

Wyeth

ANNUAL REPORT

2009



WYETH PAKISTAN LIMITED

Mission & Vision

Mission:

We bring to the world pharmaceutical and healthcare 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

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

Integrity

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

Respect for People

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

Leadership

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

Collaboration - "Teamwork"

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

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COMPANY INFORMATION

BOARD OF DIRECTORS

Iqbal Bengali
Abdul Majeed
Iftikhar Soomro
Badaruddin F. Vellani
Khawaja Bakhtiar Ahmed
Abdul Naseer
Maqbool H. H. Rahimtoola (N.I.T)

Chairman / Chief Executive

COMPANY SECRETARY

Khawaja Bakhtiar Ahmed

AUDIT COMMITTEE

Iftikhar Soomro
Badaruddin F. Vellani
Abdul Naseer

Chairman

EXECUTIVE COMMITTEE

Iqbal Bengali
Abdul Majeed
Khawaja Bakhtiar Ahmed
Abdul Naseer

Chairman / Chief Executive
Director Marketing - EP & Human Resources
Director Finance & Company Secretary
Director Technical

SHARE TRANSFER COMMITTEE

Iqbal Bengali
Abdul Majeed
Khawaja Bakhtiar Ahmed

BANKERS

Citibank, N.A.
The Royal Bank of Scotland

AUDITORS

KPMG Taseer Hadi & Co.
Chartered Accountants

LEGAL ADVISORS

Orr Dignam & Company
Syed Qamaruddin Hassan

SHARE REGISTRAR

THK Associates (Pvt.) Ltd.
Ground Floor, State Life Building # 3,
Dr. Ziauddin Ahmad Road, Karachi-75530.
Ph. # 92-213-5689021-5686658 & 111-000-322

HEAD OFFICE / REGISTERED OFFICE

S-33, Hawkes Bay Road, S.I.T.E.,
G.P.O. Box No. 167, Karachi.
Ph. # 92-213-2354651-61, 92-213-7664203-06 & 111-777-333
Fax # 92-213-2354681
Website: www.wyethpakistan.com

Note: These accounts are also available on our website.

KEY OPERATING AND FINANCIAL DATA OF SIX YEARS

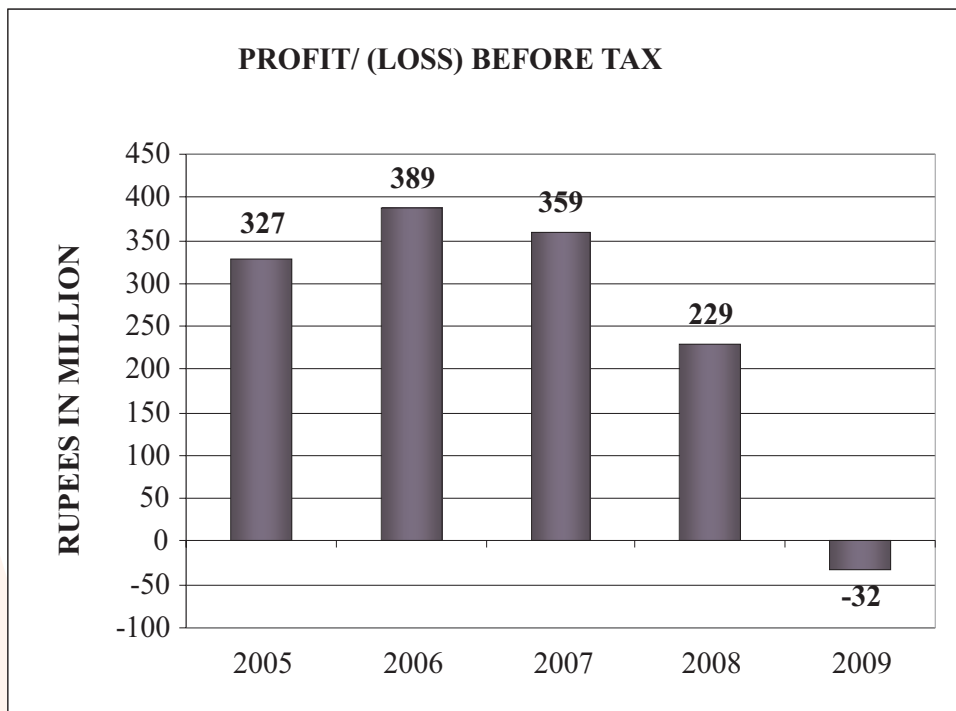
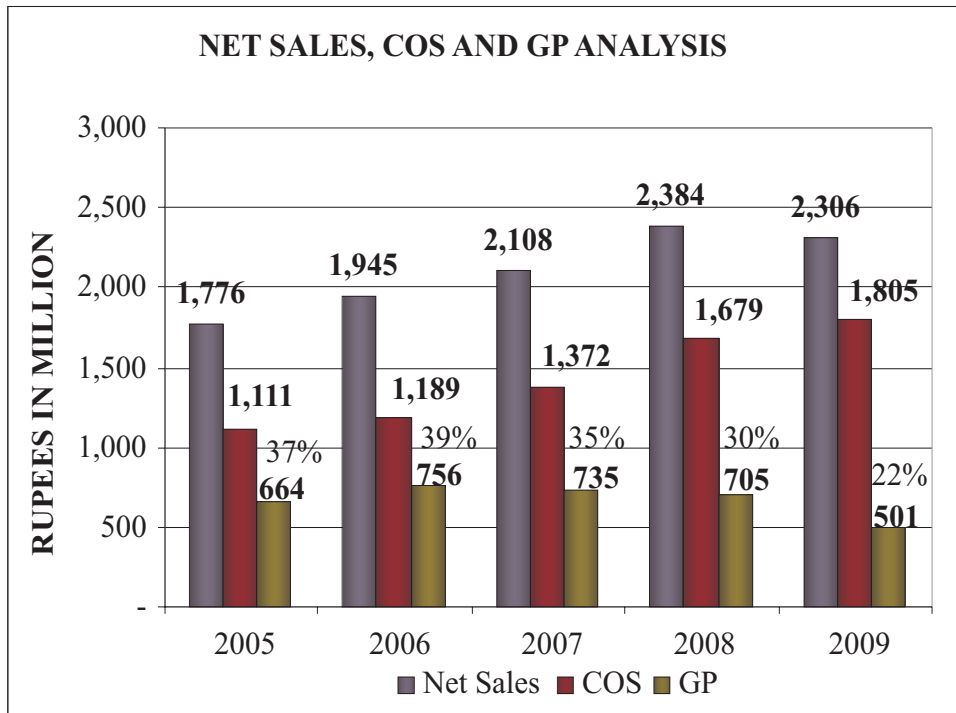
KEY INDICATORS	2004	2005	2006	2007	2008	2009*	
Trading results (Rs in millions)							
Net sales	1,705	1,776	1,945	2,108	2,384	2,306	
Gross profit	522	664	756	735	705	501	
Operating profit	131	323	364	325	254	1	
Profit/(loss) before tax	161	327	389	359	229	(32)	
Profit/(loss) after tax	107	227	324	245	144	(87)	
Financial position (Rs in millions)							
Shareholder's equity	916	1,071	1,263	1,411	1,131	982	
Property, plant & equipment	175	174	180	217	227	180	
Net current assets	734	896	1,077	1,185	901	794	
Profitability							
Gross profit	%	30.61	37.39	38.87	34.87	29.57	21.73
Operating profit	%	7.68	18.19	18.71	15.42	10.65	0.04
Profit/(loss) before tax	%	9.45	18.41	20.00	17.03	9.61	(1.39)
Profit/(loss) after tax	%	6.27	12.78	16.66	11.62	6.04	(3.77)
Performance							
Fixed assets turnover	Times	9.77	10.21	10.81	9.71	10.50	12.81
Avg. inventory holding period	Days	173	169	170	156	143	144
Debtor's turnover	Times	13.88	22.30	18.95	17.01	12.51	8.87
Average collection period	Days	26	16	19	21	29	38
Return on equity	%	11.68	21.20	25.65	17.36	12.73	(8.86)
Return on capital employed	%	11.67	21.20	25.65	17.36	12.73	(8.86)
Liquidity							
Current	Times	3.04	3.45	3.58	3.93	3.43	2.71
Quick	Times	1.54	2.07	2.11	2.53	1.38	0.98
Valuation							
Basic (loss)/earning per share (before tax)	Rs	113.31	230.10	273.29	252.58	161.15	(22.22)
Basic (loss)/earning per share (after tax)	Rs	75.25	159.48	228.17	172.39	101.50	(61.09)
Breakup value per share	Rs	644.23	753.71	888.38	992.86	795.47	690.95
Dividend per share	Rs	50.00	60.00	65.00	130.00	250.00	-
Dividend payout ratio (after tax)	%	66.44	37.62	28.49	75.41	246.31	-
Price earning ratio	Times	17.04	12.29	9.41	12.41	25.62	-
Dividend yield	%	3.46	3.70	3.17	6.06	10.55	-
Market value per share **	Rs	1,282	1,960	2,147	2,140	2,600	1,265
Market capitalization	Rs (M)	1,823	2,786	3,052	3,042	3,696	1,798

* All Profit and Loss Account items are for a period of eleven months commencing from January 1, 2009 to November 30, 2009.

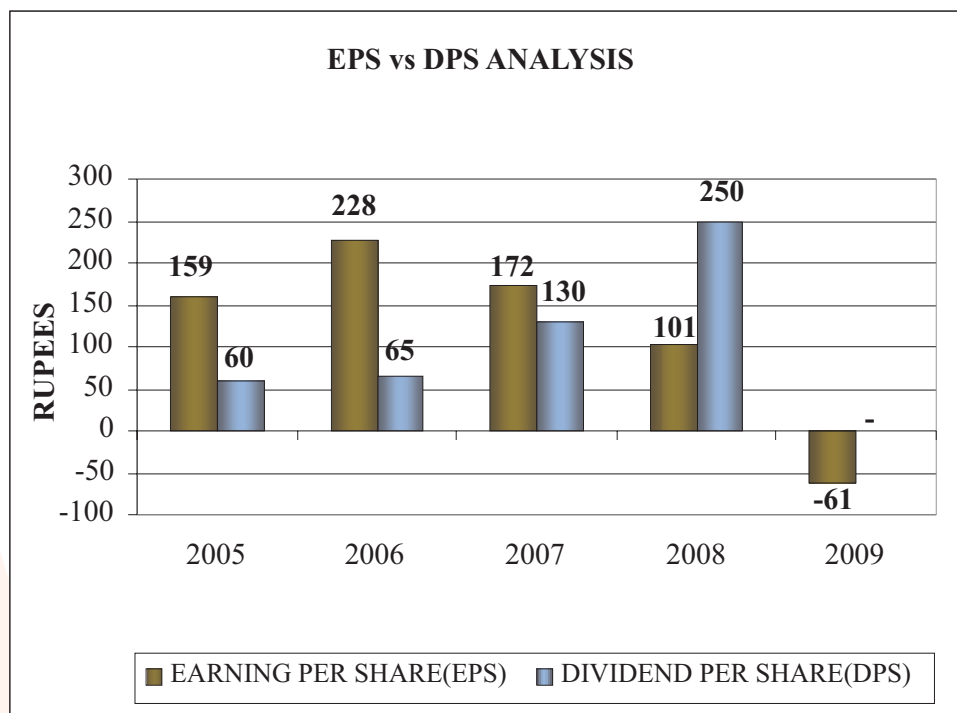
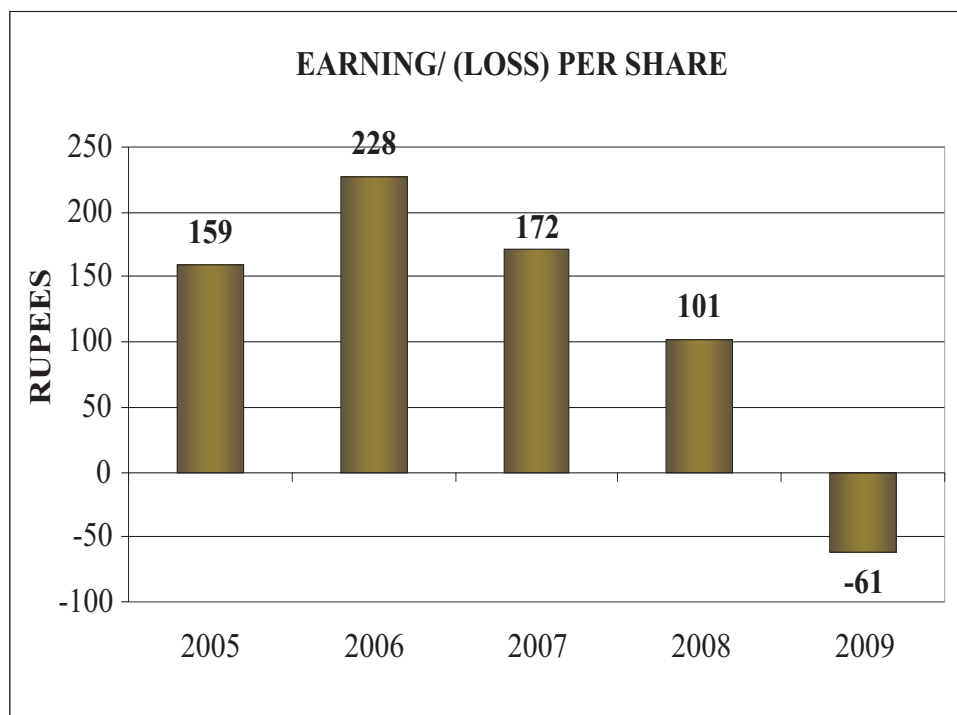
All Balance Sheet items show the position of the company as at November 30, 2009.

