



Abbott Pakistan

Un-Audited Financial Statements for the
Quarter and Nine Months Ended September 30, 2017



CORPORATE INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Munir A. Shaikh (Chairman)
Syed Anis Ahmed
Shamim Ahmad Khan
Zehra Naqvi

SHARE TRANSFER COMMITTEE

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

BANKING COMMITTEE

Zehra Naqvi (Chairman)
Syed Anis Ahmed
Seema Khan

CHIEF FINANCIAL OFFICER

Jamshed Azhar

COMPANY SECRETARY

Malik Saadatullah

CHIEF INTERNAL AUDITOR

Fahad Rehman

AUDITORS

Ernst & Young Ford Rhodes
Sidat Hyder & Company
(a member firm of Ernst & Young)
Chartered Accountants

LEGAL ADVISORS

Orr, Dignam & Co.
SurrIDGE & Beecheno

SHARE REGISTRAR

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

BANKERS

Faysal Bank Limited
Citibank N.A.
Deutsche Bank AG
MCB Bank Limited
National Bank of Pakistan

Standard Chartered Bank (Pakistan) Limited
The Bank of Tokyo-Mitsubishi UFJ Limited
Habib Bank Limited

REGISTERED OFFICE

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

CITY OFFICE

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

WEBSITE

www.abbott.com.pk

SENIOR MANAGEMENT TEAM

Syed Anis Ahmed
(*Chief Executive Officer*)
Jamshed Azhar
(*Chief Financial Officer*)
Rana A. Latif
(*Director Operations*)
Asim Shafiq
(*General Manager, Abbott Nutrition
International Pakistan*)
Habib Ahmed
(*Country Manager, Abbott Diagnostics
Division Pakistan*)
Dr. Sheikh Adnan Lateef
(*Head of Abbott Diabetes Care Pakistan*)
Malik Saadatullah
(*Director Finance - EPD Operations &
Company Secretary*)
Abdul Wahab Godil
(*Director Finance - EPD Commercial*)
Ruby Saeed Shaikh
(*Director Quality Assurance*)
Dr. Suleman Alvi
(*Director Marketing*)
Asghar Huda
(*Director Human Resource*)
Seema Khan
(*Director Regulatory Affairs*)
Dr. Raef Ahmed
(*Director Medical Affairs*)
Zahid Hussain
(*Director Supply Chain*)
Ejaz Ahmed
(*Director Engineering*)
Jamal Nasir
(*Director Sales*)
Ahmed Ashraf
(*Director Commercial Excellence*)
Syed Javed Akhter Bukhari
(*Director Distribution*)

DIRECTORS' REPORT

The Directors have pleasure in presenting their Report with the accounts of the Company for the nine months ended and third quarter ended September 30th, 2017.

FINANCIAL HIGHLIGHTS

For nine months ended September 30, 2017

Sales for the nine months increased by 11% over the same period last year. Pharmaceutical sales increased by 15%, while Nutritional by 6%. Gross profit percentage declined due to inflation. Selling and distribution expenses increased by 15% mainly due to inflation.

For third quarter ended September 30, 2017

Sales for the quarter increased by 13% over the same period last year. Pharmaceutical sales increased by 19%. Gross profit percentage declined mainly due to inflation. Selling and Distribution expenses registered an increase of 20% due to inflationary impact.

FUTURE OUTLOOK

Notwithstanding the challenges and constraints, your Company is making dedicated efforts to grow.



CHIEF EXECUTIVE



DIRECTOR

Karachi: October 19th, 2017

ڈائریکٹران کی رپورٹ

ڈائریکٹرز کمپنی کے 30 ستمبر 2017ء کو ختم ہونے والے 9 ماہ اور تیسری سہ ماہی کے حسابات کے ساتھ اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مالی جھلکیاں

30 ستمبر 2017ء کو ختم ہونے والے 9 ماہ کے لیے


نومہ کے دوران سیلز گزشتہ سال کی اسی مدت کے مقابلے میں 11 فیصد بڑھ گئی۔ دواؤں کی سیلز میں 15 فیصد اور غذائی ادویات (Nutritional) کی سیلز میں 6 فیصد اضافہ ہوا۔ مجموعی منافع (Gross profit) کی فیصد میں کمی ہوئی جس کا اہم سبب گرانی ہے۔ فروخت اور تقسیم کے اخراجات میں 15 فیصد اضافہ ہوا جس کی اہم وجہ گرانی ہے۔


