



Abbott Pakistan

Un-Audited Financial Statements for the
First Quarter Ended March 31, 2019



Abbott

A Promise for Life

CORPORATE INFORMATION

BOARD OF DIRECTORS

Munir A. Shaikh (Chairman) (Non-Executive Director)
Syed Anis Ahmed (Chief Executive Officer)
Kamran Y. Mirza (Non-Executive Director)
Ehsan Ali Malik (Independent Director)
Shamim Ahmad Khan (Non-Executive Director)
Zehra Naqvi (Independent Director)
Seema Khan (Executive Director)

AUDIT COMMITTEE

Ehsan Ali Malik (Chairman)
Shamim Ahmad Khan
Kamran Y. Mirza

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Zehra Naqvi (Chairperson)
Munir A. Shaikh
Kamran Y. Mirza
Shamim Ahmad Khan
Syed Anis Ahmed

SHARE TRANSFER COMMITTEE

Syed Anis Ahmed (Chairman)
Kamran Y. Mirza
Seema Khan

BANKING COMMITTEE

Zehra Naqvi (Chairperson)
Syed Anis Ahmed
Seema Khan

CHIEF FINANCIAL OFFICER

Jamshed Azhar

COMPANY SECRETARY

Malik Saadatullah

CHIEF INTERNAL AUDITOR

Fahad Rehman

AUDITORS

EY Ford Rhodes, Chartered Accountants
(a member firm of Ernst & Young Global Limited)

LEGAL ADVISORS

Orr, Dignam & Co.
Surridge & Beecheno

BANKERS

Standard Chartered Bank (Pakistan) Limited
Deutsche Bank AG
Habib Bank Limited
National Bank of Pakistan
MCB Bank Limited
Faysal Bank Limited

SHARE REGISTRAR

FAMCO Associates (Pvt) Limited,
8-F, Next to Hotel Faran, Nursery Block 6,
P.E.C.H.S, Shahrah-e-Faisal, Karachi.

REGISTERED OFFICE

Plot No. 258 & 324, Opposite Radio
Pakistan Transmission Centre,
Hyderabad Road, Landhi, Karachi, Pakistan.

CITY OFFICE

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

FACTORY LOCATIONS

Plot No. 258 & 324, Opposite Radio
Pakistan Transmission Centre,
Hyderabad Road, Landhi, Karachi, Pakistan.

Plot No. 13, Sector 20,
Korangi Industrial Area, Karachi.

SALES OFFICES

House No. 25/III/B, Jamrud Lane,
University Town, Peshawar, Pakistan.

House No. 187, Aurangzeb Block,
Near Garden Town, Lahore, Pakistan.

House No. 168-F, Adamjee Road,
Near Panj Sarki Chowk,
Rawalpindi Cantt, Pakistan.

WAREHOUSES

Plot No. 136, Street # 9, Sector 1-10/3,
Industrial Area, Islamabad, Pakistan-44800.

16 KM Shahpur Kanjran,
Multan Road, Lahore, Pakistan.

Hasanabad Gate # 2,
Near Pak Arab Fertilizers,
Khanewal Road, Multan, Pakistan-60650.

WEBSITE

www.pk.abbott

SENIOR MANAGEMENT TEAM

Syed Anis Ahmed
(Chief Executive Officer)
Jamshed Azhar
(Chief Financial Officer)
Ihsan Ullah Khan Khattak
(Director Operations)
Asim Shafiq
(General Manager, Abbott Nutrition
International Pakistan)
Habib Ahmed
(Country Manager, Abbott Diagnostics
Division Pakistan)
Dr. Shaikh Adnan Lateef
(Head of Abbott Diabetes Care Pakistan)
Asghar Huda
(Director Human Resource)

DIRECTORS' REPORT

The Directors' of your company are pleased to present the un-audited condensed interim financial statements of your Company, for the first quarter ended March 31, 2019.

FINANCIAL HIGHLIGHTS

Overall sales for the quarter increased by 14% over the same period last year. Pharmaceutical sales increased by 14% while Nutritional sales increased by 20%.

Gross margin of your Company remained under pressure due to continued devaluation of our rupee and inflation. Gross margin for the pharmaceutical segment declined to 33% from 37% whereas the gross margin for Nutritional segment declined to 19% from 34%.