** Market value per share for the years 2004-2008 has been taken at December 31, whereas, market value per share for the period 2009 has been taken at November 30, 2009.

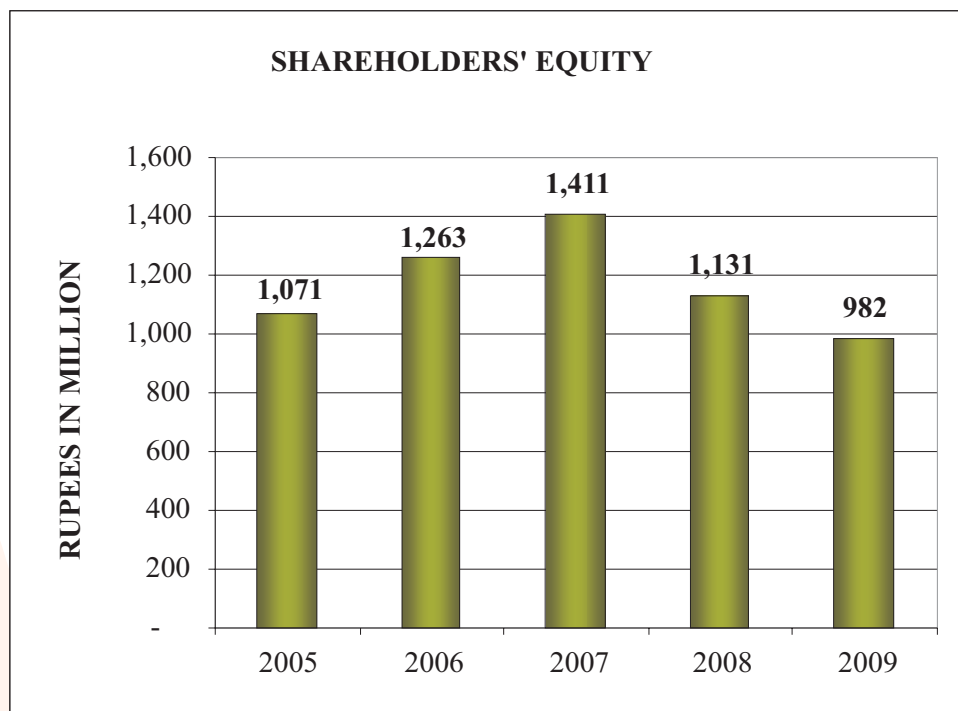
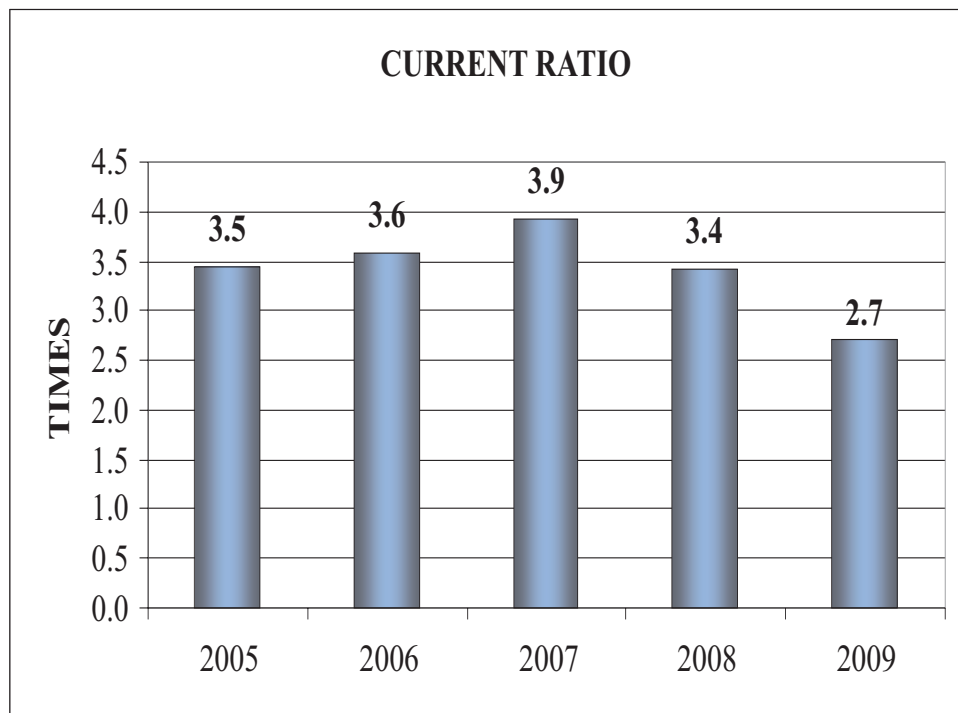
PERFORMANCE AT A GLANCE



PERFORMANCE AT A GLANCE



PERFORMANCE AT A GLANCE



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Sixty First** Annual General Meeting of Wyeth Pakistan Limited will be held on **Wednesday, March 24, 2010, at 11:30 a.m.** at the Registered Office of the Company, S-33, Hawkes Bay Road, S.I.T.E., Karachi, to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Accounts together with the Directors' and Auditors' Reports for the period ended November 30, 2009.
2. To appoint Auditors for the year ending November 30, 2010 and to authorize Board of Directors to fix their remuneration.

By Order of the Board



KHWAJA BAKHTIAR AHMED
Director / Company Secretary

Karachi: **March 01, 2010**

NOTES :

1. The Share Transfer Books of the Company will remain closed from March 24, 2010 to March 31, 2010 (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 Annual General Meeting are requested to please bring original Computerized National Identity Card (CNIC) 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 CNIC 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 along with proxy form to the Company.
5. Members are requested to promptly communicate to the Company's Registrar, THK Associates (Pvt.) Ltd., Ground Floor, State Life Building No.3, Dr. Ziauddin Ahmed Road, Karachi-75530 any change in their addresses.

DIRECTORS' REPORT TO SHAREHOLDERS

The Board of Directors of Wyeth Pakistan Limited present to you the Annual Report 2009 together with the Company's audited financial statements for the period ended November 30, 2009. It is important to mention here that the financial statements for the reporting period constitute results for eleven months commencing from January 1, 2009 to November 30, 2009 whereas the year 2008 constitute results of twelve months for comparison.

The Company's 61st Annual General Meeting will be held on March 24, 2010.

Summarized operating results of the Company are tabulated below:

	Rupees in million
Un-appropriated profit brought forward	48.1
Transfer from General Reserve	23.0
Profit available for appropriation	71.1
Appropriation	
- Final dividend for the year ended December 31, 2008	(71.1)
Loss after taxation for the period	(86.8)
Un-appropriated loss carried forward	(86.8)

Chairman / Chief Executive Review

The Chairman / Chief Executive's review on pages 11 to 12 deals with:

- Economy and Market
- Review of Operating Results
- Future Outlook of the Company

The Directors of the Company endorse the contents of the same.

Dividend

In view of the loss for the period, the directors have decided not to declare any dividend for 2009.

Capital expenditure

Capital expenditure of Rs 27.8 million was mainly made on property, plant and equipment. The Company is committed to invest in plant, machinery and infrastructure up-gradation to meet current GMP Standards.

Related Party Transactions

All related party transactions during 2009 were approved by the Board and the details of all such transactions were placed before the Audit Committee. The Company maintains a full record of all such transactions, along with the terms and conditions.

Parent Companies

As a result of the global acquisition of Wyeth by Pfizer Inc., on October 15, 2009, Wyeth has become a wholly-owned subsidiary of Pfizer Inc. Pfizer Inc. has become the ultimate parent company of Wyeth Pakistan Limited. Wyeth, however, continues to be the principal shareholder of Wyeth Pakistan Limited. Wyeth, 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 in Wyeth Pakistan Limited, thus the total holding of Wyeth in Wyeth Pakistan Limited is 72.10%.

Shareholding Information

The shareholding information as at November 30, 2009 and other related information required by the Code of Corporate Governance are set out on pages 56 to 57.

Mr. Badaruddin F. Vellani (Director) has purchased 100 shares in November 2009 at the rate of Rs 1,220 per share. Other Directors, Chief Executive Officer, Chief Financial Officer / Company Secretary have confirmed that neither they nor their spouses and minor children carried out any trading in the shares of the Company.

Earnings per share

Basic (loss) / earnings per share after taxation is Rupees (61.09) [2008: Rupees 101.50].

Training and Development

In pursuit of operational excellence, an extensive training on six-sigma was organized with the help of external trainers. Participating employees of this training were required to submit different projects which would result in cost reductions and time savings in the upcoming years.

Environment, Health and Safety (EHS)

At Wyeth Pakistan we are continuously striving to achieve standards as laid down by local authorities and policies governed by Wyeth's EHS Corporate Office.

For accomplishment of these objectives, the Company performed following activities during the period:

- Upgraded Waste Water Treatment Plant (WWTP) by establishing a small Testing Laboratory for In-House testing of different parameters of NEQS.
- Celebrated "Earth Day" on April 22, 2009 and "Hand Washing Day" on October 15, 2009 for awareness of all employees.
- Conducted Occupational Hygiene monitoring for betterment of individual health of Employees, working in different areas, who came in direct contact with active ingredients.

Information Technology

The Company continues to use efficiently and effectively JD Edwards as its ERP system.

Donation

Your Company has donated Rs 2.1 million in the form of cash and medicines for rehabilitation and welfare of Internally Displaced Persons.

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.

Corporate and Financial Reporting Framework

In compliance with 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 Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of financial statements. There has been no departure from IFRS.
- 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 period) are shown on Page No. 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. 17.4 to the financial statements on Taxation under the head of Contingencies and Commitments.
- j) The value of investments of pension, gratuity and provident fund were as follows:

Name of Funds	Un-audited 2009	Audited 2008
Pension Fund	Rs 116 million	Rs 123 million
Gratuity Fund	Rs 72 million	Rs 87 million
Provident Fund	Rs 248 million	Rs 209 million

The value of investments includes accrued interest and the audit of these funds for 2009 is in progress.

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

No. of Meetings >>>>>>	1	2	3	4	5
Date of Meetings >>>>>>	12-02-09	27-03-09	29-04-09	19-08-09	20-10-09
Mr. Arshad Rahim Khan	P	P	P	P	P
Khwaja Bakhtiar Ahmed	P	P	P	P	P
Mr. Javed Iqbal	P	A	P	P	P
Ms. Aliya Yusuf	P	P	A	P	A
Mr. Behram Hasan (NIT)	P	P	A	-	-
Mr. Maqbool H.H. Rahimtoola (NIT)	-	-	-	P	P
Mr. Abdul Naseer	A	P	P	P	P
Dr. Nadim ur Rehman	P	A	P	P	A
Mr. Iqbal Bengali	-	-	-	-	P
Mr. Abdul Majeed	-	-	-	-	P
Mr. Badaruddin F. Vellani	-	-	-	-	P
Mr. Iftikhar Soomro	-	-	-	-	P

During the period following changes took place in the composition of the Board of Directors.

Name	Date of retirement / resignation
Mr. Behram Hasan (NIT)	April 25, 2009
Mr. Mark Larsen	October 20, 2009
Mr. Gaetan Crucke	October 20, 2009
Mr. Edward Michael Henricks	October 20, 2009
Mr. Arshad Rahim Khan	October 20, 2009
Mr. Baldev Arora	November 02, 2009

The name of the Directors appointed as Directors in their place are as follows:

Name	Date of Appointment
Mr. Maqbool H. H. Rahimtoola (NIT)	May 13, 2009
Mr. Iqbal Bengali	October 20, 2009
Mr. Abdul Majeed	October 20, 2009
Mr. Badaruddin F. Vellani	October 20, 2009
Mr. Iftikhar Soomro	October 20, 2009
Mr. Abdul Naseer	November 02, 2009

The Chairman wishes to place on record its appreciation of the services rendered by the outgoing Directors and welcome the new Directors on the Board.

