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WYETH PAKISTAN LIMITED

Annual Report 2012

Wyeth®

Mission, Vision And Values

Mission

Our mission is to apply science and our global resources to improve health and well-being at every stage of life.

Vision

Working together for a healthier world.

Our Commitments

We are committed to:

- Advance wellness, prevention, treatments and cures.
- Bring the best scientific minds together to challenge the most feared diseases of our time.
- Set the standard for quality, safety and value of medicines.
- Promote curiosity, inclusion and a passion for our work.
- Be a leading voice for improving everyone's ability to have reliable and affordable health care.
- Maximize our financial performance so we can meet our commitments to all who rely on us.

Values

- **Customer Focus:** We are deeply committed to meeting the needs of our customers, and we constantly focus on customer satisfaction.
- **Community:** We play an active role in making every community in which we operate - a better place to live and work knowing that its ongoing vitality has a direct impact on the long term health of the business.
- **Respect for People:** We recognize that people are a cornerstone of our success. We value our diversity as a source of strength and are proud of our history of treating employees with respect and dignity.
- **Performance:** We strive for continuous improvement in our performance, measuring results carefully and ensuring that integrity and respect for people are never compromised.
- **Collaboration:** We know that to be a successful company we must work together, frequently transcending organizational and geographic boundaries to meet the changing needs of our customers.
- **Leadership:** We believe that leaders empower those around them by sharing knowledge and rewarding outstanding individual effort. We are dedicated to providing opportunities for leadership at all levels in our organization.
- **Innovation:** Innovation is the key to improving health and sustaining our growth and profitability.
- **Quality:** Quality is ingrained in the work of our colleagues and all our values. We are dedicated to the delivery of quality healthcare. Our business practices and processes are designed to achieve quality results that exceed the expectations of all of our stakeholders.
- **Integrity:** We demand of ourselves and others the highest ethical standards, and our product and processes will be of the highest quality.

Wyeth

CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS

Abdul Majeed	Chairman / Chief Executive
Husain Lawai	
Badaruddin F. Vellani	
Iftikhar Soomro	
Iqbal Bengali	
Iftikhar Ahmed Jafri	
S. M. Wajeehuddin	

COMPANY SECRETARY
S. M. Wajeehuddin

AUDIT COMMITTEE

Iftikhar Soomro	Chairman
Badaruddin F. Vellani	
Iftikhar Ahmed Jafri	

HUMAN RESOURCES AND REMUNERATION COMMITTEE

Badaruddin F. Vellani	Chairman
Iftikhar Soomro	
Abdul Majeed	

EXECUTIVE COMMITTEE

Abdul Majeed	Chairman / Chief Executive
S. M. Wajeehuddin	Director Finance & Company Secretary
Iftikhar Ahmed Jafri	Head of Manufacturing

SHARE TRANSFER COMMITTEE

Abdul Majeed	Chairman / Chief Executive
S. M. Wajeehuddin	Director Finance & Company Secretary

BANKERS
Citibank, N.A.
Standard Chartered Bank

AUDITORS
KPMG Taseer Hadi & Co.
Chartered Accountants

LEGAL ADVISORS
Vellani & Vellani
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
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

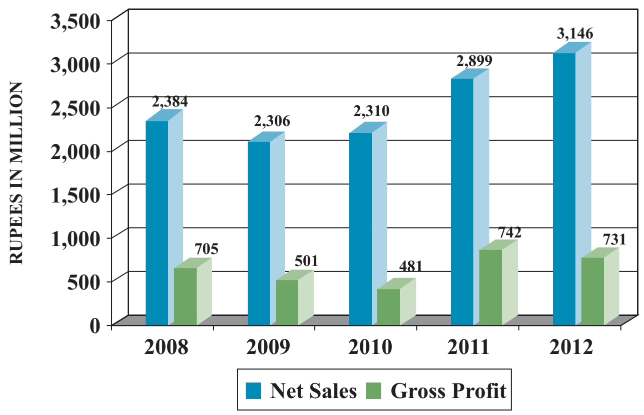
KEY INDICATORS		2007	2008	2009*	2010	2011	2012
Operating results (Rs. in millions)							
Net sales		2,108	2,384	2,306	2,310	2,899	3,146
Gross profit		735	705	501	481	742	731
Operating profit		360	230	(28)	46	274	245
Profit / (loss) before tax		359	229	(32)	43	273	244
Profit / (loss) after tax		245	144	(87)	26	150	132
Financial position (Rs. in millions)							
Shareholder's equity		1,411	1,131	982	1,009	1,170	1,305
Property, plant & equipment		217	227	180	145	135	150
Net current assets		1,185	901	794	847	1,015	1,141
Profitability							
Gross profit	%	34.87	29.57	21.73	20.82	25.60	23.24
Operating profit / (loss)	%	17.08	9.65	(1.21)	1.99	9.45	7.79
Profit / (loss) before tax	%	17.03	9.61	(1.39)	1.86	9.42	7.76
Profit / (loss) after tax	%	11.62	6.04	(3.77)	1.13	5.17	4.20
Performance							
Fixed assets turnover	Times	9.71	10.50	12.81	15.93	21.47	20.97
Avg. inventory holding period	Days	156	143	157	163	175	177
Average collection period	Days	21	29	41	26	6	9
Return on equity	%	17.36	12.73	(8.86)	2.58	12.82	10.11
Liquidity							
Current	Times	3.93	3.43	2.71	2.56	2.83	3.98
Quick	Times	2.53	1.38	0.98	1.01	0.56	1.09
Valuation							
Earnings / (loss) per share	Rs.	172.39	101.50	(61.09)	18.61	123.33	134.90
Book value per share	Rs.	992.86	795.47	690.95	709.63	823.28	918.29
Dividend per share	Rs.	130.00	250.00	-	10.00	40.00	80.00
Price earning ratio	Times	12.41	25.62	-	49.11	5.51	6.93
Dividend yield	%	6.06	10.55	-	0.92	5.02	9.91

* Profit and Loss Account items reflect eleven months' period.

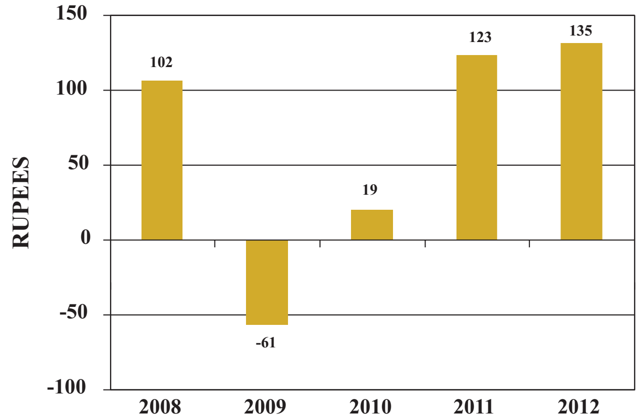
All Balance Sheet Items for the years 2007-2008 show the position as at December 31 while for the years 2009-2012 show the position as at November 30.

PERFORMANCE AT A GLANCE

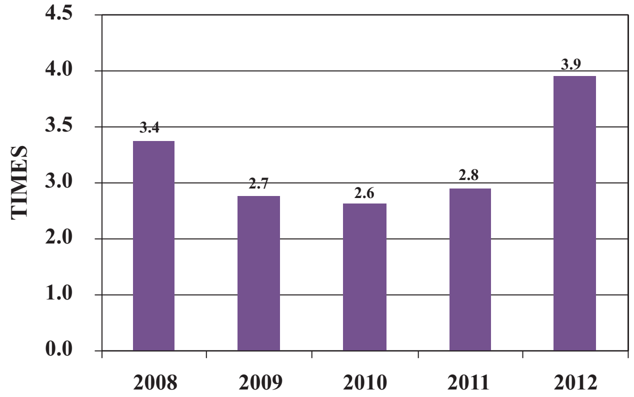
NET SALES & GROSS PROFIT ANALYSIS



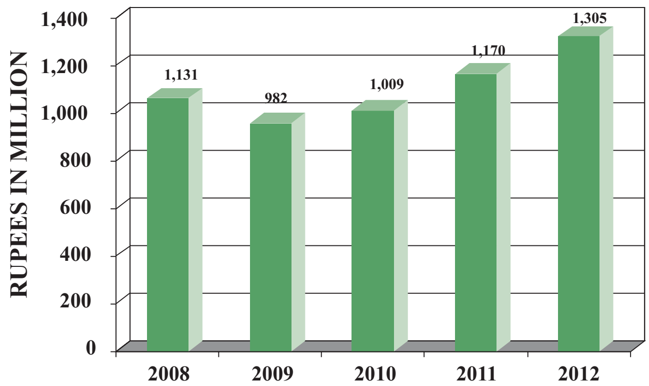
EARNINGS / (LOSS) PER SHARE



CURRENT RATIO



SHAREHOLDERS' EQUITY



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the SIXTY-FOURTH Annual General Meeting of Wyeth Pakistan Limited will be held at the Registered Office of the Company, S-33, Hawkes Bay Road, S.I.T.E., Karachi at 12:30 p.m. on Thursday, March 28, 2013 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements together with the Directors' and Auditors' Reports for the year ended November 30, 2012.

2. To approve and declare dividend for the year ended November 30, 2012. The Directors have recommended the payment of a final dividend of 80%, that is, Rs.80 per share of Rs.100 each, for the year ended November 30, 2012 payable to those Members whose names appear on the Register of Members as at March 20, 2013.

3. To appoint Auditors for the year ending November 30, 2013 and to authorize the Board to fix their remuneration.

SPECIAL BUSINESS:

4. To amend the Articles of Association of the Company and for this purpose to pass the following resolution as a Special Resolution:

   RESOLVED as and by way of a special resolution **THAT** the Articles of Association of the Company be altered by substituting for Article 69, the following new Article 69:

   69. The qualification of an elected Director, in addition to his being a Member, where required, shall be his holding shares of the nominal value of Rs. 5,000 at least in his own name, but a Director representing the interests of a Member or Members holding shares of the nominal value of Rs. 5,000 at least shall require no such share qualification. A Director shall not be qualified as representing the interests of a Member or Members holding shares of the requisite value unless he is appointed as such representative by the Member or Members concerned by notice in writing addressed to the Company specifying the shares of the requisite value appropriated for qualifying such Director. Shares thus appropriated for qualifying a Director shall not, while he continues to be such representative, be appropriated for qualifying any other Director. A Director shall acquire his share qualification within two months from the effective date of his appointment.