Selling and distribution expenses increased by 22% mainly due to higher expenditure on advertisement and sales promotion. Administrative expenses increased by 31% mainly due to inflation. Net profit for the period was Rs. 328 million

FUTURE OUTLOOK

The company continues to face challenges due to cost escalation caused by devaluation of our rupee. In this situation, which is beyond the control of the Company, adequate price adjustments are extremely necessary. As a long-term measure, the Authority may consider introducing automatic mechanism and policy to offset the impact of devaluation.

Your company remains cognizant of the challenges and would continue to make all efforts to improve productivity through innovation and cost containment initiatives.

Karachi: April 23rd, 2019



Chief Executive



Director

ڈائریکٹران کی رپورٹ

ڈائریکٹرز 31 مارچ 2019ء کو ختم ہونے والی پہلی سہ ماہی کے آپ کی کمپنی کے غیر آڈٹ شدہ عبوری مجموعی مالی گوشوارے پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

مالی جھلکیاں

سہ ماہی کے دوران مجموعی سیلز گذشتہ سال کی اسی مدت کے مقابلے میں 14 فیصد بڑھ گئی۔ فارماسوٹیکل کی سیلز 14 فیصد جبکہ نیوٹریشل کی سیلز 20 فیصد بڑھی۔

آپ کی کمپنی کا خام منافع کی شرح (Gross margin) روپے کی قدر میں مسلسل کمی اور مہنگائی (inflation) کی بنا پر دباؤ میں رہا۔ فارماسوٹیکل زمرے کا خام منافع 37 فیصد سے کم ہو کر 33 فیصد رہا جبکہ نیوٹریشل زمرے کا خام منافع 34 فیصد سے کم ہو کر 19 فیصد رہا۔

فروخت اور تقسیم کے اخراجات 22 فیصد بڑھ گئے جس کا اہم سبب اشتہارات اور سیلز کی پروموشن پر بلند اخراجات ہیں۔ انتظامی اخراجات میں 31 فیصد اضافہ ہوا جس کی بنیادی وجہ مہنگائی (inflation) ہے۔

مستقبل میں امکانات

کمپنی کو پاکستانی روپے کی قدر میں کمی کی بنا پر لاگت میں تیزی سے اضافے کی مشکلات کا بدستور سامنا ہے۔ ان حالات میں جو کہ کمپنی کے اختیار سے بالاتر ہیں زرخوں میں مناسب رد و بدل بہت ضروری ہے۔ اتھارٹی طویل مدتی اقدامات کے طور پر روپے کی قدر میں کمی کو offset کرنے کے لئے ایک خودکار طریقہ کار اور پالیسی کا تعین بھی کر سکتی ہے۔

آپ کی کمپنی تمام مسائل سے آگاہ ہے اور جدت طرازی کے ذریعے پیداواری صلاحیت بہتر بنانے اور اخراجات محدود رکھنے کے مؤثر اقدامات کرے گی۔

ڈائریکٹر

چیف ایگزیکٹو

کراچی: 23 اپریل 2019ء

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at March 31, 2019

		UNAUDITED MARCH 31, 2019	AUDITED DECEMBER 31, 2018
	Note	----- Rupees in '000 -----	
Non-Current Assets			
Fixed Assets			
- Property, plant and equipment	3	7,507,096	7,191,606
- Intangible assets		22,515	24,879
		7,529,611	7,216,485
Long-term loans and advances		54,938	55,009
Long-term deposits		7,513	7,513
Long-term prepayments		3,522	4,119
		65,973	66,641
Total Non-Current Assets		7,595,584	7,283,126
Current Assets			
Stores and spares		178,818	178,815
Stock-in-trade		5,491,061	4,428,893
Trade debts		1,074,297	1,143,015
Loans and advances		336,997	147,183
Trade deposits and short-term prepayments		554,202	620,876
Interest accrued		8,384	7,857
Other receivables		325,769	383,054
Taxation - net		634,177	410,302
Cash and bank balances		4,143,740	5,678,136
		12,747,445	12,998,131
Current Liabilities			
Trade and other payables		6,098,405	6,510,381
Unpaid dividends		979,003	-
Unclaimed dividends		49,910	66,208
Current maturity of lease liabilities	4	132,989	40,533
		7,260,307	6,617,122
Net Current Assets		5,487,138	6,381,009
Total Assets Less Current Liabilities		13,082,722	13,664,135
Non-Current Liabilities			
Deferred taxation		223,375	255,405
Long-term lease liabilities	4	249,899	173,719
Contingencies and Commitments			
NET ASSETS	5	12,609,448	13,235,011
EQUITY:			
Share Capital and Reserves			
Authorised capital			
200,000,000 ordinary shares of Rs.10 each		2,000,000	2,000,000
Issued, subscribed and paid-up capital	6	979,003	979,003
Reserves - capital		559,554	533,783
- revenue		11,070,891	11,722,225
SHAREHOLDERS' EQUITY		12,609,448	13,235,011

