



# Half Yearly Report 2006

**BEXIMCO  
PHARMA**

BEXIMCO PHARMACEUTICALS LTD.

# BEXIMCO PHARMACEUTICALS LTD.

## CHIEF EXECUTIVE OFFICER'S STATEMENT

*Dear Shareholder*

We are pleased to publish the interim financial results for the half year ended 30th June 2006.

### **Financial Results**

The Company has achieved sales of Tk. 1,836.79 million showing significant sales growth of 28% compared to the same period last year. Gross profit, as well as net profit before tax, in absolute value has increased by 24.4% and 12.1% respectively. The Bangladeshi economy has experienced a significant devaluation of domestic currency this half, against the US Dollar it has dropped approximately 10% in one year, but the Company has successfully managed to minimize the negative impact of such currency devaluation. This half, the Company earned a pre-tax profit of Tk. 287.1 million compared to Tk. 256.3 million this time last year. EPS stood at Tk. 5.20 (annualized) after the issue of new GDRs.

### **Key drivers**

During the first half of this year, the Company has successfully launched 34 products across a range of therapeutic classes. Neoceptin R, Napa, Arixon, Dexaqua, Tofen, Bextrum, Amdocal, Tycil, Dexoride, Ultrafen continue to have strong demand and they remain to be the main sales drivers for Beximco. The Company has continued its international expansion by signing contracts with agents in four new overseas markets for the registration and distribution of its products, and Beximco has also commenced exporting to Cambodia, with the first products delivered in June.

### **Development on Projects**

- The Company has successfully installed and commissioned two lines of the new Oral Solid Dosage (OSD) plant built to USFDA standards.
- The project to convert the Metered Dose Inhaler (MDI) plant to manufacture HFA inhalers is progressing as per schedule and is expected to be operational by the first week of August 2006.
- The API, Small Volume Parenterals, Ophthalmics & Nebulizer Solution projects are also on target.

### **Settlement with Shamil Bank of Bahrain EC**

As per the settlement agreement reached with the Shamil Bank of Bahrain EC, the Company has paid a second instalment which will take effect during the reported period.

### **Issue of GDRs**

In May 2006, the Company had further issued 8,175,750 GDRs at GBP 0.80 to finance its ongoing projects as well as new long term investment projects.

*Nazmul Hassan*

**Nazmul Hassan**

Chief Executive Officer

# BEXIMCO PHARMACEUTICALS LTD.

## Balance Sheet (Unaudited)

As at 30th June, 2006

Amount in K BDT

	Notes	As at 30th June, 2006	As at 31st December, 2005	Growth %
<b>ASSETS</b>				
<b>Non-Current Assets</b>		<b>7,896,710</b>	<b>7,449,631</b>	<b>6.00</b>
Property, Plant and Equipment- Carrying Value	3	7,859,554	7,412,475	6.03
Investment in Shares		37,156	37,156	-
<b>Current Assets</b>		<b>3,876,658</b>	<b>3,495,849</b>	<b>10.89</b>
Inventories	4	1,664,146	1,683,722	(1.16)
Accounts Receivable	5	666,443	779,799	(14.54)
Loans, Advances and Deposits	6	580,962	603,765	(3.78)
Cash and Cash Equivalents	7	965,107	428,563	125.20
<b>TOTAL ASSETS</b>	<b>Tk.</b>	<b>11,773,368</b>	<b>10,945,480</b>	<b>7.56</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' Equity</b>		<b>7,730,881</b>	<b>6,820,925</b>	<b>13.34</b>
Issued Share Capital		1,040,973	959,216	8.52
Share Premium		1,489,750	1,489,750	-
Excess of Issue Price over Face Value of GDRs		1,690,053	969,175	74.38
Capital Reserve		294,951	294,951	-
Tax-Holiday Reserve		414,549	414,549	-
Retained Earnings		2,800,605	2,693,284	3.98
<b>Non-Current Liabilities</b>		<b>1,533,928</b>	<b>1,622,730</b>	<b>(5.47)</b>
Long Term Borrowing-Net off Current Maturity (Secured)	8A	1,275,290	1,387,456	(8.08)
Liability for Gratuity & WPPF	9	218,776	190,053	15.11
Deferred Tax Liability		39,862	45,221	(11.85)
<b>Current Liabilities and Provisions</b>		<b>2,508,559</b>	<b>2,501,825</b>	<b>0.27</b>
Short Term Borrowing from Banks	10	1,028,568	1,062,011	(3.15)
Long Term Borrowing-Current Maturity	8B	898,181	1,066,031	(15.75)
Creditors and other Payables		290,189	216,661	33.94
Accrued Expenses		99,048	101,860	(2.76)
Dividend Payable		144,358	830	17,283.27
Income Tax Payable		48,215	54,432	(11.42)
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>Tk.</b>	<b>11,773,368</b>	<b>10,945,480</b>	<b>7.56</b>

