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

RISK MANAGEMENT COMMITTEE
Shamim Ahmad Khan (Chairman)
Syed Anis Ahmed
Zehra Naqvi
Kamran Y. Mirza

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,

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

SALES OFFICES
House No. 25/II/B, Jamrud Lane,
University Town, Peshawar, Pakistan.

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

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)
The Directors are pleased to present the un-audited condensed interim financial statements of your Company, for the six months ended June 30, 2019 as well as for the second quarter ended June 30, 2019.

FINANCIAL HIGHLIGHTS

For six months’ period ended June 30, 2019

Sales for the half year increased by 11% over the same period last year. Pharmaceutical sales increased by 9%, whereas Nutritional sales increased by 21% mainly due to increase in sales for child nutrition supplements.

Gross profit margin of your Company over this period was 30%. Gross profit margin for the pharmaceutical business declined to 33% from 36% mainly on account of devaluation of Pakistani Rupee and increase in raw material prices. Similarly, gross profit margin for Nutritional declined to 16% from 31% which is also attributed to inflation and devaluation of Pakistani Rupee.

Selling and distribution expenses increased by 12% against the same period last year in line with sales growth.

Other charges showed an increase of 56% mainly on account of exchange losses due to devaluation of Pakistani Rupee. Overall, the profit after tax declined by 60% due to the reasons mentioned above.

For second quarter ended June 30, 2019

Sales for the quarter increased by 9% over the same period last year. Pharmaceutical sales increased by 6% whereas sales for nutrition increased by 22% mainly due to increase in sales for child nutrition supplements.

Similar to the year-to-date results, gross profit margin of the pharmaceutical business declined to 33% from 35% during the same period last year. This is mainly due to rapid devaluation of Pakistani Rupee during the second quarter. Gross profit margin for the Nutritional segment has also declined to 14% versus 28% during the same period last year.

Selling and distribution expenses remained at the same value as last year, whilst administrative expenses registered an increase of 39% versus the same period last year mainly due to inflation. Other charges increased by 128% mainly due to impact of exchange loss. As a result of reasons mentioned above, profit after tax has declined by 72% in the quarter.

FUTURE OUTLOOK

The company continues to face challenges due to cost escalation caused by the devaluation of our rupee. Adequate price adjustments are necessary to sustain the Company's profitability in the long run.

Notwithstanding, your Company remains cognizant of the challenges and would continue to make all efforts to mitigate adverse impact through productivity and cost containment initiatives.

Karachi: August 16th, 2019

Chief Executive

Director
دائرہ کنارہ کی رپورٹ

28 فیصد سے 24 فیصد کے درمیان، اکڑسی سے ریسیسی سی نیا کے دوران پاکستانی روپے کی قدر میں پھیلی۔ فروخت اور تقرری کے اخراجات کے بعد سے، تبدیل افرادی اخراجات کے مقابلوں میں ساعتی معیار کی شرح منافع بھی گزشتہ سال کی اس مدت کے مقابلے میں کم ہو گئی۔ گزشتہ سال کی سطح پر بنا کی پڑھی۔

وہ دوسری سہ ماہی کے دوران، پاکستانی روپے کی قدر میں کمی ہو گئی۔ اس کے بعد از گزشتہ سال کی اس مدت کے مقابلے میں اخراجات کا حجم میں کمی ہو گی۔ کمپنی کو پاکستانی روپے کی قدر میں کمی کا نقصان، اور اخراجات کی اضافہ کا پھیلاؤ کا کے لئے قیمتی کی مناسب اقدامات ضروری ہیں۔

مستقبل کا منظرہ

کمی کو پاکستانی روپے کی قدر میں کمی کی بنا پر، اکثر اخراجات کی اضافہ کی شرح منافع گزشتہ سال کا پہلا سال سماختہ سامنا ہے۔ مستقبل کے لئے مذکورہ بالا اسباب اضافہ ہوا جس کا اہم عامل شرحِ مبادلہ کے اثرات سے خراب ہوگا۔ علاوہ اکھاڑے کا نقصان اور شربت کی معاوضہ کشیدگی کے مرتبہ، کمپنی کو اضافہ اور اقدامات کے اقدامات کی اضافہ افرادی اخراجات کے بعد سے گزشتہ سال کی سطح پر ہی۔

ابن علی، چیئریمن (Chairman)
کارپی: 16 اگست 2019

سیمیر، چیئریمن (Chairman)
QUARTER AND SIX MONTHS ENDED JUNE 30, 2019

ABOTT PAKISTAN

Quarterly and six months ended June 30, 2019

QUARTER AND SIX MONTHS ENDED JUNE 30, 2019

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REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Abbott Laboratories (Pakistan) Limited (the Company) as at 30 June 2019 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, and condensed interim statement of changes in equity and notes to the condensed interim financial statements for the six months period then ended (here-in-after referred to as the “interim financial statements”). Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months ended 30 June 2019 and 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended 30 June 2019.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