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.


 CHIEF EXECUTIVE


 DIRECTOR


 CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**(Unaudited)**

For the Three Months Ended March 31, 2019

Jan - Mar 2019	Jan - Mar 2018
----- Rupees in '000 -----	

Sales - net

Domestic	6,741,362	5,983,602
Export	474,437	348,922

	7,215,799	6,332,524
Cost of sales	5,053,980	4,048,114

Gross profit	2,161,819	2,284,410
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Selling and distribution expenses	1,509,108	1,233,696
Administrative expenses	167,560	128,342
Other charges	72,278	135,764
Other income	108,293	118,651
	1,640,653	1,379,151

	521,166	905,259
Finance costs	8,073	3,323

Profit before taxation	513,093	901,936
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Taxation		
- current	217,454	298,965
- deferred	(32,030)	(17,261)
	185,424	281,704
Profit for the period	327,669	620,232

----- (Rupees) -----

Earnings per share - basic / diluted	3.35	6.34
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The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

For the Three Months Ended March 31, 2019

Jan - Mar 2019	Jan - Mar 2018
----- Rupees in '000 -----	

Profit for the period	327,669	620,232
Other comprehensive income	-	-
Total comprehensive income for the period	<u>327,669</u>	<u>620,232</u>

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CASH FLOWS (Unaudited)

For the Three Months Ended March 31, 2019

	Jan - Mar 2019	Jan - Mar 2018
Note	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash (used in) / generated from operations	7 (794,850)	888,183
Income taxes paid	(441,329)	(411,174)
Long-term loans and advances - net	71	974
Long-term prepayments - net	597	417
Net cash (outflow) / inflow from operating activities	(1,235,511)	478,400
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(389,673)	(235,139)
Sale proceeds from disposal of property, plant and equipment	30,487	3,169
Interest income	89,873	104,070
Net cash outflow from investing activities	(269,313)	(127,900)
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance costs paid	(5,833)	(3,323)
Lease rentals paid	(7,441)	-
Dividends paid	(16,298)	(2,591)
Net cash outflow from financing activities	(29,572)	(5,914)
Net (decrease) / increase in cash and cash equivalents	(1,534,396)	344,586
Cash and cash equivalents at the beginning of the period	5,678,136	8,571,721
Cash and cash equivalents at the end of the period	4,143,740	8,916,307

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Unaudited)

For the Three Months Ended March 31, 2019

	Share Capital	Reserves				Total	Total Equity
		Capital Reserves		Revenue Reserves			
		Reserve arising on Merger	Other	General Reserves	Un-appropriated Profit		
----- (Rupees '000) -----							
Balance as at December 31, 2017	979,003	46,097	413,664	5,338,422	7,578,649	13,376,832	14,355,835
Transactions with owners, recorded directly in equity							
Final dividend for the year ended December 31, 2017 @ Rs. 30 per share declared subsequent to the year end	-	-	-	-	(2,937,009)	(2,937,009)	(2,937,009)
Capital contribution from Abbott Laboratories, USA	-	-	17,232	-	-	17,232	17,232
Total comprehensive income for the three months ended March 31, 2018							
Profit for the period	-	-	-	-	620,232	620,232	620,232
Other comprehensive income for the period, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	620,232	620,232	620,232
Balance as at March 31, 2018	979,003	46,097	430,896	5,338,422	5,261,872	11,077,287	12,056,290
Balance as at December 31, 2018	979,003	46,097	487,686	5,338,422	6,383,803	12,256,008	13,235,011
Transactions with owners, recorded directly in equity							
Final dividend for the year ended December 31, 2018 @ Rs. 10 per share declared subsequent to the year end	-	-	-	-	(979,003)	(979,003)	(979,003)
Capital contribution from Abbott Laboratories, USA	-	-	25,771	-	-	25,771	25,771
Total comprehensive income for the three months ended March 31, 2019							
Profit for the period	-	-	-	-	327,669	327,669	327,669
Other comprehensive income for the period, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	327,669	327,669	327,669
Balance as at March 31, 2019	979,003	46,097	513,457	5,338,422	5,732,469	11,630,445	12,609,448

