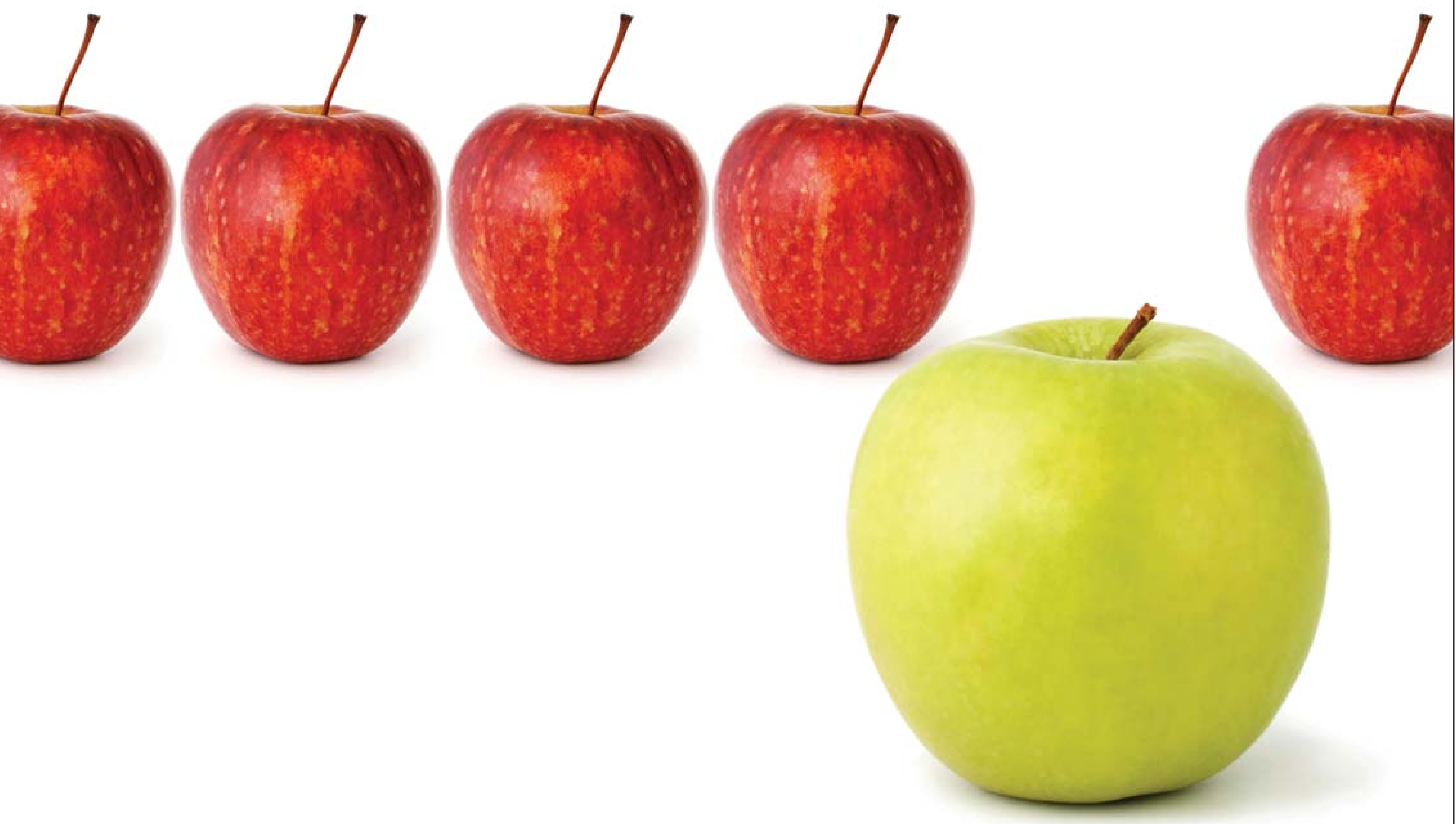
Abbott Pakistan
Annual Report 2011



Abbott
A Promise for Life

Theme

The Concept behind our Annual Report 2011 focuses on our „Individuality„ which is driven by our diversity. We manufacture and market leading pharmaceuticals, nutritional, diagnostics, diabetes care and general health care products to meet the needs of our patient population.

Our Individuality is one of our strengths and inspires new efforts across our Company. This requires us to be more thoughtful and creative in the way we conduct our business. And that's a challenge we welcome, as it will make us a better company in multiple ways. Our goal of turning science into caring is a testimony to our enduring contributions to providing health care solutions. A commitment that extends to every aspect of our business and our conduct.

We are a diverse, global health care Company with scientific expertise and products that address the full range of health care needs - from disease prevention and diagnosis to treatment and cure.

About Abbott Pakistan

We are part of global, broad-based health care company devoted to providing efficacious, safe and cost effective medicines, new technologies and innovative ways to manage health.

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
- General Health Care

For more than a century, Abbott has been globally driven by a constant goal: to advance medical science to help people live healthier lives. A continuous process of innovation, research and development at Abbott's worldwide facilities enables Abbott Pakistan to offer effective solutions for various health care challenges, with products and services that are well focused, within the customer's reach and contribute to improved health care of the people of Pakistan. Our products extend across many areas of health, addressing not only treatment, but also prevention and diagnosis.

Our Promise

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 through medical care and pharmaceutical therapy.

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

- We advance leading-edge science and technologies that hold the potential for significant improvements to health and to the practice of health care.

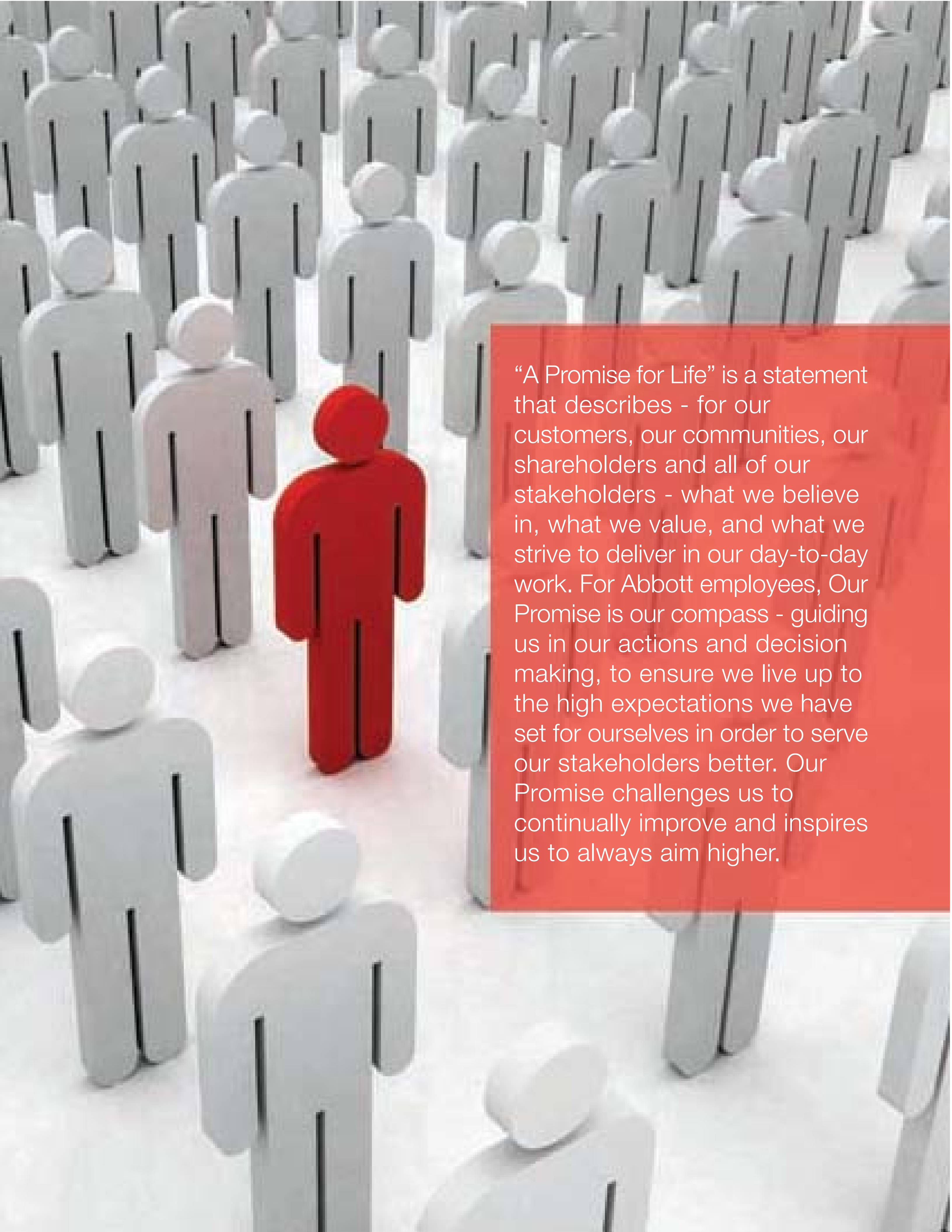
- We value our diversity – that of our products, technologies, markets and people – and believe that diverse perspectives combined with shared goals inspire new ideas and better ways of addressing changing health needs.

- 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.



"A Promise for Life" is a statement that describes - for our customers, our communities, our shareholders and all of our stakeholders - what we believe in, what we value, and what we strive to deliver in our day-to-day work. For Abbott employees, Our Promise is our compass - guiding us in our actions and decision making, to ensure we live up to the high expectations we have set for ourselves in order to serve our stakeholders better. Our Promise challenges us to continually improve and inspires us to always aim higher.

Contents


ARINAC
Abbott

Corporate Information

Board of Directors

Munir A. Shaikh (Chairman)
Asif Jooma (Chief Executive Officer)
Kamran Y. Mirza
Thomas C. Freyman (Alternate Director Anis A. Shah)
Syed Anis Ahmed
Roland Wolfgang Kaut
Shamim Ahmad Khan

Audit Committee

Shamim Ahmad Khan (Chairman)
Munir A. Shaikh
Kamran Y. Mirza
Maria Memon (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
Anis A. Shah (Alternate Director to Thomas C. Freyman)

Banking Committee

Munir A. Shaikh (Chairman)
Asif Jooma
Anis A. Shah (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.
Chartered Accountants

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

Faysal Bank 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
Barclays Bank PLC

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

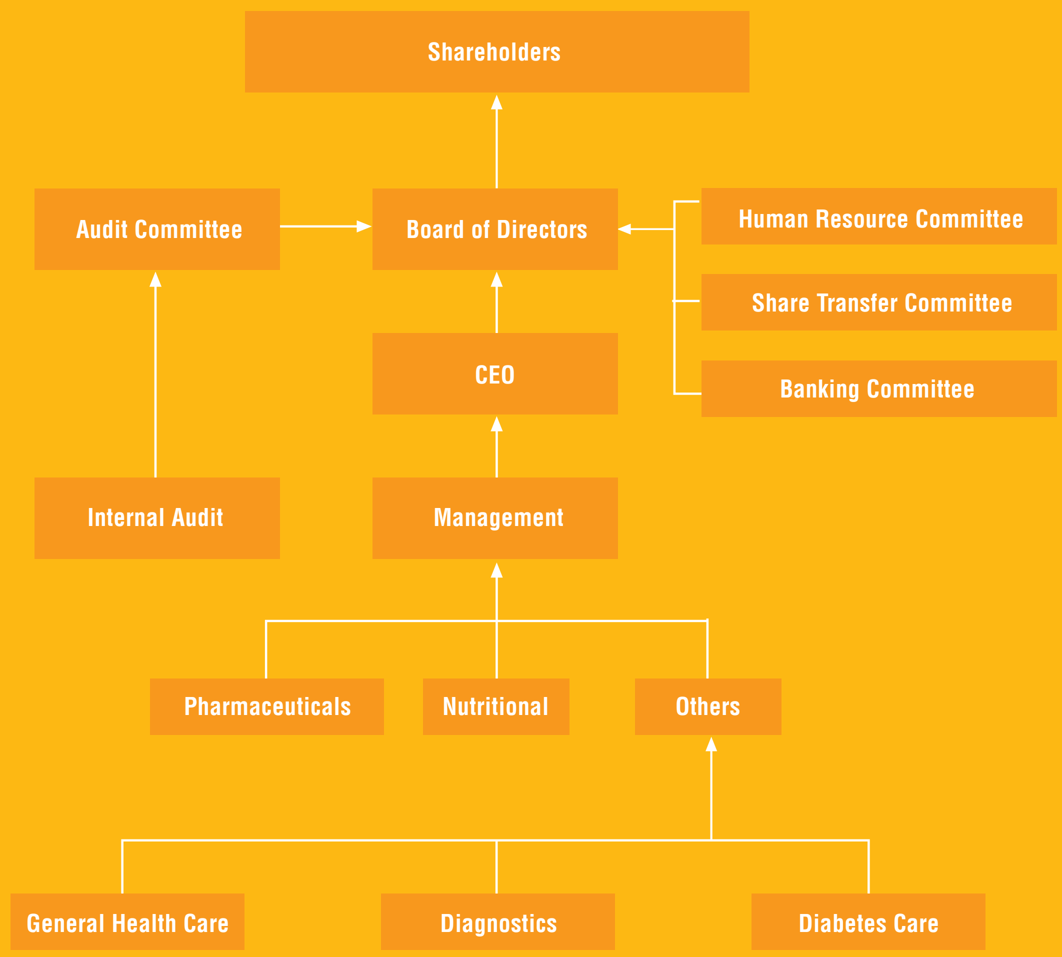
www.abbott.com.pk

Senior Management Team

Asif Jooma (Chief Executive Officer)
Syed Anis Ahmed (Chief Financial Officer)
Anis A. Shah (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. Raeef Ahmed (Medical Director)
Seema Khan (Regulatory Director)
Saira C. Halai (Human Resource Director)

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

Corporate Structure of Abbott Pakistan



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 consumers.

We advance leading-edge science and technologies that hold the potential for significant improvements to health and to the practice of health care.

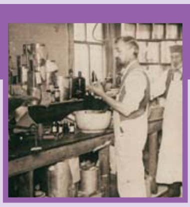
History of Abbott at a Glance

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.

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 health care companies.

1920

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

1929

Abbott stock is listed on the Chicago Stock Exchange.

1964

The company acquires M&R Dietetic Laboratories of Columbus, Ohio.

1973

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

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.

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.

2010

Abbott acquires Solvay Pharmaceuticals and STARLIMS.

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 are 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.

Our strength in Abbott is derived from the culmination of experiences any one person has with our Company. It is through living our Promise and Values that these experiences are shaped. Our behaviors are a testimony to the guiding principles of our core values reflected in our day to day existence.

Our Global Citizenship 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, medical and diagnostic devices share a common framework of excellence in science, research, development and engineering.

During the year, we completed an outcome study on Acute Exacerbation of Chronic Bronchitis (AECB) patients with Klaricid treatment. This study involved more than 200 subjects at 31 sites across Pakistan.

With increasing awareness and demands, we will continue to run ICH-GCP (International Conference on Harmonization Good Clinical Practices) complaint clinical trials with the highest ethical standards to demonstrate clinical effectiveness and establish safety of Abbott products. This in turn will ensure availability of health care solutions to doctors and the community having the highest quality standards.

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.

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.

Expanding access to health care for patients around the world is a key component of Abbott's commitment to citizenship and is integral to our core business strategy.

One of the most critical challenges facing our society is a broad lack of awareness about health care issues and treatments.

Factors That Play a Role in Increasing Access

Against this challenging backdrop, Abbott works to help increase access to a wide range of health care services, as well as Abbott products. We partner with government agencies, health care professional societies, non-governmental organizations and other key stakeholders on interventions to help build health care infrastructure and capacity; increase the quality and frequency of health care practitioner training; and educate patients about disease awareness, symptom management and treatment options. Abbott works with stakeholders in the markets where we do business to help local health care providers understand how best to use our products.

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.

As a leader in global health care, Abbott's goal is to create and develop products that preserve and enhance the lives of patients and consumers.

A fundamental focus of this goal is ensuring that our products are safe and effective, and that they deliver the intended benefits. We work diligently to protect the safety of ingredients and processes with which we manufacture products. We also offer a wide range of training and educational initiatives to help patients, consumers and health care providers, use and prescribe our products appropriately.

Abbott health care products are designed to meet important societal needs - needs that are best met when we work collaboratively with suppliers, health care professionals and patients. Recognizing that all health care products and procedures entail some degree of risk, we are committed to working with a broad range of stakeholders to minimize these potential risks while optimizing opportunities for improved health and well-being.

Our commitment to patient and consumer protection is shared by all Abbott Pakistan employees and by an even greater number 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 has long been committed to minimizing 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.

Abbott's employees understand that earning trust is a result of their actions, the decisions they make and the manner in which they conduct business every day - in matters large and small.

As they perform every aspect of their business activities, our employees are guided by a clear understanding of legal and regulatory requirements, company policies and procedures.

Corporate Social Responsibility at Abbott Pakistan

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 health care challenges, while reducing our impact on the environment by creating lasting solutions for both current and future stakeholders.

Working 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 healthcare needs.