Chartered Accountants
Place: Karachi
Date: 16 August 2019

A member firm of Ernst & Young Global Limited
## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at June 30, 2019

<table>
<thead>
<tr>
<th>Note</th>
<th>(Un-audited) June 30, 2019</th>
<th>(Audited) December 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Rupees in ‘000)</td>
<td></td>
</tr>
</tbody>
</table>

### ASSETS

#### NON-CURRENT ASSETS

- Property, plant and equipment 3 7,856,567 7,191,606
- Intangible assets 20,651 24,879

#### CURRENT ASSETS

- Stores and spares 232,604 178,815
- Stock-in-trade 4 6,690,910 4,428,893
- Trade debts 861,293 1,143,015
- Loans and advances 315,222 147,183
- Trade deposits and short-term prepayments 5 711,441 620,876
- Interest accrued 1,780 7,857
- Other receivables 420,214 383,054
- Taxation - net 653,602 410,302
- Cash and bank balances 6 3,193,986 5,678,136

#### TOTAL ASSETS

13,081,052 12,998,131

### EQUITY AND LIABILITIES

#### 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 7 979,003 979,003
- Reserves
  - Capital 586,756 533,783
  - Revenue 11,254,611 11,722,225
- Non-current liabilities 11,841,367 12,256,008

#### TOTAL EQUITY AND LIABILITIES

12,820,370 13,235,011

#### NON-CURRENT LIABILITIES

- Deferred taxation 287,672 255,405
- Long-term lease liabilities 8 267,571 173,719

#### CURRENT LIABILITIES

- Trade and other payables 9 7,504,358 6,510,381
- Unclaimed dividends 62,724 66,208
- Current maturity of lease liabilities 8 80,563 40,533

#### CONTINGENCIES AND COMMITMENTS

TOTAL EQUITY AND LIABILITIES 21,023,258 20,281,257

The annexed notes 1 to 17 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 Six Months and Quarter Ended June 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>Six Months Ended</th>
<th>Quarter Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30,</td>
<td>June 30,</td>
</tr>
<tr>
<td></td>
<td>2019</td>
<td>2018</td>
</tr>
<tr>
<td></td>
<td>2019</td>
<td>2018</td>
</tr>
<tr>
<td><strong>SALES - NET</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local</td>
<td>14,373,026</td>
<td>7,631,664</td>
</tr>
<tr>
<td>Export</td>
<td>932,496</td>
<td>458,059</td>
</tr>
<tr>
<td></td>
<td>15,305,522</td>
<td>8,089,723</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>(10,708,936)</td>
<td>(5,654,956)</td>
</tr>
<tr>
<td><strong>GROSS PROFIT</strong></td>
<td>4,596,586</td>
<td>2,434,767</td>
</tr>
<tr>
<td>Selling and distribution expenses</td>
<td>(2,663,872)</td>
<td>(1,154,306)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(341,244)</td>
<td>(125,306)</td>
</tr>
<tr>
<td>Other charges</td>
<td>(514,936)</td>
<td>(194,249)</td>
</tr>
<tr>
<td>Other income</td>
<td>193,005</td>
<td>84,712</td>
</tr>
<tr>
<td></td>
<td>(3,327,047)</td>
<td>(1,686,394)</td>
</tr>
<tr>
<td><strong>FINANCE COSTS</strong></td>
<td>(21,476)</td>
<td>(13,403)</td>
</tr>
<tr>
<td>PROFIT BEFORE TAXATION</td>
<td>1,248,063</td>
<td>734,970</td>
</tr>
<tr>
<td>Taxation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Current</td>
<td>(617,539)</td>
<td>(400,085)</td>
</tr>
<tr>
<td>- Prior</td>
<td>(91,811)</td>
<td>(91,811)</td>
</tr>
<tr>
<td>- Deferred</td>
<td>(32,267)</td>
<td>(64,297)</td>
</tr>
<tr>
<td></td>
<td>(741,617)</td>
<td>(556,193)</td>
</tr>
<tr>
<td>NET PROFIT FOR THE PERIOD</td>
<td>506,446</td>
<td>178,777</td>
</tr>
<tr>
<td>BASIC AND DILUTED EARNINGS PER SHARE (Rs. per share)</td>
<td>5.17</td>
<td>12.80</td>
</tr>
</tbody>
</table>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.
## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

