Wyeth

Leading the
way to a
Healthier
World

Wyeth Pakistan Limited P.O. Box No. 167, Karachi-75730 **Wyeth®**

Board of Directors (From Left to Right)
Dr. Munawar Ali Uqaili, Mr. Abdul Naseer, Mr. Khwaja Bakhtiar Ahmed,
Ms. Aliya Yusuf, Mr. Arshad Rahim Khan, Mr. Behram Hasan and Mr. Javed Iqbal,

Board of Directors Meeting held on March 20, 2006
to consider and approve Audited Accounts for the year ended December 31, 2005

Wyeth

Products Launched in 2005

Our Mission, Vision and Values

Mission:

We bring to the world pharmaceutical and health care products that improve lives and deliver outstanding value to our customers and shareholders.

Vision:

Our vision is to lead the way to a healthier world. By carrying out this vision at every level of our organization, we will be recognized by our employees, customers and shareholders as the best pharmaceutical company in the world, resulting in value for all.

We will achieve this by being accountable for:

- Leading the world in innovation through pharmaceutical, biotech and vaccine technologies.
- Making trust, quality, integrity and excellence hallmarks of the way we do business.
- Attracting, developing and motivating our people.
- Continually growing and improving our business.
- Demonstrating efficiency in how we use resources and make decisions.

Values:

To achieve our mission and realize our vision, we must live by our values:

- *Quality*
- *Integrity*
- *Respect for People*
- *Leadership*
- *Collaboration – " Teamwork"*

Quality

We are committed to excellence - in the results we achieve and in how we achieve them:

- Do our jobs right every time.
- Focus on what's important.
- Raise the bar and deliver continuous process improvement.
- Innovate and execute flawlessly.

Integrity

We do what is right for our customers, our communities, our shareholders and ourselves:

- Operate ethically.
- Take responsibility for our actions.
- Follow through on commitments.
- Communicate in an honest and authentic manner.
- Respect confidentiality.

Respect for People

We promote a diverse culture and a commitment to mutually respect our employees, our customers and our communities:

- Treat others with dignity and respect.
- Embrace and encourage new ideas.
- Cultivate individual talents.
- Celebrate achievements.
- Foster an environment of trust.
- Encourage open and honest dialogue.
- Embrace diversity to drive business results.

Leadership

We value people at every level who lead by example, take pride in what they do and inspire others:

- Model our values.
- Perform our jobs with passion and conviction.
- Bring out the best in people.
- Anticipate, plan and embrace change.
- Demonstrate personal initiative.
- Promote innovative thinking.
- Develop talent.
- Make the most of our resources.
- Improve processes to drive cost efficiencies.
- Take personal ownership for results.

Collaboration – "Teamwork"

We value teamwork - working together to achieve common goals is the foundation of our success:

- Be flexible and responsive.
- Think and work across boundaries.
- Share knowledge and information freely.
- Seek input and listen.

Take personal ownership for collaborating with others.

Wyeth

CONTENTS

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

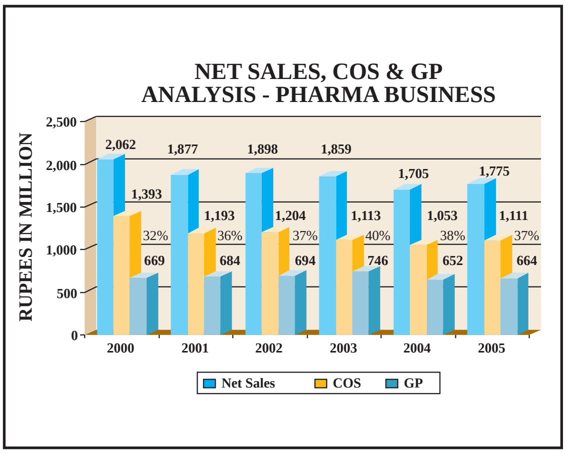
HEAD OFFICE / REGISTERED OFFICE
S-33, Hawkes Bay Road, S.I.T.E.,
G.P.O. Box No.167, Karachi.
Ph. # 92-21-2354651-61 & 111-777-333
Fax: # 92-21-2354681
Website: **www.wyethpakistan.com**
Note: These accounts are also available on our website.

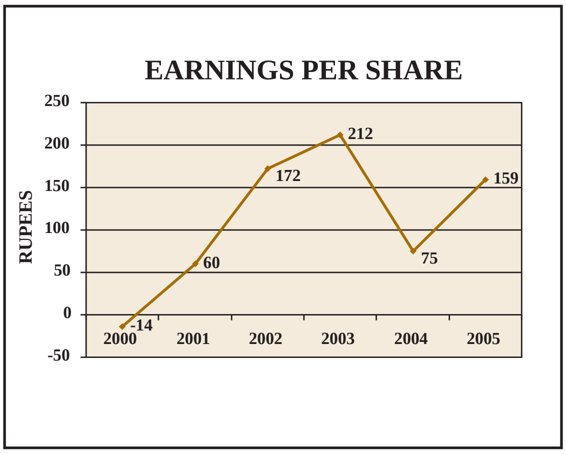
Key operating and financial data of six years

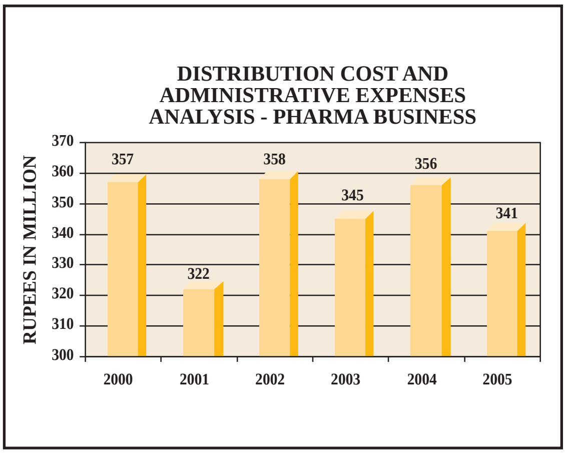
KEY INDICATORS		2000	2001	2002	2003	2004	2005
Trading results (Rs. in millions)							
Net sales		2,101	1,877	1,898	1,859	1,705	**1,776**
Gross profit		623	684	694	746	652	**664**
Operating profit		179	361	335	402	296	**323**
Profit/(loss) before tax		(7)	285	336	432	161	**327**
Profit/(loss) after tax		(20)	86	245	302	107	**227**
Financial position (Rs. in millions)							
Shareholder's equity		248	334	543	809	916	**1,071**
Property, plant & equipment		101	129	134	159	175	**174**
Net current assets		193	214	411	666	734	**896**
Long-term liabilities		2	1	3	6	1	**7**
Profitability							
Gross profit	%	29.64	36.43	36.54	40.13	38.22	**37.40**
Operating profit	%	8.54	19.26	17.66	21.59	17.37	**18.16**
Profit/(loss) before tax	%	(0.35)	15.20	17.69	23.21	9.45	**18.42**
Profit/(loss) after tax	%	(0.95)	4.55	12.89	16.22	6.27	**12.77**
Performance							
Fixed assets turnover	Times	20.72	14.54	14.17	11.69	9.77	**10.20**
Avg. Inventory holding period	Days	117	148	116	154	183	**169**
Debtor's turnover	Times	8.95	11.79	8.44	8.12	15.10	**30.81**
Average collection period	Days	41	31	43	45	24	**12**
Return/(loss) on equity	%	(8.09)	25.64	45.09	37.28	11.68	**21.16**
Return/(loss) on capital employed	%	(8.00)	25.55	44.83	37.01	11.67	**21.03**
Liquidity							
Current	Times	1.11	1.28	1.78	3.30	3.03	**3.63**
Quick	Times	0.78	0.62	1.02	1.61	1.57	**2.16**
Valuation							
Earning/(loss) per share (before tax)	Rs.	(5.25)	200.69	236.13	303.57	113.31	**230.10**
Earning/(loss) per share (after tax)	Rs.	(14.13)	60.18	172.19	212.12	75.25	**159.48**
Breakup value per share	Rs.	174.49	234.67	381.86	568.98	644.23	**753.71**
Dividend per share	Rs.	-	-	25.00	25.00	* 50.00	* **60.00**
Dividend payout ratio (after tax)	%	-	-	14.51	11.78	* 66.44	* **37.62**
Price earning ratio	Times	10.62	3.90	3.95	7.54	17.04	**12.29**
Dividend yield	%	-	-	5.46	2.19	* 3.46	* **3.70**
Market value per share at 31-12	Rs.	150	235	680	1,600	1,282	**1,960**
Market capitalization	Rs.(M)	213	334	967	2,275	1,823	**2,786**

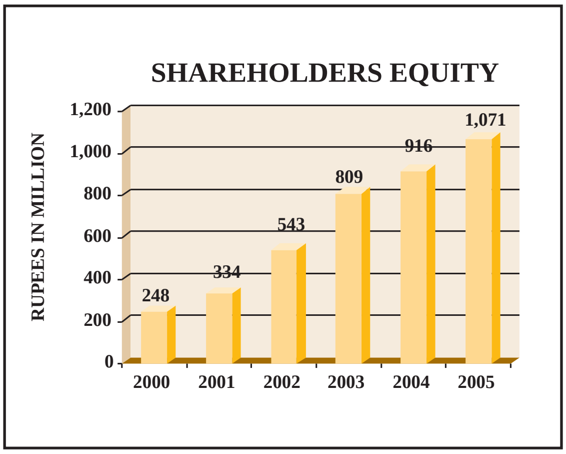
* Post Balance Sheet Events - The Board of Directors have proposed dividend for the year ended December 31, 2005 of Rs **60** per share (2004: Rs 50 per share) at their meeting held on March 20, 2006.

