

Wyeth

Leading the Way to
a Healthier World

Accounts for the
Three Months period ended
March 31, 2008

WYETH PAKISTAN LIMITED

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Company Information

BOARD OF DIRECTORS

Arshad Rahim Khan
Mark Larsen
Baldev Arora
Cecile Guegan
Gaetan Crucke
Behram Hasan
Khwaja Bakhtar Ahmed

Chairman, Chief Executive & Managing Director
Alternate : Javed Iqbal
Alternate : Abdul Naseer
Alternate : Aliya Yusuf
Alternate : Dr. Nadim ur Rehman
Nominee of N.I.T.

COMPANY SECRETARY

Khwaja Bakhtiar Ahmed

AUDIT COMMITTEE

Javed Iqbal
Aliya Yusuf
Abdul Naseer

Chairman

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 results for three-month period ended March 31, 2008.

The net sales of the company for the three months period have increased by **9%** as compared to the same period last year, which mainly consists of volume growth. Our gross profit has decreased by **8%**. This decline is mainly attributable to increased cost of sales due to continuous rising raw materials prices in the international market and the impact of depreciation of rupee against foreign currencies. On the other hand, in the absence of any price adjustment policy for the pharmaceutical industry, it has become very difficult to maintain the Gross Profit ratio of the business.

The distribution cost and administrative expenses have been reduced further to improve the operating profit of the business. Other operating income for the quarter has increased due to higher interest income on deposits. The above favorable factors have increased profit before tax and profit after tax by **7%** and **13%** respectively.

We have launched 3rd age nutritional product **PROGRESS GOLD** in this quarter. In addition, the **S-26 GOLD** 200-g pouch has also been introduced in the Nutritional portfolio, signifying another important milestone for the company providing consumers with a more convenient packaging option. The market response to the launch with these products is encouraging.

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, 2008**

BALANCE SHEET As at March 31, 2008 (Unaudited - Note 2)

	Note	Unaudited March 31, 2008	Audited December 31, 2007
(Rupees '000)			
NON-CURRENT ASSETS			
Property, plant and equipment	3	212,348	217,458
Long-term loans		9,904	8,613
Long-term deposits		2,287	2,287
		<u>224,539</u>	<u>228,358</u>
CURRENT ASSETS			
Spares		2,231	2,231
Stocks		595,585	563,189
Trade debts		184,185	138,572
Loans and advances		16,696	11,121
Deposits and prepayments		9,268	10,054
Interest accrued		4,724	4,673
Other receivables		12,648	16,128
Taxation - net		79,894	71,315
Short - term investment		765,000	720,000
Cash and bank balances		62,461	51,993
		<u>1,732,692</u>	<u>1,589,276</u>
Non-current assets classified as held for sale		3,025	7,100
		<u>1,960,256</u>	<u>1,824,734</u>
SHARE CAPITAL AND RESERVES			
Share capital		142,161	142,161
Reserves		1,124,732	1,078,257
Unappropriated profit		70,879	191,035
		<u>1,337,772</u>	<u>1,411,453</u>
NON-CURRENT LIABILITIES			
Deferred taxation		7,853	9,213
CURRENT LIABILITIES			
Trade and other payables		472,470	404,068
Dividend		142,161	-
CONTINGENCIES AND COMMITMENTS			
	4	-	-
		<u>1,960,256</u>	<u>1,824,734</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 Three Months Period ended March 31, 2008 (Unaudited - Note 2)**

	For the three months period ended	
	March 31, 2008	March 31, 2007
	(restated)	
	(Rupees '000)	
Net sales	557,333	511,521
Cost of sales	381,546	320,457
Gross profit	<u>175,787</u>	<u>191,064</u>
Distribution cost	64,535	87,203
Administrative expenses	25,377	25,957
	<u>89,912</u>	<u>113,160</u>
Operating profit	85,875	77,904
Other operating income	17,841	15,786
	<u>103,716</u>	<u>93,690</u>
Other operating expenses	12,098	7,819
Finance cost	259	180
	<u>12,357</u>	<u>7,999</u>
Profit before taxation	91,359	85,691
Taxation		
Current - for the period	24,971	25,670
Deferred	(1,360)	(164)
	<u>23,611</u>	<u>25,506</u>
Profit after taxation	<u>67,748</u>	<u>60,185</u>
	Rupees	Rupees
Basic earnings per share	<u>47.66</u>	<u>42.34</u>

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 Three Months Period ended March 31, 2008 (Unaudited - Note 2)

	Issued subscribed and paid up share capital	RESERVES			Unappropriated profit	Total
		General	Others	Sub total		
.....(Rupees '000).....						
Balance at January 1, 2007 - restated	142,161	844,000	1,290	845,290	275,476	1,262,927
Transfer to general reserve	-	230,000	-	230,000	(230,000)	-
Share based payments	-	-	311	311	-	311
Profit for the three months period ended March 31, 2007	-	-	-	-	60,185	60,185
Balance as at March 31, 2007 - restated	<u>142,161</u>	<u>1,074,000</u>	<u>1,601</u>	<u>1,075,601</u>	<u>105,661</u>	<u>1,323,423</u>
Balance at January 1, 2008	142,161	1,074,000	4,257	1,078,257	191,035	1,411,453
Transfer to general reserve	-	45,743	-	45,743	(45,743)	-
Dividend for the year ended December 31, 2007 @ 100%	-	-	-	-	(142,161)	(142,161)
Share based payments	-	-	732	732	-	732
Profit for the three months period ended March 31, 2008	-	-	-	-	67,748	67,748
Balance as at March 31, 2008	<u>142,161</u>	<u>1,119,743</u>	<u>4,989</u>	<u>1,124,732</u>	<u>70,879</u>	<u>1,337,772</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 Three Months Period ended March 31, 2008 (Unaudited - Note 2)