For the Six Months and Quarter Ended June 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>Six Months Ended</th>
<th>Quarter Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2019</td>
<td>June 30, 2018</td>
</tr>
<tr>
<td>----------------------</td>
<td>------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>506,446</td>
<td>1,252,942</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income for the period</td>
<td>506,446</td>
<td>1,252,942</td>
</tr>
</tbody>
</table>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.
CONDENSED INTERIM STATEMENT OF CASH FLOWS (Unaudited)
For the Six Months and Quarter Ended June 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2019</th>
<th>June 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash generated from operations</td>
<td>296,772</td>
<td>1,163,050</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>(952,650)</td>
<td>(976,829)</td>
</tr>
<tr>
<td>Long-term loans and advances - net</td>
<td>726</td>
<td>(1,765)</td>
</tr>
<tr>
<td>Long-term prepayments - net</td>
<td>927</td>
<td>(1,486)</td>
</tr>
<tr>
<td>Net cash (outflow) / inflow from operating activities</td>
<td>(654,225)</td>
<td>182,970</td>
</tr>
</tbody>
</table>

|                                |               |               |
| **CASH FLOWS FROM INVESTING ACTIVITIES** |               |               |
| Fixed capital expenditure      | (946,885)     | (822,895)     |
| Acquisition of intangible asset| -             | (24,280)      |
| Sale proceeds from disposal of property, plant and equipment | 38,719       | 6,805         |
| Interest income                | 165,366       | 205,191       |
| Net cash outflow from investing activities | (742,800)     | (635,179)     |

|                                |               |               |
| **CASH FLOWS FROM FINANCING ACTIVITIES** |               |               |
| Finance costs paid             | (15,305)      | (5,538)       |
| Lease rentals paid             | (89,333)      | -             |
| Dividends paid                 | (982,487)     | (2,898,116)   |
| Net cash outflow from financing activities | (1,087,125)   | (2,903,654)   |

|                                |               |               |
| **NET DECREASE IN CASH AND CASH EQUIVALENTS** |               |               |
|                                | (2,484,150)   | (3,355,863)   |

|                                |               |               |
| **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**      | 3,193,986     | 5,215,858     |

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Unaudited)
For the Six Months and Quarter Ended June 30, 2019

| Share Capital | Reserves | | | |
|----------------|----------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                | Capital Reserves | Revenue Reserves | Un-appropriated Profit | General Reserves | Other | Reserve arising on Merger | Total | Total Equity | |
| Balance as at January 1, 2018 | 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

Employee benefit cost under IFRS 2 - "Share based payment"

Total comprehensive income for the period ended June 30, 2018

Net profit for the period

Other comprehensive income for the period

Balance as at June 30, 2018 | 979,003 | 46,097 | 449,880 | 5,338,422 | 5,894,582 | 11,728,981 | 12,707,984 |

Impact of initial application of IFRS 9 (note 2.2.1)

Balance as at January 01, 2019 | 979,003 | 46,097 | 487,686 | 5,338,422 | 6,383,803 | 12,260,951 | 13,239,954 |

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

Employee benefit cost under IFRS 2 - "Share based payment"

Total comprehensive income for the period ended June 30, 2019

Net profit for the period

Other comprehensive income for the period

Balance as at June 30, 2019 | 979,003 | 46,097 | 540,659 | 5,338,422 | 5,916,189 | 11,841,367 | 12,820,370 |

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)
For the Six Months and Quarter Ended June 30, 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 the 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 of the Company for the six months ended June 30, 2019 have been prepared in accordance with the provisions of and directives issued under the Companies Act, 2017 and the accounting and reporting standards as applicable in Pakistan for interim financial reporting which comprise of International Accounting Standard 34 - “Interim Financial Reporting” issued by the International Accounting Standards Board as notified 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 the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2018.

These condensed interim financial statements are unaudited but subject to limited scope review by the statutory auditors as required by the Code of Corporate Governance. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended June 30, 2019 and June 30, 2018 have not been reviewed by the statutory auditors of the Company as they have reviewed the cumulative figures for the six months ended June 30, 2019 and June 30, 2018.