Audit Committee

The Audit Committee of Wyeth Pakistan has been reconstituted on October 20, 2009. Mr. Javed Iqbal, the Chairman and Ms. Aliya Yusuf, a member of Audit Committee, resigned and in place of them Mr. Iftikhar Soomro and Mr. Badaruddin F. Vellani joined as a Chairman and member of the Audit Committee, respectively. The new Chairman and member of the Audit Committee wish to place on record their appreciation of the services rendered by the outgoing Chairman and the member.

The terms of reference of the Audit Committee have been determined by the Board of Directors in accordance with the guidelines provided in the Listing Regulations and advised to the Committee for compliance. The Committee held five meetings during the period.


Auditors

A.F. Ferguson & Co., Chartered Accountants were appointed as auditors of the Company for the current period in the 60th Annual General Meeting held on April 29, 2009. A. F. Ferguson & Co. resigned on October 19, 2009 and in their place KPMG Taseer Hadi & Co., Chartered Accountants, was appointed as new auditors for the period ended November 30, 2009 by the Board of Directors in the Board meeting held on October 20, 2009. KPMG Taseer Hadi & Co. retired and being eligible offer themselves for reappointment. The Board of Directors on the suggestion of Audit Committee recommend the appointment of KPMG Taseer Hadi & Co., Chartered Accountants as statutory auditors for the financial year ending November 30, 2010 till the conclusion of next AGM.

Corporate Governance

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

By Order of the Board


Iqbal Bengali
Chairman / Chief Executive


Khwaja Bakhtiar Ahmed
Director

Karachi: February 23, 2010

CHAIRMAN / CHIEF EXECUTIVE'S REVIEW

Economy and Market

2009 was a challenging year and witnessed modest growth in Pakistan's economy due to uncertain law and order situation and global economic recession. The economy continues to witness double digit inflation; low economic growth and continued depreciation of the rupee against major currencies. During this period the pharmaceutical industry has been adversely impacted by both inflationary trends as well as Rupee depreciation. The Government has not allowed any across the board price adjustment to pharmaceutical industry for nine years. Growth in pharmaceutical market is mainly volume growth.

Review of Operating Results

As mentioned above in the Directors' report the financial statements for the reporting period constitute results of eleven months which is compared with the results of twelve months of 2008.

The Company's total net sales for the period have declined by 3.2% over last year. Current period is of 11 months and if compared "Like with like" with last year, then sales grew by 6%. The gross profit as a percentage of net sales for the period has declined mainly because of increase in cost of input and depreciation of Pakistan Rupee.

We, however, maintained control on our expenses. Our advertising and sales promotion expenses are in line with last year. Administrative expenses are mainly higher due to the cost of Voluntary Separation Scheme and higher inflation. Other operating expenses for the period are lower than last year because currency translation loss was recorded last year as a result of sharp depreciation of the Pakistan Rupee vs. US Dollar.

Loss before and after tax has occurred due to the reasons explained above.

Future Outlook of the Company

Your Company's management is continuously focused on taking steps to improve performance in spite of challenging business environment. Business improvement initiatives undertaken in prior years and the period under review are expected to contribute towards improving operational efficiencies on an ongoing basis.

The Company also remains focused on introducing new research based products. Two products ENBREL and PRISTIQ are projected to be launched (subject to approval from Ministry of Health) in the latter part of 2010. Brief descriptions of these products are given below:

ENBREL

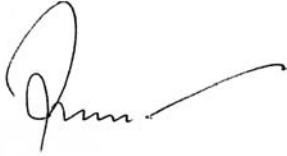
Conventional drugs that are used to treat Rheumatoid Arthritis have limitations with respect to both efficacy and safety. There is a clear unmet medical need for an effective and safe Biological Disease Modifying Anti-Rheumatic Drug or DMARD that not only reduces joint damage but can help patients achieve better quality of life.

Enbrel has an established safety and efficacy profile and more than 16 years of collective clinical experience. By reducing disability, ENBREL allows crippling patients suffering from a chronic and debilitating disease to live better with improved quality of life.

PRISTIQ

It is a new anti-depressant drug that offers efficacy in a simple 50 mg once daily dose. It is indicated for the treatment of major depressive disorder.

The industrial relations throughout the period remained smooth and peaceful. We thank all the employees for their understanding, dedication, commitment and hard work.



Iqbal Bengali
Chairman / Chief Executive

Karachi: **February 23, 2010**

wyeth

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 of the Karachi Stock Exchange and 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 three independent non-executive Directors, one of whom represents the minority equity interest of Institutional Investor (NIT).
2. All Directors have confirmed that none of them is serving as a Director in more than ten listed companies, including this Company.
3. All the 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. Casual vacancies which occurred during the period under consideration were duly filled within 30 days.
5. The Company has a 'Code of Conduct' (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. Details 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 its approval. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised. The decisions on material transactions including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive and other executive Directors have been approved by the Board.
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 keeps apprised its Directors of their duties and responsibilities by in-house orientations, as and when required, which is an ongoing process.
10. The Board has approved appointment of Chief Financial Officer (CFO) / Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, as determined by the CEO.

11. The Directors' report for the eleven months period has been prepared in accordance with the requirements of the Code and fully describes the salient matters that are required to be disclosed.
12. All related party transactions during 2009 were approved by the Board and details of all such related party transactions were placed before the Audit Committee along with pricing methods for such transactions. The Company maintains a full record of all such transactions, along with the terms and conditions.
13. CEO and CFO duly endorsed the financial statements of the Company before approval of the Board.
14. The Directors, Chief Executive Officer (CEO) and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding and the spouses of the Directors are not engaged in the business of stock brokerage.
15. The Company has complied with all the corporate and financial reporting requirements of the Code.
16. The Board has formed an audit committee. It comprises of 3 members, of whom 2 are non-executive Directors. The Chairman of the committee is non-executive Director.
17. 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 and have been formed and advised to the committee for compliance.
18. The Board has set-up an effective internal audit function.
19. 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.
20. 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.
21. We confirm that all other material principles contained in the Code have been complied with.



IQBAL BENGALI
Chairman / Chief Executive

Karachi: **February 23, 2010**



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2
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Karachi, 75530 Pakistan

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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** ("the Company") to comply with the Listing Regulations of the respective Stock Exchanges in which 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 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 are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Further, Sub- Regulation (xiii a) of Listing Regulation No. 35 (previously Regulation No.37) notified by the Karachi Stock Exchange (Guarantee) Limited vide circular no.KSE/N-269 dated 19 January 2009 requires the Company to place before the Board of Directors for their consideration and approval of related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were under taken at arm's length price or not.

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 Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance.

Date: **February 23, 2010**

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants

KPMG Taseer Hadi & Co., a partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative



KPMG Taseer Hadi & Co.
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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Wyeth Pakistan Limited** ("the Company") as at 30 November 2009 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the eleven months period 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 account 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 except for the changes resulted on initial application of standards, amendments or an interpretation to existing standards, as stated in note 3.1, with which we concur;
 - ii) the expenditure incurred during the period was for the purpose of the Company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the period 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 comprehensive income, cash flow statement and statement of changes in equity 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 30 November 2009 and of the loss, reported loss in comprehensive income statement, cash flows and changes in equity for the period then ended; and
- d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The financial statements of the company for the year ended 31 December 2008 were audited by another firm of chartered accountants whose report dated 27 March 2009, expressed an unqualified opinion.

Date: **February 23, 2010**

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Mohammad Mahmood Hussain

KPMG Taseer Hadi & Co., a partnership firm registered in Pakistan
and a member firm of the KPMG network of independent member
firms affiliated with KPMG International, a Swiss cooperative

BALANCE SHEET AS AT NOVEMBER 30, 2009

	Note	November 30, 2009	December 31, 2008
(Rupees '000)			
NON-CURRENT ASSETS			
Property, plant and equipment	4	179,681	226,632
Long-term loans	5	12,161	9,342
Long-term deposits		1,879	1,957
Total non - current assets		193,721	237,931
CURRENT ASSETS			
Spares		2,921	2,912
Stock-in-trade	6	800,768	756,391
Trade debts	7	277,447	242,804
Loans and advances	8	15,744	15,907
Deposits and prepayments	9	13,462	15,655
Interest accrued		6	2,269
Other receivables	10	14,890	17,860
Taxation-net		97,687	79,912
Short-term investments	11	-	87,000
Cash and bank balances	12	35,648	50,911
Total current assets		1,258,573	1,271,621
Total assets		1,452,294	1,509,552
SHARE CAPITAL AND RESERVES			
Share capital	13	142,161	142,161
Reserves		926,940	940,590
Unappropriated profit		(86,838)	48,101
Total equity		982,263	1,130,852
NON-CURRENT LIABILITY			
Deferred taxation	14	5,238	8,065
CURRENT LIABILITIES			
Trade and other payables	15	464,793	370,635
Total equity and liabilities		1,452,294	1,509,552
CONTINGENCIES AND COMMITMENTS			
	17		

The annexed notes 1 to 38 form an integral part of these financial statements.


Iqbal Bengali
 Chief Executive


Khwaja Bakhtiar Ahmed
 Director

PROFIT AND LOSS ACCOUNT FOR THE ELEVEN MONTHS PERIOD ENDED NOVEMBER 30, 2009

	Note	November 30, 2009	December 31, 2008
(Rupees '000)			
Net sales	18	2,306,323	2,383,639
Cost of sales	19	1,805,262	1,678,989
Gross profit		501,061	704,650
Distribution cost	20	332,283	328,361
Administrative expenses	21	167,871	122,210
		500,154	450,571
		907	254,079
Other operating income	23	15,174	66,789
		16,081	320,868
Other operating expenses	24	43,922	90,673
Finance cost	25	3,752	1,106
		47,674	91,779
(Loss) / profit before taxation		(31,593)	229,089
Taxation	26		
Current-for the period		58,083	80,702
-for prior years		-	5,243
Deferred		(2,827)	(1,148)
		55,256	84,797
(Loss) / profit after taxation		(86,849)	144,292
(Rupees)			
Basic (loss) / earnings per share	27	(61.09)	101.50

Note: The appropriations from profits are set out in the Statement of Changes in Equity.

The annexed notes 1 to 38 form an integral part of these financial statements.

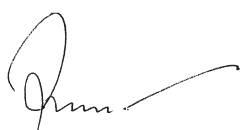

Iqbal Bengali
Chief Executive


Khwaja Bakhtiar Ahmed
Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE ELEVEN MONTHS PERIOD ENDED NOVEMBER 30, 2009

	November 30, 2009	December 31, 2008
	(Rupees '000)	
(Loss) / profit after taxation	(86,849)	144,292
Other comprehensive income	-	-
Total comprehensive (loss) / income	<u>(86,849)</u>	<u>144,292</u>

The annexed notes 1 to 38 form an integral part of these financial statements.



Iqbal Bengali
Chief Executive



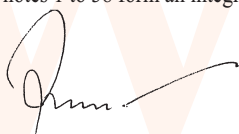
Khwaja Bakhtiar Ahmed
Director

wyeth

STATEMENT OF CHANGES IN EQUITY FOR THE ELEVEN MONTHS PERIOD ENDED NOVEMBER 30, 2009

	Issued, subscribed and paid- up share capital	Reserves			Unappropriated profit	Total
		General	Others	Sub total		
----- (Rupees '000) -----						
Balance as at December 31, 2007	142,161	1,074,000	4,257	1,078,257	191,035	1,411,453
Total comprehensive income for the year						
Profit for the year	-	-	-	-	144,292	144,292
Other comprehensive income for the year	-	-	-	-	-	-
	-	-	-	-	144,292	144,292
Transactions with owners						
Final dividend for the year ended December 31, 2007 @ 100%	-	-	-	-	(142,161)	(142,161)
First interim dividend for the year ended December 31, 2008 @ 100%	-	-	-	-	(142,161)	(142,161)
Second interim dividend for the year ended December 31, 2008 @ 100%	-	-	-	-	(142,161)	(142,161)
Share-based payments	-	-	4,198	4,198	-	4,198
Utilization of reserve held for share-based payments	-	-	(2,608)	(2,608)	-	(2,608)
	-	-	1,590	1,590	(426,483)	(424,893)
Others						
Transfer to general reserve	-	45,743	-	45,743	(45,743)	-
Transfer from general reserve	-	(185,000)	-	(185,000)	185,000	-
	-	(139,257)	-	(139,257)	139,257	-
Balance as at December 31, 2008	142,161	934,743	5,847	940,590	48,101	1,130,852
Total comprehensive income for the period						
Loss for the period	-	-	-	-	(86,849)	(86,849)
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	-	-	(86,849)	(86,849)
Transactions with owners						
Final dividend for the year ended December 31, 2008 @ 50%	-	-	-	-	(71,080)	(71,080)
Share-based payments	-	-	12,602	12,602	-	12,602
Utilization of reserve held for share-based payments	-	-	(3,262)	(3,262)	-	(3,262)
	-	-	9,340	9,340	(71,080)	(61,740)
Others						
Transfer from general reserve	-	(22,990)	-	(22,990)	22,990	-
Balance as at November 30, 2009	142,161	911,753	15,187	926,940	(86,838)	982,263

The annexed notes 1 to 38 form an integral part of these financial statements.