30 ستمبر 2017ء کو ختم ہونے والی تیسری سہ ماہی کے لیے

سہ ماہی کے دوران سیلز گزشتہ سال کی اسی مدت کے مقابلے میں 13 فیصد بڑھی۔ دواؤں کی سیلز میں 19 فیصد اضافہ ہوا۔ مجموعی منافع کی فیصد بنیادی طور پر گرانی کے سبب کم ہوئی۔ فروخت اور تقسیم کے اخراجات میں گرانی کے اثر سے 20 فیصد اضافہ ہوا۔

مستقبل کے امکانات

چیلنجوں اور رکاوٹوں کے باوجود آپ کی کمپنی ترقی کے لیے مخلصانہ کوششیں کر رہی ہے۔


ڈائریکٹر


چیف ایگزیکٹو

کراچی: 19 اکتوبر 2017ء

CONDENSED INTERIM BALANCE SHEET

As at September 30, 2017

	UNAUDITED SEPTEMBER 30, 2017	AUDITED DECEMBER 31, 2016
Note	----- (Rupees '000) -----	
Non-Current Assets		
Fixed Assets		
- Property, plant and equipment	5,193,448	4,443,019
- Intangible assets	12,050	16,250
	5,205,498	4,459,269
Long-term loans and advances	53,158	49,654
Long-term deposits	7,508	7,475
Long-term prepayments	4,955	6,635
	65,621	63,764
Total Non-Current Assets	5,271,119	4,523,033
Current Assets		
Stores and spares	144,380	103,766
Stock-in-trade	3,829,244	3,575,927
Trade debts	867,110	880,297
Loans and advances - considered good	194,070	160,388
Trade deposits and short-term prepayments	591,370	285,443
Accrued profit	9,358	11,535
Other receivables	175,494	160,366
Cash and bank balances	7,037,553	7,944,429
	12,848,579	13,122,151
Current Liabilities		
Trade and other payables	4,257,014	2,843,217
Taxation - net	143,759	5,250
	4,400,773	2,848,467
Net Current Assets	8,447,806	10,273,684
Total Assets Less Current Liabilities	13,718,925	14,796,717
Non-Current Liability		
Deferred taxation	218,807	203,477
Contingencies and Commitments		
NET ASSETS	13,500,118	14,593,240
FINANCED BY:		
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	979,003	979,003
Reserves - capital	448,508	414,380
- revenue	12,072,607	13,199,857
SHAREHOLDERS' EQUITY	13,500,118	14,593,240

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.



SYED ANIS AHMED
CHIEF EXECUTIVE



EHSAN ALI MALIK
DIRECTOR



JAMSHED AZHAR
CHIEF FINANCIAL OFFICER

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Unaudited)

For the Quarter and Nine Months Ended September 30, 2017

	Jul - Sep 2017	Jan - Sep 2017	Jul - Sep 2016	Jan - Sep 2016
----- Rupees in '000 -----				
Sales - net				
Domestic	6,138,721	17,515,826	5,486,269	15,849,821
Export	463,121	1,143,562	336,215	939,090
	<u>6,601,842</u>	<u>18,659,388</u>	<u>5,822,484</u>	<u>16,788,911</u>
Cost of goods sold	<u>3,962,270</u>	<u>11,473,007</u>	<u>3,425,898</u>	<u>10,065,608</u>
Gross profit	<u>2,639,572</u>	<u>7,186,381</u>	<u>2,396,586</u>	<u>6,723,303</u>
Selling and distribution expenses	925,040	2,769,296	769,082	2,400,987
Administrative expenses	<u>108,726</u>	<u>317,440</u>	<u>96,850</u>	<u>307,595</u>
	<u>1,605,806</u>	<u>4,099,645</u>	<u>1,530,654</u>	<u>4,014,721</u>
Other income	100,417	331,424	88,108	309,956
Other charges	157,688	433,245	122,735	336,069
	<u>1,548,535</u>	<u>3,997,824</u>	<u>1,496,027</u>	<u>3,988,608</u>
Finance costs	<u>3,639</u>	<u>8,306</u>	<u>1,736</u>	<u>4,357</u>
Profit before taxation	<u>1,544,896</u>	<u>3,989,518</u>	<u>1,494,291</u>	<u>3,984,251</u>
Taxation				
- current	433,814	1,022,087	328,206	1,024,017
- prior	-	163,339	-	123,499
- deferred	286	15,330	21,377	(8,795)
	<u>434,100</u>	<u>1,200,756</u>	<u>349,583</u>	<u>1,138,721</u>
Profit for the period	<u>1,110,796</u>	<u>2,788,762</u>	<u>1,144,708</u>	<u>2,845,530</u>
----- (Rupees) -----				
Earnings per share - basic / diluted	<u>11.35</u>	<u>28.49</u>	<u>11.69</u>	<u>29.07</u>