2.2 Accounting policies

The accounting policies and the methods of computation used in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended December 31, 2018 except as disclosed below:

New / Revised Standards, Interpretations and Amendments
The Company has adopted the following amendments and interpretations to International Financial Reporting Standards (IFRSs) which became effective for the current period:

- IFRS 9 - Financial Instruments
- IFRS 15 - Revenue from Contracts with Customers
- IFRS 16 - Leases
- IAS 19 - Employee Benefits: Plan Amendment, Curtailment or Settlement (Amendment)
- IAS 28 - Investments in associates and joint ventures: Long-term interest in Associates and Joint Ventures (Amendments)
- IFRIC 23 - Uncertainty over income tax treatments
- Improvement to accounting standards issued by IASB in December 2017

The adoption of the above amendments to accounting standards did not have any material effect on the condensed interim financial statements except as disclosed in note 2.2.1 below.
NOTES TO THE CONDENSED INTERIM FINANCIAL
STATEMENTS (Unaudited)
For the Six Months and Quarter Ended June 30, 2019

2.2.1 Changes in accounting policies due to adoption of certain standards

The following changes in accounting policies have taken place effective from January 01, 2019:

(a) IFRS 16 ‘Leases’ - IFRS 16 replaces the previous lease standard: IAS 17 Leases. It resulted in almost all leases being recognised on the condensed interim statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) (refer note 3.2) and a lease liability (refer note 8) to pay rentals are recognised. The only exceptions are short term and low value leases.

The Company has adopted IFRS 16 by applying the modified retrospective approach according to which the Company is not required to restate the prior year results. Consequently, no impact of adoption of IFRS 16 on opening equity has been recognised by the Company.

(b) IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

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. The Company has concluded that revenue from sale of goods should be recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Therefore, the adoption of IFRS 15 did not have an impact on the timing of revenue recognition and the amount of revenue recognised.

(c) IFRS 9 ‘Financial Instruments’ has replaced IAS 39 ‘Financial Instruments: Recognition and Measurement’ for annual periods beginning on or after July 01, 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment, and hedge accounting. The initial application date of IFRS 9 was July 01, 2018 as notified by the Securities and Exchange Commission of Pakistan (SECP). During February 2019, the SECP modified the effective date for applicability of IFRS 9 as reporting period / year ending on or after June 30, 2019. The Company has adopted IFRS 9 from January 01, 2019 using the modified retrospective approach.

The Company’s financial assets mainly include long term loans, long term deposits, trade debts, loans, trade deposits, interest accrued, other receivables, cash and bank balances held with commercial banks.

IFRS 9 retains but simplifies the measurement model and establishes the measurement categories of financial assets: amortised cost, fair value through other comprehensive income and fair value through profit and loss. The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial assets.

Further, the adoption of IFRS 9 has changed the accounting for impairment losses for financial assets by replacing the incurred loss model approach with a forward-looking Expected Credit Loss (ECL) approach. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset’s original effective interest rate. Considering the nature of the financial assets, the Company has applied the standard’s simplified approach and has calculated ECL based on lifetime ECL.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)
For the Six Months and Quarter Ended June 30, 2019

The effect of adopting IFRS 9 on the classification and the carrying amounts of the financial assets as at January 01, 2019 are as follows:

<table>
<thead>
<tr>
<th>Financial Assets</th>
<th>Original Category under IAS 39</th>
<th>New category under IFRS 9</th>
<th>Carrying amount under IAS 39 as at December 31, 2018</th>
<th>Impact of ECL in opening equity as at January 01, 2019</th>
<th>Carrying amount under IFRS 9 as at January 01, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term loans</td>
<td>Loans and receivables</td>
<td>Amortised cost</td>
<td>88,382</td>
<td>-</td>
<td>88,382</td>
</tr>
<tr>
<td>Long-term deposits</td>
<td>Loans and receivables</td>
<td>Amortised cost</td>
<td>7,513</td>
<td>-</td>
<td>7,513</td>
</tr>
<tr>
<td>Trade debts</td>
<td>Loans and receivables</td>
<td>Amortised cost</td>
<td>1,143,015</td>
<td>4,943</td>
<td>1,147,958</td>
</tr>
<tr>
<td>Loans</td>
<td>Loans and receivables</td>
<td>Amortised cost</td>
<td>36,028</td>
<td>-</td>
<td>36,028</td>
</tr>
<tr>
<td>Trade deposits</td>
<td>Loans and receivables</td>
<td>Amortised cost</td>
<td>435,759</td>
<td>-</td>
<td>435,759</td>
</tr>
<tr>
<td>Interest accrued</td>
<td>Loans and receivables</td>
<td>Amortised cost</td>
<td>7,857</td>
<td>-</td>
<td>7,857</td>
</tr>
<tr>
<td>Other receivables</td>
<td>Loans and receivables</td>
<td>Amortised cost</td>
<td>383,054</td>
<td>-</td>
<td>383,054</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>Loans and receivables</td>
<td>Amortised cost</td>
<td>5,678,136</td>
<td>-</td>
<td>5,678,136</td>
</tr>
</tbody>
</table>

The Company has not designated any financial liabilities at fair value through profit or loss. There are no changes in classification and measurement for the Company’s financial liabilities.