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 effectively promote health care access by assisting governments, universities, research centers, health care companies, hospitals, clinics and related institutions. We have supported 'SOS Children's Villages of Sindh' which is also running a medical centre where free consultancy services are being offered to women and children and is also actively involved in immunization and polio eradication programmes. We have also supported 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.

We have partnered with the Kidney Centre for the treatment of the poor and needy patients suffering from kidney related diseases and also with LRBT to support them to achieve their vision of providing free eye treatment and running health clinics for the poor & underprivileged citizens across the length & breadth of Pakistan.

Now more than ever, the sustainability of business and society are interconnected. At Abbott, we believe innovative, responsible and sustainable business plays an important role in building a healthy, thriving society.

Corporate Social Responsibility at Abbott Pakistan

Abbott Pakistan has also supported 'The Citizen Archive of Pakistan' which is working with a goal to educate the Pakistani youth by way of building critical thinking in the young minds especially those belonging to underprivileged communities.

Abbott Pakistan is always at front when it comes to community work and services and helped flood affectees with money and in form of various goods and medicines. Free books and school bags were also distributed by Abbott Pakistan. Our employees also stepped forward to support this cause. We have also supported "OICCI Flood Relief Fund", for the assistance of people in flood affected areas in rural Sindh.

Facilitating access through our corporate social responsibility initiatives by donating health care products and services. Enhancing patient assistance and by supporting a wide array of civil society organizations engaged in the direct delivery of health care services.

We regard our strategies for business growth and profitability as inseparable from our strategies for citizenship and sustainability. We strive to simultaneously create both public and private value - advancing science and helping to reduce the global disease burden.

We constantly explore new ways of ensuring that patients have access to our products and benefit from our knowledge. By partnering with others who share our commitment, we are finding better ways to help people in need overcome barriers to health care and live longer, more productive lives.

We strive to foster economic, environmental and social well-being - with our products, in the way we operate our company, and through our involvement with the communities where we live and work. Abbott Pakistan seeks to enhance the health, prosperity and quality of life in the communities we serve.

Our commitment to improving life extends to humanitarian causes. We recognize that as a leading provider of innovative health care products, we have a unique responsibility and opportunity to ensure people have access to them - whether they are among the poor and underprivileged or victims of natural disasters. We are determined to do our part through creative and varied social programs.

Human Resource Development

Human Resource Management and Development at Abbott Pakistan has always been a dynamic process, which focuses on a holistic approach to attracting, developing, nurturing and retaining talent.

We continually strive to create a diverse mix of talent for the different business segments which we operate in. At the same time, supporting our existing employees in realizing their potential and enjoying rewarding careers. Our values require us to invest in our people so that they can come up with solutions to address the emerging healthcare needs of the people.

By focusing on the following key objectives, we are able to provide meaningful career paths to potential and existing employees:

- 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.

Learning and Development

Learning and Development opportunities throughout 2011 centered around not only on-the-job training but also in- house and external trainings and workshops. These Learning and Development programs and initiatives reflect our efforts to develop current and future leadership potential. In addition, we also organize detailed orientation programs which help newly hired employees get a feel of the organization and transition smoothly into their roles.

Our human resource 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 health care needs.

Talent Management

We employ a talent management process, which creates a pipeline of leaders to achieve sustainable growth in the years to come. Leadership teams identify talent for current and future leadership opportunities and the development needed to prepare these employees for more senior positions not only at Abbott Pakistan but also in Abbott's other affiliates worldwide.

Every year, through a performance management process, called Performance Excellence, employees are given an opportunity to assess their performance, in coordination with their managers, and identify opportunities for growth and career development. With the organizational leaders' support, the employees evolve development plans and in the process create an environment for the organization where it can achieve and exceed targets. The process also encourages employees to prioritize their work in a way that aligns it with the overall psyche of the organization and its values.

Reward Management

To keep our employees motivated, we have put in place various Reward & Recognition programs that are not only local in nature but also go all the way up to the Abbott global platform. These initiatives have clearly demonstrated that they help a great deal in making employees feel appreciated and help them achieve their personal and professional goals.

Employee Engagement

Our goal of enhancing Employee Engagement within the organizational setup motivates us to come up with programs that encourage cross divisional integration and also make Abbott a fun and healthy place to work. During 2011, a number of such activities were organized including townhall meetings, health awareness sessions, sports events and Eid Breakfast among others.

Gauging Employee Engagement is one more aspect of this endeavor, which is given due importance. We conduct internal surveys on a regular basis to understand how our employees perceive the opportunities provided to them and where they feel there is room for improvement.

Employer Branding

Abbott Pakistan also focuses on employer branding activities so that it continues to stay in the ranks of one of the most sought after employers in Pakistan, in general and the pharmaceutical sector, in particular.

In 2011, talent drives were carried out at the leading institutions of higher learning in Pakistan to offer internship opportunities to students. This helped us convey to these students our values and also provided a chance to the selected group to experience the corporate environment first hand.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A Promise for Life


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Environment, Health and Safety

Abbott Pakistan works diligently to reduce our global environmental impacts - from the sourcing of raw materials, to the manufacture and distribution of our products, to the use and disposal of our products by consumers and health care providers. Our environmental stewardship initiatives help protects the planet while improving efficiency, reducing costs and preserving our ability to do business in the future.

We have three environmental priorities:

- Climate change
- Water usage
- Product stewardship

We recognize the interrelated nature of these three priorities. Our work in one area inevitably affects the others. We have developed comprehensive management and governance systems to ensure that environmental considerations are fully integrated into our day-to-day planning and business processes.

During the Year, a Tree Plantation Project was undertaken with the help of Divisional Forest Department of Sindh. In this project 800 Neem trees were planted. Abbott Pakistan was also awarded a letter of appreciation from "Divisional Forest Office, Sindh" for the efforts towards a greener and healthier environment and largest plantation by any pharmaceutical company in Sindh province.

To encourage a culture of fitness and exercise Abbott Pakistan conducted "Get Active!" exercise project for plant employees

Our global standards include technical program requirements, metrics and audit and reporting mechanisms that serve as a baseline expectation for health and safety performance worldwide. Every Abbott manufacturing plant implements a plan based on these standards and is evaluated regularly.

Our environmental stewardship initiatives help protect the planet while improving efficiency, reducing costs and preserving our ability to do business in the future.

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.

Clear policies, standards and management systems ensure we operate in a manner that protects both human health and the environment. Our environmental management metrics, auditing and reporting mechanisms are evaluated regularly, and we hold our employees responsible for improving their performance against these targets as part of our annual performance appraisal process.

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 $C0_2$ 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.

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 2011. Some of these include:

- Implementation of "Promotional Material Tracking System" and "Marketing Spend Authorization and Tracking System" to give more insight to the management.
- Implementation of "Field Force Expense Management System".
- Implementation of "Activity Monitoring System for Field Force".
- Long term vendor partnership for selective Class A items in order to ensure consistency in supply at a targeted price in a highly inflationary economy.
- Streamlined "Waste Management System".

We are committed to do pioneering work with

simplicity.

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

Highlights of the Year

During this Year we produced:

1,862 million Tablets

93.78 million bottles of Liquid Products

12.22 million Tubes

Our work targets diseases that pose the greatest burdens on society, including cardiovascular disease, cancer, diabetes, infectious disease and pain. Our diversity enables us to make a unique and powerful contribution to global health by combating diseases on many fronts.

9.7 million fills of Injectables

196.22 million units

Awards and Recognitions

Abbott Pakistan received awards for **"Best HR Practices in Pakistan"** and for having in place **"A balanced and effective Talent Triangle".** This was as per a survey conducted by Sidat Hyder Morshed Associates (Pvt) Limited for 26 renowned Companies from 6 different sectors.

Our flagship product **Mospel** was awarded Superbrands status by the Pakistan Superbrands Council.

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.

Abbott Pakistan was ranked among the top ten organizations for large industrial units and was awarded the **Environment, Health & Safety Excellence Award** by the National Forum for Environment and Health, a non-governmental organization affiliated with the United Nations Environmental Program.

Abbott Pakistan was amongst the companies who were given Best Corporate Report 2010 award in the **"Chemicals & Fertilizers sector"** by the Institute of Chartered Accountants of Pakistan and the Institute of Cost and Management Accountants of Pakistan.

The award seeks to promote corporate accountability, transparency and governance through the publication of timely, informative, factual and reader friendly annual reports.

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.

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


Faverin
Pramet-FA

General Health Care Products

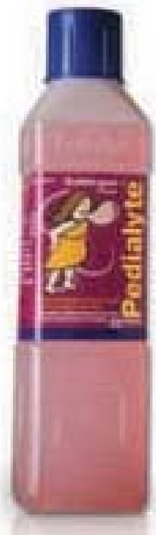
Diagnostic Products

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 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.

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.

Stylish, easy-to-use FreeStyle Optium Meter.

FreeStyle Optium meter, with 5-second testing, No Calibration (NO CODING)

- Fast, discreet testing
- Test starts automatically, just insert strips.
- 3 buttons makes it easy to review your previous results or averages.
- Recalls up to 450 results with time & date.
- 7, 14 and 30 day test averages.
- Optional confirmation beep

FreeStyle Optium Strips:

- Easier testing with NO CODING.
- For use with existing meters-(no need to change Optium Xceed meters)
- Small sample size (0.6É l)
- Top-fill or end-fill test strips, for easy sample application and visual confirmation (user friendly)
- Individual foil-wrapped package protects test strips from contamination until opened (no strip wastage)

We design, develop and manufacture several leading-edge glucose monitoring systems and test strips for use in both home and hospital settings.

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	Meetings 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
Maria Memon	By invitation - Chief Internal Auditor	4	4
Malik Saadatullah	Secretary	4	4

HUMAN RESOURCE COMMITTEE

Name	Category	Meetings Held	Meetings 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
Saira C. Halai	Secretary	1	1

SHARE TRANSFER COMMITTEE

Name	Category	Meetings Held	Meetings Attended
Asif Jooma	Chairman - Chief Executive Officer	12	12
Anis A. Shah	Member - Alternate Director to Thomas C. Freyman	12	12
Syed Anis Ahmed	Member - Chief Financial Officer	12	12
Malik Saadatullah	Secretary	12	12

BANKING COMMITTEE

Name	Category	Meetings Held	Meetings Attended
Munir A. Shaikh	Chairman - Non Executive director	4	0
Asif Jooma	Member - Chief Executive Officer	4	3
Anis A. Shah	Member - Alternate Director to Thomas C. Freyman	4	1
Syed Anis Ahmed	Member - Chief Financial Officer	4	4
Malik Saadatullah	Secretary	4	4

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

1 Mr. Munir A. Shaikh
Chairman (Non Executive)

Joined Board:
20 August 2004

Other Engagements:

Chairman / Director
- Abbott India.

Director
- Sunshine Holdings - Srilanka.

2 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.

3 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.

4 Mr. Ronald Wolfgang Kaut
Director (Non Executive)

Joined Board:
03 October 2011

5 Mr. Kamran Y. Mirza
Director (Non Executive)

Joined Board:
15 January 1978

Other Engagements:

Director/ Chief Executive Officer
- Pakistan Business Council.

Director/Chairman
- Pakistan Mercantile Exchange Limited (PMEL).

Director
- Safari & Outdoor Club of Pakistan.
- International Steel Limited.
- Competitiveness Support Fund.
- Board of Investment.

Member / Chairman
- Task Force Pharmaceutical Sector – Planning Commission Government of Pakistan.

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

6 Mr. Shamim Ahmad Khan
Director (Non Executive)

Joined Board:
01 August 2002

Other Engagements:

Director
- Packages Limited.
- IGI Insurance Limited.

Chairman
- Certification Panel of Pakistan Centre for Philanthropy.

Member
- Advisory Committee of Centre for International Private Entreprises.

7 Mr. Anis A. Shah
(Alternate Director to Thomas C. Freyman)

Joined Board:
22 February 2011

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.

1 2 3 4 5 6 7

Directors' Report

The Directors take pleasure in presenting their Report together with the audited financial statements of the Company for the year ended December 31, 2011.

Financial Performance

Net sales for the year increased 18% over last thirteen months period (26% increase on a 12 months comparable basis). Gross Profit ratio at 36% was 2% better compared to the previous period when it was 34% primarily due to better product-mix, relatively stable exchange rate vis a vis the US Dollar and effective cost control.

Operating results	Rs in 000
Profit for the year before taxation	2,374,826
Taxation	(730,240)
Profit after taxation	1,644,586
Other comprehensive income net of tax	92,480
Un-appropriated profit brought forward	947,947
Transfer from Un-appropriated profit	(650,000)
Profit available for appropriation	2,035,013
Appropriations:	
-Final dividend 2010 Rs 3 per share	(293,701)
-Interim dividend 2011 Rs 2 per share	(195,801)
Un-appropriated profit carried forward	1,545,511

Profit after tax for the year under review of Rs 1,645 million (Thirteen months period 2010: Rs 1,177 million) and Earnings Per Share for the year were Rs 16.80 were higher than the comparable 13 and 12 months period last year.

Your Directors are pleased to announce a final Cash dividend of Rs 4.00 per share (2010 : Rs 3.00 per share), which is in addition to an interim cash dividend of Rs 2.00 per share (2010: Rs 2.00 per share) paid to the shareholders during 2011.

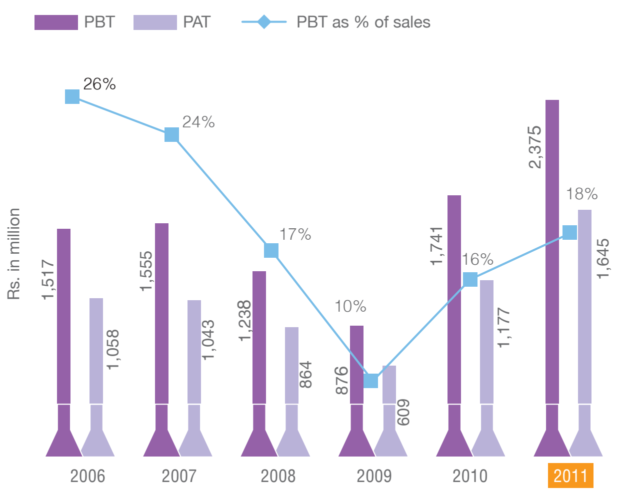
Segment-wise Sales and Marketing Performance

During the year, your Company successfully transferred the marketing and selling rights of Legacy Solvay Brands in Pakistan from Highnoon Laboratories Limited, following a global acquisition of Solvay Pharmaceuticals by Abbott International, the ultimate holding company.

Pharmaceutical sales for the year under review increased by 16% over prior thirteen months period (25% increase on 12 months comparable basis) mainly attributable to volume, improved product-mix and impact of acquisition of Legacy Solvay brands. Vitamins and hematinics, pain management, anti-infectives, cough and cold, anti-epileptics and gastro preparations recorded strong double digit growth.

Nutritional sales for the year posted 23% growth over thirteen months period last year (32% increase on 12 months comparable basis) mainly on account of volume and selective price increases on certain products.

General Health Care (GHC), Diagnostic and Diabetes Care sales for the year grew by 28% over thirteen months period (34% increase on 12 months comparable basis) owing primarily to focused marketing of consumer products and increased sales of Mospel.



Industry overview

The Pakistan pharmaceutical industry is currently estimated at US $ 1.88 billion as per IMS Quarter III 2011, MAT. The share of MNCs in the Pakistan pharmaceutical market is 43% with national companies accounting for 57% of the market. The Pakistan pharmaceutical / nutrition market grew by approximately 19.2% in 2011. (IMS Dec. 2011, MAT). Your Company grew in line with the market and retained its position as the second largest research based pharmaceutical company in Pakistan.

Market Share

Abbott Pakistan achieved a market share of 6.7% as per IMS (Dec 2011, MAT) in the pharmaceutical and nutrition market (2010 market share: 6.1%).

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 productivity and efficiency of plant operations. During the year under review a total of Rs 715 million was spent on various capital projects such as GMP upgrade and procurement of manufacturing and service equipments aimed at productivity improvements.

Liquidity Management and Cash Flow Strategy

During the year an amount of Rs. 1,773 million was generated from operating activities of the Company. At year end, the Company had a liquid fund position comprising of cash/bank balances and short term investments amounting to Rs. 1,453 million after investments in capital projects and dividend payments.

To ensure sufficient availability of funds at all times whilst 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 surplus funds and ensures that the investment portfolio of the Company is secure. 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.

Evaluation of Company's performance

For the purpose of evaluating the performance of the Company, the management uses various indicators that mainly include industry growth, growth of peer companies in therapeutic areas in which the company operates, prior year performance, macro economic conditions and other business factors impacting the Company.

On the basis of these, budgets are developed and actual performance measured against budget at regular intervals during the year so that remedial action, if required, is taken on timely basis. This exercise is carried out for all the business segments of the Company. The management believes that these indicators will be relevant for future as well, albeit with minor changes.

The Senior Management Team also carries out a SWOT analysis of Company, its products and the market in which it operates. On the basis of SWOT analysis, key challenges are addressed and opportunities identified, action plans developed and executed to achieve the long term strategic objectives of the Company.

