

Abbott Pakistan
Annual Report 2010





Theme

2010 has been a year of celebration for Abbott Pakistan as we achieved our vision of Rs 10 billion sales, meeting our mantra of 10 by 10 and our flagship brand Brufen achieved the Rs 1 billion mark. In 2010, we delivered another year of industry leading performance finishing the year with strong sales growth across many of our businesses. We managed through several significant challenges, and exceeded our strategic and financial goals.

Our Annual Report 2010's concept focuses on **Celebration** of our achievements in 2010. Achieving is one of our core values means Customer- focused outcomes and world-class execution. We drive for meaningful results -demanding of ourselves and each other because our work impacts people's lives.



We are ambitious, ready and determined to continue capturing the vast array of opportunities before us.



Our first Rs 1 Billion Product

Abbott Pakistan's flagship brand Brufen added another feather in its cap recently. Its annual sales crossed the Billion Rupee mark. In doing so, it became Abbott Pakistan's first ever brand to have crossed the Billion Rupee barrier. Also, it became only the 6th brand in Pakistan's Pharmaceutical industry to have achieved the feat.

This achievement is not only a depiction of the high volume of prescriptions and sales, but also a symbol of trust in the brand by the medical fraternity as well as by patients. Abbott Pakistan is proud to have Brufen in its ranks, which has provided quality solution to people suffering from Pain and Fever for over 40 years. Brufen is the original and trusted Ibuprofen that provides rapid and effective relief in pain, fever and inflammation with excellent tolerability, through a wide variety of formulations for better compliance.



We achieved our vision of
Rs 10 Billion Sales by 2010





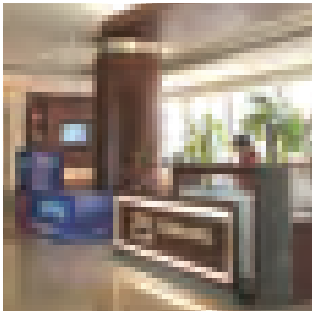
About Us

We are a global broad-based healthcare company devoted to discovering new medicines, new technologies and new ways to manage health. Our products span the continuum of care, from nutritional products and laboratory diagnostics through medical devices and pharmaceutical therapies. Our comprehensive line of products addresses all important health needs from infancy through the golden years.

Our work across broad lines of business gives us a wealth of knowledge, understanding and capabilities in a number of health areas, including:

- **Pharmaceuticals**
- **Nutritional**
- **Diagnostics**
- **Diabetes Care**

Our capabilities allow us to focus on some of the most serious threats to a long and healthy life. From cancer and diabetes to a range of other conditions, our scientists are working hard every day to discover and develop new technologies and treatments for people in Pakistan and around the world.



For more than **60 years**, Abbott Pakistan has been driven by a constant goal - to advance medical science to help people live healthier lives. It's part of our heritage and continues to define our work today. At Abbott, we build upon our scientific expertise to bring new products to market. Our products extend across many areas of health, addressing not only treatment, but also prevention and diagnosis.



A Promise for Life



Turning Science into Caring

We are here for the people we serve in their pursuit of healthy lives. This has been the way of Abbott for more than a century — passionately and thoughtfully translating science into lasting contributions to health.

Our products encircle life, from newborns to aging adults, from nutrition and diagnostics to medical care and pharmaceutical therapy.

Caring is central to the work we do and defines our responsibility to those we serve:

- We help advance leading-edge science and technologies that hold the potential for significant improvements to health and to the practice of healthcare.
- We value our diversity — that of our products, technologies, markets and people — and believe that diverse perspectives combined with shared goals inspire new ideas and better ways of

addressing changing health needs.

- We focus on exceptional performance — a hallmark of Abbott People worldwide — demanding of ourselves and each other because our work impacts people's lives.
- We strive to earn the trust of those we serve by committing to the highest standards of quality, excellence in personal relationships, and behaviour characterized by honesty, fairness and integrity.
- We sustain success — for our business and the people we serve — by staying true to key tenets upon which our company was founded over a century ago: innovative care and a desire to make a meaningful difference in all that we do.

The promise of our company is in the promise that our work holds for health and life.



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Corporate Information

Board of Directors

Munir A. Shaikh (Chairman)
Asif Jooma (Chief Executive Officer)
Kamran Y. Mirza
Thomas C. Freyman (Alternate Director Sadi Syed)
Syed Anis Ahmed
Angelo Kondes
Shamim Ahmad Khan

Audit Committee

Shamim Ahmad Khan (Chairman)
Munir A. Shaikh
Kamran Y. Mirza
Siraj Lawai (Chief Internal Auditor by invitation)
Syed Anis Ahmed (CFO by invitation)

Human Resource Committee

Munir A. Shaikh (Chairman)
Asif Jooma
Shamim Ahmad Khan

Share Transfer Committee

Asif Jooma (Chairman)
Syed Anis Ahmed
Sadi Syed (Alternate Director to Thomas C. Freyman)

Banking Committee

Munir A. Shaikh (Chairman)
Asif Jooma
Sadi Syed (Alternate Director to Thomas C. Freyman)
Syed Anis Ahmed

Chief Financial Officer

Syed Anis Ahmed

Company Secretary

Malik Saadatullah

Auditors

M. Yousuf Adil Saleem & Co.

Legal Advisors

Orr, Dignam & Co.
Surridge & Beecheno

Share Registrar

FAMCO Associates (Pvt) Ltd.
State Life Building 1-A, 1st Floor,
I.I. Chundrigar Road, Karachi, 74000

Bankers

The Royal Bank of Scotland Limited
Citibank N.A.
Deutsche Bank AG
MCB Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited
HSBC Bank Middle East Limited
The Bank of Tokyo-Mitsubishi UFJ Limited

City Office

8th Floor, Faysal House,
ST-02, Shahrah-e-Faisal, Karachi

Registered Office

Opp. Radio Pakistan
Transmission Centre,
Hyderabad Road, Landhi,
P.O. Box 7229, Karachi

Website

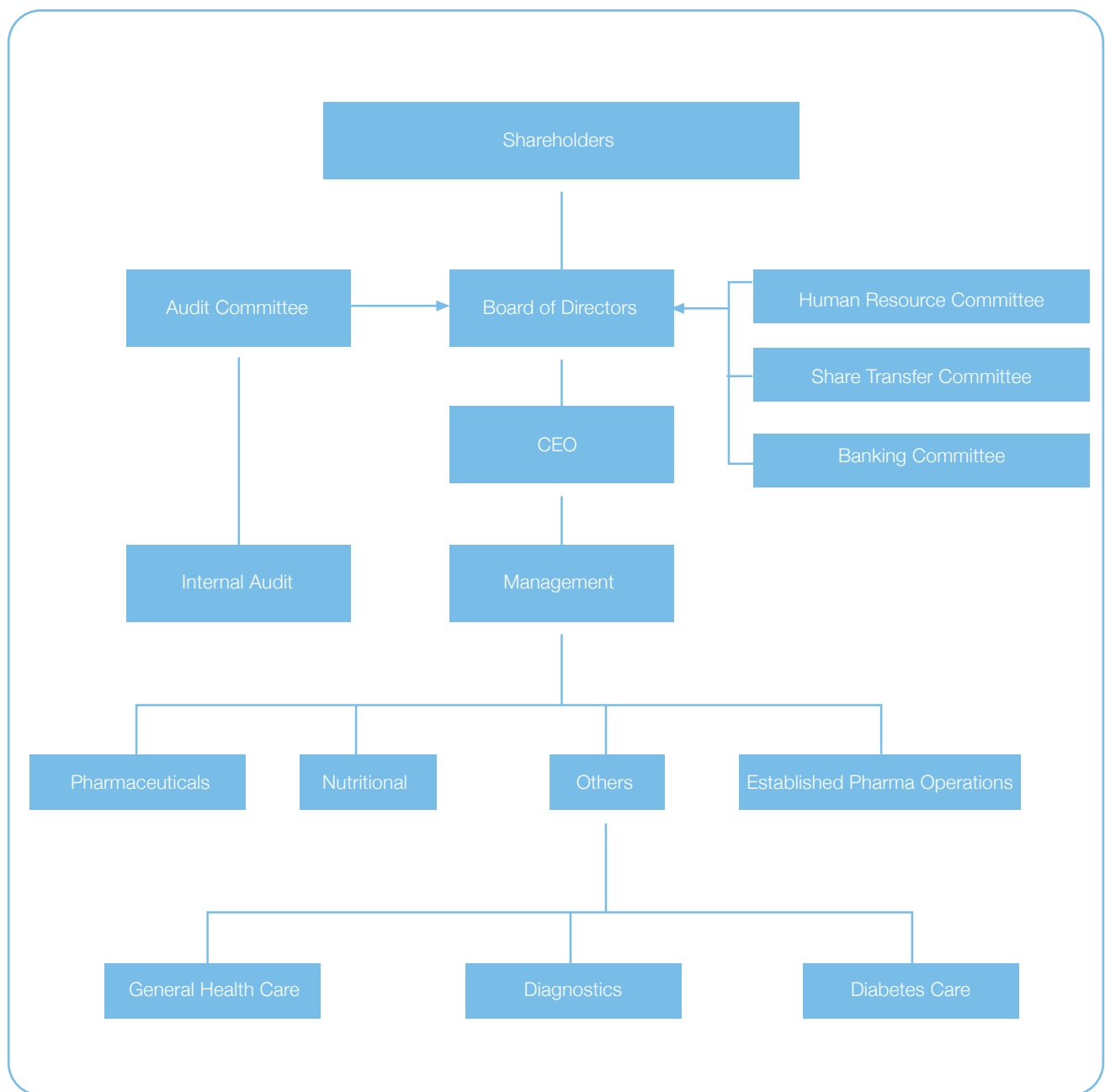
www.abbott.com.pk

Senior Management Team

Asif Jooma (Chief Executive Officer)
Syed Anis Ahmed (Chief Financial Officer)
Sadi Syed (Operations Director)
Dr. Sarmad Maqbool (Marketing & Strategy Director)
Dr. Farrukh Hafeez (Quality Assurance Director)
Ayub A. Siddiqui (Head of Nutrition Division)
Habib Ahmed (Head of Diagnostic Division)
Syed Imtiazuddin (Head of Diabetes Care Division)
Dr. Arshad Ahmed (Medical Director)
Seema Khan (Regulatory Director)
Athar Noman Khan (Materials Management Director)
Hassham M. Malik (Human Resource Director)



Corporate Structure of Abbott Pakistan





Vision

To be a premier healthcare company in Pakistan

Mission

To deliver consistently superior products and services which contribute significantly to improve the quality of life of the consumers.



 **Abbott**
A Promise for Life

History of Abbott at a glance



A tradition of innovation.

For more than 120 years, Abbott has been a pioneer in developing innovative solutions that improve health and the practice of healthcare. In 1888, 30-year-old Wallace C. Abbott, M.D., began making a new form of medicine. Using the active - or alkaloid - part of a medicinal plant, he formed tiny pills, called †dosimetric granules, which provided a measured amount of the drug. The demand for these accurate granules soon far exceeded the needs of his own practice. From a small operation based above Dr. Abbott's pharmacy, Abbott has evolved into one of the world's leading healthcare companies.



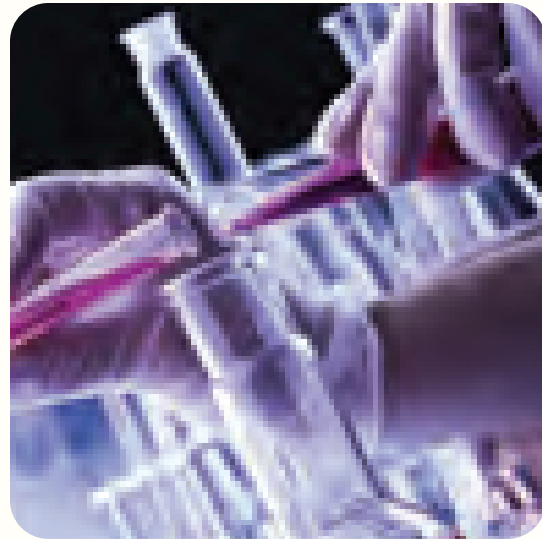
1888

Dr. Abbott begins producing dosimetric granules in his apartment on Chicago's North Side.



1900

The business is officially incorporated in Illinois as the Abbott Alkaloidal Company



1915

The company changes its name to Abbott Laboratories.



1973

Abbott forms its diagnostics division to bring together all diagnostic products and services. The company also introduces Ensure, its first adult medical nutritional.



1920

Dr. Abbott breaks ground for a new manufacturing facility in North Chicago.



1997

Abbott acquires the parenteral products business of Sanofi Pharmaceuticals, Inc., and also launches several new products, including an improved version of Similac infant formula in the United States.



1929

Abbott stock is listed on the Chicago Stock Exchange.



2001

Abbott completes the acquisition of the pharmaceutical business of BASF, including the global operations of Knoll Pharmaceuticals. In addition, Abbott acquires Vysis, Inc., a leading genomic disease management company.



1964

The company acquires M&R Dietetic Laboratories of Columbus, Ohio, which eventually becomes Abbott Nutriron.



2010

Abbott acquires Solvay Pharmaceuticals and STARLIMS. Abbott also receives approval for XIENCE V in Japan.



Our Promise conveys who we are and what we stand for to our stakeholders. As a pledge for how we will serve our constituents, our Promise and Values are a filter for all our decision-making, communications and interactions with stakeholders.



Our Core Values

Pioneering

Leading-edge science and commercialization.

We lead with solutions that address human needs by pioneering innovative treatments and products, lifesaving medical devices, and new approaches to managing health. At Abbott, pioneering means leading-edge science and innovative execution.

Achieving

Customer-focused outcomes and world-class execution.

We drive for meaningful results demanding of ourselves and each other because our work impacts people's lives. We're committed to working together to deliver solutions that are effective and profitable. Our focus on execution and collaboration ensures that we keep our promises to each other and to those we serve.

Caring

Making a difference in people's lives.

Caring is central to the work that we do to help people live healthier lives. We have tremendous respect for the lives of everyone touched by our company. Our respect for people is demonstrated in what we do and how we act.

Enduring

Commitment and purpose.

Enduring means both honoring our history and maintaining our commitment to the future. We will always be here to help keep people healthy. We keep our promises, acting in accordance with all of our values. We grow through our intellectual curiosity and a desire to continuously learn and improve.

All perceptions of Abbott are derived from the culmination of experiences any one person has with our company. It is through our Promise and Values that these experiences are shaped. Every employee strives to deliver on all the values in their day-to-day work.



Our Strategic Priorities

Innovating for the Future

Scientific discovery and innovation are the hallmarks of Abbott's business - and the core of our commitment to advancing health and well-being.

Our broad scientific expertise enables us to create new health care products, carry them through the critical stages of development and then deliver them to patients and health care providers around the world. Our diverse portfolio of pharmaceuticals, nutritionals and medical and diagnostic devices share a common framework of excellence in science, research, development and engineering.

Our ongoing investment in R & D enables us to address the ever-changing global disease burden and to foster new, improved solutions for emerging health care challenges.



During this year, we initiated clinical trials of evaluating efficacy of Ganaton in treatment of Irritable Bowel Syndrome which is a functional bowel disorder characterized by chronic abdominal pain, discomfort, bloating, and alteration of bowel habits in the absence of any detectable organic cause. Another clinical study was initiated in 2010, which is an HEOR (Health Economic Outcome Research) on Klaricid in a condition called Acute Exacerbation of Chronic Bronchitis. As healthcare systems become increasingly integrated, healthcare payers, governments, patients and others are demanding that healthcare companies demonstrate clinical comparative effectiveness, We understand these expectations and works to meet the changing needs of our customers and stakeholders.



Enhancing Access

Our expertise and resources help to bridge gaps in healthcare access. We tailor our approach to specific patient needs in specific regions of the world.

Expanding access to care requires addressing a complex array of challenges. Lack of awareness about health care issues and treatments, inadequate healthcare infrastructure and social stigmas also can make it difficult for patients to get the medicines they need. We work to address these and other obstacles as part of our core business strategy and as part of our commitment to enhancing global health and well-being.



Protecting Patients & Consumers

Our ability to create life-enhancing and life-preserving products is constantly bolstered by scientific advances, but delivering on our commitment to patients and consumers goes well beyond the laboratory.

To deliver safe and effective products - at the right time and in the right dosage or formulation - we work to educate patients and health care professionals about potential risks and side effects. All medicines, health care interventions, procedures and products carry some degree of risk - which must be balanced against the often greater risks associated with the illnesses or injuries these interventions are designed to treat. Fully educating and informing our stakeholders about these risks and benefits is paramount.

Along with educating patients and health care professionals about the safe use of our products, we work hard to ensure safety and consumer protection throughout the manufacturing and distribution process. The safety of many product ingredients is generating significant debate throughout the health care industry. At the same time, the broad geographic dispersion of our supply chain requires increased oversight and auditing.

Our obligation to protect patients and consumers goes beyond simply complying with regulatory requirements. It means earning and keeping the trust of all those who depend on our products by:

- Ensuring quality, safety and product integrity across the full spectrum of research, development and manufacturing of our products and packaging.
- Ensuring the quality, safety and authenticity of each product that bears the Abbott name through our distribution channels.
- Effectively identifying and targeting the most appropriate patient profiles for each Abbott product and ensuring that health care professionals are fully informed of the benefits and risks of our products.
- Directly and indirectly educating patients about proper storage, use and disposal of their medicines and health care products under appropriate medical supervision.

Our commitment to patient and consumer protection is shared by all Abbott Pakistan employees and by the even greater numbers of people working on behalf of our partners and suppliers. We hold all of them to high ethical and performance standards and maintain effective management systems to review and audit them.

Our quality management system is supported by policies, processes, procedures and resources that ensure our products are designed and manufactured to be safe and effective. All our processes are regularly monitored, and our products are assessed against approved specifications before distribution.

Safeguarding the Environment

Abbott Pakistan has long been committed to minimizing our global environmental impacts - from the sourcing of raw materials, the manufacture and distribution of our products, and the use and disposal of our products by consumers and healthcare practitioners.



Ethics and Compliance

Abbott integrity is based on decisions - large and small - that Abbott employees make each day at every level of the company. Abbott decisions are guided by Abbott values, a sense of ethics and respect for the law. To support Abbott commitment to ethical conduct and compliance with the law, Abbott has a long-standing ethics and compliance program.

The Abbott Code of Conduct sets forth the principles and behaviours to which all Abbott employees must commit. All employees are required to read, understand and certify their adherence to this Code annually.

Our Code makes it clear that we do not tolerate illegal or unethical behaviour in any of Abbott business dealings. It stresses the importance of ethical and honest conduct, appropriate treatment of confidential information, avoiding conflicts of interest, and the accuracy and integrity of Abbott's books and records. In addition, it requires timely and accurate public disclosures and compliance with relevant laws, including food and drug laws, laws relating to government healthcare programs and antitrust laws.

The policies and procedures supporting the principles outlined in the Code are updated to reflect changes in Abbott industry's codes.

A key to Abbott's ethics and compliance program is the policies and procedures that the Abbott's Office of Ethics & Compliance (OEC) has created to guide employees as they conduct their day-to-day activities within the global healthcare community.

Ethical conduct and compliance with the law are central to fulfilling Abbott responsibility to Abbott stakeholders.

Honesty, fairness and integrity represent the necessary conditions of an ethical workplace and are non-negotiable.



Corporate Social Responsibility at Abbott Pakistan

Abbott Pakistan seeks to make a significant and long-lasting difference in the quality of people's lives. We support, encourage and partner with a wide array of credible and effective community-based organizations. We ask all our employees and affiliates to join in the effort.

We work to facilitate access to health care by expanding our core businesses in pharmaceuticals, nutritionals, medical devices and diagnostics by developing new products and services to address unmet health care needs. We effectively promote health care access by assisting governments, universities, research centers, health care companies, hospitals, clinics and related institutions such as Concern for Children Trust which is working since 1997 for the promotion of health and welfare of children in Pakistan and HOPE (Health Oriented Preventive Education) which is working for the benefit of the poor and needy in the urban slum areas of Karachi and rural Sindh, AJK and NWFP in health and education sectors.

Abbott Pakistan has also supported Punjab Rural Support Programme which is working since 1997 and currently operating in 28 districts of Punjab with a mission to alleviate poverty and enhance household income.

As part of social responsibility agenda of Abbott Pakistan, the company established a school "ROSHAN MUSTAQBIL" for Internally Displaced Persons (IDPs) in one of the flood affectees camps where more than 1600 people from



We are redefining the concept of responsibility. Beyond philanthropy, we apply our science, expertise and technology to address critical health care needs through innovative collaborations and partnerships.

We are working to build sustainable solutions to the society's most pressing healthcare challenges, while reducing our impact on the environment by creating lasting solutions for both current and future stakeholders.

various affected parts of Sindh province were residing. Abbott Pakistan is always at front when it comes to community work and services and helped on a very large scale for (IDPs) with millions of rupees and in form of various goods and medicines. Free books and school bags were also distributed by Abbott.



Abbott Pakistan has supported through generous donations to the Poor Patient Aid Society Civil Hospital Karachi which resulted in treatment of approximately 2 millions patients this year.

