

Company Beximco Pharmaceuticals Ltd
TIDM BXP
Headline Half Yearly Report
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BEXIMCO PHARMACEUTICALS LTD.

29th July, 2011

Half Year Results - 2011

Beximco Pharmaceuticals Limited ("BPL" or "Company"; AIM Symbol: BXP) today announces its results for the half year to 30 June 2011.

Highlights

Half year financial highlights

- Net sales increased by 22.7% to Bangladesh Taka ("BDT") 3,642.3m / £30.5m (2010: BDT 2,968.7 m / £27.3m)
 - Domestic sales increased 22.8% to BDT 3,468.8m / £29.1m (H1 2010: BDT 2,825.9m / £26.0m)
 - Export sales increased 21.6% to BDT 173.5m / £1.5m (H1 2010: BDT 142.7m / £1.3m)
- Profit before tax increased by 9.6% to BDT 764.5m / £6.4m (H1 2010: BDT 697.3m / £6.4m)
- EPS increased by 7.9% to BDT 2.72 / 2.3 pence (2010: BDT 2.52 / 2.3 pence)

Second quarter highlights

- Net sales increased by 20% to BDT 1,970.6m / £16.5m (2010: BDT1,642.0m / £15.1m)
- Profit before tax increased by 21.6% to BDT 461.4m / £3.9m (2010: BDT 379.3m / £3.5m)

Operational highlights

- 10 new products registered in overseas markets
- Launched 21 new products across different therapeutic classes
- Plant and Machinery for the New MDI (Metered Dose Inhaler) facility installed and commissioned, trial production scheduled August 2011

Post-period events

- Received GMP (Good Manufacturing Practices) accreditation from Austrian regulatory authority for Oral Solid and Sterile Eye Drop Facilities
 - Approval recognized throughout European Union (EU)

Nazmul Hassan MP, Managing Director of Beximco Pharmaceuticals, commented:

"I am delighted to report another strong performance from Beximco Pharmaceuticals, achieved against a backdrop of currency pressures, a challenging global environment and strong competition in the domestic market. Our recent EU GMP approval is an important step towards becoming a global player in the lucrative generic pharmaceutical market. Approval also highlights the high standards achieved by Beximco and demonstrates the importance of continued investment in facilities, products and people, to deliver long-term sustainable growth for the Company and our shareholders."

The half yearly accounts can be viewed at the Company's website: www.beximcopharma.com
(Exchange rates of £1 = Taka 108.55 for 2010 numbers and £1 = Taka 119.25 for 2011 numbers have been used in this announcement.)

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Notes to Editors

About Beximco Pharmaceuticals Limited

Founded in 1976 and based in Dhaka, Bangladesh, BPL manufactures and sells generic pharmaceutical formulation products, active

pharmaceutical ingredients and intravenous fluids. The Company also manufactures and markets its own branded generics for almost all diseases. The Company also undertakes contract manufacturing for multinational pharmaceutical companies. The Company operates from a 20 acre site in Dhaka and currently employs over 2,400 staff.

The Company's products are sold to retail outlets, medical institutions and other pharmaceutical manufacturers in Bangladesh, in regional markets such as Sri Lanka, Nepal, Bhutan, Vietnam, Cambodia and Myanmar and in other markets overseas, principally in East Africa, Pacific Island and Central American countries and South East Asia, including Singapore and Hong Kong.

BEXIMCO PHARMACEUTICALS LIMITED
Statement of the Managing Director

Dear Valued Shareholders,

We are pleased to announce the un-audited results for the six-month period ended 30 June 2011.

The Company reported strong results with revenues of Tk. 3,642.29 million, up 22.7% from the corresponding period of 2010. Pre-tax profit and EPS stood at Tk. 764.55 million and Tk. 2.72 compared to Tk. 697.35 million and Tk. 2.52 respectively, in the previous year. During the said period there was significant devaluation of Bangladeshi taka against the US dollar. Since December 2010, taka has been depreciated by around 7% causing a rise in the cost of imported materials. However, we are working on strategies to effectively minimize the negative impact of the currency devaluation on our profitability.