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.



SYED ANIS AHMED
CHIEF EXECUTIVE



EHSAN ALI MALIK
DIRECTOR



JAMSHED AZHAR
CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

For the Quarter and Nine Months Ended September 30, 2017

	Jul - Sep 2017	Jan - Sep 2017	Jul - Sep 2016	Jan - Sep 2016
	----- Rupees in '000 -----			
Profit for the period	1,110,796	2,788,762	1,144,708	2,845,530
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>1,110,796</u>	<u>2,788,762</u>	<u>1,144,708</u>	<u>2,845,530</u>

The annexed notes 1 to 9 form an integral part of these condensed interim financial statements.



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DIRECTOR



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CHIEF FINANCIAL OFFICER

CONDENSED INTERIM CASH FLOW STATEMENT (Unaudited)

For the Nine Months Ended September 30, 2017

	Jan - Sep 2017	Jan - Sep 2016
Note	----- (Rupees '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	6 4,922,557	2,947,611
Income taxes paid	(1,046,917)	(1,161,017)
Long-term loans and advances - net	(3,504)	(3,609)
Long-term deposits - net	(33)	-
Long-term prepayments - net	<u>1,680</u>	<u>2,077</u>
Net cash inflow from operating activities	3,873,783	1,785,062
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(1,209,298)	(655,825)
Acquisition of intangible asset	-	(6,500)
Sale proceeds from disposal of fixed assets	8,574	27,395
Interest income	<u>301,553</u>	<u>292,922</u>
Net cash outflow from investing activities	(899,171)	(342,008)
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance costs paid	(8,306)	(4,357)
Dividends paid	<u>(3,873,182)</u>	<u>(2,848,246)</u>
Net cash outflow from financing activities	(3,881,488)	(2,852,603)
Net decrease in cash and cash equivalents	<u>(906,876)</u>	<u>(1,409,549)</u>
Cash and cash equivalents at the beginning of the period	7,944,429	8,320,913
Cash and cash equivalents at the end of the period	<u><u>7,037,553</u></u>	<u><u>6,911,364</u></u>

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EHSAN ALI MALIK
DIRECTOR



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CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Unaudited)