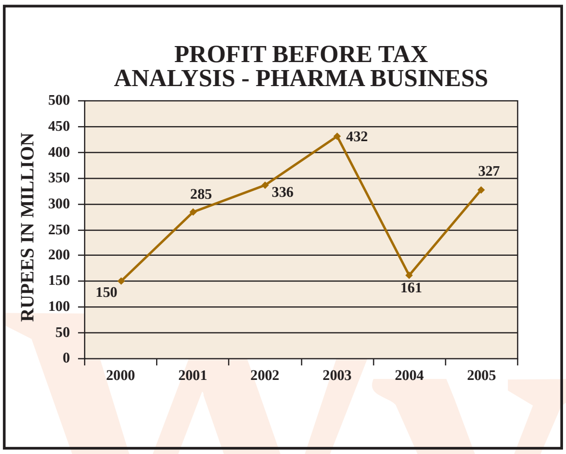
PERFORMANCE AT A GLANCE

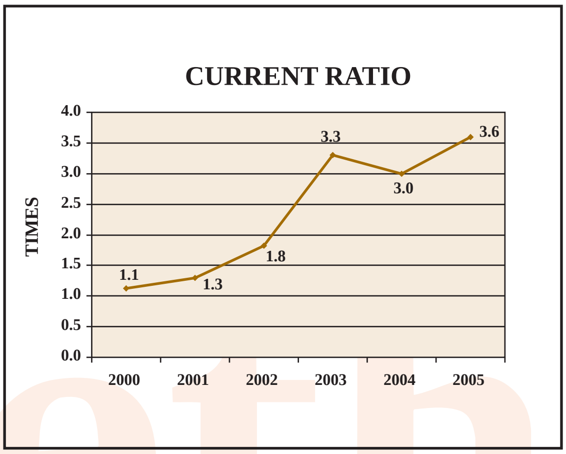












NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fifty Seventh Annual General Meeting of **Wyeth Pakistan Limited** will be held on Tuesday, April 18, 2006, at 10.30 a.m. at the Registered Office of the Company, S-33, Hawkes Bay Road, SITE, Karachi, to transact the following business:

ORDINARY BUSINESS :

1. To confirm the minutes of the Fifty Sixth Annual General Meeting of the Company held on April 28, 2005.

2. To receive, consider and adopt the Audited Accounts together with the Directors' and Auditors' Reports for the year ended December 31, 2005.

3. To approve payment of cash dividend @ 60% as recommended by the Directors.

4. To approve the transmission of Quarterly Accounts through Company's Website.

5. To appoint Auditors for the year ending December 31, 2006 and to authorize Board of Directors to fix their remuneration.

By Order of the Board

KHWAJA BAKHTIAR AHMED
Director/Company Secretary

Karachi : **March 24, 2006.**

NOTES :

1. The Share Transfer Books of the Company will remain closed from April 18, 2006 to April 24, 2006 (both days inclusive).

2. A member entitled to attend and vote at the above meeting may appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. The completed Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

3. Account holders and sub-account holders and/or the persons whose securities are in group account and holding book entry securities of the Company in Central Depository System of Central Depository Company of Pakistan Limited (CDC), who wish to attend the General Meeting are requested to please bring original I.D. Card with copy thereof duly attested or the original passport and account number in CDC for verification. In case of proxy, he/she must also produce attested copy of his/her NIC or original passport at the time of meeting.

4. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted alongwith proxy form to the Company.

5. Members are requested to promptly communicate to the Company's Registrar any change in their addresses.

DIRECTORS' REPORT

It gives us pleasure to welcome you to the 57th Annual General Meeting of the Company.

Business Overview

The business of your Company progressed during 2005 in the face of continuous challenges. As per our plan, we launched two new products S-26 Gold and Promil Gold during 2005. The market response and sales of these products are very encouraging. Our major therapeutic class Anti TB products performance remained under pressure due to free product supplies from Global Drug Facility (GDF). Efexor (Anti-depressant) and Tazocin (Antibiotic) continue to perform well while performance of other products also improved as compared to 2004. The Company had initiated a restructuring program in 2004 as a result of which we were able to reduce our costs and improve our operating results.

Operating Results

The Company's net domestic sales and export sales for the year increased by **4.4** % and **1.2%** as compared to last year, respectively. There has been no price increase by Government of Pakistan for last four years. The performance, therefore, has come from volume only.

Cost of sales as a percent of net sales is higher due to rising cost of raw materials in international market used in some of our key products. In the absence of any price increase by Government of Pakistan, our profitability remains under pressure. Distribution cost and administrative expenses for the year have also decreased due to restructuring measures taken last year. Other income reported this year is lower than last year. Last year other income was higher as we booked higher interest income on determined tax refunds of prior years.

In view of various business improvement measures taken by the management, the working capital has significantly improved and cash generated from operations has resulted in significant increase in cash and bank balances. Your Company's management is continuously focused in taking steps to improve performance in spite of various business difficulties.

Future Strategies

The Company remains committed to invest in new products, focus on key brands and introducing new therapies for the benefit of the people of Pakistan.

The consolidation, manpower rationalization and business improvement initiatives undertaken in prior years and the period under review will contribute towards improving operational efficiencies and reducing operational costs on an ongoing basis. However, in the absence of any price increase / adjustment policy and also in view of increasing trend of raw material prices in international markets it will remain a challenge to maintain, leave alone improve our results. The management of your Company is dedicated to make further investments in improving Company operations.

Besides all our efforts to make the Company strong, it is also necessary on part of the Government that they should develop a progressive market oriented regulatory framework particularly for price review without which the planning and forecasting for new investments will be impaired.

Donation to Earthquake Victims in 2005

The earthquake disaster in the northern areas of Pakistan on October 8th, 2005 took a toll of thousands of lives and has rendered millions homeless. Wyeth USA, Wyeth Pakistan and its employees also mourn the tragedy and have donated in the form of cash and kind (medicines etc.) towards the relief efforts. Wyeth Pakistan has donated Rupees 1.5 million along with the medicines at a market value of Rupees 2.1 million. Wyeth USA donated US Dollars 1.1 million in cash and 1 million single unit dose of Hib Titer® (Haemophilus b Conjegate Vaccine Diphtheria CRM197 Protein Conjugate) of a value of US Dollars 28 million, which protects young children against Haemophilus influenzae type b, a major cause of invasive bacterial disease.

Environment

Wyeth Pakistan has a well defined Corporate Environment Policy which is in practice to ensure compliance with relevant laws of National Environment Quality Standards (NEQS). We have installed a Waste Water Treatment Plant of Sequential Batch Reactor Type (SBR). In addition, we have replaced reciprocating type of chiller with Absorption chiller to eliminate use of Refrigerant gases, which are Ozone depleting.

Directors

Since the last Annual General Meeting, the following changes took place in the constitution of the Company's Board.

- Re-election of directors
- On September 15, 2005 Mr. Humayun Nazir, an alternate Director for Mr. Baldev Arora resigned from the Board
- Mr. Baldev Arora appointed Mr. Abdul Naseer as his alternate on October 25, 2005.

The Board of Directors wish to place on record appreciation of services rendered by the outgoing alternate Director and welcomed the new alternate Director on the Board.

Subsequent Events

No material changes or commitments affecting financial position of the Company have taken place between the end of the financial year and the date of this report.

Audit Committee

Audit Committee was reconstituted with the same members.

Auditors

M/s A.F. Ferguson & Co., Chartered Accountants were appointed as auditors of the Company for the current year in the 56th Annual General Meeting held on April 28, 2005. The present Auditors, M/s A.F. Ferguson & Co., Chartered Accountants retire and being eligible offer themselves for reappointment. The Board of Directors on the suggestion of Audit Committee recommended the appointment of M/s. A.F. Ferguson & Co., Chartered Accountants as statutory auditors till the conclusion of next AGM.

Dividend

The Directors are pleased to announce the dividend of Rs. **60** being **60%** on a share of Rs.100 each held at the close of the share transfer books as referred in notice of the **57th** Annual General Meeting. Last dividend was declared in 2005 @ Rs.50 i.e. 50% on each share of Rs.100.

Parent Companies

Wyeth incorporated in the state of Delaware, U.S.A. holds 576,470 (40.55%) shares and Wyeth Holdings Corporation, New Jersey, U.S.A. (100% owned company of Wyeth) holds 448,560 (31.55%) shares thus the total holding is 72.10%.

Code of Corporate Governance – Statement of Directors' Responsibilities

The Securities and Exchange Commission of Pakistan (SECP) introduced in March 2002, Code of Corporate Governance to enhance the transparency and credibility in the corporate sector for listed Companies. In compliance of the Code of Corporate Governance, we give below statements on Corporate and Financial Reporting Framework:

a) The financial statements prepared by the management of the company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

b) Proper books of accounts of the Company have been maintained.

c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

d) International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.

e) The system of internal control is sound in design and has been effectively implemented and monitored.

f) There are no significant doubts upon the Company's ability to continue as a going concern.

g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

h) Key operating and financial data of last six years (including current year) are shown on page **2**.

i) There are certain disputed demands of Income Tax which have not been accrued or paid. These have been explained in the note no. **26** on Taxation.

j) The value of investments of pension, gratuity and provident fund were as follows:

Name of Funds	**Un-audited 2005**	Audited 2004
Pension Fund	**Rs. 98 million**	Rs. 72 million
Gratuity Fund	**Rs. 84 million**	Rs. 87 million
Provident Fund	**Rs. 198 million**	Rs. 222 million

The value of investments includes accrued interest and the audit of these funds for the year is in progress.

k) During the year five board meetings were held and following were present (P) and absent (A) at the meeting.

No. of meetings	1	2	3	4	5
Date of Meetings	**16-03-05**	**21-03-05**	**28-04-05**	**24-08-05**	**25-10-05**
Directors					
Arshad Rahim Khan	**P**	**P**	**P**	**P**	**P**
Khwaja Bakhtiar Ahmed	**P**	**P**	**P**	**P**	**P**
Javed Iqbal	**P**	**P**	**P**	**A**	**P**
Dr. Munawar Ali Uqaili	**P**	**P**	**P**	**P**	**P**
Aliya Yusuf	**P**	**P**	**P**	**P**	**P**
Behram Hasan	**P**	**P**	**A**	**P**	**P**
Humayun Nazir *	**P**	**P**	**P**	**P**	-
Abdul Naseer **	-	-	-	-	**P**

* Left the board on September 15, 2005.
** Joined the board on October 25, 2005.

l) The Chief Executive Officer, Chief Financial Officer/ Company Secretary and all Directors have confirmed, that neither they nor their spouses and minor children carried out trading in the shares of the Company.