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) (AUDITED)
June 30, December 31,
2019 2018
Note ---- Rupees in ‘000 ----

3. PROPERTY, PLANT AND EQUIPMENT

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

<table>
<thead>
<tr>
<th>Disposals</th>
<th>Additions</th>
<th>Cost</th>
<th>Accumulated Depreciation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rupees in ‘000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings on freehold land</td>
<td>118,848</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Plant and machinery</td>
<td>665,863</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Vehicles</td>
<td>47,926</td>
<td>82,366</td>
<td>48,963</td>
</tr>
<tr>
<td>Computers</td>
<td>6,033</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Service equipment</td>
<td>424,349</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capital work-in-progress - net transfers</td>
<td>(316,134)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>946,885</strong></td>
<td><strong>82,366</strong></td>
<td><strong>48,963</strong></td>
</tr>
</tbody>
</table>
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)
For the Six Months and Quarter Ended June 30, 2019

3.2 Right-of-use assets

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

<table>
<thead>
<tr>
<th></th>
<th>(Un-audited)</th>
<th>(Audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, December</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2019</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018</td>
</tr>
<tr>
<td></td>
<td></td>
<td>---- Rupees in '000 ----</td>
</tr>
<tr>
<td>Vehicles under finance lease</td>
<td>310,612</td>
<td>213,087</td>
</tr>
<tr>
<td>Warehouses, sales offices and city office - operating lease</td>
<td>73,813</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>384,425</td>
</tr>
<tr>
<td></td>
<td></td>
<td>213,087</td>
</tr>
</tbody>
</table>

4. STOCK-IN-TRADE

<table>
<thead>
<tr>
<th></th>
<th>(Un-audited)</th>
<th>(Audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, December</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2019</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018</td>
</tr>
<tr>
<td></td>
<td></td>
<td>---- Rupees in '000 ----</td>
</tr>
<tr>
<td>Raw and packing materials</td>
<td>3,290,810</td>
<td>2,207,683</td>
</tr>
<tr>
<td>Work-in-process</td>
<td>520,154</td>
<td>338,289</td>
</tr>
<tr>
<td>Finished goods</td>
<td>3,071,697</td>
<td>2,017,732</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6,882,661</td>
</tr>
<tr>
<td>Less: provision for slow moving and obsolete items</td>
<td>191,751</td>
<td>134,811</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6,690,910</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4,428,893</td>
</tr>
</tbody>
</table>

5. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Represents trade deposits and short-term prepayments amounting to Rs. 403.828 million and Rs. 307.613 million (December 31, 2018: Rs. 435.759 million and Rs. 185.117 million), respectively, net of provision.

<table>
<thead>
<tr>
<th></th>
<th>(Un-audited)</th>
<th>(Audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, December</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2019</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2018</td>
</tr>
<tr>
<td></td>
<td></td>
<td>---- Rupees in '000 ----</td>
</tr>
<tr>
<td>With banks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Savings accounts:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Local currency</td>
<td>449,182</td>
<td>575,088</td>
</tr>
<tr>
<td>Deposit accounts:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Local currency</td>
<td>1,600,000</td>
<td>4,500,000</td>
</tr>
<tr>
<td>Current accounts:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Local currency</td>
<td>4,281</td>
<td>6,638</td>
</tr>
<tr>
<td>- Foreign currency</td>
<td>521,620</td>
<td>475,271</td>
</tr>
<tr>
<td></td>
<td>525,901</td>
<td>481,909</td>
</tr>
<tr>
<td>In hand</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Foreign currency</td>
<td>2,099</td>
<td>2,435</td>
</tr>
<tr>
<td>- Local currency</td>
<td>2,602</td>
<td>1,707</td>
</tr>
<tr>
<td></td>
<td>4,701</td>
<td>4,142</td>
</tr>
<tr>
<td>Cheques and drafts in hand and in transit</td>
<td>614,202</td>
<td>116,997</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3,193,986</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5,678,136</td>
</tr>
</tbody>
</table>
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)
For the Six Months and Quarter Ended June 30, 2019

7. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

As at June 30, 2019, Abbott Asia Investments Limited, UK (the holding company) held 76,259,454 (December 31, 2018: 76,259,454) shares. The ultimate holding company is Abbott Laboratories, USA.

