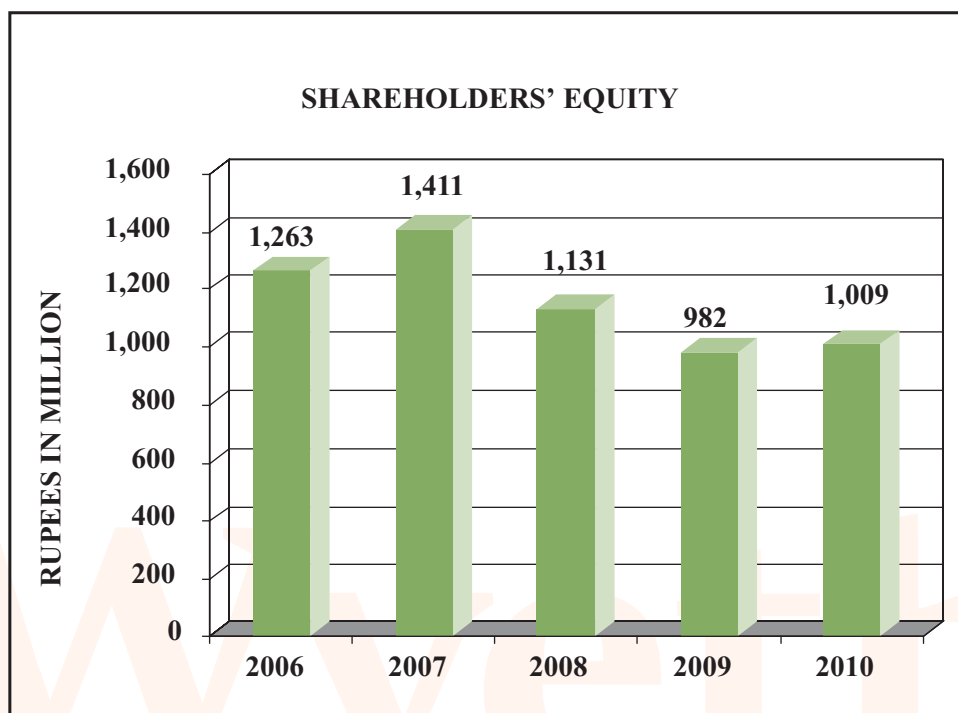
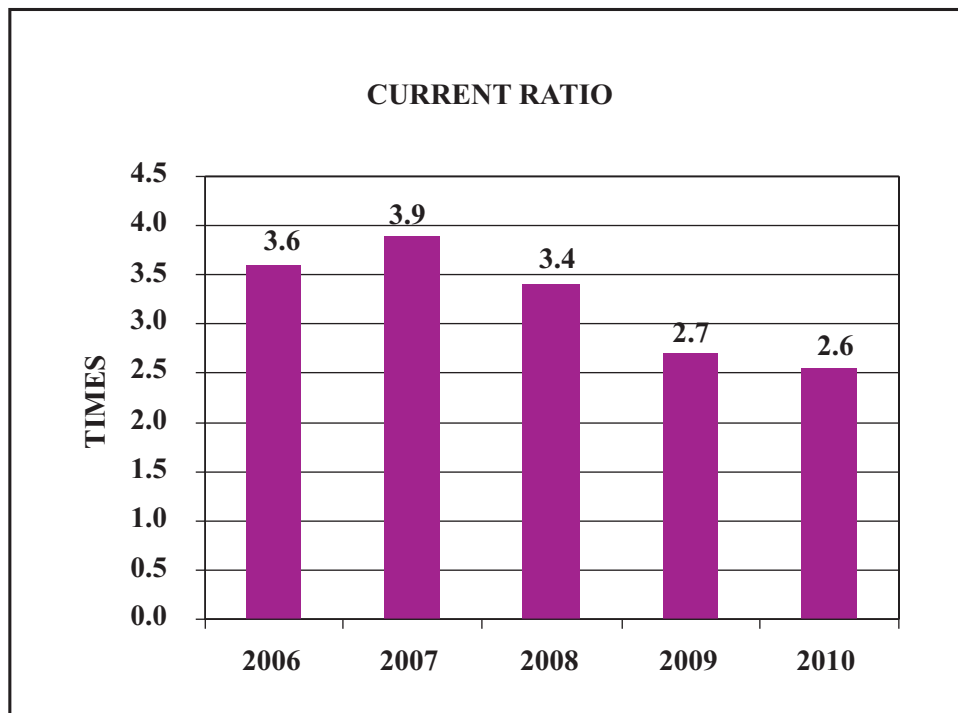
## PERFORMANCE AT A GLANCE



## PERFORMANCE AT A GLANCE



## PERFORMANCE AT A GLANCE



## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Sixty Second Annual General Meeting of Wyeth Pakistan Limited will be held on Monday, March 28, 2011, at 11:30 a.m at the Registered Office of the Company, S-33, Hawkes Bay Road, S.I.T.E., Karachi, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements together with the Directors' and Auditors' Reports for the year ended November 30, 2010.
2. To approve and declare dividend for the year ended November 30, 2010. The Directors have recommended the payment of a final dividend of 10%, that is, Rs 10 per share of Rs 100 each, for the year ended November 30, 2010, payable to those Members whose names appear on the Register of Members as at March 25, 2011.
3. To appoint Auditors for the year ending November 30, 2011 and to authorize the Board to fix their remuneration.

By Order of the Board



**S. M. WAJEEHUDDIN**  
Company Secretary

Karachi: March 03, 2011

### NOTES:

1. The Share Transfer Books of the Company will remain closed from March 28, 2011 to April 04, 2011 (both days inclusive).
2. A member entitled to attend and vote at the above meeting shall be entitled to appoint another person, as his/her proxy to attend, demand or join in demanding a poll, speak and vote instead of him/her and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the meeting as are available to a member. A proxy need not be a member of the Company. The completed Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.
3. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted along with proxy form to the Company.
4. Members are requested to promptly communicate to the Company's Registrar, THK Associates (Pvt.) Ltd., Ground Floor, State Life Building No.3, Dr. Ziauddin Ahmed Road, Karachi-75530 any change in their addresses.
5. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan:

**A. For Attending the Meeting**

- i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

**B. For Appointing Proxies:**

- i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

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## DIRECTORS' REPORT TO SHAREHOLDERS

We are pleased to present your Company's Annual Report for 2010 together with the audited Financial Statements for the year ended November 30, 2010. The operating results for current year are for a 12 months period ended November 30, 2010 compared to the previous year which is for an 11 months period ended November 30, 2009.

Like previous years, this year has also been difficult for businesses in general, due to the uncertain law and order, political and economic situation that prevailed throughout the year, disrupting business activities and adversely impacting your Company's operations.

### Financial Results

The summarized operating results of your Company for the year ended November 30, 2010 are given below:-

	Rupees '000
Sales	2,310,191
Gross profit	480,538
Profit before tax	43,229
Profit after tax	26,459

The after tax earning per share of your Company for the year ended November 30, 2010 is Rupees 18.61 (2009: Loss per share Rupees 61.09).

### Chairman / Chief Executive Review

The Chairman / Chief Executive review on page 12 discusses the operations and future outlook of your Company in more detail.

The Directors of the Company endorse the contents of the same.

### Dividend

The Directors are pleased to propose a Final Cash Dividend of Rs 10 being 10% on a share of Rs 100 each held at the close of the share transfer books as referred in notice of the 62<sup>nd</sup> Annual General Meeting.

### General Reserve

The Board of Directors has approved the transfer of Rs 80 million (2009: Nil) from General Reserve to unappropriated profits for the year ended November 30, 2010 which will be reflected in the First Quarter Accounts of 2011.

### Holding Company

Wyeth LLC, Delaware, U.S.A. holds 576,470 (40.55%) shares and Wyeth Holdings Corporation, New Jersey, U.S.A. (100% owned company of Wyeth LLC, Delaware) holds 448,560 (31.55%) shares in Wyeth Pakistan Limited, thus the total holding of Wyeth LLC in Wyeth Pakistan Limited is 72.10%. However as a result of the global acquisition of Wyeth by Pfizer Inc., on October 15, 2009, Pfizer Inc. from that date is the ultimate parent company of Wyeth Pakistan Limited.

## Pattern of Shareholding

The shareholding information as at November 30, 2010 and the pattern of shareholding of the Company as required by the Code of Corporate Governance are set out on pages 53 to 54.

The Directors, Chief Executive Officer, Chief Financial Officer / Company Secretary have confirmed that neither they nor their spouses and minor children carried out any trading in the shares of the Company during the period under review.

## Corporate and Financial Reporting Framework

In compliance with the Code of Corporate Governance, we give below statements on Corporate and Financial Reporting Framework:

- The financial statements prepared by the management of the Company, present fairly its state of affairs, the result of its operations, comprehensive income, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of financial statements. There has been no departure from IFRS.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- Key operating and financial data of last six years (including current period) is placed on page no 2.
- There are certain disputed demands of Income Tax, which have not been accrued or paid. These have been explained in the note No. 16.3 to the financial statements on Taxation under the head of Contingencies and Commitments.
- The value of investments of pension, gratuity and provident funds were as follows:

Name of Fund	Un-audited 2010	Audited 2009
Pension Fund	Rs 130 million	Rs 116 million
Gratuity Fund	Rs 105 million	Rs 112 million
Provident Fund	Rs 243 million	Rs 208 million

The value of investments includes accrued interest and the audit of these funds for the year is in progress.

- During the year five Board of Directors meetings were held. Attendance of Directors in those meetings is detailed below:

Dates of meeting	18-01-10	23-02-10	30-03-10	26-07-10	28-09-10
Iqbal Bengali	P	P	P	P	P
Abdul Majeed	P	P	L	P	P
Badaruddin F. Vellani	P	P	L	P	L
Iftikhar Soomro	P	P	P	P	P
S.M. Wajeehuddin	-	-	P	P	P
Abdul Naseer	P	P	P	P	P
Shahid Aziz Siddiqi	-	-	-	-	*
Maqbool H.H. Rahimtoola	P	P	P	L	-
Khwaja Bakhtiar Ahmed	P	P	P	-	-

P = Present

L = Leave of absence

\* He was appointed in this meeting.

## Related Party Transactions

All related party transactions during the year were approved by the Board and the details of all such transactions were placed before the Audit Committee. The Company maintains a full record of all such transactions, along with the terms and conditions.

## Capital Expenditure

During the year under review an amount of Rs 4.8 million was spent on up-gradation of plant and machinery to meet current GMP Standards.