Industrial Relations
We are pleased to acknowledge that the relations with employees remained congenial throughout the year. The management recognizes and records its sincere appreciation to all employees for their continued dedication, commitment and hard work for the growth and prosperity of the company, without which this performance would not have been possible. Wyeth Pakistan has a very clear mission, vision and values. Our products are of highest quality and our people are dedicated and hardworking. Once again we expect the same zeal and continued commitment in years to come, as was in the past.

Earnings per share

Earnings per share after taxation is Rupees **159.48** (2004:Rupees 75.25).

Corporate Governance

A statement of compliance with the Code of Corporate Governance is attached.

Pattern of Shareholding

The pattern of shareholding is given on page **40** of this report.

By Order of the Board

Arshad Rahim Khan
Chief Executive

Khwaja Bakhtiar Ahmed
Director

Karachi: **March 20, 2006**

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance contained in Listing Regulation No. 37 of the Karachi Stock Exchange and Chapter XIII of the Lahore Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive Directors and Directors representing minority interests on its Board of Directors (the Board). At present the Board includes two independent non-executive Directors. The Company also has one Director representing minority equity interest of Institutional Investor (NIT).

2. All the resident Directors have confirmed that none of them is serving as a Director in more than ten listed companies, including this Company.

3. All the resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a Development Financial Institution or a Non-Banking Financial Institution or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. No casual vacancy occurred during the year.

5. The Company has prepared a 'Statement of Ethics and Business Practices', which has been signed by all executive Directors and management employees of the Company.

6. The Company has adopted a mission, vision and values statement that has been approved by the Board and the overall corporate strategy of the Company reflects the vision and values set out in the statement. Detail of significant policies for material matters are regularly being re-evaluated and material changes in the significant policies will be placed before the Board for the approval.

7. All the powers of the Board have been duly exercised. The decisions on major transactions and the appointments of Chief Executive and Directors have been approved by the Board. The board has also approved the Directors' remuneration.

8. The meetings of the Board were presided over by the Chairman and the Board has met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The Board arranges orientation courses for its Directors to apprise them of their duties and responsibilities, which is an ongoing process.

10. The Board has approved appointment of Chief Financial Officer (CFO) / Company Secretary and Head of Internal Audit.

11. The Directors' report for this year has been prepared in accordance with the requirements of the Code and fully describes the salient matters that are required to be disclosed.

12. CEO and CFO duly endorsed the financial statements of the Company before approval of the Board.

13. The Directors, Chief Executive Officer (CEO) and executives do not hold any interest in the shares of the Company other than disclosed in the pattern of shareholding and the spouses of the Directors are not engaged in the business of stock brokerage.

14. The Company has complied with all the corporate and financial reporting requirements of the Code.

15. The Board has formed an audit committee. It comprises 3 members, of whom 2 are non-executive Directors. The Chairman of the committee is non-executive Director.

16. The meetings of the Audit Committee were held at least once in every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the Audit committee have been formed and approved by the Board.

17. The Board has set-up an effective internal audit function.

18. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review Programme of the Institute of Chartered Accountant of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountant of Pakistan.

19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

20. All other material principles contained in the Code have been complied with.

Arshad R. Khan

ARSHAD RAHIM KHAN
Chief Executive

Karachi: **March 20, 2006**

A.F. FERGUSON & CO.

A member firm of
PRICEWATERHOUSECOOPERS

A.F. Ferguson & Co.
Chartered Accountants
State Life Building No. 1-C
I.I. Chundrigar Road, P.O. Box 4716
Karachi-74000, Pakistan
Telephone: (021) 2426682-6 / 2426711-5
Facsimile : (021) 2415007 / 2427938

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Wyeth Pakistan Limited to comply with the Listing Regulation No. 37 of the Karachi Stock Exchange and Chapter XIII of the Lahore Stock Exchange where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the status of company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended December 31, 2005.

Chartered Accountants

Karachi: **March 20, 2006**

Lahore Office: 505-509, 5th Floor, Alfalah Building, P.O. Box 39, Shahrah-e-Quaid-e-Azam, Lahore, Pakistan Tel: (92-42) 6301796-7/ 6307127-30 Fax: (92-42) 6361954
Islamabad Office: PIA Building, 49 Blue Area, P.O.Box 3021, Islamabad, Pakistan Tel: (92-21) 2273457-60 Fax: (92-51) 2277924

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Facsimile : (021) 2415007 / 2427938

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Wyeth Pakistan Limited as at December 31, 2005 and the related profit and loss account, statement of changes in equity and cash flow statement together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that-

(a) in our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984:

(b) in our opinion-

(i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

(ii) the expenditure incurred during the year was for the purpose of the company's business; and

(iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of changes in equity and cash flow statement together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at December 31, 2005 and of the profit, its changes in equity and cash flows for the year then ended; and

(d) in our opinion, zakat deductible at source under the Zakat and Ushr Ordinance, 1980 was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

AFerguson & Co

Chartered Accountants

Karachi: **March 20, 2006**

Lahore Office: 505-509, 5th Floor, Alfalah Building, P.O. Box 39, Shahrah-e-Quaid-e-Azam, Lahore, Pakistan Tel: (92-42) 6301796-7/ 6307127-30 Fax: (92-42) 6361954
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BALANCE SHEET
AS AT DECEMBER 31, 2005

	Note	2005	2004
		(Rupees '000)	
NON-CURRENT ASSETS			
Property, plant and equipment	4	174,000	174,544
Long-term loans	5	6,259	5,588
Long-term deposits		1,779	1,859
Deferred taxation	6	-	192
		182,038	182,183
CURRENT ASSETS			
Spares		1,935	1,915
Stocks	7	498,684	527,910
Trade debts	8	71,915	43,330
Loans and advances	9	79,671	9,306
Deposits and prepayments	10	9,295	6,246
Other receivables	11	31,059	13,830
Taxation - net		147,580	182,933
Cash and bank balances	12	397,411	309,999
		1,237,550	1,095,469
		1,419,588	1,277,652
SHARE CAPITAL AND RESERVES			
Share capital	13	142,161	142,161
Reserves	14	700,000	666,000
Unappropriated profit		229,326	107,681
		1,071,487	915,842
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance leases	15	-	1,039
Deferred taxation	6	6,753	-
		6,753	1,039
CURRENT LIABILITIES			
Trade and other payables	16	340,338	359,227
Current maturity of liabilities against assets subject to finance leases	15	1,010	1,544
		341,348	360,771
CONTINGENCIES AND COMMITMENTS	18		
		1,419,588	1,277,652

The annexed notes 1 to 35 form an integral part of these financial statements.

Arshad Rahim Khan
Chief Executive

Khwaja Bakhtiar Ahmed
Director

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2005

	Note	2005	2004
		(Rupees '000)	
Net sales	19	1,775,514	1,705,256
Cost of sales	20	1,111,472	1,053,427
Gross profit		664,042	651,829
Distribution cost	21	250,292	252,883
Administrative expenses	22	91,154	102,739
		341,446	355,622
Operating profit		322,596	296,207
Other operating income	23	39,439	46,199
		362,035	342,406
Finance costs	24	1,611	2,221
Voluntary separation scheme		-	165,707
Other operating expenses	25	33,315	13,391
		34,926	181,319
Profit before taxation		327,109	161,087
Taxation	26		
Current - for the year		95,474	51,112
- for prior years'		(2,035)	6,469
Deferred		6,945	(3,469)
		100,384	54,112
Profit after taxation		226,725	106,975
Profit after taxation attributable to:			
- the parent company		163,477	77,133
- other equity holders		63,248	29,842
		226,725	106,975
		Rupees	
Earnings per share - basic and diluted	27	159.48	75.25

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

The annexed notes 1 to 35 form an integral part of these financial statements.

Arshad Rahim Khan
Chief Executive

Khwaja Bakhtiar Ahmed
Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2005

	Issued, subcribed and paid up share capital	---------- Reserves --------- Capital reserve (Tax holiday)	General reserve	Sub total	Unappro-priated profit	Total
	------------------------- (Rupees '000)					-------------------------
Balance at January 1, 2004	142,161	215	665,785	666,000	706	808,867
Net profit for the year	-	-	-	-	106,975	106,975
Balance at January 1, 2005	142,161	215	665,785	666,000	107,681	915,842
Increase in unappropriated profit is atributable to:						
- the parent company					77,133	
- other equity holders					29,842	
					106,975	
Balance at January 1, 2005	142,161	215	665,785	666,000	107,681	915,842
Transfer to general reserve	-	-	34,000	34,000	(34,000)	-
Dividend for the year ended December 31, 2004	-	-	-	-	(71,080)	(71,080)
Net profit for the year	-	-	-	-	226,725	226,725
Balance at December 31, 2005	142,161	215	699,785	700,000	229,326	1,071,487
Increase in reserves attributable to:						
- the parent company					87,710	
- other equity holders					33,935	
					121,645	

The annexed notes 1 to 35 form an integral part of these financial statements.

Arshad Rahim Khan
Chief Executive

Khwaja Bakhtiar Ahmed
Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2005

	Note	2005	2004
		(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	31	232,135	407,069
Mark-up on running finances paid		(4)	(4)
Profit received on deposit accounts		8,227	3,642
Finance lease charges paid		(251)	(462)
(Increase) / decrease in long-term loans		(671)	2,708
Decrease in long-term deposits		80	1,080
Taxes paid		(58,086)	(109,988)
Net cash inflow from operating activities		181,430	304,045
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(27,755)	(41,150)
Proceeds from disposal of property, plant and equipment		6,332	3,269
Net cash outflow from investing activities		(21,423)	(37,881)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(71,022)	(35,295)
Liabilities against assets subject to finance leases (net)		(1,573)	(1,571)
Net cash outflow from financing activities		(72,595)	(36,866)
Net increase in cash and cash equivalents		87,412	229,298
Cash and cash equivalents at the beginning of the year		309,999	80,701
Cash and cash equivalents at the end of the year	32	397,411	309,999

The annexed notes 1 to 35 form an integral part of these financial statements.