Iqbal Bengali
Chief Executive


Khwaja Bakhtiar Ahmed
Director

CASH FLOW STATEMENT FOR THE ELEVEN MONTHS PERIOD ENDED NOVEMBER 30, 2009

	Note	November 30, 2009	December 31, 2008
(Rupees '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operating activities	32	61,186	(130,807)
Profit received on deposits accounts		4,645	56,707
Increase in long-term loans		(2,819)	(729)
Decrease in long-term deposits		78	330
Taxes paid		(75,858)	(94,542)
Net cash outflow from operating activities		(12,768)	(169,041)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(25,602)	(49,321)
Proceeds from disposal of property, plant and equipment		7,808	4,691
Proceeds from disposal of non-current assets classified as held for sale		-	4,075
Net cash outflow from investing activities		(17,794)	(40,555)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash outflow from financing activities - dividends paid		(71,701)	(424,486)
Net decrease in cash and cash equivalents		(102,263)	(634,082)
Cash and cash equivalents at beginning of the period		137,911	771,993
Cash and cash equivalents at end of the period	33	35,648	137,911

The annexed notes 1 to 38 form an integral part of these financial statements.


Iqbal Bengali
Chief Executive


Khwaja Bakhtiar Ahmed
Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE ELEVEN MONTHS PERIOD ENDED NOVEMBER 30, 2009

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.

With effect from October 15, 2009 Pfizer Inc. has acquired Wyeth USA. Accordingly, Pfizer Inc. has become the ultimate parent of the company. However, Wyeth USA continues to be the principal shareholder of the company.

These financial statements have been prepared for the period of eleven months as the company has changed its year end from December 31 to November 30.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for the recognition of certain employee retirement benefits at present value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the functional currency of the Company and rounded off to the nearest thousand rupees.

2.4 Use of estimates and judgments

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 judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgment 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 recoverable amounts, useful lives and 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 6).

- (c) Assumptions and estimations used in recognition of deferred taxation (note 14).
- (d) Assumptions and estimations used in recognition of reserve for potential expired stock claims (note 15).
- (e) Assumptions and estimations used in accounting for defined benefit plans (note 29).

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Initial application of a standard or an interpretation

The following standards, amendments and interpretations of approved accounting standards became effective during the year:

- Amendment to IFRS 2 - Share-based Payment – Vesting Conditions and Cancellations clarifies the definition of vesting conditions, introduces the concept of non-vesting conditions, requires non-vesting conditions to be reflected in grant-date fair value and provides the accounting treatment for non-vesting conditions and cancellations.
- IFRS 4 - Insurance Contracts. The IFRS makes limited improvements to accounting for insurance contracts until the Board completes the second phase of its project on insurance contracts. The standard also requires that an entity issuing insurance contracts (an insurer) to disclose information about those contracts. The standard is not applicable to the Company's operations.
- IFRS 7 – Financial Instruments: Disclosures (effective for annual periods beginning on or after 28 April 2008) supersedes IAS 30 – Disclosures in the Financial Statements of Banks and Similar Financial Institutions and the disclosure requirements of IAS 32 – Financial Instruments: Disclosure and Presentation. The application of the standard did not have significant impact on the Company's financial statements other than additional disclosures relating to financial instruments.
- Amendment to IFRS 7 - Improving disclosures about Financial Instruments. These amendments have been made to bring the disclosure requirements of IFRS 7 more closely in line with US standards. The amendments introduce a three-level hierarchy for fair value measurement disclosures and require entities to provide additional disclosures about the relative reliability of fair value measurements. The amendment did not affect the Company's financial statements.
- IFRS 8 - Operating segments also became effective from January 1, 2009 which requires an entity to determine and present operating segments based on the information that is provided internally to the company's Chief Operating Decision Maker (CODM) that is, the company's function which allocates resources to and assesses performance of its operating segments. Currently, the management has determined that the company has a single reportable segment and therefore the adoption of the said IFRS has only resulted in some entity wide disclosures as given in note 34 to these financial statements.
- Revised IAS 1 - Presentation of financial statements has introduced the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement), or in an income statement and a separate statement of comprehensive income. The Company does not have any items of comprehensive income to report for the period ended November 30, 2009 and comparative periods.

- Revised IAS 23 - Borrowing costs has removed the option to expense borrowing costs and requires that an entity capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The Company already followed the policy of capitalising such borrowing costs therefore the application of aforesaid standard did not affect the Company's financial statements.
- IAS 27 - Consolidated and separate financial statements. The amendment removed the definition of the cost method from IAS 27 and replaces it with a requirement to present dividends as income in the separate financial statements of the investor. The amendment is not relevant to Company's financial statements.
- Amendments to IAS 32 - Financial instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation, requires puttable instruments, and instruments that impose on the entity an obligation to deliver to another party a pro-rata share of the net assets of the entity only on liquidation, to be classified as equity if certain conditions are met. The amendments, which required retrospective application, had no impact on the Company's financial statements.
- Amendments to IAS 39 and IFRIC 9 - Embedded derivatives. Amendments require entities to assess whether they need to separate an embedded derivative from a hybrid (combined) financial instrument when financial assets are reclassified out of the fair value. The amendments are not relevant to Company's financial statements.
- IFRIC 16 - Hedge of Net Investment in a Foreign Operation, has clarified that net investment hedging can be applied only to foreign exchange differences arising between the functional currency of a foreign operation and the parent entity's functional currency and only in an amount equal to or less than the net assets of the foreign operation, the hedging instrument may be held by any entity within the group except the foreign operation that is being hedged and that on disposal of a hedged operation, the cumulative gain or loss on the hedging instrument that was determined to be effective is reclassified to profit or loss. The interpretation allows an entity that uses the step-by-step method of consolidation an accounting policy choice to determine the cumulative currency translation adjustment that is reclassified to profit or loss on disposal of a net investment as if the direct method of consolidation had been used. The amendment is not relevant to the Company's operations.
- IFRIC 18 - Transfers of Assets from Customers, clarified the requirements of IFRS for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services (such as a supply of electricity, gas or water). The interpretation is not relevant to the Company's operations.
- The International Accounting Standards Board made certain amendments to existing standards as part of its first annual improvements project. The effective dates for these amendments vary by standard and most became applicable during the period. These amendments, however, did not have an impact on the Company's financial statements.

3.2 Standards and interpretations not yet effective:

The following standards, interpretations and amendments of approved accounting standards are effective for accounting periods beginning from the dates specified below. These standards are either not relevant to the Company's operations or are not expected to have a significant impact on the Company's financial statements other than increase in disclosures in certain cases:

- Revised IFRS 3 - Business Combinations (applicable for annual periods beginning on or after 1 July 2009) broadens among other things the definition of business resulting in more acquisitions being treated as business combinations, contingent consideration to be measured at fair value, transaction costs other than share and debt issue costs to be expensed, any pre-existing interest in an acquiree to be measured at fair value, with the related gain or loss recognised in profit or loss and any non-controlling (minority) interest to be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of an acquiree, on a transaction-by-transaction basis. The application of this standard is not likely to have an effect on the Company's financial statements.
- Amended IAS 27 - Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009) requires accounting for changes in ownership interest by the group in a subsidiary, while maintaining control, to be recognized as an equity transaction. When the group loses control of subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognized in the profit or loss. The application of the standard is not likely to have an effect on the Company's financial statements.
- Amendments to IAS 39 - Financial Instruments: Recognition and Measurement – Eligible Hedged Items (effective for annual periods beginning on or after 1 July 2009 clarifies the application of existing principles that determine whether specific risks or portions of cash flows are eligible for designation in a hedging relationship. The amendment is not likely to have an effect on the Company's financial statements.
- IFRIC 15 - Agreement for the Construction of Real Estate (effective for annual periods beginning on or after 1 October 2009) clarifies the recognition of revenue by real estate developers for sale of units, such as apartments or houses, 'off-plan', that is, before construction is complete. The amendment is not relevant to the Company's operations.
- IFRIC 17 - Distributions of Non-cash Assets to Owners (effective for annual periods beginning on or after 1 July 2009) states that when a company distributes non-cash assets to its shareholders as dividend, the liability for the dividend is measured at fair value. If there are subsequent changes in the fair value before the liability is discharged, this is recognised in equity. When the non-cash asset is distributed, the difference between the carrying amount and fair value is recognised in the income statement. As the Company does not distribute non-cash assets to its shareholders, this interpretation has no impact on the Company's financial statements.
- Amendment to IFRS 2 – Share-based Payment – Group Cash-settled Share-based Payment Transactions (effective for annual periods beginning on or after 1 January 2010). Currently effective IFRS require attribution of group share-based payment transactions only if they are equity-settled. The amendments resolve diversity in practice regarding attribution of cash-settled share-based payment transactions and require an entity receiving goods or services in either an equity-settled or a cash-settled payment transaction to account for the transaction in its separate or individual financial statements.
- Amendment to IAS 32 - Financial Instruments: Presentation – Classification of Rights Issues (effective for annual periods beginning on or after 1 February 2010). The IASB amended IAS 32 to allow rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency to be classified as equity instruments provided the entity offers the rights, options or warrants pro-rata to all of its existing owners of the same class of its own non-derivative equity instruments. This interpretation has no impact on the Company's financial statements.

- Amendments to IFRIC 14 IAS 19 – The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction (effective for annual periods beginning on or after 1 January 2011). These amendments remove unintended consequences arising from the treatment of prepayments where there is a minimum funding requirement. These amendments result in prepayments of contributions in certain circumstances being recognised as an asset rather than an expense. This amendment is not likely to have any impact on Company's financial statements.
- IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments (effective for annual periods beginning on or after 1 July 2010). This interpretation provides guidance on the accounting for debt for equity swaps. This interpretation has no impact on the Company's financial statements.
- IAS 24 - Related Party Disclosures (revised 2009) – effective for annual periods beginning on or after 1 January 2011. The revision amends the definition of a related party and modifies certain related party disclosure requirements for government-related entities. The amendment would result in certain changes in disclosures.
- Improvements to IFRSs 2008 – Amendments to IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations – (effective for annual periods beginning on or after 1 July 2009). The amendments specify that if an entity is committed to a plan to sell a subsidiary, then it would classify all of that subsidiary's assets and liabilities as held for sale if criteria in IFRS 5 are met. This applies regardless of the entity retaining an interest (other than control) in the subsidiary; and disclosures for discontinued operations are required by the parent when a subsidiary meets the definition of a discontinued operation. This amendment is not likely to have any impact on Company's financial statements.
- The International Accounting Standards Board made certain amendments to existing standards as part of its second annual improvements project. The effective dates for these amendments vary by standard and most will be applicable to the Company's 2010 financial statements. These amendments are unlikely to have an impact on the Company's financial statements.

3.3 Property, plant and equipment

These assets are stated at cost less accumulated depreciation and impairment, if any, except for leasehold land and capital work-in-progress which are stated at cost. Assets having cost exceeding the minimum threshold as determined by the management are capitalized. All other assets are charged in the year of acquisition.

As of November 30, 2009 the management of the company has revised the minimum threshold for capitalization. Accordingly, the aggregate net book value of assets having cost below the threshold as at November 30, 2009 has been written-off.

Had the threshold of capitalization not been revised the profit after tax for the period ended November 30, 2009 and the net book value of the property, plant and equipment as at that date would have been higher by Rs 22.107 million and Rs 32.543 million. This revision in the threshold for capitalization has been accounted for as a change in estimate in these financial statements.

Depreciation 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.

Useful lives are determined by the management based on expected usage of assets, expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors.

Consistent with prior years, depreciation on additions is charged from the month in which the asset is put to use while no depreciation is charged in the month of disposal. The rates of depreciation are stated in note 4.4 to the financial statements. Depreciation rates and method are reviewed at each balance sheet date.

No depreciation is charged if the asset's residual value exceeds its carrying amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. 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.

3.4 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 value is generally not significant.

3.5 Stock-in-trade

These have been valued as follows:

Finished goods, raw and packing materials and work-in-process	: Lower of cost, determined on 'first in first out' basis and net realisable value (NRV).
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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.
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Stock-in-transit	: At invoice value plus other charges incurred thereon.
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Provision for slow moving and obsolete stock is made on management's judgement regarding future use of the stocks.

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.

3.6 Trade debts

Trade debts are stated at original invoice amount less provision for doubtful debts. 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.