By Order of the Board

S. M. WAJEEHUDDIN
Company Secretary

Karachi: March 04, 2013

Notes:

1. The Share Transfer Books of the Company will remain closed from March 21, 2013 to March 28, 2013 (both days inclusive).

2. A member entitled to attend and vote at the above meeting shall be entitled to appoint another person, as his/her proxy to attend, demand or join in demanding a poll, speak and vote instead of him/her. A proxy so appointed shall have such rights, as respects attending, speaking and voting at the meeting as are available to a member. A proxy must 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. 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.

4. 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, of any change in their addresses.

5. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan:

   A. For Attending the Meeting

   i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

   ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

   B. For Appointing Proxies:

   i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.

   ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

   iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

   iv) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.

   v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

6. Statement as required under Section 160(1)(b) of the Companies Ordinance, 1984 is being sent to the members, along with a copy of this notice.

   Statement under Section 160(1)(b) of the Companies Ordinance, 1984

   The material facts concerning the special business to be transacted at the Annual General Meeting of the Company to be held on 28 March 2013.

   Alteration in the Articles of Association of the Company:

   In view of the new Code of Corporate Governance, the Board of Directors felt it appropriate to amend the provision relating to share qualification of directors in the Company's Articles of Association. Accordingly the Board of Directors recommended that the share qualification of directors in the Company's Articles of Association be revised from the nominal value of Rs. 100,000 to the nominal value of Rs. 5,000 and in this regard Article 69 of the Articles of Association be amended and substituted by a new Article 69.

   The resolution required for the above purpose is set forth at item No. 4 in the notice convening the Annual General Meeting and that resolution will be proposed and passed as a special resolution.

DIRECTORS' REPORT TO SHAREHOLDERS

We are pleased to present your Company's Annual Report for 2012 together with the audited Financial Statements for the year ended November 30, 2012.

The year under review was been very uncertain for all businesses including ours, mainly because of the law and order situation and political environment.

Financial Results

The summarized operating results of your Company for the year ended November 30, 2012 are given below:-

	Rupees in '000
From continued operations:	
Sales	3,145,950
Gross profit	731,236
Profit before tax	244,232
Profit after tax for continuing operations	132,281
Profit from discontinued operations (net of tax)	59,496
Total profit after tax for the year	191,777

The after tax earnings per share of your Company for the year ended November 30, 2012 is Rupees 93.05 (2011: Rupees 105.79) from continuing operations and Rupees 41.85 (2011: Rupees 17.54) from discontinued operations.

Discontinued Business

In April 2012, Pfizer Inc., the Company's ultimate parent company, entered into an agreement to divest to Nestle S.A. its Nutrition business globally, including Pakistan. As a consequence the Nutrition business carried on by the Company (its net assets, mainly comprising inventory) was sold to Nestle Pakistan Limited for a consideration of Rs. 193.06 million, which sale was completed in November 2012.

Review of Operations and Future Outlook

The Chairman's review on page 10 of the Annual Report discusses the operations and future outlook of your Company in more detail.

The Directors of the Company endorse the contents of the Chairman's Review.

Dividend

The Directors are pleased to propose a Final Cash Dividend of Rs. 80 being 80% on a share of Rs.100 each held at 20 March 2013.

Holding Company

Wyeth LLC, U.S.A. holds 576,470 (40.55%) shares, and Wyeth Holdings Corporation, U.S.A. (a 100% wholly owned subsidiary of Wyeth LLC) holds 448,560 (31.55%) shares, in Wyeth Pakistan Limited, thus the total holding of Wyeth in Wyeth Pakistan Limited is 72.10%. Further, as a result of the global acquisition of Wyeth by Pfizer Inc., on October 15, 2009, Pfizer Inc. is the ultimate parent company of Wyeth Pakistan Limited.

Pattern of Shareholding

The shareholding information as at November 30, 2012 and the pattern of shareholding of the Company are set out on pages 48 to 49 of the Annual Report.

The 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 during the period under review.

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, comprehensive income, changes in equity and cash flows.
b) Proper books of account 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 best practices of corporate governance, as detailed in the listing regulations.
h) Key operating and financial data of last six years (including current period) is set out on page 2 of the Annual Report.
i) There are certain disputed demands of Income Tax, which have not been accrued or paid. These have been explained in note 15 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 Fund	Un-audited 2012	Audited 2011
Pension Fund	Rs. 151 million	Rs. 145 million
Gratuity Fund	Rs. 110 million	Rs. 113 million
Provident Fund	Rs. 258 million	Rs. 241 million

The value of investments includes accrued interest and the audit of these funds for 2012 is in progress.

k) During the period seven Board of Directors meetings were held. Attendance of Directors at those meetings is as follows:

Name	No. of Meetings Attended
Mr. Abdul Majeed	7
Mr. Husain Lawai	5
Mr. Iftikhar Soomro	7
Mr. Badaruddin F. Vellani	6
Mr. Iqbal Bengali	4
Dr. Iftikhar Ahmed Jafri	4
Mr. S. M. Wajeehuddin	7

Related Party Transactions

All related party transactions during the year 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.

Capital Expenditure

Capital expenditure of Rs. 43.882 million was made during the year under review.

Environment, Health and Safety

One of our top priorities is making sure our colleagues stay safe every day and that our facilities function in harmony with the community and the environment in which we do business. We believe our commitment to the environment also helps us improve efficiency and minimize the cost of doing business in the longer run.

Subsequent Events

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

Directors

Since the last Annual General Meeting no change took place in the composition of the Board of Directors.

The current Board of Directors consists of the following Directors:-

Abdul Majeed	Chairman/Chief Executive/Director
Husain Lawai	Director
Iftikhar Soomro	Director
Badaruddin F. Vellani	Director
Iqbal Bengali	Director
Iftikhar Ahmed Jafri	Director
S. M. Wajeehuddin	Director

The three-year term of the current Board of Directors will expire on April 30, 2014.

Audit Committee

The current Audit Committee consists of three members, Mr. Iftikhar Soomro (Chairman), Mr. Badaruddin F. Vellani and Dr. Iftikhar Ahmed Jafri.

The terms of reference of the Audit Committee have been determined by the Board of Directors in accordance with the guidelines provided in the Code of Corporate Governance. The Committee held five meetings during the year. Attendance of members in those meetings is as follows:

Name	No. of Meetings Attended
Mr. Iftikhar Soomro	5
Mr. Badaruddin F. Vellani	5
Dr. Iftikhar Ahmed Jafri	3

Human Resources and Remuneration Committee

The Board has also constituted a Human Resources and Remuneration Committee on July 26, 2012. The Committee comprises Mr. Badaruddin F. Vellani (Chairman), Mr. Iftikhar Soomro and Mr. Abdul Majeed.

Auditors

The present Auditors, KPMG Taseer Hadi & Co., Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and, being eligible, have offered themselves for re-appointment. The Board of Directors endorses the recommendation of the Audit Committee for the re-appointment of KPMG Taseer Hadi & Co., Chartered Accountants, as auditors of the Company for the financial year ending November 30, 2013 till the conclusion of next AGM at a remuneration to be determined by the Board of Directors.

Donations

Your Company is committed to providing community services to the extent possible and in that connection has donated Rs. 1.442 million in the form of medicines to charitable organizations for providing free treatment to needy patients.

Corporate Governance

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

By Order of the Board

ABDUL MAJEED
Chairman/Chief Executive

Karachi: **February 21, 2013**

CHAIRMAN / CHIEF EXECUTIVE'S REVIEW

Operating Results

Businesses in Pakistan have been facing many challenges over the last few years and this year was no different. Deteriorating law and order situation and political uncertainties have played a major role in causing frequent disturbances and disruptions throughout the year resulting in a slowdown in business growth. The situation has been exacerbated by the inherent economic issues of the depreciating Pakistan rupee and double digit inflation. These factors have impacted both top and bottom line results of your Company.

Though we were able to somewhat minimise the impact of the above mentioned adverse situation through stringent cost control measures, profit before tax this year was 10% less than last year. Moreover, we faced a set back at the regulatory front when approval of the 2012 quota for procurement of Active Pharmaceutical Ingredient (API) of Ativan® was delayed and the product could not be manufactured and sold to its full potential. It is estimated that this delay has resulted in approximately Rs. 100 million loss of business.

However, despite all these challenges, your Company's revenue from continuing operations, during the year, grew by 8.5%. All major products, especially the anti-TB medicine, vitamins and anti-infective medicines, contributed strongly to this growth.

During the year your Company completed the divesture of its Nutrition business to Nestle Pakistan Limited. The aggregate sales proceed from this transaction of Rs. 193 million contributed to increase our overall profit before tax for 2012 which was 11% higher than the profit before tax for 2011.

Future Outlook

Future prospects of our business like many others, is hit by factors that are now a permanent feature of our environment. Economically, inflation and depreciating Pakistan Rupee is eroding margins year by year. Though there has been some relief in the form of price increase on a few selected products, but that is not enough to sustain the business over a longer terms as there has not been any general price increase for pharmaceutical products for almost 12 years. The Company has been making concerted efforts for resolving current pricing mechanism issue that hampers growth of business as prices are fixed by the government with no possibility for annual or periodic increases. We continue to highlight and discuss this important matter with regulators and advocate the need to implement a business friendly and viable pricing mechanism on an immediate basis. Besides, the pharmaceutical industry has been deeply hit by proliferation of generics and there have not been any serious efforts by the Government for enforcement of Data Exclusivity or a strong Intellectual Property Rights regime. Also, poor law and order situation, strikes, sit-ins and political uncertainties have regularly been disrupting business activity. The above prevailing adverse environment look likely to continue at least through 2013.

Amid all this, your Company will continue to rely upon the efficacy, effectiveness and strong brand equity of the products that it markets. Further, we have seen some positive developments at the regulatory front with the formation of Drug Regulatory Authority of Pakistan and hope that the law and order situation would improve post the general elections. If these positive developments continue and the law and order situation improves, there is an expectation that the business environment will also improve which would in turn support our business enabling us to continue to provide value to our shareholders.