Arshad Rahim Khan
Chief Executive

Khwaja Bakhtiar Ahmed
Director

NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2005

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

These financial statements have been prepared in accordance with the requirements of the Companies Ordinance, 1984 (the Ordinance) and the International Accounting Standards (IASs) issued by the International Accounting Standards Committee (IASC) and interpretations issued by Standing Interpretations Committee of IASC (the interpretations), as adopted in Pakistan. However, the requirements of the Ordinance and the directives of the Securities and Exchange Commission of Pakistan have been followed in case where their requirements are not consistent with the requirements of the IASs and the interpretations.

Standards, interpretations and amendments to published accounting standards, as adopted in Pakistan, that are not yet effective:

Following amendments to existing standards applicable to the company have been published that are mandatory for the company's accounting periods beginning on or after January 1, 2006:

i.	IAS 19 (Amendments) – Employee Benefits	Effective from January 1, 2006
ii.	IAS 1 Presentation of Financial Statements – Capital Disclosures	Effective from January 1, 2007

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Accounting convention

These financial statements have been prepared under the historical cost convention except that certain financial instruments have been accounted for on the basis of their fair values.

3.2 Property, plant and equipment

Owned

These assets are stated at cost less accumulated depreciation except for leasehold land and capital work-in-progress which are stated at cost. Consistent with prior years, assets having cost exceeding the minimum threshold as determined by the management are capitalised. All other assets are charged in the year when acquired.

As of December 31, 2005 the management of the company has revised the minimum threshold for capitalisation . Accordingly, the aggregate net book value of assets having cost below the threshold as at December 31, 2005 has been written off.

Had the threshold of capitalisation not been revised the profit after taxation for the year ended December 31, 2005 and the net book values of the fixed assets as at that date would have been higher by Rs 4.222 million and Rs 6.313 million respectively and the profit after taxation for future periods would have been lower by Rs 4.222 million. This revision in the threshold for capitalisation has been accounted for as a change in estimate in these financial statements.

Leased

The company recognises finance leases as assets and liabilities in the balance sheet at amounts equal to the present value of the minimum lease payments. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease. Initial direct costs incurred are included as part of the cost of the asset. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Depreciation with respect to owned and leased assets is charged to income applying the straight line method whereby the cost less residual value of an asset is written off over its estimated useful life. Residual values are reviewed at each balance sheet date and adjusted if the impact on depreciation is significant.

As of December 31, 2005 the company has reassessed the residual values of its plant and machinery and vehicles and accordingly their depreciable amounts has been revised. This revision has been accounted for as a change in estimate in these financial statements.

Had the residual values of the plant and machinery and vehicles not being revised for charging depreciation the profit after taxation for the year ended December 31, 2005 and the net book values of the fixed assets as at that date would have been lower by Rs 4.202 million and Rs 6.470 million respectively and the profit after taxation for future periods would have been higher by Rs 4.202 million.

Depreciation on additions is charged from the month in which the asset is put to use while depreciation on assets disposed of is charged till the month of disposal at the rates stated in note 4.4 to the financial statements. Depreciation rates and method are reviewed at each balance sheet date.

Gains or losses on disposal of property, plant and equipment are included in income currently.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalised.

All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to specific assets as and when assets are available for use.

3.3 Spares

Spares are valued at cost using average method. Items in transit are valued at cost comprising invoice value and other charges incurred thereon. Provision, if any, for obsolete items is based on management's judgements.

Stores and loose tools are charged to income as and when purchased as their inventory is generally not significant.

3.4 Stocks

These have been valued as follows:

Finished goods, raw and packing materials and work-in-process	: Lower of cost, determined on a first-in-first-out basis and net realisable value (NRV). In respect of finished goods and work-in-process, cost includes direct material, direct labour and appropriate production overheads.
Physician's samples	: At cost, determined on first-in-first-out basis.
Stock-in-transit	: At invoice value plus other charges incurred thereon.

Provision for slow moving and obsolete stock is made on management's judgement regarding future use of the inventory.

NRV signifies the estimated selling price in the ordinary course of business less estimated costs of completion and the costs necessary to be incurred to make the sale.

3.5 Trade debts

Trade debts are stated net of provision for doubtful debts and reserve for potential expired stock claims. Provision for doubtful debts is based on management's assessment of customers' outstandings and credit worthiness. Known bad debts, if any, are written off as and when identified.

Reserve for potential expired stock claims is based on previous trends of claims made by the customers on return of expired inventory.

3.6 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand and current and deposit account balances with banks.

3.7 Provisions

Provisions are recognised when, the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed periodically and adjusted to reflect the current best estimates.

3.8 Liability for employees' compensated absences

The company provides for employees' compensated absences to the extent of value of accrued leaves of the employees based on their current salary levels.

3.9 Revenue recognition

Sales are recorded on despatch of goods to customers.

3.10 Staff retirement benefits

Defined benefit schemes

The company operates the following defined benefit schemes:

- An approved and funded pension scheme for management staff. Pension is payable for life and thereafter to surviving spouses and / or dependent children; and

- An approved and funded gratuity scheme for all its permanent employees.

The contributions to the above schemes are made as per the actuarial valuations carried out every year using the Projected Unit Credit Method.

Actuarial gains and losses are recognised if the net cummulative unrecognised actuarial gains and losses at the end of the previous year exceeded the greater of:

i) 10% of the present value of the defined benefit obligations; and
ii) 10% of the fair value of plan assets.

Actuarial gains and losses are expected to spread over the average remaining working lives of employees.

Defined contributory provident fund

The company also operates an approved defined contributory provident fund for all eligible employees who have completed the minimum qualifying period of service. Equal contributions are made to the fund by the company and the employees.

3.11 Taxation

Current

Provision for current taxation is based on applicable taxable income for the year at the current rate of taxation and tax on presumptive basis or minimum tax at the rate of 0.5% of turnover, whichever is higher.

Deferred

The company accounts for deferred taxation using the balance sheet liability method on all major temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and their tax base. This is recognised on the basis of expected manner of settlement of carrying amounts of assets and liabilities using the tax rate enacted or substantially enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that future taxable profits will be available against which the asset can be utilised.

3.12 Borrowing costs

Borrowing costs are charged to income as and when incurred.

3.13 Foreign currency transactions

Transactions in foreign currencies are accounted for in rupees at the rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into rupees at the rates of exchange prevailing at the balance sheet date except for liabilities covered under forward exchange contracts which are marked to market. Any resulting gain or loss from changes in exchange rates is recognised in the profit and loss account.

3.14 Financial instruments

Financial assets

Financial assets are trade debts, loans and advances, deposits, other receivables and cash and bank balances. These are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amounts, if any.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual agreements entered into. Significant financial liabilities are liabilities against assets subject to finance leases and trade and other payables.

Financial derivatives

These include foreign exchange forward contracts entered into by the company for repayment of its foreign currency liabilities. These contracts are stated at fair market values and the gain / loss arising on marking them to market is taken to the profit and loss account.

Off setting

Financial assets and liabilities are offset when the company has a legally enforceable right to offset the recognized amounts and intends to settle either on a net basis, or to realise the asset and settle the liability simultaneously.

3.15 Dividends

Dividend is recognised as a liability in the period in which it is approved by the shareholders.

3.16 Critical accounting estimates and judgements

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

(a) Assumptions and estimations used in determining the residual values of property, plant and equipment (note 4).

(b) Assumptions and estimations used in writing down items of stock-in-trade to their net realisable values (note 7).

(c) Assumptions and estimations used in recognition of provision for expired stock claims (note 8).

(d) Assumptions and estimations used in accounting for defined benefit plans (note 29).

(e) Assumptions and estimation used in recognition of deferred taxation (note 6).

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

4. PROPERTY, PLANT AND EQUIPMENT

		Note	2005	2004
			(Rupees '000)	
4.1	Operating fixed assets	4.2	171,578	155,514
	Capital work in progress	4.3	2,422	19,030
			174,000	174,544

4.2 Operating fixed assets

4.2.1 The following is a statement of operating fixed assets:

	Leasehold land	Building on leasehold land		Plant and machinery	Furniture and fittings	Vehicles	Office equipment	Sub total	Assets acquired under finance leases (vehicles)	Total
		Factory	Warehouse							
	------Owned------									
	------Rupees in '000------									
At January 1, 2004										
Cost	258	38,328	2,160	224,963	12,911	19,667	46,062	344,349	8,962	353,311
Accumulated depreciation	-	20,799	1,608	131,385	9,417	9,338	34,209	206,756	3,383	210,139
Net book value	258	17,529	552	93,578	3,494	10,329	11,853	137,593	5,579	143,172
Year ended December 31, 2004										
Opening net book value	258	17,529	552	93,578	3,494	10,329	11,853	137,593	5,579	143,172
Additions	-	9,906	175	14,931	2,743	4,511	5,696	37,962	-	37,962
Disposals										
Cost	-	-	-	4,957	42	2,054	1,629	8,682	-	8,682
Depreciation	-	-	-	4,928	42	2,015	1,614	8,599	-	8,599
Net book value of disposals	-	-	-	(29)	-	(39)	(15)	(83)	-	(83)
Depreciation charge for the year	-	1,650	41	13,146	1,037	3,504	4,384	23,762	1,775	25,537
Closing net book value	258	25,785	686	95,334	5,200	11,297	13,150	151,710	3,804	155,514
At December 31, 2004										
Cost	258	48,234	2,335	234,937	15,612	22,124	50,129	373,629	8,962	382,591
Accumulated depreciation	-	22,449	1,649	139,603	10,412	10,827	36,979	221,919	5,158	227,077
Net book value	258	25,785	686	95,334	5,200	11,297	13,150	151,710	3,804	155,514
Year ended December 31, 2005										
Opening net book value	258	25,785	686	95,334	5,200	11,297	13,150	151,710	3,804	155,514
Additions / *transfers	-	940	-	26,029	523	5,560	11,311	44,363	-	44,363
	-	-	-	-	-	* 3,037	-	3,037	-	*3,037
Depreciation on *transfers	-	-	-	-	-	* 2,810	-	2,810	-	*2,810
Disposals										
Cost	-	-	-	100	-	8,387	138	8,625	-	8,625
Depreciation	-	-	-	53	-	7,460	138	7,651	-	7,651
	-	-	-	47	-	927	-	974	-	974
Write off										
Cost		3,316	75	18,822	5,199	279	14,559	42,250	-	42,250
Depreciation		1,694	27	15,972	4,839	279	13,126	35,937	-	35,937
		1,622	48	2,850	360	-	1,433	6,313	-	6,313
Transfers										
Cost									* (3,037)	* (3,037)
Depreciation									* (2,810)	* (2,810)
									(227)	(227)
Depreciation charge for the year	-	1,804	56	10,651	1,067	494	5,748	19,820	1,192	21,012
Closing net book value	258	23,299	582	107,815	4,296	15,663	17,280	169,193	2,385	171,578
At December 31, 2005										
Cost	258	45,858	2,260	242,044	10,936	22,055	46,743	370,154	5,925	376,079
Accumulated depreciation	-	22,559	1,678	134,229	6,640	6,392	29,463	200,961	3,540	204,501
Net book value	258	23,299	582	107,815	4,296	15,663	17,280	169,193	2,385	171,578