## Environment, Health and Safety (EHS)

Wyeth Pakistan is committed to protecting the health and safety of everyone at our facilities and the environment of the communities in which we are operating and living. We are committed to demonstrating continuous improvement in our EHS performance by setting up EHS objectives and targets. We carry out periodical internal audits to verify the conformance of our EHS management system with legal compliance, corporate standards and facility procedures. We maintain a wastewater treatment plant to ensure compliance with national environmental quality standard for the discharge of facility liquid effluent. Wyeth Pakistan employees work to achieve energy conservation objectives to share in local community as responsible corporate citizens.

## Subsequent Events

No material changes or commitments affecting financial position of the Company have taken place between the end of the financial year and the date of this report.

## Directors

Since the last Annual General Meeting following changes took place in the composition of the Board of Directors.

During the year Khwaja Bakhtiar Ahmed and Mr. Maqbool H.H. Rahimtoola resigned as Directors of the Company on March 30, 2010 and September 21, 2010 respectively. The casual vacancies thus created were filled by appointments of Mr. S.M. Wajeehuddin and Mr. Shahid Aziz Siddiqi as Directors on the Board.

Subsequent to year end Mr. Abdul Naseer also resigned from the Board effective from January 06, 2011 and in his place Dr. Iftikhar A. Jafri has been appointed to fill the casual vacancy.

While welcoming the new Directors, the Board wishes to place on record, its most sincere appreciation for the valuable services rendered by the outgoing directors, and their contributions in the stability and growth of the Company and welcomes the new Directors on the Board.

The current Board of Directors consists of the following Directors:

Iqbal Bengali	Chairman/Chief Executive
Shahid Aziz Siddiqi	Director
Badaruddin F. Vellani	Director
Iftikhar Soomro	Director
Abdul Majeed	Director
S. M. Wajeehuddin	Director
Iftikhar A. Jafri	Director

The three years term of the current Board of Directors will expire on April 29, 2011.

## **Audit Committee**

The current Audit Committee of the Board of Directors of Wyeth Pakistan Limited consists of three members Mr. Iftikhar Soomro (Chairman), Mr. Badaruddin F. Vellani and Dr. Iftikhar A. Jafri who has been appointed in place of Mr. Abdul Naseer. The new Chairman and member of the Audit Committee wish to place on record their appreciation of the services rendered by the outgoing member Mr. Abdul Naseer.

The terms of reference of the Audit Committee have been determined by the Board of Directors in accordance with the guidelines provided in the Listing Regulations. The Committee held four meetings during the year.

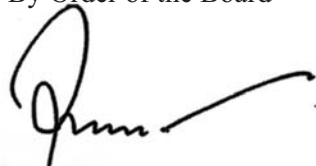
## **Auditors**

The present Auditors M/s. KPMG Taseer Hadi & Co., Chartered Accountants retire at the conclusion of the forthcoming Annual General Meeting (AGM) and, being eligible, offer themselves for re-appointment. The Board of Directors endorses the recommendation of the Audit Committee for the re-appointment of KPMG Taseer Hadi & Co., Chartered Accountants as auditors of the Company for the financial year ending November 30, 2011 till the conclusion of next AGM.

## **CORPORATE GOVERNANCE**

A statement of compliance with the Code of Corporate Governance is attached with this report.

By Order of the Board



**IQBAL BENGALI**  
Chairman/Chief Executive

Karachi: February 25, 2011

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## CHAIRMAN / CHIEF EXECUTIVE'S REVIEW

### Operating Results

The economic turmoil that erupted a couple of years back persisted during the year under review also. The prime consequences were slower business, high inflation, and the weakening exchange parity. Frequent disruptions on account of law and order situation only aggravated the situation. And last but not the least, devastating floods in the later half of the year further compounded the miseries of the Country.

These factors impacted our business and our revenues on annualized basis were lower by 8% compared to the year 2009. Aside from the external factors, alignment of stocks level of the distributors, lower institutional sales and returns of Myrin out of 2009 sales also affected revenues. Further export sales during the year were also lower than 2009 on account of low demand in the importing countries. Excluding the impact of these one time events and the floods, our revenues for the year would have been higher than 2009.

Despite unfavorable business environment and lower revenues, the company has been able to register a pretax profit of Rs 43.2 million against a loss of Rs 31.6 million in 2009. This was mainly made possible through stringent control over operating expenses and improved productivity in our operations resulting in a 10% decline in operating expenses. During the year, the Company changed its sales and distribution model from credit to advance cash. This significantly improved our cash flows and the Company earned a higher interest income which also contributed towards this bottom line improvement.

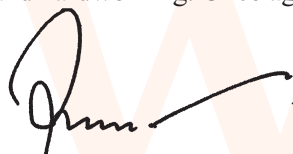
### Future Outlook

During the year your Company launched two new products namely Enbrel® for Rheumatoid Arthritis and Centrum® a High Potency Multi Vitamin. Further, Anne French - a 40 years old female depilatory brand - is being relaunched after an extensive revamp of the Product and its entire marketing and distribution strategy. With these new and revived products, we expect that the revenue of the Company will grow in the years to come.

Being among one of the highly regulated industries in Pakistan, pharmaceutical companies are dependent on government policies, which have largely kept the industry devoid of general price increase since 2001, despite massive inflation during this year. A continuing weak Intellectual Property Rights' regime remains a cause of concern. This factor combined with high inflation and deteriorating exchange parity is likely to keep profitability under pressure. Nonetheless, we feel that your Company shall be able to minimize their impact, by concentrated focus on the strengths of its brands, engagement of continuous improvement initiatives for creation of internal efficiencies and leverage of all productivity opportunities thereby positively impacting both top and bottom lines.

### Industrial Relations

We are pleased to acknowledge that the relations with employees remained congenial throughout the year. The management recognizes and records its sincerest appreciation to all employees for their continued dedication, commitment and hard work for the growth and prosperity of the Company, without which this performance would not have been possible. The Union Agreement covering a two years period from May 2010 to April 2012 was signed on August 24, 2010 in a very cordial atmosphere. Wyeth Pakistan has a very clear mission, vision and values and our people are dedicated and hardworking. Once again, we expect the same zeal and continued commitment in years to come.



**IQBAL BENGALI**  
Chairman/Chief Executive

Karachi: February 25, 2011

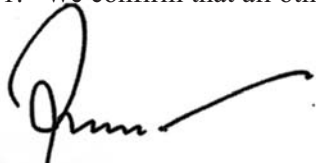
## STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance contained in Listing Regulation of the Karachi Stock Exchange and Lahore Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive Directors and Directors representing minority interests on its Board of Directors (the Board). At present the Board includes three independent non-executive Directors, one of whom represents the minority equity interest of Institutional Investor (NIT).
2. All Directors have confirmed that none of them is serving as a Director in more than ten listed companies, including this Company.
3. All the Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a Development Financial Institution or a Non-Banking Financial Institution or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. Casual vacancies which occurred during the year under consideration were duly filled within 30 days.
5. The Company has a 'Code of Conduct' (statement of ethics and business practices), which has been signed by all the Directors and management employees of the Company.
6. The Company has adopted a mission, vision and values statement that has been approved by the Board and the overall corporate strategy of the Company reflects the vision and values set out in the statement. Details of significant policies for material matters are regularly being re-evaluated and material changes in the significant policies will be placed before the Board for its approval. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised. The decisions on material transactions including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive and other Executive Directors have been approved by the Board.
8. The meetings of the Board were presided over by the Chairman except for one meeting where Chairman was out of country and a non-executive director chaired the meeting. The Board has met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Board keeps apprised its Directors of their duties and responsibilities by in-house orientations, as and when required, which is an ongoing process.
10. The Board has approved appointment of Chief Financial Officer (CFO) / Company Secretary and Head of Internal Audit, including their remuneration & terms and conditions of employment, as determined by the CEO.

11. The Directors' report for the year has been prepared in accordance with the requirements of the Code and fully describes the salient matters that are required to be disclosed.
12. All related party transactions during 2010 were approved by the Board and details of all such related party transactions were placed before the Audit Committee along with pricing methods for such transactions. The Company maintains a full record of all such transactions, along with the terms and conditions.
13. CEO and CFO duly endorsed the financial statements of the Company before approval of the Board.
14. The Directors, Chief Executive Officer (CEO) and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding and the spouses of the Directors are not engaged in the business of stock brokerage.
15. The Company has complied with all the corporate and financial reporting requirements of the Code.
16. The Board has formed an audit committee. It comprises of 3 members, of whom 2 are non-executive Directors. The Chairman of the committee is Non-Executive Director.
17. The meetings of the Audit Committee were held at least once in every quarter prior to approval of interim and final results of the Company required by the Code. The terms of reference of the Audit Committee have been formed and approved by the Board and have been formed and advised to the committee for compliance.
18. The Board has set-up an effective internal audit function.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review Programme of the Institute of Chartered Accountant of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountant of Pakistan.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. We confirm that all other material principles contained in the Code have been complied with.



**IQBAL BENGALI**  
Chairman/Chief Executive

Karachi: February 25, 2011



**KPMG Taseer Hadi & Co.**  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2  
Beaumont Road  
Karachi, 75530 Pakistan

Telephone + 92 (21) 3568 5847  
Fax + 92 (21) 3568 5095  
Internet www.kpmg.com.pk

## **REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE**

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Wyeth Pakistan Limited ("the Company") to comply with the Listing Regulations of Karachi and Lahore Stock Exchanges, where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Further, Sub-regulation (xiii a) of Listing Regulations No. 35 notified by the Karachi Stock Exchange (Guarantee) Limited vide circular no. KSE/N-269 dated January 19, 2009 requires the Company to place before the Board of Directors for their consideration and approval of related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the Audit Committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were under taken at arm's length price or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended 30 November 2010.

Date: 25 February 2011

Karachi

KPMG Taseer Hadi & Co.  
Chartered Accountants

KPMG Taseer Hadi & Co., a partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative



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## AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Wyeth Pakistan Limited ("the Company") as at 30 November 2010 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion:
  - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
  - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
  - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 November 2010 and of the profit, total comprehensive income, cash flows and changes in equity for the year then ended; and
- d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Date: 25 February 2011

Karachi

**KPMG Taseer Hadi & Co.**  
Chartered Accountants  
Mohammad Mahmood Hussain

KPMG Taseer Hadi & Co., a partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative

## BALANCE SHEET AS AT NOVEMBER 30, 2010

	Note	November 30, 2010	November 30, 2009
		(Rupees '000)	
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	144,887	179,681
Long-term loans to employees	5	8,203	12,161
Long-term deposits		2,180	1,879
Deferred taxation	13	6,431	-
Total non - current assets		161,701	193,721
<b>CURRENT ASSETS</b>			
Spares		14,411	2,921
Stock-in-trade	6	828,388	800,768
Trade debts	7	50,431	277,447
Loans and advances	8	58,407	15,744
Trade deposits and prepayments	9	13,472	13,462
Interest accrued		3,746	6
Other receivables	10	31,277	14,890
Taxation-net		149,149	97,687
Cash and bank balances	11	241,928	35,648
Total current assets		1,391,209	1,258,573
Total assets		1,552,910	1,452,294
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	12	142,161	142,161
Reserves		927,041	926,940
Accumulated losses		(60,379)	(86,838)
Total equity		1,008,823	982,263
<b>NON - CURRENT LIABILITY</b>			
Deferred taxation	13	-	5,238
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	544,087	464,793
<b>Total equity and liabilities</b>		<b>1,552,910</b>	<b>1,452,294</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	16		

The annexed notes 1 to 37 form an integral part of these financial statements.