	Note	March 31, 2008	March 31, 2007
			(restated)
			(Rupees '000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	5	76,604	49,436
Profit received on deposits account		15,766	14,646
Increase in long-term loans		(1,291)	(1,341)
Taxes paid		(33,550)	(4,258)
Net cash inflow from operating activities		57,529	58,483
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(3,530)	(6,023)
Proceeds from disposal of property, plant and equipment		1,484	127
Net cash outflow from investing activities		(2,046)	(5,896)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(15)	(3,052)
Net cash outflow from financing activities		(15)	(3,052)
Net increase in cash and cash equivalents		55,468	49,535
Cash and cash equivalents at the beginning of the period		771,993	600,506
Cash and cash equivalents at the end of the period		827,461	650,041

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 Three Months Period ended March 31, 2008 (Unaudited - Note 2)

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.

2. BASIS OF PRESENTATION

- 2.1 These condensed financial statements i.e.'the interim financial information' of the company for the three months period ended March 31, 2008, 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.

These financial statements comprise of the balance sheet as at March 31, 2008 and the profit and loss account, statement of changes in equity and the cash flow statement for the three months period ended March 31, 2008 (un-audited).

The comparative balance sheet presented in these financial statements as at December 31, 2007 has been extracted from the audited financial statements of the company for the year ended December 31, 2007 whereas the comparative profit and loss account, statement of changes in equity and cash flow statement are for the three months period ended March 31, 2007 (un-audited).

- 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, 2007.

3. PROPERTY, PLANT AND EQUIPMENT

		Unaudited March 31, 2008	Audited December 31, 2007
	Note	(Rupees '000)	
Operating fixed assets	3.1	184,454	184,475
Capital work in progress		27,894	32,983
		<u>212,348</u>	<u>217,458</u>

3.1 Operating fixed assets

	Three months period ended March 31, 2008	Three months period ended March 31, 2007
	(Rupees '000)	
Additions	<u>8,618</u>	<u>4,312</u>
Disposals [having a net book value of Rs 1.240 million (2007: Rs 0.108 million)]	<u>2,463</u>	<u>127</u>

4. CONTINGENCIES AND COMMITMENTS

- 4.1 The contingencies of an aggregate value of Rs 469 million as reported in the notes 19.1, 19.2, 19.3 & 19.4 to the financial statements for the year ended December 31, 2007 have remained unchanged.

	Unaudited March 31, 2008	Audited December 31, 2007
	(Rupees '000)	
4.2 Commitments for capital expenditure	<u>1,147</u>	<u>1,011</u>
4.3 Guarantees, post dated cheques and indemnity bonds issued to Collector of Customs against duty on imported raw materials and other guarantees	<u>14,278</u>	<u>13,511</u>
4.4 Outstanding letters of credit	<u>33,599</u>	<u>38,549</u>

	Note	Three months period March 31, 2008	Three months period March 31, 2007 (restated)
(Rupees '000)			
5. CASH (USED IN) / GENERATED FROM OPERATIONS			
Profit before taxation		91,359	85,691
Adjustments for non-cash charges and other items:			
Expenses arising from equity-settled share-based payment plans		732	311
Depreciation		7,399	7,653
Provision for / (Provision written back of) slow moving and obsolete stock		580	(1,292)
Gain on disposal of property, plant and equipment		(244)	(19)
Profit on deposit accounts		(15,817)	(12,797)
Working capital changes	5.1	(7,405)	(30,111)
		<u>76,604</u>	<u>49,436</u>
5.1 Working capital changes			
(Increase) / decrease in current assets:			
Spares		-	140
Stocks		(32,977)	42,096
Trade debts		(45,613)	8,723
Loans and advances		(5,575)	(7,651)
Deposits and prepayments		787	(2,140)
Other receivables		3,479	(11,843)
Non-current assets classified as held for sale		4,075	-
		<u>(75,824)</u>	<u>29,325</u>
(Decrease) / increase in current liabilities:			
Trade and other payables		68,419	(59,436)
		<u>(7,405)</u>	<u>(30,111)</u>

6. 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:

	Three months period ended March 31, 2008	Three months period ended March 31, 2007
	(Rupees '000)	
Sales to associated undertakings	34,294	40,818
Purchases from associated undertakings	80,428	20,368
Services from associated undertakings	5,268	4,071
Dividend to associated undertakings	102,503	-
Contribution to the gratuity fund	1,146	1,093
Contribution to the provident fund	1,687	1,524
Remuneration of key management personnel	6,638	8,751

7. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **April 30, 2008** 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