4.3 Capital work in progress

	Plant and machinery	Advances to suppliers: Plant and machinery	Advances to suppliers: Vehicles	Advances to suppliers: Furniture and fixtures	Total
Balance as at January 1, 2004	12,846	2,237	-	759	15,842
Additions	37,795	10,980	1,198	-	49,973
Transfers	43,400	2,626	-	759	46,785
Balance as at December 31, 2004	7,241	10,591	1,198	-	19,030
Balance as at January 1, 2005	7,241	10,591	1,198	-	19,030
Additions	6,799	2,969	4,922	-	14,690
Transfers	12,390	13,348	5,560	-	31,298
Balance as at December 31, 2005	1,650	212	560	-	2,422

4.4 Depreciation on operating fixed assets is charged at the following rates:

	Annual rate of depreciation (%)
Building on leasehold land	
- Factory	2.5 to 10
- Warehouse	2.5
Plant and machinery	10
Furniture and fittings	10 to 33
Vehicles	20
Office equipment	20

4.5 The depreciation charge for the year has been allocated as under:

	Note	2005	2004
		(Rupees '000)	
Cost of sales	20	13,790	15,940
Distribution cost	21	1,647	833
Administrative expenses	22	5,575	8,764
		21,012	25,537

4.6 The operating fixed assets (note 4.2.1) include certain items of plant and machinery and equipment costing Rs 2.157 million (2004: Rs 6.044 million), which are no longer in use and are now held for disposal. The management is confident that the realisable values of these items are more than their net book values.

4.7 The operating fixed assets (note 4.2.1) include items costing Rs 113.798 million (2004: Rs 145.037 million) which are fully depreciated as of December 31, 2005 but are still in active use.

4.8 The following fixed assets were disposed of during the year:

	Cost	Accumulated depreciation	Book value	Sale proceeds	(Loss)/gain	Mode of disposal	Particulars of purchaser
	----------------------------(Rupees '000)----------------------------						
Plant and machinery							
	31	28	3	-	(3)	Negotiation	Dinshaw P. Daruwala (Ex-employee), 21 E.D. Block, Preedy Street, Karachi.
	35	15	20	5	(15)	Negotiation	Humayun Nazir (Ex-employee) C-17, Block - A, K.D.A. Officers Society, Karachi.
	34	10	24	8	(16)	Negotiation	Dr. Tayyab Mohyuddin (Ex-employee) 172-D, Navy Housing Scheme, Zamzama, Clifton, Karachi.
	100	53	47	13	(34)		
Vehicles							
	634	634	-	641	641	Tender	Mr. Abid Ali, Qasim Decoration Service, UBL St. Gulistan Colony, Karachi.
	434	434	-	355	355	Tender	Mr. Salman Kareem, House No. 450, Liaquat Ashraf Colony # 1, Mahmoodabad, Karachi.
	717	717	-	633	633	Tender	Mr. Zeeshan Kareem, II-E-2/12, Nazimabad, Karachi.
	805	805	-	531	531	Tender	Mr. M. Yousuf, House No. 302, Fahad Palace, Street No.3, Plot No. 51, Sharfabad, Karachi.
	865	865	-	632	632	Tender	Mr. S. M. Asif Quddus, House # 68/1/17, Hyder Town, Malir Halt, Karachi.
	540	513	27	407	380	Tender	Mr. Abdul Rehman, 2-E, 2/12, Nazimabad No. 2, Karachi.
	795	636	159	365	206	Tender	Mr. Raheel Methani, Methani Automobiles, Near Islamia Boys College, Karachi.
	560	47	513	431	(82)	Negotiation	Mr. M. Jamil (Ex-employee), A-23 Block B.P.B.S Housing Society, North Nazimabad, Karachi.
	1,052	1,052	-	670	670	Tender	Mr. Murtaza Ali, C-74, Block 10, F.B. Area, Karachi.
	779	779	-	665	665	Tender	Mr. Haroon Rashid, Flat No. 5, Subhan Manzil, D. Mellow Road, Burns Road, Karachi.
	779	779	-	620	620	Negotiation	Mr. Jamil Anwer (Ex-employee), 345, St-16, Sector -I Airport Employees Co-operative Housing Society, Rawalpindi.
	427	199	228	294	66	Negotiation	Mr. Naseem Khalil (Ex-employee), U-2, Hasan Extension Appartment, Gulshan-e-Iqbal, Karachi.
	8,387	7,460	927	6,244	5,317		
Office equipment							
	138	138	-	75	75	Insurance claim	
	138	138	-	75	75		
2005	8,625	7,651	974	6,332	5,358		
2004	8,682	8,599	83	3,269	3,186		

5. LONG - TERM LOANS

	Note	2005	2004
		(Rupees '000)	
Long-term loans - considered good, due from employees	5.1	9,790	8,868
Less: Receivable within one year	9	3,531	3,280
		6,259	5,588

5.1 These represent interest free loans to employees for purchase of motor cars, motor cycles, home appliances and for house building in accordance with the company's policy and are recoverable in two to six years in monthly installments. Vehicles purchased under this scheme are registered in the name of the company and the title is transferred when the loan is fully repaid. The remaining loans are secured against employees' retirement benefits.

	Note	2005	2004
		(Rupees '000)	

6. DEFERRED TAXATION

		2005	2004
Accelerated tax depreciation		(18,550)	(8,767)
Provision for slow moving and obsolete stocks		2,622	2,314
Provision for doubtful debts		2,602	1,816
Reserve for potential expired stock claims		6,765	4,251
Others		(192)	578
		(6,753)	192

7. STOCKS

	Note	2005	2004
Raw and packing materials	7.1	267,447	242,513
Work-in-process	7.1	27,271	28,213
Finished goods			
- At cost	7.2	71,948	176,417
- At net realisable value [Cost Rs. 3.374 million (2004: Rs. 6.741 million)]		3,284	5,065
Stock-in-transit		138,037	86,591
		507,987	538,799
Less: Provision for slow moving and obsolete stocks		9,303	10,889
		498,684	527,910

7.1 Raw and packing materials and work-in-process include Rs 50.129 million (2004: Rs 65.873 million) and Rs 3.342 million (2004: Rs 5.511 million) respectively held with Macter International (Private) Limited, Spencer Pharma (Private) Limited and Reko Pharmacal (Private) Limited for toll manufacturing purposes.

7.2 Includes physician's samples of Rs 3.142 million (2004: Rs 10.045 million).

8 TRADE DEBTS

	Note	2005	2004
		(Rupees '000)	
Considered good - unsecured			
From related parties	8.1	22,104	-
Others		73,811	63,330
		95,915	63,330
Considered doubtful		9,232	8,545
		105,147	71,875
Less: Provision for doubtful debts		9,232	8,545
Reserve for potential expired stock claims		24,000	20,000
		33,232	28,545
		71,915	43,330

8.1 This represents amount due from Wyeth Philippines, Inc. (2004: Rs Nil).

	Note	2005	2004
		(Rupees '000)	

9. LOANS AND ADVANCES

	Note	2005	2004
Current portion of long-term loans - considered good, due from employees	5	3,531	3,280
Loans - unsecured, considered good			
Provident Fund	9.1	40,738	-
Gratuity Fund	9.1 & 29.1	27,354	-
		68,092	-
Advances - unsecured, considered good			
Suppliers		2,811	1,678
For expenses	9.2 & 9.3	3,977	3,278
Employees		995	843
Others		265	227
		8,048	6,026
		79,671	9,306

9.1 These represent loans given to the Provident Fund and the Gratuity Fund. These loans were given to the Funds to meet the cash requirements for settlement of employees under Voluntary Separation Scheme announced by the company. These loans are repayable by December 31, 2006. Profit is charged at the rate ranging from 4.25% to 7.6% per annum on loan to the Provident Fund whereas loan advanced to the Gratuity Fund is interest free.