For the Nine Months Ended September 30, 2017

	Reserves						Total Equity
	Capital Reserves		Revenue Reserves		Total		
	Reserve Arising on Merger	Other	General Reserve	Un- appropriated Profit			
Share Capital							
	(Rupees '000)						
Balance as at January 01, 2016	979,003	46,097	335,848	5,338,422	6,249,877	11,970,244	12,949,247
Total comprehensive income for the nine months ended September, 2016							
Profit for the period	-	-	-	-	2,845,530	2,845,530	2,845,530
Other comprehensive income for the period, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	2,845,530	2,845,530	2,845,530
Transactions with owners, recorded directly in equity							
Final dividend for the year ended December 31, 2015 @ Rs. 20 per share declared subsequent to the year end	-	-	-	-	(1,958,006)	(1,958,006)	(1,958,006)
Interim dividend for the year ending December 31, 2016 @ Rs. 10 per share	-	-	-	-	(979,003)	(979,003)	(979,003)
Capital contribution from Abbott International LLC, USA	-	-	25,159	-	-	25,159	25,159
Balance as at September 30, 2016	<u>979,003</u>	<u>46,097</u>	<u>361,007</u>	<u>5,338,422</u>	<u>6,158,398</u>	<u>11,903,924</u>	<u>12,882,927</u>
Balance as at January 01, 2017	979,003	46,097	368,283	5,338,422	7,861,435	13,614,237	14,593,240
Total comprehensive income for the nine months ended September, 2017							
Profit for the period	-	-	-	-	2,788,762	2,788,762	2,788,762
Other comprehensive income for the period, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	2,788,762	2,788,762	2,788,762
Transactions with owners, recorded directly in equity							
Final dividend for the year ended December 31, 2016 @ Rs. 30 per share declared subsequent to the year end	-	-	-	-	(2,937,009)	(2,937,009)	(2,937,009)
Interim dividend for the year ending December 31, 2017 @ Rs. 10 per share	-	-	-	-	(979,003)	(979,003)	(979,003)
Capital contribution from Abbott International LLC, USA	-	-	34,128	-	-	34,128	34,128
Balance as at September 30, 2017	<u>979,003</u>	<u>46,097</u>	<u>402,411</u>	<u>5,338,422</u>	<u>6,734,185</u>	<u>12,521,115</u>	<u>13,500,118</u>

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 SYED ANIS AHMED
 CHIEF EXECUTIVE


 EHSAN ALI MALIK
 DIRECTOR


 JAMSHED AZHAR
 CHIEF FINANCIAL OFFICER

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the Nine Months Ended September 30, 2017

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 (formerly 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, diabetes care, molecular devices, hospital and consumer products.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

Statement of compliance

During the current period, the Companies Act, 2017 (the Act) has been promulgated effective May 30, 2017 which has repealed the Companies Ordinance 1984. The Act through its promulgation has introduced many changes in presentation and disclosure in the financial statements. However, the Securities and Exchange Commission of Pakistan (SECP) through its Circular no. 23 of 2017 dated October 04, 2017 has deferred the application of the Act in relation to preparation of the financial statements for companies whose financial year, including quarterly and other interim period closes on or before December 31, 2017.

Accordingly these condensed interim financial statements of the Company for the nine months ended September 30, 2017 are prepared in accordance with the provisions of and directives issued under the repealed Companies Ordinance, 1984 and requirements of the International Accounting Standard 34 - "Interim Financial Reporting". In case where requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 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, 2016.

These condensed interim financial statements are being submitted to the shareholders as required by the Listing Regulations of Pakistan Stock Exchange and Section 245 of the Companies Ordinance, 1984.

2.2 Accounting policies

The accounting policies and the methods of computation used 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, 2016.

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, 2016.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the Nine Months Ended September 30, 2017

	(Unaudited) September 30, 2017	(Audited) December 31, 2016
Note	----- Rupees in '000 -----	

3. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	3.1	4,303,843	3,639,626
Capital work-in-progress		<u>889,605</u>	<u>803,393</u>
		<u>5,193,448</u>	<u>4,443,019</u>

3.1 Operating fixed assets

Following were the additions and disposals of fixed assets during the period :

	Additions	Disposals	
		Cost	Accumulated Depreciation
	----- Rupees in '000 -----		
Improvements on buildings	17,054	-	-
Plant and machinery	803,065	95,200	86,783
Office equipment	7,358	12,141	11,720
Vehicles	38,082	16,220	8,499
Computers	10,999	117,159	117,014
Service equipment	246,528	45,438	45,438
	<u>1,123,086</u>	<u>286,158</u>	<u>269,454</u>

4. CONTINGENCIES AND COMMITMENTS

4.1 There is no material change in the status of contingencies and commitments as disclosed in the annual financial statements of the Company for the year ended December 31, 2016 except as follows:

4.2 Contingencies

4.2.1 The Company has given bank guarantees of Rs. 238.463 million (December 31, 2016: Rs. 175.667 million) to the Customs Department, a utility company and other institutions against tenders.

4.3 Commitments

4.3.1 Commitments for capital expenditure as at September 30, 2017 aggregated to Rs. 306.618 million (December 31, 2016: Rs. 371.248 million).