  
Iqbal Bengali  
Chief Executive

  
S. M. Wajeeruddin  
Director

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED NOVEMBER 30, 2010

	Note	November 30, 2010	November 30, 2009
(Rupees '000)			
Net sales	17	2,310,191	2,306,323
Cost of sales	18	1,829,653	1,805,262
Gross profit		480,538	501,061
Selling, marketing and distribution expenses	19	340,214	332,283
Administrative expenses	20	107,938	167,871
		448,152	500,154
		32,386	907
Other operating income	22	19,979	15,174
		52,365	16,081
Other operating expenses	23	6,122	43,922
Finance cost	24	3,014	3,752
		9,136	47,674
Profit / (loss) before taxation		43,229	(31,593)
Taxation	25		
Current		28,439	58,083
Deferred		(11,669)	(2,827)
		16,770	55,256
Profit / (loss) after taxation		26,459	(86,849)
(Rupees)			
Basic earning / (loss) per share	26	18.61	(61.09)

The annexed notes 1 to 37 form an integral part of these financial statements.

  
Iqbal Bengali  
Chief Executive

  
S. M. Wajeehuddin  
Director

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED NOVEMBER 30, 2010

	November 30, 2010	November 30, 2009
	(Rupees '000)	
Profit / (loss) after taxation	26,459	(86,849)
Other comprehensive income	-	-
Total comprehensive income / (loss)	<u>26,459</u>	<u>(86,849)</u>

The annexed notes 1 to 37 form an integral part of these financial statements.



**Iqbal Bengali**  
Chief Executive



**S. M. Wajeehuddin**  
Director

Wyeth

## CASH FLOW STATEMENT FOR THE YEAR ENDED NOVEMBER 30, 2010

	Note	November 30, 2010	November 30, 2009
(Rupees '000)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	31	279,045	61,186
Profit received on deposits accounts		7,868	4,645
Decrease / (increase) in long-term loans to employees		3,958	(2,819)
(Increase) / decrease in long-term deposits		(301)	78
Taxes paid		(79,901)	(75,858)
Net cash inflow / (outflow) from operating activities		<u>210,669</u>	<u>(12,768)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment		(4,979)	(25,602)
Proceeds from disposal of property, plant and equipment		683	7,808
Net cash outflow from investing activities		<u>(4,296)</u>	<u>(17,794)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		(93)	(71,701)
Net increase / (decrease) in cash and cash equivalents		<u>206,280</u>	<u>(102,263)</u>
Cash and cash equivalents at beginning of the year / period		35,648	137,911
Cash and cash equivalents at end of the year / period	32	<u><u>241,928</u></u>	<u><u>35,648</u></u>

The annexed notes 1 to 37 form an integral part of these financial statements.



**Iqbal Bengali**  
Chief Executive




**S. M. Wajeehuddin**  
Director

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED NOVEMBER 30, 2010

	Reserves					Total
	Share capital	General reserve	Others	Sub total	(Accumulated losses) / Unappropriated profit	
----- (Rupees '000) -----						
<b>Balance as at December 31, 2008</b>	142,161	934,743	5,847	940,590	48,101	1,130,852
<b>Total comprehensive income for the period</b>						
Loss for the period	-	-	-	-	(86,849)	(86,849)
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	-	-	(86,849)	(86,849)
<b>Transactions with owners</b>						
Final dividend for the year ended December 31, 2008 @ 50%	-	-	-	-	(71,080)	(71,080)
Share-based payments	-	-	12,602	12,602	-	12,602
Utilization of reserve held for share-based payments	-	-	(3,262)	(3,262)	-	(3,262)
	-	-	9,340	9,340	(71,080)	(61,740)
<b>Others</b>						
Transfer from general reserve	-	(22,990)	-	(22,990)	22,990	-
<b>Balance as at November 30, 2009</b>	142,161	911,753	15,187	926,940	(86,838)	982,263
<b>Total comprehensive income for the year</b>						
Profit for the year	-	-	-	-	26,459	26,459
Other comprehensive income for the year	-	-	-	-	-	-
	-	-	-	-	26,459	26,459
<b>Transactions with owners</b>						
Share-based payments	-	-	101	101	-	101
	-	-	101	101	-	101
<b>Balance as at November 30, 2010</b>	<b>142,161</b>	<b>911,753</b>	<b>15,288</b>	<b>927,041</b>	<b>(60,379)</b>	<b>1,008,823</b>

The annexed notes 1 to 37 form an integral part of these financial statements.

  
Iqbal Bengali  
Chief Executive

  
S. M. Wajeehuddin  
Director

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED NOVEMBER 30, 2010

### 1. STATUS AND NATURE OF BUSINESS

Wyeth Pakistan Limited (the Company) is a public limited 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.

With effect from October 15, 2009 Pfizer Inc. has acquired Wyeth LLC, USA. Accordingly, Pfizer Inc. has become the ultimate parent of the Company. However, Wyeth LLC, USA continues to be the principal shareholder of the Company.

The prior period financial statements have been prepared for a period of eleven months as the Company had changed its year end from December 31 to November 30 with effect from 2009.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

#### 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for the recognition of certain employee retirement benefits at present value.

#### 2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupee which is the functional currency of the Company and rounded off to the nearest thousand rupees.

#### 2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

- (a) Property, plant and equipment (note 4).
- (b) Stock-in-trade and write down to net realisable values (note 6).
- (c) Deferred taxation (note 13).

(d) Provision for sales return (note 14).

(e) Defined benefit plans (note 28).

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Initial application of a standard, amendment or an interpretation to an existing standard and forthcoming requirements

Amendments to IFRS 7-Financial Instrument: Disclosure, became effective resulting in increased disclosures.

Following standards, interpretations and amendments became effective during the year. However, these amendments to IFRS and interpretations did not have any material effect on the Company's financial statements.

##### *Improvements to IFRSs 2009*

- Amendments to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
- Amendments to IFRS 8 Operating Segments.
- Amendments to IAS 1 Presentation of Financial Statements.
- Amendments to IAS 7 Statement of Cash Flows.
- Amendments to IAS 17 Leases.
- Amendments to IAS 36 Impairment of Assets.
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement.

##### *Improvements to IFRSs 2010*

- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards – Additional Exemptions for First-time Adopters.
- Amendment to IFRS 2 – Share-based Payment – Group Cash-settled Share-based Payment Transactions.
- Amendments to IAS 32 Financial Instruments: Presentation – Classification of Rights Issues.  
IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments.
- Amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards – Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters.
- Improvements to IFRSs 2010 – Amendments to IFRS 3 Business Combinations.
- Improvements to IFRSs 2010 – Amendments to IAS 27 Consolidated and Separate Financial Statements.
- IAS 24 Related Party Disclosures (revised 2009).

## 3.2 Standards and interpretations not yet effective:

The following standards, amendments and interpretations of approved accounting standards are effective for accounting periods beginning on or after January 1, 2011:

- Amendment to IAS 32 Financial Instruments: Presentation – Classification of Rights Issues (effective for annual periods beginning on or after February 01, 2010). The IASB amended IAS 32 to allow rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency to be classified as equity instruments provided the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. This interpretation has no impact on the Company's financial statements.
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective for annual periods beginning on or after July 01, 2010). This interpretation provides guidance on the accounting for debt for equity swaps. This interpretation has no impact on Company's financial statements.
- IAS 24 Related Party Disclosures (revised 2009) – effective for annual periods beginning on or after January 01, 2011. The revision amends the definition of a related party and modifies certain related party disclosure requirements for government-related entities. The amendment would result in certain changes in disclosures.
- Amendments to IFRIC 14 IAS 19 – The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction (effective for annual periods beginning on or after January 01, 2011). These amendments remove unintended consequences arising from the treatment of prepayments where there is a minimum funding requirement. These amendments result in prepayments of contributions in certain circumstances being recognised as an asset rather than an expense. This amendment is not likely to have any impact on Company's financial statements.
- Improvements to IFRSs 2010 – In May 2010, the IASB issued improvements to IFRSs 2010, which comprise of 11 amendments to 7 standards. Effective dates, early application and transitional requirements are addressed on a standard by standard basis. The majority of amendments are effective for annual periods beginning on or after January 1, 2011. The amendments include list of events or transactions that require disclosure in the interim financial statements and fair value of award credits under the customer loyalty programmes to take into account the amount of discounts or incentives that otherwise would be offered to customers that have not earned the award credits. Certain of these amendments will result in increased disclosures in the financial statements.
- Amendments to IAS 12 – deferred tax on investment property (effective for annual periods beginning on or after January 1, 2012). The 2010 amendment provides an exception to the measurement principle in respect of investment property measured using the fair value model in accordance with IAS 40 Investment Property. The amendment has no impact on financial statements of the Company.
- Amendments to IFRS 7 - Disclosures – Transfers of Financial Assets (effective for annual periods beginning on or after July 1, 2011). The amendments introduce new disclosure requirements about transfers of financial assets including disclosures for financial assets that are not derecognised in their entirety; and financial assets that are derecognised in their entirety but for which the entity retains continuing involvement. These amendments will result in increased disclosures in the financial statements.

### 3.3 Property, plant and equipment

These assets are stated at cost less accumulated depreciation and impairment, if any, except for capital work-in-progress which are stated at cost. Assets having cost exceeding the minimum threshold as determined by the management are capitalized. All other assets are charged in the year of acquisition.

As of March 01, 2010 the management of the Company has revised the rates of depreciation for different class of assets. Accordingly, the aggregate net book value of assets due to the change in estimate as at November 30, 2010 has been charged during the year.

Had the above change in depreciation rate not been revised, the profit after tax for the year ended November 30, 2010 and the net book value of the property, plant and equipment as at that date would have been higher by Rs 7.240 million. This revision in the rates of depreciation of class of assets has been accounted for as a change in estimate in these financial statements.