Risk Management

The Company's activities expose it to a variety of risks. The Company's overall risk management programme focuses on minimizing potential adverse effects on the Company's performance. The overall risk management of the Company is carried out by the Company's Senior Management Team and is also presented to the Board of Directors. This entails identifying, evaluating and addressing strategic, financial, commercial and operational risks of the Company.

Contribution to National Exchequer

Your Company has contributed Rs 1,798 million (2010: Rs 1,507 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

Abbott was ranked among the top ten organizations in Pakistan for large industrial units and was awarded the Environment, Health & Safety Excellence Award by the National Forum for Environment and Health, a non-governmental organization affiliated with the United Nations Environmental Program. Your Company was recognized for efforts, initiatives for employees, community development projects and strong commitment to a better environment.

Your Company was also recognized for "Largest Plantation done by any Pharmaceutical Organization" in Sindh in collaboration with Forest Department. Several other initiates in the areas of waste management and Industrial Hygiene have also been implemented.

Business Process Improvement

- Your Company launched the Lean Sigma Green Belt initiative at the Plant for productivity improvement and waste elimination. Through this initiative, 25 employees from Manufacturing, Supply Chain, QA and Engineering were trained in the first session and they initiated various productivity improvement projects within their respective areas.

- During the year, OEE (Overall Equipment Effectiveness) measurement was started for key areas to reduce cycle time and improve productivity.

- As a part of Quality Management System improvement, initiatives were taken to further improve and automate the stability program and document handling.

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

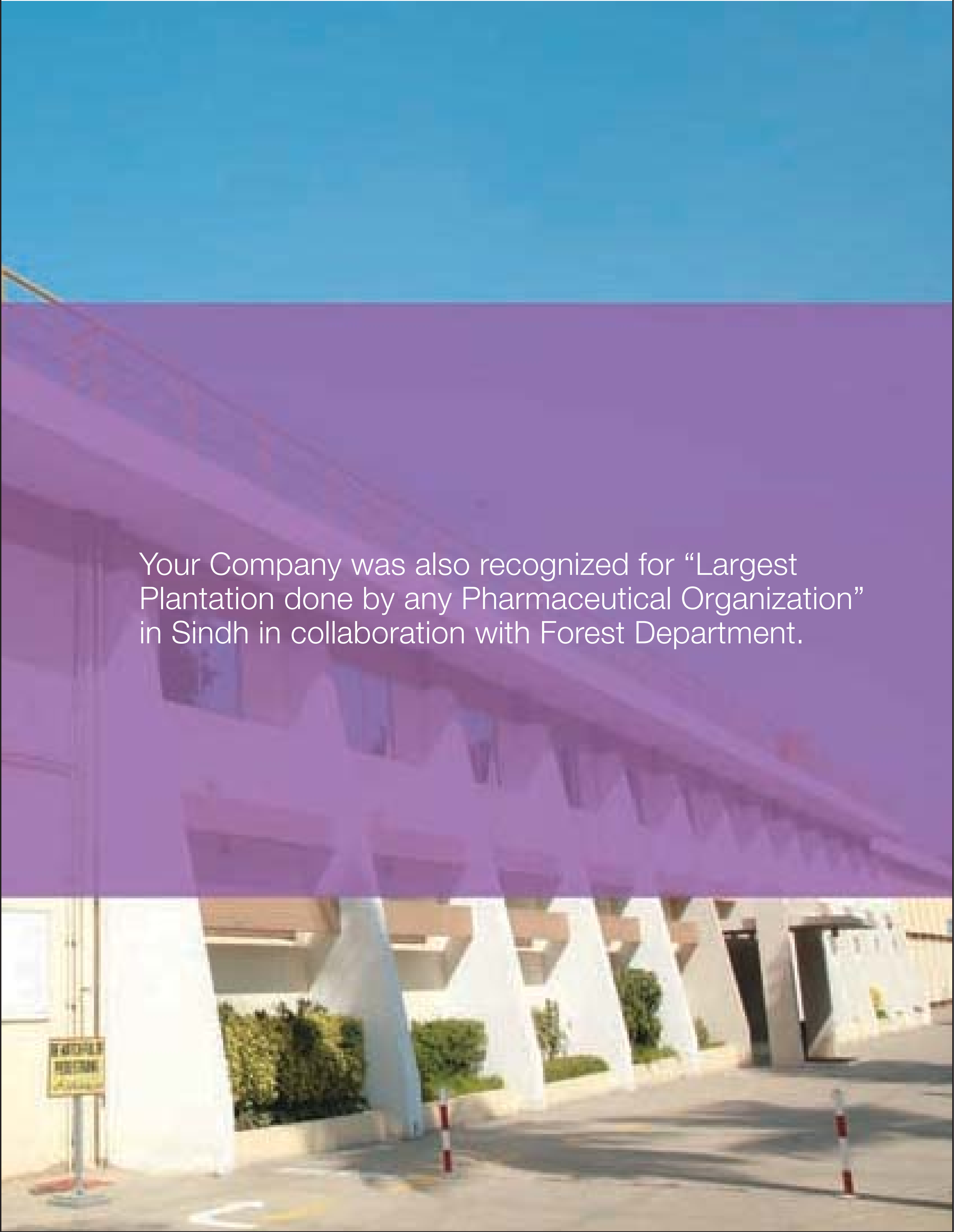
Human Resources

The focus of Human Resources has aimed at developing a 'Best in Class' organization. During the year, your Company received 2 awards for "Best HR Practices in Pakistan" and HR Benchmarking Survey's balanced and effective talent triangle". This was as per a survey conducted by Sidat Hyder Morshed Associates (Pvt) Limited for 26 renowned Companies from 6 different sectors.

Emphasis on learning and development continued in 2011 with a large number of in-house and external training sessions and workshops. Training programs were mainly aimed at imparting knowledge to upgrade technical and soft skills as identified in employee growth plans. The strong commitment to Training and Development has been a critical factor in the growth of the company. 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 remained well below the industry average.

We continue to focus on attracting, developing and retaining top tier talent for the Company.

The company conducted a Pulse survey for the Pharma Division employees to track employee perceptions with regards to their level of engagement, HR health and core activities. A participation rate of more than 95% was achieved, demonstrating a strong sense of commitment by the employees. The company has drawn up plans to address areas of improvement to further strengthen corporate culture and effectiveness.

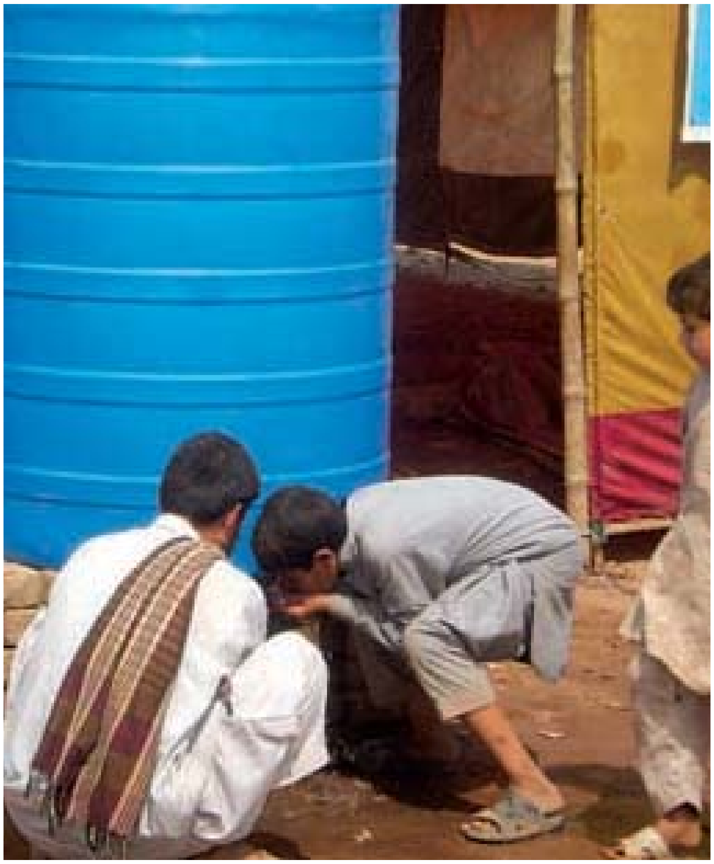


Your Company was also recognized for "Largest Plantation done by any Pharmaceutical Organization" in Sindh in collaboration with Forest Department.

Corporate Social Responsibility

Global citizenship is an integral part of Abbott's mission to improve people's lives. The company's policies focus on enhancing access to health care, protecting patients and consumers and safeguarding the environment. Working in partnership with others, Abbott leverages its core business expertise and resources to create sustainable solutions in countries around the world.

In addition, your Company kept itself involved in the day to day lives of the communities it operates within. In 2011, The Abbott Fund contributed towards the flood relief efforts. Moreover, employee contributions also benefited affectees as employees personally involved themselves in relief efforts. Your company continued to support organization like AKU, LRBT and SOS Children's Village in 2011.



Subsequent Events

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

Board Changes

Mr. Angelo Kondes resigned from the Board with effect from October 1, 2011, and in his place Mr. Roland W. Kaut was appointed as Director of the Company with effect from October 3, 2011, for the remainder term ending on March 24, 2014.

The Board wishes to place on record the valuable contributions made by the outgoing Director Mr. Angelo Kondes and welcomes the new Director Mr. Roland Kaut.

Business challenges and future outlook

The company remains vulnerable in view of continued pressure on the Pak rupee and domestic inflation. Following years of minimal price adjustments on selected products, there is an urgent need for an across the board price increase. Your Company along with other members of the pharmaceutical industry continues to urge the Government for a mutually acceptable pricing mechanism for pharmaceutical products. In addition, the devolution of health to the provinces following the passage of the 18th Amendment has serious implications for the industry. Both the industry associations i.e. PPMA and Pharma Bureau agree on the need for the establishment 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. Escalation in the cost of energy and other inputs has put great pressure on the pharmaceutical companies. Your company is meeting the challenge by introducing cost improvement initiatives and product portfolio optimization.

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, retire and being eligible, offer themselves for re-appointment. The Board of Directors endorses the recommendation of the Audit Committee for their re- appointment as auditors of the Company for the financial year ending December 31, 2012.

Pattern of Shareholding

A statement showing the pattern of shareholding in the Company and additional information as at December 31, 2011 is given on page 132.

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 year.

Holding Company

As at December 31, 2011 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. 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 70.
- Outstanding taxes, statutory charges and duties, if any, have been duly disclosed in the Financial Statements.
- Significant deviations, from last period 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 December 31, 2010) - audited	1599
ALPL Provident Fund (Based on year ended December 31, 2010) - audited	542

- During the year, 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	Mr. Roland W. Kaut**	0
5	Syed Anis Ahmed	4
6	Mr.Thomas C. Freyman	0
7	Mr. Sadi Syed*** - Alternate Director to Thomas C Freyman	1
8	Mr. Anis A. Shah****- Alternate Director to Thomas C. Freyman	3
9	Mr. Kamran Y. Mirza	4
10	Mr. Shamim Ahmad Khan	4
11	Syed Anis Ahmed (CFO)	4
12	Mr. Malik Saadatullah (Company Secretary)	4

* Resigned from the Board w.e.f. October 1st, 2011
** Appointed to the Board w.e.f. October 3rd, 2011
*** Retired from the Company w.e.f. February 22nd, 2011
**** Appointed Alternate Director w.e.f. February 22nd, 2011

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 14th, 2012

Net sales for the year increased 18% over last thirteen months period (26% increase on a 12 month comparable basis). Gross Profit ratio at 36% was 2% better compared to the previous period when it was 34% primarily due to better product-mix, relatively stable exchange rate vis a vis the US Dollar and effective cost control.

Key Operating and Financial Data

Financial Position

Balance Sheet

	December 31, 2011	December 31, 2010	November 30, 2009	November 30, 2008	November 30, 2007	November 30, 2006
			Restated			
			(Rupees in '000)			
Fixed Assets						
- Property, plant and equipment	2,298,062	1,877,596	1,662,785	1,560,835	1,516,821	1,437,023
- Intangible asset	76,055	-	-	-	-	-
Other Non-Current Assets	55,449	56,152	42,606	33,746	35,418	34,233
Current Assets	4,975,763	3,856,673	3,259,185	3,455,129	3,129,129	3,564,169
Total Assets	7,405,329	5,790,421	4,964,576	5,049,710	4,681,368	5,035,425
Issued, subscribed and paid-up capital	979,003	979,003	979,003	979,003	979,003	979,003
Capital Reserves	223,247	197,167	173,853	154,777	130,016	46,097
Revenue Reserves	3,983,933	2,736,369	2,085,604	2,434,732	2,580,254	3,216,786
Total Equity	5,186,183	3,912,539	3,238,460	3,568,512	3,689,273	4,241,886
Non-Current Liabilities	165,219	115,182	119,627	100,606	110,414	44,100
Current Liabilities	2,053,927	1,762,700	1,606,489	1,380,592	881,681	749,439
Total Liabilities	2,219,146	1,877,882	1,726,116	1,481,198	992,095	793,539
Total Equity and Liabilities	7,405,329	5,790,421	4,964,576	5,049,710	4,681,368	5,035,425

Operating and Financial Trends

Profit and Loss

	Twelve months ended December 31, 2011	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
			Restated			
			(Rupees in '000)			
Net sales including toll manufacturing service fee	12,946,968	10,995,701	8,450,118	7,123,412	6,584,454	5,914,181
Gross profit	4,666,478	3,687,038	2,321,131	2,469,005	2,635,109	2,516,484
Operating profit	2,378,042	1,744,787	878,503	1,240,583	1,558,401	1,520,887
Profit before taxation	2,374,826	1,741,257	875,978	1,237,879	1,555,199	1,517,227
Taxation	730,240	564,313	266,906	373,652	512,309	459,226
Profit after taxation	1,644,586	1,176,944	609,072	864,227	1,042,890	1,058,001
Ordinary cash dividends *	587,402	489,502	1,174,804	489,502	1,762,206	293,701
EBITDA**	2,657,942	2,000,889	1,084,803	1,443,585	1,744,231	1,680,605

Cash Flows

Operating activities	1,772,876	917,503	1,074,757	607,282	1,342,118	934,717
Investing activities	(643,800)	(374,785)	(181,200)	442,515	(93,836)	(913,524)
Financing activities	(494,836)	(494,415)	(1,174,262)	(494,426)	(1,761,005)	(173,127)
Cash and cash equivalents at the end of the year / period	1,453,327	819,087	770,784	1,051,489	496,118	1,008,841

* Includes final dividend amounting to Rs. 391.601 million proposed by the Board of Directors subsequent to the year end.
** EBITDA (Earnings Before Interest, Taxation, Depreciation and Amortisation)

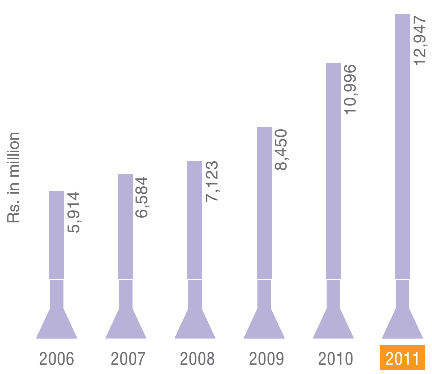
Ratios	Unit	Twelve months ended December 31, 2011	Thirteen months ended December 31, 2010	Twelve months ended November 30, 2009	Twelve months ended November 30, 2008	Twelve months ended November 30, 2007	Twelve months ended November 30, 2006
				Restated	Restated	Restated	Restated
Profitability Ratios							
Gross profit ratio	%	36.0%	33.5%	27.5%	34.7%	40.0%	42.5%
Net profit to sales	%	12.7%	10.7%	7.2%	12.1%	15.8%	17.9%
EBITDA* margin to sales	%	20.5%	18.2%	12.8%	20.3%	26.5%	28.4%
Operating leverage ratio	Times	0.18	0.16	0.10	0.17	0.24	0.26
Return on equity / Return on capital employed	%	31.7%	30.1%	18.8%	24.2%	28.3%	24.9%
Return on assets	%	22.2%	20.3%	12.3%	17.1%	22.3%	21.0%
Liquidity Ratios							
Current ratio		2.42	2.19	2.03	2.50	3.55	4.76
Quick / Acid test ratio	Times	1.26	0.97	0.94	1.24	1.95	3.01
Cash to Current Liabilities	Times	0.71	0.46	0.48	0.76	0.56	1.35
Cash flow from operations to Sales	Times	0.14	0.08	0.13	0.09	0.20	0.16
Activity / Turnover ratios							
No. of days in inventory	Days	96.67	101.19	100.38	119.97	121.05	132.89
No. of days in receivables	Days	9.52	8.94	8.79	7.73	9.36	10.99
No. of days in payables	Days	45.76	51.00	46.76	51.49	53.00	53.14
Operating Cycle	Days	60.43	59.12	62.41	76.21	77.41	90.73
Total assets turnover ratio	Times	1.96	2.04	1.69	1.46	1.36	1.29
Fixed assets turnover ratio	Times	6.09	6.21	5.24	4.63	4.46	4.51
Investment / Market Ratios							
Basic / Diluted Earnings per share	Rs.	16.80	12.02	6.22	8.83	10.65	10.81
Price earnings ratio	Times	5.94	9.13	15.51	12.46	19.38	13.32
Dividend yield ratio	%	6.0%	4.6%	12.4%	4.5%	8.7%	2.1%
Dividend pay out ratio	Times	0.36	0.42	1.93	0.57	1.69	0.28
Dividend cover ratio	Times	2.80	2.40	0.52	1.77	0.59	3.60
Cash dividend per share	Rs.	6.00	5.00	12.00	5.00	18.00	3.00
Break-up value per share with / without surplus on revaluation of fixed assets	Rs.	52.97	39.96	33.08	36.45	37.68	43.33
Bonus shares issued	Number	-	-	-	-	-	29,914,000
No. of shares at end of year / period	Number	97,900,300	97,900,300	97,900,300	97,900,300	97,900,300	97,900,300
Market value per share at the end of the year / period	Rs.	99.79	109.74	96.49	110.00	206.50	144.00
Market value per share (High)	Rs.	103.00	126.50	126.42	233.15	210.00	244.00
Market value per share (Low)	Rs.	79.25	77.00	65.00	109.36	141.00	136.00
Capital Structure Ratios							
Interest cover ratio	Times	739.44	494.27	347.92	458.80	486.70	415.54

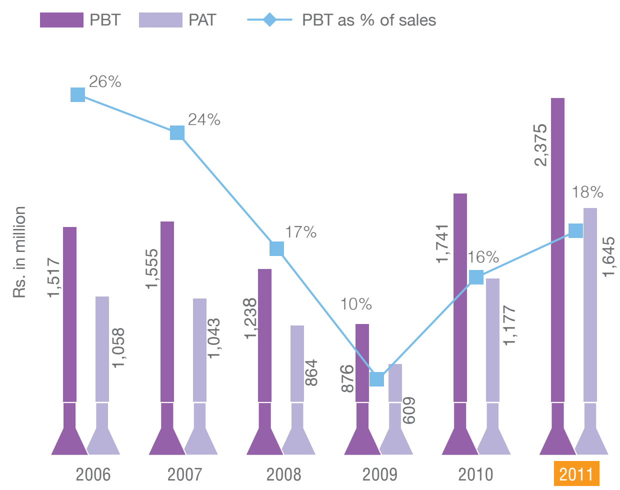
Note : Sales include toll manufacturing service fee.