9.2 This includes amounts due from:

	2005	2004
	(Rupees '000)	
Chief executive	-	3
Executives	157	48

9.3 The maximum aggregate amounts of advances due at the end of any month during the year are as follows:

	Note	2005	2004
		(Rupees '000)	
Chief executive		680	873
Director		218	270
Executives		534	822

10. DEPOSITS AND PREPAYMENTS

	Note	2005	2004
Deposits		6,218	5,297
Prepayments		3,077	949
		9,295	6,246

11. OTHER RECEIVABLES

	Note	2005	2004
Sales tax refundable on pharmaceutical products		3,982	4,367
Margin deposits for guarantees and letters of credit		14,405	5,899
Insurance claims receivable		877	362
Balances with statutory authorities for customs and excise duty		999	2,120
Profit receivable on			
- deposit accounts		5,770	-
- loan to the Provident Fund	9.1	3,573	-
Others		1,453	1,082
		31,059	13,830

	Note	2005	2004
		(Rupees '000)	

12. CASH AND BANK BALANCES

	Note	2005	2004
With banks			
In current accounts		3	9
In deposit accounts	33.2	397,117	309,634
Cash in hand		291	356
		397,411	309,999

13. SHARE CAPITAL

Authorised

	2005	2004
5,000,000 ordinary shares of Rs 100 each	500,000	500,000

Issued, subscribed and paid-up capital

2005	2004	Ordinary shares of Rs 100 each	2005 (Rupees '000)	2004 (Rupees '000)
386,711	386,711	Shares fully paid in cash	38,671	38,671
477,493	477,493	Shares issued as fully paid for consideration other than cash - note 13.2	47,749	47,749
557,405	557,405	Shares issued as fully paid bonus shares	55,741	55,741
1,421,609	1,421,609		142,161	142,161

13.1 Wyeth, USA and Wyeth Holdings Corporation, USA held 576,470 (2004: 576,470) and 448,560 (2004: 448,560) shares of Rs 100 each respectively as on December 31, 2005. The ultimate parent company is Wyeth, USA.

13.2 These shares include 473,529 shares issued under the scheme of arrangement for amalgamation of Wyeth Laboratories (Pakistan) Limited and Cynamid (Pakistan) Limited in the year 1996.

14. RESERVES

	Revenue reserves	Capital reserve	2005	2004
	--------------------	(Rupees '000)	------------------	
Balance at beginning of the year	665,785	215	666,000	666,000
Transferred from profit and loss account	34,000	-	34,000	-
Balance at end of the year	699,785	215	700,000	666,000

15. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASES

The company has entered into leasing arrangements with various leasing companies for acquisition of vehicles. The total lease rentals due under the various lease agreements aggregated Rs 1.010 million (2004: Rs 2.583 million) and are payable in quarterly installments latest by October 2006. Finance charge for these leases range from 11.9 to 15.4 percent per annum. The company intends to exercise its option to purchase the leased vehicles after the end of the respective lease terms.

	2005	2004
	(Rupees '000)	
The movement in the finance lease liability is as follows:		
Balance at January 1	2,583	4,154
Less: Payments made during the year	1,616	1,571
Less: Adjustments	(43)	-
	1,573	1,571
	1,010	2,583
Less: Current portion of liabilities	1,010	1,544
Balance at December 31	-	1,039

15.1 The future minimum lease payments and their present value, to which the company is committed under lease agreements, are as follows:

Year	As at December 31, 2005			As at December 31, 2004		
	Future lease rentals	Future financial charges	Present value	Future lease rentals	Future financial charges	Present value
	(Rupees '000)					
2005	-	-	-	1,804	260	1,544
2006	1,074	64	1,010	1,104	65	1,039
	1,074	64	1,010	2,908	325	2,583

16. TRADE AND OTHER PAYABLES

	Note	2005	2004
		(Rupees '000)	
Creditors	16.1	230,358	134,940
Accrued liabilities		74,222	65,140
Advances from customers		3,043	-
Amounts payable under the voluntary separation scheme		-	129,437
Mark-up on short-term running finance		-	4
Payable to gratuity fund	29	-	993
Payable to pension fund	29	-	222
Accumulated compensated absences		20,370	21,264
Workers' welfare fund		5,396	-
Contribution payable to employees old age benefits institution		11	11
Workers' profit participation fund	16.2	2,456	3,497
Central research fund	25	3,271	1,627
Unclaimed dividend		943	885
Others		268	1,207
		340,338	359,227

16.1 Creditors include the following amounts due to related parties:

	Note	2005	2004
		(Rupees '000)	
Wyeth Medica Ireland		24,463	13,150
Wyeth Ayerst International		12,018	441
Wyeth Nutritionals Ireland		26,107	2,965
Wyeth (Hongkong) Limited		-	251
Wyeth Ayerst Lederle, Inc.		40,848	14,338
Wyeth Farma, S.A.		-	12,146
Wyeth Nutritional Singapore (PTE) Ltd.		22,447	-
Wyeth Ayerst Pharmaceuticals		949	943
		126,832	44,234

16.2 Workers' profit participation fund

	Note	2005	2004
Balance at January 1		3,497	23,039
Allocation for the year	25	17,531	8,572
		21,028	31,611
Interest on funds utilised in the company's business	24	58	25
		21,086	31,636
Less: Payments made during the year		18,630	28,139
Balance at December 31		2,456	3,497

17. SHORT-TERM RUNNING FINANCE

17.1 The company has obtained a running finance facility amounting to Rs 384.900 million (2004: Rs 384.900 million) from a commercial bank under mark-up arrangement. The facility carries mark-up at 22 paisas per Rs 1,000 per day. The facility will expire in March 2006 and is renewable subject to payment of repurchase price by the specified dates. The arrangement is secured by way of letter of comfort from the parent company. The facility was unutilised as at December 31, 2005.

17.2 The company has obtained another finance facility amounting to Rs 50 million (2004: Rs. 50 million) from a commercial bank under mark-up arrangement. The facility carries mark-up at 22 paisas per Rs 1,000 per day. The facility will expire in July 2006 and is renewable subject to payment of repurchase price by the specified dates. The arrangement is secured by way of letter of comfort from the parent company. The facility was unutilised as at December 31, 2005.

17.3 The facilities for opening letters of credit as at December 31, 2005 amount to Rs 382.570 million (2004: Rs 381.065 million) of which the amount remaining unutilised at the year end was Rs 299.678 million (2004: Rs 338.093 million).

	Note	2005	2004
		(Rupees '000)	
18. CONTINGENCIES AND COMMITMENTS			
Claims against the company not acknowledged as debts		253,705	261,242
Commitments for capital expenditure		2,084	14,066
Guarantees issued for Collector of Customs against duty on imported raw materials and other guarantees		21,166	25,628
Letters of credit outstanding		38,969	29,933
19. NET SALES			
Sales - Domestic		1,731,707	1,632,321
- Export		154,194	152,322
		1,885,901	1,784,643
Less: Discounts and commission		59,217	44,740
Returns and provision for expired stocks		29,506	12,041
Sales tax	19.1	21,664	22,606
		110,387	79,387
		1,775,514	1,705,256

19.1 Sales tax is paid on taxable supplies.

	Note	2005	2004
20. COST OF SALES			
Opening stock of finished goods		181,482	133,079
Cost of goods manufactured	20.1	883,638	1,050,801
Purchase of finished goods		134,994	67,244
Closing stock of finished goods		(75,232)	(181,482)
Physician samples charged to advertising and sales promotion		(13,410)	(16,215)
		1,111,472	1,053,427
20.1 Cost of goods manufactured			
Opening stock of raw and packing materials		242,513	294,867
Purchases of raw and packing materials		716,812	744,242
Closing stock of raw and packing materials		(267,447)	(242,513)
Raw and packing materials consumed		691,878	796,596
Stores and spare parts consumed		4,255	9,322
Salaries, wages and other benefits	22.1	87,804	145,293
Fuel and power		14,232	15,783
Rent, rates and taxes		1,155	1,081
Insurance		849	1,095
Repairs and maintenance		9,888	13,218
Production and other supplies		8,377	10,501
Postage, communication and stationery		1,482	1,712
Depreciation	4.5	13,790	15,940
Travelling and vehicles running expenses		4,112	4,523
Provision for slow moving and obsolete stocks		-	2,140
Outside manufacturing charges		43,632	39,422
Others		1,242	2,972
		190,818	263,002
		882,696	1,059,598
Opening stock of work-in-process		28,213	19,416
Closing stock of work-in-process		(27,271)	(28,213)
Cost of goods manufactured		883,638	1,050,801

	Note	2005	2004
		(Rupees '000)	

21. DISTRIBUTION COST

	Note	2005	2004
Salaries, wages and other benefits	22.1	74,731	83,910
Fuel and power		867	1,294
Rent, rates and taxes		1,015	1,817
Insurance		1,519	1,757
Repairs and maintenance		602	540
Dues and subscription		7,875	8,600
Transportation		16,446	12,052
Travelling and living		35,957	35,287
Postage, communication and stationery		1,667	1,743
Depreciation	4.5	1,647	833
Training and development		6,619	1,521
Advertising and sales promotion		87,370	90,582
Shipping and packing cartons consumed		12,873	11,568
Others		1,104	1,379
		250,292	252,883

22. ADMINISTRATIVE EXPENSES

	Note	2005	2004
Salaries, wages and other benefits	22.1	51,020	58,903
Fuel and power		2,275	2,514
Rent, rates and taxes		207	233
Insurance		1,555	1,735
Repairs and maintenance		2,191	4,201
Dues and subscription		826	773
Travelling and living		8,110	6,612
Postage, communication and stationery		6,494	9,624
Provision for doubtful debts		2,302	-
Legal and professional charges		3,402	4,499
Auditors' remuneration	22.2	2,201	2,128
Depreciation	4.5	5,575	8,764
Training and development		186	104
Donations	22.3	2,109	-
Others		2,701	2,649
		91,154	102,739

22.1 Salaries, wages and other benefits include the following in respect of employee benefits:

	2005				2004			
	Cost of sales	Distri-bution cost	Admin-istrative expenses	Total	Cost of sales	Distri-bution cost	Admin-istrative expenses	Total
	(Rupees '000)							
Defined benefit pension fund	236	458	294	988	1,018	1,730	936	3,684
Defined benefit gratuity fund	1,382	1,547	990	3,919	4,364	3,684	1,987	10,035
Defined contributory provident fund	2,097	2,151	1,239	5,487	3,680	2,529	1,352	7,561
Accumulated compensated absences	1,983	1,193	950	4,126	5,910	3,093	2,353	11,356
	5,698	5,349	3,473	14,520	14,972	11,036	6,628	32,636

	Note	2005	2004
		(Rupees '000)	

22.2 Auditors' remuneration

Audit fee - annual		400	400
Audit fee - half yearly review		165	150
Audit of employees' funds, special certification and advisory services		158	167
Tax services		1,353	1,300
Out of pocket expenses		125	111
		2,201	2,128

22.3 No directors and their spouses were interested in the donees.

23. OTHER OPERATING INCOME

	Note	2005	2004
Gain on disposal of property, plant and equipment	4.8	5,358	3,186
Scrap sales		1,922	2,637
Compensation on income tax refunds		-	22,724
Profit on			
- deposit accounts		13,997	3,642
- loan to the Provident Fund	9.1	3,573	-
Export rebate claims		4,606	6,216
Refund of late delivery charges		1,165	-
Liabilities no longer payable written back		1,385	-
Recovery of export freight		7,433	7,794
		39,439	46,199

24. FINANCE COST

	Note	2005	2004
Finance lease charges		251	462
Mark-up on running finance		-	6
Interest on workers' profit participation fund	16.2	58	25
Bank charges		1,302	1,728
		1,611	2,221

25. OTHER OPERATING EXPENSES

	Note	2005	2004
Workers' profit participation fund	16.2	17,531	8,572
Workers' welfare fund		5,921	1,759
Central research fund	16	3,271	1,611
Fixed assets written off	4.2.1	6,313	-
Net exchange loss		279	1,449
		33,315	13,391

26. TAXATION

The income tax assessments of the company have been finalised upto and including the year ended December 31, 2004. 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 245.980 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, it has, as a matter of prudence, made a provision of Rs 167.413 million against the above demands. The management is confident that the ultimate decision of the appeals will be in the favour.