8. LEASE LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2019</th>
<th>December 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Current</td>
<td>Long-term</td>
</tr>
<tr>
<td></td>
<td>maturity</td>
<td>lease</td>
</tr>
<tr>
<td></td>
<td>of lease</td>
<td>liabilities</td>
</tr>
<tr>
<td>----------------------</td>
<td>---------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>Vehicles under finance lease</td>
<td>61,319</td>
<td>251,879</td>
</tr>
<tr>
<td>Warehouses, sales offices and City Office - operating lease</td>
<td>19,244</td>
<td>15,692</td>
</tr>
<tr>
<td>Total</td>
<td>80,563</td>
<td>267,571</td>
</tr>
</tbody>
</table>

9. TRADE AND OTHER PAYABLES

Includes accrued liabilities and bills payable amounting to Rs. 2,459.759 million and Rs. 2,597.043 million (December 31, 2018: Rs. 1,808.962 million and Rs. 2,131.489 million), respectively.

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

Following are the change in the status of contingencies as reported in annual financial statements for the year ended December 31, 2018:

10.1.1 The Deputy Commissioner Inland Revenue (DCIR) while finalising the Income tax audit proceedings for tax year 2016 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 filed an appeal with the Commissioner Inland Revenue (Appeals) (CIRA) against the order of DCIR. In 2019, Company’s appeal to CIRA in respect of its income tax assessment for tax year 2016 was decided whereby additions amounting to Rs. 81.205 million were decided in favor of the tax department, whilst certain additions were remanded back to the DCIR. The Company has filed appeal before the Appellate Tribunal Inland Revenue (ATIR) against the additions to income confirmed by the CIRA whereas the department has filed appeal before the ATIR against the additions to income deleted by CIRA.

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.

10.1.2 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 filed an appeal with the Commissioner Inland Revenue (Appeals) (CIRA) against the order of DCIR. In 2019, Company’s appeal to CIRA in respect of its income tax assessment for tax year 2014 was decided whereby additions amounting to Rs. 42.795 million were decided in favor of the tax department, whilst certain additions were remanded back to the DCIR. The Company is in the process of filing an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the additions to income confirmed by the CIRA.

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.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)
For the Six Months and Quarter Ended June 30, 2019

10.1.3 As a result of monitoring of withholding tax for the tax year 2018 (accounting year ended December 31, 2017), the taxation officer has contended that the Company has not deducted tax under the law on certain expenses. DCIR issued an order raising tax demand amounting to Rs. 26.483 million. The Company filed an appeal with the Commissioner Inland Revenue (Appeals) (CIRA) against the order of DCIR. CIR(A) decided one of the matter in favor of the Company amounting to Rs. 25.503 million and deleted the impugned demand. The other matter was decided in favor of the tax department. The department has filed appeal before the ATIR against the additions to income deleted by CIRA.

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.

10.1.4 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 favor.

10.2 Commitments

10.2.1 Commitments for capital expenditure as at June 30, 2019 aggregated to Rs. 336.827 million (December 31, 2018: Rs. 517.096 million).

10.2.2 Commitments in respect of letters of credit as at June 30, 2019 aggregated to Rs. 1,001.115 million (December 31, 2018: Rs. 946.384 million).

10.2.3 The Company has given bank guarantees of Rs. 237.068 million (December 31, 2018: Rs. 212.758 million) to the Customs Department, a utility company and other institutions against tenders.

10.2.4 The Company has entered into 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 utilized for letters of credit, guarantees and running finance / short term loans. However, the running finance / short term loan utilization 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, 2018: KIBOR plus 1% to KIBOR plus 2%) and are secured against first joint pari passu hypothecation charge over stocks and book debts, ranking hypothecation charge over stocks and book debts, promissory notes, and counter guarantees. The Company has not borrowed any amount against running finance / short term loan facilities as at June 30, 2019.

11. CASH GENERATED FROM OPERATIONS

<table>
<thead>
<tr>
<th>Note</th>
<th>---- Rupees in ‘000 ----</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before taxation</td>
<td>1,248,063</td>
</tr>
<tr>
<td>Adjustment for non-cash changes and other items:</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>419,859</td>
</tr>
<tr>
<td>Right-of-use assets</td>
<td>45,706</td>
</tr>
<tr>
<td>Amortisation on intangible assets</td>
<td>4,228</td>
</tr>
<tr>
<td>Gain on disposal of property, plant and equipment</td>
<td>(5,316)</td>
</tr>
<tr>
<td>Interest income</td>
<td>(159,289)</td>
</tr>
<tr>
<td>Expense recognized in profit or loss in respect of equity-settled shared-based compensation</td>
<td>52,973</td>
</tr>
<tr>
<td>Finance costs</td>
<td>21,476</td>
</tr>
<tr>
<td>Working capital changes</td>
<td>11.1</td>
</tr>
<tr>
<td></td>
<td><strong>296,772</strong></td>
</tr>
</tbody>
</table>
NOTES TO THE CONDENSED INTERIM FINANCIAL
STATEMENTS (Unaudited)
For the Six Months and Quarter Ended June 30, 2019