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.


 CHIEF EXECUTIVE


 DIRECTOR


 CHIEF FINANCIAL OFFICER

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the Three Months Ended March 31, 2019

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 Pakistan Stock Exchange. The address of its registered office is Plot No. 258 & 324, 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, diabetes care, molecular devices, hospital and consumer products.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

Statement of compliance

These condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard 34 – “Interim Financial Reporting” and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. These condensed interim financial statements do not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended December 31, 2018. These condensed interim financial statements are unaudited.

2.2 Accounting policies

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended December 31, 2018.

2.3 Accounting estimates and judgments

The preparation of condensed interim financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make estimates, assumptions and use judgments that affect the application of policies and the reported amount of assets and liabilities and income and expenses.

Estimates and judgments made by management in the preparation of these condensed interim financial statements are the same as those that were applied to the audited annual financial statements of the Company as at and for the year ended December 31, 2018.

	Un-audited March 31, 2019	Audited December 31, 2018
Note	----- Rupees in ‘000 -----	

3. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	3.1	5,701,881	5,786,436
Capital work-in-progress	3.1	1,436,535	1,192,083
Right-of-use assets	3.2	368,680	213,087
		<u>7,507,096</u>	<u>7,191,606</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the Three Months Ended March 31, 2019

- 3.1 Following were the additions and disposals of operating fixed assets and capital work-in-progress during the period:

	Additions	Disposals	
		Cost	Accumulated Depreciation
		Rupees in '000	
Vehicles	12,910	50,556	29,938
Computers	1,981	-	-
Service equipment	130,330	5,793	1,341
Capital work in progress (CWIP) - net of transfers	244,452	-	-
	<u>389,673</u>	<u>56,349</u>	<u>31,279</u>

3.2 Right-of-use assets

The International Accounting Standards Board (IASB) issued IFRS 16 - Leases, which replaced IAS 17, IFRIC 4, SIC-15 and SIC-27. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. IFRS 16 requires the lessee to recognise a right-of-use asset and a lease liability in respect of each lease (both operating and finance).

The Company has adopted a modified retrospective approach to applying IFRS 16 hence no comparative information has been restated. Lease liabilities are disclosed in note 4.

The Company has recognised right-of-use assets in respect of the following leases:

	Un-audited March 31, 2019	Audited December 31, 2018
	---- Rupees in '000 ----	
Vehicles under finance lease	271,772	213,087
Warehouses, sales offices and city office - operating lease	96,908	-
	<u>368,680</u>	<u>213,087</u>

4. LEASE LIABILITIES

The Company has recognised lease liabilities in respect of the following leases:

	March 31, 2019			December 31, 2018		
	(Rupees in '000)					
	Current maturity of lease liabilities	Long-term lease liabilities	Total	Current maturity of lease liabilities	Long-term lease liabilities	Total
Vehicles under finance lease	52,308	221,617	273,925	40,533	173,719	214,252
Warehouses, sales offices and city office - operating lease	80,681	28,282	108,963	-	-	-
Total	<u>132,989</u>	<u>249,899</u>	<u>382,888</u>	<u>40,533</u>	<u>173,719</u>	<u>214,252</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the Three Months Ended March 31, 2019

5. CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

- 5.1.1 The taxation officer has contended that the Company has not deducted tax under the law on certain expenses. The orders were passed and demands amounting to Rs. 13.313 million and Rs. 20.070 million were raised against the Company for tax years 2011 and 2014 respectively. Appeal has been filed by the Company with the Appellate Tribunal Inland Revenue for tax year 2014 whereas, a writ petition has been filed by the Company in the Honourable Sindh High Court (SHC) for tax year 2011 on the grounds that the tax year selected for monitoring proceedings is time barred. The appeal and the petition are pending for adjudication.