We facilitate access through our corporate social responsibility initiatives by donating health care products and services, by facilitating patient assistance and by supporting a wide array of civil society organizations engaged in the direct delivery of health care services. We have partnered with the Kidney Centre for the treatment of the poor and needy patients suffering from kidney related diseases.





Human Resource Development

Abbott Pakistan is committed to help its employees fulfill their potential and build rewarding careers. We choose our people carefully and guide them toward meaningful career paths, focusing on four key objectives:

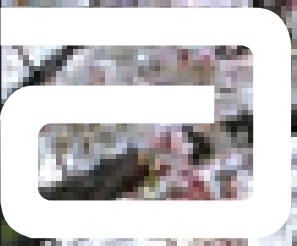
- Finding a diverse mix of talent for the right roles across global cultures and areas of expertise.
- Aligning the growth of our workforce with our global strategies.
- Supporting our people with strong organizational values, an inclusive culture and ongoing career development opportunities.
- Retaining our people with rewards and opportunities for personal growth.

Emphasis on learning and development continued in 2010 with a large number of in- house and external trainings and workshops. Trainings were mainly aimed at imparting knowledge to employees to work on multi-dimensional areas which were identified during employee growth plans.

Key learning statistics 2010

Total participants for both internal and external courses	1,528
Total number of courses conducted - internal	103
Total number of courses conducted - external	47
Total training days - internal	41
Total training days - external	99

Our human resources strategy reflects the dynamic opportunities inherent in the breadth and diversity of our different lines of businesses, which cross cultures, countries, functions, technologies and customers. Abbott Pakistan exposes its people to a wide array of exciting challenges and experiences, affording them remarkable opportunities to solve problems and address emerging healthcare needs.



Climate change is a serious global issue and Abbott Pakistan has been continuously working to reduce greenhouse gas emissions. Abbott Pakistan has been working well within its limits of CO2 emissions and hence, maintaining its position as a “Green plant”. The plant is also fully compliant with the defined parameters of National Environmental Quality Standards.

Environment, Health and Safety

Our environmental stewardship initiatives help protect the planet while improving efficiency, reducing costs and preserving our ability to do business in the future. Our three environmental priorities are climate change, water usage and product stewardship.

Our environmental policy achieves these objectives:

- Improve the efficiency and sustainability of our business activities and products, reducing greenhouse gas emissions, water use and waste.
- Require contractors working on behalf of Abbott to conform to regulatory requirements and meet applicable internal Environment, Health and Safety (EHS) standards.
- Establish goals and strategies for the enterprise and report publicly on our progress.
- Integrate sound EHS practices consistent with our management system into all aspects of the business, maintaining legal compliance.

With ever increasing emphasis on environment and workers health & safety and also in achieving our goal of moving towards “Zero EHS&E Impacts”, Abbott Pakistan has reached a milestone of 13 Million hours without any loss time accident.



We recognize that achieving business and operational excellence is an ongoing process. A cross functional Simplification Committee reporting to top management has been set up to integrate simplification and business process improvement into all aspects of how we conduct business from ethics and compliance and social investing to product quality and safety and relationships with stakeholders.

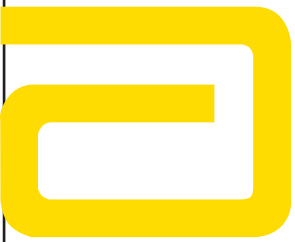
Simplification Initiatives at Abbott Pakistan

‡Simplification is at the core of our business and operational excellence. At Abbott Pakistan, we are committed to do pioneering work with simplicity. Achieving being one of our core values is all about success with simplicity which involves integration of efforts from all areas of business i.e sales, marketing, HR, finance and all other support functions to focus on evaluation of current business processes and commitment to eliminate redundant activities.

A number of simplification and continuous improvement projects with the aim to optimize efficiency and bring out further improvement in our processes were implemented in 2010. Some of these include:

- Implementation of automated expense management solution
- Implementation of automated vendor approval and payment processing system
- Streamlined imprest fund management system at distribution offices
- Implementation of automated Business Travel Request system
- Streamlined distributors orders, claims and stock shipment system



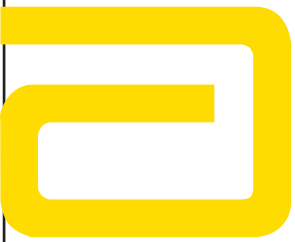


Pharmaceutical Products

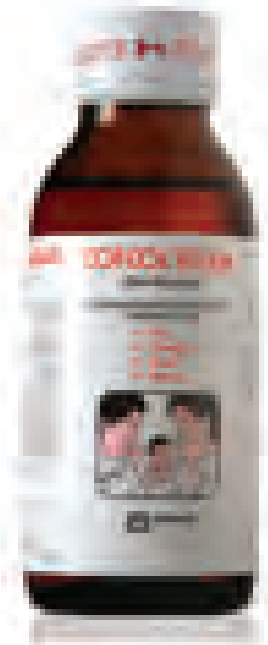


Abbott medicines are used to treat some of the world's most serious and prevalent diseases. We also continue to pursue new therapeutic indications for existing medications that offer patients and physicians important treatment options.

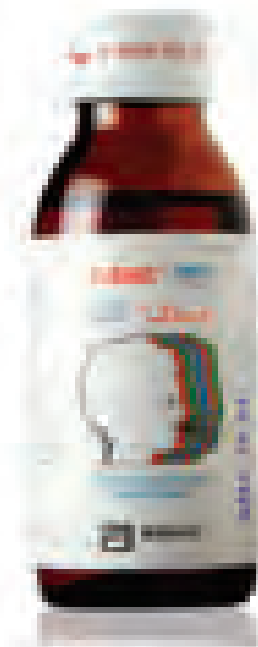


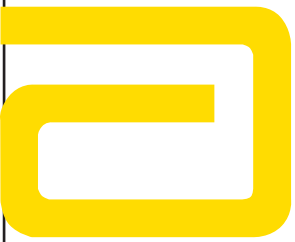


Pharmaceutical Products



Abbott Pakistan manufactures over 150 different pharmaceutical and general health care products for the local and export markets.





General Health Care Products





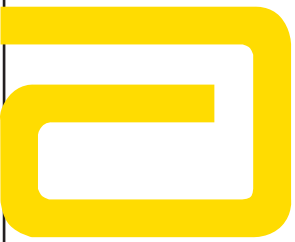
Diagnostic Products

Abbott Pakistan drives innovation in the fast-paced medical technology market. Our products are addressing disease diagnosis, management and treatment monitoring.

Being a leader in the In-Vitro Diagnostic Market, we continue to transform the practice of medical diagnostics through innovative products and automated laboratory systems that lower costs and improve patient care. Our broad line of diagnostic instruments and tests are used worldwide in hospitals, large reference labs, small labs and clinics to diagnose a range of serious health concerns, including infectious disease, cancer, diabetes and cardiac issues.

We are the market leader in Immunoassays and is an established reference supplier of Infectious Disease screening markers. We also have presence in Hematology & Clinical Chemistry, and with the Scientific Leadership we have in our products and solutions, our division has been posting double digit growth for the last several years and is looking forward to even higher achievements in years ahead.





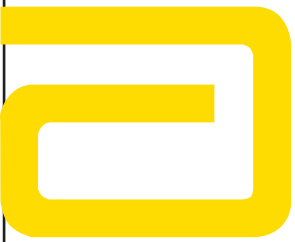
Nutritional Products



Abbott Pakistan has pioneered the nutritional care with its pediatric and medical nutrition ranges. We are delivering the promise for life by providing nutritional support, with our wide range of products for infants, children, mothers and adults.

We are committed to be the trusted leader in providing innovative and superior nutrition that advances the quality of life for people of all ages.





Diabetes Care Products



Committed to improve the lives of people with diabetes through our research and innovation.

Abbott Diabetes Care is committed to develop products to reduce the discomfort and inconvenience of blood glucose monitoring; introducing systems that are easier to use, require less blood and provide faster results. We design, develop and manufacture several leading-edge glucose monitoring systems and test strips for use in both home and hospital settings.

Optium Xceed Monitoring System & Strips.

- 450 Test Results Recall with Date and Time
- 7-Day, 14-Day & 30-Day Average Reading for Easy Data Management
- Compact and Light Weight
- Measures both Blood Glucose & Blood Ketone
- 0.6 µL sample size
- Smallest sample size on the market
- Test results in 5 seconds
- Optium™ 99 Test strips are supplied individually packed
- Each test strip is protected from damage or exposure to moisture
- Each test strip can be used until the last day of expiry



Board of Directors

Sitting from left to right:

Syed Anis Ahmed

Mr. Shamim Ahmad Khan

Mr. Munir A. Shaikh

Mr. Asif Jooma

Standing from left to right:

Mr. Angelo Kondes

Mr. Kamran Y. Mirza

Mr. Sadi Syed (Alternate
Director to Thomas C. Freyman)

Brief Terms of Reference of Board Committees

Audit Committee

The Committee comprises of three members, all of whom are Non-Executive Directors. The Audit Committee meets at least four times a year. Company Secretary acts as secretary to the Audit Committee.

The brief terms of reference of audit committee are as follows:

- Review quarterly, half yearly and annual financial statements of the company prior to their approval by the Board of Directors.
- Review of preliminary announcements of results prior to publication.
- At least once a year, the Audit Committee shall meet external auditors without Chief Financial Officer and Chief Internal Auditor.
- At least once a year, the Audit Committee shall meet Chief Internal Auditor without Chief Financial Officer and External auditors.
- Recommendation about the appointment of external auditors to the board of directors and consider any questions of resignation or removal of external auditors, if any, audit fees, and provision by external auditors of any service in addition to audit of financial statements.
- Review management letter issued by the external auditors and management response thereto.
- Determination of appropriate measures to safeguard the Company's assets.
- Consideration of any other issue or matter as may be assigned to the Committee by the Board of Directors.

Banking Committee

The Committee comprises of a Non-Executive Director, two Executive Directors (one of the Executive Directors is an alternate Director) and Chief Executive Officer. Company Secretary acts as secretary to the Committee.

Banking Committee approves matters relating to opening, closing and day to day operations of bank accounts, issuing such instructions to the company's bankers with regards to the company's banking transaction and business as it may consider appropriate.

Human Resource Committee

The Committee consists of Chief Executive Officer and two Non-Executive Directors. HR Director acts as Secretary to the Committee.

This Sub-Committee of the Board is responsible for reviewing the remuneration and benefits of the Chief Executive Officer, Executive Directors, Company Secretary and Chief Internal Auditor. The meeting of the committee is held at least once in a year.

Share Transfer Committee

The Committee comprises of Chief Executive Officer and two Executive Directors (one of the executive directors is an alternate director). Company Secretary acts as secretary to the Committee.

Committee approves registration, transfer and transmission of shares. Moreover, it also issues and cancels share certificates including duplicate share certificates.

Board Committees Attendance

AUDIT COMMITTEE

Name	Category	Meetings	
		Held	Attended
Shamim Ahmad Khan	Chairman - Non Executive director	4	4
Munir A. Shaikh	Member - Non Executive director	4	4
Kamran Y. Mirza	Member - Non Executive director	4	3
Syed Anis Ahmed	By invitation - Chief Financial Officer	4	4
Siraj Lawai	By invitation - Chief Internal Auditor	4	4
Malik Saadatullah	Secretary	4	4

HUMAN RESOURCE COMMITTEE

Name	Category	Meetings	
		Held	Attended
Munir A. Shaikh	Chairman - Non Executive director	1	1
Asif Jooma	Member- Chief Executive Officer	1	1
Shamim Ahmad Khan	Member - Non Executive director	1	1
Hassham M. Malik	Secretary	1	1

SHARE TRANSFER COMMITTEE

Name	Category	Meetings	
		Held	Attended
Asif Jooma	Chairman - Chief Executive Officer	11	11
Sadi Syed	Member - Alternate Director to Thomas C. Freyman	11	11
Syed Anis Ahmed	Member - Chief Financial Officer	11	11
Malik Saadatullah	Secretary	11	11

BANKING COMMITTEE

Name	Category	Meetings	
		Held	Attended
Munir A. Shaikh	Chairman - Non Executive director	1	0
Asif Jooma	Member - Chief Executive Officer	1	1
Sadi Syed	Member - Alternate Director to Thomas C. Freyman	1	0
Syed Anis Ahmed	Member - Chief Financial Officer	1	1
Malik Saadatullah	Secretary	1	1

Corporate Governance

Performance Evaluation of the Board

The Board of Directors act as governing trustees of the Company on behalf of the shareholders while carrying out the Company's mission and goals. The Board of Directors set following evaluation criteria to judge its performance.

- a. Compliance with the legislative system in which Abbott Pakistan operates, particularly Companies Ordinance, 1984, listing regulation of Stock Exchanges, and the Memorandum and Articles of Association of the Company.
- b. Review of the strategic plans, business risks and monitoring Company's performance against the planned objectives and advice the management on strategic initiatives.
- c. Establishing adequate internal control system in the Company and its regular assessment through self assessment mechanism and internal audit activities.
- d. Ensuring required quorum of Board meeting is available, in order to have detailed deliberation and quality decision on matters of significance.
- e. Ensuring training of Board of Directors including new appointments such that each member is fully aware of his roles and responsibilities.

Performance evaluation of the Chief Executive

The Chief Executive Officer, being part of the Board, is present in every meeting of the Board. The CEO provides overview of the performance of Company to the Board and addresses any specific questions by the Board members. The performance of CEO is assessed through the evaluation system set by the Abbott Pakistan. The principle factors of evaluation includes financial performance, business process, compliance, business excellence and people management.

Directors,, Profile

Mr. Munir A. Shaikh
Chairman (Non Executive)

Joined Board:
20 August 2004

Other Engagements:

Chairman / Director

- Abbott India.

Director

- Sunshine Holdings - Srilanka

Mr. Asif Jooma
Chief Executive Officer

Joined Board:
01 June 2007

Other Engagements:

Director

- NIB Bank
- Engro Fertiliser Limited

Member

- Board of Investment, (BOI) Government of Pakistan
- Executive Committee (BOI) Government of Pakistan
- OICCI Managing Committee
- Board of Trustees of Abbott Laboratories Pakistan Limited Staff Provident Fund
- Board of Trustees of Abbott Laboratories Pakistan Limited Staff Pension Fund

Syed Anis Ahmed
Chief Financial Officer

Joined Board:
01 March 2009

Other Engagements:

Member

- Board of Trustees of Abbott Laboratories Pakistan Limited Staff Provident Fund
- Board of Trustees of Abbott Laboratories Pakistan Limited Staff Pension Fund
- Board of Trustees of Abbott Laboratories Pakistan Limited Workers Profit Participation Fund



Mr. Angelo Kondes
Director (Non Executive)

Joined Board:
18 July 2008

Other Engagements:

Director

- Abbott Tanzania.

Mr. Kamran Y. Mirza
Director (Non Executive)

Joined Board:
15 January 1978

Other Engagements:

Director/ Chief Executive Officer

- Pakistan Business Council.

Director

- State Bank of Pakistan.
- International Steel Limited
- Competitiveness Support Fund.
- Board of Investments.

Chairman

- National Commodity Exchange Limited.
- Task Force Pharmaceutical Sector fi Planning Commission Government of Pakistan.

Member

- Task Force Private Sector Development fi Planning Commission Government of Pakistan.
- Quality Control Board fi ICAP

Mr. Shamim Ahmad Khan
Director (Non Executive)

Joined Board:
01 August 2002

Other Engagements:

Director

- Packages Limited.

- IGI Insurance Limited.

Special Advisor

- Pakistan Micro Finance Network

Member

- Advisory Committee of Centre for International Private Enterprises.
- Certification Panel of Pakistan Centre for Philanthropy.

Mr. Sadi Syed
(Alternate Director to Thomas C. Freyman)

Joined Board:
18 December 2007

Other Engagements:

Member

- Board of Trustees of Abbott Laboratories Pakistan Limited Staff Provident Fund.

- Board of Trustees of Abbott Laboratories Pakistan Limited Staff Pension Fund.

- Board of Trustees of Abbott Laboratories Pakistan Limited Workers Profit Participation Fund.



Net sales for the thirteen months period registered an increase of 30% over last financial year (20% increase on 12 months comparable basis).



Directors,, Report

The Directors take pleasure in presenting their Report together with the audited financial statements of the Company for the thirteen months ended December 31, 2010.

During the period ended December 31, 2010, the Company changed its financial year end from November 30 to December 31 to bring it in line with the financial year followed by Abbott International LLC, USA, the ultimate holding company.

Operating results	Rs in 000
Profit for the period before taxation	1,741,257
Taxation	(564,313)
Profit after taxation	1,176,944
Other comprehensive income net of tax	(36,677)
Un-appropriated profit brought forward	547,182
Transfer from Un-appropriated profit	(250,000)
Profit available for appropriation	1,437,449
Appropriations:	
-Final dividend 2009 Rs 3 per share	(293,701)
-Interim dividend 2010 Rs 2 per share	(195,801)
Un-appropriated profit carried forward	947,947

Financial Performance

Net sales for the thirteen months period registered an increase of 30% over last financial year (20% increase on 12 months comparable basis). Current period G.P ratio at 34% also showed an increase as compared to last financial year when it was 27% primarily due to better product-mix, strong performance of consumer health care, a limited hardship price adjustment on vitamins and relatively stable exchange rate vis a vis the US Dollar.

Profit after tax for the thirteen months period was Rs 1,177 million (Financial Year 2009: Rs 609 million). Earnings per share for the thirteen months period were Rs 12.02 (Financial Year 2009: Rs 6.22 per share).

Your Directors are pleased to announce a final cash dividend of Rs 3.00 per share (2009 : Rs 3.00 per share), which is in addition to an interim cash dividend of Rs 2.00 per share (2009: Rs 9.00 per share) paid to the shareholders during 2010.

Segment-wise Sales and Marketing Performance

Pharmaceutical sales for the thirteen months period increased by 28% over last financial year (18% increase on 12 months comparable basis) mainly attributable to volume, favorable product-mix and limited price adjustments. Vitamins, anti-infectives, cough and cold, gastro preparations, hematanics and consumer products recorded strong double digit growth.

Nutritional sales for the thirteen months period posted 39% growth over last financial year (28% increase on 12 months comparable basis) which is mainly volume driven coupled with price increase on certain products.

General Health Care (GHC), Diagnostic and Diabetes Care sales for the thirteen months grew by 34% over last financial year (25% increase on 12 months comparable basis) owing primarily to focused marketing on consumer products and increased sales of Mospel.

Market Share

Abbott Pakistan achieved a market share of 6.1% as per IMS (Dec 2010, 12 Months) in the pharmaceutical and nutrition market (2009 market share: 5.8%).

Manufacturing

Abbott Pakistan manufactures over 150 different pharmaceutical and general health care products for the local and export markets.

Capital Expenditure

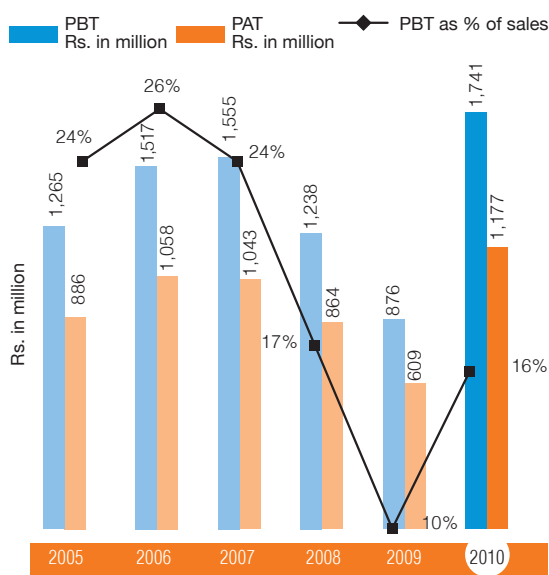
Your Company is continuously striving to improve the productivity and efficiency of plant operations. During the period, a total of Rs 493 million was spent on various capital projects such as GMP upgrade and procurement of manufacturing equipments for improving productivity.

Profit after tax for the thirteen months period was

Rs 1,177 million (Financial Year 2009: Rs 609 million).

Earnings per share for the thirteen months period were

Rs 12.02 (Financial Year 2009: Rs 6.22 per share).



Liquidity Management and Cash Flow Strategy

During the period an amount of Rs. 918 million was generated from operating activities of the Company which was spent mainly on capital projects and payment of dividends to shareholders. At the end of the period, the Company had a liquid fund position comprising of cash/bank balances and short term investments amounting to Rs. 819 million.

To ensure sufficient availability of funds at all times while generating optimum returns through placement of surplus liquidity in various available investment avenues, the Company has developed and implemented a formal cash flow monitoring mechanism whereby cash inflows and outflows are projected and monitored on regular basis.

The Company follows a conservative investment strategy for placement of its surplus funds and ensures that the investment portfolio of the Company is secured. Surplus funds are generally placed in short-term Bank deposits.

A monitoring system is in place whereby the Company's existing investment portfolio and new proposals for funds placement are reviewed by the Investment Committee comprising of senior management staff and professional consultants.

Contribution to National Exchequer

Your Company has contributed Rs 1,507 million (2009: Rs 1,062 million) to the government and its agencies on account of various government levies including income tax, custom duties and sales tax etc.

