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COMPANY INFORMATION**BOARD OF DIRECTORS**

Arshad Rahim Khan	Chairman, Chief Executive & Managing Director
Bernard Poussot	Alternate : Aliya Yusuf
Robert N. Power	Alternate : Dr. Munawar Ali Uqaili
Stephen Higgins	Alternate : Javed Iqbal
Baldev Arora	Alternate : Abdul Naseer
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 third quarter and nine months consolidated results of 2005.

The net sales for the third quarter have increased by **2.46%** mainly due to higher export sales whereas net sales for the nine months period have decreased due to lower year to-date export sales as compared to last year. The Government of Pakistan has not granted any price increase for almost four years. Despite this we are committed to focus on launch of new products and consistent with previous quarter where we successfully launched a nutritional product, S-26 Gold, again in the reporting period we have successfully launched another Nutritional product, Promil Gold. The initial response of this product is also very encouraging.

Cost of sales as a percent of net sales for the quarter and nine months period are higher due to increase in prices of raw materials used in some of our key products. The distribution cost and administrative expenses for the above periods have decreased due to restructuring measures taken last year. Despite high inflation and hike in oil prices, your management is continuously making efforts to keep operating and factory overhead expenses down.

We are pleased to acknowledge that the relations with the employees remained congenial throughout the period and appreciate their untiring efforts and continuous dedication following our mission, vision and values to attain company's objectives.



Arshad Rahim Khan
Chief Executive




Khwaja Bakhtiar Ahmed
Director

Date : October 25, 2005

BALANCE SHEET
As at September 30, 2005 (Unaudited)

	Note	Unaudited Sep 30, 2005	Audited Dec 31, 2004
(Rupees '000)			
NON-CURRENT ASSETS			
Property, plant and equipment	5	176,114	174,544
Long-term loans		33,994	5,588
Long-term deposits		1,779	1,859
Deferred taxation		105	192
		<u>211,992</u>	<u>182,183</u>
CURRENT ASSETS			
Spares		1,879	1,915
Stock-in-trade		389,526	527,910
Trade debts		22,460	43,330
Loans and advances		88,210	9,306
Deposits and prepayments		8,622	6,246
Other receivables		35,100	13,830
Taxation - net		155,053	182,933
Cash and bank balances		409,668	309,999
		<u>1,110,518</u>	<u>1,095,469</u>
		<u>1,322,510</u>	<u>1,277,652</u>
SHARE CAPITAL AND RESERVES			
Share capital		142,161	142,161
Reserves		700,000	666,000
Unappropriated profit		178,561	107,681
		<u>1,020,722</u>	<u>915,842</u>
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance leases		101	1,039
CURRENT LIABILITIES			
Trade and other payables		300,403	359,227
Current maturity of liabilities against assets subject to finance leases		1,284	1,544
		<u>301,687</u>	<u>360,771</u>
CONTINGENCIES AND COMMITMENTS			
	3	-	-
		<u>1,322,510</u>	<u>1,277,652</u>

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


Arshad Rahim Khan
 Chief Executive



Khwaja Bakhtiar Ahmed
 Director

PROFIT AND LOSS ACCOUNT

for the Quarter and Nine Months period ended September 30, 2005 (Unaudited)

	For the quarter ended		For the nine months period ended	
	Sep. 30, 2005	Sep. 30, 2004	Sep. 30, 2005	Sep. 30, 2004
	(Rupees '000)		(Rupees '000)	
Net sales	457,078	446,124	1,329,488	1,351,953
Cost of sales	288,205	271,764	830,070	822,071
Gross profit	168,873	174,360	499,418	529,882
Distribution cost	57,677	58,997	175,271	196,260
Administrative expenses	26,728	29,883	70,663	77,992
	84,405	88,880	245,934	274,252
Operating profit	84,468	85,480	253,484	255,630
Other income	9,165	6,545	22,608	15,698
	93,633	92,025	276,092	271,328
Financial charges	418	573	1,288	1,863
Other charges	6,943	6,345	20,355	18,746
	7,361	6,918	21,643	20,609
Profit before taxation	86,272	85,107	254,449	250,719
Taxation				
Current - for the period	29,399	22,362	79,703	66,865
- for prior year	-	6,469	(1,301)	6,469
Deferred	(1,647)	501	87	(4,868)
	27,752	29,332	78,489	68,466
Profit after taxation	58,520	55,775	175,960	182,253
Earnings per share - basic and diluted	(Rupees) 41.16	(Rupees) 39.23	(Rupees) 123.78	(Rupees) 128.20

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



Arshad Rahim Khan
 Chief Executive


Khwaja Bakhtiar Ahmed
 Director

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

	Share Capital	RESERVES			Unappropriated Profit	Total
		Capital Reserve (Tax Holiday)	General Reserve	Total		
.....(Rupees '000).....						
Balance as at January 1, 2004	142,161	215	665,785	666,000	706	808,867
Net profit for the nine months period ended September 30, 2004	-	-	-	-	182,253	182,253
Balance as at September 30, 2004	<u>142,161</u>	<u>215</u>	<u>665,785</u>	<u>666,000</u>	<u>182,959</u>	<u>991,120</u>
Balance as at January 1, 2005	142,161	215	665,785	666,000	107,681	915,842
Transfer to general reserve	-	-	34,000	34,000	(34,000)	-
Proposed dividend	-	-	-	-	(71,080)	(71,080)
Net profit for the nine months period ended September 30, 2005	-	-	-	-	175,960	175,960
Balance as at September 30, 2005	<u>142,161</u>	<u>215</u>	<u>699,785</u>	<u>700,000</u>	<u>178,561</u>	<u>1,020,722</u>