The company saw introduction of 21 new products of different forms and strength across different therapeutic classes. We continued expanding our export product portfolio and in the first half we successfully registered 10 products in the overseas markets. Subsequent to the reporting period, this month in July, we have received GMP (Good Manufacturing Practices) accreditation from the regulatory authority of Austria for our Oral Solid and Sterile Eye Drop facilities. The approval received from the Austrian Drug Authority will be recognized throughout the European Union (EU) by Mutual Recognition between the member countries. This is a significant milestone for the company which should facilitate export to generic drug markets of Europe.

We are pleased with the achievement of the company during the first half of 2011. We are confident that your company will continue to perform well during the remaining period to achieve its operational and financial targets for the year 2011.

We look forward to your continued support.

Thanking you

Nazmul Hassan
Managing Director

BEXIMCO PHARMACEUTICALS LIMITED
Statement of Financial Position (Un-audited)
As at June 30, 2011

	Notes	Taka ' 000	
		As at June 30, 2011	As a December 31, 2010
ASSETS			
Non-Current Assets			
Property, Plant and Equipment- Carrying Value	3	15,409,849	15,123,306
Intangible Assets		85,108	51,127
Investment in Shares		6,299	6,299
Current Assets		6,565,112	6,191,667
Inventories	4	2,114,606	1,983,809
Spares & Supplies		303,457	276,520
Accounts Receivable		895,370	821,356
Loans, Advances and Deposits	5	808,622	779,130
Short Term Investment		958,046	859,404
Cash and Cash Equivalents	6	1,485,011	1,471,448
TOTAL ASSETS		22,066,368	21,372,399
EQUITY AND LIABILITIES			
Shareholders' Equity			
Issued Share Capital		2,098,065	2,098,065
Share Premium		5,269,475	5,269,475
Excess of Issue Price over Face Value of GDRs		1,689,637	1,689,637
Capital Reserve on Merger		294,951	294,951
Revaluation Surplus		1,470,200	1,534,646
Retained Earnings		5,670,336	5,087,313
Non-Current Liabilities		3,035,646	2,885,156
Long Term Borrowings-Net off Current Maturity (Secured)	7 A	1,844,160	1,902,151
Liability for Gratuity & WPPF		426,940	335,886
Deferred Tax Liability		764,546	647,119
Current Liabilities and Provisions		2,538,058	2,513,156
Short Term Borrowings		1,659,404	1,639,961
Long Term Borrowings-Current Maturity	7 B	329,291	348,860
Creditors and other Payables		461,263	432,315
Accrued Expenses		68,266	90,512
Dividend Payable		1,377	1,508
Income Tax payable		18,457	-
TOTAL EQUITY AND LIABILITIES		22,066,368	21,372,399

BEXIMCO PHARMACEUTICALS LIMITED
Statement of Comprehensive Income (Un-audited)
For the Half Year Ended June 30, 2011

	Notes	Half-Year ended June 30, 2011	Half-Year ended June 30, 2010	2nd Quarter (April - June) 2011	Taka ' 000 2nd Quarter (April - June) 2010
Net Sales Revenue		3,642,293	2,968,654	1,970,552	1,642,053
Cost of Goods Sold	8	(1,920,911)	(1,484,263)	(1,011,947)	(789,784)
Gross Profit		1,721,382	1,484,391	958,605	852,269
Operating Expenses:		(803,122)	(702,569)	(418,962)	(404,610)
Administrative Expenses	9	(111,902)	(102,846)	(60,733)	(59,739)
Selling, Marketing and Distribution Expenses	10	(691,220)	(599,723)	(358,229)	(344,871)
Profit from Operations		918,260	781,822	539,643	447,659
Other Income		150,907	314,314	79,474	119,398
Finance Cost		(266,391)	(210,173)	(134,648)	(117,571)
Preference Share Dividend		-	(153,750)	-	(51,250)
Profit Before Contribution to WPPF		802,776	732,213	484,469	398,236
Contribution to Workers' Profit Participation/Welfare Funds		(38,227)	(34,867)	(23,070)	(18,963)
Profit Before Tax		764,549	697,346	461,399	379,273
Income Tax Expenses		(193,306)	(169,073)	(142,806)	(68,962)
Profit After Tax		571,243	528,273	318,593	310,311
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income		571,243	528,273	318,593	310,311
Earnings Per Share (EPS)	Tk.	2.72	2.52	1.52	1.48
Number of Shares used to compute EPS (Note 11)		209,806,509	209,806,509	209,806,509	209,806,509