Depreciation is charged to income applying the straight line method whereby the cost less residual value of an asset is written off over its estimated useful life. Residual values are reviewed at each balance sheet date and adjusted if the impact on depreciation is significant.

Useful lives are determined by the management based on expected usage of assets, expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors.

Depreciation on additions is charged from the month in which the asset is available for use while no depreciation is charged in the month of disposal. The rates of depreciation are stated in note 4.4 to the financial statements. Depreciation rates and method are reviewed at each balance sheet date.

No depreciation is charged if the asset's residual value exceeds its carrying amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses on disposal of property, plant and equipment are included in income currently.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalised.

All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to specific assets as and when assets are available for use.

### 3.4 Spares

Spares are valued at cost using moving average method. Items in transit are valued at cost comprising invoice value and other charges incurred thereon. Provision, if any, for obsolete items is based on management's judgments.

### 3.5 Stock-in-trade

These are valued at the lower of cost and net realisable value. Cost is determined using first-in first-out method.

Cost of raw and packing materials comprise of purchase price including directly related expenses less trade discounts. Cost of work-in-process and finished goods include cost of raw and packing materials, direct labour and related production overheads.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and cost necessary to make the sale.

Provision is made for slow moving and obsolete items wherever necessary and is recognised in profit and loss account.

### **3.6 Trade debts**

Trade debts are stated at original invoice amount less provision for doubtful debts, if any. A provision for impairment of trade debts is established where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Trade debts and receivable are written off when considered irrecoverable.

### **3.7 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, with banks on deposit accounts and term deposit receipts.

### **3.8 Provisions**

Provisions are recognised when, the Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and reliable estimates of the obligations can be made. Provisions are reviewed periodically and adjusted to reflect the current best estimates.

### **3.9 Revenue recognition**

Revenue for sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and there is no continuing management involvement with the goods.

Returns on bank deposits and investments are recognised on an accrual basis.

### **3.10 Staff retirement benefits**

#### **3.10.1 Defined benefit schemes**

The Company operates the following defined benefit schemes:

- An approved and funded pension scheme for management staff. Pension is payable for life and thereafter to surviving spouses and / or dependent children; and
- An approved and funded gratuity scheme for all its permanent employees.

The contributions to the above schemes are made as per the actuarial valuations carried out every year using the Projected Unit Credit Method.

Actuarial gains and losses are recognised if the net cumulative unrecognised actuarial gains and losses at the end of the previous year exceeds the greater of:

- i) 10% of the present value of the defined benefit obligations; and
- ii) 10% of the fair value of plan assets.

Actuarial gains and losses are expected to spread over the average remaining working lives of employees and are accounted for accordingly.

Retirement benefits are payable to employees on completion of prescribed qualifying period of service under gratuity schemes.

### **3.10.2 Defined contribution plan**

The Company also operates an approved funded contributory provident fund for all eligible employees. Equal monthly contributions are made both by the Company and the employee at the rate of 8.33% per annum of the basic salary.

### **3.10.3 Employees' compensated absences**

The Company accounts for liability against employees' compensated absences, in accordance with the actuarial valuation carried out every year.

## **3.11 Share-based payment plans**

### **3.11.1 Equity-settled share-based payment plans**

The Company operates a time-vested share plan as follows:

- Pfizer Inc, (the ultimate parent company) grants rights of its shares to the eligible employees of the Company that vest over a period of three years from the grant date.
- Equity-settled share-based payment plans entitle the eligible employees to acquire the shares of Pfizer Inc, USA (the ultimate parent company) when the vesting conditions for the granted equity instruments are fulfilled. The company recognises as expense the services acquired over the vesting period (if any) and the corresponding increase in equity at the fair value of the shares of the parent company granted, which are measured at the grant date.

### **3.11.2 Share appreciation rights (SAR)**

SAR entitle the eligible employees to an appreciation in the value of the Pfizer Inc, (the ultimate parent company) which shall be equivalent to the difference between the fair value of those shares at the date of grant and the date of exercising of the option. Such rights are vested in equal proportion over a period of three years from the grant date. If SAR become favorable, the employee can exercise such right within the maximum period of ten years from the grant date and becomes entitled to an amount representing difference between the fair value of the shares of the parent company as of the grant date and exercise date. The Company recognises as an expense the services acquired over the vesting period and the corresponding liability at the fair value of SAR.

## 3.12 Taxation

### Current

Provision for current taxation is the amount computed on taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of previous years.

### Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the carrying amount of assets and liabilities and their tax bases.

Deferred tax liability is recognised for all taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences, tax credits and unused tax losses can be utilised.

## 3.13 Borrowing costs

Borrowing costs are recognised as an expense in the year in which these are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalised as part of the cost of that asset. Borrowing costs eligible for capitalisation are determined using effective interest method.

## 3.14 Foreign currency transactions

Foreign currency transactions are recorded into Pak Rupee using the exchange rates prevailing at the dates of transaction. Monetary assets and liabilities in foreign currency are translated into Pak Rupee at the rates of exchange prevailing at the balance sheet date. Exchange gains and losses are included in income.

## 3.15 Financial instruments

### Financial assets and liabilities

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received respectively. These are subsequently measured at fair value, amortised cost or cost as the case may be.

### Off setting of financial assets and liabilities

A financial asset and a financial liability are offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

## 3.16 Dividends and appropriation of profit

Dividend and appropriation to reserves are recognised in the financial statements in the period in which these are approved.

### 3.17 Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount.

	Note	2010 (Rupees '000)	2009
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>			
<b>4.1 The following is a breakup of property, plant and equipment:</b>			
Operating fixed assets	4.2	144,728	179,681
Capital work in progress	4.3	159	-
		<u>144,887</u>	<u>179,681</u>

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## 4.2 Operating fixed assets

The following is a statement of operating fixed assets:

	Leasehold land	Factory on leasehold land	Improvements to warehouse	Plant and machinery	Furniture and fittings	Vehicles	Office equipment	Total
-----Rupees in '000-----								
<b>At January 1, 2009</b>								
Cost	258	72,042	5,177	262,666	14,178	50,570	59,531	464,422
Accumulated depreciation	-	32,119	2,525	147,605	9,505	11,246	37,020	240,020
Net book value	258	39,923	2,652	115,061	4,673	39,324	22,511	224,402
<b>Period ended November 30, 2009</b>								
Opening net book value	258	39,923	2,652	115,061	4,673	39,324	22,511	224,402
Additions	-	12,457	175	6,370	-	6,993	1,837	27,832
<b>Disposals</b>								
Cost	-	14,722	-	-	-	11,555	-	26,277
Accumulated depreciation	-	14,397	-	-	-	6,874	-	21,271
	-	325	-	-	-	4,681	-	5,006
<b>Write offs</b>								
Cost	-	25,649	987	18,189	4,218	1,632	23,564	74,239
Accumulated depreciation	-	14,149	328	9,133	2,190	913	13,516	40,229
	-	11,500	659	9,056	2,028	719	10,048	34,010
Depreciation charge for the year	-	5,844	580	16,126	715	6,357	3,915	33,537
Closing net book value	258	34,711	1,588	96,249	1,930	34,560	10,385	179,681
<b>At November 30, 2009</b>								
Cost	258	44,128	4,365	250,847	9,960	44,376	37,804	391,738
Accumulated depreciation	-	9,417	2,777	154,598	8,030	9,816	27,419	212,057
	258	34,711	1,588	96,249	1,930	34,560	10,385	179,681
<b>Year ended November 30, 2010</b>								
Opening net book value	258	34,711	1,588	96,249	1,930	34,560	10,385	179,681
Additions	-	-	-	3,465	820	-	535	4,820
<b>Reclassifications</b>								
Cost	-	1,318	5,256	(42,699)	13,574	(1,226)	23,777	-
Accumulated depreciation	-	14,321	3,399	(25,044)	10,825	1,597	(5,098)	-
	-	(13,003)	1,857	(17,655)	2,749	(2,823)	28,875	-
<b>Disposals</b>								
Cost	-	-	-	-	-	830	-	830
Accumulated depreciation	-	-	-	-	-	318	-	318
	-	-	-	-	-	512	-	512
<b>Write offs</b>								
Cost	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Depreciation charge for the year	88	3,954	551	15,832	697	13,342	4,797	39,261
Closing net book value	170	17,754	2,894	66,227	4,802	17,883	34,998	144,728
<b>At November 30, 2010</b>								
Cost	258	45,446	9,621	211,613	24,354	42,320	62,116	395,728
Accumulated depreciation	88	27,692	6,727	145,386	19,552	24,437	27,118	251,000
Net book value	170	17,754	2,894	66,227	4,802	17,883	34,998	144,728

## 4.3 Capital work in progress

	Factory on leasehold land	Improve- ments to warehouse	Plant machinery and others	Total
	----- (Rupees '000) -----			
Balance as at January 1, 2009	-	-	2,230	2,230
Additions	12,457	175	12,970	25,602
Transfers	12,457	175	15,200	27,832
Balance as at November 30, 2009	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance as at December 1, 2009	-	-	-	-
Additions	-	-	4,979	4,979
Transfers	-	-	4,820	4,820
Balance as at November 30, 2010	<u>-</u>	<u>-</u>	<u>159</u>	<u>159</u>

4.4 Depreciation on operating fixed assets is charged at the following rates:	Annual rate of depreciation (%)
Leasehold land	1
Factory on leasehold land	3
Improvements to warehouse	3
Plant and machinery	8
Furniture and fittings	8
Vehicles	25
Office equipment	8 to 33.33

4.5 The depreciation charge for the period / year has been allocated as under:

	Note	2010	2009
		(Rupees '000)	
Cost of sales	18.1	27,924	23,907
Selling, marketing and distribution expenses	19	3,023	3,323
Administrative expenses	20	8,314	6,307
		<u>39,261</u>	<u>33,537</u>

4.6 The operating fixed assets (note 4.2) include items costing Rs 105.612 million (2009: Rs 81.597 million) which are fully depreciated as of November 30, 2010 but are still in active use.

4.7 The following operating fixed assets were disposed off during the year / period:

	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain	Mode of disposal	Particulars of purchaser
----- (Rupees '000) -----							
Vehicles	830	318	512	683	171	Negotiation	Mr. Muhammad Azhar Ex-employee Flat # A-11, Mona Plaza Block 5, Gulshan-e-Iqbal Karachi
						<b>Note</b>	<b>2010</b> <b>2009</b>
							<b>(Rupees '000)</b>

## 5. LONG-TERM LOANS TO EMPLOYEES

Considered good			
Long-term loans to employees	5.1 & 5.2	12,336	16,862
Less: Receivable within one year	8	4,133	4,701
		<u>8,203</u>	<u>12,161</u>

5.1 These represent interest free loans to employees for purchase of motor cars, motor cycles, home appliances and for house building in accordance with the company's policy and are recoverable in two to six years in monthly installments. Vehicles purchased under this scheme are registered in the name of the company and the title is transferred when the loan is fully repaid. Other loans are secured against employees' retirement benefits.

