

Wyeth

Leading the Way to
a Healthier World

Accounts for the
Three Months period ended
February 28, 2010

WYETH PAKISTAN LIMITED

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Company Information

BOARD OF DIRECTORS

Iqbal Bengali Chairman / Chief Executive
Abdul Majeed
Iftikhar Soomro
Badaruddin F. Vellani
Khwaja Bakhtiar Ahmed
Abdul Naseer
Maqbool H. H. Rahimtoola (N.I.T)

COMPANY SECRETARY

Khwaja Bakhtiar Ahmed

AUDIT COMMITTEE

Iftikhar Soomro Chairman
Badaruddin F. Vellani
Abdul Naseer

BANKERS

Citibank, N.A.
The Royal Bank of Scotland

AUDITORS

KPMG Taseer Hadi & 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. # 92-213-5689021-5686658 & 111-000-322

HEAD OFFICE / REGISTERED OFFICE

S-33, Hawkes Bay Road, S.I.T.E.,
G.P.O. Box No. 167, Karachi.
Ph. # 92-213-2354651-61, 92-213-7664203-06 & 111-777-333
Fax # 92-213-2354681
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Note: These accounts are also available on our website.

DIRECTORS' REPORT

Your Directors are pleased to report the results of three months period ended February 28, 2010.

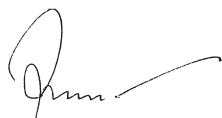
The net sales of the company for the three months period have decreased by 21.4% as compared to three months period in 2009. Decline in sales is mainly due to lower institutional sales of Anti TB products and alignment/ rationalization of stock level of distributors. Gross profit as a percent of net sales has declined to 22.7% from 29% over same period last year mainly because of increase in cost of input resulting from depreciation of Pak Rupee, and continued inflation.

Distribution cost has decreased mainly due to higher marketing investment at the beginning of the last year on newly launched products. In addition to above, the distribution and administrative expenses are lower due to stringent cost control measure implemented to protect our margin.

Future Prospect

In the current environment of inflation, depreciation of rupee, and cost increases without across the board price adjustment of pharmaceutical products, it will be challenging to sustain the current level of profitability. We, however, will continue to engage the Government to make more business conducive policies and at the same time will vigorously explore avenues to reduce the impact of cost increases on profitability.

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



Iqbal Bengali
Chief Executive



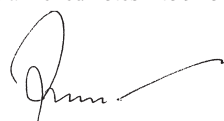
Khwaja Bakhtiar Ahmed
Director

Date : **March 30, 2010**

CONDENSED INTERIM BALANCE SHEET As at February 28, 2010 (Un-audited)

As at		February 28, 2010	November 30, 2009
	Note	(Rupees '000)	
NON-CURRENT ASSETS			
Property, plant and equipment	3	176,288	179,681
Long-term loans		9,720	12,161
Long-term deposits		1,879	1,879
Total non - current assets		187,887	193,721
CURRENT ASSETS			
Spares		2,936	2,921
Stock-in-trade		794,744	800,768
Trade debts		201,640	277,447
Loans and advances		16,335	15,744
Deposits and prepayments		17,723	13,462
Interest accrued		-	6
Other receivables		16,742	14,890
Taxation - net		87,481	97,687
Cash and bank balances		11,564	35,648
Total current assets		1,149,165	1,258,573
Total assets		1,337,052	1,452,294
SHARE CAPITAL AND RESERVES			
Share capital		142,161	142,161
Reserves		926,940	926,940
Unappropriated profit		(66,612)	(86,838)
Total equity		1,002,489	982,263
NON-CURRENT LIABILITIES			
Deferred taxation		5,942	5,238
CURRENT LIABILITIES			
Short-term finances under mark-up arrangements		2,495	
Trade and other payables		326,126	464,793
Total equity and liabilities		1,337,052	1,452,294
CONTINGENCIES AND COMMITMENTS			
	4	-	-

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



Iqbal Bengali
Chief Executive



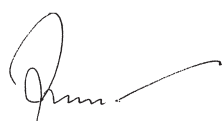
Khwaja Bakhtiar Ahmed
Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
For the three months period ended February 28, 2010 (Un-audited)

	For the three months period ended	
	February 28, 2010	February 28, 2009
	(Rupees '000)	
Net sales	559,024	711,717
Cost of sales	432,020	504,936
Gross profit	127,004	206,781
Distribution cost	54,306	80,089
Administrative expenses	25,352	28,469
	79,658	108,558
Operating profit	47,346	98,223
Other operating income	2,937	3,557
	50,283	101,780
Other operating expenses	3,024	6,036
Finance cost	2,341	388
	5,365	6,424
Profit before taxation	44,918	95,356
Taxation		
Current - for the period	23,988	47,009
- for prior years'	-	5,243
Deferred	704	(2,188)
	24,692	50,064
Profit after taxation	20,226	45,292
	Rupees	Rupees
Basic earnings per share	14.23	31.86

Note: The appropriations from profits are set out in the statement of changes in equity.