*Nazmul Hassan*

**Nazmul Hassan**  
Chief Executive Officer

*Ali Nawaz*

**Ali Nawaz**  
Chief Financial Officer



**BEXIMCO PHARMACEUTICALS LTD.**  
**Statement of Changes in Equity (Unaudited)**

**For the Half-year ended 30th June, 2006**

Amount in K BDT

	Half-year ended 30th June, 2006	Half-year ended 30th June, 2005
Shareholders Equity at Beginning of Period	6,820,925	4,834,748
Net Profit for the period	251,202	231,409
Cash Dividend of Prior Period	(143,882)	(27,988)
Issue of Shares against GDRs	802,636	-
Exchange of BPL Shares for BIL Shares	-	59,513
Capital Reserve on amalgamation of BIL with BPL	-	314,873
Prior Years' adjustment on Capitalization of Leases	-	34,146
<b>Shareholders Equity at the end of Period</b>	<b>Tk. 7,730,881</b>	<b>5,446,701</b>
Number of Ordinary Shares	10,409,731	7,592,156
Par Value of Shares	10	10
Net Asset Value Per Share (NAV)	74.27	71.74

*Nazmul Hassan*

**Nazmul Hassan**  
Chief Executive Officer

*Ali Nawaz*

**Ali Nawaz**  
Chief Financial Officer

# BEXIMCO PHARMACEUTICALS LTD.

## Cash Flow Statement (Unaudited)

For the Half-year ended 30th June, 2006

Amount in K BDT

	Half-year ended 30th June, 2006	Half-year ended 30th June, 2005	Growth %
<b>Cash Flows from Operating Activities :</b>			
Cash Receipts from Customers and Others	1,965,313	1,469,513	33.74
Cash Paid to Suppliers and Employees	(1,261,566)	(1,129,293)	11.71
<b>Cash Generated from Operations</b>	<b>703,747</b>	<b>340,220</b>	<b>106.85</b>
Interest Paid	(97,373)	(95,933)	1.50
Income Tax Paid	(47,506)	(11,511)	312.68
<b>Net cash Generated from Operating Activities</b>	<b>558,868</b>	<b>232,776</b>	<b>140.09</b>
<b>Cash Flows from Investing Activities :</b>			
Acquisition of Property, Plant and Equipment	(481,893)	(236,212)	104.01
Disposal of Property, Plant and Equipment	138	674	(79.58)
<b>Net cash Used in Investing Activities</b>	<b>(481,755)</b>	<b>(235,538)</b>	<b>104.53</b>
<b>Cash Flows from Financing Activities :</b>			
Net (Decrease)/Increase in Long Term Borrowings	(309,406)	6,073	(5,194.88)
Issue of Shares against GDR	81,757	-	-
Excess of Issue Price Net over Face Value of GDRs	720,878	-	-
Net (Decrease) in Short Term Borrowing from Banks	(33,443)	(5,917)	465.17
Dividend Paid	(355)	(1,142)	(68.90)
<b>Net cash Generated from Financing Activities</b>	<b>459,431</b>	<b>(986)</b>	<b>(46,661.59)</b>
Increase/(Decrease) in Cash and Cash Equivalents	536,544	(3,748)	(14,416.54)
Cash and Cash Equivalents at Beginning of Period	428,563	10,519	3,974.08
<b>Cash and Cash Equivalents at End of Period Tk.</b>	<b>965,107</b>	<b>6,771</b>	<b>14,152.40</b>

*Nazmul Hassan*

**Nazmul Hassan**  
Chief Executive Officer

*Ali Nawaz*

**Ali Nawaz**  
Chief Financial Officer

# BEXIMCO PHARMACEUTICALS LTD.

## Selected Notes to the Financial Statements (Unaudited)

For the Period ended 30th June, 2006

Amount in K BDT

### 1. Status and Activities

Beximco Pharmaceuticals Limited (BPL/the Company) is a public company incorporated in Bangladesh in 1976. The principal activities of the company are manufacturing and marketing of formulation products, bulk chemicals and IV fluids. The shares of the company are traded in Dhaka and Chittagong Stock Exchanges of Bangladesh and also in the AIM of London Stock Exchange.