5.2 Long-term loans are being carried at cost because the effect of carrying these balances at amortised cost would not have been material.

	Note	2010	2009
(Rupees '000)			

## 6. STOCK-IN-TRADE

Raw and packing materials	6.1	400,758	346,824
Work-in-process	6.1	65,917	66,110
Finished goods			
- At cost	6.2	261,782	293,595
- At net realisable value [Cost Rs. 34.541 million (2009: Rs. 90.107 million)]		29,244	85,382
Stock-in-transit		102,225	24,437
		<u>859,926</u>	<u>816,348</u>
Less: Provision for slow moving and obsolete stocks		31,538	15,580
		<u>828,388</u>	<u>800,768</u>

6.1 Raw and packing materials and work-in-process include Rs 98.921 million (2009: Rs 86.702 million) and Rs 5.093 million (2009: Rs 3.515 million) respectively held with third parties for toll manufacturing purposes.

6.2 Includes physician's samples of Rs 3.243 million (2009: Rs 6.538 million).

	Note	2010	2009
(Rupees '000)			
<b>7. TRADE DEBTS</b>			
Considered good - unsecured			
From related parties	7.1	2,092	93,394
Others		48,339	184,053
		50,431	277,447
Considered doubtful		17,378	4,530
		67,809	281,977
Less: Provision for doubtful debts		17,378	4,530
		50,431	277,447
7.1 This represents amount due from Wyeth Philippines, Inc.			
<b>8. LOANS AND ADVANCES - considered good</b>			
Current portion of long-term loans to employees	5	4,133	4,701
Advances-unsecured			
- Suppliers		49,217	7,089
- For expenses		1,455	1,173
- Employees	8.1	2,750	2,506
- Others		852	275
		54,274	11,043
		58,407	15,744
8.1 This includes amounts due from Executives amounting to Rs 0.145 million (2009: Rs 0.275 million).			
8.2 The maximum aggregate amounts of advances due at the end of any month during the year are as follows:			
	Note	2010	2009
(Rupees '000)			
Chief executive		-	610
Executives		300	1,729
<b>9. TRADE DEPOSITS AND PREPAYMENTS</b>			
Deposits		13,281	13,460
Prepayments		191	2
		13,472	13,462
<b>10. OTHER RECEIVABLES</b>			
Margin deposits for guarantees and letters of credit		20,654	7,681
Insurance claims receivable		36	7
Balances with statutory authorities for customs and excise duty		999	999
Sales tax refundable	10.1	4,301	4,301
Receivable from pension fund	28.2	3,437	1,394
Receivable from gratuity fund	28.2	224	-
Export rebate claim		1,626	450
Others		-	58
		31,277	14,890

10.1 This includes Rs 3.214 million (2009: Rs 3.214 million) representing sales tax paid on pharmaceutical products in the year 2002 which is refundable to the company.

	Note	2010	2009
		(Rupees '000)	
<b>11. CASH AND BANK BALANCES</b>			
With banks			
- Term deposit receipts	11.1	205,000	-
- In saving accounts	11.2	36,757	35,622
Cash in hand		171	26
		<u>241,928</u>	<u>35,648</u>

11.1 These carry mark-up at the rate of 11 to 11.6% (2009: nil) per annum.

11.2 These carry mark-up at the rate of 5% (2009: 5%) per annum.

	2010	2009	
		(Rupees '000)	
<b>12. SHARE CAPITAL</b>			
<b>Authorised capital</b>			
5,000,000 ordinary shares of Rs 100 each	<u>500,000</u>	<u>500,000</u>	

#### Issued, subscribed and paid-up capital

November 30, 2010	November 30, 2009		2010	2009
(Number of shares)		Ordinary shares of Rs 100 each		
386,711	386,711	Shares fully paid in cash	38,671	38,671
477,493	477,493	Shares issued as fully paid for consideration other than cash - note 12.2	47,749	47,749
557,405	557,405	Shares issued as fully paid bonus shares	55,741	55,741
<u>1,421,609</u>	<u>1,421,609</u>		<u>142,161</u>	<u>142,161</u>

12.1 Wyeth LLC, USA and Wyeth Holdings Corporation, USA held 576,470 (2009: 576,470) and 448,560 (2009: 448,560) shares of Rs 100 each respectively as on November 30, 2010. On October 15, 2009 Pfizer Inc. has acquired Wyeth LLC, USA and has become the ultimate parent of the company.

12.2 These shares include 473,529 shares issued under the scheme of arrangement for amalgamation of Wyeth Laboratories (Pakistan) Limited and Cynamid (Pakistan) Limited in the year 1996.

	Note	2010	2009
(Rupees '000)			
<b>13. DEFERRED TAXATION</b>			
Accelerated tax depreciation		9,603	14,015
Provision for slow moving and obsolete stocks		(7,690)	(3,757)
Provision for doubtful debts		(4,433)	(1,092)
Provision for sales return		(3,911)	(3,928)
Deferred tax (asset) / liability		<u>(6,431)</u>	<u>5,238</u>
<b>14. TRADE AND OTHER PAYABLES</b>			
Creditors	14.1	331,126	245,718
Accrued liabilities		138,097	140,209
Liability against share-based payment plans		-	2,385
Liability against share appreciation rights		190	-
Liability against long term incentive		722	5,570
Advances from customers		19,614	706
Mark-up on running finance		-	452
Accumulated compensated absences		21,976	34,931
Payable to gratuity fund	28.2	-	196
Workers' welfare fund		6,090	8,085
Central research fund	23	467	-
Workers' profit participation fund	14.2	2,300	-
Sales tax payable		2,986	3,772
Unclaimed dividend		2,858	2,951
Provision for sales return		16,038	16,300
Contribution payable to Employees Old Age Benefits Institution		20	20
Others		1,603	3,498
		<u>544,087</u>	<u>464,793</u>

**14.1 Creditors include the following amounts due to related parties:**

Wyeth Medica Ireland	43,111	7,955
Wyeth Ayerst International	1,960	1,913
Wyeth Nutritionals Ireland	-	10,529
Wyeth Ayerst Lederle, Inc.	37,029	59,844
Cynamid Int'l. Corp. Ltd. Switzerland	-	702
Wyeth Ayerst Pharma	12,689	-
Wyeth Manufacturing Singapore (PTE) Ltd.	26,867	10,167
John Wyeth and Brothers	20,730	57,566
Wyeth (Malaysia) Sdn. Bhd	4	4
Wyeth Corporate U.S.A	2,535	-
Pfizer Pakistan Limited	62,604	-
	<u>207,529</u>	<u>148,680</u>

	Note	2010	2009
		(Rupees '000)	
<b>14.2 Workers' profit participation fund</b>			
Opening balance		-	12,306
Allocation for the year / period	23	<u>2,300</u>	<u>-</u>
		2,300	12,306
Interest on funds utilised in the company's business	24	<u>-</u>	<u>893</u>
		2,300	13,199
Less: Payments made during the year / period		<u>-</u>	<u>13,199</u>
Closing balance		<u>2,300</u>	<u>-</u>

## 15. SHORT-TERM RUNNING FINANCE

15.1 The company has a running finance facility amounting to Rs 384.900 million (2009: Rs 384.900 million) from a commercial bank under mark-up arrangement. The facility carries mark-up at KIBOR plus 2%. The facility is available for a maximum period of 12 months and expires on November 28, 2011.

15.2 The facilities for opening letters of credit as at November 30, 2010 amount to Rs 336.360 million (2009: Rs 338.000 million) of which the amount remaining unutilised at the year end was Rs 270.356 million (2009: Rs 262.992 million).

## 16. CONTINGENCIES AND COMMITMENTS

16.1 Certain ex-employees of the Company have filed claims aggregating to Rs 247.572 million (2009: Rs 247.572 million) against the Company. The Company is contesting the claims in the courts and the management is confident that the ultimate decision of the subject suit will be in favour of the Company. Accordingly, no provision has been made in these financial statements in respect of these claims.

16.2 Two ex-distributors have filed claims against the Company aggregating to Rs 84.929 million (2009: Rs 84.929 million) for recovery of damages. The management is confident that the cases will be decided in the Company's favour and therefore no provision has been made in this respect.

16.3 The Company has filed income tax returns under section 120 of the Income Tax Ordinance up to and including the tax year 2010. However, the income tax authorities have made arbitrary additions and disallowances to taxable income in respect of previous years, from assessment years 1997-98 to 2002-03 and for tax years 2003 to 2005 and 2008, which have resulted in an aggregate tax demand of Rs 231.962 million (2009: Rs 199.026 million). The tax demand has arisen mainly due to the following reasons:

- 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 the business.

- The assessing officer has disallowed the credit for adjustment of tax refunds and adjustment of compensation on delayed refunds.

Although the Company has filed appeals with various appellate authorities in respect of the above, a provision of Rs 88.294 million (2009: Rs 88.294 million) is being carried against the above demands on grounds of prudence. In consultation with their tax advisors, the management is confident that the ultimate decision of the appeals will be decided in favour of the Company.

- 16.4 The Assistant Collector, Sales Tax and Federal Excise has issued an order requiring the Company to pay Federal Excise Duty (FED) along with penalty and default surcharge amounting to approximately Rs 1 million in respect for technical services.

The Company has subsequently filed an appeal before Commissioner Inland Revenue Appeals (CIRA) against the order. The CIRA has passed the order in favour of the Company, however, Tax department has filed an appeal before the Tribunal against the order of the CIRA, which is still pending. The management, in consultation with their tax advisors, is confident that the ultimate decision of the appeal will be in its favor.