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



Iqbal Bengali
Chief Executive

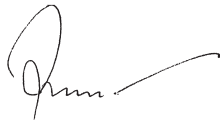


Khwaja Bakhtiar Ahmed
Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the three months period ended February 28, 2010 (Un-audited)**

	For the three months period ended	
	February 28, 2010	February 28, 2009
	(Rupees '000)	
Profit after taxation	20,226	45,292
Other comprehensive income	-	-
Total comprehensive income	<u>20,226</u>	<u>45,292</u>

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



Iqbal Bengali
Chief Executive



Khwaja Bakhtiar Ahmed
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY For the three months period ended February 28, 2010 (Un-audited)

	Issued subscribed and paid up capital	RESERVES			Unappropriated profit	Total
		General	Others	Sub total		
.....(Rupees '000).....						
Balance as at November 30, 2008	142,161	934,743	3,684	938,427	47,504	1,128,092
Total comprehensive income for the period						
Profit for the period	-	-	-	-	45,292	45,292
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	-	-	45,292	45,292
Transactions with owners						
Share-based payments	-	-	1,104	1,104	-	1,104
Utilization of reserve held for share-based payments	-	-	(816)	(816)	-	(816)
	-	-	288	288	-	288
Balance as at February 28, 2009	142,161	934,743	3,972	938,715	92,796	1,173,672
Balance as at November 30, 2009	142,161	911,753	15,187	926,940	(86,838)	982,263
Total comprehensive income for the period						
Profit for the period	-	-	-	-	20,226	20,226
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	-	-	20,226	20,226
Balance as at February 28, 2010	<u>142,161</u>	<u>911,753</u>	<u>15,187</u>	<u>926,940</u>	<u>(66,612)</u>	<u>1,002,489</u>

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



Iqbal Bengali
Chief Executive


Khwaja Bakhtiar Ahmed
Director

CONDENSED INTERIM CASH FLOW STATEMENT For the three months period ended February 28, 2010 (Un-audited)

	Note	For the three months period ended	
		February 28, 2010	February 28, 2009
(Rupees '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / from operations	5	(11,581)	6,603
Profit received on deposit accounts		26	4,330
Decrease in long-term loans		2,441	504
Taxes paid		(13,784)	(27,766)
Net cash outflow from operating activities		(22,898)	(16,329)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(4,384)	(5,865)
Proceeds from disposal of property, plant and equipment		-	6,303
Net cash (outflow) / inflow from investing activities		(4,384)	438
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash outflow from financing activities - Dividend paid		(71)	(142,116)
Net decrease in cash and cash equivalents		(27,353)	(158,007)
Cash and cash equivalents at the beginning of the period		36,422	282,218
Cash and cash equivalents at the end of the period	6	9,069	124,211

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



Iqbal Bengali
Chief Executive



Khwaja Bakhtiar Ahmed
Director

**NOTES TO AND FORMING PART OF THE
CONDENSED INTERIM FINANCIAL STATEMENTS
For the three months period ended February 28, 2010 (Un-audited)**

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 PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

- 2.1 These condensed interim financial statements of the company for the three months period ended February 28, 2010 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.
- 2.2 These condensed interim financial statements are comprised of the balance sheet as at February 28, 2010 and the profit and loss account, statement of comprehensive income, statement of changes in equity and the cash flow statement for the three months period ended February 28, 2010.
- 2.3 The comparative balance sheet presented in these condensed interim financial statements as at November 30, 2009 has been extracted from the annual audited financial statements of the company for the eleven months period ended November 30, 2009 whereas the items of comparative profit and loss account, statement of comprehensive income, statement of changes in equity and cash flow statement are for the three months period ended February 28, 2009.
- 2.4 The accounting policies and the methods of computations of balances adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the company for the eleven months period ended November 30, 2009.

