

Un-Audited Accounts for the
3rd Quarter Ended August 31

2005



ABBOTT LABORATORIES (PAKISTAN) LTD.



DIRECTORS' REPORT

The Directors would like to present their Report with the accounts of the Company for the third quarter and nine months ended 31 August 2005.

Overview

Market conditions were generally favourable in the third quarter. Sales to distributors showed steady growth while aggressive marketing led to increase in sales to institutions. Sales off-take in the latter part of the quarter was negatively impacted due to heavy rains in the northern areas and unscheduled holidays on the occasion of local bodies elections.

Your Company has become the first pharmaceutical company in Pakistan to achieve Class-A certification, a business management system based on integrated operations.

Financial Results

Sales for the third quarter increased by 19% compared to the same period last year. Gross profit as a percentage of sales for the quarter declined from 48% to 45% as a result of increase in raw material costs caused by escalation in oil prices. Controlled spending on promotional activities however helped maintain overall selling expenses at previous year's level. Operating profit for the quarter increased by 19% over the same period in 2004. Other income for the quarter increased because of a rise in interest rates in the country. The increase in other charges for the quarter relates to higher provisions for WPPF and WWF, a reflection of higher profitability for your Company. Profit before tax for the quarter increased by 21% over the same period last year. Profit after tax both for the quarter and nine months ended 31 August 2005, was up by 23% over the corresponding periods last year.

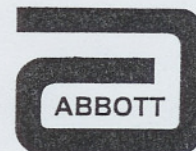
FUTURE OUTLOOK

Increase in raw material costs and a general increase in inflation resulting from sharply higher international oil prices is seriously affecting the Company's operating profit margins in pharmaceutical products. The Government of Pakistan has not allowed any price increase in pharmaceutical products since December 2001, despite very significant increase in oil prices since then and unabated inflation in Pakistan reaching double digits in 2005. Your Company together with the Pharmaceutical Industry therefore urges the Government to urgently allow a price adjustment for all registered products. The Government is also urged to take stern action against the influx of counterfeit products, which endanger the lives of the ordinary citizens.

MUNIR A. SHAIKH
CHAIRMAN


Karachi: September 23, 2005


ABBOTT LABORATORIES (PAKISTAN) LIMITED
BALANCE SHEET
AS AT AUGUST 31, 2005



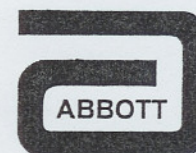
	UNAUDITED AUGUST 31, 2005	AUDITED NOVEMBER 30, 2004
	NOTE ----- (Rupees '000) -----	
FIXED ASSETS - PROPERTY, PLANT AND EQUIPMENT		
Operating assets - tangible	786,253	819,481
Capital work-in-progress	323,305	153,487
	1,109,558	972,968
LONG-TERM LOANS AND ADVANCES	29,422	27,937
LONG-TERM DEPOSITS - CONSIDERED GOOD	4,947	3,332
TOTAL LONG-TERM ASSETS	1,143,927	1,004,237
CURRENT ASSETS		
Stores and spares	46,805	44,933
Stock-in-trade	1,350,087	917,621
Trade debts	128,818	88,050
Loans and advances	28,334	17,444
Trade deposits and short-term prepayments	93,155	62,968
Accrued interest	1,925	491
Other receivables	42,370	14,219
Taxation recoverable	61,772	135,478
Cash and bank balances	1,019,872	1,083,182
	2,773,138	2,364,386
CURRENT LIABILITIES		
Trade and other payables	788,295	554,876
NET CURRENT ASSETS	1,984,843	1,809,510
TOTAL ASSETS LESS CURRENT LIABILITIES	3,128,770	2,813,747
NON CURRENT LIABILITY - DEFERRED TAXATION	16,891	24,145
CONTINGENCIES AND COMMITMENTS	3	
NET ASSETS	3,111,879	2,789,602
FINANCED BY:		
SHARE CAPITAL AND RESERVES		
Authorised capital		
100,000,000 (November 30, 2004: 100,000,000)		
ordinary shares of Rs 10 each	1,000,000	1,000,000
Issued, subscribed and paid - up capital	679,862	566,552
Capital reserves	140,005	253,315
Revenue reserves	1,798,422	1,363,422
Unappropriated profits	493,590	606,313
SHAREHOLDERS' EQUITY	3,111,879	2,789,602

