

CONTENTS

Company Information2

Directors' Report.....3

Balance Sheet4

Profit & Loss Account.....5

Statement of Changes in Equity6

Cash Flow Statement.....7

Notes to the Financial Statements8-11

COMPANY INFORMATION

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Khwaja Bakhtiar Ahmed

AUDIT COMMITTEE

Javed Iqbal	Chairman
Aliya Yusuf	
Dr. Munawar Ali Uqaili	

BANKERS

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

AUDITORS

A. F. Ferguson & Co.

LEGAL ADVISORS

Orr. Dignam & Company
Syed Qamaruddin Hassan

SHARE REGISTRAR

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

HEAD OFFICE / REGISTERED OFFICE

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

DIRECTORS' REPORT

Your Directors report the first quarter result of 2005.

The net sales of the company for the first quarter are lower by **7.96 %** as compared to same period last year. The main reason of reduction is significant lower export sales. However, as compared to last quarter ended December 2004 the Sales has increased by **10.43 %**.

As compared to same quarter last year the cost of goods sold as a percent of net sales is higher due to increase in prices of raw materials used in some of our key products. The Government of Pakistan has not granted any price increase over last three years. The distribution cost and administrative expenses have decreased due to restructuring measures taken last year. Other income for the quarter is higher mainly due to gain on sale of fixed assets. Your company's management is continuously focused on new product launches and taking various steps to improve performance.

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



Arshad Rahim Khan
Chief Executive




Khwaja Bakhtiar Ahmed
Director

Date : April 28, 2005

BALANCE SHEET
As at March 31, 2005

	Note	<u>Unaudited</u> March 31, 2005	<u>Audited</u> December 31, 2004
(Rupees '000)			
NON - CURRENT ASSETS			
Property, plant and equipment	4	179,160	174,544
Long-term loans		7,546	5,588
Long-term deposits		1,905	1,859
Deferred taxation		-	192
		<u>188,611</u>	<u>182,183</u>
CURRENT ASSETS			
Spares		2,198	1,915
Stock-in-trade		445,658	527,910
Trade debts		94,412	43,330
Loans and advances		111,047	9,306
Deposits and prepayments		8,738	6,246
Other receivables		18,914	13,830
Taxation - net		199,846	182,933
Cash and bank balances		123,456	309,999
		<u>1,004,269</u>	<u>1,095,469</u>
		<u>1,192,880</u>	<u>1,277,652</u>
SHARE CAPITAL AND RESERVES			
Share capital		142,161	142,161
Reserves		700,000	666,000
Unappropriated profit		117,508	107,681
		<u>959,669</u>	<u>915,842</u>
NON - CURRENT LIABILITIES			
Liabilities against assets subject to finance leases		871	1,039
Deferred taxation		90	-
		961	1,039
CURRENT LIABILITIES			
Trade and other payables		231,018	359,227
Current maturity of liabilities against assets subject to finance leases		1,232	1,544
		<u>232,250</u>	<u>360,771</u>
CONTINGENCIES AND COMMITMENTS			
	3	-	-
		<u>1,192,880</u>	<u>1,277,652</u>

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



Arshad Rahim Khan
Chief Executive


Khwaja Bakhtiar Ahmed
Director

PROFIT & LOSS ACCOUNT (UNAUDITED)
for the quarter ended March 31, 2005

	Quarter ended	
	March 31, 2005	March 31, 2004
	(Rupees '000)	
Net sales	390,152	423,884
Cost of sales	251,003	264,397
Gross profit	139,149	159,487
Distribution cost	56,024	65,362
Administrative expenses	22,222	27,817
	78,246	93,179
Operating profit	60,903	66,308
Other income	4,739	1,743
	65,642	68,051
Financial charges	455	1,037
Other charges	4,633	4,657
	5,088	5,694
Profit before taxation	60,554	62,357
Taxation		
Current - for the quarter	16,445	17,467
Deferred	282	(4,701)
	16,727	12,766
Profit after taxation	43,827	49,591
	(Rupees)	(Rupees)
Earnings per share - basic and diluted	30.83	34.88