### 2. Principal Accounting Policies

#### Basis of Preparation of Financial Statements

These Financial Statements are in accordance with BAS 34 "Interim Financial Reporting"; and the Securities and Exchange Rules 1987. These interim financial statements should be read in conjunction with the Financial Statements for the year ended December 31, 2005 (hereafter referred to as the "Annual Financial Statements"), as they provide an update to previously reported information.

The accounting policies used are consistent with those used in the Annual Financial Statements. The Company followed principal accounting policies (including International Accounting Standards as adopted in Bangladesh, commonly known as BAS) consistently except that it has not yet adopted BAS 21 - "Effects of Changes in Foreign Exchange Rates" as that conflicts with the provisions of The Companies Act, 1994. The presentation of the Interim Financial Statements is consistent with the Annual Financial Statements. Where necessary, the comparatives have been reclassified, extended or consized from the previously reported half yearly report of 2005 to take into account any presentational changes made in the Annual Financial Statements or in the half yearly report 2005.

The preparation of the Interim Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities at the date of the Interim Financial Statements. If in the future such estimates and assumptions, which are based on management's best judgment at the date of the Interim Financial Statements, deviate from the actual, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

### 3. Property, Plant and Equipment

#### Cost

	As at 30 Jun. 2006	As at 31 Dec. 2005
Land	1,225,106	1,199,314
Building and Other Constructions	602,637	596,284
Plant & Machinery	1,299,014	1,233,272
Furniture & Fixture	57,879	53,234
Transport & Vehicle	125,409	105,799
Office Equipment	191,232	176,964
	<b>3,501,277</b>	<b>3,364,867</b>
Less :Accumulated Depreciation	(1,275,478)	(1,211,494)
<b>Written Down Value</b>	<b>2,225,799</b>	<b>2,153,373</b>
Capital Work in Progress	5,633,755	5,259,102
<b>Carring Value</b>	<b>Tk. 7,859,554</b>	<b>7,412,475</b>

	<b>As at 30 Jun. 2006</b>	<b>As at 31 Dec. 2005</b>
<b>4. Inventories</b>		
Finished Goods	370,246	378,745
Raw and Packing Material (Including Work in Process and Transit)	1,165,719	1,187,664
Spares & Others	128,181	117,313
<b>Tk.</b>	<b><u>1,664,146</u></b>	<b><u>1,683,722</u></b>
<b>5. Accounts Receivable</b>		
I & I Services Ltd.	608,164	683,362
Export Receivable	-	48,424
Others	58,279	48,013
<b>Tk.</b>	<b><u>666,443</u></b>	<b><u>779,799</u></b>
<b>6. Loans, Advances and Deposits</b>		
Motor Cycle Advance	60,554	68,812
Deposits	43,314	38,441
VAT	124,457	128,957
Employees	33,832	28,039
Advance to Suppliers including C&F Agents	257,912	275,008
Others	60,893	64,508
<b>Tk.</b>	<b><u>580,962</u></b>	<b><u>603,765</u></b>
<b>7. Cash and Cash Equivalents</b>		
Cash in Hand	1,932	1,311
Cash at Banks	963,175	427,252
<b>Tk.</b>	<b><u>965,107</u></b>	<b><u>428,563</u></b>
<b>8. Long Term Borrowing</b>		
<b>A. Non Current Maturity</b>		
Project Loan	1,028,196	1,182,786
Interest and PAD	191,318	148,209
Obligations under other Finance Lease	55,776	56,461
<b>Tk.</b>	<b><u>1,275,290</u></b>	<b><u>1,387,456</u></b>
<b>B. Current Maturity</b>		
Project Loan	343,790	-
Interest and PAD	40,902	92,680
Obligation to Shamil Bank under Lease	453,593	921,330
Obligations under other Finance Lease	59,896	52,021
<b>Tk.</b>	<b><u>898,181</u></b>	<b><u>1,066,031</u></b>