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


KAMRAN Y. MIRZA
CHIEF EXECUTIVE


FARHAT QADEER DAR
DIRECTOR

ABBOTT LABORATORIES (PAKISTAN) LIMITED
 PROFIT AND LOSS ACCOUNT (UNAUDITED)
 FOR THE QUARTER AND NINE MONTHS ENDED AUGUST 31, 2005



	JUN - AUG 2005	DEC - AUG 2005	JUN - AUG 2004	DEC - AUG 2004
----- (Rupees ' 000) -----				
SALES				
Domestic	1,351,081	3,724,295	1,118,485	3,315,816
Export	28,471	82,758	38,177	87,678
	<u>1,379,552</u>	<u>3,807,053</u>	<u>1,156,662</u>	<u>3,403,494</u>
Service fee for toll manufacturing	18,918	39,799	16,149	40,475
	<u>1,398,470</u>	<u>3,846,852</u>	<u>1,172,811</u>	<u>3,443,969</u>
COST OF SALES AND SERVICES	762,472	2,160,392	609,810	1,926,376
GROSS PROFIT	<u>635,998</u>	<u>1,686,460</u>	<u>563,001</u>	<u>1,517,593</u>
SELLING AND DISTRIBUTION EXPENSES	199,254	570,985	198,203	576,552
ADMINISTRATION EXPENSES	33,565	93,258	26,715	82,103
OPERATING PROFIT	<u>403,179</u>	<u>1,022,217</u>	<u>338,083</u>	<u>858,938</u>
OTHER INCOME	15,345	32,130	6,294	11,113
	<u>418,524</u>	<u>1,054,347</u>	<u>344,377</u>	<u>870,051</u>
FINANCIAL CHARGES	716	2,018	1,174	2,324
OTHER CHARGES	34,413	91,913	25,212	68,354
PROFIT BEFORE TAXATION	<u>383,395</u>	<u>960,416</u>	<u>317,991</u>	<u>799,373</u>
TAXATION	<u>118,353</u>	<u>298,209</u>	<u>103,015</u>	<u>262,111</u>
PROFIT AFTER TAXATION	<u>265,042</u>	<u>662,207</u>	<u>214,976</u>	<u>537,262</u>
EARNINGS PER SHARE - BASIC AND DILUTED (In Rupees)	<u>3.90</u>	<u>9.74</u>	<u>3.16</u>	<u>7.90</u>

Appropriations have been reflected in the Statement of Changes in Equity.

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

KAMRAN Y. MIRZA
 CHIEF EXECUTIVE

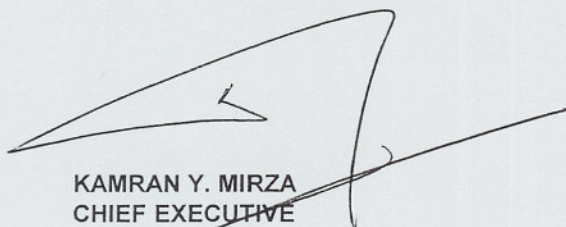
FARHAT QADEER DAR
 DIRECTOR



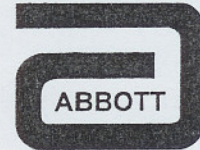
ABBOTT LABORATORIES (PAKISTAN) LIMITED
 CASH FLOW STATEMENT (UNAUDITED)
 FOR NINE MONTHS ENDED AUGUST 31, 2005

	DEC - AUG 2005 ----- (Rupees '000) -----	DEC - AUG 2004
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	960,416	799,373
Depreciation	112,999	109,386
Loss / (Gain) on disposal of fixed assets	204	(2,187)
Income on investment / deposits	(29,483)	(6,198)
Financial charges	2,018	2,324
Working capital movement	(312,673)	(120,459)
Cash generated from operations	733,481	782,239
Taxes paid	(231,757)	(170,488)
Long-term loans and advances	(1,485)	1,101
Long-term deposits	(1,615)	(67)
Long-term prepayments	-	600
Net cash inflow from operating activities	498,624	613,385
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(251,353)	(144,677)
Sale proceeds of fixed assets	1,560	4,177
Income received from investments	28,049	8,370
Net cash outflow on investing activities	(221,744)	(132,130)
CASH FLOW FROM FINANCING ACTIVITIES		
Financial charges paid	(2,018)	(2,324)
Dividend paid	(338,172)	(281,606)
Net cash outflow on financing activities	(340,190)	(283,930)
Net (Decrease) / Increase in cash and cash equivalents	(63,310)	197,325
Cash and cash equivalents at November 30	1,083,182	697,047
Cash and cash equivalents at August 31	1,019,872	894,372