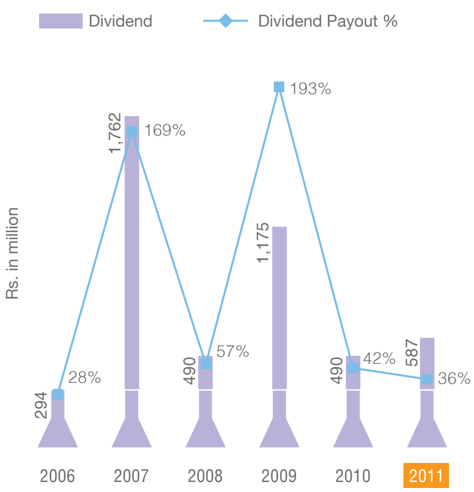
* EBITDA (Earnings Before Interest, Taxation, Depreciation and Amortisation)

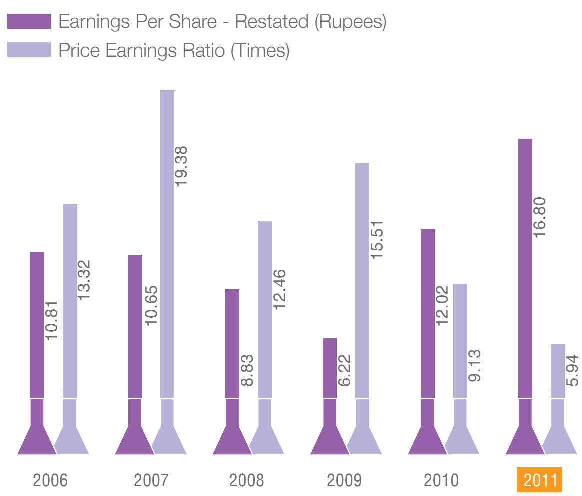
Graphical Presentation - Key Operating and Financial Data

Net Sales
(Including Toll Manufacturing Service Fees)

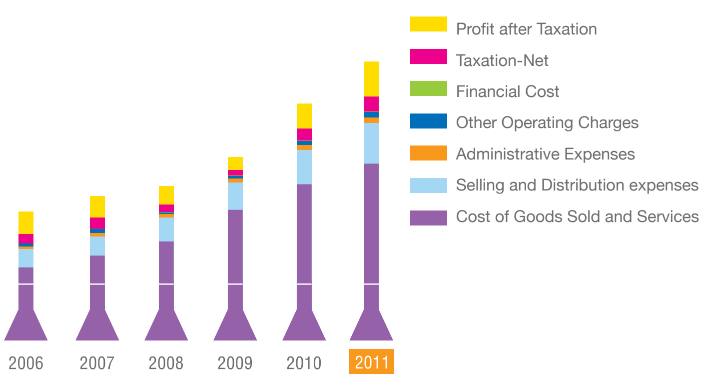




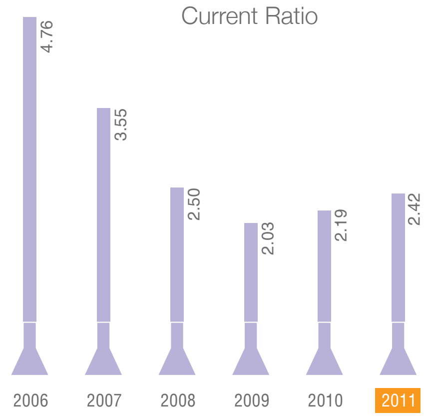




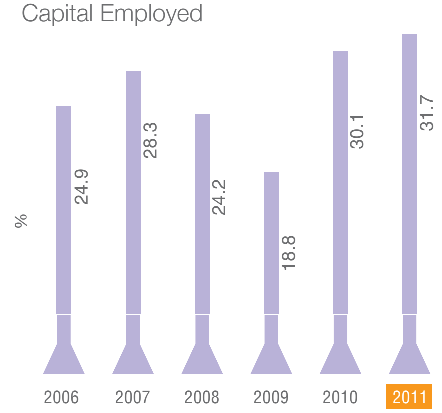
Profit and Loss Analysis-Expenses

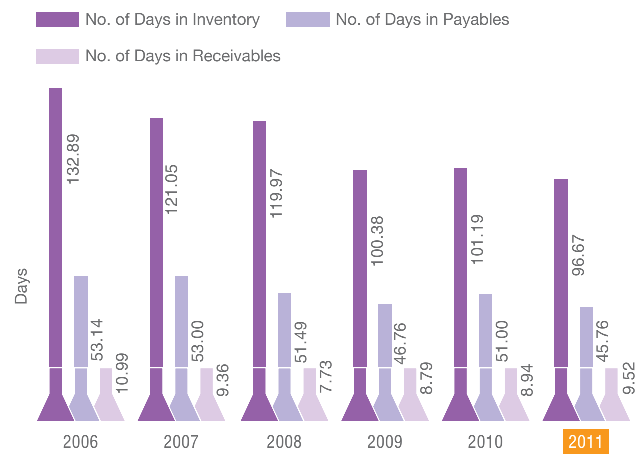


Current Ratio

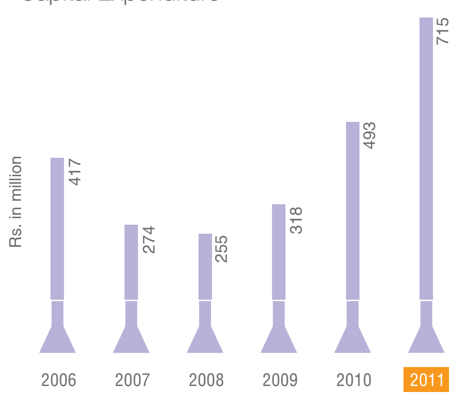


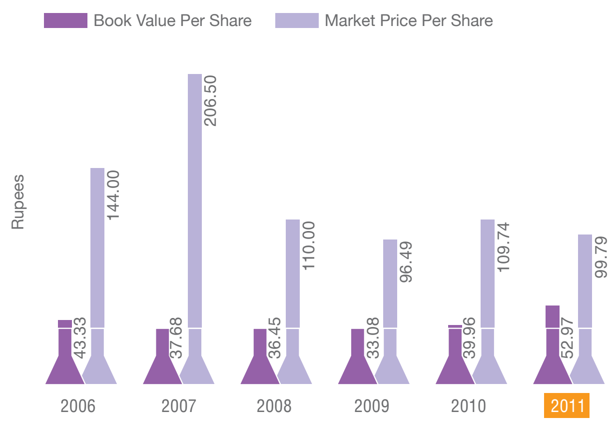
Return on Equity / Return on Capital Employed





Capital Expenditure





Vertical Analysis

Vertical Analysis

	December 31, 2011		December 31, 2010		November 30, 2009		November 30, 2008		November 30, 2007		November 30, 2006	
					Restated							
Balance Sheet	Rupees ' 000	%	Rupees ' 000	%	Rupees ' 000	%	Rupees ' 000	%	Rupees ' 000	%	Rupees ' 000	%
Total Equity	5,186,183	70.0	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
Non-Current Liablitites	165,219	2.2	115,182	2.0	119,627	2.4	100,606	2.0	110,414	2.4	44,100	0.9
Current Liabilities	2,053,927	27.8	1,762,700	30.4	1,606,489	32.4	1,380,592	27.3	881,681	18.8	749,439	14.9
Total Equity and Liabilities	7,405,329	100.0	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
Non-Current Assets	2,429,566	32.8	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
Current Assets	4,975,763	67.2	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
Total Assets	7,405,329	100.0	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

	Twelve months ended December 31, 2011		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	
					Restated							
Profit and Loss Account	Rupees ' 000	%	Rupees ' 000	%	Rupees ' 000	%	Rupees ' 000	%	Rupees ' 000	%	Rupees ' 000	%
Net sales including toll manufacturing service fee	12,946,968	100.0	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
Cost of goods sold and services	8,280,490	64.0	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
Gross Profit	4,666,478	36.0	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
Selling and distribution expenses	1,894,390	14.6	1,601,101	14.6	1,252,810	14.8	1,094,405	15.4	908,965	13.8	853,187	14.4
Administrative expenses	295,823	2.3	267,915	2.4	201,943	2.4	174,511	2.4	161,278	2.4	121,112	2.0
	2,476,265	19.1	1,818,022	16.5	866,378	10.3	1,200,089	16.8	1,564,866	23.8	1,542,185	26.1
Other operating income	142,466	1.1	109,079	1.0	141,890	1.7	105,545	1.5	173,394	2.6	108,722	1.8
Other operating charges	240,689	1.9	182,314	1.7	129,765	1.5	65,051	0.9	179,859	2.7	130,020	2.2
	2,378,042	18.3	1,744,787	15.8	878,503	10.4	1,240,583	17.4	1,558,401	23.7	1,520,887	25.7
Finance cost	3,216	0.0	3,530	0.0	2,525	0.0	2,704	0.0	3,202	0.1	3,660	0.0
Profit before taxation	2,374,826	18.3	1,741,257	15.8	875,978	10.4	1,237,879	17.4	1,555,199	23.6	1,517,227	25.7
Taxation - net	730,240	5.6	564,313	5.1	266,906	3.2	373,652	5.2	512,309	7.8	459,226	7.8
Profit for the year / period	1,644,586	12.7	1,176,944	10.7	609,072	7.2	864,227	12.1	1,042,890	15.8	1,058,001	17.9

Horizontal Analysis

	December 31, 2011	December 31, 2010	November 30, 2009 (Restated)	November 30, 2008 (Restated)	November 30, 2007 (Restated)	November 30, 2006 (Restated)	December 31, 2011	December 31, 2010	November 30, 2009	November 30, 2008	November 30, 2007	November 30, 2006
	Rupees in ' 000						% increase / (decrease) over preceeding year*					
Balance Sheet												
Total Equity	5,186,183	3,912,539	3,238,460	3,568,512	3,689,273	4,241,886	32.6	20.8	(9.2)	(3.3)	(13.0)	24.3
Non-Current Liability	165,219	115,182	119,627	100,606	110,414	44,100	43.4	(3.7)	18.9	(8.9)	150.4	109.2
Current Liabilities	2,053,927	1,762,700	1,606,489	1,380,592	881,681	749,439	16.5	9.7	16.4	56.6	17.6	7.7
Total Equity and Liabilities	7,405,329	5,790,421	4,964,576	5,049,710	4,681,368	5,035,425	27.9	16.7	(1.7)	7.9	(7.0)	22.0
Non-Current Assets	2,429,566	1,933,748	1,705,391	1,594,581	1,552,239	1,471,256	25.6	13.4	6.9	2.7	5.5	20.5
Current Assets	4,975,763	3,856,673	3,259,185	3,455,129	3,129,129	3,564,169	29.0	18.3	(5.7)	10.4	(12.2)	22.6
Total Assets	7,405,329	5,790,421	4,964,576	5,049,710	4,681,368	5,035,425	27.9	16.6	(1.7)	7.9	(7.0)	22.0

	Twelve months ended December 31, 2011	Thirteen months ended December 31, 2010	Twelve months ended November 30, 2009 (Restated)	Twelve months ended November 30, 2008 (Restated)	Twelve months ended November 30, 2007 (Restated)	Twelve months ended November 30, 2006 (Restated)	Twelve months ended December 31, 2011	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
Profit and Loss Account	Rupees '000						% increase / (decrease) over preceeding year*					
Net sales including toll manufacturing service fee	12,946,968	10,995,701	8,450,118	7,123,412	6,584,454	5,914,181	17.7	30.1	18.6	8.2	11.3	13.1
Cost of goods sold and services	8,280,490	7,308,663	6,128,987	4,654,407	3,949,345	3,397,697	13.3	19.2	31.7	17.9	16.2	14.0
Gross Profit	4,666,478	3,687,038	2,321,131	2,469,005	2,635,109	2,516,484	26.6	58.8	(6.0)	(6.3)	4.7	12.0
Selling and distribution expenses	1,894,390	1,601,101	1,252,810	1,094,405	908,965	853,187	18.3	27.8	14.5	20.4	6.5	9.7
Administrative expenses	295,823	267,915	201,943	174,511	161,278	121,112	10.4	32.7	15.7	8.2	33.2	5.7
	2,476,265	1,818,022	866,378	1,200,089	1,564,866	1,542,185	36.2	109.8	(27.8)	(23.3)	1.5	13.9
Other operating income	142,466	109,079	141,890	105,545	173,394	108,722	30.6	(23.1)	34.4	(39.1)	59.5	121.6
Other operating charges	240,689	182,314	129,765	65,051	179,859	130,020	32.0	40.5	99.5	(63.8)	38.3	(4.1)
	2,378,042	1,744,787	878,503	1,240,583	1,558,401	1,520,887	36.3	98.6	(29.2)	(20.4)	2.5	20.0
Finance cost	3,216	3,530	2,525	2,704	3,202	3,660	(8.9)	39.8	(6.6)	(15.6)	(12.5)	26.1
Profit before taxation	2,374,826	1,741,257	875,978	1,237,879	1,555,199	1,517,227	36.4	98.8	(29.2)	(20.4)	2.5	20.0
Taxation - net	730,240	564,313	266,906	373,652	512,309	459,226	29.4	111.4	(28.6)	(27.1)	11.6	21.3
Profit for the year / period	1,644,586	1,176,944	609,072	864,227	1,042,890	1,058,001	39.7	93.2	(29.5)	(17.1)	(1.4)	19.4

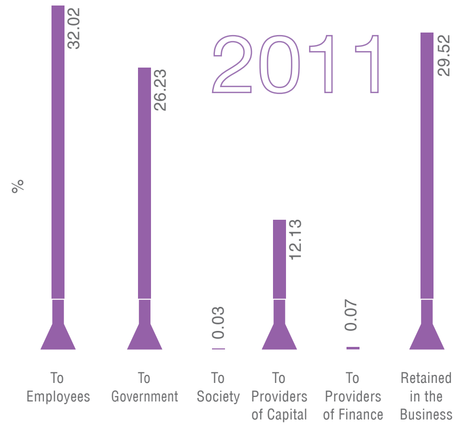
* Compared with restated figures except for 2011.