Six months ended June 30, 2019 | Six months ended June 30, 2018
---|---

11.1 Working capital changes

(Increase) / decrease in current assets net of provision

<table>
<thead>
<tr>
<th>Item</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stores and spares</td>
<td>(53,789)</td>
<td>(29,506)</td>
</tr>
<tr>
<td>Stock-in-trade</td>
<td>(2,262,017)</td>
<td>(1,235,351)</td>
</tr>
<tr>
<td>Trade debts</td>
<td>286,665</td>
<td>276,489</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>(168,039)</td>
<td>(108,442)</td>
</tr>
<tr>
<td>Trade deposits and short-term prepayments</td>
<td>(90,565)</td>
<td>(424,880)</td>
</tr>
<tr>
<td>Other receivables</td>
<td>(37,160)</td>
<td>(83,029)</td>
</tr>
<tr>
<td></td>
<td>(2,324,905)</td>
<td>(2,157,697)</td>
</tr>
</tbody>
</table>

Increase in current liabilities

<table>
<thead>
<tr>
<th>Item</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and other payables</td>
<td>993,977</td>
<td>1,052,765</td>
</tr>
<tr>
<td></td>
<td>(1,330,928)</td>
<td>(1,104,932)</td>
</tr>
</tbody>
</table>

12. TRANSACTIONS WITH RELATED PARTIES

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

<table>
<thead>
<tr>
<th>Item</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group companies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of goods</td>
<td>363,030</td>
<td>204,586</td>
</tr>
<tr>
<td>Purchase of materials</td>
<td>4,063,497</td>
<td>3,323,582</td>
</tr>
<tr>
<td>Technical service fee</td>
<td>85,175</td>
<td>81,459</td>
</tr>
<tr>
<td>Reimbursement of expenses - net</td>
<td>81,289</td>
<td>64,401</td>
</tr>
<tr>
<td>Other income</td>
<td>19,880</td>
<td>19,881</td>
</tr>
<tr>
<td>Retirement fund</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Contribution to Pension fund</td>
<td>107,830</td>
<td>95,289</td>
</tr>
<tr>
<td>- Contribution to Provident fund</td>
<td>51,700</td>
<td>41,917</td>
</tr>
<tr>
<td>Key management personnel:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term employee benefits</td>
<td>169,870</td>
<td>143,205</td>
</tr>
<tr>
<td>Post-employment benefits</td>
<td>16,537</td>
<td>15,838</td>
</tr>
</tbody>
</table>
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)
For the Six Months and Quarter Ended June 30, 2019

13 SEGMENT ANALYSIS

13.1 Segment wise operating results for six months ended (Un-audited):

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2019</th>
<th>June 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmaceutical</td>
<td>11,140,877</td>
<td>10,196,760</td>
</tr>
<tr>
<td>Nutritional</td>
<td>3,195,821</td>
<td>2,649,112</td>
</tr>
<tr>
<td>Others</td>
<td>1,368,953</td>
<td>1,342,027</td>
</tr>
<tr>
<td>Total</td>
<td>15,705,651</td>
<td>14,187,899</td>
</tr>
<tr>
<td>Sales</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales return and discount</td>
<td>57,369</td>
<td>60,279</td>
</tr>
<tr>
<td>Sales tax and excise duty</td>
<td>-</td>
<td>235,056</td>
</tr>
<tr>
<td>Sales - net</td>
<td>11,083,508</td>
<td>10,136,482</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(7,421,332)</td>
<td>(6,445,564)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>3,662,176</td>
<td>3,690,918</td>
</tr>
<tr>
<td>Selling and distribution expenses</td>
<td>(1,813,453)</td>
<td>(1,594,268)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(294,705)</td>
<td>(247,603)</td>
</tr>
<tr>
<td>Segment result</td>
<td>1,554,018</td>
<td>1,849,047</td>
</tr>
</tbody>
</table>