	Note	2010	2009
		(Rupees '000)	
<b>16.5 Commitments</b>			
16.5.1 Commitments for capital expenditure		1,341	5,297
16.5.2 Guarantees and indemnity bonds issued to Collector of Customs against duty on imported raw materials and other guarantees		166	9,569
16.5.3 Outstanding letter of credit		38,189	75,008
<b>17. NET SALES</b>			
Sales - Domestic		2,418,641	2,237,522
Sales - Export		127,940	200,541
		2,546,581	2,438,063
Less: Discounts and commission		127,478	45,114
Returns		50,384	23,077
Sales tax		29,216	31,527
Federal excise duty and special excise duty		29,312	32,022
		236,390	131,740
		2,310,191	2,306,323
<b>18. COST OF SALES</b>			
Opening stock of finished goods		378,977	289,893
Cost of goods manufactured	18.1	1,371,475	1,319,438
Purchases of finished goods		379,203	586,169
Closing stock of finished goods		(291,026)	(378,977)
Physician samples charged to advertising and sales promotion		(8,976)	(11,261)
		1,829,653	1,805,262

	Note	2010	2009
(Rupees '000)			
<b>18.1 Cost of goods manufactured</b>			
Opening stock of raw and packing materials		346,824	370,798
Purchases of raw and packing materials		1,037,965	1,014,582
Closing stock of raw and packing materials		(400,758)	(346,824)
Raw and packing materials consumed		<u>984,031</u>	<u>1,038,556</u>
Salaries, wages and other benefits	18.2	173,100	136,441
Depreciation	4.5	27,924	23,907
Fuel and power		24,818	19,034
Rent, rates and taxes		2,621	2,357
Repairs and maintenance		17,196	17,129
Production and other supplies		17,016	17,600
Technical quality and IT support services fee		39,605	22,970
Spare parts consumed		1,896	3,020
Travelling and vehicles running expenses		8,356	6,874
Provision for slow moving and obsolete stocks		22,912	501
Toll manufacturing charges		49,963	52,221
Postage, communication and stationery		730	2,730
Insurance		895	1,049
Computer software		-	852
Others		219	157
		<u>387,251</u>	<u>306,842</u>
		<u>1,371,282</u>	<u>1,345,398</u>
Opening stock of work-in-process		66,110	40,150
Closing stock of work-in-process		(65,917)	(66,110)
Cost of goods manufactured		<u>1,371,475</u>	<u>1,319,438</u>

18.2 Salaries, wages and other benefits include a net charge of Rs 5.718 million (2009: Rs 3.414 million) in respect of staff retirement benefits.

## 19. SELLING, MARKETING AND DISTRIBUTION EXPENSES

	Note	2010	2009
(Rupees '000)			
Salaries, wages and other benefits	19.1	135,101	87,657
Fuel and power		3,846	2,371
Rent, rates and taxes		2,577	2,249
Insurance		1,267	1,076
Repairs and maintenance		1,392	2,976
Dues and subscription		-	6,042
Transportation		31,728	30,159
Travelling and living		34,166	38,665
Postage, communication and stationery		5,461	3,342
Depreciation	4.5	3,023	3,323
Training and development		232	1,324
Advertising and sales promotion		118,167	148,805
Shipping and packing cartons consumed		133	2,271
Others		3,121	2,023
		<u>340,214</u>	<u>332,283</u>

- 19.1 Salaries, wages and other benefits include a net charge of Rs 4.187 million (2009: Rs 1.129 million) in respect of staff retirement benefits.

	Note	2010	2009
(Rupees '000)			
<b>20. ADMINISTRATIVE EXPENSES</b>			
Salaries, wages and other benefits	20.1	59,388	119,648
Fuel and power		2,821	5,039
Rent, rates and taxes		405	763
Insurance		1,368	2,812
Repairs and maintenance		37	3,825
Dues and subscription		-	1,449
Travelling and living		5,759	8,485
Postage, communication and stationery		1,410	6,475
Provision for doubtful debts		12,848	-
Legal and professional charges		5,798	2,683
Auditors' remuneration	20.2	952	1,058
Depreciation	4.5	8,314	6,307
Training and development		162	807
Computer software		2,587	2,551
Donation		-	2,076
Others		6,089	3,893
		<u>107,938</u>	<u>167,871</u>

- 20.1 Salaries, wages and other benefits include a net charge of Rs 1.770 million (2009: Rs 1.499 million) in respect of staff retirement benefits.

	2010	2009
(Rupees '000)		
<b>20.2 Auditors' remuneration</b>		
Audit fee - annual	578	578
Fee for half yearly review	224	224
Audit of employees' funds and fee for special certification	-	106
Out of pocket expenses	150	150
	<u>952</u>	<u>1,058</u>

## 21. VOLUNTARY SEPARATION SCHEME (VSS)

VSS programme is in place for the past few years to achieve rationalisation and corporate restructuring of the company. The aggregate cost of Rs 35.308 million (2009: Rs 59.131 million) incurred during the year on account of VSS has been allocated as follows:

	2010	2009
(Rupees '000)		
Cost of sales	27,808	-
Selling, marketing and distribution expenses	-	7,138
Administrative expenses	7,500	51,993
	<u>35,308</u>	<u>59,131</u>

	Note	2010	2009
		(Rupees '000)	
<b>22. OTHER OPERATING INCOME</b>			
Gain on disposal of property, plant and equipment	4.7	171	2,802
Scrap sales		4,043	3,619
Profit on saving accounts and term deposits		11,608	2,382
Export rebate claims		1,893	1,350
Liabilities no longer payable written back		-	2,183
Recovery of export freight		2,264	2,838
		<u>19,979</u>	<u>15,174</u>
<b>23. OTHER OPERATING EXPENSES</b>			
Workers' profit participation fund	14.2	2,300	-
Workers' welfare fund		707	966
Central research fund	14	467	-
Property, plant and equipment written off	4.2	-	34,010
Net exchange loss		2,648	8,946
		<u>6,122</u>	<u>43,922</u>
<b>24. FINANCE COST</b>			
Interest on workers' profit participation fund	14.2	-	893
Mark-up on running finance		2,158	2,120
Bank charges		856	739
		<u>3,014</u>	<u>3,752</u>
<b>25. TAXATION</b>			
Profit / (loss) before taxation		<u>43,229</u>	<u>(31,593)</u>
Tax at the applicable rate of 35% (2009: 35%)		15,130	(11,058)
Tax effect of items that are disallowed in determining taxable income		6,431	42,287
Tax effect on income under presumptive tax regime		16,305	18,243
Tax effect of other items		(21,096)	5,784
		<u>16,770</u>	<u>55,256</u>
<b>26. BASIC EARNINGS PER SHARE</b>			
Profit / (loss) after taxation		<u>26,459</u>	<u>(86,849)</u>
		(Number of shares)	
Average number of ordinary shares outstanding during the year / period	26.1	<u>1,421,609</u>	<u>1,421,609</u>
		(Rupees)	
Basic earnings / (loss) per share		<u>18.61</u>	<u>(61.09)</u>
26.1	There are no dilutive potential ordinary shares outstanding as at November 30, 2010 and November 30, 2009.		

## 27. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for remuneration including certain benefits, to the chief executive, directors and executives of the Company are as follows:

	November 30, 2010			November 30, 2009		
	*Chief Executive	*Directors	Executives	Chief Executive	Directors	Executives
----- (Rupees '000) -----						
Managerial remuneration	-	4,648	20,033	6,516	7,061	69,944
Bonus	-	2,208	9,077	-	760	6,418
Utilities	-	719	3,255	497	174	1,568
Medical expenses	-	158	1,602	82	473	2,166
Retirement benefits	-	581	2,407	270	154	1,968
	<u>-</u>	<u>8,314</u>	<u>36,374</u>	<u>7,365</u>	<u>8,622</u>	<u>82,064</u>
Number of persons	<u>1</u>	<u>4</u>	<u>23</u>	<u>1</u>	<u>2</u>	<u>22</u>

In addition to the above, the chief executive, directors and some of the executives are provided with Company owned and maintained cars and their residential telephone bills are also paid by the Company.

Further, the impacts of benefits available to the chief executive, directors and executives recognised by the Company in the expenses during the year on account of share-based payment plan aggregate to Rs nil (2009: Rs 0.610 million), Rs 0.081 million (2009: Rs 2.324 million) and Rs 0.197 million (2009: Rs 14.061 million) respectively.

\* In addition to above, Rs 1.153 million (2009: Nil) and Rs 5.502 million (2009: Nil) have been charged in these accounts on account of allocation of cost of services provided by Chief Executive and two Directors respectively by associated company. Further, aggregate amount charged in these financial statements in respect of fee for attending Board meetings to four (4) {2009: three (3)} non-executive directors was Rs 0.130 million (2009: Rs 0.105 million).

## 28. DEFINED BENEFIT PLANS

As mentioned in note 3.10, the company operates approved funded pension and gratuity schemes. The latest actuarial valuations of the schemes were carried out as at November 30, 2010. Projected Unit Credit Method using the following significant assumptions was used for these valuations:

	November 30, 2010	November 30, 2009
Discount rate	<b>14.00% per annum</b>	12.75% per annum
Expected rate of return on plan assets	<b>14.00% per annum</b>	12.75% per annum
Expected rate of increase in salary	<b>11.75% per annum</b>	12.75% per annum

28.1 The disclosures made in notes 28.2 to 28.7 and 28.10 are based on the information included in the actuarial valuation as of November 30, 2010/ November 30, 2009.

## 28.2 Balance sheet reconciliation

	November 30, 2010		November 30, 2009	
	Gratuity	Pension	Gratuity	Pension
	----- (Rupees '000) -----			
Present value of defined benefit obligation	97,643	122,053	110,834	84,206
Fair value of plan assets	110,901	127,170	98,328	121,484
Funded status	(13,258)	(5,117)	12,506	(37,278)
Unrecognised net actuarial (loss) / gain	13,034	1,680	(12,310)	35,884
Recognised liability / (asset)	(224)	(3,437)	196	(1,394)

## 28.3 Movement in the fair value of plan assets

Fair value of plan assets at beginning of the year / period	98,328	121,484	86,921	120,460
Expected return on plan assets	12,775	14,795	12,101	15,775
Actuarial gains / (losses)	7,395	(3,693)	(4,754)	(4,753)
Contribution paid / (received) by the company	7,717	(938)	5,024	(5,041)
Benefits paid	(15,314)	(4,478)	(964)	(4,957)
Fair value of plan assets at end of the year / period	110,901	127,170	98,328	121,484

## 28.4 Movement in defined benefit obligation

Present value of defined benefit obligation at beginning of the year / period	110,834	84,206	91,852	72,558
Service cost	5,678	2,901	4,875	2,519
Interest cost	14,283	10,608	12,476	9,646
Actuarial losses / (gains)	(17,837)	28,816	2,595	4,440
Benefits paid	(15,315)	(4,478)	(964)	(4,957)
Present value of defined benefit obligation at end of the year / period	97,643	122,053	110,834	84,206

## 28.5 Expenses

Current service cost	5,678	2,901	4,875	2,519
Interest cost	14,283	10,608	12,476	9,646
Expected return on plan assets	(12,775)	(14,795)	(12,101)	(15,775)
Recognition of actuarial gain	112	(1,695)	(15)	(2,471)
Expenses	7,298	(2,981)	5,235	(6,081)
Actual return on plan assets	20,170	11,102	7,347	11,022

28.6 Principal actuarial assumptions used are disclosed in note 3.10 to these financial statements.

28.7 Amounts for the current period and previous four annual periods of the fair value of plan assets, present value of defined benefit obligation and surplus arising thereon is as follows:

As at November 30 / December 31	2010	2009	2008	2007	2006
	----- (Rupees '000) -----				
Present value of defined benefit obligation	219,696	195,040	164,405	173,183	156,580
Fair value of plan assets	238,071	219,812	207,381	208,648	189,434
Surplus	(18,375)	(24,772)	(42,976)	(35,465)	(32,854)

	2010	2009
	(Rupees '000)	
<b>28.8 Plan assets comprise the following :</b>		
Debt instruments	227,706	145,122
Bank balances, term deposits and others (net)	10,365	74,690
	<u>238,071</u>	<u>219,812</u>

28.9 The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy.

28.10 Expected contribution to post-employment benefits plans for the year ending November 30, 2011 is Rs 10.4 million (2010: Rs 4.137) million.