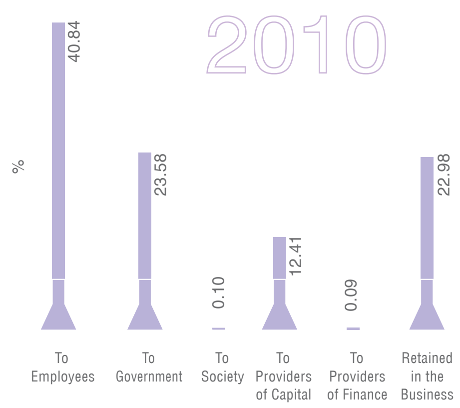
Horizontal Analysis

Statement of Value Addition and its Distribution

	Twelve months ended December 31, 2011 (Rupees '000)	%	Thirteen months ended December 31, 2010 (Rupees '000)	%
Wealth Generated				
Total Revenue inclusive of sales tax and other operating income	13,395,579		11,337,856	
Bought-in-materials and services	8,553,274		7,392,183	
	4,842,305	100	3,945,673	100
Wealth Distribution				
To Employees				
Salaries, wages, allowances and staff welfare	1,550,589	32.02	1,611,520	40.84
To Government				
Income Tax	763,984	15.78	550,564	13.95
Workers' Funds and Central Research Fund	199,996	4.13	146,862	3.72
Sales tax and excise duty	306,145	6.32	233,076	5.91
	1,270,125	26.23	930,502	23.58
To Society				
Donations	1,409	0.03	3,752	0.10
To Providers of Capital				
Dividends*	587,402	12.13	489,502	12.41
To Providers of Finance				
Finance cost	3,216	0.07	3,530	0.09
Retained in the Business				
Depreciation	279,900	5.78	256,102	6.49
Added to Unappropriated profit	1,149,664	23.74	650,765	16.49
	1,429,564	29.52	906,867	22.98
	4,842,305	100.00	3,945,673	100.00

* Dividends Include final dividend amounting to Rs.391.601 million proposed by the Board of Directors subsequent to the year / period 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 Director is a member of the stock exchange on which the Company's shares are listed.

4. A casual vacancy occurred in the Board during the year and it was filled within 30 days of its occurrence.

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 years 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. The Company maintains an updated list of related parties and all transactions with related parties are placed before the Audit Committee on a quarterly basis. 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 for 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 14, 2012

M. Yousuf Adil Saleem & Co
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU, Sharea Faisal,
Karachi-75350,
Pakistan.

UAN: +92 (0) 21 111-55-2626
Fax: +92 (0) 21 3454 1314
Web: www.deloitte.com

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 are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Further, Listing Regulations of 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 undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended December 31, 2011.

M. Yousuf Adil Saleem & Co

Chartered Accountants

Engagement Partner:
Nadeem Yousuf Adil

Karachi
Date: 14 February 2012

Deloitte.

M. Yousuf Adil Saleem & Co
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU, Sharea Faisal,
Karachi-75350,
Pakistan.

UAN: +92 (0) 21 111-55-2626
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Auditors' Report to the Members

We have audited the annexed balance sheet of Abbott Laboratories (Pakistan) Limited (the Company) as at December 31, 2011 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

(a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

(b) in our opinion:

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

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

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

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2011 and of the profit, total comprehensive income, its cash flows and changes in equity for the year then ended; and

(d) in our opinion, Zakat deductible at source under 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.

M. Yousuf Adil Saleem & Co

Chartered Accountants

Engagement Partner:
Nadeem Yousuf Adil

Karachi
Date: 14 February 2012

Balance Sheet

As at December 31, 2011

	Note	December 31, 2011	December 31, 2010
		(Rupees '000)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital	3	2,000,000	2,000,000
Issued, subscribed and paid-up capital	4	979,003	979,003
Reserves - capital		223,247	197,167
- revenue		3,983,933	2,736,369
Total Equity		5,186,183	3,912,539
NON-CURRENT LIABILITY			
Deferred taxation	5	165,219	115,182
CURRENT LIABILITIES			
Trade and other payables	6	2,053,927	1,762,700
Total Liabilities		2,219,146	1,877,882
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		7,405,329	5,790,421

	Note	December 31, 2011	December 31, 2010
		(Rupees '000)	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
- Property, plant and equipment	8	2,298,062	1,877,596
- Intangible asset	9	76,055	-
Long-term loans and advances	10	42,676	39,203
Long-term deposits	11	4,096	2,801
Long-term prepayments		8,677	14,148
Total Non-current Assets		2,429,566	1,933,748
CURRENT ASSETS			
Stores and spares	12	76,887	72,430
Stock-in-trade	13	2,316,562	2,069,633
Trade debts	14	411,813	263,267
Loans and advances	15	173,908	130,868
Trade deposits and short-term prepayments	16	151,238	134,170
Accrued profit		1,425	705
Other receivables	17	53,138	79,715
Taxation recoverable		337,465	286,798
Cash and bank balances	18	1,453,327	819,087
Total Current Assets		4,975,763	3,856,673
TOTAL ASSETS		7,405,329	5,790,421

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

Chief Executive

Director

Profit and Loss Account

For the year ended December 31, 2011

	Note	Twelve months ended December 31, 2011	Thirteen months ended December 31, 2010
		(Rupees '000)	
Sales - net	19	12,946,968	10,995,701
Cost of goods sold and services	20	8,280,490	7,308,663
Gross profit		4,666,478	3,687,038
Selling and distribution expenses	22	1,894,390	1,601,101
Administrative expenses	23	295,823	267,915
		2,476,265	1,818,022
Other operating income	24	142,466	109,079
Other operating charges	25	240,689	182,314
		2,378,042	1,744,787
Finance cost	26	3,216	3,530
Profit before taxation		2,374,826	1,741,257
Taxation - net	27	730,240	564,313
Profit for the year / period		1,644,586	1,176,944
		(Rupees)	
Earnings per share - basic / diluted	28	16.80	12.02

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

Chief Executive

Director

Statement of Comprehensive Income

For the year ended December 31, 2011

	Note	Twelve months ended December 31, 2011	Thirteen months ended December 31, 2010
		(Rupees '000)	
Profit for the year / period		1,644,586	1,176,944
Other comprehensive income for the year / period			
- Actuarial gains / (losses) on defined benefit pension plan	21.1.7	126,224	(50,426)
- Tax on actuarial (gains) / losses		(33,744)	13,749
Other comprehensive income - net of tax		92,480	(36,677)
Total comprehensive income for the year / period		1,737,066	1,140,267

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

Chief Executive

Director

Cash Flow Statement

For the year ended December 31, 2011

	Note	Twelve months ended December 31, 2011	Thirteen months ended December 31, 2010
		(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	29	2,563,135	1,512,023
Income taxes paid		(790,962)	(580,974)
Long-term loans and advances - net		(3,473)	(7,424)
Long-term deposits - net		(1,295)	1,592
Long-term prepayments - net		5,471	(7,714)
Net cash inflow from operating activities		1,772,876	917,503
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(714,775)	(492,839)
Acquisition of intangible asset		(86,100)	-
Sale proceeds from disposal of fixed assets		24,247	38,823
Interest income		132,828	79,231
Net cash outflow from investing activities		(643,800)	(374,785)
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance cost paid		(3,216)	(3,530)
Dividends paid		(491,620)	(490,885)
Net cash outflow from financing activities		(494,836)	(494,415)
Net increase in cash and cash equivalents		634,240	48,303
Cash and cash equivalents at the beginning of the year / period		819,087	770,784
Cash and cash equivalents at the end of the year / period		1,453,327	819,087

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

Chief Executive

Director

Statement of Changes in Equity

For the year ended December 31, 2011

	Share Capital	Reserves: Capital Reserves: Reserve arising on merger	Reserves: Capital Reserves: Other - (Note 2.23)	Reserves: Revenue Reserves: General Reserves	Reserves: Revenue Reserves: Un-appropriated Profit	Reserves: Total	Total Equity
	(Rupees '000)						
Balance as at December 1, 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 @ Rs. 3 per share	-	-	-	-	(293,701)	(293,701)	(293,701)
Interim dividend for the thirteen months ended December 31, 2010 @ Rs. 2 per share	-	-	-	-	(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
Balance as at January 1, 2011	979,003	46,097	151,070	1,788,422	947,947	2,933,536	3,912,539
Transfer from unappropriated profit to general reserve made subsequent to the thirteen months ended December 31, 2010	-	-	-	650,000	(650,000)	-	-
Total comprehensive income for the year ended December 31, 2011							
Profit for the year ended December 31, 2011	-	-	-	-	1,644,586	1,644,586	1,644,586
Other comprehensive income for the year ended December 31, 2011, net of tax	-	-	-	-	92,480	92,480	92,480
Total comprehensive income for the year ended December 31, 2011	-	-	-	-	1,737,066	1,737,066	1,737,066
Transactions with owners, recorded directly in equity							
Final dividend for the thirteen months ended December 31, 2010 @ Rs. 3 per share	-	-	-	-	(293,701)	(293,701)	(293,701)
Interim dividend for the year ended December 31, 2011 @ Rs. 2 per share	-	-	-	-	(195,801)	(195,801)	(195,801)
Capital contribution from Abbott International LLC., USA	-	-	26,080	-	-	26,080	26,080
Balance as at December 31, 2011	979,003	46,097	177,150	2,438,422	1,545,511	4,207,180	5,186,183

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

Chief Executive

Director

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 twelve months (year) ended December 31, 2011 and the corresponding figures pertain to thirteen months (period) ended December 31, 2010, 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 Adoption of new and amended standards and interpretations

During the year, following standards and interpretations including amendments to standards and interpretations became effective, however, their application did not have material impact on the financial statements of the Company:

- IFRS 3 - Business Combinations (Amendments)
- IFRS 7 - Financial Instruments: Disclosures (Amendments)
- IAS 1 - Presentation of Financial Statements (Amendments)
- IAS 24 - Related Party Disclosures (Revised)
- IAS 27 - Consolidated and Separate Financial Statements (Amendments)
- IAS 32 - Financial Instruments: Presentation (Amendments)
- IAS 34 - Interim Financial Reporting (Amendment)
- IFRIC 13 - Customer Loyalty Programmes (Amendment)
- IFRIC 14 - Prepayments of a Minimum Funding Requirement (Amendment)
- IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments

2.1.4 Amendments to published standards and new interpretation to existing standard that are not yet effective and have not been early adopted by the Company

The following amendments to published standards and new interpretation to existing standard are effective for accounting periods, beginning on or after the date mentioned against them:

- IFRS 7 - 'Financial Instruments: Disclosures' (effective for annual periods beginning on or after July 1, 2011) - The amendments to IFRS 7 increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are 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. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

- IAS 1 - 'Presentation of Financial Statements' (effective for annual periods beginning on or after July 1, 2012) - retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that will be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

- IAS 12 - 'Income taxes' - (effective for annual periods beginning on or after January 1, 2012) - IAS 12 currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40, 'Investment property'. This amendment therefore introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendments, SIC 21, 'Income taxes - recovery of revalued non-depreciable assets', will no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC 21, which is withdrawn.

- IAS 19 - 'Employee Benefits' (effective for annual periods beginning on or after January 1, 2013) - These amendments eliminate the corridor approach and calculate finance costs on a net funding basis.

- IFRIC 20 - 'Stripping Costs in the Production Phase of a Surface Mine' applies to all types of natural resources that are extracted using a surface mine activity process, and addresses the issues pertaining to the recognition of production stripping cost as an asset, initial measurement of stripping activity at cost and subsequent measurement of stripping activity asset at depreciated or amortised cost based on a systematic basis over the expected useful life of the identified component of ore body.

The above mentioned amendments to published standards and new interpretation to existing standard 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 disclosure in certain cases.

2.1.5 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) Intangible asset (note 2.4 and note 9)
iii) Provision for slow moving and obsolete stock-in-trade (note 2.6 and note 13);
iv) Estimates of receivables and payables in respect of staff retirement benefit schemes (note 2.14 and note 21);
v) Provision for taxation (note 2.9, note 5 and note 27); and
vi) Share based compensation (note 2.23 and 30).

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.

(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 profit and loss account 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 profit and loss account 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 Intangible asset

An intangible asset is recognised as an asset if it is probable that future economic benefits attributable to the asset will flow to the entity and the cost of such asset can be measured reliably.

Intangible asset with finite life is measured initially at cost and subsequently stated at cost less accumulated amortisation and impairment losses, if any. This is amortised on a straight line basis over its estimated useful life of five years.

The amortisation period for intangible assets with finite useful lives is reviewed at each year end and is changed to reflect the useful life expected at respective year end.

2.5 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.

2.6 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.

2.7 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.

2.8 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.

2.9 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.

2.10 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.

2.11 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.

2.12 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.

2.13 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.

2.14 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.

Staff retirement benefits are payable to employees on completion of the prescribed qualifying period of service under the scheme.

2.15 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.

2.16 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.

2.17 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.

2.18 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.

2.19 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.

2.20 Financial instruments

All 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.

2.21 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.

2.22 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.

2.23 Share based compensation

The 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.

December 31, 2011	December 31, 2010		December 31, 2011	December 31, 2010
Number of shares			(Rupees '000)	

3. AUTHORISED CAPITAL

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

5,832,196	5,832,196	Ordinary shares of Rs. 10 each issued as fully paid for cash	58,322	58,322
18,479,640	18,479,640	Ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash	184,796	184,796
73,588,466	73,588,466	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	735,885	735,885
97,900,302	97,900,302		979,003	979,003

As at December 31, 2011, Abbott Asia Investments Limited, UK held 76,259,454 shares. The ultimate holding company is Abbott International LLC., USA.

5. DEFERRED TAXATION

	2011	2010
Deferred tax liability arising due to accelerated tax depreciation allowance	212,076	155,295
Deferred tax asset arising in respect of provisions	(46,857)	(40,113)
	165,219	115,182

	Note	December 31, 2011	December 31, 2010
		(Rupees '000)	

6. TRADE AND OTHER PAYABLES

	Note	December 31, 2011	December 31, 2010
Creditors		120,402	112,490
Accrued liabilities		662,690	576,516
Advances from customers		147,827	120,438
Material on loan		1,586	-
Unclaimed dividends		6,522	8,640
Bills payable	6.1	280,652	250,494
Payable to related parties	6.2	37,970	34,938
Sales tax payable		28,082	23,328
Workers' Profit Participation Fund	6.3	127,542	3,526
Central Research Fund		27,069	20,672
Workers' Welfare Fund		70,420	48,302
Staff pension fund	21.1.1	531,817	552,580
Others		11,348	10,776
		2,053,927	1,762,700

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

Other related parties

	December 31, 2011	December 31, 2010
Abbott Pharmaceuticals, Inc. Puerto Rico	57,837	52,747
Abbott Gmbh Diagnostic	21,040	26,474
Abbott Logistics B.V.	166,639	111,318
Abbott Labs PTE Ltd., Singapore	15,858	22,924
Abbott International LLC., USA	6,531	22,992
	267,905	236,455

	Note	December 31, 2011	December 31, 2010
		(Rupees '000)	
6.2 Payable to related parties represents the following amounts payable to:			
Other related parties			
Abbott Australasia Pty Limited		210	661
Abbott Mexico		-	1,873
Abbott International LLC., USA		26,946	30,419
Abbott Mearo		270	-
Abbott Labs PTE Ltd., Singapore		-	1,618
Abbott China		388	367
Abbott Pharmaceuticals, Inc. Puerto Rico		8,895	-
Abbott Laboratories S.A.		1,064	-
Abbott Laboratories Philippines		196	-
Abbott Germany		1	-
		37,970	34,938
6.3 Workers' Profit Participation Fund			
Balance at the beginning of the year / period		3,526	62,615
Allocation for the year / period	25	127,542	93,526
		131,068	156,141
Less: Amount paid to the fund		3,526	152,615
		127,542	3,526

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

The Company has given bank guarantees of Rs. 96.064 million (2010: Rs. 71.647 million) to the Customs Department, a utility company and other institutions against tenders.

7.2 The returns of total income for four tax years were selected for audit by the tax authority. The Taxation Officer disallowed certain expenses claimed by the Company against which the Company filed appeals before the Commissioner Inland Revenue (Appeals) [CIR(A)]. The CIR(A) allowed certain expenses, however, maintained majority of the disallowances resulting in tax demand Rs. 239.695 million. The Company has now filed the appeals before the Appellate Tribunal Inland Revenue (ATIR) which are pending adjudication.

The Company has filed a reference application before the High Court of Sindh for assessment years 1997-98, 1999-00 to 2002-03 in respect of certain disallowances which is pending for adjudication.

Management is of the view that the disallowances are unjustified and, therefore confident that, the eventual outcome of the matter will be in favour of the Company.

7.3 Commitments

7.3.1 Commitments for capital expenditure aggregated approximately Rs. 23.501 million (2010: Rs. 130.028 million).

7.3.2 The Company has obtained short-term financing facilities from various commercial banks amounting to Rs. 1,349 million (2010: Rs. 980 million). These facilities can be utilized for letters of credit, guarantees and running finance / short-term loans. However, the running finance / short-term loan utilization cannot exceed Rs. 310 million (2010: Rs. 335 million). The running finance / short-term loan carries markup at rates ranging from KIBOR plus 1% to KIBOR plus 2% (2010: KIBOR plus 1% to KIBOR plus 2%) 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. 234.371 million (2010: Rs. 317.535 million).