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


Arshad Rahim Khan
Chief Executive


Khwaja Bakhtiar Ahmed
Director

STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
for the quarter ended March 31, 2005

	RESERVES				Unappropriated Profit	Total
	Share Capital	Capital Reserve (Tax Holiday)	General Reserve	Total		
.....(Rupees '000).....						
Balance at January 1, 2004	142,161	215	665,785	666,000	706	808,867
Net profit for the quarter	-	-	-	-	49,591	49,591
Balance at April 1, 2004	142,161	215	665,785	666,000	50,297	858,458
Net profit for the period	-	-	-	-	57,384	57,384
Balance at January 1, 2005	142,161	215	665,785	666,000	107,681	915,842
Net profit for the quarter	-	-	-	-	43,827	43,827
Transfer to general reserve	-	-	34,000	34,000	(34,000)	-
Balance at March 31, 2005	<u>142,161</u>	<u>215</u>	<u>699,785</u>	<u>700,000</u>	<u>117,508</u>	<u>959,669</u>

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



Arshad Rahim Khan
Chief Executive



Khwaja Bakhtiar Ahmed
Director

CASH FLOW STATEMENT (UNAUDITED)
for the quarter ended March 31, 2005

	Note	Quarter ended	
		March 31, 2005	March 31, 2004
(Rupees '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	5	(143,043)	174,597
Mark-up on running finances paid		(3)	(3)
Income tax paid		(33,359)	(20,816)
Finance lease charges paid		(85)	(137)
Decrease in long-term loans		(1,956)	(741)
Decrease in long-term deposits		(46)	–
Net cash (outflow) / inflow from operating activities		(178,492)	152,900
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(11,839)	(11,001)
Proceeds from sale of property, plant and equipment		4,375	–
Net cash outflow from investing activities		(7,464)	(11,001)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(105)	–
Liabilities against assets subject to finance leases (net)		(482)	(428)
Net cash outflow from financing activities		(587)	(428)
Net (decrease) / increase in cash and cash equivalents		(186,543)	141,471
Cash and cash equivalents at the beginning of the quarter		309,999	80,701
Cash and cash equivalents at the end of the quarter	6	123,456	222,172

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



Arshad Rahim Khan
Chief Executive



Khwaja Bakhtiar Ahmed
Director

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) for the quarter ended March 31, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. Approved accounting standards comprise of such International Accounting Standards as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 and directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives take precedence. The disclosures made in these financial statements have, however, been limited based on the requirements of International Accounting Standard 34, Interim Financial Reporting.

- 1.2** These financial statements have been prepared using the same accounting policies which were applied in the preparation of the annual financial statements of the company for the year ended December 31, 2004.

2. CONTINGENCIES AND COMMITMENTS

Contingent Liabilities

- 2.1** Claims against the Company not acknowledged as debts at March 31, 2005 amounted to Rs. **24.080** million (December 31, 2004: Rs. 24.080 million).

Commitments

- 2.2** Aggregate amount for capital expenditure contracted for, but remaining to be executed at March 31, 2005 amounted to Rs. **6.497** million (December 31, 2004: Rs. 14.066 million).
- 2.3** Letters of credit and bank guarantees at March 31, 2005 amounted to Rs. **60.770** million (December 31, 2004: Rs. 55.561 million).

3. TAXATION

The income tax assessments of the company have been finalised upto and including the year ended December 31, 2003. While finalising the assessments of the company, the tax authorities have made arbitrary additions and disallowances to taxable income in various tax assessments upto the year ended December 31, 2001 which have resulted in tax demand of Rs. **249.881** million. The tax demand has arisen mainly due to the following:

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

Although the company has filed appeals with various appellate authorities, it has, as a matter of prudence, made a provision of Rs. 175.152 million against the above demands. The management is confident that the ultimate decision of the appeals will be in the company's favour.