3.7 Short-term investments

The company had investment in term deposit receipts having original maturity of less than or equal to three months. Such short-term investments are stated at amortised cost.

3.8 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash and cheques in hand, current and deposit account balances with banks and short-term investments having maturity of less than three months from the date of original issue.

3.9 Provisions

Provisions are recognised when, the company has a present obligation (legal or constructive) 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 reliable estimates of the obligations can be made. Provisions are reviewed periodically and adjusted to reflect the current best estimates.

3.10 Revenue recognition

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of sales tax, returns, trade discount and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and there is no continuing management involvement with the goods.

Returns on bank deposits and investments are recognised on an accrual basis.

Scrap sales and miscellaneous receipts are recognised on realised amounts.

3.11 Staff retirement benefits

3.11.1 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 cumulative unrecognised actuarial gains and losses at the end of the previous year exceeds 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 and are accounted for accordingly.

3.11.2 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.

3.11.3 Employees' compensated absences

The company accounts for liability against employees' compensated absences, in accordance with the actuarial valuation carried out every year.

3.12 Share-based payment plans

3.12.1 Equity-settled share-based payment plans

The company operates the following equity settled share-based payment plans:

- Time-vested share plan: The parent company grants rights of its shares to the eligible employees of the company that vest over a period of three years from the grant date.
- Performance-based share plan: The parent company grants rights of its shares to the eligible employees of the company that vest depending on the company's achievements of target.

Equity-settled share-based payment plans entitle the eligible employees to acquire the shares of Wyeth USA (the parent company) when the vesting conditions for the granted equity instruments are fulfilled. The company recognises as expense the services acquired over the vesting period (if any) and the corresponding increase in equity at the fair value of the shares of the parent company granted, which are measured at the grant date.

3.12.2 Share appreciation rights (SAR)

SAR entitle the eligible employees to an appreciation in the value of the parent company's shares which shall be equivalent to the difference between the fair value of those shares at the date of grant and the date of exercising of the option. Such rights are vested in equal proportion over a period of three years from the grant date. If SAR become favorable, the employee can exercise his right within the maximum period of ten years from the grant date and becomes entitled to an amount representing difference between the fair value of the shares of the parent company as of the grant date and exercise date. The company recognises as an expense the services acquired over the vesting period and the corresponding liability at the fair value of SAR.

3.12.3 Cancellation of share-based payment plans

Subsequent to the acquisition of Wyeth USA during the period, the above said plans have been modified and settled in cash. Accordingly, the company has accounted for all outstanding shares and stock options as at October 15, 2009 as vested and the related expense has been recognised immediately.

3.13 Cash Long Term Incentive Plan (CIP)

With effect from March 5, 2009, Wyeth USA has announced a CIP plan which allows eligible employees with an opportunity to receive deferred cash awards. A deferred cash award under the CIP is right to receive a cash payment upon vesting, subject to continuing employment. Such awards are vested in equal proportion over the three years period from the grant date. The company recognises as an expense an equal proportion of the cost of liability, measured at its best estimate, over the vesting period.

3.14 Taxation

Current

Consistent with prior years, provision for current taxation is the amount computed on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, and tax on presumptive basis.

Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the carrying amount of assets and liabilities and their tax bases after adjusting for the impact of Presumptive Tax Regime (PTR).

Consistent with prior years, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and is recognised only to the extent that it is probable that future taxable profits will be available against which the assets may be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.15 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are taken to the profit and loss account currently.

3.16 Foreign currency transactions

Transactions in foreign currencies are accounted for in Pak rupees at the rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak rupees at the rates of exchange prevailing at the balance sheet date. Exchange differences are included in profit and loss account currently.

3.17 Financial instruments

Financial assets and liabilities

Financial assets are trade debts, loans and advances, deposits, other receivables, short-term investments and cash and bank balances. Significant financial liabilities are trade and other payables. Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortised cost or cost, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

Off setting of financial assets and liabilities

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

3.18 Dividends and appropriation of profit

Dividend is recognised as a liability in the period in which it is declared. Appropriations of profit are reflected in the statement of changes in equity in the period in which such appropriations are approved by the shareholders or Board of Directors, as the case may be.

3.19 Impairment

The company assesses at each balance sheet date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed recoverable amount, assets are written down to the recoverable amount and the difference is recognised in profit and loss account currently.

3.20 Long-term loans

Long-term loans are initially recognised at cost inclusive of transaction costs and are subsequently measured at amortised cost less provision for impairment losses (note 5.2).

Note	November 30, 2009	December 31, 2008
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(Rupees '000)

4. PROPERTY, PLANT AND EQUIPMENT

4.1 The following is a breakup of property, plant and equipment:

Operating fixed assets	4.2	179,681	224,402
Capital work in progress	4.3	-	2,230
		<u>179,681</u>	<u>226,632</u>

4.2 Operating fixed assets

The following is a statement of operating fixed assets:

	Leasehold land	Factory on leasehold land	Improvements to warehouse	Plant and machinery	Furniture and fittings	Vehicles	Office equipment	Total
-----Rupees in '000-----								
At January 1, 2008								
Cost	258	54,966	4,590	259,997	14,050	29,458	59,206	422,525
Accumulated depreciation	-	30,638	1,955	149,161	9,669	7,872	38,755	238,050
Net book value	258	24,328	2,635	110,836	4,381	21,586	20,451	184,475
Year ended December 31, 2008								
Opening net book value	258	24,328	2,635	110,836	4,381	21,586	20,451	184,475
Additions	-	21,811	587	23,081	1,072	26,948	6,575	80,074
Disposals								
Cost	-	-	-	5,982	-	5,746	125	11,853
Accumulated depreciation	-	-	-	5,982	-	1,880	125	7,987
	-	-	-	-	-	3,866	-	3,866
Write offs								
Cost	-	4,735	-	14,430	944	90	6,125	26,324
Accumulated depreciation	-	4,472	-	12,606	944	70	5,907	23,999
	-	263	-	1,824	-	20	218	2,325
Depreciation charge for the year	-	5,953	570	17,032	780	5,324	4,297	33,956
Closing net book value	258	39,923	2,652	115,061	4,673	39,324	22,511	224,402
At December 31, 2008								
Cost	258	72,042	5,177	262,666	14,178	50,570	59,531	464,422
Accumulated depreciation	-	32,119	2,525	147,605	9,505	11,246	37,020	240,020
	258	39,923	2,652	115,061	4,673	39,324	22,511	224,402
Period ended November 30, 2009								
Opening net book value	258	39,923	2,652	115,061	4,673	39,324	22,511	224,402
Additions	-	12,457	175	6,370	-	6,993	1,837	27,832
Disposals								
Cost	-	14,722	-	-	-	11,555	-	26,277
Accumulated depreciation	-	14,397	-	-	-	6,874	-	21,271
	-	325	-	-	-	4,681	-	5,006
Write offs								
Cost	-	25,649	987	18,189	4,218	1,632	23,564	74,239
Accumulated depreciation	-	14,149	328	9,133	2,190	913	13,516	40,229
	-	11,500	659	9,056	2,028	719	10,048	34,010
Depreciation charge for the year	-	5,844	580	16,126	715	6,357	3,915	33,537
Closing net book value	258	34,711	1,588	96,249	1,930	34,560	10,385	179,681
At November 30, 2009								
Cost	258	44,128	4,365	250,847	9,960	44,376	37,804	391,738
Accumulated depreciation	-	9,417	2,777	154,598	8,030	9,816	27,419	212,057
Net book value	258	34,711	1,588	96,249	1,930	34,560	10,385	179,681

4.3 Capital work in progress

	Factory on leasehold land	Improve- ments to warehouse	Plant machinery and others	Total
	----- (Rupees '000) -----			
Balance as at January 1, 2008	16,402	-	16,581	32,983
Additions	5,409	587	43,325	49,321
Transfers	21,811	587	57,676	80,074
Balance as at December 31, 2008	<u>-</u>	<u>-</u>	<u>2,230</u>	<u>2,230</u>
Balance as at January 1, 2009	-	-	2,230	2,230
Additions	12,457	175	12,970	25,602
Transfers	12,457	175	15,200	27,832
Balance as at November 30, 2009	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

4.4 Depreciation on operating fixed assets is charged at the following rates:	Annual rate of depreciation (%)
Factory on leasehold land	2.5 to 10
Improvements to warehouse	2.5 & 33
Plant and machinery	10
Furniture and fittings	10
Vehicles	10 to 20
Office equipment	20 to 25

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

	Note	November 30, 2009	December 31, 2008
		(Rupees '000)	
Cost of sales	19.1	23,907	24,795
Distribution cost	20	3,323	3,358
Administrative expenses	21	6,307	5,803
		<u>33,537</u>	<u>33,956</u>

4.6 The operating fixed assets (note 4.2) include items costing Rs 81.597 million (2008: Rs 111.523 million) which are fully depreciated as of November 30, 2009 but are still in active use.

4.7 The following operating fixed assets were disposed of during the period / year:

	Cost	Accumulated depreciation value	Book value	Sale proceeds	(Loss)/ Gain	Mode of disposal	Particulars of purchaser
----- (Rupees '000) -----							
Vehicles	6,567	4,616	1,951	2,839	888	Tender	Mr. Khurram Imtiaz, 77-B-III Gulberg III, Lahore
	555	339	216	501	285	Tender	Mr. Hyder Rizvi (Employee) D-24/A, New Rizvia Society Phase II Scheme 33, Karachi
	849	472	377	757	380	Tender	M. Yousaf, A/9 Block 92 Sector 11-F, New Karachi
	849	404	445	822	377	Tender	Mr. Malik A. Khaliq, A/19 Block I, North Nazimabad Karachi
	1,175	620	555	892	337	Tender	Mr. Waseem Mirza, A/32 Block 10-A, Gulshan-e-Iqbal Karachi
	555	219	336	492	156	Tender	Mr. Waseem Mirza, A/32 Block 10-A, Gulshan-e-Iqbal Karachi
	1,005	204	801	1,005	204	Insurance Claim	ACE Insurance, 6th Floor Abbasi Shaeed Road NIC Building, Karachi
Plant and machinery	200	76	124	200	76	Tender	Mr. Anis Qadri, Awami Godown, Akber Road Shershah, Karachi
	239	38	201	250	49	Tender	Mr. Anis Qadri, Awami Godown, Akber Road Shershah, Karachi
Aggregate of assets having net book value of less than Rs 50,000	14,283	14,283	-	50	50	Tender	
2009	26,277	21,271	5,006	7,808	2,802		
2008	11,853	7,987	3,866	4,691	825		

Note

November 30, 2009	December 31, 2008
(Rupees '000)	

5. LONG-TERM LOANS - considered good

Long-term loans to employees	5.1 & 5.2	16,862	13,468
Less: Receivable within one year	8	4,701	4,126
		12,161	9,342

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. Other loans are secured against employees' retirement benefits.

5.2 Long-term loans are being carried at cost because the effect of carrying these balances at amortised cost would not have been material.

	Note	November 30, 2009	December 31, 2008
6. STOCK-IN-TRADE			
Raw and packing materials	6.1	346,824	370,798
Work-in-process	6.1	66,110	40,150
Finished goods			
- At cost	6.2	293,595	288,240
- At net realisable value [Cost Rs 90.107 million (2008: Rs 2.055 million)]		85,382	1,653
Stock-in-transit		24,437	70,629
		816,348	771,470
Less: Provision for slow moving and obsolete stocks		15,580	15,079
		800,768	756,391

6.1 Raw and packing materials and work-in-process include Rs 86.702 million (2008: Rs 69.078 million) and Rs 3.515 million (2008: Rs 6.272 million) respectively held with Macter International (Private) Limited, Spencer Pharma (Private) Limited and Reko Pharmacal (Private) Limited for toll manufacturing purposes.

6.2 Includes physician's samples of Rs 6.538 million (2008: Rs 2.219 million).

	Note	November 30, 2009	December 31, 2008
7. TRADE DEBTS			
Considered good - unsecured			
From related parties	7.1	93,394	42,447
Others		184,053	200,357
		277,447	242,804
Considered doubtful		4,530	4,530
		281,977	247,334
Less: Provision for doubtful debts		4,530	4,530
		277,447	242,804

7.1 This represents amount due from Wyeth Philippines, Inc.

8. LOANS AND ADVANCES - considered good

Current portion of long-term loans to employees	5	4,701	4,126
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Advances-unsecured

- Suppliers		7,089	8,960
- For expenses	8.1	1,173	1,696
- Employees		2,506	931
- Others		275	194
		11,043	11,781
		15,744	15,907

8.1 This includes amounts due from Executives amounting to Rs 0.275 million (2008: Rs 0.213 million).

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

	Note	November 30, 2009	December 31, 2008
(Rupees '000)			
Chief executive		610	639
Executives		1,729	2,572

9. DEPOSITS AND PREPAYMENTS

Deposits		13,460	14,856
Prepayments		2	799
		<u>13,462</u>	<u>15,655</u>

10. OTHER RECEIVABLES

Margin deposits for guarantees and letters of credit		7,681	2,843
Insurance claims receivable		7	-
Balances with statutory authorities for customs and excise duty		999	999
Sales tax refundable	10.1	4,301	5,271
Due from a related party		-	6,825
Receivable from pension fund	29.2	1,394	362
Others		508	1,560
		<u>14,890</u>	<u>17,860</u>

10.1 This includes Rs 3.214 million (2008: Rs 3.214 million) representing sales tax paid on pharmaceutical products in the year 2002 which is refundable to the company.