13.2 Segment wise operating results for the second quarter (Un-audited):

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2019</th>
<th>June 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmaceutical</td>
<td>5,974,100</td>
<td>5,655,145</td>
</tr>
<tr>
<td>Nutritional</td>
<td>1,617,200</td>
<td>652,478</td>
</tr>
<tr>
<td>Others</td>
<td>710,521</td>
<td>7,633,229</td>
</tr>
<tr>
<td>Total</td>
<td>8,301,821</td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales return and discount</td>
<td>34,593</td>
<td>26,000</td>
</tr>
<tr>
<td>Sales tax and excise duty</td>
<td>-</td>
<td>112,945</td>
</tr>
<tr>
<td>Sales - net</td>
<td>5,939,507</td>
<td>5,629,145</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(3,979,979)</td>
<td>(3,631,416)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>1,959,528</td>
<td>1,997,729</td>
</tr>
<tr>
<td>Selling and distribution expenses</td>
<td>(802,174)</td>
<td>(789,142)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(294,705)</td>
<td>(247,603)</td>
</tr>
<tr>
<td>Segment result</td>
<td>1,003,012</td>
<td>1,100,015</td>
</tr>
</tbody>
</table>

13.3 Reconciliation of segment results with profit before taxation (Un-audited)

<table>
<thead>
<tr>
<th></th>
<th>Six Months Ended</th>
<th>Quarter Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total segment results</td>
<td>1,591,470</td>
<td>1,106,319</td>
</tr>
<tr>
<td>Other income</td>
<td>193,005</td>
<td>84,712</td>
</tr>
<tr>
<td>Other charges</td>
<td>(514,936)</td>
<td>(442,658)</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(21,476)</td>
<td>(13,403)</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>1,248,063</td>
<td>734,970</td>
</tr>
</tbody>
</table>

Sales to external customers, net of returns, discounts, sales tax and excise duty
13.4 Geographical information (Un-audited)

<table>
<thead>
<tr>
<th></th>
<th>Six Months Ended</th>
<th>Quarter Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2019</td>
<td>June 30, 2018</td>
</tr>
<tr>
<td></td>
<td>Rupees in ‘000</td>
<td></td>
</tr>
<tr>
<td>Sales to external customers, net of returns, discounts, sales tax and excise duty</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pakistan</td>
<td>14,373,026</td>
<td>13,038,644</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>524,713</td>
<td>494,788</td>
</tr>
<tr>
<td>Srilanka</td>
<td>11,016</td>
<td>33,562</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>33,737</td>
<td>6,190</td>
</tr>
<tr>
<td>Switzerland</td>
<td>363,030</td>
<td>204,586</td>
</tr>
<tr>
<td></td>
<td>15,305,522</td>
<td>13,777,770</td>
</tr>
</tbody>
</table>

13.5 Segment Assets and Liabilities

<table>
<thead>
<tr>
<th></th>
<th>Un-audited</th>
<th>Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2019</td>
<td>December 31, 2018</td>
</tr>
<tr>
<td></td>
<td>Pharmaceutical</td>
<td>Nutritional</td>
</tr>
<tr>
<td>Segment assets employed</td>
<td>11,554,228</td>
<td>1,449,980</td>
</tr>
<tr>
<td>Unallocated corporate assets</td>
<td>4,924,050</td>
<td></td>
</tr>
<tr>
<td>Total reported assets</td>
<td>21,023,278</td>
<td></td>
</tr>
<tr>
<td>Segment liabilities</td>
<td>4,624,240</td>
<td>659,584</td>
</tr>
<tr>
<td>Unallocated corporate liabilities</td>
<td>2,358,650</td>
<td></td>
</tr>
<tr>
<td>Total liabilities</td>
<td>8,189,345</td>
<td></td>
</tr>
</tbody>
</table>
14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

These condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2018. There have been no changes in any risk management policies since the year-end.

14.1 Fair value of financial assets and liabilities

As of the statement of financial position date, the Company does not have any financial instruments measured at fair value.

15. NON ADJUSTING EVENT AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors in its meeting held on August 16, 2019 have proposed an interim cash dividend @ Nil (June 30, 2018: 100%). These condensed interim financial statements for the six months ended June 30, 2019 do not include the effect of the above interim cash dividend which will be accounted for subsequent to the period end.

16. RECLASSIFICATION

Following corresponding figures have been reclassified for better presentation:

<table>
<thead>
<tr>
<th>From</th>
<th>To</th>
<th>Rupees in '000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of sales</td>
<td>Administrative expenses</td>
<td>13,735</td>
</tr>
<tr>
<td>Selling and distribution expenses</td>
<td>Administrative expenses</td>
<td>11,330</td>
</tr>
</tbody>
</table>

17. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on August 16, 2019 by the Board of Directors of the Company.
Key features:

- Licensed Entities Verification
- Scam meter*
- Jamapunji games*
- Tax credit calculator*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered

- Stock trading simulator (based on live feed from KSE)
- Knowledge center
- Risk profiler*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes

jamapunji.pk  @jamapunji.pk

*Mobile apps are also available for download for android and ios devices