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COMPANY INFORMATION

BOARD OF DIRECTORS

Arshad Rahim Khan Director	Chairman, Chief Executive & Managing
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.
Chartered Accountants

LEGAL ADVISORS

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. # 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 2007.

The net sales of the company for the first quarter have increased by **21%** as compared to same period last year which mainly consists of volume growth. Our gross profit has increased by **26%** due to higher sales and better product mix as compared to last year.

The distribution cost has increased mainly due to higher promotional activities incurred on all our strategic products. The administrative expenses have increased by **5%** mainly due to inflation. Other income for the quarter has increased mainly due to higher interest income on deposits. The above favorable factors have increased profit before tax and profit after tax by **22%** and **36%** respectively.

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 30, 2007**

BALANCE SHEET
As at March 31, 2007 (Unaudited - Note 2)

	Note	Unaudited March 31, 2007	Audited December 31, 2006
(Rupees '000)			
NON-CURRENT ASSETS			
Property, plant and equipment	3	177,968	179,707
Long-term loans		8,971	7,629
Long-term deposits		1,839	1,839
		<u>188,778</u>	<u>189,175</u>
CURRENT ASSETS			
Spares		1,672	1,811
Stocks		569,998	610,803
Trade debts		100,676	109,399
Loans and advances		21,775	14,124
Deposits and prepayments		8,610	6,470
Other receivables		53,259	43,265
Taxation - net		90,083	111,495
Short - term investment		600,000	575,000
Cash and bank balances		50,041	25,506
		<u>1,496,114</u>	<u>1,497,873</u>
		<u>1,684,892</u>	<u>1,687,048</u>
SHARE CAPITAL AND RESERVES			
Share capital		142,161	142,161
Reserves		1,074,000	844,000
Unappropriated profit		122,403	291,886
		<u>1,338,564</u>	<u>1,278,047</u>
NON-CURRENT LIABILITIES			
Deferred taxation		8,677	8,841
CURRENT LIABILITIES			
Trade and other payables		337,651	400,160
CONTINGENCIES AND COMMITMENTS			
	4	-	-
		<u>1,684,892</u>	<u>1,687,048</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 ended March 31, 2007 (Unaudited - Note 2)

	For the quarter ended	
	March 31, 2007	March 31, 2006
	(Rupees '000)	
Net sales	511,521	421,661
Cost of sales	320,457	270,479
Gross profit	191,064	151,182
Distribution cost	87,070	58,778
Administrative expenses	25,758	24,419
	112,828	83,197
Operating profit	78,236	67,985
Other operating income	15,786	9,391
	94,022	77,376
Other operating expenses	7,819	6,358
Finance cost	180	282
	7,999	6,640
Profit before taxation	86,023	70,736
Taxation		
Current - for the quarter	25,670	28,950
Deferred	(164)	(2,801)
	25,506	26,149
Profit after taxation	60,517	44,587
	Rupees	Rupees
Basic earnings per share	42.57	31.36

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 Quarter ended March 31, 2007 (Unaudited - Note 2)

	Share capital	RESERVES			Unappropriated profit	Total
		Capital reserve (Tax holiday)	General reserve	Total		
.....(Rupees '000).....						
Balance at January 1, 2006	142,161	215	699,785	700,000	229,326	1,071,487
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>
Balance at January 1, 2007	142,161	-	844,000	844,000	291,886	1,278,047
Transfer to general reserve	-	-	230,000	230,000	(230,000)	-
Profit for the quarter ended March 31, 2007	-	-	-	-	60,517	60,517
Balance as at March 31, 2007	<u>142,161</u>	<u>-</u>	<u>1,074,000</u>	<u>1,074,000</u>	<u>122,403</u>	<u>1,338,564</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 Quarter ended March 31, 2007 (Unaudited - Note 2)

	Note	March 31, 2007	March 31, 2006
(Rupees '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	5	49,436	22,827
Profit received on deposit account		14,646	9,402
Finance lease charges paid		-	(31)
Increase in long-term loans		(1,341)	(2,271)
Taxes paid		(4,258)	(9,999)
Net cash inflow from operating activities		58,483	19,928
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(6,023)	(6,444)
Proceeds from disposal of property, plant and equipment		127	-
Net cash outflow from investing activities		(5,896)	(6,444)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(3,052)	(42)
Liabilities against assets subject to finance leases (net)		-	(249)
Net cash outflow from financing activities		(3,052)	(291)
Net increase in cash and cash equivalents		49,535	13,193
Cash and cash equivalents at the beginning of the quarter		600,506	397,411
Cash and cash equivalents at the end of the quarter	6	650,041	410,604

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 Quarter ended March 31, 2006 (Unaudited - Note 2)

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, 2007 and the profit and loss account, statement of changes in equity and the cash flow statement for the quarter ended March 31, 2007.