4.3.2 The Company has obtained short term financing facilities from various commercial banks amounting to Rs. 1,120 million (December 31, 2016: Rs. 1,120 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, 2016: Rs. 250 million). The running finance / short term loan carries markup at rates ranging from KIBOR plus 1% to KIBOR plus 2% (December 31, 2016: KIBOR plus 1% to KIBOR plus 2%) and are secured against first joint pari passu hypothecation charge over stocks and

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the Nine Months Ended September 30, 2017

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. 393.430 million (December 31, 2016: Rs. 568.028 million).

5. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

As at September 30, 2017, Abbott Asia Investments Limited, UK held 76,259,454 (December 31, 2016: 76,259,454) shares. The ultimate holding company is Abbott Laboratories, USA.

	(Unaudited) Jan - Sep 2017	(Unaudited) Jan - Sep 2016
Note	-----	-----
	----- Rupees in '000 -----	

6. CASH GENERATED FROM OPERATIONS

Profit before taxation	3,989,518	3,984,251
Adjustment for:		
Depreciation	442,165	381,446
Amortisation on intangible assets	4,200	10,833
Loss on disposal of property, plant and equipment	8,130	(2,845)
Interest income	(299,376)	(290,720)
Expense recognised in profit or loss in respect of equity-settled share-based compensation	34,128	25,159
Finance costs	8,306	4,357
Working capital changes	6.1 735,486	(1,164,870)
	<u>4,922,557</u>	<u>2,947,611</u>

6.1 Working capital changes

(Increase) / decrease in current assets net of provision

Stores and spares	(40,614)	35,085
Stock-in-trade	(253,317)	(1,206,504)
Trade debts	13,187	(170,560)
Loans and advances	(33,682)	(91,866)
Trade deposits and short-term prepayments	(305,927)	(115,381)
Other receivables	(15,128)	(63,692)
	<u>(635,481)</u>	<u>(1,612,918)</u>

Increase in current liabilities

Trade and other payables	1,370,967	448,048
	<u>735,486</u>	<u>(1,164,870)</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the Nine Months Ended September 30, 2017

7. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise parent, ultimate parent, 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 parties. Transactions with related parties are as follows:

	(Unaudited) Jan - Sep 2017	(Unaudited) Jan - Sep 2016
	----- Rupees in '000 -----	
Other related parties		
Sale of goods	256,994	250,674
Purchase of materials	3,308,218	3,087,513
Technical service fee	111,731	105,601
Reimbursements from a related party on account of:		
- Selling and distribution expenses	80,441	59,254
- Administrative expenses	7,235	3,840
Interest income earned	24,970	23,787
Contribution paid		
Pension fund	130,882	119,601
Provident fund	63,209	58,189
Key management personnel		
Short-term employee benefits	167,015	142,314
Post-employment benefits	19,760	16,954

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the Nine Months Ended September 30, 2017

8. SEGMENT ANALYSIS

8.1 Segment wise operating results for the third quarter:

	Unaudited				Unaudited			
	Jul - Sep				Jul - Sep			
	2017				2016			
Pharmaceutical	Nutritional	Others	Total	Pharmaceutical	Nutritional	Others	Total	
----- Rupees in '000 -----								
Sales	5,195,579	1,080,191	535,371	6,811,141	4,312,007	1,094,065	568,484	5,974,556
Less:								
Sales return and discount	75,297	1,269	7,944	84,510	21,900	1,301	3,024	26,225
Sales tax and excise duty	-	119,208	5,581	124,789	-	99,881	25,966	125,847
Sales - net	5,120,282	959,714	521,846	6,601,842	4,290,107	992,883	539,494	5,822,484
Cost of goods sold	3,020,592	610,988	330,690	3,962,270	2,481,727	646,005	298,166	3,425,898
Gross profit	2,099,690	348,726	191,156	2,639,572	1,808,380	346,878	241,328	2,396,586
Selling and distribution expenses	646,539	177,792	100,709	925,040	567,348	107,017	94,717	769,082
Administrative expenses	97,049	8,107	3,570	108,726	81,675	10,022	5,153	96,850
Segment result	<u>1,356,102</u>	<u>162,827</u>	<u>86,877</u>	<u>1,605,806</u>	<u>1,159,357</u>	<u>229,839</u>	<u>141,458</u>	<u>1,530,654</u>