28.11 The actuary conducts separate valuations for calculating contribution rates and the Company contributes to the pension and gratuity funds according to the actuary's advice. Expense of the defined benefit plans is calculated by the actuary.

28.12 During the year, Company contributed Rs 7.358 million (2009: Rs 6.888 million) to the provident fund.

## 29. SHARE-BASED PAYMENT PLANS

29.1 Details of the share-based payment plans are as follows:

	November 30, 2010			November 30, 2009		
	Time vested shares	Performance based shares	Share appreciation rights	Time vested shares	Performance based shares	Share appreciation rights
	----- Number of shares -----					
Outstanding as at January 1	-	-	-	2,070	510	25,193
Granted during the period	298	-	1,535	-	65	-
Forfeited during the period	-	-	-	(50)	-	(11,730)
Exercised during the period	-	-	-	(2,020)	(575)	(13,463)
Outstanding as at reporting date	<u>298</u>	<u>-</u>	<u>1,535</u>	<u>-</u>	<u>-</u>	<u>-</u>
Exercisable as at reporting date	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	2010	2009
	(Rupees '000)	
<b>29.2 The total expenses recognised for the year arising from share-based payment transactions are as follows:</b>		

Expense arising from equity-settled share-based payment plans	101	4,592
Expense arising from increase in fair value of liability against SAR	190	-
Expense arising due to SAR exercised during the year / period	-	105
	<u>291</u>	<u>4,697</u>

## 30. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise the ultimate parent company (Pfizer Inc., USA), related group companies, staff retirement benefits, directors, key management personnel and close members of the family of all the aforementioned related parties. The Company in the normal course of business carries out transactions with various related parties. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in the financial statements are as follows:

Nature of transaction	Note	2010	2009
		(Rupees '000)	
Sale of goods to associated undertaking	30.1	<u>94,208</u>	<u>163,629</u>
Purchase of goods from associated undertakings	30.2	<u>347,172</u>	<u>519,715</u>
Services from associated undertakings	30.2	<u>102,325</u>	<u>24,746</u>
Dividend to parent company		<u>-</u>	<u>51,252</u>
Contribution to the Gratuity Fund	28.3	<u>7,717</u>	<u>5,024</u>
Contribution to the Provident Fund		<u>7,358</u>	<u>6,888</u>
(Receivable) / payable to gratuity fund	28.2	<u>(224)</u>	<u>196</u>
Recovery from Pension Fund		<u>938</u>	<u>5,041</u>
Receivable from pension fund	28.2	<u>3,437</u>	<u>1,394</u>
Remuneration of key management personnel		<u>12,731</u>	<u>69,156</u>

30.1 Out of this, Rs 2.092 million (2009 : Rs 93.394 million) is outstanding as at November 30, 2010 from an associated undertaking.

30.2 Out of this, Rs 207.529 million (2009: Rs 148.680 million) is payable as at November 30, 2010 to associated undertakings.

30.3 Remuneration of key management personnel is as follows:

	November 30, 2010			November 30, 2009		
	Chief Executive	Others	Total	Chief Executive	Others	Total
	----- (Rupees '000) -----					
Short-term employee benefits	-	12,150	12,150	7,095	60,234	67,329
Retirement benefits	-	581	581	270	1,557	1,827
	<u>* -</u>	<u>12,731</u>	<u>12,731</u>	<u>7,365</u>	<u>61,791</u>	<u>69,156</u>
Number of persons	<u>1</u>	<u>5</u>	<u>6</u>	<u>1</u>	<u>8</u>	<u>9</u>

\* In addition to above, Rs. 1.153 million (2009: Nil) and Rs. 5.502 million (2009: Nil) have been charged in these accounts on account of allocation of cost of services provided by Chief Executive and two Directors respectively by associated company.

	Note	2010	2009
(Rupees '000)			
<b>31. CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES</b>			
Profit / (loss) before taxation		43,229	(31,593)
Adjustments for non-cash charges and other items:			
Net increase in reserve for equity-settled share-based payment plans		101	9,340
Depreciation		39,261	33,537
Provision for slow moving and obsolete stock		22,912	501
Provision for doubtful debts		12,848	-
Provision for potential expired stock claims		(262)	-
Fixed assets written off		-	34,010
Gain on disposal of property, plant and equipment		(171)	(2,802)
Profit on deposit accounts		(11,608)	(2,382)
Working capital changes	31.1	172,735	20,575
		<u>279,045</u>	<u>61,186</u>
<b>31.1 Working capital changes</b>			
(Increase) / decrease in current assets:			
Spares		(11,490)	(9)
Stocks-in-trade		(50,532)	(44,878)
Trade debts		214,168	(34,643)
Loans and advances		(42,663)	163
Deposits and prepayments		(10)	2,193
Other receivables		(16,387)	2,970
		<u>93,086</u>	<u>(74,204)</u>
Increase in current liabilities:			
Trade and other payables		79,649	94,779
		<u>172,735</u>	<u>20,575</u>
<b>32. CASH AND CASH EQUIVALENTS</b>			
This comprises of:			
- Term Deposits		205,000	-
- Cash and bank balances		36,928	35,648
		<u>241,928</u>	<u>35,648</u>
<b>33. OPERATING SEGMENTS</b>			
The financial information has been prepared on the basis of a single reportable segment.			
33.1 Sales from pharmaceutical products and others represent 92.5% and 7.5% (2009: 92.7% and 7.3%) of total revenue of the Company respectively.			

33.2 The sales percentage by geographic region is as follows:

	2010	2009
	(Percentage)	
Pakistan	94.7	91.8
Philippines	3.9	6.7
Kuwait	1.0	1.1
Srilanka	0.4	0.4
	<u>100.0</u>	<u>100.0</u>

33.3 All non-current assets of the Company as at November 30, 2010 are located in Pakistan.

33.4 Sales to four major customers (distributors) of the Company is around 55.2% during the period ended November 30, 2010 (2009: 55.1% ).

## 34. FINANCIAL INSTRUMENTS

The Company has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

### 34.1 Credit risk

#### Exposure to credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the trade debts, loans and advances, trade deposits and other receivables.

To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. To mitigate credit risk effective from June 1, 2010, the company is on advance cash payment model for all its domestic sales.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date are given below.

	2010	2009
	(Rupees '000)	
Long-term loans to employees	8,203	12,161
Long-term deposits	2,180	1,879
Trade debts	67,809	281,977
Loans and advances	4,133	4,701
Trade deposits	13,281	13,460
Interest accrued	3,746	6
Other receivables	31,277	14,890
Bank balances	241,928	35,622
	<u>372,557</u>	<u>364,696</u>

34.1.1 The maximum exposure to credit risk for trade debts at the balance sheet date by geographic region is as follows:

Domestic	53,265	183,552
Export	14,544	98,425
	<u>67,809</u>	<u>281,977</u>

34.1.2 The maximum exposure to credit risk for trade debts at the balance sheet date by type of customer is as follows:

Local distributors	2,961	83,568
Government institutions	50,304	99,984
	<u>53,265</u>	<u>183,552</u>
Related party	2,092	93,394
Third parties	12,452	5,031
	<u>14,544</u>	<u>98,425</u>

### 34.1.3 Impairment losses

November 30, 2010		November 30, 2009	
Gross	Impairment	Gross	Impairment
----- (Rupees '000) -----			

The aging of trade debts at the balance sheet date is:

Not past due	12,941	-	58,905	-
Past due 1-30 days	-	-	51,382	-
Past due 31-60 days	3,225	-	11,451	-
Past due 61-90 days	-	-	6,830	-
Past due 91-120 days	4	-	113,429	-
Past due 121-180 days	-	-	31,144	-
Past due 181-365 days	12,608	-	2,495	-
More than 1 year	39,031	(17,378)	6,341	(4,530)
Total	<u>67,809</u>	<u>(17,378)</u>	<u>281,977</u>	<u>(4,530)</u>

34.1.4 The movement in the allowance for impairment in respect of trade debts is as follows:

	November 30, 2010	November 30, 2009
	(Rupees '000)	
Opening balance	4,530	4,530
Provision during the year / period	12,848	-
Written off during the year / period	-	-
Closing balance	<u>17,378</u>	<u>4,530</u>

34.1.5 Based on the past experience, consideration of financial position, past track records and recoveries, the Company believes that trade debtors past due up to one year do not require any impairment and no impairment allowance is necessary in respect of remaining portion of past due over one year.

### 34.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liabilities, including estimated interest payments:

	November 30, 2010						
	Carrying Amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years	More than five years
<b>Financial liabilities</b>	----- (Rupees '000) -----						
Trade and other payables	528,494	(528,494)	320,053	207,529	912	-	-
	-----						
	November 30, 2009						
	Carrying Amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years	More than five years
<b>Financial liabilities</b>	----- (Rupees '000) -----						
Trade and other payables	437,121	(437,121)	(436,259)	-	-	(862)	-
	-----						

### 34.3 Market risk

Market risk is the risk that the fair value of future cashflows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, interest rates and equity price risks. The objective of market risk management is to manage and control market risk exposures within an acceptable range.