Environment, Health and Safety

Climate change is a serious global issue and your Company has been continuously working to reduce greenhouse gas



emissions. Abbott Laboratories Pakistan has been working well within its limits of CO2 emissions and hence, maintaining its position as a ‡Green plant. The plant is also fully compliant with the defined parameters of National Environmental Quality Standards.

With ever increasing emphasis on environment and workers health & safety and also in achieving our goal of moving towards ‡Zero EHS&E Impacts, Abbott Pakistan has reached a milestone of 13 Million hours without any loss time accident.

Business Process Improvement

- Abbott Pakistan has launched the RSO (Rationalization, Standardization, Optimization) program through which packaging of various products is standardized to achieve operational efficiencies such as cost improvement, cycle time reduction, and better inventory management.
- The TPM (Total Productive Maintenance) program was launched to minimize breakdowns and reduce machine change over time to increase the productivity.



- As a part of Quality Management System improvement, initiatives were taken to further improve technical document handling, document traceability and complaint handling through automated processes.

The collective contribution of the various Business Process Improvement initiatives has greatly contributed in improving your Company's financial performance.

Human Resources

The focus of Human Resources has been to develop a best in class organization, providing individual employees an enabling environment in which they can fully leverage their capabilities and potential.

The company conducted an in-depth culture survey targeting all employees of Abbott Pakistan. A participation rate of 98% was achieved demonstrating a strong sense of commitment by the employees. The Cultural Health Metric



for Abbott Pakistan stood at 85%, showing an improvement of 4% from 2008. The company has drawn up plans to address the identified gaps to further improve corporate culture and effectiveness.

Emphasis on learning and development continued in 2010 with a large number of in-house and external training sessions and workshops. Training programs were mainly aimed at imparting knowledge to embellish technical and soft skills as identified in employee growth plans. The unwavering commitment to Training and Development has been a cornerstone of your Company's success. We are pleased to report that as a result of effective HR policies and a conducive and open environment, your Company's employee turnover rate is well below the industry average. We continue to focus on attracting, developing and retaining top tier talent for Abbott Pakistan.

Corporate Social Responsibility

Corporate Social Responsibility (CSR) has been part of Abbott's strategic planning and objectives. In essence, CSR is the deliberate inclusion of public interest into corporate decision-making and the honoring of the triple bottom line considerations, i.e. people, planet and profit.

We view our commitment to global citizenship not only as a business responsibility, but also as an opportunity to improve lives around the world. Caring being one of our Core Values, is all about making a difference in people's lives. Your Company has contributed in improving lives for more than half a century, while strengthening the Company and its communities for future generations.

As a part of the corporate social responsibility agenda of Abbott Pakistan, Abbott Pakistan initiated a school called "Roshan Mustaqbil / Bright Future" for Internally Displaced Persons (IDPs) in one of the camps 5 Km from Abbott site. More than 1600 people from various affected parts of Sindh province benefited from this endeavor. Abbott Pakistan is always at front when it comes to community work.

Caring being a core value of our Company, it is part of the corporate DNA. The Company and its employees stepped up in providing assistance in the form of various daily use items and medicines to help the IDPs.

In addition to the above, Abbott Fund USA donated Rs. 30 million in cash and product towards the flood relief effort. Moreover, Abbott Pakistan also dispatched daily use items for the flood victims with employees contributing 1-5 days salary for the relief effort.

Subsequent Events

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



Board Changes

No Board change occurred during the period.

Business challenges and future outlook

Rupee devaluation and inflation are major challenges for your company's profitability. From Business sustainability point of view, there is an urgent need for an across the board price increase. Your Company along with other members of the pharmaceutical industry continues to pursue the Government for a mutually acceptable pricing mechanism for pharmaceutical products. In addition, the impending devolution of health to the provinces following the passage of the 18th Amendment has serious implications for the industry. The industry associations i.e. PPMA and Pharma Bureau are aligned on the need for the formation of a Drug Regulatory Authority at the Federal level to manage Pharmaceutical Registration and Pricing. This is no different to existing structures globally where Drug registration and Pricing are coordinated by one body at a Federal level. Simultaneously, the Company is also investing in cost improvement initiatives and product portfolio optimization to partially offset the impact of inflation / devaluation.

Intellectual Property Rights continues to be a concern for the industry. Concrete efforts need to be undertaken to discourage both piracy and counterfeiting. Effective implementation will protect consumers, as well as the industry.



Auditors

The present Auditors M/s M. Yousuf Adil Saleem & Co., Chartered Accountants, retires and being eligible, offers themselves for re-appointment. The Board of Directors endorses recommendation of the Audit Committee for their re-appointment as auditors of the Company for the financial year ending December 31, 2011.

Pattern of Shareholding

A statement showing the pattern of shareholding in the Company and additional information as at December 31, 2010 is given on page 107.

The Directors, CEO, CFO, Company Secretary and their spouses and minor children did not carry out any transaction in the shares of the Company during the period.

Holding Company

As at December 31, 2010 Abbott Asia Investments Limited, UK held 76,259,454 shares. The ultimate holding Company is Abbott International LLC, USA.

Compliance with the Code of Corporate Governance

As required by the Code of Corporate Governance dated March 28th, 2002 the Directors are pleased to state as follows:

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate Accounting policies have been consistently applied in preparation of financial statements, except for changes as mentioned in note 2.1.3 to the financial statements related to segment reporting and recognition of actuarial gains and losses on defined benefit plan in other comprehensive income. Accounting estimates are based on reasonable and prudent judgement.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- The Company maintains a sound internal control system which gives reasonable assurance against material misstatement or loss. The internal control system is regularly reviewed.
- There are no doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the Listing Regulations.
- Key operating and financial data for the last six years is summarized on page 54 - 57.

- Outstanding taxes, statutory charges and duties if any, have been duly disclosed in the Financial Statements.
- Significant deviations, from last year in the operating results of the Company have been highlighted and explained.
- The value of investments made by the staff retirements funds as per their financial statements are as follows:-
Value (Rs millions)
- ALPL Pension Fund
(Based on year ended November 30, 2009) - audit in progress 1,326
- ALPL Provident Fund
(Based on year ended November 30, 2009) - audited 441
- During the period, four meetings of the Board of Directors were held. Attendance by each Director/CFO/Company Secretary was as follows:

Name of Directors/CFO/Co. Secretary	Number of Board Meetings Attended
1 Mr. Munir A. Shaikh	4
2 Mr. Asif Jooma	4
3 Mr. Angelo Kondes	2
4 Syed Anis Ahmed	4
5 Mr. Kamran Y. Mirza	3
6 Mr. Sadi Syed - Alternate Director to Thomas C Freyman	4
7 Mr. Shamim Ahmad Khan	4
8 Syed Anis Ahmed (CFO)	4
9 Mr. Malik Saadatullah (Company Secretary)	4

Acknowledgements

The Board of Directors would like to take this opportunity to express their deep appreciation of the commitment, loyalty and dedication of the employees. We would also like to acknowledge the support and cooperation received from our esteemed customers, suppliers, bankers and stakeholders.


Munir A. Shaikh
Chairman

February 22nd, 2011



Key Operating and Financial Data

Financial Position

	December 31, 2010	November 30, 2009	November 30, 2008	November 30, 2007	November 30, 2006	November 30, 2005
				Restated		
	Rupees in '000					
Balance Sheet						
Fixed Assets - property, plant and equipment	1,877,596	1,662,785	1,560,835	1,516,821	1,437,023	1,187,749
Other Non-Current Assets	56,152	42,606	33,746	35,418	34,233	33,283
Current Assets	3,856,673	3,259,185	3,455,129	3,129,129	3,564,169	2,908,023
Total Assets	5,790,421	4,964,576	5,049,710	4,681,368	5,035,425	4,129,055
Issued, subscribed and paid-up capital	979,003	979,003	979,003	979,003	979,003	679,863
Capital Reserves	197,167	173,853	154,777	130,016	46,097	140,004
Revenue Reserves	2,736,369	2,085,604	2,434,732	2,580,254	3,216,786	2,591,977
Total Equity	3,912,539	3,238,460	3,568,512	3,689,273	4,241,886	3,411,844
Non-Current Liabilities	115,182	119,627	100,606	110,414	44,100	21,081
Current Liabilities	1,762,700	1,606,489	1,380,592	881,681	749,439	696,130
Total Liabilities	1,877,882	1,726,116	1,481,198	992,095	793,539	717,211
Total Equity and Liabilities	5,790,421	4,964,576	5,049,710	4,681,368	5,035,425	4,129,055

Operating and Financial Trends

	Thirteen months ended December 31, 2010	Twelve months ended November 30, 2009	Twelve months ended November 30, 2008	Twelve months ended November 30, 2007	Twelve months ended November 30, 2006	Twelve months ended November 30, 2005
				Restated		
	Rupees in '000					
Profit and Loss						
Net sales including toll manufacturing service fee	10,995,701	8,450,118	7,123,412	6,584,454	5,914,181	5,227,084
Gross profit	3,687,038	2,321,131	2,469,005	2,635,109	2,516,484	2,246,321
Operating profit	1,744,787	878,503	1,240,583	1,558,401	1,520,887	1,267,452
Profit before taxation	1,741,257	875,978	1,237,879	1,555,199	1,517,227	1,264,550
Taxation	564,313	266,906	373,652	512,309	459,226	378,666
Profit after taxation	1,176,944	609,072	864,227	1,042,890	1,058,001	885,884
Ordinary cash dividends *	489,502	1,174,804	489,502	1,762,206	293,701	339,931

Cash Flows

Operating activities	917,503	1,074,757	607,282	1,342,118	934,717	745,203
Investing activities	(374,785)	(181,200)	442,515	(93,836)	(913,524)	(325,503)
Financing activities	(494,415)	(1,174,262)	(494,426)	(1,761,005)	(173,127)	(342,107)
Cash and cash equivalents at the end of the period / year	819,087	770,784	1,051,489	496,118	1,008,841	1,160,775

* Includes final dividend amounting to Rs. 293.701 million proposed by the Board of Directors subsequent to the period / year end.

		Thirteen months ended December 31, 2010	Twelve months ended November 30, 2009	Twelve months ended November 30, 2008	Twelve months ended November 30, 2007 Restated	Twelve months ended November 30, 2006	Twelve months ended November 30, 2005
Ratios		Unit					
Gross profit ratio	%	33.5%	27.5%	34.7%	40.0%	42.5%	43.0%
EBITDA* margin to sales	%	18.2%	12.8%	20.3%	26.5%	28.4%	27.1%
Net profit to sales	%	10.7%	7.2%	12.1%	15.8%	17.9%	16.9%
Return on equity / Return on capital employed	%	30.1%	18.8%	24.2%	28.3%	24.9%	26.0%
Return on assets	%	20.3%	12.3%	17.1%	22.3%	21.0%	21.5%
No. of days in inventory	Days	101.19	100.38	119.97	121.05	132.89	130.75
No. of days in receivables	Days	8.94	8.79	7.73	9.36	10.99	8.22
No. of days in payables	Days	51.00	46.76	51.49	53.00	53.14	53.56
Operating cycle	Days	59.12	62.41	76.21	77.41	90.73	85.40
Total assets turnover ratio	Times	2.04	1.69	1.46	1.36	1.29	1.39
Fixed assets turnover ratio	Times	6.21	5.24	4.63	4.46	4.51	4.84
Current ratio	Times	2.19	2.03	2.50	3.55	4.76	4.18
Quick / Acid test ratio	Times	0.97	0.94	1.24	1.95	3.01	2.36
Earnings per share - Restated**		12.02	6.22	8.83	10.65	10.81	9.05
Cash dividend per share	Rs.	5.00	12.00	5.00	18.00	3.00	5.00
Price earning ratio	Times	9.13	15.51	12.46	19.38	13.32	20.09
Bonus shares issued	Number	-	-	-	-	29,914,000	11,331,100
No. of shares at end of period / year	Number	97,900,300	97,900,300	97,900,300	97,900,300	97,900,300	67,986,300
Dividend yield ratio	Times	0.05	0.12	0.05	0.09	0.02	0.03
Dividend pay out ratio	Times	0.42	1.93	0.57	1.69	0.28	0.38
Dividend cover ratio	Times	2.40	0.52	1.77	0.59	3.60	2.61
Interest cover ratio	Times	494.27	347.92	458.80	486.70	415.54	436.75
Break-up value per share with / without surplus on revaluation of fixed assets	Rs.	39.96	33.08	36.45	37.68	43.33	50.18
Market value per share at the end of the period / year	Rs.	109.74	96.49	110.00	206.50	144.00	181.80
Market value per share (High)	Rs.	126.50	126.42	233.15	210.00	244.00	219.90
Market value per share (Low)	Rs.	77.00	65.00	109.36	141.00	136.00	120.00
EBTIDA*	Rs. '000	2,000,889	1,084,803	1,443,585	1,744,231	1,680,605	1,416,239

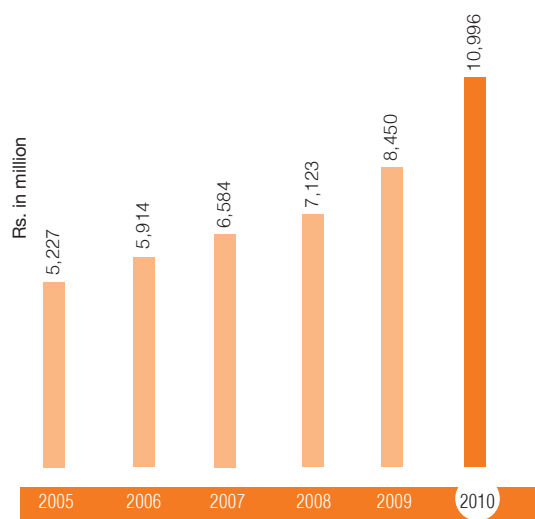
Note : Sales include toll manufacturing service fee

*EBITDA (Earnings Before Interest, Taxation, Depreciation and Amortisation)

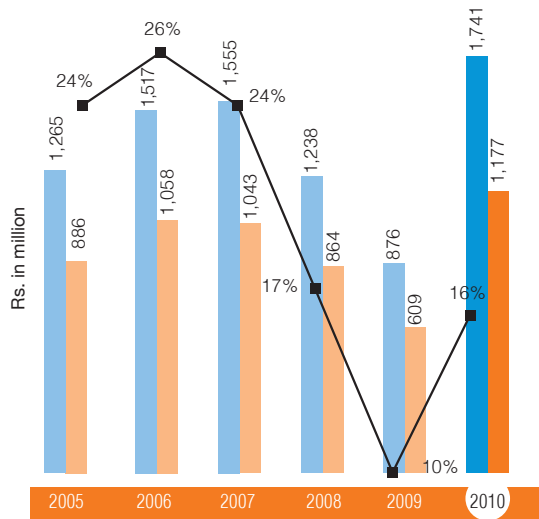
** Basic / Diluted

Graphical Presentation - Key Operating and Financial Data

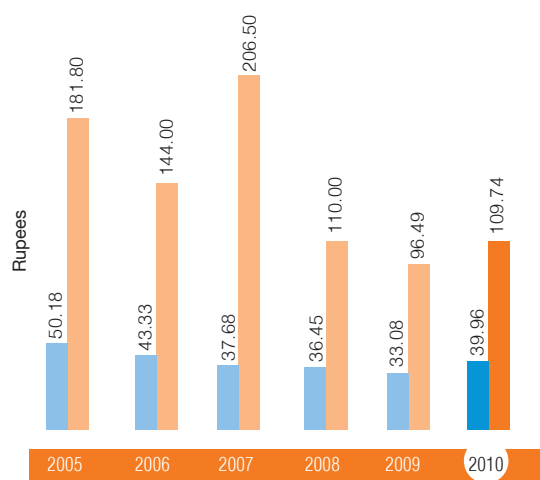
Net sales (Including Toll Manufacturing Service Fees)



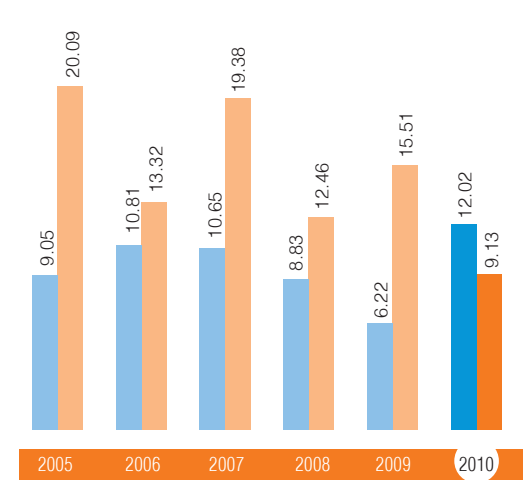
PBT PAT PBT as % of sales



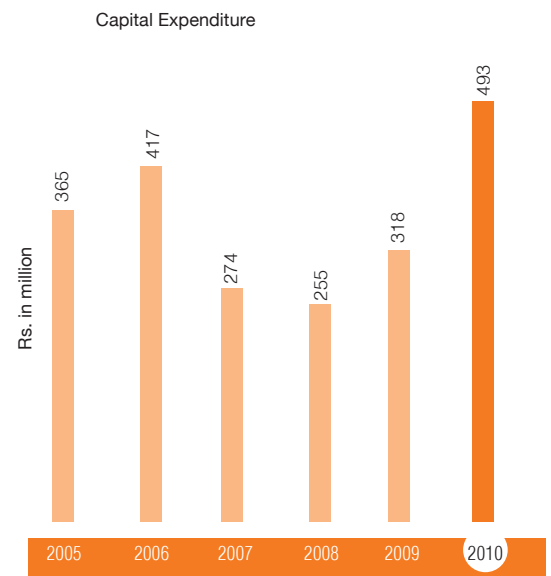
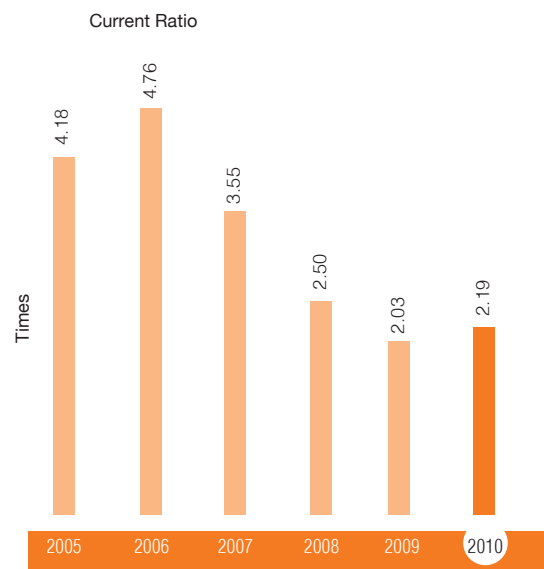
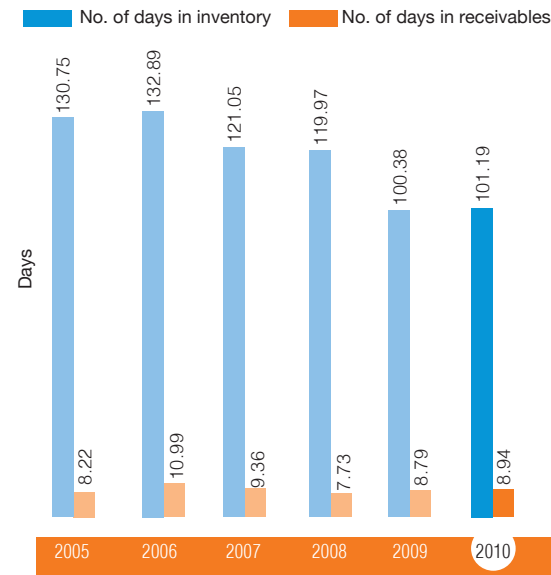
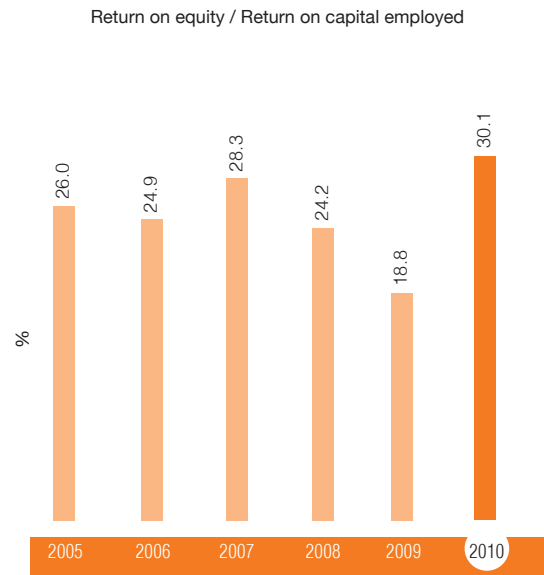
Book value per share Market value per share



Earnings per share - Restated (Rupees) Price earning ratio (Times)