Colleagues

All the progress made during the year would not be possible without the dedication and commitment of our colleagues. The Board appreciates and values the efforts of our colleagues and expect the same enthusiasm to also continue in the future.

ABDUL MAJEED
Chairman/Chief Executive

Karachi: **February 21, 2013**

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance (CCG) 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 CCG 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:

Category	Names
Executive Director /Chairman / CEO	Abdul Majeed
Non - Executive Director	Husain Lawai
Non - Executive Director	Iqbal Bengali
Non - Executive Director	Badaruddin F. Vellani
Non - Executive Director	Iftikhar Soomro
Executive Director	Iftikhar Ahmed Jafri
Executive Director	S. M. Wajeehuddin

2. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company.

3. All the resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a Development Financial Institution or a Non-Banking Financial Institution. No Director is a member of a stock exchange.

4. No casual vacancy occurred during the year.

5. The Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. 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 and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO 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 met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The board arranges training program for its Directors from time to time.

10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.

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

12. The financial statements were duly endorsed by CEO and CFO before approval of the Board.

13. The Directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

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

15. The Board has formed an audit committee. It comprises of three members, of whom one is an executive director.

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

17. The Board has formed an HR and Remuneration Committee. It comprises of three members, of whom one is an executive director.

18. The board has set up an effective internal audit function which consists of suitably qualified and experienced persons for the purpose who are conversant with the policies and procedures of the Company.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that neither they nor any of the partners of the firm, nor their spouses and minor children hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

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. The closed period, prior to the announcement of interim/final results, was determined and intimated to Directors, relevant employees and stock exchanges.

22. Material/price sensitive information has been disseminated among all market participants at once through stock exchanges.

23. We confirm that all other material principles contained in the CCG have been complied.

ABDUL MAJEED
Chairman/Chief Executive

Karachi: **February 21, 2013**

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

Telephone + 92 (21) 3568 5847
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Internet www.kpmg.com.pk

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 Karachi and Lahore Stock Exchanges where the company is listed.

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

As part of our audit of 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 (x) of Listing Regulations 35 notified by the Karachi Stock Exchange requires the Company to place before the Board of Directors for their consideration and approval 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 as applicable to the Company for the year ended 30 November 2012.

KPMG [signature]

Date: 21 February 2013

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants

KPMG

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

Telephone + 92 (21) 3568 5847
Fax + 92 (21) 3568 5095
Internet www.kpmg.com.pk

Auditors' Report to the Members

We have audited the annexed balance sheet of **Wyeth Pakistan Limited** ("the Company") as at 30 November 2012 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 year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

a) in our opinion, proper books of 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;

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

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

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of 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 2012 and of the profit, total comprehensive income, its cash flows and changes in equity for the year then ended; and

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

Date: 21 February 2013

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Mohammad Mahmood Hussain

BALANCE SHEET
AS AT NOVEMBER 30, 2012

	Note	November 30, 2012	November 30, 2011
		(Rupees in '000)	
NON-CURRENT ASSETS			
Property, plant and equipment	4	**149,789**	134,964
Long-term loans	5	**4,802**	6,776
Long-term deposits		**6,819**	3,156
Deferred taxation	12	**3,218**	9,956
Total non - current assets		**164,628**	154,852
CURRENT ASSETS			
Spares		**15,952**	14,482
Stock-in-trade	6	**1,089,262**	1,246,265
Trade debts	7	**103,341**	44,300
Loans and advances	8	**31,495**	39,910
Deposits, prepayments and other receivables	9	**73,741**	38,547
Interest accrued		**655**	255
Taxation - net		**38,142**	115,806
Cash and bank balances	10	**170,907**	69,797
Total current assets		**1,523,495**	1,569,362
Total assets		**1,688,123**	1,724,214
SHARE CAPITAL AND RESERVES			
Share capital	11	**142,161**	142,161
Reserves		**947,648**	847,498
Unappropriated profit		**215,638**	180,725
Total equity		**1,305,447**	1,170,384
CURRENT LIABILITIES			
Trade and other payables	13	**382,676**	553,830
Total equity and liabilities		**1,688,123**	1,724,214
CONTINGENCIES AND COMMITMENTS	15		

The annexed notes 1 to 36 form an integral part of these financial statements.

Abdul Majeed
Chief Executive

S. M. Wajeehuddin
Director

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED NOVEMBER 30, 2012

	Note	For the year ended November 30, 2012	November 30, 2011 Restated
		(Rupees in '000)	
Continuing operations			
Net sales	16	**3,145,950**	2,899,363
Cost of sales	17	**2,414,714**	2,157,447
Gross profit		**731,236**	741,916
Selling, marketing and distribution expenses	18	**400,260**	386,808
Administrative expenses	19	**76,926**	87,955
		477,186	474,763
		254,050	267,153
Other operating income	21	**34,308**	39,929
Other operating expenses	22	**43,249**	33,367
		(8,941)	6,562
Operating profit		**245,109**	273,715
Finance cost	23	**877**	870
Profit before taxation		**244,232**	272,845
Taxation	24		
Current-for the year		**105,213**	88,710
-for prior years		**-**	37,268
Deferred		**6,738**	(3,525)
		111,951	122,453
Profit after tax from continuing operations		**132,281**	150,392
Discontinued operations			
Profit for the year from discontinued operations (net of tax)	34	**59,496**	24,928
Total profit after tax for the year		**191,777**	175,320
		(Rupees)	
Earnings per share - basic and diluted	25		
- From continuing operations		**93.05**	105.79
- From discontinued operations		**41.85**	17.54
		134.90	123.33

The annexed notes 1 to 36 form an integral part of these financial statements.

Abdul Majeed
Chief Executive

S. M. Wajeehuddin
Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED NOVEMBER 30, 2012

	November 30, 2012	November 30, 2011
	(Rupees in '000)	
Profit after taxation	**191,777**	175,320
Other comprehensive income	**-**	-
Total comprehensive income	**191,777**	175,320

The annexed notes 1 to 36 form an integral part of these financial statements.

Abdul Majeed
Chief Executive

S. M. Wajeehuddin
Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED NOVEMBER 30, 2012

	Note	November 30, 2012	November 30, 2011
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	30	**244,456**	(75,545)
Profit received on deposit accounts		**3,971**	27,322
Decrease in long-term loans		**1,974**	1,427
Increase in long-term deposits		**(3,663)**	(976)
Taxes paid		**(55,987)**	(93,494)
Net cash inflow / (outflow) from operating activities		**190,751**	(141,266)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(43,881)**	(17,781)
Proceeds from disposal of property, plant and equipment		**11,073**	1,154
Net cash outflow from investing activities		**(32,808)**	(16,627)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash outflow from financing activities - dividends paid		**(56,833)**	(14,238)
Net increase / (decrease) in cash and cash equivalents		**101,110**	(172,131)
Cash and cash equivalents at beginning of the year		**69,797**	241,928
Cash and cash equivalents at end of the year	10	**170,907**	69,797

The annexed notes 1 to 36 form an integral part of these financial statements.

Abdul Majeed
Chief Executive

S. M. Wajeehuddin
Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED NOVEMBER 30, 2012

	Share capital	----------- Reserves ----------				
	Issued, subscribed and paid-up capital	General reserve	*Others	Sub total	Unappro-priated profit / (accumu-lated loss)	Total
	-------------------------- (Rupees in '000) --------------------------					
Balance as at November 30, 2010	142,161	911,753	15,288	927,041	(60,379)	1,008,823
Total comprehensive income for the year						
Profit for the year	-	-	-	-	175,320	175,320
Other comprehensive income for the year	-	-	-	-	-	-
	-	-	-	-	175,320	175,320
Transactions with owners						
Final dividend for the year ended November 30, 2010 at Rs. 10 per share	-	-	-	-	(14,216)	(14,216)
Share-based rewards	-	-	457	457	-	457
	-	-	457	457	(14,216)	(13,759)
Transfer from general reserve	-	(80,000)	-	(80,000)	80,000	-
Balance as at November 30, 2011	142,161	831,753	15,745	847,498	180,725	1,170,384
Total comprehensive income for the year						
Profit for the year	-	-	-	-	191,777	191,777
Other comprehensive income for the year	-	-	-	-	-	-
	-	-	-	-	191,777	191,777
Transactions with owners						
Final dividend for the year ended 30 November 2011 at Rs. 40 per share	-	-	-	-	(56,864)	(56,864)
Share-based rewards	-	-	150	150	-	150
	-	-	150	150	(56,864)	(56,714)
Transfer to general reserve	-	100,000	-	100,000	(100,000)	-
Balance as at November 30, 2012	**142,161**	**931,753**	**15,895**	**947,648**	**215,638**	**1,305,447**

* Others represent reserve for share based payment plan.

The annexed notes 1 to 36 form an integral part of these financial statements.

Abdul Majeed
Chief Executive

S. M. Wajeehuddin
Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED NOVEMBER 30, 2012

1. STATUS AND NATURE OF BUSINESS

Wyeth Pakistan Limited ("the Company") is a public limited Company incorporated in 1949 in Pakistan. The Company's registered office is situated at S-33, Hawkes Bay Road, S.I.T.E., Karachi, Pakistan. The Company is listed on the Karachi and Lahore Stock Exchanges and 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 LLC, USA. Accordingly, Pfizer Inc. has become the ultimate parent of the Company. However, Wyeth LLC, USA continues to be the principal shareholder of the Company.

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 as otherwise disclosed.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupee 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 the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about judgements made by the management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements, and estimates that have a significant risk of resulting in a material adjustment in the subsequent years are included in following notes:

(a) Property, plant and equipment (note 3.1).

(b) Stock-in-trade and write down to net realisable values (note 3.2).

(c) Deferred taxation (note 3.9).

(d) Staff retirement benefit plans (note 3.7).

2.5 Standards, amendments or interpretations which became effective during the year

During the year certain amendments to Standards or new interpretations became effective, however, the amendments or interpretation did not have any material effect on the financial statements of the Company.

2.6 Standards and interpretations not yet effective:

The following standards, amendments and interpretations of approved accounting standards are only effective for annual periods beginning from the dates specified below. Except for the amendment in International Accounting Standard (IAS) 19 which results in immediate recognition of actuarial gains or losses and revised basis of calculation for net finance costs, 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 increased disclosures in certain cases:

- Amendments to IAS 12 – deferred tax on investment property (effective for annual periods beginning on or after 1 January 2012). The amendment provides an exception to the measurement principle in respect of investment property measured using the fair value model in accordance with IAS 40 Investment Property.