	Note	December 31, 2011	December 31, 2010
		(Rupees '000)	
8. FIXED ASSETS			
Property, plant and equipment			
Operating fixed assets	8.1	1,877,749	1,484,642
Capital work-in-progress	8.5	420,313	392,954
		2,298,062	1,877,596

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	Demonstra-tion equipments-note 8.2	Total
					(Rupees '000)					
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 / transfers	-	-	-	-	68,769	85,893	14,029	6,295	84,785	259,771
Disposals / write offs										
Cost	-	-	-	-	19,743	57,734	133	-	43,229	120,839
Depreciation	-	-	-	-	19,071	39,095	133	-	40,614	98,913
	-	-	-	-	672	18,639	-	-	2,615	21,926
Depreciation / amortisation charge for the period	-	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
Year ended December 31, 2011										
Opening net book value	20,679	1,971	151,828	5,174	879,322	174,228	22,411	20,636	208,393	1,484,642
Additions / transfers	-	-	-	-	372,518	83,590	32,368	18,401	180,539	687,416
Disposals / write offs										
Cost	-	-	-	-	87,682	46,869	1,934	12,601	19,766	168,852
Depreciation	-	-	-	-	82,888	27,336	1,934	12,474	19,766	144,398
	-	-	-	-	4,794	19,533	-	127	-	24,454
Depreciation / amortisation charge for the year	-	29	7,392	1,279	120,709	38,394	10,153	11,458	80,441	269,855
Closing net book value	20,679	1,942	144,436	3,895	1,126,337	199,891	44,626	27,452	308,491	1,877,749
At December 31, 2011										
Cost	20,679	2,718	324,617	66,683	2,345,156	286,291	96,825	187,103	657,676	3,987,748
Accumulated depreciation / amortisation	-	776	180,181	62,788	1,218,819	86,400	52,199	159,651	349,185	2,109,999
Net book value	20,679	1,942	144,436	3,895	1,126,337	199,891	44,626	27,452	308,491	1,877,749
Annual rate of depreciation / amortisation										
2010	-	1.06	2-10	5-10	5-20	20-25	10-33	20-33	12.5-33	
2011	-	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.

	Note	Twelve months ended December 31, 2011	Thirteen months ended December 31, 2010
		(Rupees '000)	

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

	Note	2011	2010
Cost of goods sold and services	20	131,970	138,900
Selling and distribution expenses	22	118,497	102,126
Administrative expenses	23	19,388	15,076
		269,855	256,102

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	896	716	180	358	Negotiation	Habib Ahmed	Employee
	1,279	830	449	512	Negotiation	Malik Saadatullah	Employee
	1,279	796	483	512	Negotiation	Amir Baig	Employee
	1,775	621	1,154	1,243	Negotiation	Ather Noman Khan	Ex-Employee
	1,012	684	328	405	Negotiation	Siraj Lawai	Employee
	1,329	316	1,013	1,200	Insurance Claim	EFU	EFU house, M.A. Jinnah Road, Karachi
	1,506	1,038	468	602	Negotiation	Seema Khan	Employee
	969	629	340	388	Negotiation	Tariq Khalidi	Employee
	4,679	1,770	2,909	3,275	Negotiation	Sadi Syed	Ex-Employee
	967	743	224	387	Negotiation	Sheikh Adnan Latif	Employee
	966	725	241	386	Negotiation	Asmatullah	Employee
	1,039	831	208	716	Open Market Auction	Islam Sarwar	House No. 78, Block 6, PECHS, Karachi
	1,849	347	1,502	1,572	Negotiation	Dr. Arshad	Ex-Employee
	969	654	315	388	Negotiation	Ejaz Ahmed	Employee
	969	646	323	388	Negotiation	Shah M Saleem	Employee
	901	589	312	360	Negotiation	Tahir Rasheed	Employee
	879	586	293	352	Negotiation	Iftikhar Dhariwal	Employee
	879	563	316	352	Negotiation	Abdul Rehman	Employee
	969	646	323	388	Negotiation	Atif Siddiqui	Employee
	879	586	293	352	Negotiation	Tariq M Khan	Employee
	969	633	336	388	Negotiation	Dr. Waheed Jummani	Ex-Employee
	879	598	281	352	Negotiation	Kifayatullah	Employee
	922	635	287	369	Negotiation	Maria Memon	Employee
	969	707	262	388	Negotiation	Sirbiland khan	Employee
	966	751	215	386	Negotiation	Zafarullah khan	Employee
	969	707	262	388	Negotiation	Najeebuddin Khan	Employee
	936	674	262	374	Negotiation	Muhammad Sehran	Employee
	969	672	297	388	Negotiation	Mian Tahir Mehmood	Employee
	879	621	258	352	Negotiation	Rizwan Hafeez	Employee
	980	640	340	392	Negotiation	Dr. Raeef Ahmed	Employee
	986	644	342	394	Negotiation	Muhammad Raza Jaffri	Ex-Employee
	879	621	258	352	Negotiation	Ashsan Nadeem	Employee
	1,456	164	1,292	1,456	Insurance Claim	EFU	EFU house, M.A. Jinnah Road, Karachi
	879	633	246	352	Negotiation	Naeemuddin	Employee
	1,002	771	231	401	Negotiation	Dr. Pir M Shah	Employee
	1,482	204	1,278	1,482	Insurance Claim	EFU	EFU house, M.A. Jinnah Road, Karachi
	969	719	250	388	Negotiation	Masood Akhter	Employee
	936	724	212	374	Negotiation	Usman Qureshi	Employee
	2,852	1,902	950	1,141	Negotiation	Asif Jooma	Chief Executive
Plant and machinery	3,733	3,362	371	-	-	Write-off	
	30,481	28,322	2,159	-	-	Write-off	
	30,186	27,947	2,239	-	-	Write-off	
Computers	118	15	103	-	-	Write-off	

8.5 Capital work-in-progress

	Plant and machinery	Vehicles	Others	Total
	(Rupees '000)			
At December 1, 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
Additions	431,103	93,824	189,848	714,775
Transferred to operating fixed assets	(372,518)	(83,590)	(231,308)	(687,416)
At December 31, 2011	371,637	21,142	27,534	420,313

9. INTANGIBLE ASSET

Intangible assets include rights acquired from Highnoon Laboratories Limited against transfer of technical, marketing and sales know-how and assignment of other necessary rights and requisites for marketing and selling ex-Solvay products in Pakistan, following a global acquisition of Solvay Pharmaceuticals by Abbott International, the ultimate holding company.

	Note	December 31, 2011	December 31, 2010
		(Rupees '000)	
Cost			
Opening balance		-	-
Additions		86,100	-
Balance as at December 31,		86,100	-
Accumulated amortisation			
Opening balance		-	-
Amortisation charge	22	10,045	-
Balance as at December 31,		10,045	-
Net book value			
Cost		86,100	-
Accumulated amortisation		(10,045)	-
Balance as at December 31,		76,055	-
		Years	
Useful life		5	-

	Note	December 31, 2011	December 31, 2010
		(Rupees '000)	
10. LONG-TERM LOANS AND ADVANCES - considered good			
Long-term loans			
Due from:			
- Executives	10.1	4,837	1,944
- Employees		61,561	56,648
		66,398	58,592
Less: recoverable within one year			
- Executives		1,948	840
- Employees		24,448	21,262
	15	26,396	22,102
		40,002	36,490
Long-term advances			
- Employees		2,674	2,713
		42,676	39,203

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

Opening balance		1,944	1,122
Disbursements		2,370	854
Transfer of balances of employee cadre to executive cadre		3,122	1,712
Less: Repayments		2,599	1,744
Closing balance		4,837	1,944

10.2 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.

10.3 The maximum aggregate amount of loans and advances due from the chief executive and executives at the end of any month during the year were Rs. NIL (2010: Rs. 0.450 million) and Rs. 5.728 million (2010: Rs. 3.057 million) respectively.

11. LONG-TERM DEPOSITS

Deposits		5,214	3,919
Provision for doubtful deposits	11.1	(1,118)	(1,118)
		4,096	2,801

		Note	December 31, 2011	December 31, 2010
			(Rupees '000)	
11.1	Reconciliation of provision for doubtful deposits			
	Opening provision		1,118	-
	Charge for the year / period	25	-	1,118
	Closing provision		1,118	1,118
12.	STORES AND SPARES			
	Stores		48,850	48,048
	Spares [including spares-in-transit Rs. 2.691 million (2010: Rs. 2.264 million)]		59,787	53,958
			108,637	102,006
	Less: Provision for slow moving and obsolete items	12.1	31,750	29,576
			76,887	72,430
12.1	Reconciliation of provision for slow moving and obsolete items			
	Opening provision		29,576	27,266
	Charge for the year / period		2,174	2,310
	Closing provision		31,750	29,576
13.	STOCK-IN-TRADE			
	Raw and packing materials [including stock-in-transit Rs. 130.673 million (2010: Rs. 91.513 million)]		1,362,504	1,218,864
	Work-in-process	20	191,222	95,785
	Finished goods [including stock-in-transit Rs. 122.281 million (2010: Rs. 82.343 million)]	20	893,671	862,932
			2,447,397	2,177,581
	Less: Provision for slow moving and obsolete items	13.3	130,835	107,948
			2,316,562	2,069,633

13.1 Write down of inventories recognised as an expense in the current year amounts to Rs. 10.000 million (2010: Rs. 14.886 million).

13.2 Stock-in-trade includes finished goods costing Rs. 56.507 million (2010: Rs. 27.664 million) valued at net realisable value amounting to Rs. 52.627 million (2010: Rs. 22.016 million).

		Note	December 31, 2011	December 31, 2010
			(Rupees '000)	
13.3	Reconciliation of provision for slow moving and obsolete items			
	Opening provision		107,948	96,923
	Charge for the year / period		39,874	101,702
	Write offs during the year / period		(16,987)	(90,677)
	Closing provision		130,835	107,948
14.	TRADE DEBTS			
	Considered good:			
	Secured			
	- Due from other related party	14.1	3,840	7,746
	- Others		36,430	30,070
			40,270	37,816
	Unsecured		371,543	225,451
			411,813	263,267
	Considered doubtful:			
	Unsecured		13,525	14,393
			425,338	277,660
	Less: Provision for doubtful debts	14.2	13,525	14,393
			411,813	263,267
14.1	Due from other related party			
	Abbott Logistics B.V.		3,840	7,746
14.2	Reconciliation of provision for doubtful debts			
	Opening provision		14,393	15,742
	Charge / (reversal) for the year / period		59	(1,349)
	Write offs during the year / period		(927)	-
	Closing provision		13,525	14,393
15.	LOANS AND ADVANCES - considered good			
	Current portion of long-term loans	10	26,396	22,102
	Advances to:			
	- Executives		1,708	2,697
	- Employees		374	454
			2,082	3,151
	- Suppliers		145,430	105,615
			147,512	108,766
			173,908	130,868

15.1 The maximum aggregate amount of advances due from the chief executive, directors and executives at the end of any month during the year were Rs. 2.192 million, Rs. 0.191 million and Rs. 8.740 million (2010: Rs. 1.103 million, Rs. 0.179 million and Rs. 2.697 million) respectively.

		Note	December 31, 2011	December 31, 2010
			(Rupees '000)	
16.	TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS			
	Considered good			
	Trade deposits		36,787	38,211
	Prepayments [including sample inventory Rs. 46.343 million (2010: Rs. 34.972 million)]		114,451	95,959
			151,238	134,170
	Considered doubtful			
	Trade deposits		2,161	2,161
			153,399	136,331
	Less: Provision for doubtful trade deposits	16.1	2,161	2,161
			151,238	134,170
16.1	Reconciliation of provision for doubtful trade deposits			
	Opening provision		2,161	2,161
	Charge for the year / period		-	-
	Closing provision		2,161	2,161
17.	OTHER RECEIVABLES			
	Considered good			
	Due from related parties	17.1	20,149	41,687
	Material on loan		14,479	12,402
	Insurance claim receivable		3,955	3,720
	Service fee for toll manufacturing		163	163
	Others		14,392	21,743
			53,138	79,715
	Considered doubtful		2,057	1,876
			55,195	81,591
	Less: Provision for doubtful other receivables	17.2	2,057	1,876
			53,138	79,715

		Note	December 31, 2011	December 31, 2010
			(Rupees '000)	
17.1	Due from related parties			
	Abbott International, USA		3,158	-
	Abbott Labs PTE Ltd., Singapore		10,719	30,327
	Abbott International LLC., USA		4,134	1,550
	Abbott Laboratories Japan		-	259
	Abbott Laboratories Maero		-	4,686
	Abbott Laboratories Philippines		852	1,071
	Abbott Laboratories Indonesia		992	742
	Abbott Laboratories Egypt		-	273
	Abbott ALSA		-	2,779
	Abbott Laboratories Mexico		113	-
	Abbott Laboratories Malaysia		181	-
			20,149	41,687
17.2	Reconciliation of provision for doubtful other receivables			
	Opening provision		1,876	1,716
	Charge for the year / period	25	181	160
	Closing provision		2,057	1,876
18.	CASH AND BANK BALANCES			
	With banks			
	Savings accounts:			
	- Local currency	18.1	195,839	123,890
	- Foreign currency		116,935	75,428
			312,774	199,318
	Deposit accounts			
	- Local currency	18.2	1,100,000	600,000
	Current accounts:			
	- Local currency		11,140	2,089
			1,423,914	801,407
	In hand			
	- Foreign currency		1,712	1,502
	- Local currency		1,466	2,415
	Cheques and drafts in hand and in transit		26,235	13,763
			1,453,327	819,087

18.1 These savings accounts carry markup rate at the rate of 5% (2010: 5%).

18.2 These deposit accounts carry markup rates ranging from 10.80% to 11.50% (2010: 10.45% to 11.95%).

	Note	Twelve months ended December 31, 2011	Thirteen months ended December 31, 2010
		(Rupees '000)	
19. SALES – NET			
Local		12,674,777	10,728,882
Export - to related parties	32	56,959	54,130
Export - to others		598,650	571,384
		655,609	625,514
		13,330,386	11,354,396
Less:			
Sales returns and discounts		77,273	125,619
Sales tax and excise duty		306,145	233,076
		383,418	358,695
		12,946,968	10,995,701

	Note	Twelve months ended December 31, 2011	Thirteen months ended December 31, 2010
		(Rupees '000)	
20. COST OF GOODS SOLD AND SERVICES			
Opening work-in-process		95,785	192,913
Raw and packing materials consumed		5,021,580	4,136,863
		5,117,365	4,329,776
Manufacturing expenses:			
Salaries, wages, allowances and staff welfare	20.1	872,303	818,391
Stores and spares consumed		94,562	61,147
Fuel and power		186,725	184,272
Depreciation	8.3	131,970	138,900
Repairs and maintenance		105,261	66,393
Technical service fee	32	99,686	89,237
Insurance		7,392	6,389
Printing and stationery		4,408	3,449
Travelling and entertainment		6,501	5,399
Rent, rates and taxes		2,105	2,572
Laboratory testing supplies		21,117	24,264
Computer expenses		24,015	17,901
Postage, telephone and telegram		10,496	10,368
Others	20.2	100,008	85,950
		1,666,549	1,514,632
		6,783,914	5,844,408
Closing work-in-process	13	(191,222)	(95,785)
Cost of goods manufactured and services		6,592,692	5,748,623
Finished goods			
Opening stock		862,932	701,419
Purchases		1,718,537	1,721,553
		9,174,161	8,171,595
Closing stock	13	(893,671)	(862,932)
		8,280,490	7,308,663

20.1 Salaries, wages, allowances and staff welfare include a net charge of Rs. 119.889 million - note 21.3 (2010: net charge of Rs. 101.051 million) in respect of staff retirement benefits.

	Note	Twelve months ended December 31, 2011	Thirteen months ended December 31, 2010
		(Rupees '000)	
20.2 Details of other expenses			
Other fees and purchased services		41,341	33,138
Recruitment and training expenses		1,554	1,707
Membership and subscription		320	410
Conference expenses		23	51
Miscellaneous expenses		56,770	50,644
		100,008	85,950

21. STAFF RETIREMENT BENEFITS

21.1 Defined benefit scheme

As mentioned in note 2.14, the Company operates a funded pension scheme for all its permanent employees. Contributions are made to the scheme based on actuarial recommendations. The actuarial valuation was carried out as at December 31, 2011 using the Projected Unit Credit Method.

	Note	December 31, 2011	December 31, 2010
		(Rupees '000)	
21.1.1 Amounts recognised in the balance sheet:			
Present value of the defined benefit obligation	21.1.2	2,297,069	2,088,619
Less: Fair value of the plan assets	21.1.3	1,765,252	1,536,039
Deficit	6	531,817	552,580
21.1.2 Movement in the present value of the defined benefit obligation:			
Obligation at beginning of the year / period		2,088,619	1,741,442
Current service cost		106,604	101,932
Interest cost		289,584	236,715
Benefits paid		(116,791)	(65,509)
Actuarial (gain) / loss		(70,947)	74,039
Obligation at end of the year / period		2,297,069	2,088,619

		Note	December 31, 2011	December 31, 2010
			(Rupees '000)	
21.1.3	Movement in the fair value of plan assets:			
	Fair value at beginning of the year / period		1,536,039	1,316,127
	Expected return on plan assets		193,131	175,902
	Company contributions	32	97,596	85,906
	Benefits paid		(116,791)	(65,509)
	Actuarial gain		55,277	23,613
	Fair value at end of the year / period		1,765,252	1,536,039
21.1.4	Movement in liability:			
	Staff Pension Fund at beginning of the year / period		552,580	425,315
	Charge for the year / period	21.1.6	203,057	162,745
	Actuarial (gain) / loss recognised in other comprehensive income	21.1.7	(126,224)	50,426
	Company contributions		(97,596)	(85,906)
	Staff Pension Fund at end of the year / period		531,817	552,580
21.1.5	Plan assets are comprised as follows:			
	Debt		637,750	492,128
	Equity		362,468	371,591
	Mixed funds		188,153	241,068
	Bank balances		576,881	431,252
			1,765,252	1,536,039

		Note	Twelve months ended December 31, 2011	Thirteen months ended December 31, 2010
			(Rupees '000)	
21.1.6	Amount recognised in profit and loss:			
	Current service cost		106,604	101,932
	Interest cost		289,584	236,715
	Expected return on plan assets		(193,131)	(175,902)
		21.3	203,057	162,745

		Note	Twelve months ended December 31, 2011	Thirteen months ended December 31, 2010
			(Rupees '000)	
21.1.7	Amount recognised in other comprehensive income:			
	Actuarial (gains) / losses		(126,224)	50,426
21.1.8	Actual return on plan assets		248,408	199,515
			(Percent per annum)	
21.1.9	Principal actuarial assumptions used were as follows:			
	Discount rate		13.00	14.00
	Expected return on plan assets		13.00	14.00
	Future salary increases		10.75	11.83
	Future pension increases		4.75	5.56

21.1.10 Pension plan assets include the Company's ordinary shares with a fair value of Rs. 43.700 million (2010: Rs. 48.100 million).