Note: 2010 graphs are based on financial period ended December 31, 2010



Vertical Analysis

Vertical Analysis

	December 31, 2010		November 30, 2009		November 30, 2008		November 30, 2007		November 30, 2006		November 30, 2005	
	----- Restated -----											
Balance Sheet	Rupees ' 000	%	Rupees ' 000	%	Rupees ' 000	%	Rupees ' 000	%	Rupees ' 000	%	Rupees ' 000	%
Total Equity	3,912,539	67.6	3,238,460	65.2	3,568,512	70.7	3,689,273	78.8	4,241,886	84.2	3,411,844	82.6
Non-Current Liabilities	115,182	2.0	119,627	2.4	100,606	2.0	110,414	2.4	44,100	0.9	21,081	0.5
Current Liabilities	1,762,700	30.4	1,606,489	32.4	1,380,592	27.3	881,681	18.8	749,439	14.9	696,130	16.9
Total Equity and Liabilities	5,790,421	100.0	4,964,576	100.0	5,049,710	100.0	4,681,368	100.0	5,035,425	100.0	4,129,055	100.0
Non-Current Assets	1,933,748	33.4	1,705,391	34.4	1,594,581	31.6	1,552,239	33.2	1,471,256	29.2	1,221,032	29.6
Current Assets	3,856,673	66.6	3,259,185	65.6	3,455,129	68.4	3,129,129	66.8	3,564,169	70.8	2,908,023	70.4
Total Assets	5,790,421	100.0	4,964,576	100.0	5,049,710	100.0	4,681,368	100.0	5,035,425	100.0	4,129,055	100.0

	Thirteen months ended December 31, 2010		Twelve months ended November 30, 2009		Twelve months ended November 30, 2008		Twelve months ended November 30, 2007		Twelve months ended November 30, 2006		Twelve months ended November 30, 2005	
	----- Restated -----											
Profit and Loss Account	Rupees ' 000	%	Rupees ' 000	%	Rupees ' 000	%	Rupees ' 000	%	Rupees ' 000	%	Rupees ' 000	%
Net sales including toll manufacturing service fee	10,995,701	100.0	8,450,118	100.0	7,123,412	100.0	6,584,454	100.0	5,914,181	100.0	5,227,084	100.0
Cost of goods sold and services	7,308,663	66.5	6,128,987	72.5	4,654,407	65.3	3,949,345	60.0	3,397,697	57.5	2,980,763	57.0
Gross Profit	3,687,038	33.5	2,321,131	27.5	2,469,005	34.7	2,635,109	40.0	2,516,484	42.5	2,246,321	43.0
Selling and distribution expenses	1,601,101	14.6	1,252,810	14.8	1,094,405	15.4	908,965	13.8	853,187	14.4	777,787	14.9
Administrative expenses	267,915	2.4	201,943	2.4	174,511	2.4	161,278	2.4	121,112	2.0	114,559	2.2
	1,818,022	16.5	866,378	10.3	1,200,089	16.8	1,564,866	23.8	1,542,185	26.1	1,353,975	25.9
Other operating income	109,079	1.0	141,890	1.7	105,545	1.5	173,394	2.6	108,722	1.8	49,064	0.9
Other operating charges	182,314	1.7	129,765	1.5	65,051	0.9	179,859	2.7	130,020	2.2	135,587	2.6
	1,744,787	15.8	878,503	10.4	1,240,583	17.4	1,558,401	23.7	1,520,887	25.7	1,267,452	24.2
Finance cost	3,530	0.0	2,525	0.0	2,704	0.0	3,202	0.1	3,660	0.0	2,902	0.0
Profit before taxation	1,741,257	15.8	875,978	10.4	1,237,879	17.4	1,555,199	23.6	1,517,227	25.7	1,264,550	24.2
Taxation - net	564,313	5.1	266,906	3.2	373,652	5.2	512,309	7.8	459,226	7.8	378,666	7.2
Profit for the period / year	1,176,944	10.7	609,072	7.2	864,227	12.1	1,042,890	15.8	1,058,001	17.9	885,884	16.9

Horizontal Analysis

	December 31,						November 30,					
	2010	2009	2008	2007	2006	2005	2010	2009	2008	2007	2006	2005
	Rupees in ' 000						% increase / (decrease) over preceeding year*					
Balance Sheet												
Total Equity	3,912,539	3,238,460	3,568,512	3,689,273	4,241,886	3,411,844	20.8	(9.2)	(3.3)	(13.0)	24.3	22.3
Non-Current Liability	115,182	119,627	100,606	110,414	44,100	21,081	(3.7)	18.9	(8.9)	150.4	109.2	(12.7)
Current Liabilities	1,762,700	1,606,489	1,380,592	881,681	749,439	696,130	9.7	16.4	56.6	17.6	7.7	25.5
Total Equity and Liabilities	5,790,421	4,964,576	5,049,710	4,681,368	5,035,425	4,129,055	16.7	(1.7)	7.9	(7.0)	22.0	22.6
Non-Current Assets	1,933,748	1,705,391	1,594,581	1,552,239	1,471,256	1,221,032	13.4	6.9	2.7	5.5	20.5	21.6
Current Assets	3,856,673	3,259,185	3,455,129	3,129,129	3,564,169	2,908,023	18.3	(5.7)	10.4	(12.2)	22.6	23.0
Total Assets	5,790,421	4,964,576	5,049,710	4,681,368	5,035,425	4,129,055	16.6	(1.7)	7.9	(7.0)	22.0	22.6
Profit and Loss Account												
	Thirteen months ended December 31, 2010	Twelve months ended November 30, 2009	Twelve months ended November 30, 2008	Twelve months ended November 30, 2007 Restated	Twelve months ended November 30, 2006	Twelve months ended November 30, 2005	Thirteen months ended December 31, 2010	Twelve months ended November 30, 2009	Twelve months ended November 30, 2008	Twelve months ended November 30, 2007	Twelve months ended November 30, 2006	Twelve months ended November 30, 2005
	Rupees '000						% increase / (decrease) over preceeding year*					
Net sales including toll manufacturing service fee	10,995,701	8,450,118	7,123,412	6,584,454	5,914,181	5,227,084	30.1	18.6	8.2	11.3	13.1	12.2
Cost of goods sold and services	7,308,663	6,128,987	4,654,407	3,949,345	3,397,697	2,980,763	19.2	31.7	17.9	16.2	14.0	12.0
Gross Profit	3,687,038	2,321,131	2,469,005	2,635,109	2,516,484	2,246,321	58.8	(6.0)	(6.3)	4.7	12.0	12.4
Selling and distribution expenses	1,601,101	1,252,810	1,094,405	908,965	853,187	777,787	27.8	14.5	20.4	6.5	9.7	7.1
Administrative expenses	267,915	201,943	174,511	161,278	121,112	114,559	32.7	15.7	8.2	33.2	5.7	17.1
	1,818,022	866,378	1,200,089	1,564,866	1,542,185	1,353,975	109.8	(27.8)	(23.3)	1.5	13.9	15.4
Other operating income	109,079	141,890	105,545	173,394	108,722	49,064	(23.1)	34.4	(39.1)	59.5	121.6	85.8
Other operating charges	182,314	129,765	65,051	179,859	130,020	135,587	40.5	99.5	(63.8)	38.3	(4.1)	47.4
	1,744,787	878,503	1,240,583	1,558,401	1,520,887	1,267,452	98.6	(29.2)	(20.4)	2.5	20.0	14.4
Finance cost	3,530	2,525	2,704	3,202	3,660	2,902	39.8	(6.6)	(15.6)	(12.5)	26.1	(7.6)
Profit before taxation	1,741,257	875,978	1,237,879	1,555,199	1,517,227	1,264,550	98.8	(29.2)	(20.4)	2.5	20.0	14.4
Taxation - net	564,313	266,906	373,652	512,309	459,226	378,666	111.4	(28.6)	(27.1)	11.6	21.3	11.7
Profit for the period / year	1,176,944	609,072	864,227	1,042,890	1,058,001	885,884	93.2	(29.5)	(17.1)	(1.4)	19.4	15.7

* Compared with restated figures



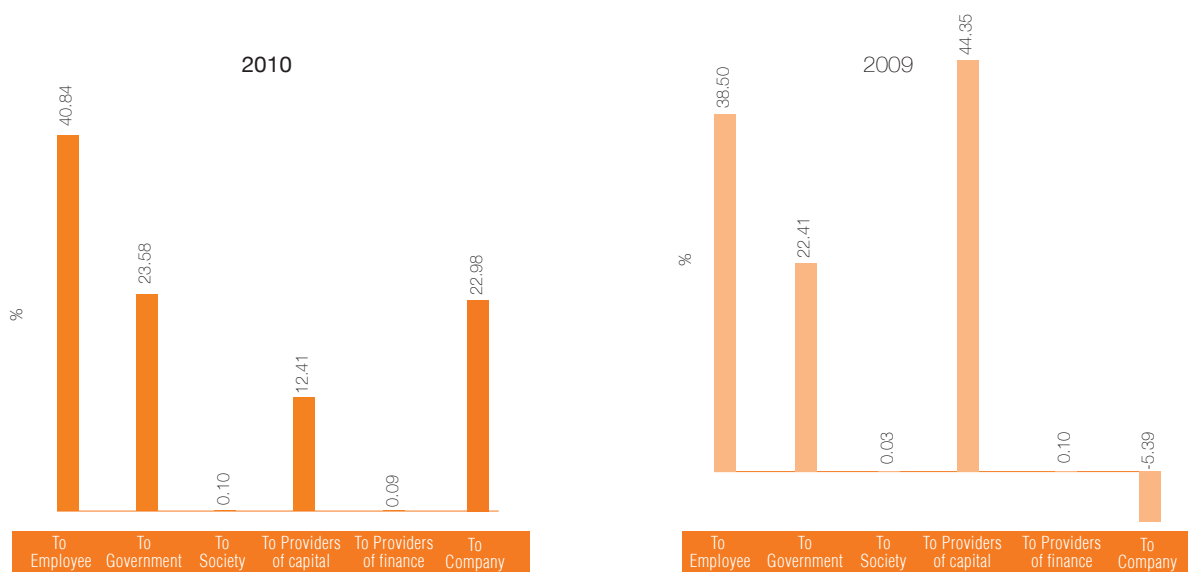
Horizontal Analysis



Statement of Value Addition and its Distribution

	Thirteen months ended December 31, 2010		Twelve months ended November 30, 2009 (Restated)	
	(Rupees '000)	%	(Rupees ,000)	%
Wealth Generated				
Total Revenue inclusive of sales tax and other operating income	11,337,856		8,747,169	
Bought-in-materials and services	7,392,183		6,098,417	
	3,945,673	100	2,648,752	100
Wealth Distribution				
To Employees				
Salaries, wages, allowances and staff welfare	1,611,520	40.84	1,019,834	38.50
To Government				
Income Tax	550,564	13.95	340,421	12.85
Workers' Funds and Central Research Fund	146,862	3.72	97,980	3.70
Sales tax and excise duty	233,076	5.91	155,161	5.86
	930,502	23.58	593,562	22.41
To Society				
Donations	3,752	0.10	855	0.03
To Providers of Capital				
Dividends*	489,502	12.41	1,174,804	44.35
To Providers of Finance				
Finance cost	3,530	0.09	2,525	0.10
To Company				
Depreciation	256,102	6.49	206,300	7.79
Added to / (Utilised from) Unappropriated profit	650,765	16.49	(349,128)	(13.18)
	906,867	22.98	(142,828)	(5.39)
	3,945,673	100.00	2,648,752	100.00

* Dividends Include final dividend amounting to Rs. 293.701 million proposed by the Board of Directors subsequent to the period / year end.



Statement of Compliance With the Code of Corporate Governance

This statement is being presented to comply with the requirements of the Code of Corporate Governance (the Code) contained in the listing regulations of Karachi, Lahore and Islamabad Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

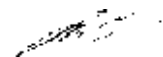
The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive Directors and Directors representing minority interests on its Board of Directors. At present, the Board includes four non-executive Directors including one independent Director representing minority shareholders.
2. The Directors have confirmed that none of them is serving as a director in more than ten listed companies, including this Company.
3. All the resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a Development Financial Institution or a Non-banking Financial Institution. None of the resident Directors are a member of the stock exchanges on which the Company's shares are listed.
4. No casual vacancy occurred in the Board during the financial period ended December 31, 2010.
5. The Company has adopted a Code of Business Conduct, which has been circulated and signed by all the Directors and employees of the Company. In addition, the Company has prepared and fully implemented an Ethics Compliance Program under which a number of core policies have been prepared to cover various facets of business practices.
6. The Company 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 appointment of the Chief Executive have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. 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 in time.
9. The Board approves the appointment, remuneration and terms and conditions of Chief Financial Officer, Company Secretary and Chief Internal Auditor, as determined by the Chief Executive.
10. All the directors on the Board are fully conversant with their duties and responsibilities as directors of corporate bodies. The Board had arranged an orientation course of the Code of Corporate Governance for its directors in the previous year to apprise them of their role and responsibilities.
11. The Directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by the Chief Executive and Chief Financial Officer, before approval by the Board.
13. The Directors, Chief Executive 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 the corporate and financial reporting requirements of the Code.
15. All related party transactions have been reviewed and approved by the Board and are carried out on normal / agreed terms and conditions in accordance with the agreements.
16. The Board has formed an Audit Committee. It comprises three members all of whom are non-executive Directors. The Board has also formed a Human Resource Committee, comprising two non-executive Directors

and one executive Director. In addition, the Board has formed a Shares Transfer Committee and a Banking Committee.

17. The meetings of the Audit Committee were held at least once every quarter prior to approval of the quarterly, half yearly and final results of the Company and as required by the Code. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
18. The Board has set-up an effective in-house Internal Audit function. In addition, the Board has made arrangements for periodic internal audits by an independent firm of Chartered Accountants. Both the firm and the in-house internal audit staff 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 Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. We confirm that all other material principles contained in the Code have been complied with.

By Order of the Board



Munir A. Shaikh
Chairman

February 22, 2011

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 Abbott Laboratories (Pakistan) Limited (the Company) to comply with the Listing Regulations of Karachi, Lahore and Islamabad 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 the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Further, The Listing Regulations of the Karachi, Lahore and Islamabad Stock Exchanges require 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 period ended December 31, 2010.



Chartered Accountants

Engagement Partner:
Nadeem Yousuf Adil

Karachi
Date: 22 February 2011

Auditors,, Report to the Members

We have audited the annexed balance sheet of Abbott Laboratories (Pakistan) Limited (the Company) as at December 31, 2010 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 thirteen month period from December 1, 2009 to December 31, 2010 (hereinafter referred to as 'period') and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

- (a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the changes as stated in note 2.1.3, with which we concur;
 - (ii) the expenditure incurred during the period was for the purpose of Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the period were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2010 and of the profit, total comprehensive income, cash flows and changes in equity for the period then ended; and
- (d) in our opinion, Zakat deductible at source under 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.



Chartered Accountants

Engagement Partner:
Nadeem Yousuf Adil

Karachi
Date: 22 February 2011

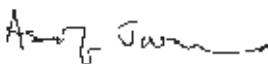
Balance Sheet

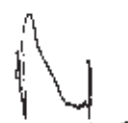
As at December 31, 2010

	Note	December 31, 2010	November 30, 2009 (Restated) (Rupees ,000)	November 30, 2008 (Restated)
SHARE CAPITAL AND RESERVES				
Authorised capital	3	2,000,000	2,000,000	2,000,000
Issued, subscribed and paid-up capital	4	979,003	979,003	979,003
Reserves - capital		197,167	173,853	154,777
Reserves - revenue		2,736,369	2,085,604	2,434,732
Total Equity		3,912,539	3,238,460	3,568,512
NON-CURRENT LIABILITY				
Deferred taxation	5	115,182	119,627	100,606
CURRENT LIABILITIES				
Trade and other payables	6	1,762,700	1,606,489	1,380,592
Total Liabilities		1,877,882	1,726,116	1,481,198
CONTINGENCIES AND COMMITMENTS				
	7			
TOTAL EQUITY AND LIABILITIES		5,790,421	4,964,576	5,049,710

	Note	December 31, 2010	November 30, 2009 (Restated) (Rupees ,000)	November 30, 2008 (Restated)
NON-CURRENT ASSETS				
Fixed assets - property, plant and equipment	8	1,877,596	1,662,785	1,560,835
Long-term loans and advances	9	39,203	31,779	23,580
Long-term deposits	10	2,801	4,393	4,393
Long-term prepayments		14,148	6,434	5,773
Total Non-current Assets		1,933,748	1,705,391	1,594,581
CURRENT ASSETS				
Stores and spares	11	72,430	69,097	47,747
Stock-in-trade	12	2,069,633	1,675,000	1,696,200
Trade debts	13	263,267	234,185	172,825
Loans and advances - considered good	14	130,868	41,277	21,316
Trade deposits and short-term prepayments	15	134,170	90,634	164,785
Accrued profit		705	1,425	6,594
Other receivables	16	79,715	81,053	35,465
Taxation recoverable		286,798	295,730	258,708
Cash and bank balances	17	819,087	770,784	1,051,489
Total Current Assets		3,856,673	3,259,185	3,455,129
TOTAL ASSETS		5,790,421	4,964,576	5,049,710

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


Chief Executive

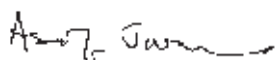

Director

Profit and Loss Account

For the thirteen months ended December 31, 2010

	Note	Thirteen months ended December 31, 2010	Twelve months ended November 30, 2009 (Restated) (Rupees ,000)
Sales - net	18	10,995,701	8,431,080
Service fee for toll manufacturing		-	19,038
		10,995,701	8,450,118
Cost of goods sold and services	19	7,308,663	6,128,987
Gross profit		3,687,038	2,321,131
Selling and distribution expenses	21	1,601,101	1,252,810
Administrative expenses	22	267,915	201,943
		1,818,022	866,378
Other operating income	23	109,079	141,890
Other operating charges	24	182,314	129,765
		1,744,787	878,503
Finance cost	25	3,530	2,525
Profit before taxation		1,741,257	875,978
Taxation - net	26	564,313	266,906
Profit for the period / year		1,176,944	609,072
			(Rupees)
Earnings per share - basic / diluted	27	12.02	6.22

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


Chief Executive

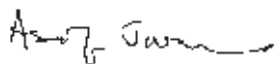

Director

Statement of Comprehensive Income

For the thirteen months ended December 31, 2010

	Note	Thirteen months ended December 31, 2010	Twelve months ended November 30, 2009 (Restated) (Rupees ,000)
Profit for the period / year		1,176,944	609,072
Other comprehensive income for the period / year			
- Actuarial (losses) / gains on defined benefit pension plan	20.1.7	(50,426)	290,119
- Tax on actuarial losses / (gains)		13,749	(73,515)
Other comprehensive income - net of tax		(36,677)	216,604
Total comprehensive income for the period / year		1,140,267	825,676

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


Chief Executive

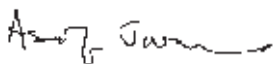

Director

Cash Flow Statement

For the thirteen months ended December 31, 2010

	Note	Thirteen months ended December 31, 2010	Twelve months ended November 30, 2009 (Restated)
(Rupees ,000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	28	1,512,023	1,442,039
Income taxes paid		(580,974)	(358,422)
Long-term loans and advances - net		(7,424)	(8,199)
Long-term deposits - net		1,592	-
Long-term prepayments - net		(7,714)	(661)
Net cash inflow from operating activities		917,503	1,074,757
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(492,839)	(318,017)
Sale proceeds of fixed assets		38,823	20,475
Interest income		79,231	116,342
Net cash outflow from investing activities		(374,785)	(181,200)
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance cost paid		(3,530)	(2,525)
Dividends paid		(490,885)	(1,171,737)
Net cash outflow from financing activities		(494,415)	(1,174,262)
Net increase / (decrease) in cash and cash equivalents		48,303	(280,705)
Cash and cash equivalents at the beginning of the period / year		770,784	1,051,489
Cash and cash equivalents at the end of the period / year		819,087	770,784

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


Chief Executive


Director

Statement of Changes in Equity

For the thirteen months ended December 31, 2010

	Share Capital	Capital Reserve arising on merger	Reserves Other- (Note 2.22)	Reserves Revenue General Reserve	Reserves Un-appropriated Profit	Total	Total Equity
	(Rupees '000)						
Balance as at November 30, 2008	979,003	46,097	108,680	2,368,422	66,310	2,589,509	3,568,512
Transfer from general reserve to unappropriated profit subsequent to the year ended November 30, 2008	-	-	-	(230,000)	230,000	-	-
Transfer from general reserve to unappropriated profit	-	-	-	(600,000)	600,000	-	-
Total comprehensive income for the year ended November 30, 2009 - restated							
Profit for the year - restated (note 2.1.3 (b))	-	-	-	-	609,072	609,072	609,072
Other comprehensive income for the year, net of tax - restated (note 2.1.3 (b))	-	-	-	-	216,604	216,604	216,604
Total comprehensive income for the year - restated	-	-	-	-	825,676	825,676	825,676
Transactions with owners, recorded directly in equity							
Final dividend for the year ended November 30, 2008 declared subsequent to the year end	-	-	-	-	(293,701)	(293,701)	(293,701)
Interim dividend for the year ended November 30, 2009	-	-	-	-	(881,103)	(881,103)	(881,103)
Capital contribution from Abbott International LLC, USA	-	-	19,076	-	-	19,076	19,076
Balance as at November 30, 2009	979,003	46,097	127,756	1,538,422	547,182	2,259,457	3,238,460
Balance as at November 30, 2009	979,003	46,097	127,756	1,538,422	547,182	2,259,457	3,238,460
Transfer from unappropriated profit to general reserve made subsequent to the year ended November 30, 2009	-	-	-	250,000	(250,000)	-	-
Total comprehensive income for the thirteen months ended December 31, 2010							
Profit for the thirteen months ended December 31, 2010	-	-	-	-	1,176,944	1,176,944	1,176,944
Other comprehensive income for the thirteen months ended December 31, 2010, net of tax	-	-	-	-	(36,677)	(36,677)	(36,677)
Total comprehensive income for the thirteen months ended December 31, 2010	-	-	-	-	1,140,267	1,140,267	1,140,267
Transactions with owners, recorded directly in equity							
Final dividend for the year ended November 30, 2009 declared subsequent to the year end	-	-	-	-	(293,701)	(293,701)	(293,701)
Interim dividend for the thirteen months ended December 31, 2010	-	-	-	-	(195,801)	(195,801)	(195,801)
Capital contribution from Abbott International LLC, USA	-	-	23,314	-	-	23,314	23,314
Balance as at December 31, 2010	979,003	46,097	151,070	1,788,422	947,947	2,933,536	3,912,539

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


Chief Executive


Director

Notes to the Financial Statements

For the thirteen months ended December 31, 2010

1. THE COMPANY AND ITS OPERATIONS

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

During the period ended December 31, 2010, the Company changed its financial year end from November 30 to December 31 to bring it in line with the financial year followed by Abbott International LLC, USA, the ultimate holding company. The current year figures pertain to thirteen months ended December 31, 2010 (period) and the corresponding figures pertain to twelve months (year) ended November 30, 2009, and therefore are not comparable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

2.1.1 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, of or directives issued under Companies Ordinance, 1984, shall prevail.