- IAS 19 Employee Benefits (amended 2011) – (effective for annual periods beginning on or after 1 January 2013). The amended IAS 19 includes the amendments that require actuarial gains and losses to be recognised immediately in other comprehensive income; this change will remove the corridor method and eliminate the ability for entities to recognise all changes in the defined benefit obligation and in plan assets in profit or loss, which currently is allowed under IAS 19; and that the expected return on plan assets recognised in profit or loss is calculated based on the rate used to discount the defined benefit obligation.

- Presentation of Items of Other Comprehensive Income (Amendments to IAS 1) – (effective for annual periods beginning on or after 1 July 2012). The amendments require that an entity present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss.

- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) – (effective for annual periods beginning on or after 1 January 2014). The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 Financial Instruments: Presentation. The amendments clarify the meaning of 'currently has a legally enforceable right of set-off'; and that some gross settlement systems may be considered equivalent to net settlement.

- Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7) – (effective for annual periods beginning on or after 1 January 2013). The amendments to IFRS 7 contain new disclosure requirements for financial assets and liabilities that are offset in the statement of financial position or subject to master netting agreement or similar arrangement.

- Annual Improvements 2009–2011 (effective for annual periods beginning on or after 1 January 2013). The new cycle of improvements contains amendments to the following standards, with consequential amendments to other standards and interpretations.

  IAS 1 Presentation of Financial Statements is amended to clarify that only one comparative period – which is the preceeding period – is required for a complete set of financial statements.

  IAS 16 Property, Plant and Equipment is amended to clarify the accounting of spare parts, stand-by equipment and servicing equipment.

  IAS 32 Financial Instruments: Presentation – is amended to clarify that IAS 12 Income Taxes applies to the accounting for income taxes relating to distributions to holders of an equity instrument and transaction costs of an equity transaction.

  IAS 34 Interim Financial Reporting is amended to align the disclosure requirements for segment assets and segment liabilities in interim financial reports with those in IFRS 8 Operating Segments.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment

These assets are stated at cost less accumulated depreciation and impairment, if any, except for 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.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the entity, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised.

Normal repairs and maintenance are charged to the profit and loss account during the period in which they are incurred.

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, depreciation rates and method are reviewed at each balance sheet date and adjusted if the impact is significant.

Depreciation on additions is charged from the month in which the asset is available for 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.

Gains or losses on disposal of an item of property, plant and equipment are recognised in the profit and loss account.

Capital work in progress is stated at cost and consists of expenditure incurred and advances made in respect of assets in the course of their construction and installation. Transfers are made to relevant asset category as and when assets are available for intended use.

3.2 Inventories

These are valued at the lower of cost and net realisable value. Cost is determined using first-in first-out method.

Cost includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and cost necessary to make the sale.

Provision is made for slow moving and obsolete items wherever necessary and is recognised in profit and loss account.

3.3 Trade debts

Trade debts are initially measured at fair value and subsequently at amortised cost using the effective interest method, less provision for impairment, if any. A provision for impairment of trade debts is established where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Trade debts and receivable are written off when considered irrecoverable.

3.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand, with banks in deposit accounts and term deposit receipts.

3.5 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 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.

3.6 Revenue recognition

Revenue from sale of goods 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 and the amount of revenue can be measured reliably.

Returns on bank deposits and investments are recognised on an accrual basis using effective rate of return.

3.7 Staff retirement benefits

3.7.1 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.

Retirement benefits are payable to employees on completion of prescribed qualifying period of service under the schemes.

3.7.2 Defined contribution plan

The Company also operates an approved funded contributory provident fund for all eligible employees. Equal monthly contributions are made both by the Company and the employee.

3.7.3 Employees' compensated absences

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

3.8 Share-based reward plans

The Company participates in a time-vested share based rewards plan operated by Pfizer Inc., (the ultimate parent company) whereby, Pfizer Inc. grants rights of its shares to the eligible employees of the Company. The primary share-based awards and their general terms and conditions are as follows:

- Stock options, which, when vested, entitle the holder to purchase a specified number of shares of Pfizer common stock at a price per share equal to the market price of Pfizer Inc., share on the date of grant.

- Restricted stock units (RSUs), which, when vested, entitle the holder to receive a specified number of shares of Pfizer Inc., including shares resulting from dividend equivalents paid on such RSUs.

- The Company recognises as expense the services acquired over the vesting period of three years and the corresponding increase in equity at the fair value of the shares of the ultimate parent company granted, which are measured at the grant date.

3.9 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit and loss account except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of prior years.

Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. The amount of deferred tax recognised is based on expected manner of realization or settlement of the carrying amount of assets and liabilities using the tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences and deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.10 Borrowing costs

Borrowing costs are recognised as an expense in the year in which these are incurred using effective interest method except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalised as part of the cost of that asset.

3.11 Foreign currency transactions

Foreign currency transactions are translated into Pakistan Rupee using the exchange rates prevailing at the dates of transaction. Monetary assets and liabilities in foreign currency are translated into Pakistan Rupee at the rates of exchange prevailing at the balance sheet date. Exchange gains and losses are included in profit and loss account.

3.12 Financial instruments

The Company recognises financial asset or a financial liability when it becomes a party to the contractual provision of the instrument. Financial assets and liabilities are recognised initially at cost, which is the fair value of the consideration given or received respectively. These are subsequently measured at fair value or amortised cost, as the case may be.

Financial assets are derecognised when the contractual right to cash flows from the asset expire, or when substantially all the risks and rewards of ownership of the financial asset are transferred. Financial liability is derecognised when its contractual obligations are discharged, cancelled or expired.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset.

3.13 Dividends and appropriation of profit

Dividend and appropriation to reserves are recognised in the financial statements in the period in which these are approved.

3.14 Impairment

The carrying amounts of the Company's non-current assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount.

3.15 Discontinued operations

A discontinued operation is a component of the Company's business that has been disposed of or is held for sale. When an operation is classified as a discontinued operation, the comparative profit and loss account is re-presented as if the operation had been discontinued from the start of the comparative period.

4. PROPERTY, PLANT AND EQUIPMENT

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

	Note	**November 30, 2012**	November 30, 2011
		(Rupees in '000)	
Operating fixed assets	4.2	**134,850**	132,874
Capital work in progress	4.3	**14,939**	2,090
		149,789	134,964

4.2 Operating fixed assets

The following is statement of operating fixed assets:

	Leasehold land	Factory building on leasehold land	Improvements to warehouse	Plant and machinery	Furniture and fittings	Vehicles	Office equipment	Total
	-----	-----	-----	----Rupees in '000----	-----	-----	-----	-----
At November 30, 2010								
Cost	258	45,446	9,621	211,613	24,354	42,320	62,116	395,728
Accumulated depreciation	88	27,692	6,727	145,386	19,552	24,437	27,118	251,000
Net book value	170	17,754	2,894	66,227	4,802	17,883	34,998	144,728
Year ended November 30, 2011								
Opening net book value	170	17,754	2,894	66,227	4,802	17,883	34,998	144,728
Additions	-	1,409	-	8,993	-	5,003	445	15,850
Disposals								
Cost	-	-	-	-	-	1,419	-	1,419
Accumulated depreciation	-	-	-	-	-	1,419	-	1,419
	-	-	-	-	-	-	-	-
Depreciation charge for the year	2	1,056	475	11,637	748	9,592	4,194	27,704
Closing net book value	168	18,107	2,419	63,583	4,054	13,294	31,249	132,874
At November 30, 2011								
Cost	258	46,855	9,621	220,606	24,354	45,904	62,561	410,159
Accumulated depreciation	90	28,748	7,202	157,023	20,300	32,610	31,312	277,285
Net book value	168	18,107	2,419	63,583	4,054	13,294	31,249	132,874
Year ended November 30, 2012								
Opening net book value	168	18,107	2,419	63,583	4,054	13,294	31,249	132,874
Additions	-	-	-	2,071	-	20,207	8,754	31,032
Disposals								
Cost	-	-	-	-	-	13,889	-	13,889
Accumulated depreciation	-	-	-	-	-	12,998	-	12,998
	-	-	-	-	-	891	-	891
Depreciation charge for the year	3	1,048	377	11,583	662	10,124	4,368	28,165
Closing net book value	165	17,059	2,042	54,071	3,392	22,486	35,635	134,850
At November 30, 2012								
Cost	258	46,855	9,621	222,677	24,354	52,222	71,315	427,302
Accumulated depreciation	93	29,796	7,579	168,606	20,962	29,736	35,680	292,452
Net book value	**165**	**17,059**	**2,042**	**54,071**	**3,392**	**22,486**	**35,635**	**134,850**

4.3 Capital work in progress	**November 30, 2012**	November 30, 2011
	(Rupees in '000)	
Plant and machinery	**12,801**	-
Office equipments	**2,138**	555
Vehicles	**-**	1,535
	14,939	2,090

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

	Annual rate of depreciation (%)
Leasehold land	1
Factory building	3
Improvements to warehouse	3
Plant and machinery	8
Furniture and fittings	8
Vehicles	25
Office equipment	8 to 33.33

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

	Note	**November 30, 2012**	November 30, 2011
		(Rupees in '000)	
Cost of sales	17.1	**19,250**	19,488
Selling, marketing and distribution expenses	18	**3,250**	2,525
Administrative expenses	19	**5,665**	5,691
		28,165	27,704

4.6 The operating fixed assets (note 4.2) include items costing Rs. 134.305 million (2011: Rs. 122.623 million) which are fully depreciated as of November 30, 2012 but are still in active use.