11. SHORT-TERM INVESTMENTS

	Note	November 30, 2009	December 31, 2008
(Rupees '000)			
Term deposit receipts		-	87,000

12. CASH AND BANK BALANCES

With banks			
- In deposit accounts	12.1	35,622	26,430
- In current accounts		-	1,625
In hand			
- Cheques		-	22,599
- Cash		26	257
		<u>35,648</u>	<u>50,911</u>

12.1 These carry mark-up at the rate of 5% (2008: 2.5% to 5%) per annum.

	November 30, 2009	December 31, 2008
13. SHARE CAPITAL		
Authorised capital		
5,000,000 ordinary shares of Rs 100 each	<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid-up capital		

November 30, 2009	December 31, 2008		November 30, 2009	December 31, 2008
(Number of shares)		Ordinary shares of Rs 100 each		
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
<u>1,421,609</u>	<u>1,421,609</u>		<u>142,161</u>	<u>142,161</u>

13.1 Wyeth USA and Wyeth Holdings Corporation, USA held 576,470 (2008: 576,470) and 448,560 (2008: 448,560) shares of Rs 100 each respectively as on November 30, 2009. However, with effect from October 15, 2009 Pfizer Inc. has acquired Wyeth USA and has become the ultimate parent of the company.

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.

	November 30, 2009	December 31, 2008
14. DEFERRED TAXATION		
Accelerated tax depreciation	14,015	22,565
Provision for slow moving and obsolete stocks	(3,757)	(4,008)
Provision for doubtful debts	(1,092)	(1,204)
Provision for potential expired stock	(3,928)	(4,333)
Liability against share appreciation rights	-	(2,707)
Share based remuneration reserve	-	(2,248)
	<u>5,238</u>	<u>8,065</u>

	Note	November 30, 2009	December 31, 2008
(Rupees '000)			
15. TRADE AND OTHER PAYABLES			
Creditors	15.1	245,718	231,931
Accrued liabilities		81,078	50,118
Liability against share-based payment plans		2,385	2,608
Liability against share appreciation rights		-	10,182
Liability against long term incentive		5,570	-
Advances from customers		706	177
Amount payable under VSS		59,131	-
Mark-up on running finance		452	-
Accumulated compensated absences		34,931	30,658
Payable to gratuity fund	29.2	196	-
Workers' welfare fund		8,085	7,120
Central research fund	24	-	2,291
Workers' profit participation fund	15.2	-	12,306
Sales tax payable		3,772	1,034
Unclaimed dividend		2,951	3,572
Provision for potentially expired stocks		16,300	16,300
Contribution payable to Employees Old Age Benefits Institution		20	20
Others		3,498	2,318
		<u>464,793</u>	<u>370,635</u>
15.1 Creditors include the following amounts due to related parties:			
Wyeth Medica Ireland		7,955	11,328
Wyeth Ayerst International		1,913	2,687
Wyeth Nutritionals Ireland		10,529	8,337
Wyeth Ayerst Lederle, Inc.		59,844	16,502
Cynamid Int'l. Corp. Ltd. Switzerland		702	664
Wyeth Nutritional Singapore (PTE) Ltd.		-	23,443
Wyeth Manufacturing Singapore (PTE) Ltd.		10,167	5,348
John Wyeth and Brothers		57,566	57,520
Wyeth USA		-	55
Wyeth (Malaysia) Sdn. Bhd		4	972
Sozhou Lederle Pharmaceutical		-	154
		<u>148,680</u>	<u>127,010</u>
15.2 Workers' profit participation fund			
Opening balance		12,306	1,171
Allocation for the period / year	24	-	12,306
		<u>12,306</u>	<u>13,477</u>
Interest on funds utilised in the company's business	25	893	137
		<u>13,199</u>	<u>13,614</u>
Less: Payments made during the period / year		13,199	1,308
Closing balance		<u>-</u>	<u>12,306</u>

16. SHORT-TERM RUNNING FINANCE

- 16.1 The company has a running finance facility amounting to Rs 384.900 million (2008: Rs 384.900 million) from a commercial bank under mark-up arrangement. The facility carries mark-up at KIBOR plus 2%. The facility is available for a maximum period of 12 months 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.
- 16.2 The company has obtained another finance facility amounting to Rs 50 million (2008: Rs 50 million) from a commercial bank under mark-up arrangement. The facility carries mark-up at the rate of 14.75% per annum. The facility will expire in January 2010. The arrangement is secured by way of letter of comfort from the parent company.
- 16.3 The facilities for opening letters of credit as at November 30, 2009 amount to Rs 338.000 million (2008: Rs 338.000 million) of which the amount remaining unutilised at the year end was Rs 262.992 million (2008: Rs 216.222 million).

17. CONTINGENCIES AND COMMITMENTS

- 17.1 Certain ex-employees of the company has filed claims aggregating Rs 247.572 million (2008: Rs 247.572 million) against the company. The company is contesting the claims in the courts and based on the opinion of legal counsel, the management is confident that the ultimate decision of the subject suit will be in favour of the company. Accordingly, no provision has been made in these financial statements in respect of these claims.
- 17.2 Two ex-distributors have filed claims against the company aggregating Rs 84.929 million (2008: Rs 134.929 million) for recovery of damages. Based on the opinion of its legal council, the management is confident that the cases will be decided in the company's favour and therefore no provision has been made in this respect.
- 17.3 The company's request for waiver of sales tax liability amounting to Rs 3.739 million on sale of fixed assets and waiver of additional tax thereon amounting to Rs 4.263 million was under consideration of the Alternate Dispute Resolution Committee (the committee). The committee has forwarded its recommendation to the Federal Board of Revenue that sales tax is only attracted on disposal of certain items of fixed assets which in the company's case aggregate Rs 2.072 million. As the company has already paid sales tax of an amount in excess of the aforementioned liability i.e. Rs 2.072 million, therefore, the company would not be liable to pay any further sales tax in this respect. The management is confident, based on the recommendation of the committee, that the company will not be required to pay any further tax. However, as a matter of abundant caution, a provision of Rs 4.015 million (2008: Rs 4.015 million) is being carried by the company in these financial statements in respect of the principal amount of sales tax involved.
- 17.4 The income tax assessments of the company have been finalised upto and including the accounting year ended December 31, 2008. While finalising the assessments of the company, the tax authorities have made arbitrary additions and disallowances to taxable incomes of various tax assessments upto the accounting year ended December 31, 2002 which have resulted in a tax demand of Rs 199.026 million (2008: Rs 229.328 million). The tax demand has arisen mainly due to the following reasons:
- 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 the business.
- The assessing officer has disallowed the credit for adjustment of tax refunds and adjustment of compensation on delayed refunds.

Although the company has filed appeals with various appellate authorities in respect of the above, however, a provision of Rs 88.294 million (2008: Rs 88.294 million) is being carried against the above demands on grounds of prudence. The management is confident that the ultimate decision of the appeals will be in the company's favour.

- 17.5 The Assistant Collector, Sales Tax and Federal Excise has issued an order requiring the company to pay Federal Excise Duty (FED) along with penalty and default surcharge amounting to approximately Rs 1 million in respect for technical services.

The company has subsequently filed an appeal against the order. Based on the advice of its tax consultants, the management is confident that the ultimate decision of the appeal will be in its favour.

	Note	November 30, 2009	December 31, 2008
(Rupees '000)			
17.6 Commitments			
17.6.1 Commitments for capital expenditure		5,297	1,038
17.6.2 Guarantees and indemnity bonds issued to Collector of Customs against duty on imported raw materials and other guarantees		9,569	14,559
17.6.3 Outstanding letter of credit		75,008	53,239
18. NET SALES			
Sales - Domestic		2,237,522	2,318,685
- Export		200,541	172,287
		2,438,063	2,490,972
Less: Discounts and commission		45,114	48,648
Returns		23,077	4,964
Sales tax		31,527	28,209
Federal excise duty and special excise duty		32,022	25,512
		131,740	107,333
		2,306,323	2,383,639
19. COST OF SALES			
Opening stock of finished goods		289,893	211,019
Cost of goods manufactured	19.1	1,319,438	1,212,527
Purchases of finished goods		586,169	553,498
Closing stock of finished goods		(378,977)	(289,893)
Physician samples charged to advertising and sales promotion		(11,261)	(8,162)
		1,805,262	1,678,989

	Note	November 30, 2009	December 31, 2008
19.1 Cost of goods manufactured		(Rupees '000)	
Opening stock of raw and packing materials		370,798	262,580
Purchases of raw and packing materials		1,014,582	1,047,702
Closing stock of raw and packing materials		(346,824)	(370,798)
Raw and packing materials consumed		<u>1,038,556</u>	<u>939,484</u>
Salaries, wages and other benefits	21.1 & 22	136,441	131,008
Depreciation	4.5	23,907	24,795
Fuel and power		19,034	19,970
Rent, rates and taxes		2,357	2,434
Repairs and maintenance		17,129	17,543
Production and other supplies		17,600	15,528
Technical quality and IT support services fee		22,970	19,374
Spare parts consumed		3,020	1,860
Travelling and vehicles running expenses		6,874	5,952
Provision for slow moving and obsolete stocks		501	2,207
Outside manufacturing charges		52,221	37,728
Postage, communication and stationery		2,730	2,270
Insurance		1,049	1,138
Computer software		852	520
Others		157	406
		<u>306,842</u>	<u>282,733</u>
		<u>1,345,398</u>	<u>1,222,217</u>
Opening stock of work-in-process		40,150	30,460
Closing stock of work-in-process		(66,110)	(40,150)
Cost of goods manufactured		<u>1,319,438</u>	<u>1,212,527</u>
19.2 Cost of sales includes amounts written down to their net realisable values during the period in respect of finished goods	6	<u>4,725</u>	<u>402</u>
20. DISTRIBUTION COST			
Salaries, wages and other benefits	21.1 & 22	87,657	91,261
Fuel and power		2,371	1,547
Rent, rates and taxes		2,249	2,423
Insurance		1,076	1,663
Repairs and maintenance		2,976	1,683
Dues and subscription		6,042	4,635
Transportation		30,159	23,298
Travelling and living		38,665	42,836
Postage, communication and stationery		3,342	2,540
Depreciation	4.5	3,323	3,358
Training and development		1,324	1,862
Advertising and sales promotion		148,805	149,364
Shipping and packing cartons consumed		2,271	796
Others		2,023	1,095
		<u>332,283</u>	<u>328,361</u>

	Note	November 30, 2009	December 31, 2008
21. ADMINISTRATIVE EXPENSES		(Rupees '000)	
Salaries, wages and other benefits	21.1 & 22	119,648	76,923
Fuel and power		5,039	2,755
Rent, rates and taxes		763	255
Insurance		2,812	1,981
Repairs and maintenance		3,825	4,322
Dues and subscription		1,449	1,164
Travelling and living		8,485	9,981
Postage, communication and stationery		6,475	8,633
Legal and professional charges		2,683	2,378
Auditors' remuneration	21.2	1,058	2,500
Depreciation	4.5	6,307	5,803
Training and development		807	85
Computer software		2,551	758
Donation		2,076	-
Others		3,893	4,672
		<u>167,871</u>	<u>122,210</u>

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

	November 30, 2009				December 31, 2008			
	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	(1,732)	(2,736)	(1,613)	(6,081)	(473)	(706)	(259)	(1,438)
Defined benefit gratuity fund	2,105	1,567	1,563	5,235	1,843	1,527	1,214	4,584
Defined contributory provident fund	3,041	2,298	1,549	6,888	2,982	2,183	1,529	6,694
Accumulated compensated absences	5,401	2,645	1,708	9,754	2,785	1,904	1,335	6,024
Share-based payments	1,108	792	2,797	4,697	1,661	1,043	2,933	5,637
Cash long term incentive plan	213	1,317	4,040	5,570	-	-	-	-
	<u>10,136</u>	<u>5,883</u>	<u>10,044</u>	<u>26,063</u>	<u>8,798</u>	<u>5,951</u>	<u>6,752</u>	<u>21,501</u>

	November 30, 2009	December 31, 2008
21.2 Auditors' remuneration	(Rupees '000)	
Audit fee - annual	578	578
Fee for half yearly review	224	224
Audit of employees' funds and fee for special certification	106	229
Tax services	-	1,319
Out of pocket expenses	150	150
	<u>1,058</u>	<u>2,500</u>