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


 KAMRAN Y. MIRZA
 CHIEF EXECUTIVE

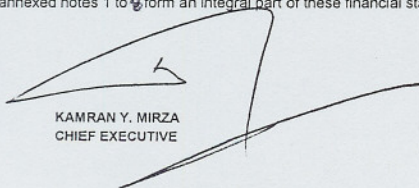

 FARHAT QADEER DAR
 DIRECTOR

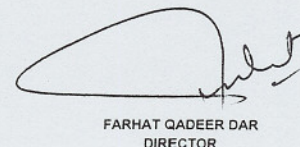


ABBOTT LABORATORIES (PAKISTAN) LIMITED
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR NINE MONTHS ENDED AUGUST 31, 2005

Share Capital	Reserves					Unappropriated Profit	Shareholder's Equity	
	Capital Reserves			Revenue Reserves				
	Share Premium account	Reserve for issue of bonus shares	Reserve arising on merger	Sub total	General Reserves			
(Rupees '000)								
Balance as at November 30, 2003	472,127	207,218	94,425	46,097	347,740	1,363,422	142,470	2,325,759
Effect of change in accounting policy - Note 2.4								
Transfer to reserve for issue of bonus shares appropriated subsequent to the year end	-	-	(94,425)	-	(94,425)	-	94,425	-
Transfer to general reserve appropriated subsequent to the year end	-	-	-	-	-	(199,000)	199,000	-
Balance as at November 30, 2003 - Restated	472,127	207,218	-	46,097	253,315	1,164,422	435,895	2,325,759
Final dividend for the year ended November 30, 2003	-	-	-	-	-	-	(141,638)	(141,638)
Effect of change in accounting policy - Note 2.4								
Transfer to reserve for issue of bonus shares appropriated subsequent to the year end	-	-	94,425	-	94,425	-	(94,425)	-
Transfer to general reserve appropriated subsequent to the year end	-	-	-	-	-	199,000	(199,000)	-
Net profit for the quarter December - February, 2004	-	-	-	-	-	-	133,586	133,586
Balance as at February 29, 2004 - Restated	472,127	207,218	94,425	46,097	347,740	1,363,422	134,418	2,317,707
Issue of bonus shares	94,425	-	(94,425)	-	(94,425)	-	-	-
Net profit for the quarter March - May, 2004	-	-	-	-	-	-	188,700	188,700
Balance as at May 31, 2004 - Restated	566,552	207,218	-	46,097	253,315	1,363,422	323,118	2,506,407
Interim dividend for the half year ended May 31, 2004	-	-	-	-	-	-	(141,638)	(141,638)
Net profit for the quarter June - August, 2004	-	-	-	-	-	-	214,976	214,976
Balance as at August 31, 2004	566,552	207,218	-	46,097	253,315	1,363,422	396,456	2,579,745
Balance as at November 30, 2004	566,552	93,908	113,310	46,097	253,315	1,798,422	171,313	2,789,602
Effect of change in accounting policy - Note 2.4								
Transfer to reserve for issue of bonus shares appropriated subsequent to the year end	-	113,310	(113,310)	-	-	-	-	-
Transfer to general reserve appropriated subsequent to the year end	-	-	-	-	-	(435,000)	435,000	-
Balance as at November 30, 2004 - Restated	566,552	207,218	-	46,097	253,315	1,363,422	606,313	2,789,602
Final dividend for the year ended November 30, 2004	-	-	-	-	-	-	(169,965)	(169,965)
Effect of change in accounting policy - Note 2.4								
Transfer to reserve for issue of bonus shares appropriated subsequent to the year end	-	(113,310)	113,310	-	-	-	-	-
Transfer to general reserve appropriated subsequent to the year end	-	-	-	-	-	435,000	(435,000)	-
Net profit for the quarter December - February, 2005	-	-	-	-	-	-	144,241	144,241
Balance as at February 28, 2005 - Restated	566,552	93,908	113,310	46,097	253,315	1,798,422	145,589	2,763,878
Issue of bonus shares	113,310	-	(113,310)	-	(113,310)	-	-	-
Net profit for the quarter March - May, 2005	-	-	-	-	-	-	252,924	252,924
Balance as at May 31, 2005	679,862	93,908	-	46,097	140,005	1,798,422	398,513	3,016,802
Interim dividend for the half year ended May 31, 2005	-	-	-	-	-	-	(169,965)	(169,965)
Net profit for the quarter June - August, 2005	-	-	-	-	-	-	265,042	265,042
Balance as at August 31, 2005	679,862	93,908	-	46,097	140,005	1,798,422	493,590	3,111,879