4.7 The following operating fixed assets (vehicles) were disposed off during the year:

	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain	Mode of disposal	Particulars
	(Rupees in '000)						
	1,564	1,564	-	1,227	1,227	Policy	M.Rafiq Farooq - employee
	1,389	1,024	365	978	613	Policy	M.Tariq Hussain - ex employee
	1,389	1,192	197	1,011	814	Tender	Rehan Mithani
	1,152	1,080	72	803	731	Tender	M. Hanif
	1,102	1,102	-	640	640	Policy	Javed Yusuf - employee
	954	954	-	1,041	1,041	Tender	Waseem Mirza
	905	732	173	703	530	Tender	M. Hanif
	849	849	-	811	811	Tender	Sheikh Abdul Waheed
	835	751	84	563	479	Policy	M. Arshad Bajwa - employee
	560	560	-	541	541	Tender	M. Yamin
	560	560	-	552	552	Tender	M. Fahim Shaikh
	555	555	-	427	427	Policy	Shamshad Ahmad - employee
	555	555	-	408	408	Policy	M. Ahmed - employee
	555	555	-	524	524	Policy	Aftab A. Malik - employee
	555	555	-	527	527	Policy	Rizwan Akram - employee
	410	410	-	317	317	Tender	Akber Khan
2012	**13,889**	**12,998**	**891**	**11,073**	**10,182**		
2011	1,419	1,419	-	1,154	1,154		

5. LONG-TERM LOANS - considered good

	Note	November 30, 2012	November 30, 2011
		(Rupees in '000)	
Long-term loans to employees	5.1	**7,825**	10,367
Less: Receivable within one year	8	**3,023**	3,591
		4,802	6,776

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.

		Note	November 30, 2012	November 30, 2011
5.2	**This includes loans to executives, the details of which are as follows:**		**(Rupees in '000)**	
	Opening balance as of 1 December		**1,216**	1,226
	Loans disbursed during the year		**-**	400
	Loans repaid during the year		**(702)**	(410)
	Closing balance as of 30 November		**514**	1,216

6. STOCK-IN-TRADE

	Note	November 30, 2012	November 30, 2011
Raw and packing materials	6.1 & 6.2	**754,935**	912,376
Work-in-process	6.1	**60,449**	83,398
Finished goods	6.3	**252,080**	253,115
Stock-in-transit		**54,476**	21,379
		1,121,940	1,270,268
Less: Provision for slow moving and obsolete stock-in-trade	6.4	**32,678**	24,003
		1,089,262	1,246,265

6.1 Raw and packing materials and work-in-process include Rs. 181.367 million (2011: Rs. 176.492 million) and Rs. 2.107 million (2011: Rs. 4.740 million) respectively held with third parties for outside manufacturing purposes.

6.2 Raw and packing materials amounting to Rs. 9.685 million (2011: Rs. 14.502 million) are held with a related party.

6.3 Stock-in-trade includes items costing Rs. 17.878 million (2011: Rs. 23.088 million) which are valued at net realisable value of Rs. 15.908 million (2011: 18.166 million).

6.4 During the year, a net provision of Rs. 25.033 million (2011: Rs. 74.553 million) has been recognized and stock-in-trade amounting to Rs. 16.358 million has been written-off from the said provision.

7. TRADE DEBTS - unsecured

	Note	November 30, 2012	November 30, 2011
		(Rupees in '000)	
Considered good from related parties	7.1	**85,326**	28,151
Others		**18,015**	16,149
		103,341	44,300
Considered doubtful		**12,782**	12,653
		116,123	56,953
Less: Provision for doubtful debts		**12,782**	12,653
		103,341	44,300

7.1 This represents amount due from Pfizer Philippines, Inc.

8. LOANS AND ADVANCES - unsecured and considered good

	Note	November 30, 2012	November 30, 2011
Current portion of long-term loans to employees	5	**3,023**	3,591
Advances			
- Suppliers		**26,091**	34,104
- For expenses		**217**	10
- Employees	8.1 & 8.2	**1,580**	2,141
- Others		**584**	64
		28,472	36,319
		31,495	39,910

8.1 This includes amounts due from executives amounting to Rs. 0.525 million (2011: Rs 0.613 million).

8.2 The maximum aggregate amount is Rs. 0.675 million (2011: Rs. 1.064 million) of advances due from executives at the end of any month during the year.

9. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	November 30, 2012	November 30, 2011
		(Rupees in '000)	
Deposits		**22,328**	11,769
Prepayments		**211**	17
Margin deposits for guarantees and letters of credit		**38,304**	16,157
Balances with statutory authorities for customs and excise duty		**999**	999
Sales tax refundable	9.1	**4,301**	6,560
Receivable from related party		**2,726**	-
Export rebate claim		**4,620**	2,686
Others		**252**	359
		73,741	38,547

9.1 This includes Rs. 3.214 million representing sales tax paid on pharmaceutical products in the year 2002 which is refundable to the company.

10. CASH AND BANK BALANCES

	Note	November 30, 2012	November 30, 2011
		(Rupees in '000)	
With banks			
- Term deposit receipts	10.1	**110,000**	25,000
- In saving accounts	10.2	**60,706**	44,585
Cash in hand		**201**	212
		170,907	69,797

10.1 These carry mark-up at the rate of 7.74% (2011: 10.05%) per annum.

10.2 These carry mark-up at the rate of 6% (2011: 5%) per annum.

11. SHARE CAPITAL

Authorised capital

5,000,000 ordinary shares of Rs. 100 each	**500,000**	500,000

Issued, subscribed and paid-up capital

November 30, 2012	November 30, 2011		November 30, 2012	November 30, 2011
(Number of shares)			(Rupees in '000)	
		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 11.2	**47,749**	47,749
557,405	557,405	Shares issued as fully paid bonus shares	**55,741**	55,741
1,421,609	1,421,609		**142,161**	142,161

11.1 Wyeth LLC, USA and Wyeth Holdings Corporation, USA held 576,470 (2011: 576,470) and 448,560 (2011: 448,560) shares of Rs. 100 each respectively as on November 30, 2012. On October 15, 2009 Pfizer Inc. has acquired Wyeth LLC, USA and has become the ultimate parent of the Company.

11.2 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.

12. DEFERRED TAXATION

	Note	November 30, 2012	November 30, 2011
		(Rupees in '000)	
Accelerated tax depreciation		**(11,075)**	(11,722)
Provision for gratuity and pension		**2,388**	1,113
Provision for slow moving and obsolete stocks		**7,983**	5,976
Provision for doubtful debts		**3,122**	3,150
Provision for sales return		**388**	1,354
Liability against long term incentive		**-**	336
Others		**412**	9,749
		3,218	9,956

13. TRADE AND OTHER PAYABLES

	Note	November 30, 2012	November 30, 2011
Creditors	13.1	**113,140**	283,829
Accrued liabilities		**182,927**	154,593
Liability against long term incentive		**-**	1,348
Advances from customers		**9,196**	46,805
Accumulated compensated absences		**25,770**	25,222
Payable to provident fund		**2,113**	-
Payable to gratuity and pension funds	27.2	**9,775**	4,470
Workers' Welfare Fund		**11,121**	9,870
Central Research Fund		**3,542**	2,965
Workers' Profit Participation Fund	13.2	**18,060**	16,008
Sales tax payable		**2,575**	-
Unclaimed dividend		**2,867**	2,836
Provision for sales return		**1,590**	5,439
Others		**-**	445
		382,676	553,830

13.1 Creditors include Rs. 58.707 million (2011: Rs. 227.813 million) from associated undertakings.

13.2 Workers' Profit Participation Fund

	November 30, 2012	November 30, 2011
	(Rupees in '000)	
Opening balance	**16,008**	2,300
Allocation for the year	**18,060**	16,008
	34,068	18,308
Less: Payments made during the year	**16,008**	2,300
Closing balance	**18,060**	16,008

14. SHORT-TERM FINANCE

The Company has available facility limits of Rs. 744.335 million (2011: Rs. 613.84 million) under running finance and for opening of letter of credit. At the end of the year, the Company did not have any outstanding loan balance.

15. CONTINGENCIES AND COMMITMENTS

15.1 Certain ex-employees of the Company have filed claims aggregating to Rs. 247.572 million (2011: Rs. 247.572 million) against the Company. The Company is contesting the claims in the courts and 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.

15.2 Two ex-distributors have filed claims against the Company aggregating to Rs. 84.929 million (2011: Rs. 84.929 million) for recovery of damages. 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.

15.3 The Company has filed income tax returns under section 120 of the Income Tax Ordinance up to and including the tax year 2012. However, the income tax authorities have made arbitrary additions and disallowances to taxable income in respect of previous years, from assessment years 1997-98 to 2002-03 and for tax years 2003 to 2005 and 2008, which have resulted in an aggregate tax demand of Rs. 231.962 million (2011: Rs. 231.962 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. 125.562 million (2011: Rs. 125.562 million) is being carried against the above demands on grounds of prudence. In consultation with their tax advisors, the management is confident that the ultimate decision of the appeals will be in the Company's favour.

15.4 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 of technical services availed by the Company.

The Company filed an appeal against this order. The Commissioner Inland Revenue Appeals (CIRA) passed an order in favour of the Company. However, the Tax Department has now filed an appeal before the Tribunal, which is still pending. The management, in consultation with their tax advisors, is confident that the ultimate decision of the appeal will be in favor of the Company.

15.5 In August 2012, Pfizer Inc., the Company’s ultimate parent company, announced that it has settled with the US Department of Justice (DOJ) and US Securities and Exchange Commission (US SEC) certain matters related to possible issues under the US Foreign Corrupt Practices Act (US FCPA) identified in the Nutrition division relating to 2005-2009. These issues were identified during the due-diligence review of Wyeth entities in different countries including Pakistan conducted by Pfizer Inc. post the acquisition of Wyeth LLC. These issues were voluntarily disclosed to US SEC and certain other authorities and additional steps have been taken by Pfizer Inc. and its affiliates to strengthen its corporate compliance program worldwide.

Subsequent to the Pfizer’s announcement in the US, the Securities and Exchange Commission of Pakistan (SECP) has also sought certain information from the Company regarding the proceedings against Wyeth LLC before a US District Court that are related to the settlement. The management has responded to SECP. SECP has also been informed that since 2009 the Company has taken several steps to strengthen its internal control functions. Management is committed to complying with applicable laws in Pakistan and believes that the strengthening of its internal control functions will help to ensure that the Company operates its affairs in transparent manner and in compliance with its code of conduct and business ethics.

