

Wyeth



Accounts for the Quarter ended March 31, 2006

WYETH PAKISTAN LIMITED

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
Mark Larsen	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 & 111-000-322

HEAD OFFICE / REGISTERED OFFICE

S-33, Hawkes Bay Road, S.I.T.E.,
G.P.O. Box No.167, Karachi.
Ph. # 92-21-2354651-61 & 111-777-333
Fax: # 92-21-2354681
Website: www.wyethpakistan.com

Note: These accounts are also available on our website.

DIRECTORS' REPORT

Your Directors are pleased to report the first quarter results of 2006.

The net sales of the company for the first quarter have increased by **8.0%** as compared to same period last year. The cost of sales as a percent of net sales is in line with last year same quarter. Operating profit is therefore increased by **12%**. These results are without any price increase. The Government of Pakistan has not granted any price increase over last four years.

The distribution cost has increased due to marketing expenses of our new products. The administrative expenses have increased mainly due to inflation. Other income for the quarter is higher mainly due to profit received on term deposit with banks. Your company's management remains continuously focused on new product launches and taking 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 27, 2006**

BALANCE SHEET
As at March 31, 2006 (Unaudited)

	Note	March 31, 2006	Audited December 31, 2005
(Rupees '000)			
NON-CURRENT ASSETS			
Property, plant and equipment	4	174,898	174,000
Long-term loans		8,530	6,259
Long-term deposits		1,779	1,779
		<u>185,207</u>	<u>182,038</u>
CURRENT ASSETS			
Spares		1,874	1,935
Stock-in-trade		559,876	498,684
Trade debts		67,568	71,915
Loans and advances		78,873	79,671
Deposits and prepayments		10,400	9,295
Other receivables		43,391	31,059
Taxation - net		128,628	147,580
Cash and bank balances		410,604	397,411
		<u>1,301,214</u>	<u>1,237,550</u>
		<u>1,486,421</u>	<u>1,419,588</u>
SHARE CAPITAL AND RESERVES			
Share capital		142,161	142,161
Reserves		700,000	700,000
Unappropriated profit		273,913	229,326
		<u>1,116,074</u>	<u>1,071,487</u>
NON-CURRENT LIABILITIES			
Deferred taxation		3,952	6,753
CURRENT LIABILITIES			
Trade and other payables		365,634	340,338
Current maturity of liabilities against assets subject to finance leases		761	1,010
		<u>366,395</u>	<u>341,348</u>
CONTINGENCIES AND COMMITMENTS	3	-	-
		<u>1,486,421</u>	<u>1,419,588</u>

The annexed notes 1 to 8 form an integral part of these financial statements.



Arshad Rahim Khan
Chief Executive


Khwaja Bakhtiar Ahmed
Director

PROFIT AND LOSS ACCOUNT
for the Quarter ended March 31, 2006 (Unaudited)

	For the quarter ended	
	March 31, 2006	March 31, 2005
	(Rupees '000)	
Net sales	421,661	390,152
Cost of sales	270,479	251,003
Gross profit	151,182	139,149
Distribution cost	58,778	56,024
Administrative expenses	24,419	22,222
	83,197	78,246
Operating profit	67,985	60,903
Other operating income	9,391	4,739
	77,376	65,642
Finance costs	282	455
Other operating expenses	6,358	4,633
	6,640	5,088
Profit before taxation	70,736	60,554
Taxation		
Current - for the quarter	28,950	16,445
Deferred	(2,801)	282
	26,149	16,727
Profit after taxation	44,587	43,827
	Rupees	Rupees
Earnings per share - basic and diluted	31.36	30.83

The annexed notes 1 to 8 form an integral part of these financial statements.



Arshad Rahim Khan
Chief Executive


Khwaja Bakhtiar Ahmed
Director

STATEMENT OF CHANGES IN EQUITY
for the Quarter ended March 31, 2006 (Unaudited)

	Share capital	RESERVES			Unappropriated profit	Total
		Capital reserve (Tax holiday)	General reserve	Total		
.....(Rupees '000).....						
Balance at January 1, 2005	142,161	215	665,785	666,000	107,681	915,842
Net profit for the quarter ended March 31, 2005	-	-	-	-	43,827	43,827
Transfer to general reserve	-	-	34,000	34,000	(34,000)	-
Balance as 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>
Balance at January 1, 2006	142,161	215	699,785	700,000	229,326	1,071,487
Net profit for the quarter ended March 31, 2006	-	-	-	-	44,587	44,587
Balance as at March 31, 2006	<u>142,161</u>	<u>215</u>	<u>699,785</u>	<u>700,000</u>	<u>273,913</u>	<u>1,116,074</u>

The annexed notes 1 to 8 form an integral part of these financial statements.