2.1.2 Accounting convention

These financial statements have been prepared under the historical cost convention except certain financial instruments which are measured at fair value.

2.1.3 Changes in accounting policies and disclosure

a) Adoption of new standard effective in the current year and adopted by the Company

IFRS 8 „Operating Segments,, fi The standard requires a „management approach,, under which segment information is presented on the same basis as that used for internal reporting purposes. It is a disclosure based standard that has resulted in no change in previously identified reportable segments (refer note 2.21 and 33).

b) Recognition of actuarial gains and losses on pension scheme directly in equity

During the period, the accounting policy for recognition of actuarial gains / losses has been changed in accordance with option allowed by IAS 19 „Employee Benefits,, to appropriately reflect the operating results of the Company. The actuarial gains and losses are now recognised in the period in which they occur in other comprehensive income and presented in the statement of comprehensive income. Previously actuarial gains / losses were recognized in profit and loss account. The change in accounting policy has been recognized retrospectively and comparative information has been restated in accordance with the requirements of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The change in accounting policy has the following impact on these financial statements:

	Thirteen months ended December 31, 2010	Twelve months ended November 30, 2009
	(Rupees ,000)	
Profit and loss account:		
Increase / (decrease) in profit for the period / year, net of tax	36,677	(216,604)
Increase / (decrease) in earnings per share	0.37	(2.21)
	Rupees	
Statement of comprehensive income:		
Increase / (decrease) in profit for the period / year, net of tax	36,677	(216,604)
(Decrease) / increase in other comprehensive income for the period / year, net of tax	(36,677)	216,604
	-	-

The change in accounting policy has no impact on the balance sheet for the current and previous periods.

2.1.4 New / revised standards and interpretations to existing standards effective from current period or early adopted but not relevant to the Company

The following standards (revised or amended) and interpretations became effective for the current financial period or early adopted, but are either not relevant or do not have any material effect on the financial statements of the Company:

IFRS 3 (Revised) ,Business Combinations,,
 IFRS 4 ,Insurance Contracts,,
 IFRS 5 (Amendments) ,Non-current Assets Held for Sale and Discontinued Operations,,
 IAS 1 (Amendment) ,Presentation of financial statements,,
 IAS 23 (Revised) ,Borrowing Costs,,
 IAS 27 (Amended) ,Consolidated and Separate Financial Statements,,
 IFRIC 9 (Amendment) ,Reassessment of embedded derivatives and IAS 39, Financial instruments: Recognition and measurement,,
 IFRIC 15 ,Agreement for Construction of Real Estate,,
 IFRIC 16 ,Hedges of a net investment in a foreign operation,,
 IFRIC 17 ,Distributions of Non-cash Assets to Owners,,
 IFRIC 18 ,Transfers of Assets from Customers,,
 IAS 38 (Amendment) ,Intangible assets,,
 IAS 36 (Amendment) ,Impairment of assets,,
 IFRS 2 (Amendments) 'Share-based Payments' - ,Group cash-settled share-based payment transactions,,

Notes to the Financial Statements

For the thirteen months ended December 31, 2010

2.1.5 New / revised standards and interpretations to published accounting standards that are issued but not yet effective

The following standards, amendments and interpretations to existing standards have been published and are mandatory for accounting periods beginning on or after January 1, 2011 or later periods:

IFRS 7 (Amendment) 'Financial Instruments: Disclosures,' (effective for annual periods beginning on or after July 1, 2011) fi 'Transfers of financial assets,' fi This amendment increases the disclosure requirements for transactions involving transfer of financial assets. The amendment is intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset.

IFRS 9 'Financial instruments,' (effective for annual periods beginning on or after January 1, 2013). This standard is the first step in the process to replace IAS 39, 'Financial instruments: recognition and measurement,'. IFRS 9 introduces new requirements for classifying and measuring financial assets.

IAS 24 (Revised), 'Related party disclosures,' (effective for annual periods beginning on or after January 1, 2011) - The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities.

IAS 32 (Amendment) 'Financial Instruments: Presentation,' (effective for annual periods beginning on or after February 1, 2010) fi 'Classification of rights issues,' - The amendment addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. Provided certain conditions are met, such rights issues are now classified as equity regardless of the currency in which the exercise price is denominated. Previously, these issues had to be accounted for as derivative liabilities.

IAS 34 (Amendment) 'Interim Financial Reporting' (effective from annual periods on or after January 1, 2011). It adds further examples to the list of events or transactions that require disclosure under IAS 34 and remove references to materiality that describe other minimum disclosures.

IFRIC Interpretation 14 fi IAS 19 (Amendment) 'The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction,' (effective for annual periods beginning on or after January 1, 2011) - 'Prepayments of a minimum funding requirement,'. The amendments correct an unintended consequence of IFRIC 14. Without the amendments, entities are not permitted to recognise as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct this.

IFRIC 13 (Amendment) 'Customer Loyalty Programmes' (effective from annual periods on or after January 1, 2011). The amendment clarifies that the fair value of award credits take into account the amount of discounts or incentives that otherwise would be offered to customers that have not earned the award credits.

IFRIC 19 'Extinguishing Financial Liabilities with Equity Instruments,' (effective for annual periods beginning on or after July 1, 2010) fi This Interpretation addresses the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability. It requires a gain or loss to be recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished.

The above mentioned new / revised standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than increase in disclosures in certain cases.

2.1.6 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affects the application of policies and the reported amount of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments and estimates made by the management that may have a significant risk of material adjustments to the financial statements in the subsequent years are as follows:

- i) Property, plant and equipment (note 2.3 and note 8.1);
- ii) Provision for obsolete and slow moving stores and spares and stock-in-trade (note 2.4, note 2.5, note 11 and note 12);
- iii) Estimates of receivables and payables in respect of staff retirement benefit schemes (note 2.13 and note 20);
- iv) Provision for taxation (note 2.8, note 5 and note 26); and
- v) Share based compensation (note 2.22 and 29).

2.2 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in Pakistani Rupees, which is also the Company's functional currency.

2.3 Fixed assets

Property, plant and equipment

(a) Owned

These assets are stated at cost less accumulated depreciation and impairment loss (if any) except freehold land, which is stated at cost.

Notes to the Financial Statements

For the thirteen months ended December 31, 2010

(b) Leased

Leased asset comprises of leasehold land which is stated at cost less accumulated amortisation less accumulated impairment, if any.

(c) Depreciation / amortisation

Depreciation is charged to income applying the straight line method whereby the cost less residual value of an asset is allocated over its estimated useful life at the rates given in note 8.1. Depreciation on assets is charged from the month of addition to the month of disposal. The assets, residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end. Amortisation on leasehold land is charged to income equally over the period of the lease.

(d) Gains or losses on disposal of fixed assets

Gains or losses on disposal of fixed assets are taken to the profit and loss account in the period in which they arise.

(e) Subsequent costs

Subsequent costs are included in the assets' carrying amount and recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to income as and when incurred.

(f) Capital work-in-progress

This is stated at cost less impairment loss, if any and consists of expenditure incurred and advances made in the course of construction and installation. These are transferred to specific assets as and when the assets are available for use.

2.4 Stores and spares

These are valued at cost determined on the weighted average basis. Cost in relation to items in transit comprises of invoice value and other charges incurred thereon up to the balance sheet date. Provision is made in the financial statements for obsolete and slow moving items based on estimates regarding their usability.

2.5 Stock-in-trade

Stock of raw and packing materials, work-in-process and finished goods are valued at the lower of cost, calculated on first-in-first-out basis, and net realisable value. Cost in relation to work-in-process and finished goods represents direct cost of materials, direct wages and an appropriate portion of production overheads. Cost in relation to items in transit represents invoice value and other charges incurred thereon up to the balance sheet date.

Net realisable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

2.6 Trade debts and other receivables

Trade debts and other receivables are recognized initially at fair value and subsequently measured at amortised cost less provision for impairment. A provision for impairment of trade debts is estimated when there is objective evidence that the Company will not be able to collect all amount due according to the original terms of the receivables. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in the profit and loss account within 'other operating charges'. When a trade debt is uncollectible, it is written off against the allowance account for trade debts. Subsequent recoveries of amounts previously written off are credited to 'other operating income' in the profit and loss account.

2.7 Sample inventory

Sample inventory is classified as prepayment in the balance sheet and is carried at cost. The cost of sample inventory is charged to income on issuance of samples to medical practitioners. Provision is made in the financial statements for obsolete and slow moving items based on estimates regarding their usability.

2.8 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, and taxes paid under the Final Tax Regime (FTR). The charge for current tax also includes adjustments for prior years or otherwise considered necessary for such years. Income tax paid at import stage under FTR is recognised as tax expense in the period in which related goods are sold as required by the Accounting Technical Release - 30 of the Institute of Chartered Accountants of Pakistan.

Deferred

Deferred tax is recognised using the balance sheet liability method, on all temporary differences between the carrying amount of assets and liabilities and their tax bases after adjusting for the impact of FTR.

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

The carrying amount of deferred tax asset is reviewed at each balance sheet date and is recognised only to the extent that it is probable that future taxable profits will be available against which the asset may be utilised.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, cheques and drafts in hand and in transit and balances with banks in savings, deposit, current accounts and short-term running finance, if any.

Notes to the Financial Statements

For the thirteen months ended December 31, 2010

2.10 Trade and other payables

Short-term liabilities for trade and other amounts payable are recognised initially at fair value plus directly attributable cost, if any, and subsequently carried at amortised cost.

2.11 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the Shareholders.

2.12 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and the amount can be reliably estimated. Provisions are reviewed at each balance sheet date to reflect the current best estimate.

2.13 Staff retirement benefits

The Company operates:

- A recognised provident fund (defined contribution plan) for all permanent employees who have completed six months, service; and
- An approved funded pension scheme (defined benefit plan) for all its permanent employees who have completed one year's service.

Contributions and annual provisions to cover the obligation under the funded pension scheme are made based on annual actuarial valuation. The actuarial valuation is carried out using the Projected Unit Credit Method. The actuarial gains and losses arising at each valuation date are recognised in other comprehensive income and presented in the statement of comprehensive income. Previously actuarial gains / losses were recognised in profit and loss account (refer note 2.1.3 (b)).

2.14 Liability for employees' compensated absences

The Company accounts for the liability in respect of employees' compensated absences in the year in which these are earned. Provisions to cover the obligations are made using the current salary levels of employees.

2.15 Foreign currency transactions

Transactions denominated in foreign currencies are recorded in Pakistani Rupees at the foreign currency rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees at the rates of exchange approximating those at the balance sheet date. Exchange differences are taken to the profit and loss account currently.

2.16 Derivative financial instruments

Derivative financial instruments held by the Company generally comprise of forward foreign exchange contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivative instruments are recognised immediately in the profit and loss account.

2.17 Revenue recognition

- Sales are recorded on dispatch of goods to customers.
- Service income is recognised when the related services are rendered.
- Income on investments / deposits is accrued on a time proportionate basis, taking into account the effective interest rates.

2.18 Impairment

Non-financial assets

The carrying amount of non-financial assets other than inventories are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised, as an expense in the profit and loss account, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects the current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment had been recognised.

2.19 Financial instruments

All the financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognised at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled or expires. Any gains or losses on derecognition of financial assets and financial liabilities are taken to the profit and loss account currently.

Financial instruments carried on the balance sheet include loans, deposits, trade debts, accrued profit, other receivables, cash and bank balances and trade and other payables. The particular recognition method adopted are disclosed in the individual policy statements associated with each item.

Notes to the Financial Statements

For the thirteen months ended December 31, 2010

2.20 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when the Company has a legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.21 Segment reporting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is an identifiable component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, income tax assets, liabilities and related income and expenditure. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment.

The business segments are engaged in providing products or services which are subject to risks and rewards which differ from the risk and rewards of other segments. Segments reported are as follows:

Pharmaceutical

The Pharmaceutical segment is engaged in the manufacture, import and marketing of research based pharmaceutical products registered with the Ministry of Health and in providing toll manufacturing services.

Nutritional

The Nutritional segment is engaged in the manufacture, import and marketing of pediatric nutritional products and medical nutritional products.

Others

The Others segment represents the manufacture, import and marketing of diagnostic equipment, diabetes care, molecular devices, their testing kits and general healthcare products.

2.22 Share based compensation

The economic cost of awarding shares to employees is reflected by recording a charge in the profit and loss account equivalent to the fair value of shares on the grant date over the vesting period. Since awarded shares relate to Group Companies, a corresponding reserve is created to reflect the equity component.

3. AUTHORISED CAPITAL

December 31, 2010	November 30, 2009		December 31, 2010	November 30, 2009
	Number of shares		(Rupees ,000)	
200,000,000	200,000,000	Ordinary shares of Rs. 10 each	2,000,000	2,000,000

4. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

December 31, 2010	November 30, 2009	Note	December 31, 2010	November 30, 2009
Number of shares			(Rupees ,000)	
5,832,196	5,832,196		58,322	58,322
18,479,640	18,479,640		184,796	184,796
73,588,466	73,588,466		735,885	735,885
97,900,302	97,900,302		979,003	979,003

As at December 31, 2010, Abbott Asia Investments Limited, UK held 76,259,454 shares. The ultimate holding company is Abbott International LLC, USA.

5. DEFERRED TAXATION

Deferred tax liability arising due to accelerated tax depreciation allowance	155,295	156,496
Deferred tax asset arising in respect of provisions	(40,113)	(36,869)
	115,182	119,627

6. TRADE AND OTHER PAYABLES

Creditors	112,490	114,466
Accrued liabilities	576,516	432,094
Advances from customers	120,438	98,913
Unclaimed dividends	8,640	10,023
Bills payable	250,494	340,924
Payable to related parties	34,938	25,551
Sales tax payable	23,328	20,415
Workers,, Profit Participation Fund	3,526	62,615
Central Research Fund	20,672	20,353
Workers,, Welfare Fund	48,302	47,452
Staff pension fund	552,580	425,315
Others	10,776	8,368
	1,762,700	1,606,489

6.1 Bills payable include the following amounts payable to related parties:

Other related parties

Abbott Pharmaceuticals, Inc. Puerto Rico	52,747	65,253
Abbott GMBH Diagnostic	26,474	38,235
Abbott Logistics B.V.	111,318	152,458
Abbott Labs PTE Ltd., Singapore	22,924	36,602
Abbott International LLC., USA	22,992	25,796
Abbott International Malaysia	-	275
Abbott International South Africa	-	106
	236,455	318,725

Notes to the Financial Statements

For the thirteen months ended December 31, 2010

	Note	December 31, 2010	November 30, 2009
(Rupees ,000)			
6.2	Payable to related parties represents the following amounts payable to:		
Other related parties			
Abbott Australasia Pty Limited		661	185
Abbott Mexico		1,873	-
Abbott International LLC., USA		30,419	21,021
Abbott Mearo		-	2,583
Abbott Labs PTE Ltd., Singapore		1,618	-
Abbott China		367	-
Abbott International Japan		-	1,762
		34,938	25,551

6.3 Workers' Profit Participation Fund

Balance at the beginning of the period / year		62,615	29,218
Allocation for the period / year	24	93,526	62,615
		156,141	91,833
Less: Amount paid to the fund		152,615	29,218
		3,526	62,615

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

The Company has given bank guarantees of Rs. 71.647 million (2009: Rs. 67.641 million) to the Customs Department, a utility company and other institutions against tenders.

7.2 Commitments

7.2.1 Commitments for capital expenditure aggregated approximately Rs. 130.028 million (2009: Rs. 49.517 million).

7.2.2 The Company has obtained short term financing facilities from various commercial banks amounting to Rs. 980 million (2009: Rs. 980 million). These facilities can be utilised for letters of credit, guarantees and running finance / short term loans. However, the running finance / short term loan utilisation cannot exceed Rs. 335 million (2009: Rs. 335 million). The running finance / short term loan carries markup at rates ranging from KIBOR plus 1% to KIBOR plus 2% (2009: KIBOR plus 1.75%) and are secured against first joint pari passu hypothecation charge over stocks and book debts of the Company, ranking hypothecation charge over stocks and book debts of the Company, promissory notes and counter guarantees. The Company has not borrowed any amount against running finance / short term loan facilities at the balance sheet date. Commitments in respect of letters of credit as at balance sheet date aggregated to Rs. 317.535 million (2009: Rs. 401.054 million).