Further, recently, a complaint has been filed with Sindh Drugs Court against Federation of Pakistan, SECP and Ministry of Health by an NGO referring to various practices within the pharmaceutical industry in Pakistan in general, which it considers to be improper. In that complaint the NGO has also referred to US SEC complaint and proceedings before the DOJ and has, on these grounds, amongst other matters, prayed that the court prohibit the Company from selling its products and that the licenses granted to the Company be cancelled. The Company has been advised that the Sindh Drugs Court does not have jurisdiction in this matter and management believes that this complaint will be dismissed.

In the circumstances, the management believes that the above issues are not likely to have a matterial impact on the Company.

		November 30, 2012	November 30, 2011
		(Rupees in '000)	
15.6	**Commitments**		
15.6.1	Commitments for capital expenditure	**5,563**	157
15.6.2	Guarantees and indemnity bonds issued to Collector of Customs against duty on imported raw materials and other guarantees	**166**	166
15.6.3	Outstanding letter of credit	**80,917**	136,894

		Note	November 30, 2012	November 30, 2011 Restated
			(Rupees in '000)	
16.	**NET SALES**			
	Sales - Domestic		**3,294,897**	3,224,767
	- Export		**255,525**	159,440
			3,550,422	3,384,207
	Less: Discounts and commission		**367,408**	416,092
	Returns		**6,678**	5,442
	Sales tax		**22,707**	32,090
	Federal excise duty and special excise duty		**7,679**	31,220
			404,472	484,844
			3,145,950	2,899,363
17.	**COST OF SALES**			
	Opening stock of finished goods		**216,783**	224,102
	Cost of goods manufactured	17.1	**1,969,315**	1,791,270
	Purchases of finished goods		**494,634**	372,161
	Closing stock of finished goods		**(252,080)**	(216,783)
	Physician samples charged to advertising and sales promotion		**(13,938)**	(13,303)
			2,414,714	2,157,447
17.1	**Cost of goods manufactured**			
	Opening stock of raw and packing materials		**912,376**	400,758
	Purchase of raw and packing materials		**1,319,496**	1,821,294
	Closing stock of raw and packing materials		**(754,935)**	(912,376)
	Raw and packing materials consumed		**1,476,937**	1,309,676
	Salaries, wages and other benefits	17.2	**207,164**	175,824
	Depreciation	4.5	**19,250**	19,488
	Fuel and power		**50,980**	43,317
	Rent, rates and taxes		**9,459**	13,134
	Repairs and maintenance		**65,352**	46,799
	Production and other supplies		**28,670**	24,784
	IT and quality support services		**466**	18,096
	Spare parts consumed		**3,803**	4,880
	Travelling and vehicles running expenses		**6,858**	7,839
	Provision for slow moving and obsolete stock-in-trade		**25,033**	74,553
	Outside manufacturing charges		**50,331**	68,804
	Postage, communication and stationery		**825**	777
	Insurance		**1,203**	630
	Others		**35**	150
			469,429	499,075
			1,946,366	1,808,751
	Opening stock of work-in-process		**83,398**	65,917
	Closing stock of work-in-process		**(60,449)**	(83,398)
	Cost of goods manufactured		**1,969,315**	1,791,270

17.2 Salaries, wages and other benefits include a net charge of Rs. 9.076 million (2011: Rs. 14.382 million) in respect of staff retirement benefits.

18. SELLING, MARKETING AND DISTRIBUTION EXPENSES

	Note	November 30, 2012	November 30, 2011 Restated
		(Rupees in '000)	
Salaries, wages and other benefits	18.1	**131,361**	130,633
Fuel and power		**8,099**	8,340
Rent, rates and taxes		**643**	4,542
Insurance		**1,355**	893
Repairs and maintenance		**526**	2,258
Transportation		**51,050**	39,856
Travelling and living		**34,460**	27,474
Postage, communication and stationery		**2,802**	6,491
Depreciation	4.5	**3,250**	2,525
Advertising and sales promotion		**165,375**	162,679
Shipping and packing cartons consumed		**185**	249
Others		**1,154**	868
		400,260	386,808

18.1 Salaries, wages and other benefits include a net charge of Rs. 7.788 million (2011: Rs. 10.532 million) in respect of staff retirement benefits.

19. ADMINISTRATIVE EXPENSES

	Note	November 30, 2012	November 30, 2011 Restated
		(Rupees in '000)	
Salaries, wages and other benefits	19.1	**48,346**	57,965
Fuel and power		**1,804**	1,748
Rent, rates and taxes		**978**	837
Insurance		**1,565**	965
Travelling and living		**5,594**	5,198
Postage, communication and stationery		**642**	1,396
Provision for doubtful debts		**129**	-
Legal and professional charges		**8,206**	8,069
Auditors' remuneration	19.2	**1,007**	1,007
Depreciation	4.5	**5,665**	5,691
IT and quality support services		**808**	-
Donations	19.3	**1,442**	3,665
Others		**740**	1,414
		76,926	87,955

19.1 Salaries, wages and other benefits include a net charge of Rs. 1.467 million (2011: Rs. 4.452 million) in respect of staff retirement benefits.

	November 30, 2012	November 30, 2011
	(Rupees in '000)	

19.2 Auditors' remuneration

Audit fee - annual	**578**	578
Fee for half yearly review	**224**	224
Other certifications	**130**	130
Out of pocket expenses	**75**	75
	1,007	1,007

19.3 The Company has donated certain medicines, including the above, to various institutions during the year. No directors and their spouses were interested in the donees.

20. VOLUNTARY SEPARATION SCHEME

VSS programme is in place for the past few years to achieve rationalisation and corporate restructuring of the Company. Aggregate cost of Rs. 1.071 million (2011: Rs. 13.488 million) was incurred during the year in this respect.

21. OTHER OPERATING INCOME

	Note	November 30, 2012	November 30, 2011 Restated
		(Rupees in '000)	
Gain on disposal of property, plant and equipment	4.7	**10,182**	1,154
Reversal of bad debts provision		**-**	4,725
Profit on saving accounts and term deposits		**4,371**	23,831
Scrap sales		**8,407**	7,655
Export rebate claims and recovery of export freight		**11,348**	2,564
		34,308	39,929

22. OTHER OPERATING EXPENSES

Workers' Profits Participation Fund	**16,953**	14,651
Workers' Welfare Fund	**6,781**	3,254
Central Research Fund	**3,391**	2,774
Net exchange loss	**16,124**	12,688
	43,249	33,367

23. FINANCE COST

Interest on related party loan	**696**	-
Bank charges	**181**	870
	877	870

24. TAXATION

Profit before taxation	**244,232**	298,632
Tax at the applicable rate of 35% (2011: 35%)	**85,481**	104,521
Tax effect on income under presumptive tax regime	**25,229**	(9,472)
Tax effect of others items	**1,241**	(9,864)
Tax charge for prior years	**-**	37,268
	111,951	122,453

25. EARNINGS PER SHARE

	Note	November 30, 2012	November 30, 2011
		(Rupees in '000)	
Profit after taxation - Continuing operation		**132,281**	150,392
Profit after taxation - Discontinuing operation		**59,496**	24,928
		(Number of shares)	
Average number of ordinary shares outstanding during the year	25.1	**1,421,609**	1,421,609
		(Rupees)	
Earnings per share - basic and diluted - Continuing operation		**93.05**	105.79
Earnings per share - basic and diluted - Discontinuing operation	25.2	**41.85**	17.54

25.1 There are no dilutive potential ordinary shares outstanding as at November 30, 2012 and November 30, 2011.

25.2 Includes gain on sale of discontinued operations (Note 34).

26. 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, 2012			November 30, 2011		
	*Chief Executive	*Directors	Executives	*Chief Executive	*Directors	Executives
	(Rupees in '000)					
Managerial remuneration	-	-	**45,434**	-	-	30,762
Bonus	-	-	**18,531**	-	-	9,520
Medical expenses	-	-	**1,485**	-	-	776
Retirement benefits	-	-	**4,061**	-	-	3,180
	-	-	**69,511**	-	-	44,238
Number of persons	**1**	**2**	**31**	2	4	23

In addition to the above, 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 executives recognised by the Company in the expenses during the year on account of share-based payment plan aggregate to Rs. 0.150 million (2011: Rs. 0.457 million).

* Rs. 10.330 million (2011: Rs. 4.059 million) and Rs. 5.939 million (2011: Rs. 10.4 million) have been charged in these financial statements on account of allocation of cost of services provided by Chief Executive and two Directors respectively of associated company. Further, aggregate amount charged in these financial statements in respect of fees paid for attending board meetings is Rs. 0.560 million (2011: Rs. 0.340 million) to non-executive directors.

27. DEFINED BENEFIT PLANS

As mentioned in note 3.7, the Company operates approved funded pension and gratuity schemes. The latest actuarial valuations of the schemes were carried out as at November 30, 2012. Projected Unit Credit Method using the following significant assumptions was used for these valuations:

	November 30, 2012	November 30, 2011
Discount rate	**11.50% per annum**	13.00% per annum
Expected rate of return on plan assets	**11.50% per annum**	13.00% per annum
Expected rate of increase in salary	**9.25% per annum**	10.75% per annum

27.1 The disclosures made in notes 27.2 to 27.6 and 27.9 are based on the information included in the actuarial valuation as of November 30, 2012 / November 30, 2011.