Based on the legal advisor's opinion, management is of the view that the position of the Company is sound and the eventual outcome is expected to be in the Company's favour.

- 5.1.2 The Deputy Commissioner Inland Revenue (DCIR) while finalising the income tax audit proceedings for tax year 2016 has issued an order raising a demand of Rs. 106.007 million on various contentions, the most significant of which is that the Company has allegedly paid excessive amounts for importing certain raw materials. The Company has filed an appeal with the Commissioner Inland Revenue (Appeals) (CIRA) against the order of DCIR. In addition to this, on the Company's appeal, the SHC has granted stay against the recovery proceedings.

Based on the tax advisor's opinion, management is of the view that the position of the Company is sound and the eventual outcome is expected to be in the Company's favour.

- 5.1.3 The Deputy Commissioner Inland Revenue (DCIR) while finalising the income tax audit proceedings for tax year 2014 has issued an order raising a demand of Rs. 298.598 million on various contentions. The Company is in the process to file an appeal with the Commissioner Inland Revenue (Appeals) (CIRA) against the order of DCIR.

Based on the tax advisor's opinion, management is of the view that the position of the Company is sound and the eventual outcome is expected to be in the Company's favour.

- 5.1.4 The Company is defending various suits filed against it in various courts in Pakistan related to its business operations. The Company's management is confident, based on the advice of its legal advisors, that these suits will be decided in Company's favour.

5.2 Commitments

- 5.2.1 Commitments for capital expenditure as at March 31, 2019 aggregated to Rs. 562.646 million (December 31, 2018: Rs. 517.096 million).

- 5.2.2 Commitments in respect of letters of credit as at statement of financial position date aggregated to Rs. 1,309.115 million (December 31, 2018: Rs. 946.384 million).

- 5.2.3 The Company has given bank guarantees of Rs. 202.073 million (December 31, 2018: Rs. 212.758 million) to the Customs Department, a utility company and other institutions against tenders.

- 5.2.4 The Company has obtained short term financing facilities from various commercial banks amounting to Rs. 1,800 million (December 31, 2018: Rs. 1,320 million). These facilities can be utilised for letters of credit, guarantees and running finance / short term loans. However, the running finance / short term loan utilisation cannot exceed Rs. 250 million (December 31, 2018: Rs. 250 million). The running finance / short term loan carries markup at rates ranging from KIBOR plus 1% to KIBOR plus 2% (December 31, 2017: KIBOR plus 1% to KIBOR plus 2%) per annum 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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the Three Months Ended March 31, 2019

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 statement of financial position date.

6. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

As at March 31, 2019, Abbott Asia Investments Limited, UK held 76,259,454 (December 31, 2018: 76,259,454) shares. The ultimate holding company is Abbott Laboratories, USA.

		Un-audited Jan - Mar 2019	Un-audited Jan - Mar 2018
	Note	----- Rupees in '000-----	
7. CASH (USED IN) / GENERATED FROM OPERATIONS			
Profit before taxation		513,093	901,936
Adjustment for:			
Depreciation		204,706	167,870
Right-of-use assets		18,244	-
Amortisation on intangible assets		2,364	1,400
Gain on disposal of property, plant and equipment		(5,417)	(769)
Interest income		(90,400)	(103,422)
Expense recognised in profit or loss in respect of equity-settled share-based compensation		25,771	17,232
Finance costs		8,073	3,323
Working capital changes	7.1	(1,471,284)	(99,387)
		<u>(794,850)</u>	<u>888,183</u>

7.1 Working capital changes

(Increase) / decrease in current assets net of provision

Stores and spares	(3)	(19,884)
Stock-in-trade	(1,062,168)	(713,615)
Trade debts	68,718	(199,482)
Loans and advances	(189,814)	(106,391)
Trade deposits and short-term prepayments	66,674	(177,179)
Other receivables	57,285	58,888
	<u>(1,059,308)</u>	<u>(1,157,663)</u>

(Decrease) / increase in current liabilities

Trade and other payables - net	(411,976)	1,058,276
	<u>(1,471,284)</u>	<u>(99,387)</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the Three Months Ended March 31, 2019

8. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprises the holding company, ultimate holding company, group companies, employee retirement benefit plans, directors and key management personnel. Transactions with related parties are as follows:

	Un-audited Jan - Mar 2019	Un-audited Jan - Mar 2018
	----- Rupees in '000-----	
Other related parties		
Sale of goods	254,085	126,081
Purchase of materials	1,887,709	1,332,710
Technical service fee	38,608	36,627
Reimbursements of expenses - net	35,690	27,268
Other income	7,952	10,899
Retirement fund:		
- Contribution to Pension fund	50,637	44,663
- Contribution to Provident fund	24,419	21,537
Key management personnel		
Short-term employee benefits	77,848	67,655
Post-employment benefits	7,611	7,476

9. SEGMENT ANALYSIS

9.1 Segment wise operating results for the first quarter:

	Un-audited Jan - Mar 2019				Un-audited Jan - Mar 2018			
	Pharmaceutical	Nutritional	Others	Total	Pharmaceutical	Nutritional	Others	Total
	----- Rupees in '000-----							
Sales	5,166,777	1,578,621	658,432	7,403,830	4,541,615	1,323,506	689,549	6,554,670
Less:								
Sales return and discount	22,776	5,537	7,558	35,871	34,278	2,484	33,959	70,721
Sales tax and excise duty	-	136,639	15,521	152,160	-	122,111	29,314	151,425
Sales - net	5,144,001	1,436,445	635,353	7,215,799	4,507,337	1,198,911	626,276	6,332,524
Cost of sales	3,441,353	1,169,607	443,020	5,053,980	2,827,883	795,801	424,430	4,048,114
Gross profit	1,702,648	266,838	192,333	2,161,819	1,679,454	403,110	201,846	2,284,410
Selling and distribution expenses	1,011,279	324,958	172,871	1,509,108	814,336	275,343	144,017	1,233,696
Administrative expenses	141,163	19,747	6,650	167,560	111,692	12,154	4,496	128,342
Segment result	550,206	(77,867)	12,812	485,151	753,426	115,613	53,333	922,372

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the Three Months Ended March 31, 2019

9.2 Reconciliation of segment results with profit before taxation

	Un-audited Jan - Mar 2019	Un-audited Jan - Mar 2018
	----- Rupees in '000-----	
Total segment results	485,151	922,372
Other income	108,293	118,651
Other charges	72,278	135,764
Finance costs	8,073	3,323
Profit before taxation	<u>513,093</u>	<u>901,936</u>

9.3 Geographical information

Sales to external customers, net of return, discounts, sales tax and excise duty

Pakistan	6,741,362	5,983,602
Afghanistan	204,029	210,402
Sri Lanka	-	9,335
Bangladesh	16,323	3,104
Switzerland	254,085	126,081
	<u>7,215,799</u>	<u>6,332,524</u>

9.4 Segment Assets and Liabilities

	Un-audited March 31, 2019				Audited December 31, 2018			
	Pharmaceutical	Nutritional	Others	Total	Pharmaceutical	Nutritional	Others	Total
	----- (Rupees '000) -----							
Segment assets employed	10,505,466	1,319,875	2,831,379	14,656,720	9,517,008	1,263,188	2,839,381	13,619,577
Unallocated corporate assets				5,686,309				6,661,680
Total reported assets				<u>20,343,029</u>				<u>20,281,257</u>
Segment liabilities	3,301,878	759,455	431,821	4,493,154	3,508,996	731,776	993,424	5,234,196
Unallocated corporate liabilities				3,240,427				1,812,050
Total liabilities				<u>7,733,581</u>				<u>7,046,246</u>

10. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on April 23, 2019 by the Board of Directors of the Company.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

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ABBOTT LABORATORIES (PAKISTAN) LIMITED

Registered Office

Opposite Radio Pakistan
Transmission Centre, Hyderabad Road,
Landhi, P.O. Box 7229, Karachi
Phone :111-ABBOTT (111-222-688)
Fax: (92-21) 35001903

City Office

8th Floor, Faysal House,
St-02, Shahr-e-Faisal, Karachi
Phone: (92-21) 32799018, 32799019
Fax: (92-21) 32800244
URL: www.pk.abbott