	Note	December 31, 2010	November 30, 2009
(Rupees ,000)			
8. FIXED ASSETS - property, plant and equipment			
Operating fixed assets	8.1	1,484,642	1,502,899
Capital work-in-progress	8.5	392,954	159,886
		1,877,596	1,662,785

8.1 Operating fixed assets

The following is a statement of operating fixed assets:

	Freehold land	Leasehold land	Buildings on freehold land	Buildings on leasehold land	Plant and machinery	Vehicles	Office equipment	Computers	Demonstration equipments-note 8.2	Total
------(Rupees '000)-----										
At November 30, 2008										
Cost	20,679	2,718	314,764	66,683	1,833,734	185,306	46,174	164,880	385,790	3,020,728
Accumulated depreciation / amortisation	-	687	154,179	57,698	968,091	79,813	37,463	139,930	224,512	1,662,373
Net book value	20,679	2,031	160,585	8,985	865,643	105,493	8,711	24,950	161,278	1,358,355
Year ended November 30, 2009										
Opening net book value	20,679	2,031	160,585	8,985	865,643	105,493	8,711	24,950	161,278	1,358,355
Additions / transfer	-	-	9,853	-	182,281	75,764	6,321	10,128	76,264	360,611
Disposals / write off										
Cost	-	-	-	-	4,721	39,659	-	-	6,707	51,087
Depreciation	-	-	-	-	4,330	30,283	-	-	6,707	41,320
Depreciation / amortisation charge for the year	-	29	9,115	1,865	110,625	26,436	2,239	10,507	45,484	206,300
Closing net book value	20,679	2,002	161,323	7,120	936,908	145,445	12,793	24,571	192,058	1,502,899
At November 30, 2009										
Cost	20,679	2,718	324,617	66,683	2,011,294	221,411	52,495	175,008	455,347	3,330,252
Accumulated depreciation / amortisation	-	716	163,294	59,563	1,074,386	75,966	39,702	150,437	263,289	1,827,353
Net book value	20,679	2,002	161,323	7,120	936,908	145,445	12,793	24,571	192,058	1,502,899
Thirteen months ended December 31, 2010										
Opening net book value	20,679	2,002	161,323	7,120	936,908	145,445	12,793	24,571	192,058	1,502,899
Additions / transfer	-	-	-	-	68,769	85,893	14,029	6,295	84,785	259,771
Disposals / write off										
Cost	-	-	-	-	19,743	57,734	133	-	43,229	120,839
Depreciation	-	-	-	-	19,071	39,095	133	-	40,614	98,913
Depreciation / amortisation charge for the year	-	31	9,495	1,946	125,683	38,471	4,411	10,230	65,835	256,102
Closing net book value	20,679	1,971	151,828	5,174	879,322	174,228	22,411	20,636	208,393	1,484,642
At December 31, 2010										
Cost	20,679	2,718	324,617	66,683	2,060,320	249,570	66,391	181,303	496,903	3,469,184
Accumulated depreciation / amortisation	-	747	172,789	61,509	1,180,998	75,342	43,980	160,667	288,510	1,984,542
Net book value	20,679	1,971	151,828	5,174	879,322	174,228	22,411	20,636	208,393	1,484,642
Annual rate of depreciation / amortisation										
2009	-	1.06	2-10	5-10	5-20	20-25	10-33	20-33	12.5-33	
2010	-	1.06	2-10	5-10	5-20	20-25	10-33	20-33	12.5-33	

8.2 Demonstration equipments of the Company are in the possession of various hospitals and clinics.

Notes to the Financial Statements

For the thirteen months ended December 31, 2010

8.3 The depreciation charge for the period / year has been allocated as follows:

	Note	Thirteen months ended December 31, 2010	Twelve months ended November 30, 2009
(Rupees ,000)			
Cost of goods sold and services	19	138,900	121,007
Selling and distribution expenses	21	102,126	73,022
Administrative expenses	22	15,076	12,271
		256,102	206,300

8.4 Details of disposals of operating fixed assets having book value exceeding Rs. 50,000:

Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal	Particulars of purchaser
----- (Rupees '000) -----						
Vehicles	630	504	126	425	Open Market Auction	S.Muhammad Saeed House No. B-213, Block-4A, Sahafi Colony, Gulshan-e-Iqbal, Karachi.
	610	496	114	400	Open Market Auction	S.Muhammad Saeed House No. B-213, Block-4A, Sahafi Colony, Gulshan-e-Iqbal, Karachi.
	1,025	820	205	727	Open Market Auction	Wali A Khan House No. 1184, Street No. 83, Sector G-9/4, Islamabad.
	1,048	839	209	717	Open Market Auction	Wali A Khan House No. 1184, Street No. 83, Sector G-9/4, Islamabad.
	982	785	197	872	Open Market Auction	S.Ameer Ali House No. B-380, Block-13, Federal B Area, Karachi.
	1,058	846	212	712	Open Market Auction	Wali A Khan House No. 1184, Street No. 83, Sector G-9/4, Islamabad.
	570	456	114	332	Open Market Auction	Ameer Ali House No. B-380, Block-13, Federal B Area, Karachi.
	1,025	820	205	738	Open Market Auction	Wali A Khan House No. 1184, Street No. 83, Sector G-9/4, Islamabad.
	1,025	820	205	737	Open Market Auction	Wali A Khan House No. 1184, Street No. 83, Sector G-9/4, Islamabad.
	1,084	893	191	722	Open Market Auction	Wali A Khan House No. 1184, Street No. 83, Sector G-9/4, Islamabad.
	1,011	661	350	404	Negotiation	Jamal Nasir Employee
	1,039	741	298	753	Open Market Auction	Muhammad Irfan Flat No. A-202, Block-D-13, Gulshan-e-Iqbal, Karachi.
	1,228	982	246	711	Open Market Auction	Syed Riaz Ahmed House No. 216-A, Block-3, Gulshan-e-Iqbal, Karachi.
	871	697	174	587	Open Market Auction	Owais Ghaziani House No. G-18/1 Clifton Quarters, Jahangir Road, Karachi.
	1,329	166	1,163	1,262	Insurance Claim	EFU EFU house, M.A. Jinnah road, Karachi
	969	625	344	388	Negotiation	Irfan Hafeez Malik Employee
	1,010	653	357	404	Negotiation	Akbar Khan Employee
	4,293	3,435	858	1,717	Negotiation	Habib Ahmed Employee
	967	657	310	386	Negotiation	Sarmad Butt Employee
	932	606	326	373	Negotiation	Uzma Qutub Employee
	1,329	1,063	266	891	Open Market Auction	Syed Kashif House No. 3f-8/5 Nazimabad-3, Karachi.
	969	586	383	388	Negotiation	Mazhar Abbas Employee
	969	586	383	487	Negotiation	Zafar Iqbal Employee
	969	608	361	388	Negotiation	Amjad Ali Employee
	879	598	281	861	Open Market Auction	Fayyaz M Khan House No. 60 B, Block-6, PECHS, Karachi.
	1,010	646	364	404	Negotiation	Asim Shafiq Employee
	1,010	640	370	404	Negotiation	Aqeel Butt Employee
	978	593	385	391	Negotiation	Ashfaq Pyar Ali Employee
	661	401	260	264	Negotiation	Aurangzeb Khan Employee
	1,010	619	391	1,066	Open Market Auction	Azam Mehmood House No. 146-B, Millat Town, Malir Karachi.
	977	606	371	391	Negotiation	Feroz Alam Shah Employee
	1,011	633	378	404	Negotiation	Farrukh Amanat Employee
	977	606	371	391	Negotiation	Syed Nasir Employee
	999	607	392	399	Negotiation	Zahid Hussain Employee
	1,369	876	493	548	Negotiation	Hassham Malik Employee
	1,282	878	404	988	Open Market Auction	Zain Imtiaz Shaikh Flat No. 2-A, Plot No. C-87, 12 Commercial Street Phase II Extension DHA Karachi.
	1,350	873	477	540	Negotiation	Arshad Ahmed Employee
	937	592	345	374	Negotiation	Shah Thames Shah Employee
	1,039	658	381	416	Negotiation	Shehla Naseem Employee
	916	583	333	366	Negotiation	Amjad Jamal Employee
	916	583	333	366	Negotiation	Asif Ali Employee
	1,010	646	364	404	Negotiation	Azam Khan Niazi Employee
	920	589	331	368	Negotiation	Asif Husain Employee
	920	589	331	368	Negotiation	Usman Ali Employee
	981	785	196	849	Open Market Auction	Syed Kashif House No. 3f-8/5 Nazimabad-3, Karachi.
	916	583	333	366	Negotiation	Sher Afzal Employee
	1,010	619	391	986	Open Market Auction	Syed Riaz Ahmed House No. 216-A, Block-3, Gulshan-e-Iqbal, Karachi.
	1,010	633	377	404	Negotiation	Abida Sultana Employee
	1,010	633	377	404	Negotiation	Rana Anjum Lateef Employee
	977	619	358	391	Negotiation	Yousuf Zaman Khan Employee
	557	84	473	501	Insurance Claim	EFU EFU house, M.A. Jinnah road, Karachi
	1,279	814	465	511	Negotiation	Farrukh Hafeez Employee
	694	556	138	472	Open Market Auction	S.Ameer Ali House No. B-380, Block-13, Federal B Area, Karachi.
	466	319	147	429	Open Market Auction	Eslam Sarwar House No. 78, Block-6, PECHS, Karachi.
	1,010	727	283	957	Open Market Auction	Fayyaz M Khan House No. 60 B, Block-6, PECHS, Karachi.
	466	319	147	427	Negotiation	Faiaz Ahmed Employee
Plant and machinery	19,743	19,070	673	6,672	Open Market Auction	Sold to Fayyaz & Co
Demonstration equipment	23,895	23,034	861	-	Written off	
	19,334	17,580	1,754	-	Written off	

8.5 Capital work-in-progress

	Buildings on freehold land	Plant and machinery	Vehicles	Others	Total
	(Rupees '000)				
At December 1, 2008	8,129	182,856	10,359	1,136	202,480
Additions	1,724	134,221	83,849	21,959	241,753
Transferred to operating fixed assets	(9,853)	(182,281)	(75,764)	(16,449)	(284,347)
At November 30, 2009	-	134,796	18,444	6,646	159,886
Additions	-	247,025	78,357	83,113	408,495
Transferred to operating fixed assets	-	(68,769)	(85,893)	(20,765)	(175,427)
At December 31, 2010	-	313,052	10,908	68,994	392,954

Note December 31, 2010 November 30, 2009
(Rupees ,000)

9. LONG-TERM LOANS AND ADVANCES - considered good

Long-term loans

Due from:

- Executives
- Employees

9.1

1,944	1,122
56,648	48,322
58,592	49,444

Less: recoverable within one year

- Executives
- Employees

14

840	814
21,262	18,719
22,102	19,533
36,490	29,911

Long-term advances

- Employees

2,713	1,868
39,203	31,779

9.1 Reconciliation of carrying amount of long-term loans to executives:

Opening balance	1,122	507
Disbursements	854	108
Transfer of balances of employee cadre to executive cadre	1,712	1,580
Less: Repayments	1,744	1,073
Closing balance	1,944	1,122

9.2 Loans given to executives and employees are in accordance with the Company policy. These loans are interest free and are repayable in equal monthly installments within a maximum period of four years. These loans are for the purpose of purchase of refrigerators, scooters, vehicles and television sets. The loans for purchase of vehicles are secured by way of registration of vehicles purchased in the name of the Company.

9.3 The maximum aggregate amount of loans due from the chief executive and executives at the end of any month during the thirteen months were Rs. 0.450 million (2009: Rs. Nil) and Rs. 3.057 million (2009: Rs. 2.100 million) respectively.

Notes to the Financial Statements

For the thirteen months ended December 31, 2010

	Note	December 31, 2010 (Rupees ,000)	November 30, 2009
10. LONG TERM DEPOSITS			
Deposits		3,919	4,393
Less: Provision for doubtful deposits	10.1	1,118	-
		2,801	4,393
10.1 Reconciliation of provision			
Opening provision		-	-
Charge for the period / year	24	1,118	-
Closing provision		1,118	-
11. STORES AND SPARES			
Stores		48,048	43,418
Spares [including spares-in-transit Rs. 2.264 million (2009: Rs. 4.917 million)]		53,958	52,945
		102,006	96,363
Less: Provision for slow moving and obsolete items	11.1	29,576	27,266
		72,430	69,097
11.1 Reconciliation of provision for slow moving and obsolete items			
Opening provision		27,266	24,651
Charge for the period / year		2,310	2,615
Closing provision		29,576	27,266
12. STOCK-IN-TRADE			
Raw and packing materials [including stock-in-transit Rs. 91.513 million (2009: Rs. 74.784 million)]		1,218,864	877,591
Work-in-process		95,785	192,913
Finished goods [including stock-in-transit Rs. 82.343 million (2009: Rs. 81.749 million)]		862,932	701,419
		2,177,581	1,771,923
Less: Provision for slow moving and obsolete items	12.3	107,948	96,923
		2,069,633	1,675,000
12.1 Write down of inventories recognised as an expense in the current period amounts to Rs. 14.886 million (2009: Rs. 19.649 million).			
12.2 Stock-in-trade includes finished goods costing Rs. 27.664 million (2009: Rs. 112.558 million) valued at net realisable value amounting to Rs. 22.016 million (2009: Rs. 100.864 million).			

	Note	December 31, 2010	November 30, 2009
(Rupees ,000)			
12.3 Reconciliation of provision for slow moving and obsolete items			
Opening provision		96,923	146,838
Charge for the period / year		101,702	16,743
Write offs during the period / year		(90,677)	(22,042)
Write backs during the period / year		-	(44,616)
Closing provision		107,948	96,923
13. TRADE DEBTS			
Considered good:			
Secured			
- Due from other related parties	13.1	7,746	5,846
- Others		30,070	35,535
		37,816	41,381
Unsecured		225,451	192,804
		263,267	234,185
Considered doubtful:			
Unsecured		14,393	15,742
		277,660	249,927
Less: Provision for doubtful debts	13.2	14,393	15,742
		263,267	234,185
13.1 Due from other related parties			
Abbott Logistics B.V.		7,746	5,044
Abbott Laboratories Indonesia		-	684
Abbott Laboratories Mexico		-	118
		7,746	5,846
13.2 Reconciliation of provision for doubtful debts			
Opening provision		15,742	11,135
(Reversal) / charge for the period / year		(1,349)	4,607
Closing provision		14,393	15,742
14. LOANS AND ADVANCES - considered good			
Current portion of long-term loans	9	22,102	19,533
Advances to:			
- Executives		2,697	582
- Employees		454	508
		3,151	1,090
- Suppliers		105,615	20,654
		108,766	21,744
		130,868	41,277

Notes to the Financial Statements

For the thirteen months ended December 31, 2010

- 14.1** The maximum aggregate amount of advances due from the chief executive, directors and executives at the end of any month during the thirteen months were Rs. 1.103 million, Rs. 0.179 million and Rs. 2.697 million (2009: Rs. 1.017 million, Rs. 0.160 million and Rs. 4.283 million) respectively.

	Note	December 31, 2010	November 30, 2009
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(Rupees ,000)

15. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Considered good

Trade deposits		38,211	40,213
Prepayments [including sample inventory Rs. 34.972 million (2009: Rs. 32.014 million)]		95,959	50,421
		134,170	90,634

Considered doubtful

Trade deposits		2,161	2,161
		136,331	92,795
Less: Provision for doubtful trade deposits	15.1	2,161	2,161
		134,170	90,634

15.1 Reconciliation of provision for doubtful trade deposits

Opening provision		2,161	3,167
Reversal for the period / year	23	-	(1,006)
Closing provision		2,161	2,161

16. OTHER RECEIVABLES

Considered good

Due from related parties	16.1	41,687	57,831
Material on loan		12,402	5,661
Insurance claim receivable		3,720	3,854
Service fee for toll manufacturing		163	163
Others		21,743	13,544
		79,715	81,053

Considered doubtful

		1,876	1,716
		81,591	82,769
Less: Provision for doubtful other receivables	16.2	1,876	1,716
		79,715	81,053

16.1 Due from related parties

Abbott Labs PTE Ltd. - Singapore		30,327	29,451
Abbott International LLC., USA		1,550	4,309
Abbott Laboratories Japan		259	245
Abbott Laboratories Maero		4,686	-
Abbott Laboratories Philippines		1,071	-
Abbott Laboratories Mature product USA		-	21,189
Abbott Laboratories Indonesia		742	2,272
Abbott Laboratories Egypt		273	266
Abbott ALSA		2,779	-
Abbott Laboratories Saudi Arabia		-	99
		41,687	57,831

	Note	December 31, 2010	November 30, 2009
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(Rupees ,000)

16.2 Reconciliation of provision for doubtful other receivables

Opening provision		1,716	1,646
Charge for the period / year	24	160	70
Closing provision		1,876	1,716

17. CASH AND BANK BALANCES

With banks

Savings accounts:

- Local currency		123,890	137,966
- Foreign currency		75,428	46,482
	17.1	199,318	184,448

Deposit accounts:

- Local currency	17.2	600,000	550,000
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Current accounts:

- Local currency		2,089	2,195
		801,407	736,643

In hand

- Foreign currency		1,502	892
- Local currency		2,415	1,568

Cheques and drafts in hand and in transit		13,763	31,681
		819,087	770,784

17.1 These savings accounts carry markup rate at the rate of 5% (2009: 5%).

17.2 These deposit accounts carry markup rates ranging from 10.45% to 11.95% (2009: 11.10% to 11.55%).

	Note	Thirteen Months ended December 31, 2010	Twelve Months ended November 30, 2009
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(Rupees ,000)

18. SALES – NET

Local		10,728,882	8,267,177
Export - to related parties	31	54,130	52,155
Export - to others		571,384	368,339
		625,514	420,494
		11,354,396	8,687,671
Less:			
Sales returns and discounts		125,619	101,430
Sales tax and excise duty		233,076	155,161
		358,695	256,591
		10,995,701	8,431,080

Notes to the Financial Statements

For the thirteen months ended December 31, 2010

	Note	Thirteen Months ended December 31, 2010	Twelve Months ended November 30, 2009 (Restated)
(Rupees ,000)			
19. COST OF GOODS SOLD AND SERVICES			
Opening work-in-process		192,913	125,519
Raw and packing materials consumed		4,136,863	3,133,634
		4,329,776	3,259,153
Manufacturing expenses:			
Salaries, wages, allowances and staff welfare	19.1	818,391	682,989
Stores and spares consumed		61,147	42,272
Fuel and power		184,272	124,949
Depreciation	8.3	138,900	121,007
Repairs and maintenance		66,393	47,739
Technical service fee	31	89,237	68,669
Insurance		6,389	5,327
Printing and stationery		3,449	2,269
Travelling and entertainment		5,399	3,508
Rent, rates and taxes		2,572	1,834
Laboratory testing supplies		24,264	11,883
Computer expenses		17,901	14,472
Postage, telephone and telegram		10,368	7,922
Others	19.2	85,950	59,558
		1,514,632	1,194,398
		5,844,408	4,453,551
Closing work-in-process		(95,785)	(192,913)
Cost of goods manufactured and services		5,748,623	4,260,638
Finished goods			
Opening stock		701,419	979,424
Purchases		1,721,553	1,590,344
		8,171,595	6,830,406
Closing stock		(862,932)	(701,419)
		7,308,663	6,128,987

19.1 Salaries, wages, allowances and staff welfare include a net charge of Rs. 101.051 million - note 20.3 (2009: net charge of Rs. 127.057 million - restated) in respect of staff retirement benefits.

	Thirteen Months ended December 31, 2010	Twelve Months ended November 30, 2009
(Rupees ,000)		
19.2 Details of other expenses		
Other fees and purchased services	33,138	26,719
Recruitment and training expenses	1,707	782
Membership and subscription	410	405
Conference expenses	51	186
Miscellaneous expenses	50,644	31,466
	85,950	59,558

20. STAFF RETIREMENT BENEFITS

20.1 Defined benefit scheme

As mentioned in note 2.13, the Company operates a funded pension scheme for all its permanent employees. Contributions are made to the scheme based on actuarial recommendations. The actuarial valuations were carried out as at November 30, 2010 and December 31, 2010 using the Projected Unit Credit method.

	Note	December 31, 2010	November 30, 2009
(Rupees ,000)			
20.1.1 Amounts recognised in the balance sheet:			
Present value of the defined benefit obligation	20.1.2	2,088,619	1,741,442
Less: Fair value of the plan assets	20.1.3	1,536,039	1,316,127
Deficit		552,580	425,315
20.1.2 Movement in the present value of the defined benefit obligation:			
Obligation at beginning of the period / year		1,741,442	1,505,257
Current service cost		101,932	81,083
Interest cost		236,715	236,637
Benefits paid		(65,509)	(59,386)
Actuarial loss / (gain)		74,039	(22,149)
Obligation at end of the period / year		2,088,619	1,741,442
20.1.3 Movement in the fair value of plan assets:			
Fair value at beginning of the period / year		1,316,127	931,597
Expected return on plan assets		175,902	90,996
Company contributions	31	85,906	84,950
Benefits paid		(65,509)	(59,386)
Actuarial gain		23,613	267,970
Fair value at end of the period / year		1,536,039	1,316,127
20.1.4 Movement in liability:			
Staff Pension Fund at beginning of the period / year		425,315	573,660
Charge for the period / year		162,745	226,724
Actuarial loss / (gain) recognised in equity		50,426	(290,119)
Company contributions		(85,906)	(84,950)
Staff Pension Fund at end of the period / year		552,580	425,315
20.1.5 Plan assets are comprised as follows:			
Debt		492,128	585,459
Equity		371,591	304,959
Mixed funds		241,068	232,812
Bank balances		431,252	192,897
		1,536,039	1,316,127

Notes to the Financial Statements

For the thirteen months ended December 31, 2010

	Thirteen Months ended December 31, 2010	Twelve Months ended November 30, 2009 (Restated)
20.1.6 Amount recognised:		(Rupees ,000)
Current service cost	101,932	81,083
Interest cost	236,715	236,637
Expected return on plan assets	(175,902)	(90,996)
	<u>162,745</u>	<u>226,724</u>

20.1.7 Amount recognised in other comprehensive income:

Actuarial losses / (gains)	50,426	(290,119)
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20.1.8 Actual return on plan assets	<u>199,515</u>	<u>358,966</u>
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	Thirteen Months ended December 31, 2010	Twelve Months ended November 30, 2009
20.1.9 Principal actuarial assumptions used were as follows:		Percent per annum
Discount rate	14.00	12.50
Expected return on plan assets	14.00	12.50
Future salary increases	11.83	10.36
Future pension increases	5.56	4.17

20.1.10 Pension plan assets include the Company's ordinary shares with a fair value of Rs. 48.100 million (2009: Rs. 42.300 million).

20.1.11 The expected return on plan assets was taken as 14%, which is representative of yields on long-term Government bonds and term deposits with banks.

20.1.12 Expected contributions to the plan for the year ending December 31, 2011 is Rs. 89 million.

20.1.13 Five year data on the (surplus) / deficit of the plan is as follows:

	December 31, 2010	November 30, 2009	November 30, 2008	November 30, 2007	November 30, 2006
	(Rupees '000)				
Present value of defined benefit obligation	2,088,619	1,741,442	1,505,257	1,259,971	1,148,449
Fair value of plan assets	1,536,039	1,316,127	931,597	1,427,285	1,154,297
Deficit / (surplus)	<u>552,580</u>	<u>425,315</u>	<u>573,660</u>	<u>(167,314)</u>	<u>(5,848)</u>

20.1.14 Five year data on experience adjustments is as follows:

	December 31, 2010	November 30, 2009	November 30, 2008	November 30, 2007	November 30, 2006
	Percentage				
Experience adjustments on plan liabilities - loss / (gain)	4	(1)	6	(2)	5
Experience adjustments on plan assets - gain / (loss)	2	20	(65)	12	(2)

The adjustments have been expressed as a percentage of the plan liabilities and plan assets at the balance sheet date.

20.2 Defined contribution scheme

An amount of Rs. 42.852 million (2009: Rs. 34.622 million) has been charged during the period in respect of the contributory provident fund maintained by the Company.