27.2 Balance sheet reconciliation

	November 30, 2012		November 30, 2011	
	Gratuity	**Pension**	Gratuity	Pension
	------------------- **(Rupees in '000)** -------------------			
Present value of defined benefit obligation	**112,161**	**146,643**	106,184	131,242
Fair value of plan assets	**109,891**	**151,206**	113,264	145,360
Funded status	**2,270**	**(4,563)**	(7,080)	(14,118)
Unrecognised net actuarial gain	**4,969**	**7,099**	11,258	14,410
Recognised liability	**7,239**	**2,536**	4,178	292

27.3 Movement in the fair value of plan assets

Fair value of plan assets at beginning of the year	**113,264**	**145,360**	110,901	127,170
Expected return on plan assets	**13,676**	**18,175**	12,677	16,757
Actuarial (losses) / gains	**(3,143)**	**(3,378)**	(4,160)	8,551
Benefits paid	**(13,906)**	**(8,951)**	(6,154)	(7,118)
Fair value of plan assets at end of the year	**109,891**	**151,206**	113,264	145,360

27.4 Movement in present value of defined benefit obligation

Present value of defined benefit obligation at beginning of the year	**106,184**	**131,242**	97,643	122,053
Current service cost	**3,145**	**3,723**	3,759	3,760
Interest cost	**13,593**	**16,696**	13,455	16,726
Actuarial losses / (gains)	**3,146**	**3,933**	(2,519)	(4,179)
Benefits paid	**(13,907)**	**(8,951)**	(6,154)	(7,118)
Present value of defined benefit obligation at end of the year	**112,161**	**146,643**	106,184	131,242

27.5 Expenses

Current service cost	**3,145**	**3,723**	3,759	3,760
Interest cost	**13,593**	**16,696**	13,455	16,726
Expected return on plan assets	**(13,676)**	**(18,175)**	(12,677)	(16,757)
Recognition of actuarial gain	**-**	**-**	(135)	-
Expenses	**3,062**	**2,244**	4,402	3,729
Actual return on plan assets	**10,533**	**14,797**	8,517	25,308

27.6 Amounts for the current year 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 30 November	2012	2011	2010	2009	2008
	(Rupees in '000)				
Present value of defined benefit obligation	**258,804**	237,426	219,696	195,040	164,405
Fair value of plan assets	**261,097**	258,624	238,071	219,812	207,381
Surplus	**(2,293)**	(21,198)	(18,375)	(24,772)	(42,976)

27.7 Plan assets comprise the following :

	November 30, 2012	November 30, 2011
	(Rupees in '000)	
Debt instruments	**173,163**	250,000
Bank balances, term deposits and others (net)	**87,934**	8,624
	261,097	258,624

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

27.9 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. The Company expects to contribute Rs. 3.528 million and Rs. 2.952 million in next year towards gratuity and pension respectively.

27.10 During the year Company contributed Rs. 7.857 million (2011: Rs. 7.531 million) to the provident fund.

28. SHARE-BASED REWARD PLANS

28.1 Details of the share-based reward plans are as follows:

	November 30, 2012		November 30, 2011	
	Stock Options	RSU's	Stock Options	RSU's
	(Number of shares)			
Outstanding as at December 1	**2,856**	**591**	1,535	298
Granted during the period	**1,450**	**290**	1,321	283
Forfeited during the period	**(60)**	**(12)**	-	-
Dividend Equivalent Units	**-**	**28**	-	10
Exercised during the period	**-**	**-**	-	-
Outstanding as at November 30	**4,246**	**897**	2,856	591
Exercisable as at November 30	**-**	**-**	-	-

28.2 The weighted average exercise price of stock options are as follows:

	November 30, 2012		November 30, 2011	
	Stock Options	RSU's	Stock Options	RSU's
	----(in US$)----			
Outstanding as at December 1	**30.77**	**17.04**	30.77	18.39
Granted during the period	**21.03**	**21.03**	18.90	11.62
Outstanding as at November 30	**24.30**	**19.63**	30.77	17.04

28.3 The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using a Black scholes model, with the following inputs:

	November 30, 2012	November 30, 2011
Fair value of share options and assumptions		
Share price	**$21.03**	$18.90
Expected volatility (weighted average volatility)	**23.80%**	25.55%
Option life (expected weighted average life)	**6.5 years**	6.25 years
Expected dividends	**$4.10**	$4.15

Expected volatility of share price of Pfizer Inc., USA, (the ultimate parent company) was determined using both implied and historical volatility rates.

The total expense recognised for the year arising from share-based payment transactions is Rs. 149,746 (2011: Rs. 457,461).

29. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise the ultimate parent company (Pfizer Inc., 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:

	Note	November 30, 2012	November 30, 2011
		(Rupees in '000)	
Nature of transaction			
Sale of goods to associated undertaking / transfer of inventory to associated undertakings		**208,640**	144,814
Goods purchased / transfer of inventory from associated undertakings		**570,006**	358,983
Services from associated companies		**77,678**	63,189
Loan from associated company		**85,000**	-
Repayment of loan to associated company		**85,000**	-
Dividend to parent company		**41,001**	10,250
Contribution to the retirement benefit plans		**7,857**	7,531
Remuneration to key management peronnel		**4,425**	4,678

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

	Note	November 30, 2012	November 30, 2011
Profit before taxation		**332,166**	298,632
Adjustments for non-cash charges and other items:			
Net increase in reserve for share-based payment plans		**150**	457
Depreciation		**28,165**	27,704
Provision for slow moving and obsolete stock		**25,033**	74,553
(Written back of) / provision for doubtful debts		**129**	(4,725)
Provision for potential expired stock claims		**-**	(10,599)
Gain on disposal of property, plant and equipment		**(10,182)**	(1,154)
Profit on deposit accounts		**(4,371)**	(23,831)
Working capital changes	30.1	**(126,634)**	(436,582)
		244,456	(75,545)

30.1 Working capital changes

	November 30, 2012	November 30, 2011
(Increase) / decrease in current assets:		
Spares	**(1,470)**	(71)
Stocks-in-trade	**131,970**	(492,430)
Trade debts	**(59,170)**	10,856
Loans and advances	**8,415**	18,497
Deposits, prepayments and other receivables	**(35,194)**	6,202
	44,551	(456,946)
Increase / (decrease) in current liabilities:		
Trade and other payables	**(171,185)**	20,364
	(126,634)	(436,582)

31. OPERATING SEGMENTS

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

31.1 Sales from pharmaceutical products and others represent 97% and 3% (2011: 94.9% and 5.1%) of total revenue of the Company respectively.

31.2 The sales percentage by geographic region is as follows:

	November 30, 2012	November 30, 2011
	(Percentage)	
Pakistan	**92.1%**	95.3%
Other Asian countries	**7.9%**	4.7%
	100.0%	100.0%

31.3 All non-current assets of the Company as at November 30, 2012 are located in Pakistan.

31.4 Sales to four major customers of the Company is around 49.9% during the year ended November 30, 2012 (2011: 47.9%).

32. 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.

32.1 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.

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:

	November 30, 2012	November 30, 2011
	(Rupees in '000)	
Long-term loans	**4,802**	6,776
Long-term deposits	**6,819**	3,156
Trade debts	**116,123**	56,953
Loans and advances	**4,603**	5,732
Interest accrued	**655**	255
Trade deposits and other receivables	**64,609**	38,530
Bank balances	**170,706**	69,585
	368,317	180,987

Credit risk is mitigated as the Company have an advance cash receipt model for all its domestic distributors. Accordingly, the Company believes that it is not exposed to major credit risk in respect of trade debtors.

The bank balances represents low credit risk as they are placed with reputed banks with strong credit ratings.

32.2 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, 2012				
	Carrying Amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years
Financial liabilities	(Rupees in '000)				
Trade and other payables	**313,761**	**313,761**	**255,054**	**58,707**	**-**

	November 30, 2011				
	Carrying Amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years
Financial liabilities	(Rupees in '000)				
Trade and other payables	548,391	548,391	320,578	227,813	-

32.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, interest rates and equity price risks. The objective of market risk management is to manage and control market risk exposures within an acceptable range.

32.3.1 Currency risk

The Company is exposed to net receivable / (payable) currency risk Rs. 55.408 million {2011: (Rs. 185.0 million)} on import of raw and packing materials and finished goods mainly denominated in US Dollars.

32.3.2 Sensitivity analysis

At reporting date, if the Pak Rupee had strengthened / weakened by 10% against the US Dollar with all other variables held constant, post-tax profit for the year would have been higher / lower by Rs. 5.541 million (2011: Rs. 18.5 million).

32.3.3 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to change in the market interest rate. As at November 30, 2012 Rs. 170.706 million (2011: Rs. 69.585 million) interest bearing financial assets are on fixed interest rates, hence management believes that the Company is not materially exposed to interest rate changes.

32.4 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.

33. 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 current capital structure of the Company is equity based with minimal or no financing through borrowings.

34. DISCONTINUED OPERATIONS

In April 2012, Pfizer Inc., USA, the Company’s ultimate parent company, entered into an agreement to divest its Nutrition business globally to Nestle S.A. This sale include the Nutrition business carried on in Pakistan by the Company. As a consequence of this agreement the Company has disposed all its Nutrition business to Nestle Pakistan Limited on 30 November 2012 and has presented its Nutrition business as discontinued operations. Accordingly Nestle Pakistan Limited has paid Rs. 193.06 million to the Company for net assets, mainly comprising inventory, transferred to Nestle Pakistan Limited on 30 November 2012, resulting in a gain of Rs. 104.178 million as disclosed below. The revenues and expenses related to the Nutrition business carried on in Pakistan by the Company are given below:

Following is the breakup of profit after tax from discontinued operations:

	November 30, 2012	November 30, 2011
	(Rupees in '000)	
Net sales	98,216	154,571
Cost of sales	70,887	97,100
Gross profit	27,329	57,471
Selling, marketing and distribution expenses	38,859	24,851
Administrative expenses	2,943	4,689
	41,802	29,540
	(14,473)	27,931
Gain on sale of discontinued operations	104,178	-
Other operating expenses	1,771	2,144
Profit before taxation from discontinued operations	87,934	25,787
Taxation		
- on operating activites	2,036	859
- gain on sale of discontinued operations	26,402	-
	28,438	859
Profit after tax from discontinued operations	59,496	24,928
Analysis of the cashflows of discontinued operations		
Operating cash inflows	216,908	120,156
Investing cash flows	-	-
Financing cash flows	-	-
Net cash inflows	216,908	120,156

35. EVENTS AFTER BALANCE SHEET DATE

The board of directors have proposed a final cash dividend for the year ended 30 November 2012 of Rs. 80 per share, amounting to Rs. 113.729 million at their meeting held on February 21, 2013 subject to the approval of members at the annual general meeting to be held on March 28, 2013. These financial statements do not reflect the final cash dividend as this have been proposed subsequent to the balance sheet.

36. GENERAL

For the purpose of better presentation, "Other receivables" amounting to Rs. 26.761 million have been included in "Deposits, prepayments and other receivables".

These financial statements were authorised for issue on 21 February 2013 by the Board of Directors of the Company.