21.1.11 The expected return on plan assets was taken as 13%, which is representative of yields on long-term Government Bonds and term deposits with banks.

21.1.12 Expected contributions to the plan for the year ending December 31, 2012 is Rs. 195 million.

		December 31, 2011	December 31, 2010	November 30, 2009	November 30, 2008	November 30, 2007
				(Rupees '000)		
21.1.13	Five year data on the deficit / (surplus) of the plan is as follows:					
	Present value of defined benefit obligation	2,297,069	2,088,619	1,741,442	1,505,257	1,259,971
	Fair value of plan assets	1,765,252	1,536,039	1,316,127	931,597	1,427,285
	Deficit / (surplus)	531,817	552,580	425,315	573,660	(167,314)

	December 31, 2011	December 31, 2010	November 30, 2009	November 30, 2008	November 30, 2007
			(Percentage)		
21.1.14 Five year data on experience adjustments is as follows:					
Experience adjustments on Plan liabilities-(gain)/loss	(3)	4	(1)	6	(2)
Experience adjustments on plan assets-gain/(loss)	3	2	20	(65)	12

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

21.2 Defined contribution scheme

An amount of Rs. 46.172 million (2010: Rs. 42.852 million) has been charged during the period in respect of the contributory provident fund maintained by the Company.

	Note	Twelve months ended December 31, 2011	Thirteen months ended December 31, 2010
		(Rupees '000)	
21.3 Staff retirement benefit cost recognised in the profit and loss account			
Pension cost	21.1.6	203,057	162,745
Less: Reimbursement from related party	32	(3,931)	(1,335)
Provident fund contribution	32	46,172	42,852
E.O.B.I.		6,049	4,825
		251,347	209,087
Allocated as:			
Cost of goods sold and services	20.1	119,889	101,051
Selling and distribution expenses	22.1	98,913	82,971
Administrative expenses	23.1	32,545	25,065
		251,347	209,087

		Note	Twelve months ended December 31, 2011	Thirteen months ended December 31, 2010
			(Rupees '000)	
22.	SELLING AND DISTRIBUTION EXPENSES			
	Salaries, wages, allowances and staff welfare	22.1	614,163	593,577
	Rent, rates and taxes		30,591	24,180
	Repairs and maintenance		16,440	17,691
	Royalty		19,510	19,639
	Insurance		7,614	4,930
	Depreciation	8.3	118,497	102,126
	Amortisation of intangible asset	9	10,045	-
	Legal, professional and other services		20,094	19,698
	Postage, telephone and telegram		15,903	17,139
	Printing and stationery		8,930	9,413
	Travelling, conveyance and entertainment		219,056	215,731
	Advertising, samples and sales promotion		486,474	350,353
	Forwarding expenses		187,877	143,360
	Electricity		11,436	10,822
	Computer expenses		20,533	16,113
	Training and development expenses		15,920	14,733
	Packing and miscellaneous supplies		18,848	14,905
	Distributors commission		85,113	36,628
	Others	22.2	45,579	43,124
			1,952,623	1,654,162
	Less: Reimbursement from related party	32	58,233	53,061
			1,894,390	1,601,101

22.1 Salaries, wages, allowances and staff welfare include a net charge of Rs. 98.913 million - note 21.3 (2010: net charge of Rs. 82.971 million) in respect of staff retirement benefits.

22.2 Details of other expenses

	2011	2010
Other fees and purchased services	19,321	18,341
Security expenses	7,062	6,354
Membership and subscription	127	530
Air conditioning expenses	8,410	8,047
Housekeeping expenses	2,925	2,517
Water charges	213	272
Purchased gas	339	524
Miscellaneous expenses	7,182	6,539
	45,579	43,124

		Note	Twelve months ended December 31, 2011	Thirteen months ended December 31, 2010
			(Rupees '000)	
23.	ADMINISTRATIVE EXPENSES			
	Salaries, wages, allowances and staff welfare	23.1	190,347	149,126
	Rent, rates and taxes		10,433	7,065
	Repairs and maintenance		6,720	5,354
	Insurance		1,983	1,493
	Depreciation	8.3	19,388	15,076
	Legal, professional and other services		6,981	8,066
	Postage, telephone and telegram		6,356	6,360
	Printing and stationery		1,800	2,285
	Travelling, conveyance and entertainment		16,690	17,431
	Electricity		5,124	6,987
	Computer expenses		15,525	12,596
	Training and development expenses		1,491	1,148
	Miscellaneous office supplies		1,731	2,519
	Others	23.2	19,150	40,896
			303,719	276,402
	Less: Reimbursement from related party	32	7,896	8,487
			295,823	267,915

23.1 Salaries, wages, allowances and staff welfare include a net charge of Rs. 32.545 million - note 21.3 (2010: net charge of Rs. 25.065 million) in respect of staff retirement benefits.

23.2 Details of other expenses

Other fees and purchased services	5,053	18,753
Security expenses	1,593	1,746
Membership and subscription	3,508	5,258
Air conditioning expenses	4,921	6,613
Housekeeping expenses	2,214	2,048
Water charges	152	190
Miscellaneous expenses	1,709	6,288
	19,150	40,896

		Note	Twelve months ended December 31, 2011	Thirteen months ended December 31, 2010
			(Rupees '000)	
24.	OTHER OPERATING INCOME			
	Gain on disposal of fixed assets		-	16,897
	Interest income	24.1	133,548	78,511
	Scrap sales		3,078	4,103
	Provision for doubtful trade debts no longer required written back	24.2	-	787
	Others		5,840	8,781
			142,466	109,079

24.1 Interest income include an amount of Rs. 12.443 million (2010: Rs. 10.231 million) on account of interest income earned from Abbott Labs PTE Ltd., Singapore, a related party at the rate of 15.6% (2010: 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.

24.2 The amount is net of claim of Rs. NIL (2010: Rs. 0.562 million) given to other related party against reversal of provision.

		Note	Twelve months ended December 31, 2011	Thirteen months ended December 31, 2010
25.	OTHER OPERATING CHARGES			
	Workers' Profit Participation Fund	6.3	127,542	93,526
	Auditors' remuneration	25.1	2,183	1,582
	Loss on disposal of fixed assets		207	-
	Donations	25.2	1,409	3,752
	Workers' Welfare Fund		48,466	35,747
	Central Research Fund		23,988	17,589
	Provision for doubtful other receivables	17.2	181	160
	Provision for doubtful trade debts	14.2	59	-
	Provision for doubtful deposits	11.1	-	1,118
	Exchange loss		36,654	28,840
			240,689	182,314
25.1	Auditors' remuneration			
	Statutory audit fee		1,350	1,350
	Special certifications		750	150
	Out of pocket expenses		83	82
			2,183	1,582

	Twelve months ended December 31, 2011	Thirteen months ended December 31, 2010
	(Rupees ‘000)	

25.2 Donations include following amount paid to a donee in which the Company’s Chief Executive has interest:

Payee	Relationship		
Overseas Investors Chamber of Commerce & Industries (OICCI)	Asif Jooma, Chief Executive of the Company is the member of OICCI Managing Committee	100	-

26. FINANCE COST

Bank charges	3,216	3,530

27. TAXATION - net

- Current year	653,597	535,904
- Prior year	26,606	32,854
	680,203	568,758
Deferred	50,037	(4,445)
	730,240	564,313

27.1 Relationship between tax expense and accounting profit

Accounting profit before taxation	2,374,826	1,741,257
Tax rate	35%	35%
Tax on accounting profit	831,189	609,440
Tax for prior years	26,606	32,854
Tax effect of:		
- Expenses that are not deductible in determining taxable profit	9,621	14,532
- Applying lower tax rates to certain income	(140,023)	(100,354)
- 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)	2,847	7,841
	730,240	564,313

		Note	Twelve months ended December 31, 2011	Thirteen months ended December 31, 2010
			(Rupees '000)	
28.	EARNINGS PER SHARE - BASIC / DILUTED			
	Profit for the year / period		1,644,586	1,176,944
			Number of shares	
	Weighted average number of ordinary shares in issue during the year / period		97,900,302	97,900,302
			(Rupees)	
	Earnings per share		16.80	12.02

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

		Note	(Rupees '000)	
29.	CASH GENERATED FROM OPERATIONS			
	Profit before taxation		2,374,826	1,741,257
	Adjustment for:			
	Depreciation	8.3	269,855	256,102
	Amortisation on intangible asset	9	10,045	-
	Loss / (gain) on disposal of property, plant and equipment	24 & 25	207	(16,897)
	Interest income	24	(133,548)	(78,511)
	Expense recognised in profit or loss in respect of equity-settled share-based compensation		26,080	23,314
	Pension retirement benefit		105,461	76,839
	Finance cost	26	3,216	3,530
	Working capital changes	29.1	(93,007)	(493,611)
			2,563,135	1,512,023
29.1	Working capital changes			
	(Increase) / decrease in current assets net of provision			
	Stores and spares		(4,457)	(3,333)
	Stock-in-trade		(246,929)	(394,633)
	Trade debts		(148,546)	(29,082)
	Loans and advances		(43,040)	(89,591)
	Trade deposits and short-term prepayments		(17,068)	(43,536)
	Other receivables		26,577	1,338
			(433,463)	(558,837)
	Increase in current liabilities			
	Trade and other payables - net		340,456	65,226
			(93,007)	(493,611)

30. SHARE BASED COMPENSATION

Share-based compensation plans

As at December 31, 2011, 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 units 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 unit 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:

	2010	2009	2008
Volatility	22.00%	22.00%	24.00%
Dividend yield	3.20%	3.00%	2.60%
Risk free interest rate	2.90%	2.70%	3.00%

A summary of units outstanding is given below:

	December 31, 2011		December 31, 2010	
	Average exercise price per stock unit (USD)	Stock units	Average exercise price per stock unit (USD)	Stock units
At January 1,	48.18	6,778	23.52	12,783
Granted	46.67	7,300	54.49	5,500
Exercised / cancelled	45.72	6,981	23.80	11,505
At December 31,	49.05	7,097	48.18	6,778

Stock units outstanding at the end of the year have the following expiry date and exercise prices:

	December 31, 2011		December 31, 2010	
Year of vesting	Stock units	Exercise Price (USD)	Stock units	Exercise Price (USD)
2011	-	-	4,378	44.74
2012	4,294	50.09	2,061	54.44
2013	2,611	47.53	339	54.49
2014	192	46.59	-	-
	7,097	49.05	6,778	48.18

31. 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.

32. 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	Twelve months ended December 31, 2011	Thirteen months ended December 31, 2010
		(Rupees '000)	
Other related parties			
Sale of goods	19	56,959	54,130
Purchase of materials		2,154,880	2,297,507
Technical service fee	20	99,686	89,237
Reimbursements from a related party on account of:			
Other operating income		-	562
Selling and distribution expenses	22	58,233	53,061
Administrative expenses	23	7,896	8,487
Pension Fund	21.3	3,931	1,335
Interest income earned	24.1	12,443	10,231
Contributions paid in respect of staff retirement benefit plans			
Pension Fund	21.1.3	97,596	85,906
Provident Fund	21.3	46,172	42,852
Key management personnel			
Short-term employee benefits		114,444	109,129
Post-employment benefits		14,835	14,369

32.1 Disposals of property, plant and equipment to key management personnel are disclosed in note 8.4.

32.2 Outstanding balances in respect of related party sales and purchases, reimbursements and staff retirement benefits are included in notes 6, 14, 17 and 21.

32.3 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 10 and note 15.

33. 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:

	Twelve months ended December 31, 2011			Thirteen months ended December 31, 2010		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	(Rupees '000)					
Short-term employee benefits						
Managerial remuneration	27,069	27,042	297,605	24,314	23,864	230,178
Leave passage / encashment	1,391	1,415	18,824	1,030	2,694	16,195
Medical expenses	34	264	12,288	101	339	13,527
Rent / utility / maintenance / furnishing	-	197	615	-	165	716
	28,494	28,918	329,332	25,445	27,062	260,616
Retirement benefits	3,782	3,681	46,879	3,335	3,477	36,614
	32,276	32,599	376,211	28,780	30,539	297,230
Number of persons	1	*2	165	1	*2	115

*Includes 1 alternate Director

33.1 In addition, Rs. 26.080 million (2010: Rs. 23.314 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 notes 2.23 and 30.

33.2 Managerial remuneration includes Rs. 62.150 million (2010: Rs. 50.188 million) charged in the profit and loss account in respect of bonus to chief executive, directors and certain executives of the Company.

33.3 Directors and certain other executives are provided with free use of Company maintained cars, club membership and telephone facilities as per terms of employment.

33.4 The aggregate amount charged in these financial statements for fees to non-executive directors is Rs. 0.675 million (2010: Rs. 0.240 million).

34. SEGMENT WISE OPERATING RESULTS

	Twelve months ended December 31, 2011				Thirteen months ended December 31, 2010			
	Pharma-ceutical	Nutritional	Others	Total	Pharma-ceutical	Nutritional	Others	Total
	(Rupees '000)							
Sales	10,122,143	1,841,335	1,366,908	13,330,386	8,765,444	1,514,898	1,074,054	11,354,396
Less: Sales returns and discounts	56,965	10,216	10,092	77,273	78,155	20,297	27,167	125,619
Less: Sales tax and excise duty	-	171,136	135,009	306,145	-	140,947	92,129	233,076
Sales - net	10,065,178	1,659,983	1,221,807	12,946,968	8,687,289	1,353,654	954,758	10,995,701
Cost of goods sold and services - note 34.3	6,505,903	1,002,736	771,851	8,280,490	5,823,315	866,528	618,820	7,308,663
Gross profit	3,559,275	657,247	449,956	4,666,478	2,863,974	487,126	335,938	3,687,038
Selling and distribution expenses - note 34.4	1,419,212	238,453	236,725	1,894,390	1,175,626	219,563	205,912	1,601,101
Administrative expenses - note 34.5	255,550	27,320	12,953	295,823	235,871	22,890	9,154	267,915
	1,674,762	265,773	249,678	2,190,213	1,411,497	242,453	215,066	1,869,016
Segment result	1,884,513	391,474	200,278	2,476,265	1,452,477	244,673	120,872	1,818,022
Unallocated corporate expenses / income								
Other operating income				142,466				109,079
Other operating charges				240,689				182,314
Profit before finance cost and taxation				2,378,042				1,744,787
Other Information								
Segment assets employed	4,585,342	236,799	528,876	5,351,017	3,818,535	226,638	402,855	4,448,028
Unallocated corporate assets				2,054,312				1,342,393
Total assets				7,405,329				5,790,421
Segment liabilities	848,014	102,081	59,505	1,009,600	981,704	81,453	60,269	1,123,426
Unallocated corporate liabilities				1,209,546				754,456
Total liabilities				2,219,146				1,877,882
Capital expenditure during the year / period	544,318	3,562	166,895	714,775	375,955	15,433	101,451	492,839
Unallocated corporate capital expenditure				-				-
Total capital expenditure				714,775				492,839
Depreciation / amortisation	192,972	7,577	79,351	279,900	186,048	7,523	62,531	256,102
Unallocated depreciation / amortisation				-				-
Total depreciation / amortisation				279,900				256,102

	Twelve months ended December 31, 2011	Thirteen months ended December 31, 2010
	(Rupees '000)	
34.1 Geographical information		
Sales to external customers, net of returns, discounts, sales tax and excise duty		
Pakistan	12,291,359	10,370,187
Afghanistan	489,841	434,772
Srilanka	105,566	129,510
Netherland	56,959	54,130
Bangladesh	3,243	3,361
Egypt	-	3,674
Syria	-	67
	12,946,968	10,995,701

34.2 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.