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


KAMRAN Y. MIRZA
CHIEF EXECUTIVE


FARHAT QADEER DAR
DIRECTOR



ABBOTT LABORATORIES (PAKISTAN) LIMITED
NOTES TO THE ACCOUNTS (UNAUDITED)
FOR NINE MONTHS ENDED AUGUST 31, 2005

1 THE COMPANY AND ITS OPERATIONS

Abbott Laboratories (Pakistan) Limited (ALPL) is a public limited company incorporated in Pakistan on July 02, 1948, and its shares are quoted on the Karachi, Lahore and Islamabad stock exchanges. The address of its registered office is opposite Radio Pakistan Transmission Centre, Hyderabad Road, Landhi, Karachi. The Company is principally engaged in the manufacture, import and marketing of research based pharmaceutical, nutritional, diagnostic, hospital and consumer products and in providing toll manufacturing services.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. Approved accounting standards comprise of such International Accounting Standards (IASs) as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives take precedence. The disclosures made in these financial statements have, however, been limited based on the requirements of the International Accounting Standard 34, Interim Financial Reporting. These financial statements are unaudited.

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention

2.3 Accounting policies

These financial statements have been prepared using the same accounting policies which were applied in the preparation of the annual audited financial statements of the Company for the year ended November 30, 2004, except for the change mentioned in note 2.4.

2.4 Change in accounting policy

During the current year the Company has changed its accounting policy pertaining to transfers between reserves made subsequent to the year end. The change has been made consequent to the amendment made by the SECP in the Fourth Schedule to the Companies Ordinance, 1984 and the new policy is in accordance with the requirements of IAS 10 (Events after the Balance Sheet Date). As per the new policy transfers between reserves made subsequent to the balance sheet date are considered as non-adjusting events and are not recognised in the financial statements. Previously, such transfers between reserves were being treated as adjusting events in the financial statements of the Company.

The change in accounting policy has been applied retrospectively and the comparative information has been restated in accordance with the benchmark treatment specified in IAS 8 (Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies). Had there been no change in the accounting policy, the unappropriated profit for the years ended November 30, 2003 and November 30, 2004 would have been lower by Rs.293.425 million and Rs. 435 million respectively and the revenue reserves and capital reserves for the years ended November 30, 2003 and November 30, 2004 would have been higher by Rs. 199 million and Rs. 94.425 million and Rs.435 million and Rs Nil respectively.

The effect of the change in accounting policy has been reflected in the statement of changes in equity. The change in accounting policy has not resulted in any change in the profit for the current period.

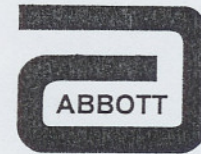
3 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

- (a) The Deputy Commissioner of Income Tax (DCIT) had increased the taxable income of the Company for the accounting periods 1982 to 2001 on account of excess amounts allegedly paid for import of materials resulting in additional tax liability amounting to Rs 356.525 million. The High Court of Sindh through its order dated October 13, 1999 has decided the matter in favour of the Company in respect of the assessment year 1983 - 84 due to which the above additional tax liability has reduced by Rs 4.624 million. The disallowances in respect of a number of assessment years have been set aside by various appellate authorities for re-assessment while the Company's appeals in respect of remaining assessment years are currently pending. The management is confident that the eventual outcome of the matter will be in favour of the Company and, accordingly, no provision has been made in these accounts in respect of the above mentioned net tax demand of Rs 351.901 million raised by the authorities.
- (b) The Company has given bank guarantees of Rs 79.894 million (November 30, 2004: Rs 77.078 million) to the Customs Department and other institutions. Guarantees given to the Customs Department will be released on consumption of materials in pharmaceutical products as certified by the Drug Controller.

COMMITMENTS

Commitments for capital expenditure as at August 31, 2005 aggregated to Rs 129.865 million (November 30, 2004: Rs 221.972 million).