	Note	Thirteen Months ended December 31, 2010	Twelve Months ended November 30, 2009 (Restated)
(Rupees ,000)			

20.3 Staff retirement benefit cost recognised in the profit and loss account

Pension cost		162,745	226,724
Less: Reimbursement from related party		(1,335)	(3,026)
Provident fund contribution	31	42,852	34,622
E.O.B.I.		4,825	4,852
		<u>209,087</u>	<u>263,172</u>

Allocated as:

Cost of goods sold and services	19.1	101,051	127,057
Selling and distribution expenses	21.1	82,971	105,192
Administrative expenses	22.1	25,065	30,923
		<u>209,087</u>	<u>263,172</u>

21. SELLING AND DISTRIBUTION EXPENSES

Salaries, wages, allowances and staff welfare	21.1	593,577	503,131
Rent, rates and taxes		24,180	9,330
Repairs and maintenance		17,691	12,529
Royalty		19,639	16,408
Insurance		4,930	4,655
Depreciation	8.3	102,126	73,022
Legal, professional and other services		19,698	18,938
Postage, telephone and telegram		17,139	14,250
Printing and stationery		9,413	7,286
Travelling, conveyance and entertainment		215,731	152,221
Advertising, samples and sales promotion		350,353	257,972
Forwarding expenses		143,360	100,175
Electricity		10,822	9,083
Computer expenses		16,113	13,461
Training and development expenses		14,733	13,404
Packing and miscellaneous supplies		14,905	11,611
Others	21.2	79,752	70,491
		<u>1,654,162</u>	<u>1,287,967</u>
Less: Reimbursement from related party	31	53,061	35,157
		<u>1,601,101</u>	<u>1,252,810</u>

21.1 Salaries, wages, allowances and staff welfare include a net charge of Rs. 82.971 million - note 20.3 (2009: net charge of Rs. 105.192 million - restated) in respect of staff retirement benefits.

Notes to the Financial Statements

For the thirteen months ended December 31, 2010

	Note	Thirteen Months ended December 31, 2010	Twelve Months ended November 30, 2009
(Rupees ,000)			
21.2 Details of other expenses			
Other fees and purchased services		18,341	9,977
Security expenses		6,354	4,349
Membership and subscription		530	682
Air conditioning expenses		8,047	7,958
Housekeeping expenses		2,517	2,293
Water charges		272	439
Purchased gas		524	141
Sales commission expenses		36,628	41,896
Miscellaneous expenses		6,539	2,756
		79,752	70,491

22. ADMINISTRATIVE EXPENSES

		Thirteen Months ended December 31, 2010	Twelve Months ended November 30, 2009 (Restated)
Salaries, wages, allowances and staff welfare	22.1	149,126	123,833
Rent, rates and taxes		7,065	1,674
Repairs and maintenance		5,354	4,064
Insurance		1,493	2,030
Depreciation	8.3	15,076	12,271
Legal, professional and other services		8,066	5,578
Postage, telephone and telegram		6,360	4,974
Printing and stationery		2,285	1,698
Travelling, conveyance and entertainment		17,431	12,696
Electricity		6,987	4,097
Computer expenses		12,596	5,199
Training and development expenses		1,148	674
Miscellaneous office supplies		2,519	1,725
Others	22.2	40,896	29,204
		276,402	209,717
Less: Reimbursement from related party	31	8,487	7,774
		267,915	201,943

22.1 Salaries, wages, allowances and staff welfare include a net charge of Rs. 25.065 million - note 20.3 (2009: net charge of Rs. 30.923 million - restated) in respect of staff retirement benefits.

		Thirteen Months ended December 31, 2010	Twelve Months ended November 30, 2009
(Rupees ,000)			
22.2 Details of other expenses			
Other fees and purchased services		18,753	16,567
Security expenses		1,746	1,284
Membership and subscription		5,258	1,203
Air conditioning expenses		6,613	4,733
Housekeeping expenses		2,048	1,702
Water charges		190	232
Miscellaneous expenses		6,288	3,483
		40,896	29,204

	Note	Thirteen Months ended December 31, 2010	Twelve Months ended November 30, 2009
(Rupees ,000)			
23. OTHER OPERATING INCOME			
Gain on disposal of fixed assets		16,897	10,708
Interest income	23.1	78,511	111,173
Scrap sales		4,103	4,290
Provision for doubtful trade debts no longer required written back	23.2	787	-
Provision for doubtful trade deposits no longer required written back	15.1	-	1,006
Others		8,781	14,713
		109,079	141,890

23.1 Interest income include an amount of Rs. 10.231 million (2009: Rs. 10.277 million) on account of interest income earned from Abbott Labs PTE Ltd.-Singapore, a related party @ 15.6% (2009: 15.6%) of half of the written down value of assets deployed by the Company on their behalf in the Company's diagnostic division in Pakistan.

23.2 The amount is net of claim of Rs. 0.562 million given to other related party against reversal of provision.

	Note	Thirteen Months ended December 31, 2010	Twelve Months ended November 30, 2009 (Restated)
(Rupees ,000)			
24. OTHER OPERATING CHARGES			
Workers,, Profit Participation Fund	6.3	93,526	62,615
Auditors,, remuneration	24.1	1,582	1,550
Donations	24.2	3,752	855
Workers,, Welfare Fund		35,747	23,588
Central Research Fund		17,589	11,777
Provision for doubtful other receivables	16.2	160	70
Provision for doubtful trade debts less reimbursement from related party	24.3	-	2,126
Provision for doubtful deposit	10.1	1,118	-
Exchange loss		28,840	25,727
Others		-	1,457
		182,314	129,765

24.1 Auditors' remuneration

Statutory audit fee	1,350	1,350
Special certifications	150	150
Out of pocket expenses	82	50
	1,582	1,550

24.2 Recipients of donations do not include any donee in whom a director or his spouse had any interest (2009: None).

24.3 The amount is net of reimbursement of Rs. 2.481 million from other related party against provision for doubtful debts.

Notes to the Financial Statements

For the thirteen months ended December 31, 2010

	Thirteen Months ended December 31, 2010 (Rupees ,000)	Twelve Months ended November 30, 2009
25. FINANCE COST		
Bank charges	3,530	2,525
	Thirteen Months ended December 31, 2010	Twelve Months ended November 30, 2009 (Restated)
	(Rupees ,000)	
26. TAXATION - net		
Current tax charge		
- Current year	535,904	241,173
- Prior year	32,854	6,712
	568,758	247,885
Deferred	(4,445)	19,021
	564,313	266,906
26.1 Relationship between tax expense and accounting profit		
Accounting profit before taxation	1,741,257	875,978
Tax rate	35%	35%
Tax on accounting profit	609,440	306,592
Tax for prior years	32,854	6,712
Tax effect of:		
- Expenses that are not deductible in determining taxable profit	14,532	(10,121)
- Applying lower tax rates to certain income	(100,354)	(42,010)
- Others (including the impact arising as a consequence of reversal of deferred tax liability and change in allocation ratio of revenue chargeable under FTR and Non-FTR)	7,841	5,733
	564,313	266,906
27. EARNINGS PER SHARE - BASIC / DILUTED		
Profit for the period / year	1,176,944	609,072
	Number of shares	
Weighted average number of ordinary shares in issue during the period / year	97,900,302	97,900,302
	(Rupees)	
		(Restated)
Earnings per share	12.02	6.22

27.1 There is no dilutive effect on the basic earnings per share of the Company.

	Note	Thirteen Months ended December 31, 2010	Twelve Months ended November 30, 2009 (Restated)
(Rupees ,000)			
28. CASH GENERATED FROM OPERATIONS			
Profit before taxation		1,741,257	875,978
Adjustment for:			
Depreciation / amortisation	8.3	256,102	206,300
Gain on disposal of property plant and equipment	23	(16,897)	(10,708)
Interest income	23	(78,511)	(111,173)
Expense recognised in profit or loss in respect of equity-settled share-based compensation		23,314	19,076
Pension retirement benefit		76,839	141,774
Finance cost	25	3,530	2,525
Working capital changes	28.1	(493,611)	318,267
		1,512,023	1,442,039

28.1 Working capital changes

(Increase) / decrease in current assets net of provision

Stores and spares	(3,333)	(21,350)
Stock-in-trade	(394,633)	21,200
Trade debts	(29,082)	(61,360)
Loans and advances	(89,591)	(19,961)
Trade deposits and short-term prepayments	(43,536)	74,151
Other receivables	1,338	(45,588)
	(558,837)	(52,908)
Increase in current liabilities		
Trade and other payables - net	65,226	371,175
	(493,611)	318,267

29. SHARE BASED COMPENSATION

Share-based compensation plans

As at December 31, 2010, the Company's equity settled share-based compensation plan includes restricted stock units plan.

Under the plan, the Company employees, eligible as per policy are awarded Restricted stock units of Abbott International LLC, USA (the †Parent company-). The plan entitles eligible employees shares of the parent company which are vested equally over next three years, subject to certain vesting conditions.

In accordance with IFRS 2 (Share-Based Payments), services received from employees as consideration for stock options are recognized as an expense in the profit and loss account, with the corresponding entry recorded as equity. The expense corresponds to the fair value of the stock option plans of the shares of the Abbott International LLC, USA and is charged against income on a straight-line basis over the vesting period of the plan.

The fair value of restricted stock units plan is measured at the date of grant using the Black-Scholes option pricing model with the following assumptions:

Notes to the Financial Statements

For the thirteen months ended December 31, 2010

	2009	2008	2007
Volatility	22.00%	24.00%	25.00%
Dividend yield	3.00%	2.60%	2.50%
Risk free interest rate	2.70%	3.00%	4.50%

A summary of options outstanding is given below:

	December 31, 2010		November 30, 2009	
	Outstanding number of options	Weighted average value per option	Outstanding number of options	Weighted average value per option
	6,778	USD 48.18	12,783	USD 23.52

30. CAPACITY

The capacity and production of the Company's plants is indeterminable as these are multi-product plants involving varying processes of manufacture. The Company's production was according to market demand.

31. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprises other related parties, employee retirement benefit plans, directors and key management personnel. Transactions with related parties essentially entail sale and purchase of goods and services and expenses charged between these companies. Transactions with related parties are as follows:

	Note	Thirteen Months ended December 31, 2010	Twelve Months ended November 30, 2009 (Restated)
		(Rupees ,000)	
Other related parties			
Sale of goods	18	54,130	52,155
Purchase of materials		2,297,507	1,943,546
Technical service fee	19	89,237	68,669
Reimbursements from a related party on account of:			
Other operating income		562	-
Other operating charges		-	2,481
Selling and distribution expenses	21	53,061	35,157
Administrative expenses	22	8,487	7,774
Pension Fund		1,335	3,026
Interest income earned	23.1	10,231	10,277
Contributions paid in respect of staff retirement benefit plans			
Pension Fund	20.1.3	85,906	84,950
Provident Fund	20.3	42,852	34,622
Key management personnel			
Short-term employee benefits		109,129	79,933
Post-employment benefits		14,369	12,717

- 31.1** Disposals of property, plant and equipment to key management personnel are disclosed in note 8.4
- 31.2** Outstanding balances in respect of related party sales and purchases, reimbursements and staff retirement benefits are included in notes 6, 13, 16 and 20.
- 31.3** Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly. The Company considers all members of their executive management team, including the chief executive and directors, to be key management personnel. Outstanding balances of loans and advances to key management personnel are disclosed in note 9 and note 14.

32. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements in respect of remuneration, including all benefits to the chief executive, directors and executives of the Company were as follows:

	Thirteen Months ended December 31, 2010			Twelve Months ended November 30, 2009		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	----- (Rupees '000) -----					
Short-term employee benefits						
Managerial remuneration	24,314	23,864	230,178	19,358	16,419	156,982
Leave passage / encashment	1,030	2,694	16,195	719	609	9,359
Medical expenses	101	339	13,527	18	217	4,831
Rent / utility / maintenance / furnishing		165	716	-	109	473
	25,445	27,062	260,616	20,095	17,354	171,645
Retirement benefits	3,335	3,477	36,614	2,584	2,477	24,941
	28,780	30,539	297,230	22,679	19,831	196,586
Number of persons (At December 31 / November 30)	1	*2	115	1	*2	93

*Includes 1 alternate Director

- 32.1** In addition, Rs 23.314 million (2009 Rs: 19.076 million) has been charged in the profit and loss account in respect of share-based payments to chief executive, directors and certain executives of the Company as mentioned in note 2.22.
- 32.2** Managerial remuneration includes Rs 50.188 million (2009 Rs: 35.655 million) charged in the profit and loss account in respect of bonus to chief executive, directors and certain executives of the Company.
- 32.3** Directors and certain other executives are provided with free use of Company maintained cars, club membership and telephone facilities as per terms of employment.
- 32.4** The aggregate amount charged in these financial statements for fees to non-executive directors is Rs. 0.240 million (2009: Rs. 0.340 million).

Notes to the Financial Statements

For the thirteen months ended December 31, 2010

33. SEGMENT WISE OPERATING RESULTS

	Thirteen Months ended December 31, 2010				Twelve Months ended November 30, 2009 (Restated)			
	Pharma- ceuticals	Nutritional	Others	Total	Pharma- ceuticals	Nutritional	Others	Total
----- (Rupees '000) -----								
Sales	8,765,444	1,514,898	1,074,054	11,354,396	6,807,586	1,083,268	796,817	8,687,671
Less: Sales returns and discounts	78,155	20,297	27,167	125,619	61,263	16,979	23,188	101,430
Less: Sales tax and excise duty	-	140,947	92,129	233,076	-	95,526	59,635	155,161
Sales - net	8,687,289	1,353,654	954,758	10,995,701	6,746,323	970,763	713,994	8,431,080
Service fee for toll manufacturing	-	-	-	-	19,038	-	-	19,038
Cost of goods sold and services - note 33.3	8,687,289	1,353,654	954,758	10,995,701	6,765,361	970,763	713,994	8,450,118
	5,823,315	866,528	618,820	7,308,663	4,783,743	803,628	541,616	6,128,987
Gross profit	2,863,974	487,126	335,938	3,687,038	1,981,618	167,135	172,378	2,321,131
Selling and distribution expenses - note 33.4	1,175,626	219,563	205,912	1,601,101	966,705	181,297	104,808	1,252,810
Administrative expenses - note 33.5	235,871	22,890	9,154	267,915	176,514	15,204	10,225	201,943
	1,411,497	242,453	215,066	1,869,016	1,143,219	196,501	115,033	1,454,753
Segment result	1,452,477	244,673	120,872	1,818,022	838,399	(29,366)	57,345	866,378
Unallocated corporate expenses / income								
Other operating income				109,079				141,890
Other operating charges				182,314				129,765
Profit before finance cost and taxation				1,744,787				878,503
Other Information								
Segment assets employed	3,818,535	226,638	402,855	4,448,028	3,128,380	168,794	367,158	3,664,332
Unallocated corporate assets				1,342,393				1,300,244
Total assets				5,790,421				4,964,576
Segment liabilities	981,704	81,453	60,269	1,123,426	1,031,840	15,054	3,859	1,050,753
Unallocated corporate liabilities				754,456				675,363
Total liabilities				1,877,882				1,726,116
Capital expenditure during the period / year	375,955	15,433	101,451	492,839	232,971	2,995	82,051	318,017
Unallocated corporate capital expenditure				-				-
Total capital expenditure				492,839				318,017
Depreciation / amortisation	186,048	7,523	62,531	256,102	160,479	6,479	39,342	206,300
Unallocated depreciation / amortisation				-				-
Total depreciation / amortisation				256,102				206,300

Note
Thirteen Months ended December 31, 2010
 Twelve Months ended November 30, 2009
 (Rupees ,000)

33.1 Geographical information

Sales to external customers		
Pakistan	10,370,187	8,010,586
Afghanistan	434,772	266,097
Sri Lanka	129,510	90,314
Holland	54,130	47,956
Bangladesh	3,361	4,423
Egypt	3,674	-
Hong kong	-	4,199
Nigeria	-	3,776
Syria	67	-
Singapore	-	3,729
	10,995,701	8,431,080
Service fee for toll manufacturing Pakistan	-	19,038
	10,995,701	8,450,118

33.2 Segment assets consist primarily of property, plant and equipment, trade debts and stock-in-trade. Segment liabilities comprise of trade creditors and an apportionment of accrued expenses. Assets and liabilities which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated corporate assets and liabilities.

33.3 Segment wise cost of goods sold and services

	Thirteen Months ended December 31, 2010				Twelve Months ended November 30, 2009 (Restated)			
	Pharmaceuticals	Nutritional	Others	Total	Pharmaceuticals	Nutritional	Others	Total
	(Rupees '000)							
Opening work-in-process	186,174	4,105	2,634	192,913	118,175	3,737	3,607	125,519
Raw and packing materials consumed	3,932,644	20,595	183,624	4,136,863	2,994,534	23,619	115,481	3,133,634
	4,118,818	24,700	186,258	4,329,776	3,112,709	27,356	119,088	3,259,153
Manufacturing expenses:								
Salaries, wages, allowances and staff welfare	778,723	19,056	20,612	818,391	654,436	14,141	14,412	682,989
Stores and spare parts consumed	58,184	1,422	1,541	61,147	40,045	1,103	1,124	42,272
Fuel and power	175,340	4,291	4,641	184,272	118,365	3,261	3,323	124,949
Depreciation / amortisation	132,168	3,234	3,498	138,900	114,631	3,158	3,218	121,007
Repairs and maintenance	63,175	1,546	1,672	66,393	45,223	1,246	1,270	47,739
Technical service fee	87,159	2,078	-	89,237	66,877	1,792	-	68,669
Insurance	6,079	149	161	6,389	5,046	139	142	5,327
Printing and stationery	3,282	80	87	3,449	2,150	59	60	2,269
Travelling and entertainment	5,137	126	136	5,399	3,323	92	93	3,508
Rent, rates and taxes	2,447	60	65	2,572	1,737	48	49	1,834
Laboratory testing supplies	23,088	565	611	24,264	11,257	310	316	11,883
Computer expenses	17,033	417	451	17,901	13,709	378	385	14,472
Postage, telephone and telegram	9,866	241	261	10,368	7,504	207	211	7,922
Others	80,621	1,480	3,849	85,950	54,628	3,346	1,584	59,558
	1,442,302	34,745	37,585	1,514,632	1,138,931	29,280	26,187	1,194,398
	5,561,120	59,445	223,843	5,844,408	4,251,640	56,636	145,275	4,453,551
Closing work-in-process	(92,153)	(135)	(3,497)	(95,785)	(186,174)	(4,105)	(2,634)	(192,913)
Cost of goods manufactured and services	5,468,967	59,310	220,346	5,748,623	4,065,466	52,531	142,641	4,260,638
Finished goods								
Opening stock	340,082	244,658	116,679	701,419	572,462	275,414	131,548	979,424
Purchases	512,170	760,414	448,969	1,721,553	485,897	720,341	384,106	1,590,344
	6,321,219	1,064,382	785,994	8,171,595	5,123,825	1,048,286	658,295	6,830,406
Closing stock	(497,904)	(197,854)	(167,174)	(862,932)	(340,082)	(244,658)	(116,679)	(701,419)
	5,823,315	866,528	618,820	7,308,663	4,783,743	803,628	541,616	6,128,987

Notes to the Financial Statements

For the thirteen months ended December 31, 2010

33.4 Segment wise selling and distribution expenses

	Thirteen Months ended December 31, 2010				Twelve Months ended November 30, 2009 (Restated)			
	Pharma- ceuticals	Nutritional	Others	Total	Pharma- ceuticals	Nutritional	Others	Total
----- (Rupees '000) -----								
Salaries, wages, allowances and staff welfare	464,146	69,098	60,333	593,577	399,533	61,587	42,011	503,131
Rent, rates and taxes	20,139	2,007	2,034	24,180	7,660	10	1,660	9,330
Repairs and maintenance	14,365	1,096	2,230	17,691	10,242	654	1,633	12,529
Royalty	19,639	-	-	19,639	16,408	-	-	16,408
Insurance	4,088	339	503	4,930	3,779	390	486	4,655
Depreciation	40,834	3,217	58,075	102,126	34,885	2,901	35,236	73,022
Legal, professional and other services	18,821	758	119	19,698	18,174	634	130	18,938
Postage, telephone and telegram	11,357	2,097	3,685	17,139	8,894	2,518	2,838	14,250
Printing and stationery	8,186	918	309	9,413	6,352	633	301	7,286
Travelling, conveyance and entertainment	160,089	26,694	28,948	215,731	110,697	20,830	20,694	152,221
Advertising, samples and sales promotion	187,670	69,120	93,563	350,353	173,473	55,514	28,985	257,972
Forwarding expenses	107,355	32,158	3,847	143,360	68,814	28,521	2,840	100,175
Electricity	9,902	658	262	10,822	8,166	561	356	9,083
Computer expenses	13,243	1,609	1,261	16,113	10,840	1,330	1,291	13,461
Training and development expenses	10,506	4,154	73	14,733	12,582	800	22	13,404
Packing and miscellaneous supplies	12,385	1,659	861	14,905	9,810	1,252	549	11,611
Others	72,901	3,981	2,870	79,752	66,396	3,162	933	70,491
	1,175,626	219,563	258,973	1,654,162	966,705	181,297	139,965	1,287,967
Less: Reimbursement from related party	-	-	53,061	53,061	-	-	35,157	35,157
	1,175,626	219,563	205,912	1,601,101	966,705	181,297	104,808	1,252,810

33.5 Segment wise administrative expenses

	Thirteen Months ended December 31, 2010				Twelve Months ended November 30, 2009 (Restated)			
	Pharma- ceuticals	Nutritional	Others	Total	Pharma- ceuticals	Nutritional	Others	Total
----- (Rupees '000) -----								
Salaries, wages, allowances and staff welfare	130,079	13,101	5,946	149,126	106,449	10,406	6,978	123,833
Rent, rates and taxes	5,376	779	910	7,065	325	14	1,335	1,674
Repairs and maintenance	4,681	197	476	5,354	3,401	-	663	4,064
Insurance	1,182	44	267	1,493	1,352	41	637	2,030
Depreciation	13,046	1,072	958	15,076	10,885	420	966	12,271
Legal, professional and other services	7,402	635	29	8,066	5,578	-	-	5,578
Postage, telephone and telegram	5,625	578	157	6,360	4,568	107	299	4,974
Printing and stationery	2,048	3	234	2,285	1,431	15	252	1,698
Travelling, conveyance and entertainment	12,194	4,618	619	17,431	9,000	3,418	278	12,696
Electricity	4,949	183	1,855	6,987	3,930	-	167	4,097
Computer expenses	9,158	407	3,031	12,596	2,651	49	2,499	5,199
Training and development expenses	1,006	77	65	1,148	645	8	21	674
Miscellaneous office supplies	1,960	483	76	2,519	1,524	178	23	1,725
Others	37,165	713	3,018	40,896	24,775	548	3,881	29,204
	235,871	22,890	17,641	276,402	176,514	15,204	17,999	209,717
Less: Reimbursement from related party	-	-	8,487	8,487	-	-	7,774	7,774
	235,871	22,890	9,154	267,915	176,514	15,204	10,225	201,943

34. Financial Risk Management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk). The Company's overall risk management programme focuses on minimizing potential adverse effects on the Company's financial performance. The overall risk management of the Company is carried out by the Company's finance department under policies approved by the Board of Directors. Such policies entail identifying, evaluating and addressing financial risks of the Company.