	2005	2004
	(Rupees '000)	
26.1 Relationship between tax expense and accounting profit		
Profit before taxation	327,109	161,087
Tax at the applicable rate of 35% (2004: 35%)	114,488	56,380
Tax (reversal) / charge for prior years	(2,035)	6,469
Tax effect of expenses that are not allowable in determining taxable income	2,800	2,450
Tax effect on income under presumptive tax regime	(10,151)	3,205
Tax effect of export rebate and exchange gain on exports	(4,249)	(5,032)
Tax effect of others items	(469)	(9,360)
	100,384	54,112

27. EARNINGS PER SHARE - BASIC AND DILUTED

	2005	2004
Profit after taxation	226,725	106,975
	Number	
Average number of ordinary shares	1,421,609	1,421,609
	Rupees	
Earnings per share - basic and diluted	159.48	75.25

28. REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

The aggregate amounts charged in the financial statements for remuneration including certain benefits, to the chief executive, director and executives of the company are as follows :

	2005			2004		
	Chief executive	Director	Executives	Chief executive	Director	Executives
	(Rupees '000)					
Managerial remuneration	4,475	2,708	17,110	5,397	2,822	17,260
Bonus	-	521	3,363	-	478	3,599
Utilities	348	84	833	280	76	797
Medical expenses	52	111	541	77	107	402
Retirement benefits	497	286	1,573	625	352	2,257
	5,372	3,710	23,420	6,379	3,835	24,315
Number of persons	1	1	14	1	1	14

In addition to the above, the chief executive, a director and some of the executives are provided with company owned and maintained cars and their residential telephone bills are also paid by the company.

28.1 Aggregate amount charged in these financial statements for fees to three (3) directors was Rs 0.120 million (2004: Rs 0.135 million).

29. DEFINED BENEFIT PLANS

As mentioned in note 3.10, the company operates approved funded pension and gratuity schemes. The latest actuarial valuations of the schemes were carried out as at December 31, 2005. Projected Unit Credit Method using the following significant assumptions was used for these valuations:

	2005	2004
Discount rate	9% per annum	8% per annum
Expected rate of return on plan assets	9% per annum	8% per annum
Expected rate of increase in salary	9% per annum	8% per annum

29.1 The movements in the liability recognised in the balance sheet were as follows:

	Note	2005		2004	
		Gratuity	Pension	Gratuity	Pension
		(Rupees '000)			
Opening liability		993	222	5,480	-
Expense recognised during the year		3,919	988	10,035	3,684
Contribution during the year		(4,912)	(1,210)	(14,522)	(3,462)
Loan to the Fund	9	(27,354)	-	-	-
Closing (receivable)/ liability		(27,354)	-	993	222

29.2 The fair value of the schemes' assets and liabilities for past services of the employees at the latest valuation date were as follows:

	2005		2004	
	Gratuity	Pension	Gratuity	Pension
	(Rupees '000)			
Present value of defined benefit obligation	64,574	79,744	62,988	79,595
Fair value of plan assets	(92,599)	(104,599)	(67,215)	(99,349)
	(28,025)	(24,855)	(4,227)	(19,754)
Unrecognised actuarial gain	671	24,855	5,220	19,976
Net (receivable) / liability recognised at the balance sheet date	(27,354)	-	993	222

29.3 The following costs were recognised during the year:

	2005		2004	
	Gratuity	Pension	Gratuity	Pension
	(Rupees '000)			
Current service cost	4,244	3,197	5,673	3,687
Interest cost	5,076	6,373	6,787	6,710
Expected return on plan assets	(5,401)	(7,865)	(6,164)	(6,713)
Amortisation of (gain) / loss	-	(717)	3,739	-
	3,919	988	10,035	3,684

30. 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:

Nature of transaction	Note	2005	2004
		(Rupees '000)	
Sales to associated undertakings	30.1	132,939	141,089
Purchases from associated undertakings	30.2	159,021	78,871
Dividend to parent		51,251	-
Contribution to the Pension Fund		1,210	3,462
Contribution to the Gratuity Fund		4,912	14,522
Contribution to the Provident Fund		5,487	7,561
Loan to the Provident Fund	9.1	40,738	-
Loan to the Gratuity Fund	9.1	27,354	-
Profit charged on loan to the Provident Fund		3,573	-
Remuneration of key management personnel		21,840	24,595

30.1 This includes Rs 22.104 million outstanding as at December 31, 2005 from associated undertaking.

30.2 This includes Rs 126.832 million payable as at December 31, 2005 to associated undertakings.

31. CASH GENERATED FROM OPERATIONS

	Note	2005	2004
		(Rupees '000)	
Profit before taxation		327,109	161,087
Adjustments for non-cash charges and other items:			
Depreciation		21,012	25,537
Provision for slow moving and obsolete stock		-	2,140
Provision for doubtful debts/(provision written back)		2,302	(344)
Reserve for potential expired stock claims/ (reserves written back)		4,000	(563)
Fixed assets written off		6,313	-
Gain on disposal of property, plant and equipment		(5,358)	(3,186)
Finance lease charges		251	462
Mark-up on running finance		-	6
Profit on			
- deposit accounts		(13,997)	(3,642)
- loan to the Provident Fund		(3,573)	-
Working capital changes	31.1	(105,924)	225,572
		232,135	407,069

31.1 Working capital changes

	2005	2004
(Increase)/decrease in current assets:		
Spares	(20)	203
Stocks	29,226	(58,987)
Trade debts	(34,887)	140,039
Loans and advances	(70,365)	6,288
Deposits and prepayments	(3,049)	3,218
Other receivables	(7,886)	18,338
	(86,981)	109,099
(Decrease)/increase in current liabilities:		
Trade and other payables	(18,943)	116,473
	(105,924)	225,572

	Note	2005	2004
		(Rupees '000)	

32. CASH AND CASH EQUIVALENTS

	Note	2005	2004
Cash and bank balances	12	397,411	309,999

33. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

33.1 Interest rate risk exposure

The information relating to the company's exposure to interest rate risk based on maturity dates is as follows:

	2005							2004
	Interest bearing			Non-interest bearing				
	Maturity upto one year	Maturity after one year	Total	Maturity upto one year	Maturity after one year	Total	Total	Total
	(Rupees '000)							
Financial assets								
Loans and advances	68,092	-	68,092	3,796	6,259	10,055	78,147	9,938
Deposits	-	-	-	6,218	1,779	7,997	7,997	7,156
Trade debts	-	-	-	71,915	-	71,915	71,915	43,330
Other receivables	-	-	-	16,735	-	16,735	16,735	7,343
Cash and bank balances	397,117	-	397,117	294	-	294	397,411	309,999
	465,209	-	465,209	98,958	8,038	106,996	572,205	377,766
Financial liabilities								
Liabilities against assets subject to finance leases	1,010	-	1,010	-	-	-	1,010	2,583
Trade and other payables	-	-	-	305,791	-	305,791	305,791	354,092
	1,010	-	1,010	305,791	-	305,791	306,801	356,675

33.2 The effective interest/mark-up rates as at December 31, for financial instruments are as follows:

	2005	2004
Bank deposits	5.42%	1.87%

33.3 Off-balance sheet items

	2005	2004
	(Rupees '000)	
Letters of credit	38,969	29,933
Letters of guarantee	21,166	25,628

33.4 Concentration of credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if the counterparty failed completely to perform as contracted. Financial instruments that potentially subject the company to concentration of credit risk are trade debts. The company's products are sold to distributors and Government organisations. The company continuously assesses the credit worthiness of its customers. Due to the large number and diversity of the company's customer base, concentration of credit risk with respect to trade debts is limited.

The company invests its available cash and cash equivalents with banks.

33.5 Foreign exchange risk management

Foreign currency risk arises mainly when receivables and payables exist due to transactions entered in foreign currencies. The company's foreign currency risk relates to buying and selling in currencies other than Pak Rupees. The risk is managed by obtaining foreign exchange contracts with banks where considered necessary by the management based on its assessment of fluctuation in rates.

33.6 Liquidity risk

The company implies prudent risk management policies by maintaining sufficient cash and bank balances and by keeping committed credit lines.

33.7 Fair value of financial instruments

The major portion of the company's financial instruments are short term in nature and would be settled in the near future. The fair values of these instruments are not materially different from their carrying values.

34. DATE OF AUTHORISATION FOR ISSUE AND DIVIDEND

34.1 These financial statements were authorised for issue on March 20, 2006 by the board of directors of the company.

34.2 The board of directors have proposed dividend for the year ended December 31, 2005 of Rs. **60** per share (2004: Rs 50 per share), amounting to Rs. **85.297** million (2004: Rs 71.080 million) at their meeting held on March 20, 2006 subject to the approval of members at the annual general meeting to be held on April 18, 2006.

