

**HALF YEARLY REPORT**

**2011**



**BEXIMCO PHARMACEUTICALS LTD.**

**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**

*Taka '000*

	Notes	As at June 30, 2011	As at December 31, 2010
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
		<b>15,501,256</b>	<b>15,180,732</b>
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
<b>Current Assets</b>			
		<b>6,565,112</b>	<b>6,191,667</b>
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
<b>TOTAL ASSETS</b>		<b><u>22,066,368</u></b>	<b><u>21,372,399</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity</b>			
		<b>16,492,664</b>	<b>15,974,087</b>
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
<b>Non-Current Liabilities</b>			
		<b>3,035,646</b>	<b>2,885,156</b>
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
<b>Current Liabilities and Provisions</b>			
		<b>2,538,058</b>	<b>2,513,156</b>
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	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>22,066,368</u></b>	<b><u>21,372,399</u></b>

*Nazmul Hassan*

**Nazmul Hassan**  
 Managing Director

*Ali Nawaz*

**Ali Nawaz**  
 Chief Financial Officer

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

					<i>Taka ' 000</i>
	Notes	Half-Year ended June 30, 2011	Half-Year ended June 30, 2010	2nd Quarter (April - June) 2011	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)
<b>Gross Profit</b>		<u>1,721,382</u>	<u>1,484,391</u>	<u>958,605</u>	<u>852,269</u>
<b>Operating Expenses :</b>		<b>(803,122)</b>	<b>(702,569)</b>	<b>(418,962)</b>	<b>(404,610)</b>
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)
<b>Profit from Operations</b>		<b>918,260</b>	<b>781,822</b>	<b>539,643</b>	<b>447,659</b>
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)
<b>Profit Before Contribution to WPPF</b>		<u>802,776</u>	<u>732,213</u>	<u>484,469</u>	<u>398,236</u>
Contribution to Workers' Profit Participation/Welfare Funds		(38,227)	(34,867)	(23,070)	(18,963)
<b>Profit Before Tax</b>		<u>764,549</u>	<u>697,346</u>	<u>461,399</u>	<u>379,273</u>
Income Tax Expenses		(193,306)	(169,073)	(142,806)	(68,962)
<b>Profit After Tax</b>		<u>571,243</u>	<u>528,273</u>	<u>318,593</u>	<u>310,311</u>
Other Comprehensive Income		-	-	-	-
<b>Total Comprehensive Income</b>		<u><u>571,243</u></u>	<u><u>528,273</u></u>	<u><u>318,593</u></u>	<u><u>310,311</u></u>

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

*Nazmul Hassan*

**Nazmul Hassan**  
Managing Director

*Ali Nawaz*

**Ali Nawaz**  
Chief Financial Officer

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

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	Half Year ended June 30, 2010				
	Share Capital	Share Premium	Excess of Issue Price over Face Value of GDRs	Capital Reserve	Total
Balance as on January 01, 2010	1,511,493	1,489,750	1,689,637	294,951	10,885,707
Total Comprehensive Income	273,661	-	-	-	528,273
Stock Dividend	312,911	-	-	-	-
Preference Share Converted into Ordinary Shares	-	-	-	-	312,911
Premium on Conversion of Preference Shares	-	3,787,089	-	-	3,787,089
Adjustment for Depreciation on Revalued Assets	-	-	-	(13,405)	-
<b>As on June 30, 2010</b>	<b>2,098,065</b>	<b>5,276,839</b>	<b>1,689,637</b>	<b>294,951</b>	<b>15,513,980</b>

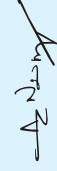
Net Asset Value (NAV) per Share Tk. 73.94

	Half Year ended June 30, 2011				
	Share Capital	Share Premium	Excess of Issue Price over Face Value of GDRs	Capital Reserve	Total
Balance as on January 01, 2011	2,098,065	5,269,475	1,689,637	294,951	15,974,087
Total Comprehensive Income	-	-	-	-	571,243
Adjustment for Depreciation on Revalued Assets	-	-	-	(11,780)	-
Adjustment for Deferred Tax on Revalued Assets	-	-	-	(52,666)	(52,666)
<b>As on June 30, 2011</b>	<b>2,098,065</b>	<b>5,269,475</b>	<b>1,689,637</b>	<b>294,951</b>	<b>16,492,664</b>

Net Asset Value (NAV) per Share Tk. 78.61

*Nazmul Hassan*

Nazmul Hassan  
Managing Director



Ali Nawaz  
Chief Financial Officer

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

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	Half-Year ended June 30, 2011	Half-Year ended June 30, 2010
<b>Cash Flows from Operating Activities :</b>		
Cash Receipts from Customers and Others	3,719,186	3,153,285
Cash Paid to Suppliers and Employees	(2,642,216)	(2,400,045)
<b>Cash Generated from Operations</b>	<b>1,076,970</b>	<b>753,240</b>
Interest Paid	(266,391)	(210,173)
Income Tax Paid	(72,351)	(104,495)
<b>Net Cash Generated from Operating Activities</b>	<b>738,228</b>	<b>438,572</b>
<b>Cash Flows from Investing Activities :</b>		
Acquisition of Property, Plant and Equipment	(533,794)	(807,854)
Intangible Assets	(33,981)	(13,963)
Short Term Investment	(98,642)	694,484
<b>Net Cash Used in Investing Activities</b>	<b>(666,417)</b>	<b>(127,333)</b>
<b>Cash Flows from Financing Activities :</b>		
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)
<b>Net Cash Generated from Financing Activities</b>	<b>(58,248)</b>	<b>103,509</b>
<b>Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>13,563</b>	<b>414,748</b>
Cash and Cash Equivalents at Beginning of Period	1,471,448	1,058,433
<b>Cash and Cash Equivalents at End of Period</b>	<b>1,485,011</b>	<b>1,473,181</b>
<b>Net Operating Cash Flow per Share</b>	<b>3.52</b>	<b>2.09</b>