## 34.3.1 Currency risk

### Exposure to currency risk

The Company is exposed to currency risk on import of raw and packing materials and finished goods mainly denominated in US dollars. The Company's exposure to foreign currency risk for US Dollars is as follows:

	November 30, 2010		November 30, 2009	
	Rupees	US Dollars	Rupees	US Dollars
	----- (in '000) -----		----- (in '000) -----	
Due from associated undertakings	2,092	24	93,394	1,116
Due from third party	12,452	145	5,031	60
Bank balances	9,508	111	26,677	319
Due to associated undertakings	(207,529)	(2,420)	(148,680)	(1,776)
Due to third party	-	-	(7,026)	(84)
Long term incentives (LTI)	(722)	(8)	(5,570)	(67)
Liability against share appreciation rights	(190)	(2)	-	-
Gross balance sheet exposure	<u>(184,389)</u>	<u>(2,150)</u>	<u>(36,174)</u>	<u>(432)</u>

The following significant exchange rates applied during the year:

	Average rates		Reporting date spot rate	
	November 30, 2010	November 30, 2009	November 30, 2010	November 30, 2009
PKR to USD	<u>85.22</u>	<u>82.0</u>	<u>85.75</u>	<u>83.7</u>

## 34.3.2 Sensitivity analysis

At reporting date, if the PKR had strengthened by 10% against the US Dollar with all other variables held constant, post-tax loss for the period would have been lower by the amount shown below, mainly as a result of net foreign exchange gain on translation of foreign currency creditors. The analysis is performed on the same basis for 2009.

	Profit and loss (Rupees in '000)
As at November 30, 2010 Effect in US Dollars - Gain	<u>18,439</u>
As at November 30, 2009 Effect in US Dollars - Gain	<u>3,617</u>

A 10 percent weakening of the Rupees against the above currency at November 30, 2010 would have had the equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remain constant.

### 34.3.3 Interest rate risk

At the balance sheet date the interest rate profile of the Company's interest-bearing financial instrument is:

	Carrying amount	
	November 30, 2010	November 30, 2009
	(Rupees '000)	
<b>Variable rate instruments</b>		
Financial assets	-	-

#### Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (one percent) in interest rates at the reporting date would have increased / (decreased) equity and profit or loss for the period by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2009.

	Profit and loss	
	100 bp increase	100 bp decrease
	(Rupees '000)	
<b>As at November 30, 2010</b>		
Cash flow sensitivity-Variable rate instruments	-	-
<b>As at November 30, 2009</b>		
Cash flow sensitivity-Variable rate instruments	-	-

The sensitivity analysis prepared is not necessarily indicative of effects on loss for the period and assets / liabilities of the Company.

### 34.3.4 Fair value of financial assets and liabilities

The major portion of the Company's financial instruments are short term in nature and would be settled in the near future. The fair values of these instruments are not materially different from their carrying values.

## 35. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

The capital structure of the Company comprises of shareholders' equity as shown in the balance sheet under 'Share Capital and Reserves'. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors its capital structure keeping in view future investment requirements, expectation of the shareholders and external restriction on issue of share capital. The shareholders' equity of the Company as of November 30, 2010 and November 30, 2009 were as follows:

	2010	2009
	(Rupees '000)	
Shareholders' equity	<u>1,008,823</u>	<u>982,263</u>

### 36. DIVIDEND AND OTHER APPROPRIATIONS

The board of directors have proposed a final cash dividend for the year ended 30 November 2010 of Rs 10.00 per share, amounting to Rs 14.216 million at their meeting held on 25 February 2011 subject to the approval of members at the annual general meeting to be held on 28 March 2011. In addition, the board of directors have also approved the transfer of Rs 80.000 million from general reserve to unappropriated profit. These financial statements do not reflect the final cash dividend and this transfer from general reserve to unappropriated profit as these have been proposed and approved respectively subsequent to the balance sheet date.

### 37. CORRESPONDING FIGURES AND DATE OF AUTHORISATION FOR ISSUE

Following reclassifications have been made for the purposes of better presentation.

- An amount of Rs 0.450 million pertaining to export rebate claim included in 'Others' of "Other Receivables" up to last year has now been shown as separate line item (note 10).
- An amount of Rs 59.131 million pertaining to amount payable under VSS has been included in 'accrued liabilities' of "Trade and other payables" which was shown as separate line item last year (note 14).

These financial statements were authorised for issue on 25 February 2011 by the Board of Directors of the Company.



**Iqbal Bengali**  
Chief Executive



**S. M. Wajeeluddin**  
Director

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## SIX YEARS AT A GLANCE from 2005 to 2010

(Rupees '000)

	2005	2006	2007	2008	2009*	2010
Sales	1,775,514	1,945,494	2,107,585	2,383,639	2,306,323	2,310,191
Cost of sales	1,111,472	1,189,203	1,372,325	1,678,989	1,805,262	1,829,653
Gross profit	664,042	756,291	735,260	704,650	501,061	480,538
Marketing, Selling & Distribution and administrative expenses	341,446	392,257	410,339	450,571	500,154	448,152
Operating profit	322,596	364,034	324,921	254,079	907	32,386
Other operating income	39,439	61,422	72,050	66,789	15,174	19,979
Other operating expenses and finance cost	34,926	36,940	37,904	91,779	47,674	9,136
Profit/ (loss) before taxation	327,109	388,516	359,067	229,089	(31,593)	43,229
Taxation	100,384	64,150	113,996	84,797	55,256	16,770
Profit/ (loss) after taxation	226,725	324,366	245,071	144,292	(86,849)	26,459
Shareholders' equity	1,071,487	1,262,927	1,411,453	1,130,852	982,263	1,008,823
Property, plant and equipment	174,000	179,707	217,458	226,632	179,681	144,887
Current assets	1,261,550	1,494,873	1,591,728	1,271,621	1,258,573	1,391,209
Non-current assets classified as held for sale	-	-	7,100	-	-	-
Current liabilities	365,348	417,469	406,520	370,635	464,793	544,087
Current ratio (no. of times)	3.45	3.58	3.92	3.43	2.71	2.56
Deferred liabilities / (asset)	6,753	3,652	9,213	8,065	5,238	(6,431)
Dividend per share percentage	60%	65%	130%	250%	-	10%
Number of employees as at December 31/ November 30	354	355	357	344	341	304

\* Profit and Loss Account items reflect eleven months' period.

All Balance Sheet Items for the years 2005-2008 show the position as at December 31 and for the years 2009 & 2010 show the position as at November 30.

## PATTERN OF SHAREHOLDING AS AT NOVEMBER 30, 2010

NO. OF SHAREHOLDERS	HAVING SHARES FROM	TO	SHARES HELD	PERCENTAGE
568	1	100	13,005	0.91
80	101	500	18,342	1.29
13	501	1000	8,985	0.63
12	1001	5000	25,447	1.79
1	15001	20000	17,720	1.25
2	20001	25000	45,033	3.17
1	35001	40000	36,620	2.58
1	50001	55000	52,374	3.68
1	65001	70000	67,479	4.75
1	110001	115000	111,574	7.85
1	445001	450000	448,560	31.55
1	575001	580000	576,470	40.55
<u>682</u>			<u>1,421,609</u>	<u>100.00</u>

## CATEGORIES OF SHAREHOLDERS AS AT NOVEMBER 30, 2010

PARTICULARS	SHAREHOLDERS	SHAREHOLDING	PERCENTAGE
INDIVIDUALS	652	48,801	3.44
INSURANCE COMPANIES	2	70,094	4.93
JOINT STOCK COMPANIES	2	1,025,030	72.10
FINANCIAL INSTITUTIONS	11	271,693	19.11
OTHERS	8	4,647	0.33
NON-RESIDENT	7	1,344	0.09
COMPANY TOTAL	<u>682</u>	<u>1,421,609</u>	<u>100.00</u>

## CATEGORIES OF SHAREHOLDERS AS AT NOVEMBER 30, 2010

Information under clause xix (i) of the Code of Corporate Governance

Category No.	Categories of Shareholders	Number of shares held	Percentage
1	<b>Associated companies, undertakings and related parties</b>	Nil	Nil
2	<b>NIT</b>		
	National Bank of Pakistan (Trustee Department)	187,483	13.1881
3	<b>Directors, Chief Executive and their spouses and minor children</b>		
	Badaruddin F. Vellani	100	0.0070
4	<b>Public Sectors Companies and corporations</b>	Nil	Nil
5	<b>Banks, Developments Financial Institutions, Non-Banking Financial Institutions, Insurance Companies, Modarabas and Mutual Funds</b>		
	EFU General Insurance Co. Ltd.	17,720	1.2465
	EFU Life Assurance Ltd.	2,000	0.1407
	State Life Insurance Corporation of Pakistan	52,374	3.6841
	First Dawood Investment Bank Ltd.	930	0.0654
	Trustee - JS Growth Fund	36,620	2.5760
6	<b>Shareholders holding ten percent or more voting interest in the Listed Company</b>		
	Wyeth LLC	576,470	40.5505
	Wyeth Holdings Corporation, U.S.A.	448,560	31.5530
	National Bank of Pakistan (Trustee Department)	187,483	13.1881



## FORM OF PROXY Sixty Second Annual General Meeting

I, We \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ (full address) being a member of **Wyeth Pakistan Limited**  
hereby appoint \_\_\_\_\_  
of \_\_\_\_\_ (full address) or failing him  
\_\_\_\_\_ of \_\_\_\_\_ (full  
address) as my / our Proxy to attend and vote for me / us and on my / our behalf at the Sixty Second  
Annual General Meeting of the Company to be held on Monday, March 28, 2011 at 11:30 a.m. and  
at any adjournment thereof.

As witness my/our hand this \_\_\_\_\_ day of \_\_\_\_\_ 2011 signed  
by \_\_\_\_\_ in presence of \_\_\_\_\_

Please affix  
Revenue  
Stamp of  
Rs 5.00

Signature and address of Witness

Signature of Member

Folio No. / CDC Account and  
Participant's CNIC Number

Number of Shares held

1. A member entitled to attend and vote at Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company.
2. The instrument appointing a proxy should be signed by the member or by his attorney duly authorized in writing. If the member is a corporation its common seal should be affixed to the instrument.
3. The instrument appointing a proxy, together with the Power of Attorney if any under which it is signed or a notarilly certified copy thereof, should be deposited at the Registered Office of the Company not less that 48 hours before the time for holding the meeting.
4. In case of Proxy for any individual beneficial owner of CDC, entitled to attend and vote at this meeting, it is necessary to deposit the attested copies of beneficial owner's Computerized National Identity Card (CNIC), Account and Participant's CNIC numbers. The Proxy shall produce his original CNIC at the time of the meeting. Representative of corporate members should bring the usual documents for such purpose.

**TRANSPORT ARRANGEMENT TO ATTEND THE 62ND ANNUAL GENERAL MEETING  
OF WYETH PAKISTAN LIMITED  
ON MONDAY, MARCH 28, 2011  
AT 11:30 A.M. AT THE REGISTERED OFFICE OF THE COMPANY,  
S-33, HAWKES BAY ROAD, S.I.T.E., KARACHI.**

**LOCATION PLAN**