Arshad Rahim Khan
Chief Executive


Khwaja Bakhtiar Ahmed
Director

CASH FLOW STATEMENT for the Quarter ended March 31, 2006 (Unaudited)

	Note	March 31, 2006	March 31, 2005
(Rupees '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	5	22,832	(143,088)
Mark-up on running finances paid		-	(4)
Profit received on deposits accounts		9,402	47
Finance lease charges paid		(31)	(85)
Increase in long-term loans		(2,271)	(1,957)
Increase in long-term deposits		-	(46)
Income tax paid		(9,999)	(33,359)
Net cash inflow / (outflow) from operating activities		19,933	(178,492)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(6,448)	(11,839)
Proceeds from disposal of property, plant and equipment		-	4,375
Net cash outflow from investing activities		(6,448)	(7,464)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(43)	(105)
Liabilities against assets subject to finance leases (net)		(249)	(482)
Net cash outflow from financing activities		(292)	(587)
Net increase / (decrease) in cash and cash equivalents		13,193	(186,543)
Cash and cash equivalents at the beginning of the quarter		397,411	309,999
Cash and cash equivalents at the end of the quarter		410,604	123,456

The annexed notes 1 to 8 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 Quarter ended March 31, 2006 (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 March 31, 2006 and the profit and loss account, statement of changes in equity and the cash flow statement for the quarter ended March 31, 2006.

The comparative balance sheet presented in these financial statements as at December 31, 2005 has been extracted from the audited financial statements of the Company for the year ended December 31, 2005 whereas the comparative profit and loss account, statement of changes in equity and cash flow statement are for the quarter ended March 31, 2005.

- 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, 2005.

3. CONTINGENCIES AND COMMITMENTS

3.1 Contingent liabilities

Claims against the Company not acknowledged as debts at March 31, 2006 amounted to Rs. **253.817** million (December 31, 2005: Rs. 253.705 million).

3.2 Commitments

Aggregate amount for capital expenditure contracted for, but remaining to be executed at March 31, 2006 amounted to Rs. **9.819** million (December 31, 2005: Rs. 2.084 million).

Letters of credit and bank guarantees at March 31, 2006 amounted to Rs. **55.273** million (December 31, 2005: Rs. 60.135 million).

4. PROPERTY, PLANT AND EQUIPMENT

	Note	Unaudited March 31, 2006	Audited December 31, 2005
(Rupees '000)			
Operating fixed assets	4.1	169,427	171,578
Capital work in progress		5,471	2,422
		174,898	174,000
Quarter ended March 31, 2006			
Quarter ended March 31, 2005			
(Rupees '000)			
4.1 Operating fixed assets			
Additions		3,395	7,364
Disposals [having a net book value of Rs. Nil (2005: Rs. 741 thousand)]		-	5,612
Write off [having a net book value of Rs. Nil (2005: Rs. 3 thousand)]		-	1,169

5. CASH (USED IN) / GENERATED FROM OPERATIONS

	Note	Unaudited March 31, 2006	Unaudited March 31, 2005
(Rupees '000)			
Profit before taxation		70,736	60,554
Adjustments for non-cash charges and other items:			
Depreciation		5,550	6,479
Provision for slow moving and obsolete stock		6,917	1,399
Reserve for potential expired stocks /(reserves written back)		1,371	(268)
Gain on disposal of property, plant and equipment		-	(3,631)
Finance lease charges		31	85
Profit on			
- deposit accounts		(6,430)	(145)
- loan to the provident fund		(781)	-
Working capital changes	5.1	(54,562)	(207,561)
		22,832	(143,088)

	Unaudited March 31, 2006	Unaudited March 31, 2005
5.1 Working capital changes		
	(Rupees '000)	
(Increase) / decrease in current assets:		
Spares	61	(284)
Stocks	(68,109)	80,853
Trade debts	2,976	(50,814)
Loans and advances	798	(101,740)
Deposits and prepayments	(1,105)	(2,493)
Other receivables	(14,522)	(4,983)
	<u>(79,901)</u>	<u>(79,461)</u>
(Decrease) / increase in current liabilities:		
Trade and other payables	25,339	(128,100)
	<u>(54,562)</u>	<u>(207,561)</u>

6. TRANSACTIONS WITH ASSOCIATED COMPANIES


	Quarter ended March 31, 2006	Quarter ended March 31, 2005
	(Rupees '000)	
Purchase of goods	86,026	29,913
Sale of goods	44,772	17,980
Loan to gratuity fund	-	30,000
Loan to provident fund	-	65,000
Repayment of loan from provident fund	6,615	-
Contribution to retirement benefits fund		
gratuity fund	421	1,048
provident fund	1,363	1,372
pension fund	116	397
	<u>1,900</u>	<u>2,817</u>
Interest on loan to provident fund	781	-

7. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **April 27, 2006** by the Board of Directors of the Company.

8. CORRESPONDING FIGURES

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


Arshad Rahim Khan
Chief Executive


Khwaja Bakhtiar Ahmed
Director