BEXIMCO PHARMACEUTICALS LIMITED
Statement of Changes in Equity (Un-audited)
For the period ended June 30, 2011

	Half Year ended June 30, 2010						Taka ' 000
	Share Capital	Share Premium	Excess of Issue Price over Face Value of GDRs	Capital Reserve	Revaluation Surplus	Retained Earnings	Total
Balance as on January 01, 2010	1,511,493	1,489,750	1,689,637	294,951	1,617,362	4,282,514	10,885,707
Total Comprehensive Income	-	-	-	-	-	528,273	528,273
Stock Dividend	273,661	-	-	-	-	(273,661)	-
Preference Share Converted into Ordinary Shares	312,911	-	-	-	-	-	312,911
Premium on Conversion of Preference Shares	-	3,787,089	-	-	-	-	3,787,089
Adjustment for Depreciation on Revalued Assets	-	-	-	-	(13,405)	13,405	-
As on June 30, 2010	2,098,065	5,276,839	1,689,637	294,951	1,603,957	4,550,531	15,513,980

Net Asset Value (NAV) per Share Tk. 73.94

	Half Year ended June 30, 2011						Taka ' 000
	Share Capital	Share Premium	Excess of Issue Price over Face Value of GDRs	Capital Reserve	Revaluation Surplus	Retained Earnings	Total
Balance as on January 01, 2011	2,098,065	5,269,475	1,689,637	294,951	1,534,646	5,087,313	15,974,087
Total Comprehensive Income	-	-	-	-	-	571,243	571,243
Adjustment for Depreciation on Revalued Assets	-	-	-	-	(11,780)	11,780	-
Adjustment for Deferred Tax on Revalued Assets	-	-	-	-	(52,666)	-	(52,666)
As on June 30, 2011	2,098,065	5,269,475	1,689,637	294,951	1,470,200	5,670,336	16,492,664

Net Asset Value (NAV) per Share Tk. 78.61

BEXIMCO PHARMACEUTICALS LIMITED
Statement of Cash Flows (Un-audited)
For the Half-Year ended June 30, 2011

	Half-Year ended June 30, 2011	Half-Year ended June 30, 2010
Cash Flows from Operating Activities :		
Cash Receipts from Customers and Others	3,719,186	3,153,285
Cash Paid to Suppliers and Employees	(2,642,216)	(2,400,045)

Cash Generated from Operations	1,076,970	753,240
Interest Paid	(266,391)	(210,173)
Income Tax Paid	(72,351)	(104,495)
Net Cash Generated from Operating Activities	738,228	438,572
Cash Flows from Investing Activities :		
Acquisition of Property, Plant and Equipment	(533,794)	(807,854)
Intangible Assets	(33,981)	(13,963)
Short Term Investment	(98,642)	694,484
Net Cash Used in Investing Activities	(666,417)	(127,333)
Cash Flows from Financing Activities :		
Net Increase / (Decrease) in Long Term Borrowings	(77,560)	27,092
Net Increase / (Decrease) in Short Term Borrowings	19,443	230,617
Preference Share Dividend	-	(153,750)
Ordinary Share Dividend	(131)	(450)
Net Cash Generated from Financing Activities	(58,248)	103,509
Increase / (Decrease) in Cash and Cash Equivalents	13,563	414,748
Cash and Cash Equivalents at Beginning of Period	1,471,448	1,058,433
Cash and Cash Equivalents at End of Period	1,485,011	1,473,181
Net Operating Cash Flow per Share	Tk. 3.52	2.09

BEXIMCO PHARMACEUTICALS LIMITED
Selected Notes to the Financial Statements (Un-audited)
For the Period ended June 30, 2011

1. Reporting Entity

Beximco Pharmaceuticals Limited (BPL/the Company) is a public company incorporated in Bangladesh in 1976. It commenced its manufacturing operation in 1980. The company is listed on Dhaka and Chittagong Stock Exchanges of Bangladesh and AIM of London Stock Exchange. The company is engaged in manufacturing and marketing of Pharmaceuticals Finished Formulation Products, Active Pharmaceutical Ingredients (APIs) and life saving Intravenous Fluids which it sells in the local as well as international markets.