The Company's overall risk management procedures to minimize the potential adverse affects of financial market on the Company's performance are as follows:

34.1 Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economical, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk of the Company arises principally from the trade debts, loans and advances, trade deposits, other receivables and balances with banks. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk on trade debts, the Company has developed a formal approval process, whereby credit limits are applied to its customers. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery. The credit risk on liquid funds such as balances with banks is limited because the counter parties are banks with reasonably high credit ratings.

	December 31, 2010	November 30, 2009
	(Rupees ,000)	
The maximum exposure to credit risk at the reporting date is as follows:		
Loans	64,456	52,402
Deposits	41,012	44,606
Trade debts	263,267	234,185
Accrued profit	705	1,425
Other receivables	67,313	75,392
Balances with banks	815,170	768,324
	1,251,923	1,176,334

The Company is not exposed to concentrations of credit risk in respect of trade debts because the Company's sales are primarily against advance payment / collection on delivery (COD) terms.

The maximum exposure to credit risk for loans and receivables at the reporting date are:

	December 31, 2010	November 30, 2009
	(Rupees ,000)	
Ageing of trade debts past due but not impaired:		
61-90 days	10,789	28,576
91-180 days	18,221	29,892
181-360 days	27,619	7,532
Over 360 days	18,188	7,886

The impaired trade debts and the basis of impairment are disclosed in notes 13 and 2.6 respectively.

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The credit quality of balances with banks can be assessed with reference to external credit ratings as follows:

Name of Banks	Rating Agency	Ratings		Date of Rating	December 31,	November 30,
		Short -term	Long-term		2010	2009
					(Rupees ,000)	
Royal Bank of Scotland Limited*	PACRA	A1+	AA	Jun 2010	-	89
Deutsche Bank AG	Standard & Poor,s (S&P)	A-1	A+	Feb 2010	14,832	3,110
MCB Bank Limited	PACRA	A1+	AA+	Jun 2010	33	465
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA	Jun 2010	283,872	730,749
HSBC Bank Middle East Limited	Moody,s	P-1	Aa3	May 2010	30	47
Bank of Tokyo-Mitsubishi UFJ Limited	S&P	A-1	A+	Jun 2010	500,002	85
Citibank N.A.	S&P	A-1	A+**	Aug 2010	88	44
National Bank of Pakistan	JCR-VIS	A-1+	AAA	Jun 2010	1,987	2,054
Faysal Bank Limited*	JCR-VIS	A-1+	AA	Jun 2010	563	-

* Placed on Rating Watch

** Rating Outlook Negative

34.2 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or encounters difficulty in raising funds to meet commitments associated with financial liabilities 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. The Company manages liquidity risk by maintaining sufficient cash / bank balance and the availability of funding through an adequate amount of committed credit facilities. As at December 31, 2010, the Company,s financial liabilities of Rs. 993.854 million (2009: Rs. 931.426 million) are all current and due in next financial year.

34.3 Market Risk

Market risk is the risk that the value of financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Company is not exposed to other price risk whereas the exposure to currency risk and interest rate risk is given below:

34.4 Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

The Company's exposure to foreign currency risk at the reporting date was as follows:

	December 31, 2010		November 30, 2009	
	Rupees	US Dollars	Rupees	US Dollars
----- ('000) -----				
Cash and cash equivalents	76,930	897	47,374	566
Due from related parties	49,433	576	63,677	761
Bills payable to related parties	(236,455)	(2,756)	(318,725)	(3,808)
Payable to related parties	(34,938)	(407)	(25,551)	(305)
	(145,030)	(1,690)	(233,225)	(2,786)

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

	Balance sheet date rate		Average rate	
	December 31, 2010	November 30, 2009	Thirteen Months ended December 31, 2010	Twelve Months ended November 30, 2009
	----- (Rupees) -----			
US Dollar	85.8	83.7	85.2	81.3

A ten percent strengthening / weakening of the Pakistani Rupee against the US Dollar at the reporting date would increase / decrease post tax profit for the period / year by Rs. 9.803 million (2009: Rs. 16.216 million). This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for the previous year.

34.5 Interest rate risk

Interest rate risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from savings and deposit accounts with banks.

Fixed rate instruments

	December 31, 2010	November 30, 2009
	(Rupees ,000)	
Financial assets	799,318	734,448

The Company has not designated any financial assets or liabilities as "at fair value through profit or loss". Therefore, a change in interest rate at the reporting date would not affect profit and loss account.

34.6 Fair value of financial assets and liabilities

The carrying amounts of all financial assets and liabilities reflected in the financial statements approximate their fair values.

35. CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to remain as a going concern and continue to provide returns for shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares.

The current capital structure of the company is equity based with no financing through borrowings.

36. NON - ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

In their meeting held on February 22, 2011, the Board of Directors of the Company have proposed a final cash dividend for the thirteen months ended December 31, 2010 of Rs. 3.0 per share (2009: cash dividend of Rs. 3.0 per share). This is in addition to interim cash dividend of Rs. 2.0 per share (2009: Rs. 9.0 per share).

Notes to the Financial Statements

For the thirteen months ended December 31, 2010

The total dividend declared during the period / year and dividend per share has been summarised below:

	December 31, 2010	November 30, 2009
	(Rupees ,000)	
Cash dividend	489,502	Rupees 1,174,804
Cash dividend per share	5.00	12.00

In addition, the Board has proposed a transfer of Rs.650.000 million from Unappropriated Profit to General Reserve (2009: Rs. 250.000 million from Unappropriated Profit to General Reserve).

The financial statements for the thirteen months ended December 31, 2010 do not include the effect of the final cash dividend nor the effect of the proposed transfer between reserves which will be accounted for in the financial statements for the year ending December 31, 2011.

37 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. Significant reclassifications made are as follows:

From	To	Nature	Amount re-classified Rupees '000
Administrative expense	Other operating charges	Reimbursement of provision for doubtful debt from other related party	2,481

38 DATE OF AUTHORISATION

These financial statements were authorised for issue on February 22, 2011 by the Board of Directors of the Company.


Chief Executive


Director

Pattern of Shareholding

As at December 31, 2010

Size of Holding Rs. 10 Shares		Number of Shareholders	Total Shares
1	100	836	36,614
101	500	796	229,266
501	1,000	372	294,387
1,001	5,000	632	1,358,986
5,001	10,000	110	796,933
10,001	15,000	37	454,569
15,001	20,000	9	160,520
20,001	25,000	9	197,472
25,001	30,000	2	56,275
30,001	35,000	3	96,673
35,001	40,000	3	111,728
40,001	45,000	2	82,173
45,001	50,000	1	45,619
50,001	55,000	2	105,635
55,001	60,000	1	56,986
60,001	65,000	1	64,050
135,001	140,000	2	272,992
140,001	145,000	1	140,627
215,001	220,000	1	219,303
235,001	240,000	1	236,766
250,001	255,000	1	252,000
270,001	275,000	1	270,454
435,001	440,000	1	438,689
450,001	455,000	1	452,608
490,001	495,000	1	490,926
495,001	500,000	1	495,520
510,001	515,000	1	514,434
515,001	520,000	1	518,516
520,001	525,000	1	523,236
535,001	540,000	1	536,689
695,001	700,000	2	1,396,764
700,001	705,000	1	703,874
735,001	740,000	1	738,086
745,001	750,000	1	746,253
775,001	780,000	1	779,532
780,001	785,000	1	780,150
830,001	835,000	1	830,624
970,001	975,000	1	974,328
1,240,001	1,245,000	1	1,242,596
1,265,001	1,270,000	1	1,267,462
2,670,001	2,675,000	1	2,670,538
76,000,001	76,300,000	1	76,259,449
TOTAL		2,844	97,900,302

Categories of Shareholders

As at December 31, 2010

S.No	Shareholders category	No. of shareholders	No. of shares	%
1	Associated Companies, Undertakings and Related Parties	3	77,189,064	78.84
2	NIT and ICP	3	2,671,518	2.73
3	Directors, CEO and Their Spouses	7	37,243	0.04
4	Executives	-	-	-
5	Public Sector Companies and Corporations	1	830,624	0.85
6	Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Modaraba and Mutual Funds	24	5,215,089	5.33
7	Others	49	168,285	0.17
8	Individuals	2,757	11,788,479	12.04
TOTAL		2,844	97,900,302	100.00

List of Associated Companies and Undertakings

S.NO	FOLIO	NAME	HOLDING
1	4502	M/S. ABBOTT ASIA INVESTMENTS LIMITED	76,259,449
2	03277-2083	TRUSTEES OF ABBOTT LAB (PAK) LTD. STAFF PENSION FUND	438,689
3	03277-7217	TRUSTEES ABBOTT LAB (PAK) LTD. STAFF PROVIDEND FUND	490,926
TOTAL			77,189,064

List of NIT and ICP

S.NO	FOLIO	NAME	HOLDING
1	2405	NATIONAL BANK OF PAKISTAN (TRUSTEE DEPARTMENT)	100
2	4171	N. B. P. TRUSTEE DEPARTMENT	880
3	02154-27	NATIONAL BANK OF PAKISTAN-TRUSTEE DEPARTMENT NI(U)T FUND	2,670,538
TOTAL			2,671,518

List of Directors

S.NO	FOLIO	NAME	HOLDING
1	4113	MR. THOMAS C. FREYMAN	1
2	4487	MR. MUNIR AHMED SHAIKH	1
3	4579	MR. ASIF JOOMA	1
4	4596	MR. ANGELO KONDES	1
5	4607	SYED ANIS AHMED	1
6	03277-144	KAMRAN Y. MIRZA	36,098
7	06122-5280	SHAMIM AHMAD KHAN	1,140
TOTAL			37,243

Categories of Shareholders

As at December 31, 2010

Public Sector Companies and Corporations

S.NO	FOLIO	NAME	HOLDING
1	02683-23	STATE LIFE INSURANCE CORP. OF PAKISTAN	830,624
		TOTAL	830,624

Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Modaraba and Mutual Funds

S.NO	FOLIO	NAME	HOLDING
1	3031	M/S. GOLDEN ARROW SELECTED STOCK	48
2	3137	UNITED INSURANCE CO OF PAK LTD	2
3	00083-36	IDBP (ICP UNIT)	5,431
4	00307-40281	INNOVATIVE INVESTMENT BANK LIMITED	1,000
5	02295-39	FAYSAL BANK LIMITED	523,236
6	02394-29	NIB BANK LIMITED	738,086
7	03277-3711	ADAMJEE INSURANCE COMPANY LIMITED	1,242,596
8	03277-7520	FIRST HABIB MODARABA	1,000
9	03277-10526	HABIB INSURANCE CO.LIMITED	252,000
10	03277-10633	FIRST CONSTELLATION MODARABA	9,000
11	03277-57588	ATLAS INSURANCE LIMITED	10,361
12	03277-69871	ASIA CARE HEALTH & LIFE INSURANCE CO. LTD.	4,500
13	03798-52	THE BANK OF KHYBER	56,986
14	03889-28	NATIONAL BANK OF PAKISTAN	236,766
15	03889-44	NATIONAL BANK OF PAKISTAN	1,267,462
16	04127-28	MCB BANK LIMITED - TREASURY	135,600
17	06411-21	CDC - TRUSTEE AKD INDEX TRACKER FUND	6,244
18	07088-39	THE BANK OF PUNJAB, TREASURY DIVISION.	518,516
19	10728-27	CDC - TRUSTEE HBL - STOCK FUND	42,117
20	11320-25	B.R.R. GUARDIAN MODARABA	53,500
21	11353-22	NATIONAL INVESTMENT TRUST LIMITED	64,050
22	12310-25	CDC - TRUSTEE FIRST HABIB STOCK FUND	31,588
23	12526-29	MCBFSL-TRUSTEE URSF-EQUITY SUB FUND	7,500
24	12534-28	MCBFSL-TRUSTEE UIRSF-EQUITY SUB FUND	7,500
		TOTAL	5,215,089

Shareholders holding 10% or more voting interest

S.NO	FOLIO	NAME	HOLDING
1	4502	M/S. ABBOTT ASIA INVESTMENTS LIMITED	76,259,449

Notice of Annual General Meeting

NOTICE is hereby given that the 62nd Annual General Meeting of the Company will be convened on Tuesday, 29th March, 2011 at 3.30 p.m. in the Jasmine Hall of Beach Luxury Hotel, Moulvi T amizuddin Khan Road, Karachi, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts together with the Directors and Auditors' Reports thereon for the thirteen months ended December 31st, 2010.
2. To approve a cash dividend.
3. To appoint the Auditors of the Company up to the next Annual General Meeting and to authorise the Directors to fix their remuneration.
4. To elect seven directors as fixed by the Board in accordance with the Companies Ordinance 1984, for a period of 3 years commencing 25th March, 2011. The names of the r etiring Directors are as follows:

Mr. Munir Ahmad Shaikh
Mr. Asif Jooma
Mr. Thomas C. Freyman
Mr. Angelo Kondes
Syed Anis Ahmed
Mr. Kamran Y. Mirza
Mr. Shamim Ahmad Khan

By Order of the Board



Malik Saadatullah
Company Secretary

Karachi : dated this 22nd day of February 2011

Notes:

1. The Share Transfer books of the Company will r emain closed from Saturday, March 19th, 2011 to Monday, March 28th, 2011 (both days inclusive). Transfer received in order by our Shares Registrar, FAMCO Associates (Pvt) Limited (Formerly Ferguson Associates (Pvt) Limited), State Life Building No. 1-A, 1st Floor, I.I. Chundrigar Road, Karachi-74000 at the close of business on Friday , March 18th, 2011 will be considered in time for entitlement of cash dividend.
2. A member of the Company entitled to attend and vote at the meeting may appoint a proxy to attend, speak and vote instead of him/her. Proxies must be deposited at the Company's registered office not less than 48 hours before the time of holding the meeting. A pr oxy need, not be a member of the Company . The proxy shall produce his/her original CNIC or Passport to prove his/her identity.
3. Attested copies of CNIC or Passport of the Beneficial Owner of t he shares of the Company in the Central Depository System of the Central Depository Company (CDC) and the proxy, entitled to attend and vote at the meeting, shall be furnished with the proxy form to the Company.
4. The Beneficial owner of the shares of the Company in the Central Depository System of the CDC of his/her proxy entitled to attend and vote at this meeting, shall pr oduce his/her original CNIC or Passport to pr ove his/her identity.
5. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be submitted with the proxy form to the Company, and the same shall be produced in original at the time of the meeting to authenticate the identity.

6. Shareholders are requested to notify the Company of any change in their addresses, if any immediately.
7. Members who have not yet submitted photocopy of their computerized national identity cards to the Company are requested to send the same at the earliest.
8. Form of proxy is attached in the Annual Report.
9. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 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 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 of 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.
10. Any person who seeks to contest the election of directors shall file with the Company at its registered office not later than fourteen days before the day of the above said meeting his/ her intention to offer himself/ herself for the election of Directors in terms of Section 178 (3) of the Companies Ordinance, 1984 together with (A) consent in form 28, (B) a Declaration with consent to act as Directors in the prescribed form under clause (ii) of the Code of Corporate Governance to the effect that he/ she is aware of the duties and powers of the Directors under the Companies Ordinance, 1984, the Memorandum and Articles of the Company and the Listing Regulations of the Karachi Stock Exchange, Lahore Stock Exchange and Islamabad Stock Exchange and has read the relevant provision contained therein, (C) a declaration in the terms of clauses (iii) and (iv) of the Code of Corporate Governance to the effect that he/ she is not serving as Director of ten other listed companies, that his/ her name is borne on the register of National Tax Payers (except where he/ she is a non-resident), that he/ she has not been convicted by a court of competent jurisdiction as defaulter in payment of any loan to a banking company, a development financial institution or a non-banking financial institution.

Calendar of Financial events

Tentative dates for announcement of financial results for the Financial Year 2011:

1st quarter ending March 31, 2011	3rd week of April, 2011
2nd quarter ending June 30, 2011	2nd week of August, 2011
3rd quarter ending September 30, 2011	3rd week of October, 2011
Year ending December 31, 2011	3rd week of February, 2012

Actual dates for announcement of financial results for the Financial Year 2009-10 :

1st quarter ended February 28, 2010	March 15, 2010
2nd quarter ended May 31, 2010	July 22, 2010
3rd quarter ended August 31, 2010	September 16, 2010
Thirteen months ended December 31, 2010	February 22, 2011

Contact Details

Karachi

City Office

8Th Floor, Faysal House,
St-02, Shahrah-e-faisal, Karachi

Registered Office

Opp. Radio Pakistan
Transmission Centre,
Hyderabad Road, Landhi,
P.O. Box 7229, Karachi

Distribution Offices

Multan

Hassan Abad Gate # 2
Near Pak Arab Fertilizers
Khanewal Road
Multan.60650.
Tel: 061-4551818, 061-4556145
Fax: 061-4551817

Lahore

16-Km Shah Pur Kanjran Multan Road
Lahore.53700.
Tel: 042-7512188,7512199
Fax: 042-7511171

Islamabad

Plot # 136
Street # 9, 1-10/3
Industrial Area
Islamabad . 44800.
Tel: 051-4445020, 051-4447464, 051-4448278
Fax:051-4449868

Website

www.abbott.com.pk



ABBOTT LABORATORIES (PAKISTAN) LIMITED
P.O. Box 7229, Karachi-74400

Proxy Form

I/We _____
of _____
in the district of _____ being a member of ABBOTT LABORATORIES (PAKISTAN) LIMITED and
holder of _____ Ordinary Shares as per Share Register Folio No. _____
and/or CDC Participant I.D. No. appoint _____ and Sub Account No. _____
hereby appoint _____

(Name)

of _____
or failing him _____

(Name)

of _____
as my / our proxy to vote for me/us and on my/our behalf at the 62nd Annual General Meeting of the Company
to be held on Tuesday, March 29th, 2011 at 3:30 p.m. and at any adjournment thereof.

As witnessed given under my/our hand(s) _____ day of _____ 2011

1. Witness:

Signature: _____

Name: _____

CNIC No. _____

Address: _____

Affix Revenue
stamps of Rs. 5/-

2. Witness:

Signature: _____

Name: _____

CNIC No. _____

Address: _____

Signature of Member

Shareholder's Folio No. _____

CDC A/c No. _____

CNIC No. _____

Note:

1. Proxies in order to be effective, must be received by the Company Secretary, Abbott Laboratories (Pakistan) Limited P.O. Box 7229, Landhi, not later than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.

2. Attested copies of CNIC or Passport of the Beneficial Owner of the shares of the Company in the Central Depository System of the Central Depository Company (CDC) and the proxy, entitled to attend and vote at this meeting, Shall be furnished the proxy form to the Company.

3. The Beneficial Owner of share of the Company in the Central Depository System of the Central Depository Company (CDC) of His/her proxy entitled to attend and vote at this meeting, shall produce his/her original NIC or passport to prove his/her identity.

4. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominees shall be submitted with the proxy form to the Company and the same shall be produced in original at the time of the meeting to authenticate the identity.



AFFIX
CORRECT
POSTAGE

ABBOTT LABORATORIES (PAKISTAN) LIMITED.
P.O. Box 7229, Landhi
KARACHI-74400.

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