22. VOLUNTARY SEPARATION SCHEME

During the period ended November 30, 2009, certain employees of the company have availed the company's Voluntary Separation Scheme (VSS). VSS is a programme in place for the past few years to achieve rationalisation and corporate restructuring of the company. The aggregate cost of Rs 59.131 million (2008: Rs 30.899 million) incurred during the period on account of VSS has been allocated as follows:

	Note	November 30, 2009	December 31, 2008
(Rupees '000)			
Cost of sales		-	2,575
Distribution expenses		7,138	13,780
Administrative expenses		51,993	14,544
		<u>59,131</u>	<u>30,899</u>
23. OTHER OPERATING INCOME			
Gain on disposal of property, plant and equipment	4.7	2,802	825
Scrap sales		3,619	3,419
Profit on deposit accounts		2,382	54,303
Export rebate claims		1,350	1,461
Liabilities no longer payable written back		2,183	530
Recovery of export freight		2,838	4,893
Bad debts recovered		-	1,358
		<u>15,174</u>	<u>66,789</u>
24. OTHER OPERATING EXPENSES			
Workers' profits participation fund	15.2	-	12,306
Workers' welfare fund		966	4,582
Central research fund	15	-	2,291
Non-current assets classified as held for sale, written off		-	3,025
Property, plant and equipment written off	4.2	34,010	2,325
Net exchange loss		8,946	66,144
		<u>43,922</u>	<u>90,673</u>
25. FINANCE COST			
Interest on workers' profit participation fund	15.2	893	137
Mark-up on running finance		2,120	-
Bank charges		739	969
		<u>3,752</u>	<u>1,106</u>
26. TAXATION			
(Loss) / profit before taxation		<u>(31,593)</u>	<u>229,089</u>
Tax at the applicable rate of 35% (2008: 35%)		(11,058)	80,181
Tax effect of items that are disallowed in determining taxable income		42,287	155
Tax effect on income under presumptive tax regime		18,243	(786)
Tax effect of others items		5,784	4
		<u>55,256</u>	<u>79,554</u>
Tax charge for prior years		-	5,243
		<u>55,256</u>	<u>84,797</u>

	Note	November 30, 2009	December 31, 2008
(Rupees '000)			
27. BASIC EARNINGS PER SHARE			
(Loss) / profit after taxation		<u>(86,849)</u>	<u>144,292</u>
Number of shares			
Average number of ordinary shares outstanding during the period / year	27.1	<u>1,421,609</u>	<u>1,421,609</u>
Rupees			
Basic (loss) / earnings per share		<u>(61.09)</u>	<u>101.50</u>

27.1 There are no dilutive potential ordinary shares outstanding as at November 30, 2009 and December 31, 2008.

28. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	November 30, 2009			December 31, 2008		
	Chief Executive	Directors	Executives	Chief Executive	Director	Executives
----- (Rupees '000) -----						
Managerial remuneration	6,516	7,061	69,944	9,036	4,659	44,800
Bonus	-	760	6,418	544	681	5,913
Utilities	497	174	1,568	471	119	1,386
Medical expenses	82	473	2,166	110	353	2,413
Retirement benefits	270	154	1,968	536	315	1,837
	<u>7,365</u>	<u>8,622</u>	<u>82,064</u>	<u>10,697</u>	<u>6,127</u>	<u>56,349</u>
Number of persons	<u>1</u>	<u>2</u>	<u>22</u>	<u>1</u>	<u>1</u>	<u>21</u>

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

Further, the impacts of benefits available to the chief executive, directors and executives recognised by the company in the expenses during the period on account of share-based payment plan aggregate to Rs 0.610 million (2008: Rs 1.975 million), Rs 2.324 million (2008: Rs 0.443 million) and Rs 14.061 million (2008: Rs 1.415 million) respectively.

28.1 Aggregate amount charged in these financial statements for fees to three (3) non-executive directors was Rs 0.105 million (2008: Rs 0.150 million).

29. DEFINED BENEFIT PLANS

As mentioned in note 3.11, the company operates approved funded pension and gratuity schemes. The latest actuarial valuations of the schemes were carried out as at November 30, 2009. Projected Unit Credit Method using the following significant assumptions was used for these valuations:

	November 30, 2009	December 31, 2008
Discount rate	12.75% per annum	15% per annum
Expected rate of return on plan assets	12.75% per annum	15% per annum
Expected rate of increase in salary	12.75% per annum	15% per annum

29.1 The disclosures made in notes 29.2 to 29.7 and 29.10 are based on the information included in the actuarial valuation as of November 30, 2009/ December 31, 2008.

29.2 Balance sheet reconciliation

	November 30, 2009		December 31, 2008	
	Gratuity	Pension	Gratuity	Pension
	----- (Rupees '000) -----			
Present value of defined benefit obligation	110,834	84,206	91,847	72,558
Fair value of plan assets	98,328	121,484	86,921	120,460
Funded status	12,506	(37,278)	4,926	(47,902)
Unrecognised net actuarial (loss) / gain	(12,310)	35,884	(4,926)	47,540
Recognised liability / (asset)	196	(1,394)	-	(362)

29.3 Movement in the fair value of plan assets

Fair value as at January 1	86,921	120,460	89,069	119,579
Expected return on plan assets	12,101	15,775	8,944	11,671
Actuarial (losses) / gains	(4,754)	(4,753)	(3,037)	(2,166)
Contribution paid / (received) by the company	5,024	(5,041)	4,584	(1,076)
Benefits paid	(964)	(4,957)	(12,639)	(7,548)
Fair value as at November 30 / December 31	98,328	121,484	86,921	120,460

29.4 Movement in defined benefit obligation

Obligation as at January 1	91,852	72,558	85,962	87,221
Service cost	4,875	2,519	4,885	3,031
Interest cost	12,476	9,646	8,643	8,659
Actuarial losses / (gains)	2,595	4,440	4,996	(18,805)
Benefits paid	(964)	(4,957)	(12,639)	(7,548)
Obligations as at November 30 / December 31	110,834	84,206	91,847	72,558

29.5 Expenses

Current service cost	4,875	2,519	4,885	3,031
Interest cost	12,476	9,646	8,643	8,659
Expected return on plan assets	(12,101)	(15,775)	(8,944)	(11,671)
Recognition of actuarial gain	(15)	(2,471)	-	(1,457)
Expenses	5,235	(6,081)	4,584	(1,438)
Actual return on plan assets	7,347	11,022	5,907	9,505

29.6 Principal actuarial assumptions used are disclosed in note 3.11 to these financial statements.

29.7 Amounts for the current period and previous four annual periods of the fair value of plan assets, present value of defined benefit obligation and surplus arising thereon is as follows:

As at November 30 / December 31	2009	2008	2007	2006	2005
	----- (Rupees '000) -----				
Present value of defined benefit obligation	195,040	164,405	173,183	156,580	144,318
Fair value of plan assets	219,812	207,381	208,648	189,434	197,198
Surplus	(24,772)	(42,976)	(35,465)	(32,854)	(52,880)
	November 30, 2009		December 31, 2008		
	(Rupees '000)				

29.8 Plan assets comprise the following :

Debt instruments	145,122	190,078
Bank balances, term deposits and other (net)	74,690	17,303
	219,812	207,381

29.9 The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy.

29.10 Expected contribution to post-employment benefits plans for the year ending November 30, 2010 is Rs 4.137 million (2008: Rs 0.137) million.

29.11 The actuary conducts separate valuations for calculating contribution rates and the company contributes to the pension and gratuity funds according to the actuary's advice. Expense of the defined benefit plans is calculated by the actuary.

29.12 During the year company contributed Rs 6.888 million (2008 : Rs 6.694 million) to the provident fund.

30. SHARE-BASED PAYMENT PLANS

30.1 Details of the share-based payment plans are as follows:

	November 30, 2009			December 31, 2008		
	Time vested shares	Performance based shares	Share appreciation rights	Time vested shares	Performance based shares	Share appreciation rights
	----- Number of shares -----					
Outstanding as at January 1	2,070	510	25,193	2,190	530	31,486
Granted during the period	-	65	-	820	192	3,860
Forfeited during the period	(50)	-	(11,730)	(240)	-	(8,831)
Exercised during the period	(2,020)	(575)	(13,463)	(700)	(212)	(1,322)
Outstanding as at reporting date	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,070</u>	<u>510</u>	<u>25,193</u>
Exercisable as at reporting date	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,097</u>	<u>510</u>	<u>20,553</u>

30.2 The total expenses recognised for the year arising from share-based payment transactions are as follows:

	November 30, 2009	December 31, 2008
	(Rupees '000)	
Expense arising from equity-settled share-based payment plans	4,592	4,198
Expense arising from increase in fair value of liability against SAR	-	979
Expense arising due to SAR exercised during the period / year	105	460
	<u>4,697</u>	<u>5,637</u>

31. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise the ultimate 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. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in the financial statements are as follows:

Nature of transaction	Relationship with the company	Note	November 30, 2009	December 31, 2008
			(Rupees '000)	
Sale of goods and reimbursement of expenses				
		31.1		
Wyeth Philippines, Inc.	Associate		163,629	139,390
Wyeth Ayerst International Inc.	Associate		-	1,716
Wyeth (Malaysia) Sdn. Bhd	Associate		-	83
			<u>163,629</u>	<u>141,189</u>
Goods purchased and services received from associated undertakings				
		31.2		
Wyeth Medica Ireland	Associate		130,528	47,195
John Wyeth & Brother Ltd.	Associate		-	175,720
Wyeth Nutritionals (Singapore) Pte Ltd.	Associate		93,289	130,892
Wyeth Nutritionals Ireland	Associate		20,675	16,948
Wyeth (Malaysia) Sdn. Bhd	Associate		-	1,757
Wyeth Ayerst Lederle Inc.	Associate		143,865	88,437
Wyeth Pharmaceuticals	Associate		131,358	-
Wyeth Regional Manufacturing (Singapore) Pte Limited	Associate		23,048	19,374
Wyeth Ayerst International Inc.	Associate		1,698	1,380
			<u>544,461</u>	<u>481,703</u>
Dividend to parent company			<u>51,252</u>	<u>307,509</u>
Contribution to the Gratuity Fund			<u>5,366</u>	<u>4,584</u>
Contribution to the Provident Fund			<u>6,888</u>	<u>6,694</u>
Payable to Gratuity fund			<u>196</u>	<u>-</u>
Receivable from Pension fund			<u>1,394</u>	<u>362</u>
Remuneration of key management personnel		31.3	<u>69,156</u>	<u>10,697</u>

31.1 Out of this, Rs 93.394 million (2008 : Rs 49.272 million) is outstanding as at November 30, 2009 from an associated undertaking.

31.2 Out of this, Rs 148.680 million (2008: Rs 129.618 million) is payable as at November 30, 2009 to associated undertakings.

31.3 Remuneration of key management personnel is as follows:

	November 30, 2009			December 31, 2008		
	Chief Executive	Others	Total	Chief Executive	Others	Total
	----- (Rupees '000) -----					
Short-term employee benefits	7,095	60,234	67,329	10,161	17,597	27,758
Retirement benefits	270	1,557	1,827	536	866	1,402
	<u>7,365</u>	<u>61,791</u>	<u>69,156</u>	<u>10,697</u>	<u>18,463</u>	<u>29,160</u>
Number of persons	<u>1</u>	<u>8</u>	<u>9</u>	<u>1</u>	<u>7</u>	<u>8</u>

32. CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES

	Note	November 30, 2009	December 31, 2008
		(Rupees '000)	
(Loss) / profit before taxation		(31,593)	229,089
Adjustments for non-cash charges and other items:			
Net increase in reserve for equity-settled share-based payment plans		9,340	1,590
Depreciation		33,537	33,956
Provision for slow moving and obsolete stock		501	2,207
Provision for potential expired stock claims		-	(2,100)
Non current assets classified as held for sale written off		-	3,025
Fixed assets written off		34,010	2,325
Gain on disposal of property, plant and equipment		(2,802)	(825)
Profit on deposit accounts		(2,382)	(54,303)
Working capital changes	32.1	<u>20,575</u>	<u>(345,771)</u>
		<u>61,186</u>	<u>(130,807)</u>
32.1 Working capital changes			
(Increase) / decrease in current assets:			
Spares		(9)	(681)
Stocks-in-trade		(44,878)	(195,409)
Trade debts		(34,643)	(104,232)
Loans and advances		163	(4,786)
Deposits and prepayments		2,193	(5,601)
Other receivables		<u>2,970</u>	<u>720</u>
		<u>(74,204)</u>	<u>(309,989)</u>
Increase / (decrease) in current liabilities:			
Trade and other payables		<u>94,779</u>	<u>(35,782)</u>
		<u>20,575</u>	<u>(345,771)</u>
33. CASH AND CASH EQUIVALENTS			
This comprises of:			
Short-term investments		-	87,000
Cash and bank balances		<u>35,648</u>	<u>50,911</u>
		<u>35,648</u>	<u>137,911</u>

34. OPERATING SEGMENTS

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

34.1 Sales from pharmaceutical products and others represent 92.7% and 7.3% (2008: 90.7% and 9.3%) of total revenue of the company respectively.