34.3 Segment wise cost of goods sold and services

	Twelve months ended December 31, 2011				Thirteen months ended December 31, 2010			
	Pharma-ceutical	Nutritional	Others	Total	Pharma-ceutical	Nutritional	Others	Total
	(Rupees `000)							
Opening work-in-process	92,153	135	3,497	95,785	186,174	4,105	2,634	192,913
Raw and packing materials consumed	4,768,795	46,206	206,579	5,021,580	3,932,644	20,595	183,624	4,136,863
	4,860,948	46,341	210,076	5,117,365	4,118,818	24,700	186,258	4,329,776
Manufacturing expenses:								
Salaries, wages, allowances and staff welfare	828,187	17,506	26,610	872,303	778,723	19,056	20,612	818,391
Stores and spares consumed	89,784	1,896	2,882	94,562	58,184	1,422	1,541	61,147
Fuel and power	177,290	3,744	5,691	186,725	175,340	4,291	4,641	184,272
Depreciation	125,340	2,631	3,999	131,970	132,168	3,234	3,498	138,900
Repairs and maintenance	99,942	2,111	3,208	105,261	63,175	1,546	1,672	66,393
Technical service fee	97,687	1,999	-	99,686	87,159	2,078	-	89,237
Insurance	7,019	148	225	7,392	6,079	149	161	6,389
Printing and stationery	4,186	88	134	4,408	3,282	80	87	3,449
Travelling and entertainment	6,173	130	198	6,501	5,137	126	136	5,399
Rent, rates and taxes	1,999	42	64	2,105	2,447	60	65	2,572
Laboratory testing supplies	20,050	423	644	21,117	23,088	565	611	24,264
Computer expenses	22,801	482	732	24,015	17,033	417	451	17,901
Postage, telephone and telegram	9,966	210	320	10,496	9,866	241	261	10,368
Others	91,917	2,005	6,086	100,008	80,621	1,480	3,849	85,950
	1,582,341	33,415	50,793	1,666,549	1,442,302	34,745	37,585	1,514,632
	6,443,289	79,756	260,869	6,783,914	5,561,120	59,445	223,843	5,844,408
Closing work-in-process	(187,838)	(271)	(3,113)	(191,222)	(92,153)	(135)	(3,497)	(95,785)
Cost of goods manufactured and services	6,255,451	79,485	257,756	6,592,692	5,468,967	59,310	220,346	5,748,623
Finished goods								
Opening stock	497,904	197,854	167,174	862,932	340,082	244,658	116,679	701,419
Purchases	307,482	922,383	488,672	1,718,537	512,170	760,414	448,969	1,721,553
	7,060,837	1,199,722	913,602	9,174,161	6,321,219	1,064,382	785,994	8,171,595
Closing stock	(554,934)	(196,986)	(141,751)	(893,671)	(497,904)	(197,854)	(167,174)	(862,932)
	6,505,903	1,002,736	771,851	8,280,490	5,823,315	866,528	618,820	7,308,663

34.4 Segment wise selling and distribution expenses

	Twelve months ended December 31, 2011				Thirteen months ended December 31, 2010			
	Pharma-ceutical	Nutritional	Others	Total	Pharma-ceutical	Nutritional	Others	Total
	(Rupees `000)							
Salaries, wages, allowances and staff welfare	467,578	71,812	74,773	614,163	464,146	69,098	60,333	593,577
Rent, rates and taxes	25,169	2,964	2,458	30,591	20,139	2,007	2,034	24,180
Repairs and maintenance	13,155	1,371	1,914	16,440	14,365	1,096	2,230	17,691
Royalty	19,510	-	-	19,510	19,639	-	-	19,639
Insurance	6,074	631	909	7,614	4,088	339	503	4,930
Depreciation	40,448	3,611	74,438	118,497	40,834	3,217	58,075	102,126
Amortisation of intangible asset	10,045	-	-	10,045	-	-	-	-
Legal, professional and other services	18,103	1,653	338	20,094	18,821	758	119	19,698
Postage, telephone and telegram	9,366	1,173	5,364	15,903	11,357	2,097	3,685	17,139
Printing and stationery	7,168	867	895	8,930	8,186	918	309	9,413
Travelling, conveyance and entertainment	169,136	22,682	27,238	219,056	160,089	26,694	28,948	215,731
Advertising, samples and sales promotion	302,283	87,816	96,375	486,474	187,670	69,120	93,563	350,353
Forwarding expenses	156,935	28,302	2,640	187,877	107,355	32,158	3,847	143,360
Electricity	10,053	737	646	11,436	9,902	658	262	10,822
Computer expenses	16,113	2,579	1,841	20,533	13,243	1,609	1,261	16,113
Training and development expenses	10,981	4,720	219	15,920	10,506	4,154	73	14,733
Packing and miscellaneous supplies	14,590	2,867	1,391	18,848	12,385	1,659	861	14,905
Distributor commission	85,113	-	-	85,113	36,628	-	-	36,628
Others	37,392	4,668	3,519	45,579	36,273	3,981	2,870	43,124
	1,419,212	238,453	294,958	1,952,623	1,175,626	219,563	258,973	1,654,162
Less: Reimbursement from related party	-	-	58,233	58,233	-	-	53,061	53,061
	1,419,212	238,453	236,725	1,894,390	1,175,626	219,563	205,912	1,601,101

34.5 Segment wise administrative expenses

	Twelve months ended December 31, 2011				Thirteen months ended December 31, 2010			
	Pharma-ceutical	Nutritional	Others	Total	Pharma-ceutical	Nutritional	Others	Total
	(Rupees `000)							
Salaries, wages, allowances and staff welfare	166,053	17,471	6,823	190,347	130,079	13,101	5,946	149,126
Rent, rates and taxes	9,573	860	-	10,433	5,376	779	910	7,065
Repairs and maintenance	5,509	374	837	6,720	4,681	197	476	5,354
Insurance	1,483	220	280	1,983	1,182	44	267	1,493
Depreciation	17,139	1,335	914	19,388	13,046	1,072	958	15,076
Legal, professional and other services	6,773	183	25	6,981	7,402	635	29	8,066
Postage, telephone and telegram	5,036	1,090	230	6,356	5,625	578	157	6,360
Printing and stationery	1,404	67	329	1,800	2,048	3	234	2,285
Travelling, conveyance and entertainment	12,240	3,756	694	16,690	12,194	4,618	619	17,431
Electricity	3,048	201	1,875	5,124	4,949	183	1,855	6,987
Computer expenses	10,854	147	4,524	15,525	9,158	407	3,031	12,596
Training and development expenses	609	757	125	1,491	1,006	77	65	1,148
Miscellaneous office supplies	1,446	74	211	1,731	1,960	483	76	2,519
Others	14,383	785	3,982	19,150	37,165	713	3,018	40,896
	255,550	27,320	20,849	303,719	235,871	22,890	17,641	276,402
Less: Reimbursement from related party	-	-	7,896	7,896	-	-	8,487	8,487
	255,550	27,320	12,953	295,823	235,871	22,890	9,154	267,915

35. 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 senior management team 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:

35.1 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, 2011	December 31, 2010
	(Rupees '000)	
The maximum exposure to credit risk at the reporting date is as follows:		
Loans and advances to executive employees	71,154	64,456
Deposits	40,883	41,012
Trade debts	411,813	263,267
Accrued profit	1,425	705
Other receivables	38,659	67,313
Balances with banks	1,423,914	801,407
	1,987,848	1,238,160

The Company is not significantly 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.

Ageing of trade debts past due but not impaired is as follows:

61-90 days	32,171	10,789
91-180 days	47,109	18,221
181-360 days	35,116	27,619
Over 360 days	26,509	18,188

The impaired trade debts and the basis of impairment are disclosed in notes 14 and 2.7 respectively.

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

Name of Bank	Rating Agency	Ratings Short-term	Ratings Long-term	Date of Rating	December 31, 2011 (Rupees '000)	December 31, 2010 (Rupees '000)
Deutsche Bank AG	Standard & Poor's (S&P)	A-1+	AA-	Jan 2011	1,615	14,832
MCB Bank Limited	PACRA	A1+	AA+	July 2011	638	33
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA	June 2011	299,748	283,872
HSBC Bank Middle East Limited	Moody's	P-1	A-1	April 2011	16	30
Bank of Tokyo-Mitsubishi UFJ Limited	S&P	A-1	A+	May 2011	700,112	500,002
Citibank N.A.	S&P	A-1	A+*	March 2011	8,753	88
National Bank of Pakistan	JCR-VIS	A-1+	AAA	June 2011	2,275	1,987
Faysal Bank Limited	PACRA	A1+	AA	June 2011	67	563
Barclays Bank PLC	S&P	A-1+	AA -	Jan 2011	410,690	-

* Rating Outlook Negative

35.2 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, 2011, the Companys financial liabilities of Rs. 1,119.584 million (2010: Rs. 993.854 million) are all current and due in next financial year.

35.3 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:

35.3.1 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.

	December 31, 2011		December 31, 2010	
	Rupees	US Dollars	Rupees	US Dollars
	(‘000)			
The Company’s exposure to foreign currency risk at the reporting date was as follows:				
Cash and cash equivalents	118,647	1,310	76,930	897
Due from related parties	23,989	265	49,433	576
Bills payable to related parties	(267,905)	(2,957)	(236,455)	(2,756)
Payable to related parties	(37,970)	(419)	(34,938)	(407)
	(163,239)	(1,801)	(145,030)	(1,690)

	Balance sheet date rate		Average rate	
	December 31, 2011	December 31, 2010	Twelve months ended December 31, 2011	Thirteen months ended December 31, 2010
	(Rupees)			
The following significant exchange rates were applied during the year / period:				
US Dollars	90.6	85.8	86.45	85.2

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 year / period by Rs.11.304 million (2010: Rs. 9.803 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.

35.3.2 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.

	December 31, 2011	December 31, 2010
	(Rupees '000)	
Fixed rate instruments		
Financial assets	1,412,774	799,318

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.

35.4 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.

36. 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.

37. NON - ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

In their meeting held on February 14, 2012, the Board of Directors of the Company have proposed a final cash dividend for the year ended December 31, 2011 of Rs. 4.0 per share (2010: cash dividend of Rs. 3.0 per share). This is in addition to interim cash dividend of Rs. 2.0 per share (2010: Rs. 2.0 per share). The total dividend declared during the year and dividend per share have been summarised below:

	December 31, 2011	December 31, 2010
	(Rupees '000)	
Cash dividend	587,402	489,502
	(Rupees)	
Cash dividend per share	6.00	5.00

In addition, the Board has proposed a transfer of Rs. 1,150.000 million from Unappropriated Profit to General Reserve (2010: Rs. 650.000 million).

The financial statements for the year ended December 31, 2011 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, 2012.

38. DATE OF AUTHORISATION

These financial statements were authorised for issue on February 14, 2012 by the Board of Directors of the Company.

Chief Executive

Director

Pattern of Shareholding
As at December 31, 2011

Size of Holding Rs. 10 Shares		Number of Shareholders	Total Shares
1	100	818	34,094
101	500	715	201,676
501	1,000	350	274,631
1,001	5,000	631	1,390,783
5,001	10,000	101	755,321
10,001	15,000	35	428,418
15,001	20,000	10	183,838
20,001	25,000	9	202,072
25,001	30,000	1	26,275
30,001	35,000	1	32,995
35,001	40,000	4	148,414
40,001	45,000	2	82,173
45,001	50,000	2	93,619
50,001	55,000	1	52,075
55,001	60,000	2	114,986
60,001	65,000	2	125,743
85,001	90,000	1	87,378
135,001	140,000	1	135,600
140,001	145,000	1	140,627
195,001	200,000	1	200,000
215,001	220,000	1	219,303
235,001	240,000	1	236,766
395,001	400,000	1	396,869
435,001	440,000	1	438,689
440,001	445,000	1	442,105
490,001	495,000	1	490,926
495,001	500,000	3	1,492,019
510,001	515,000	1	514,434
535,001	540,000	1	536,689
600,001	605,000	1	603,822
695,001	700,000	2	1,396,764
720,001	725,000	1	721,281
745,001	750,000	1	746,093
765,001	770,000	1	765,028
780,001	785,000	1	780,150
830,001	835,000	1	830,624
1,135,001	1,140,000	1	1,137,977
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		2,712	97,900,302

Categories of Shareholders

As at December 31, 2011

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	23	5,083,063	5.19
7	Others	43	125,909	0.13
8	Individuals	2,632	11,962,881	12.22
	TOTAL	2,712	97,900,302	100.00

List of Associated Companies, Undertakings and Related Parties

S.No	Folio	Name	Holding
1	4502	M/S. ABBOTT ASIA INVESTMENTS LIMITED	76,259,449
2	03277-2083	TRUSTEES OF ABBOTT LABORATORIES (PAKISTAN) LIMITED STAFF PENSION FUND	438,689
3	03277-7217	TRUSTEES OF ABBOTT LABORATORIES (PAKISTAN) LIMITED STAFF PENSION 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

Categories of Shareholders

As at December 31, 2011

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	4607	SYED ANIS AHMED	1
5	4663	MR. ROLAND KAUT	1
6	03277-144	MR. KAMRAN Y. MIRZA	36,098
7	06122-5280	MR. SHAMIM AHMAD KHAN	1,140
		TOTAL	37,243

Public Sector Companies and Corporations

S.No	Folio	Name	Holding
1	02683-23	STATE LIFE INSURANCE CORP. OF PAKISTAN	830,624
		TOTAL	830,624

Shareholders holding 10% or more voting interest

S.No	Folio	Name	Holding
1	4502	M/S. ABBOTT ASIA INVESTMENTS LIMITED	76,259,449
		TOTAL	76,259,449

Categories of Shareholders

As at December 31, 2011

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)	3,205
4	00307-40281	INNOVATIVE INVESTMENT BANK LIMITED	1,000
5	02295-39	FAYSAL BANK LIMITED	498,153
6	02394-29	NIB BANK LIMITED	721,281
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	200,000
10	03277-57588	ATLAS INSURANCE LIMITED	10,361
11	03277-69871	ASIA CARE HEALTH & LIFE INSURANCE CO. LTD.	4,500
12	03798-52	THE BANK OF KHYBER	56,986
13	03889-28	NATIONAL BANK OF PAKISTAN	236,766
14	03889-44	NATIONAL BANK OF PAKISTAN	1,267,462
15	04127-28	MCB BANK LIMITED - TREASURY	135,600
16	06411-21	CDC - TRUSTEE AKD INDEX TRACKER FUND	6,015
17	07088-39	THE BANK OF PUNJAB, TREASURY DIVISION.	498,346
18	10728-27	CDC - TRUSTEE HBL - STOCK FUND	42,117
19	11320-25	B.R.R. GUARDIAN MODARABA	52,075
20	11353-22	NATIONAL INVESTMENT TRUST LIMITED	64,050
21	12278-21	MC FSL-TRUSTEE ASKARI ISLAMIC ASSET ALLOCATION FUND	25,000
22	12526-29	MCBFSL-TRUSTEE URSF-EQUITY SUB FUND	8,250
23	12534-28	MCBFSL-TRUSTEE UIRSF-EQUITY SUB FUND	8,250
		TOTAL	5,083,063

Notice of Annual General Meeting

NOTICE is hereby given that the 63rd Annual General Meeting of the Company will be held on Monday, 23rd April, 2012, at 10:30 a.m. in the Jasmine Hall of Beach Luxury Hotel, Moulvi Tamizuddin 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 year ended December 31st, 2011.

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.

By Order of the Board

Malik Saadatullah
Company Secretary

Karachi : dated this 14th day of February 2012

Notes:

1. The Share Transfer books of the Company will remain closed from Saturday 14th April , 2012 to Saturday 21st April, 2012 (both days inclusive). Transfer received in order by our Shares Registrar, FAMCO Associates (Pvt) Limited, State Life Building No 1-A, 1st Floor, I.I. Chundrigar Road, Karachi-74000 at the close of business on Friday, 13th April, 2012 will be considered in time for entitlement of cash dividend.

2. A member of the Company entitled to attend the 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 proxy 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 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 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 produce his/her original CNIC or Passport to prove his/her identity.

5. In case of corporate entity, the Board of Director's 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 Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

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

B. For Appointing Proxies:

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

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

(iii) Attested copies of CNIC or the passport of the beneficial owners and 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.

Calendar of Financial Events

Tentative dates for announcement of financial results for the Financial Year 2012:

1st quarter ending March 31, 2012	3rd week of April, 2012
2nd quarter ending June 30, 2012	2nd week of August, 2012
3rd quarter ending September 30, 2012	3rd week of October, 2012
Year ending December 31, 2012	2nd week of February, 2013

Actual dates for announcement of financial results for the Financial year 2011 :

1st quarter ended March 31, 2011	April 23, 2011
2nd quarter ended June 30, 2011	August 16, 2011
3rd quarter ended September 30, 2011	October 19, 2011
Year ended December 31, 2011	February 14, 2012

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: 042-37512188, 042-37512199
Fax: 042-37511171

Islamabad

Plot # 136
Street # 9, I-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 63rd Annual General Meeting of the Company to be held on Monday, April 23rd, 2012 at 10:30 a.m. and at any adjournment thereof.

As witnessed given under my/our hand(s) ______________ day of ______________ 2012

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 along with 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 CNIC 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.

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

ABBOTT LABORATORIES (PAKISTAN) LIMITED
P.O. Box 7229, Karachi-74400
Tel: (92-21) 111 Abbott (111-222-688)
Fax: (92-21) 35001903
URL: www.abbott.com.pk

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