3. PROPERTY, PLANT AND EQUIPMENT

As at		<u>February 28, 2010</u>	<u>November 30, 2009</u>
	Note	(Rupees '000)	
Operating fixed assets	3.1	<u>176,288</u>	<u>179,681</u>

3.1 Operating fixed assets - cost

	For the three months period ended	
	February 28, 2010	February 28, 2009
	(Rupees '000)	
Additions		
- buildings	820	2,164
- plant and machinery	3,028	2,450
- vehicles	-	16,863
- office equipment	536	-
	4,384	21,477
Disposals [having a net book value of Rs Nil (2009: Rs 3.883 million)]	-	10,550
	<u>4,384</u>	<u>10,550</u>

4. CONTINGENCIES AND COMMITMENTS

4.1 The contingencies of an aggregate value of Rs 444.481 million as reported in the notes 17.1, 17.2, 17.3, 17.4 & 17.5 to the financial statements for the eleven months period ended November 30, 2009 have remained unchanged.

As at	February 28, 2010	November 30, 2009
	(Rupees '000)	
4.2 Commitments for capital expenditure	-	5,297
4.3 Guarantees, post dated cheques and indemnity bonds issued to Collector of Customs against duty on imported raw materials and other guarantees	8,074	9,569
4.4 Outstanding letter of credits	55,420	75,008
	<u>55,420</u>	<u>75,008</u>

		For the three months period ended	
		February 28, 2010	February 28, 2009
		(Rupees '000)	
5.	CASH (USED IN) GENERATED FROM OPERATING ACTIVITIES		
	Profit before taxation	44,918	95,356
	Adjustments for non-cash charges and other items:		
	Net increase in reserve for equity-settled share -based payment plans	-	288
	Depreciation	7,776	8,366
	Provision written back against slow moving and obsolete stock	(1,639)	(2,100)
	Gain on disposal of property , plant and equipment	-	(2,420)
	Profit on deposit accounts	(20)	(1,498)
	Working capital changes	(62,616)	(91,389)
		<u>(56,499)</u>	<u>(88,753)</u>
		<u>(11,581)</u>	<u>6,603</u>
5.1	Working capital changes		
	(Increase) / decrease in current assets:		
	Spares	(15)	(131)
	Stock-in-trade	7,663	(46,544)
	Trade debts	75,807	(1,390)
	Loans and advances	(591)	2,895
	Deposits and prepayments	(4,261)	(7,903)
	Other receivables	(1,852)	(58)
		76,751	(53,131)
	Decrease in current liabilities:		
	Trade and other payables	(139,367)	(38,258)
		<u>(62,616)</u>	<u>(91,389)</u>
6	CASH AND CASH EQUIVALENTS		
		February 28, 2010	February 28, 2009
		(Rupees '000)	
	This comprise of:		
	Cash and bank balances	11,564	40,941
	Short-term investments	-	83,270
	Short-term finances under mark-up arrangements	(2,495)	-
		<u>9,069</u>	<u>124,211</u>

7. OPERATING SEGMENTS

The condensed interim financial information has been prepared on the basis of a single reportable segment.

Sales from pharmaceutical products and others represent **91.2%** and **8.8%** (February 28, 2009: 91.8% and 8.2%) of total revenue of the company respectively.

93.8% (February 28, 2009: 93.2%) of total sales of the Company relates to customers in Pakistan.

All non-current assets of the company as at February 28, 2010 are located in Pakistan.

Sales to four major customers of the company is around **62.2%** during the three months period ended February 28, 2010 (February 28, 2009: 57.5%)

8. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise the parent company (Wyeth LLC., 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:

	Note	For the three months period ended	
		February 28, 2010	February 28, 2009
(Rupees '000)			
Sale of goods to associated undertakings		27,361	40,089
Goods purchased from associated undertakings		79,516	104,045
Services received from associated undertakings	8.1	19,200	4,988
Contribution to the gratuity fund		1,336	1,781
Contribution to the provident fund		1,901	6,260
Remuneration of key management personnel		5,833	10,718

- 8.1. This amount includes Rs 11.641 million against services obtained from Pfizer Pakistan Limited (formerly Parke, Davis & Company Limited).

9. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on **March 30, 2010** by the board of directors of the company.



Iqbal Bengali
Chief Executive



Khwaja Bakhtiar Ahmed
Director