34.2 The sales percentage by geographic region is as follows:

	November 30, 2009	December 31, 2008
	(Percentage)	
Pakistan	91.8	93.1
Phillipines	6.7	5.6
Kuwait	1.1	1.0
Srilanka	0.4	0.3
	<u>100.0</u>	<u>100.0</u>

34.3 All non-current assets of the company as at November 30, 2009 are located in Pakistan.

34.4 Sales to four major customers of the company is around 55.1% during the period ended November 30, 2009 (2008: 53.0%).

35. FINANCIAL INSTRUMENTS

The Company has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

35.1 Credit risk

Exposure to credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the trade debts, loans and advances, trade deposits and other receivables.

To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date are given below. These are recoverable from domestic parties.

	November 30, 2009	December 31, 2008
	(Rupees '000)	
Long-term loans	12,161	9,342
Long-term deposits	1,879	1,957
Trade debts	281,977	247,334
Loans and advances	4,701	4,126
Trade deposits	13,460	14,856
Interest accrued	6	2,269
Other receivables	14,890	17,860
Bank balances	35,622	50,654
	<u>364,696</u>	<u>348,398</u>

35.1.1 The maximum exposure to credit risk for trade debts at the balance sheet date by geographic region is as follows:

Domestic	183,552	201,287
Export	98,425	46,047
	<u>281,977</u>	<u>247,334</u>

35.1.2 The maximum exposure to credit risk for trade debts at the balance sheet date by type of customer is as follows:

Local distributors	83,568	106,956
Government institutions	99,984	94,331
	<u>183,552</u>	<u>201,287</u>
Related party	93,394	42,447
Third parties	5,031	3,600
	<u>98,425</u>	<u>46,047</u>

35.1.3 Impairment losses

November 30, 2009		December 31, 2008	
Gross	Impairment	Gross	Impairment
----- (Rupees '000) -----			

The aging of trade debts at the balance sheet date is:

Not past due	58,905	-	115,111	-
Past due 1-30 days	51,382	-	38,066	-
Past due 31-60 days	11,451	-	11,823	-
Past due 61-90 days	6,830	-	28,393	-
Past due 91-120 days	113,429	-	43,208	-
Past due 121-180 days	31,144	-	145	-
Past due 181-365 days	2,495	-	5,519	-
More than 1 year	6,341	(4,530)	5,069	(4,530)
Total	<u>281,977</u>	<u>(4,530)</u>	<u>247,334</u>	<u>(4,530)</u>

35.1.4 The movement in the allowance for impairment in respect of trade debts is as follows:

	November 30, 2009	December 31, 2008
	(Rupees '000)	
Opening balance	4,530	4,530
Provision during the period / year	-	-
Written off during the period / year	-	-
Closing balance	4,530	4,530

35.1.5 Based on the past experience, consideration of financial position, past track records and recoveries, the Company believes that trade debtors past due upto one year do not require any impairment and no impairment allowance is necessary in respect of remaining portion of past due over one year.

35.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liabilities, including estimated interest payments:

	November 30, 2009						
	Carrying Amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years	More than five years
Financial liabilities	----- (Rupees '000) -----						
Trade and other payables	437,121	(437,121)	(436,259)	-	-	(862)	-

	December 31, 2008						
	Carrying Amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years	More than five years
Financial liabilities	----- (Rupees '000) -----						
Trade and other payables	329,833	(329,833)	(329,833)	-	-	-	-

35.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates and interest rates will effect the Company's income.

35.3.1 Currency risk

Exposure to currency risk

The Company is exposed to currency risk on import of raw and packing materials and finished goods mainly denominated in US dollars. The Company's exposure to foreign currency risk for US Dollars is as follows:

	November 30, 2009		December 31, 2008	
	Rupees	US Dollars	Rupees	US Dollars
	----- (in '000) -----		----- (in '000) -----	
Due from associated undertakings	93,394	1,116	42,447	531
Due from third party	5,031	60	3,600	45
Bank balances	26,677	319	3,098	39
Due to associated undertakings	(148,680)	(1,776)	(127,010)	(1,588)
Due to third party	(7,026)	(84)	(1,922)	(24)
Long term incentives (LTI)	(5,570)	(67)	-	-
Liability against share appreciation rights	-	-	(10,102)	(126)
Gross balance sheet exposure	(36,174)	(432)	(89,889)	(1,123)

The following significant exchange rates applied during the period / year:

	Average rates		Reporting date spot rate	
	November 30, 2009	December 31, 2008	November 30, 2009	December 31, 2008
PKR to USD	82	71.6	83.7	80

35.3.2 Sensitivity analysis

At reporting date, if the PKR had strengthened by 10% against the US Dollar with all other variables held constant, post-tax loss for the period would have been lower by the amount shown below, mainly as a result of net foreign exchange gain on translation of foreign currency creditors. The analysis is performed on the same basis for 2008.

	Profit and loss (Rupees in '000)
As at November 30, 2009	
Effect in US Dollars - Gain	<u>3,617</u>
As at December 31, 2008	
Effect in US Dollars - Gain	<u>8,989</u>

A 10 percent weakening of the Rupees against the above currency at November 30, 2009 would have had the equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remain constant.

35.3 Interest rate risk

At the balance sheet date the interest rate profile of the Company's interest-bearing financial instrument is:

	Carrying amount	
	November 30, 2009	December 31, 2008
	(Rupees '000)	
Variable rate instruments		
Financial assets	-	87,000

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (one percent) in interest rates at the reporting date would have increased / (decreased) equity and profit or loss for the period by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2008.

	Profit and loss	
	100 bp increase	100 bp decrease
	(Rupees '000)	
As at November 30, 2009		
Cash flow sensitivity-Variable rate instruments	-	-
As at December 31, 2008		
Cash flow sensitivity-Variable rate instruments	870	(870)

The sensitivity analysis prepared is not necessarily indicative of effects on loss for the period and assets / liabilities of the Company.

35.4 Fair value of financial assets and liabilities

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.

36. CAPITAL RISK MANAGEMENT

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

The capital structure of the company comprises of shareholders' equity as shown in the balance sheet under 'Share Capital and Reserves'. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The company monitors its capital structure keeping in view future investment requirements, expectation of the shareholders and external restriction on issue of share capital. The shareholders' equity of the company as of November 30, 2009 and December 31, 2008 were as follows:

	November 30, 2009	December 31, 2008
	(Rupees '000)	
Shareholders' equity	<u>982,263</u>	<u>1,130,852</u>

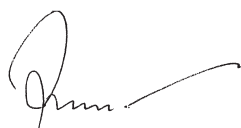
37. CORRESPONDING FIGURES

Following reclassifications have been made for the purposes of better presentation.

- An amount of Rs 2.608 million included in Accrued liabilities upto last year has been reclassified as liability against share based payment plans under the heading of "Trade and other payables" (note 15).
- An amount of Rs 2.022 million included in Provision for expired stocks upto last year has been omitted and has now been included with returns under the heading of "Net sales" (note 18).

38. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **February 23, 2010** by the Board of Directors of the company.



Iqbal Bengali
Chief Executive



Khwaja Bakhtiar Ahmed
Director

Wyeth

SIX YEARS AT A GLANCE from 2004 to 2009

(Rupees '000)

	2004	2005	2006	2007	2008	2009*
Sales	1,705,256	1,775,514	1,945,494	2,107,585	2,383,639	2,306,323
Cost of sales	1,182,833	1,111,472	1,189,203	1,372,325	1,678,989	1,805,262
Gross profit	522,423	664,042	756,291	735,260	704,650	501,061
Distribution and administrative expenses	391,923	341,446	392,257	410,339	450,571	500,154
Operating profit	130,500	322,596	364,034	324,921	254,079	907
Other operating income	46,199	39,439	61,422	72,050	66,789	15,174
Other operating expenses & finance costs	15,612	34,926	36,940	37,904	91,779	47,674
Profit / (loss) before taxation	161,087	327,109	388,516	359,067	229,089	(31,593)
Taxation	54,112	100,384	64,150	113,996	84,797	55,256
Profit / (loss) after taxation	106,975	226,725	324,366	245,071	144,292	(86,849)
Shareholders' equity	915,842	1,071,487	1,262,927	1,411,453	1,130,852	982,263
Property, plant and equipment	174,544	174,000	179,707	217,458	226,632	179,681
Current assets	1,095,469	1,261,550	1,494,873	1,591,728	1,271,621	1,258,573
Non-current assets classified as held for sale	-	-	-	7,100	-	-
Current liabilities	360,771	365,348	417,469	406,520	370,635	464,793
Current ratio (no. of times)	3.04	3.45	3.58	3.92	3.43	2.71
Deferred liabilities	-	6,753	3,652	9,213	8,065	5,238
Dividend per share percentage	50%	60%	65%	130%	250%	-
Number of employees as at year / period end	409	354	355	357	344	341

* All Profit and Loss Account items are for a period of eleven months commencing from January 1, 2009 to November 30, 2009. All Balance Sheet items and number of employees show the position of the company as at November 30, 2009.

PATTERN OF SHAREHOLDING AS OF NOVEMBER 30, 2009

NO. OF SHAREHOLDERS	HAVING SHARES FROM	TO	SHARES HELD	PERCENTAGE
566	1	100	13,089	0.92
72	101	500	15,820	1.11
14	501	1000	10,328	0.73
13	1001	5000	24,122	1.70
1	15001	20000	17,720	1.25
1	35001	40000	36,620	2.58
1	50001	55000	52,374	3.68
2	110001	115000	226,506	15.93
1	445001	450000	448,560	31.55
1	575001	580000	576,470	40.55
<u>672</u>			<u>1,421,609</u>	<u>100.00</u>

CATEGORIES OF SHAREHOLDERS AS OF NOVEMBER 30, 2009

PARTICULARS	SHAREHOLDERS	SHAREHOLDING	PERCENTAGE
INDIVIDUALS	641	49,901	3.51
INVESTMENT COMPANIES	1	930	0.07
INSURANCE COMPANIES	3	72,094	5.07
JOINT STOCK COMPANIES	2	1,025,030	72.10
FINANCIAL INSTITUTIONS	6	267,753	18.83
OTHERS	13	5,528	0.39
NON-RESIDENT	6	373	0.03
COMPANY TOTAL	<u>672</u>	<u>1,421,609</u>	<u>100.00</u>

CATEGORIES OF SHAREHOLDERS AS OF NOVEMBER 30, 2009

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		
	National Bank of Pakistan (Trustee Department)	231,133	16.2585
3	Directors, Chief Executive and their spouses and minor children		
	Khwaja Bakhtiar Ahmed	20	0.0014
	Badaruddin F. Vellani	100	0.0070
4	Public Sectors Companies and Corporations	Nil	Nil
5	Banks, Developments Financial Institutions, Non-Banking Financial Institutions, Insurance Companies, Modarabas and Mutual Funds		
	EFU General Insurance Co. Ltd.	17,720	1.2465
	EFU Life Assurance Ltd.	2,000	0.1407
	State Life Insurance Corporation of Pakistan	52,374	3.6841
	First Dawood Investment Bank Ltd.	930	0.0654
	Trustee - JS Growth Fund	36,620	2.5760
6	Shareholders holding ten percent or more voting interest in the Listed Company		
	Wyeth U.S.A.	576,470	40.5505
	Wyeth Holdings Corporation, U.S.A.	448,560	31.5530
	National Bank of Pakistan (Trustee Department)	231,133	16.2585

FORM OF PROXY Sixty First Annual General Meeting

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 Sixty First
Annual General Meeting of the Company to be held on Wednesday, March 24, 2010 at 11:30 a.m.
and at any adjournment thereof.

As witness my/our hand this _____ day of _____ 2010 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 CNIC 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 its 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 Computerized National Identity Card (CNIC), Account and Participant's CNIC numbers. The Proxy shall produce his original CNIC at the time of the meeting. Representative of corporate members should bring the usual documents for such purpose.

**TRANSPORT ARRANGEMENT TO ATTEND THE 61ST ANNUAL GENERAL MEETING
OF WYETH PAKISTAN LIMITED
ON WEDNESDAY, MARCH 24, 2010
AT 11:30 A.M. AT THE REGISTERED OFFICE OF THE COMPANY,
S-33, HAWKES BAY ROAD, S.I.T.E., KARACHI.**

LOCATION PLAN