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



Arshad Rahim Khan
Chief Executive


Khwaja Bakhtiar Ahmed
Director

CASH FLOW STATEMENT
for the Nine Months period ended September 30, 2005 (Unaudited)

	Note	September 30, 2005	September 30, 2004
(Rupees '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	6	267,967	419,166
Mark-up on running finances paid		(4)	(2)
Income tax paid		(50,523)	(85,612)
Finance lease charges paid		(208)	(366)
Increase in long-term loans		(28,406)	(86)
Decrease in long-term deposits		80	-
Net cash inflow from operating activities		188,906	333,100
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(22,688)	(25,522)
Proceeds from sale of property, plant and equipment		5,662	1,925
Net cash outflow from investing activities		(17,026)	(23,597)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(71,013)	(35,302)
Liabilities against assets subject to finance leases (net)		(1,198)	(1,215)
Net cash outflow from financing activities		(72,211)	(36,517)
Net increase in cash and cash equivalents		99,669	272,986
Cash and cash equivalents at the beginning of the period		309,999	80,701
Cash and cash equivalents at the end of the period		409,668	353,687

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


Arshad Rahim Khan
Chief Executive


Khwaja Bakhtiar Ahmed
Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the Nine Months period ended September 30, 2005 (Unaudited)

1. STATUS AND NATURE OF BUSINESS

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

2. BASIS OF PRESENTATION

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

The financial statements comprise of the balance sheet as at September 30, 2005 and the profit and loss account, statement of changes in equity and the cash flow statement for the nine months period ended September 30, 2005. The financial statements also include the profit and loss account for the quarter ended September 30, 2005.

The comparative balance sheet presented in these financial statements as at December 31, 2004 has been extracted from the audited financial statements of the company for the year ended December 31, 2004 whereas the comparative profit and loss account, statement of changes in equity and cash flow statement are for the nine months period ended September 30, 2004. The comparative profit and loss account for the quarter ended September 30, 2004 is also included in the financial statements.

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

3. CONTINGENCIES AND COMMITMENTS

3.1 Contingent liabilities

Claims against the Company not acknowledged as debts at September 30, 2005 amounted to Rs **16.052** million (December 31, 2004: Rs 24.080 million).

3.2 Commitments

Aggregate amount for capital expenditure contracted for, but remaining to be executed at September 30, 2005 amounted to Rs **2.925** million (December 31, 2004: Rs 14.066 million).

Letters of credit and bank guarantees at September 30, 2005 amounted to Rs **61.962** million (December 31, 2004: Rs 55.561 million).

4. TAXATION

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

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

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

5. PROPERTY, PLANT AND EQUIPMENT

	Note	Sept. 30, 2005	Dec. 31, 2004
		(Rupees '000)	
Operating fixed assets	5.1	157,685	155,514
Capital work in progress		18,429	19,030
		176,114	174,544

5.1 Operating fixed assets

	Nine months period ended Sep. 30, 2005	Nine months period ended Sep. 30, 2004
	(Rupees '000)	
Additions	23,289	13,603
Disposals [having a net book value of Rs 974 thousand (2004: Rs 14 thousand)]	7,853	6,602
Write off [having a net book value of Rs nil (2004: Rs nil)]	1,166	-

6. CASH GENERATED FROM OPERATIONS

	Note	Sept. 30, 2005	Sept. 30, 2004
(Rupees '000)			
Profit before taxation		254,449	250,719
Adjustments for non-cash charges and other items:			
Depreciation		20,141	18,734
(Write back of) / Provision for slow moving and obsolete stocks		(320)	1,545
Provision for / (Write back of) potential expired stock claims		6,669	(3,865)
Profit on disposal of property, plant and equipment		(4,713)	(1,910)
Finance lease charges		208	366
Working capital changes	6.1	(8,467)	153,577
		<u>267,967</u>	<u>419,166</u>
6.1 Working capital changes			
Decrease/(increase) in current assets:			
Spares		36	670
Stock-in-trade		138,704	49,023
Trade debts		14,201	94,432
Loans and advances		(78,903)	361
Deposits and prepayments		(2,377)	2,129
Other receivables		(21,270)	9,508
		<u>50,391</u>	<u>156,123</u>
Increase/(decrease) in current liabilities:			
Trade and other payables		(58,858)	(2,546)
		<u>(8,467)</u>	<u>153,577</u>

7. TRANSACTIONS WITH RELATED PARTIES

	Nine months period ended Sep. 30, 2005	Nine months period ended Sep. 30, 2004
	(Rupees '000)	
Purchase of goods	98,882	48,111
Sale of goods	87,089	114,829
Loan to gratuity fund	30,000	-
Loan to provident fund	80,000	-
Contribution to retirement benefits fund		
gratuity fund	2,962	6,822
provident fund	4,129	5,738
pension fund	791	2,741
	7,882	15,301
Dividends	51,252	25,626
Interest on loan to provident fund	2,521	-

8. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on October 25, 2005 by the Board of Directors of the Company.

9. CORRESPONDING FIGURES

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


Arshad Rahim Khan
 Chief Executive


Khwaja Bakhtiar Ahmed
 Director