Abdul Majeed
Chief Executive

S. M. Wajeehuddin
Director

SIX YEARS AT A GLANCE
from 2007 to 2012

(Rupees in '000)

	2007	2008	2009*	2010	2011	**2012**
Sales	2,107,585	2,383,639	2,306,323	2,310,191	2,899,363	**3,145,950**
Cost of sales	1,372,325	1,678,989	1,805,262	1,829,653	2,157,447	**2,414,714**
Gross profit	735,260	704,650	501,061	480,538	741,916	**731,236**
Selling, marketing, distribution and administrative expenses	410,339	450,571	500,154	448,152	474,763	**477,186**
Other operating income / (expenses) - net	35,007	(23,884)	(28,748)	13,857	6,562	**(8,941)**
Operating profit / (loss)	359,928	230,195	(27,841)	46,243	273,715	**245,109**
Finance cost	861	1,106	3,752	3,014	870	**877**
Profit / (loss) before taxation	359,067	229,089	(31,593)	43,229	272,845	**244,232**
Taxation	113,996	84,797	55,256	16,770	122,453	**111,951**
Profit / (loss) after taxation	245,071	144,292	(86,849)	26,459	150,392	**132,281**
Shareholders' equity	1,411,453	1,130,852	982,263	1,008,823	1,170,384	**1,305,447**
Property, plant and equipment	217,458	226,632	179,681	144,887	134,964	**149,789**
Current assets	1,591,728	1,271,621	1,258,573	1,391,209	1,569,362	**1,523,495**
Current liabilities	406,520	370,635	464,793	544,087	553,830	**382,676**
Current ratio	3.92	3.43	2.71	2.56	2.83	**3.98**
Dividend	130%	250%	-	10%	40%	**80%**
Number of employees as at December 31 / November 30	357	344	341	304	279	**249**

* Profit and Loss Account items reflect eleven months' period.

All Balance Sheet Items for the years 2007 & 2008 show the position as at December 31 while for the years 2009 - 2012 show the position as at November 30.

PATTERN OF SHAREHOLDING
AS AT NOVEMBER 30, 2012

NO. OF SHAREHOLDERS	HAVING SHARES FROM	TO	SHARES HELD	PERCENTAGE
598	1	100	14,139	0.99
78	101	500	18,169	1.28
23	501	1000	17,431	1.23
13	1001	5000	26,462	1.86
1	5001	10000	6,079	0.43
1	10001	15000	10,621	0.75
1	15001	20000	17,720	1.25
1	20001	25000	23,875	1.68
1	40001	45000	41,277	2.90
1	50001	55000	52,374	3.68
1	55001	60000	56,858	4.00
1	110001	115000	111,574	7.85
1	445001	450000	448,560	31.55
1	575001	580000	576,470	40.55
722			**1,421,609**	**100.00**

CATEGORIES OF SHAREHOLDERS
AS AT NOVEMBER 30, 2012

PARTICULARS	SHAREHOLDERS	SHAREHOLDING	PERCENTAGE
Associated companies	2	1,025,030	72.10
NIT	3	117,447	8.26
Directors, Chief Executive and their spouses and minor children	7	131	0.01
Banks, DFI & NBFI	8	137,745	9.69
Insurance companies	2	70,094	4.93
Modarbas and Mutual Funds	2	6,090	0.43
Residents Individuals	681	57,716	4.06
Non-resident Individuals	5	1,314	0.09
Others	12	6,042	0.43
COMPANY TOTAL	**722**	**1,421,609**	**100.00**

CATEGORIES OF SHAREHOLDERS
AS AT NOVEMBER 30, 2012

Information under clause xvi (j) of the Code of Corporate Governance

Category No.	Categories of Shareholders	Number of shares held	Percentage
1	**Associated companies, undertakings and related parties**		
	Wyeth LLC, U.S.A	576,470	40.5505
	Wyeth Holdings Corporation, U.S.A.	448,560	31.5530
2	**Mutual Funds**		
	National Investment Trust (Trustee Department)	117,447	8.2616
	Golden Arrow Selected Stocks Fund Limited	6,079	0.4276
3	**Directors, Chief Executive and their spouses and minor children**		
	Abdul Majeed	2	0.0001
	Husain Lawai	21	0.0015
	Badaruddin F. Vellani	100	0.0070
	Ifthikhar Soomro	2	0.0001
	Iqbal Bengali	2	0.0001
	Ifthikhar Ahmed Jafri	2	0.0001
	S. M. Wajeehuddin	2	0.0001
4	**Executives**	Nil	Nil
5	**Public Sectors Companies and corporations**	Nil	Nil
6	**Banks, Developments Financial Institutions, Non-Banking Financial Institutions, Insurance Companies, Takaful, Modarabas and Pension Funds**		
	National Bank of Pakistan	70,036	4.9265
	State Life Insurance Corporation of Pakistan	52,374	3.6841
	EFU General Insurance Co. Ltd.	17,720	1.2465
	Faisal Bank Limited	41,277	2.9035
	The Bank of Khyber	2,557	0.1799
	The Bank of Punjab, Treasury Division	23,875	1.6794
7	**Shareholders holding five percent or more voting interest in the Listed Company**		
	Wyeth LLC, U.S.A	576,470	40.5505
	Wyeth Holdings Corporation, U.S.A.	448,560	31.5530
	National Investment Trust (Trustee Department)	117,447	8.2616

Wyeth

FORM OF PROXY
Sixty Fourth 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 Fourth Annual General Meeting of the Company to be held on Thursday, March 28, 2013 at 12:30 p.m. and any adjournment thereof.

As witness my/our hand this ______________ **day of** ____________ **2013 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 must be a member of the Company.

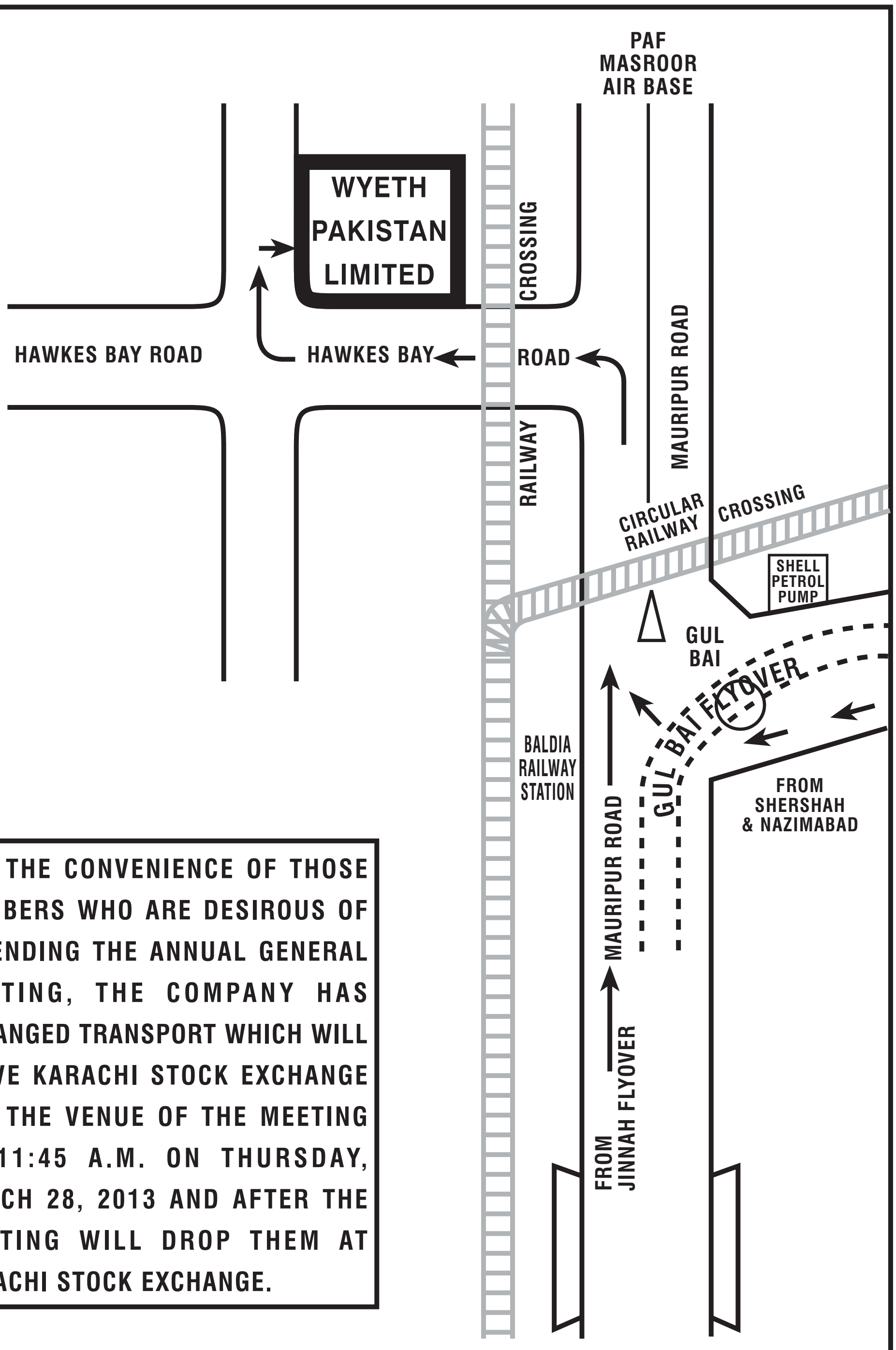
2. The instrument appointing a proxy should be signed by the member or by his attorney duly authorized in writing. If the member is a corporation its common seal should be affixed to the instrument.

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 64TH ANNUAL GENERAL MEETING OF WYETH PAKISTAN LIMITED ON THURSDAY, MARCH 28, 2013 AT 12:30 P.M. AT THE REGISTERED OFFICE OF THE COMPANY, S-33, HAWKES BAY ROAD, S.I.T.E., KARACHI.

LOCATION PLAN



FOR THE CONVENIENCE OF THOSE MEMBERS WHO ARE DESIROUS OF ATTENDING THE ANNUAL GENERAL MEETING, THE COMPANY HAS ARRANGED TRANSPORT WHICH WILL LEAVE KARACHI STOCK EXCHANGE FOR THE VENUE OF THE MEETING AT 11:45 A.M. ON THURSDAY, MARCH 28, 2013 AND AFTER THE MEETING WILL DROP THEM AT KARACHI STOCK EXCHANGE.

WYETH PAKISTAN LIMITED