	As at 30 Jun. 2006	As at 31 Dec. 2005
<b>9. Liability for Gratuity &amp; WPPF</b>		
Gratuity Payable	90,360	83,598
Loan from Workers' Profit Participation/ Welfare Funds	128,416	106,455
<b>Tk.</b>	<b>218,776</b>	<b>190,053</b>
<b>10. Short Term Borrowing from Banks</b>		
Janata Bank	938,119	952,856
Citibank NA	40,449	40,854
Standard Chartered Bank	-	18,301
IPDC	50,000	50,000
<b>Tk.</b>	<b>1,028,568</b>	<b>1,062,011</b>
	<b>Half-year ended Jun. 30, 2006</b>	<b>Half-year ended Jun. 30, 2005</b>
<b>11. Cost of Goods Sold</b>		
Raw and Packing Material	801,584	597,005
Factory Overhead	122,710	93,019
Depreciation	55,053	54,333
<b>Tk.</b>	<b>979,347</b>	<b>744,357</b>
<b>12. Administrative Expenses</b>		
Salary & Allowances	32,880	23,983
Repairs & Maintenance	3,585	4,224
Traveling & Conveyance	5,223	3,192
AGM and Company Secretarial Expenses	11,922	5,002
Other Expenses	9,402	9,848
Depreciation	3,731	645
<b>Tk.</b>	<b>66,743</b>	<b>46,894</b>
<b>13. Selling and Distribution Expenses</b>		
Salary & Allowances	121,673	90,902
Traveling & Conveyance	61,153	46,766
Market Research & New Products	14,900	9,884
Promotional Expenses including Sample & Literature	109,200	71,243
Distribution Commission	54,438	29,213
Depreciation	5,352	2,367
Other Expenses	40,359	31,818
<b>Tk.</b>	<b>407,074</b>	<b>282,193</b>

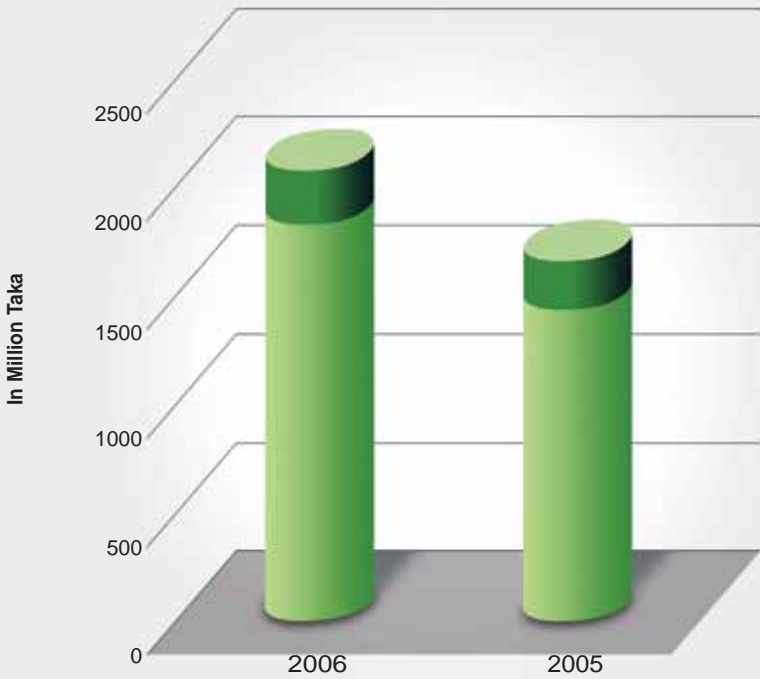
*Nazmul Hassan*

**Nazmul Hassan**  
Chief Executive Officer

*Ali Nawaz*

**Ali Nawaz**  
Chief Financial Officer

# Half Yearly Comparative Operating Results 2006 & 2005



■ Net Sales Revenue

■ Net Profit After Tax



**BEXIMCO PHARMACEUTICALS LTD.**

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