The comparative balance sheet presented in these financial statements as at December 31, 2006 has been extracted from the audited financial statements of the company for the year ended December 31, 2006 whereas the comparative profit and loss account, statement of changes in equity and cash flow statement are for the quarter ended March 31, 2006 (Unaudited).

- 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, 2006.

		Unaudited March 31, 2007	Audited December 31, 2006
	Note	(Rupees '000)	
3. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	3.1	174,848	178,298
Capital work in progress		3,120	1,409
		<u>177,968</u>	<u>179,707</u>

	Quarter ended March 31, 2007	Quarter ended March 31, 2006
	(Rupees '000)	
3.1 Operating fixed assets		
Additions	4,312	3,395
Disposals [having a net book value of Rs 0.108 million (2006: Rs Nil million)]	127	-

4. CONTINGENCIES AND COMMITMENTS

- 4.1 Certain ex-employees of the company have filed claims aggregating Rs 247.572 million (December 31, 2006: Rs 247.572 million) against the company. The company is contesting the claims in the courts and based on the opinion of legal counsel, the management is reasonably confident that the ultimate decision of the subject suits will be in favour of the company. No provision has been made in these financial statements in respect of these claims.
- 4.2 Four ex-distributors have filed claims against the company amounting to Rs 140.361 million (December 31, 2006: Rs 140.361 million) for recovery of damages. The company is reasonably confident that the cases will be decided in company's favour and therefore no provision has been made in this respect.
- 4.3 The company is contesting a case in the court of law in respect of sales tax liability of Rs. 6.694 million (December 31, 2006: Rs 6.582 million). The company is reasonably confident that the case will be decided in company's favour and therefore no provision has been made in this respect.
- 4.4 The income tax assessments of the company have been finalised upto and including the year ended December 31, 2005. 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 169.677 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, however a provision of Rs 91.110 million is being carried against the above demands on ground of prudence. The management is confident that the ultimate decision of the appeals will be in the company's favour.

		March 31, 2007	Dec. 31, 2006
(Rupees '000)			
4.5	Commitments for capital expenditure	2,242	-
4.6	Guarantees and indemnity bonds issued to Collector of Customs against duty on imported raw materials and other guarantees	14,734	14,734
5. CASH (USED IN) / GENERATED FROM OPERATIONS			
	Note	Quarter ended March 31, 2007	Quarter ended March 31, 2006
(Rupees '000)			
		86,023	70,736
		Profit before taxation	
		Adjustments for non-cash charges and other items:	
		7,653	5,545
		Depreciation	
		(1,292)	6,917
		(Provision written back) / Provision for slow moving and obsolete stock	
		(19)	-
		Gain on disposal of property, plant and equipment	
		-	31
		Finance lease charges	
		(12,797)	(6,430)
		-	(781)
		Profit on	
		(30,132)	(53,191)
	5.1	Working capital changes	
5.1	Working capital changes	49,436	22,827
		(Increase) / decrease in current assets:	
		140	62
		Spares	
		42,096	(68,109)
		Stocks	
		8,723	2,976
		Trade debts	
		(7,651)	798
		Loans and advances	
		(2,140)	(1,105)
		Deposits and prepayments	
		(11,843)	(14,522)
		Other receivables	
		29,325	(79,900)
		(Decrease) / increase in current liabilities:	
		(59,457)	26,709
		Trade and other payables	
		(30,132)	(53,191)

6. CASH AND CASH EQUIVALENTS

	Quarter ended March 31, 2007	Quarter ended March 31, 2006
(Rupees '000)		
This comprises of:		
Short-term investment	600,000	365,000
Cash and bank balances	50,041	45,604
	650,041	410,604

7. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise the parent company (Wyeth, 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. Significant balances and transactions with related parties are as follows:

	Quarter ended March 31, 2007	Quarter ended March 31, 2006
(Rupees '000)		
Sales to associated undertakings	40,818	44,772
Purchases from associated undertakings	20,368	86,026
Services from associated undertakings	3,836	-
Contribution to the pension fund	-	116
Contribution to the gratuity fund	1,093	421
Contribution to the provident fund	1,524	1,363
Repayment of loan by the provident fund	-	6,615
Profit charged on loan to the provident fund	-	781
Remuneration of key management personnel	8,751	7,487

8. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **April 30, 2007** by the board of directors of the company.

9. CORRESPONDING FIGURES

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


Arshad Rahim Khan
 Chief Executive


Khwaja Bakhtiar Ahmed
 Director