		March 31, 2005	December 31, 2004
		(Rupees '000)	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	155,655	155,514
Capital work in progress	4.2	23,505	19,030
		<u>179,160</u>	<u>174,544</u>

4.1 The following is a statement of operating fixed assets:

	Cost			Accumulated Depreciation				Net book value as at March 31, 2005	Rate of depreciation
	As at January 01, 2005	Additions	Disposals/ *Write off **Transfers	As at March 31, 2005	As at January 01, 2005	For the Quarter	On disposals/ *Write off **Transfers		
.....(Rupees '000)..... %									
Owned									
Leasehold land	258	-	-	258	-	-	-	258	-
Building on leasehold land									
Factory	48,234	-	-	48,234	22,449	455	-	22,904	25.330
Warehouse	2,335	-	-	2,335	1,649	11	-	1,660	675
Plant and machinery	234,937	1,843	(1,006)*	235,774	139,603	3,172	(1,003)*	141,772	94,002
Furniture and fittings	15,612	133	-	15,745	10,412	268	-	10,680	5,065
Vehicles	22,124	1,198	(5,612) 3,037**	20,747	10,827	941	(4,871) 2,809**	9,706	11,041
Office equipment	50,129	4,190	(163)*	54,156	36,979	1,328	(163)*	38,144	16,012
Total Owned Assets	373,629	7,364	(5,612) (1,169)* 3,037**	377,249	221,919	6,175	(4,871) (1,166)* 2,809**	224,866	152,383
Assets acquired under finance leases									
Vehicles	8,962	-	(3,037)**	5,925	5,158	304	(2,809)**	2,653	3,272
March 31, 2005	382,591	7,364	(5,612) (1,169)* - **	383,174	227,077	6,479	(4,871) (1,166)* - **	227,519	155,655
December 31, 2004	353,311	37,962	(8,682) - * - **	382,591	210,139	25,537	(8,599) - * - **	227,077	155,514

	Note	March 31, 2005	December 31, 2004
(Rupees '000)			
4.2 Capital work in progress			
Plant and machinery		10,720	7,241
Advances to suppliers			
Plant and machinery		10,412	10,591
Vehicles		2,373	1,198
		23,505	19,030
5. CASH (USED IN) / GENERATED FROM OPERATIONS			
Profit before taxation		60,554	62,357
Adjustments for non-cash charges and other items:			
Depreciation		6,479	6,142
Provision for slow moving and obsolete stock		1,399	440
Write back of potential expired stock claims		(268)	(878)
Profit on disposal of property, plant and equipment		(3,631)	-
Finance lease charges		85	137
Working capital changes	5.1	(207,661)	106,399
		(143,043)	174,597
5.1 Working capital changes			
Decrease/(increase) in current assets:			
Spares		(284)	382
Stock-in-trade		80,853	58,552
Trade debts		(50,814)	56,379
Loans and advances		(101,740)	(2,336)
Deposits and prepayments		(2,493)	(3,326)
Other receivables		(5,083)	16,782
		(79,561)	126,433
Increase/(decrease) in current liabilities:			
Trade and other payables		(128,100)	(20,034)
		(207,661)	106,399

	March 31, 2005	March 31, 2004
6. CASH AND CASH EQUIVALENTS	(Rupees '000)	
Cash and bank balances	123,456	222,172
7. TRANSACTIONS WITH ASSOCIATED COMPANIES		
Aggregate amount in respect of :		
Purchases made	29,913	19,386
Sales made	17,980	63,774

8. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **April 28, 2005** by the Board of Directors of the Company.

9. CORRESPONDING FIGURES

Corresponding figures have been reclassified, wherever necessary, for the purpose of comparison.



Arshad Rahim Khan
Chief Executive



Khwaja Bakhtiar Ahmed
Director