*Nazmul Hassan*

**Nazmul Hassan**  
Managing Director

*Ali Nawaz*

**Ali Nawaz**  
Chief Financial Officer

**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**

	<i>Taka ' 000</i>	
	As at June 30, 2011	As at December 31, 2010
<b>Cost / Revaluation</b>		
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
	<b>15,621,174</b>	<b>15,514,276</b>
Less : Accumulated Depreciation	(3,315,901)	(3,068,650)
<b>Written Down Value</b>	<b>12,305,273</b>	<b>12,445,626</b>
Capital Work in Progress	3,104,576	2,677,680
<b>Carrying Value</b>	<b><u>15,409,849</u></b>	<b><u>15,123,306</u></b>

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	As at June 30, 2011	As at December 31, 2010
<b>4. Inventories</b>		
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
	<u>2,114,606</u>	<u>1,983,809</u>
<b>5. Loans, Advances and Deposits</b>		
Clearing & Forwarding	36,372	23,017
VAT	183,702	209,986
Security Deposit & Earnest Money	26,128	29,060
Capital Expenditure/ Project Expenses	12,843	14,893
	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
	<u>808,622</u>	<u>779,130</u>
<b>6. Cash and Cash Equivalents</b>		
Cash in Hand, Current & FC Account	31,553	59,991
Imprest Cash	1,789	1,789
FDR Account	1,451,669	1,409,668
	<u>1,485,011</u>	<u>1,471,448</u>
<b>7. Long Term Borrowings :</b>		
<b>A. Net off Current Maturity (Secured)</b>		
Project Loan	1,712,871	1,733,509
Interest and PAD Block	22,459	41,526
Obligation under Finance Lease	108,830	127,116
	<u>1,844,160</u>	<u>1,902,151</u>
<b>B. Current Maturity</b>		
Project Loan	250,000	250,000
Interest and PAD Block	30,000	47,391
Obligation under Finance Lease	49,291	51,469
	<u>329,291</u>	<u>348,860</u>



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	Half Year ended June 30, 2011	Half Year ended June 30, 2010
<b>8. Cost of Goods Sold</b>		
Materials	1,416,854	1,094,559
Factory Overhead	280,294	225,518
Depreciation	223,763	164,186
	<u>1,920,911</u>	<u>1,484,263</u>
<b>9. Administrative Expenses</b>		
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
	<u>111,902</u>	<u>102,846</u>
<b>10. Selling, Marketing and Distribution Expenses</b>		
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
	<u>691,220</u>	<u>599,723</u>

**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.

*Nazmul Hassan*

**Nazmul Hassan**  
Managing Director

*Ali Nawaz*

**Ali Nawaz**  
Chief Financial Officer

# Corporate Information

## Operational Headquarters

19 Dhanmondi R/A, Road # 7  
Dhaka 1205, Bangladesh  
Phone : +880-2-8619151, +880-2-8619091  
Fax : +880-2-8613888  
E-mail : info@bpl.net  
Website : www.beximcopharma.com

## Corporate Headquarters

17 Dhanmodi R/A, Road # 2  
Dhaka 1205, Bangladesh  
Phone : +880-2-8611891  
Fax : +880-2-8613470  
E-mail : beximchq@bol-online.com

## Factory

### Tongi Unit

126 Kathaldia, Tongi, Gazipur  
Bangladesh

### Kaliakoir Unit :

Plot No. 1070/1083, Mouchak  
Kaliakoir, Gazipur  
Bangladesh

## Stock Exchange Listing

Dhaka Stock Exchange Ltd.  
Chittagong Stock Exchange Ltd.  
AIM of London Stock Exchange plc (GDRs)

## Public Relations

### IMPACT<sup>PR</sup>

Appartment #A-1, House # 17, Road # 4  
Gulshan-1, Dhaka 1212, Bangladesh

### Financial Dynamics Limited

Holborn Gate, 26 Southampton Buildings  
London WC2A 1PB, UK

## Legal Advisor

Huq and Company  
47/1 Purana Paltan  
Dhaka-1000, Bangladesh

## Auditors

M. J. Abedin & Co.  
Chartered Accountants  
National Plaza  
109 Bir Uttam C. R. Datta Road  
Dhaka-1205, Bangladesh

## Banker

Janata Bank  
Local Office  
1 Dilkusha C/A  
Dhaka-1000, Bangladesh

## For GDRs

### Nominated Advisor and Broker

Libertas Capital Corporate Finance Limited  
16 Berkeley Street  
London, W1J8DZ

### Custodian

HSBC  
Anchor Tower, 1/1-B, Sonargaon Road  
Dhaka 1205, Bangladesh

### Depository Bank

The Bank of New York Mellon  
101 Barclay Street  
New York, NY 10286



**BEXIMCO PHARMACEUTICALS LTD.**

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