35. CORRESPONDING FIGURES

Corresponding figures of the following have been reclassified / restated for the purposes of comparison and better presentation:

- Sales tax payable included in others has been reclassified as creditors - note 16.
- Contingencies with respect to claims not acknowledged as debt has been restated - note 18.
- Domestic sales has been reduced which included sales tax on free goods accordingly, sales tax shown as deduction has been reduced - note 19.
- Exchange loss was netted off with recovery of export freight has been reclassified to other operating charges - note 23 and 25.

Arshad R. Khan

Arshad Rahim Khan
Chief Executive

Khwaja Bakhtiar Ahmed
Director

SIX YEARS AT A GLANCE
from 2000 to 2005

(Rupees '000)

	2000	2001	2002	2003	2004	2005
Sales	2,100,840	1,876,558	1,897,671	1,859,037	1,705,256	1,775,514
Cost of sales	1,477,746	1,192,858	1,204,111	1,112,969	1,053,427	1,111,472
Gross profit	623,094	683,700	693,560	746,068	651,829	664,042
Distribution cost and administrative expenses	443,474	322,222	358,370	344,547	355,622	341,446
Other operating expenses including finance cost & voluntary separation scheme	192,874	122,866	81,976	40,441	181,319	34,926
Other operating income	5,785	46,698	82,472	70,491	46,199	39,439
Profit / (loss) before taxation	(7,469)	285,310	335,686	431,571	161,087	327,109
Taxation	12,613	199,753	90,902	130,018	54,112	100,384
Profit / (loss) after taxation	(20,082)	85,557	244,784	301,553	106,975	226,725
Shareholders' equity	248,053	333,610	542,854	808,867	915,842	1,071,487
Property, plant and equipment	101,402	129,063	133,911	159,014	174,544	174,000
Current assets	1,677,155	962,128	937,847	924,096	1,095,469	1,237,550
Current liabilities	1,484,304	710,441	526,421	279,618	360,771	341,348
Current ratio (no. of times)	1.13	1.35	1.78	3.30	3.04	3.63
Dividend pay out percentage	NIL	NIL	25%	25%	50%	60%

PATTERN OF SHAREHOLDING
as of December 31, 2005

NO. OF SHAREHOLDERS	HAVING SHARES FROM	TO	SHARES HELD	PERCENTAGE
559	1	100	13152	0.93
81	101	500	18642	1.31
16	501	1000	10774	0.76
15	1001	5000	27391	1.93
1	5001	10000	7140	0.50
2	10001	15000	22209	1.56
1	25001	30000	29260	2.06
1	40001	45000	41505	2.92
1	225001	230000	226506	15.93
1	445001	450000	448560	31.55
1	575001	580000	576470	40.55
679			1421609	100.00

CATEGORIES OF SHAREHOLDERS
as of December 31, 2005

PARTICULARS	SHAREHOLDERS	SHAREHOLDING	PERCENTAGE
INDIVIDUALS	657	67095	4.72
INVESTMENT COMPANIES	3	3280	0.23
INSURANCE COMPANIES	4	59129	4.16
JOINT STOCK COMPANIES	2	1025030	72.10
FINANCIAL INSTITUTIONS	6	262867	18.49
OTHERS	5	3916	0.28
NON-RESIDENT	2	292	0.02
COMPANY TOTAL	679	1421609	100.00

CATEGORIES OF SHAREHOLDERS
as of December 31, 2005

Information under clause xix (i) of the Code of Corporate Governance

Category No.	Categories of Shareholders	Number of shares held	Percentage
1	**Associated Companies, undertakings and related parties**	Nil	Nil
2	**NIT and ICP**		
	National Bank of Pakistan (Trustee Department)	232677	16.3672
3	**Directors, Chief Executive and their spouses and minor children**		
	Khwaja Bakhtiar Ahmed	20	0.0014
4	**Executives**		
	Niloufer Shroff	29	0.0020
5	**Public Sectors Companies and Corporations**	Nil	Nil
6	**Banks, Development Financial Institutions, Non-Banking Financial Institutions, Insurance Companies, Modarabas and Mutual Funds**		
	New Jubilee Insurance Co. Ltd	275	0.0193
	EFU General Insurance Company Ltd.	7140	0.5022
	State Life Insurance Corporation of Pakistan	51714	3.6377
	First Dawood Investment Bank Limited	930	0.0654
	Trustee - Unit Trust of Pakistan	29260	2.0582
7	**Shareholders holding ten percent or more voting interest in the Listed Company**		
	Wyeth	576470	40.5505
	Wyeth Holdings Corporation, U.S.A	448560	31.5529
	National Bank of Pakistan (Trustee Department)	232677	16.3672

The Chief Executive, Directors, CFO, their spouse and minor children have made no sale / purchase of Company's shares during the year ended December 31, 2005.

Wyeth

FORM OF PROXY

I, We ______________________________ of ______________

______________________ (full address) being a member of **Wyeth Pakistan Limited**

hereby appoint ____

of ______________________________ (full address) or failing him

______________________ of ______________________ (full address) as my/our Proxy to attend and vote for me/us and on my/our behalf at the Fifty Seven Annual General Meeting of the Company to be held on Tuesday, April 18, 2006 at 10:30 a.m. and at any adjournment thereof.

As witness my/our hand this ______________ **day of** ____________ **2006 signed**

by ______________________ **in presence of** ______________

____

Please affix Revenue Stamp of Rs. 5.00

Signature and address of Witness

Signature of Member

Folio No. / CDC Account and
Participant's ID Number

Number of Shares held

1. A member entitled to attend and vote at Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company.

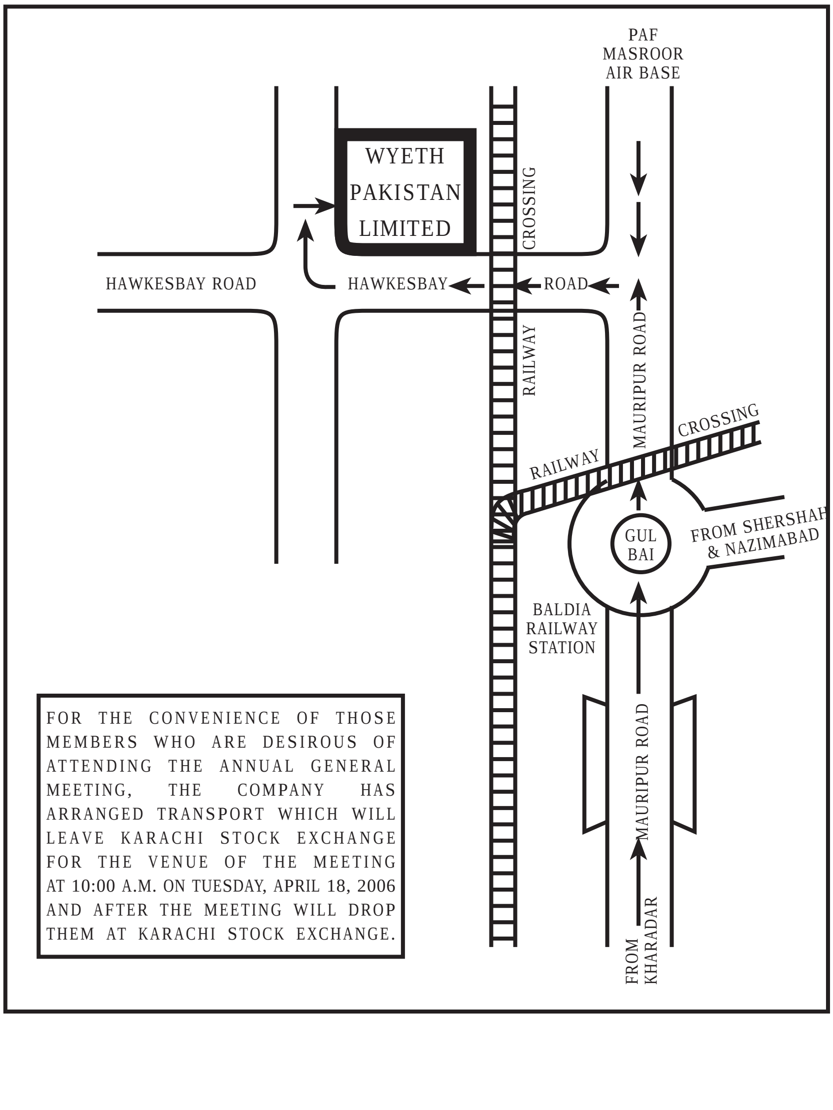
2. The instrument appointing a proxy should be signed by the member or by his attorney duly authorized in writing. If the member is a corporation it's common seal should be affixed to the instrument.

3. The instrument appointing a proxy, together with the Power of Attorney if any under which it is signed or a notarilly certified copy thereof, should be deposited at the Registered Office of the Company not less that 48 hours before the time for holding the meeting.

4. In case of Proxy for any individual beneficial owner of CDC, entitled to attend and vote at this meeting it is necessary to deposit the attested copies of beneficial owner's national identity card, Account and Participant's ID numbers. The Proxy shall produce his original national identity card at the time of the meeting. Representative of corporate members should bring the usual documents for such purpose.

TRANSPORT ARRANGEMENT TO ATTEND THE 57TH ANNUAL GENERAL MEETING
OF WYETH PAKISTAN LIMITED
ON TUESDAY, APRIL 18, 2006
AT 10:30 A.M. AT THE REGISTERED OFFICE OF THE COMPANY,
S-33, HAWKESBAY ROAD, S.I.T.E., KARACHI.

LOCATION PLAN



FOR THE CONVENIENCE OF THOSE MEMBERS WHO ARE DESIROUS OF ATTENDING THE ANNUAL GENERAL MEETING, THE COMPANY HAS ARRANGED TRANSPORT WHICH WILL LEAVE KARACHI STOCK EXCHANGE FOR THE VENUE OF THE MEETING AT 10:00 A.M. ON TUESDAY, APRIL 18, 2006 AND AFTER THE MEETING WILL DROP THEM AT KARACHI STOCK EXCHANGE.