4 OPERATING FIXED ASSETS - TANGIBLE [ADDITIONS / (DISPOSALS) / (ADJUSTMENTS)]	DEC - AUG 31	DEC - AUG 31
	2005	2004
	----- (Rupees '000) -----	
Buildings on freehold land	4,203	-
	-	-
Plant and machinery	28,619	70,519
	(8,403)	-
Office equipment	2,774	180
	-	-
Vehicles	10,193	18,790
	(2,333)	(7,542)
Computers	8,582	7,460
	-	-
Demonstration equipment	29,360	12,827
	(9,109)	(97)
TOTAL ADDITIONS	83,731	109,776
TOTAL (DISPOSALS) / (ADJUSTMENTS)	(19,845)	(7,639)

5 RELATED PARTY TRANSACTIONS	DEC - AUG 31	DEC - AUG 31
	2005	2004
	----- (Rupees '000) -----	
Technical service fee expenses	42,322	38,540
Sale of goods	16,450	8,048
Service fee for toll manufacturing	8,555	3,301
Purchase of materials	871,994	640,728
Reimbursement from an associated undertaking	18,422	16,631
Interest income earned	1,250	1,360
Payments made to retirement benefit plans	51,066	46,668

The Company has related party relationship with its associated undertakings, employee benefit plans and its directors and executive officers (including their associates). Transactions with related parties essentially entail sale and purchase of goods and services and expenses charged between these companies.

Consideration for purchase and sale of goods is determined on commercial terms while consideration for services is determined with mutual agreement considering the level of services provided.



6. SEGMENT WISE OPERATING RESULTS

6.1 For the Quarter Ended August 31:

	2005			2004		
	Pharma	Others	Total	Pharma	Others	Total
----- (Rupees '000) -----						
Sales	1,181,397	234,903	1,416,300	1,012,847	186,683	1,199,530
Less:						
Sales return & discounts	10,417	3,891	14,308	18,369	4,969	23,338
Sales tax & excise duty	-	22,440	22,440	-	19,530	19,530
Net sales	1,170,980	208,572	1,379,552	994,478	162,184	1,156,662
Service fee for toll manufacturing	18,918	-	18,918	16,149	-	16,149
	1,189,898	208,572	1,398,470	1,010,627	162,184	1,172,811
Cost of goods sold & services	623,117	139,355	762,472	501,153	108,657	609,810
Gross profit	566,781	69,217	635,998	509,474	53,527	563,001
Selling and distribution expenses	169,487	29,767	199,254	177,151	21,052	198,203
Administration expenses	28,557	5,008	33,565	23,915	2,800	26,715
Operating profit	368,737	34,442	403,179	308,408	29,675	338,083
Segment assets employed (%)	91.0	9.0	100	91.0	9.0	100

6.2 For Nine Months Ended August 31:

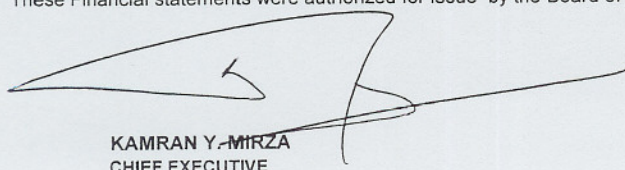
	2005			2004		
	Pharma	Others	Total	Pharma	Others	Total
----- (Rupees '000) -----						
Sales	3,284,621	631,320	3,915,941	2,977,972	538,960	3,516,932
Less:						
Sales return & discounts	36,698	10,859	47,557	41,539	14,678	56,217
Sales tax & excise duty	-	61,331	61,331	-	57,221	57,221
Net sales	3,247,923	559,130	3,807,053	2,936,433	467,061	3,403,494
Service fee for toll manufacturing	39,799	-	39,799	40,475	-	40,475
	3,287,722	559,130	3,846,852	2,976,908	467,061	3,443,969
Cost of goods sold & services	1,782,075	378,317	2,160,392	1,623,970	302,406	1,926,376
Gross profit	1,505,647	180,813	1,686,460	1,352,938	164,655	1,517,593
Selling and distribution expenses	487,994	82,991	570,985	498,140	78,412	576,552
Administration expenses	79,703	13,555	93,258	70,936	11,167	82,103
Operating profit	937,950	84,267	1,022,217	783,862	75,076	858,938
Segment assets employed (%)	91.0	9.0	100	91.0	9.0	100

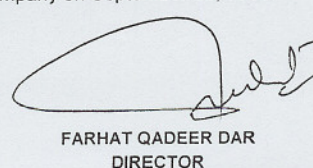
7. CORRESPONDING FIGURES

Due to certain changes made by the Securities and Exchange Commission of Pakistan in the Fourth Schedules to the Companies Ordinance, 1984 through SRO 589(1)/2004 dated July 5, 2004, comparative periods' figures have been rearranged or reclassified, wherever necessary, for the purpose of comparison.

8. Date of Authorization

These Financial statements were authorized for issue by the Board of Directors of the Company on September 23, 2005.


KAMRAN Y. MIRZA
CHIEF EXECUTIVE


FARHAT QADEER DAR
DIRECTOR