8.2 Segment wise operating results for the nine months ended:

	Unaudited				Unaudited			
	Jan - Sep				Jan - Sep			
	2017				2016			
Pharmaceutical	Nutritional	Others	Total	Pharmaceutical	Nutritional	Others	Total	
----- Rupees in '000 -----								
Sales	13,980,259	3,464,631	1,756,084	19,200,974	12,154,867	3,219,810	1,861,378	17,236,055
Less:								
Sales return and discount	116,246	7,940	9,859	134,045	50,149	4,587	14,583	69,319
Sales tax and excise duty	-	342,959	64,582	407,541	-	285,832	91,993	377,825
Sales - net	13,864,013	3,113,732	1,681,643	18,659,388	12,104,718	2,929,391	1,754,802	16,788,911
Cost of goods sold	8,330,657	2,075,565	1,066,785	11,473,007	7,218,769	1,884,055	962,784	10,065,608
Gross profit	5,533,356	1,038,167	614,858	7,186,381	4,885,949	1,045,336	792,018	6,723,303
Selling and distribution expenses	2,032,088	416,514	320,694	2,769,296	1,694,945	370,978	335,064	2,400,987
Administrative expenses	277,237	31,989	8,214	317,440	264,318	33,815	9,462	307,595
Segment result	<u>3,224,031</u>	<u>589,664</u>	<u>285,950</u>	<u>4,099,645</u>	<u>2,926,686</u>	<u>640,543</u>	<u>447,492</u>	<u>4,014,721</u>

8.3 Reconciliation of segment results with profit before taxation

	Unaudited		Unaudited	
	Jul - Sep	Jan - Sep	Jul - Sep	Jan - Sep
	2017	2017	2016	2016
----- Rupees in '000 -----				
Total segment results	1,605,806	4,099,645	1,530,654	4,014,721
Other income		100,417	88,108	309,956
Other charges		157,688	122,735	336,069
Finance costs		3,639	1,736	4,357
Profit before taxation	<u>1,544,896</u>	<u>3,989,518</u>	<u>1,494,291</u>	<u>3,984,251</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

For the Nine Months Ended September 30, 2017

Unaudited		Unaudited	
Jul - Sep 2017	Jan - Sep 2017	Jul - Sep 2016	Jan - Sep 2016

----- Rupees in '000 -----

8.4 Geographical information

Sales to external customers

Pakistan	6,138,721	17,515,826	5,486,269	15,849,821
Afghanistan	333,924	847,148	258,552	658,999
Srilanka	26,648	39,420	8,216	29,417
Switzerland	102,549	256,994	69,447	250,674
	<u>6,601,842</u>	<u>18,659,388</u>	<u>5,822,484</u>	<u>16,788,911</u>

8.5 Segment Assets and Liabilities

	Unaudited				Audited			
	September 30, 2017				December 31, 2016			
	Pharmaceutical	Nutritional	Others	Total	Pharmaceutical	Nutritional	Others	Total
	----- (Rupees '000) -----							
Segment assets employed	<u>8,256,688</u>	<u>787,616</u>	<u>1,447,407</u>	<u>10,491,711</u>	<u>7,488,742</u>	<u>556,231</u>	<u>1,046,738</u>	<u>9,091,711</u>
Unallocated corporate assets				<u>7,627,987</u>				<u>8,553,473</u>
Total reported assets				<u>18,119,698</u>				<u>17,645,184</u>
Segment liabilities	<u>2,253,548</u>	<u>508,707</u>	<u>406,716</u>	<u>3,168,971</u>	<u>1,375,430</u>	<u>421,195</u>	<u>367,444</u>	<u>2,164,069</u>
Unallocated corporate liabilities				<u>1,450,609</u>				<u>887,875</u>
Total reported liabilities				<u>4,619,580</u>				<u>3,051,944</u>

9. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on October 19, 2017 by the Board of Directors of the Company.


 SYED ANIS AHMED
 CHIEF EXECUTIVE


 EHSAN ALI MALIK
 DIRECTOR


 JAMSHED AZHAR
 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, Shahrah-e-Faisal, Karachi
Phone: (92-21) 32799018, 32799019
Fax: (92-21) 32800244
URL: www.abbott.com.pk