2. Basis of Preparation of Financial Statements

These interim financial statements should be read in conjunction with the Financial Statements for the year ended December 31, 2010 (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 financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs). The presentation of the Interim Financial Statements is consistent with the Annual Financial Statements. Where necessary, the comparatives have been reclassified or extended to take into account any presentational changes made in the Annual Financial Statements. 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 / Revaluation

	As at June 30, 2011	Taka ' 000 As at December 31, 2010
Land	3,277,506	3,277,506
Building and Other Constructions	5,532,327	5,532,327
Plant & Machinery	6,054,454	5,982,435
Furniture & Fixture	123,114	114,007
Transport & Vehicle	325,387	310,840
Office Equipment	308,386	297,161
	15,621,174	15,514,276
Less : Accumulated Depreciation	(3,315,901)	(3,068,650)
Written Down Value	12,305,273	12,445,626
Capital Work in Progress	3,104,576	2,677,680
Carrying Value	15,409,849	15,123,306

4. Inventories

	As at June 30, 2011	Taka ' 000 As at December 31, 2010
Finished Goods	654,324	565,050
Raw and Packing Material (Including Work in Process and Transit)	1,412,688	1,373,442
Sample & Others	47,594	45,317
	2,114,606	1,983,809

5. Loans, Advances and Deposits

	As at June 30, 2011	Taka ' 000 As at December 31, 2010

Clearing & Forwarding	36,372	23,017
VAT	183,702	209,986
Security Deposit & Earnest Money	26,128	29,060
Capital Expenditure/ Project	12,843	14,893
Expenses	57,656	35,509
Advance against Salary	51,343	49,634
Motor Cycle	126,174	139,476
Raw & Packing Materials	210,299	161,055
Advance Income Tax	-	37,736
Others	104,105	78,764
	808,622	779,130

6. Cash and Cash Equivalents

	As at June 30, 2011	Taka ' 000 As at December 31, 2010
Cash in Hand, Current & FC Account	31,553	59,991
Imprest Cash	1,789	1,789
FDR Account	1,451,669	1,409,668
	1,485,011	1,471,448

7. Long Term Borrowings:

	As at June 30, 2011	Taka ' 000 As at December 31, 2010
A. Net off Current Maturity (Secured)		
Project Loan	1,712,871	1,733,509
Interest and PAD Block	22,459	41,526
Obligation under Finance Lease	108,830	127,116
	1,844,160	1,902,151
B. Current Maturity		
Project Loan	250,000	250,000
Interest and PAD Block	30,000	47,391
Obligation under Finance Lease	49,291	51,469
	329,291	348,860

	Half Year ended June 30, 2011	Taka ' 000 Half Year ended June 30, 2010
8. Cost of Goods Sold		
Materials	1,416,854	1,094,559
Factory Overhead	280,294	225,518
Depreciation	223,763	164,186
	1,920,911	1,484,263

9. Administrative Expenses

	Half Year ended June 30, 2011	Taka ' 000 Half Year ended June 30, 2010
Salary & Allowances	55,929	50,088
Fuel, Repairs & Office Maintenance	7,368	7,056
Travelling & Conveyance	7,323	6,636
AGM, Company Secretarial Expenses and Regulatory Fees	16,147	15,176
Depreciation	8,654	8,952
Other Expenses	16,481	14,938
	111,902	102,846

10. Selling, Marketing and Distribution Expenses

	Half Year ended June 30, 2011	Taka ' 000 Half Year ended June 30, 2010
Salary & Allowances	208,364	177,994
Travelling & Conveyance	99,729	85,950
Market Research & New Products	11,962	10,542
Sample, Literature & Promotional Expenses	204,802	185,711
Delivery Expense	98,341	78,194
Depreciation	14,834	15,666
Other Expenses	53,188	45,666
	691,220	599,723

11. Dividend for 2010

The Shareholders of the company has approved 20% stock dividend for the year 2010 in the annual general meeting held on July 02, 2011. The company consistently follows the policy of recognising proposed dividend after its approval by the shareholders in the annual general meeting. Hence, the proposed dividend for 2010 has not been accounted for in the interim financial statements. Additional shares to be issued consequent to the approval of the Stock Dividend has also not been considered in calculating the EPS.