

SQUARE PHARMACEUTICALS LTD.

Square Centre, 48 Mohakhali C.A., Dhaka

Third Quarter Financial Statements Un-audited

BALANCE SHEET

As at 31 December 2009

| | 31 December 2009 | 31 March 2009 | Growth % |
|---|---------------------------|-----------------------|----------------|
| Fixed Assets (WDV) | 4,904,047,536 | 4,899,679,832 | 0.09 |
| Capital Work-in-Progress | 1,069,362,645 | - | 100.00 |
| Long Term Investment | 4,090,050,169 | 4,508,050,169 | (9.27) |
| Total Long Term Assets | 10,063,460,350 | 9,407,730,001 | 6.97 |
| Current Assets: | 4,775,713,411 | 3,843,512,855 | 24.25 |
| Inventories | 2,168,741,479 | 2,098,755,231 | 3.33 |
| Trade Debtors | 454,620,207 | 477,562,002 | (4.80) |
| Advances, Deposits & Prepayments | 505,937,468 | 260,330,162 | 94.34 |
| Short Term Investment | 200,913,927 | 20,250,000 | 892.17 |
| Short Term Loans | 1,197,467,938 | 693,157,720 | 72.76 |
| Cash and Cash Equivalents | 248,032,392 | 293,457,740 | (15.48) |
| Less: Current Liabilities: | 2,221,098,780 | 2,640,868,554 | (15.90) |
| Short Term Bank Loan | 1,004,444,136 | 1,534,345,782 | (34.54) |
| Long Term Loan-Current Portion | 329,977,885 | 295,590,601 | 11.63 |
| Trade Creditors | 72,632,156 | 124,222,699 | (41.53) |
| Liabilities for Expenses | 180,632,386 | 69,573,702 | 159.63 |
| Liabilities for Other Finance | 633,412,217 | 617,135,770 | 2.64 |
| Net Current Assets | 2,554,614,631 | 1,202,644,301 | 112.42 |
| Less: Deferred Tax Liability | 211,219,060 | 211,219,060 | - |
| Total Net Assets | Tk. 12,406,855,921 | 10,399,155,242 | 19.31 |
| FINANCED BY: | | | |
| Long Term Loans | 1,190,735,398 | 449,757,608 | 164.75 |
| SHAREHOLDERS' EQUITY: | 11,216,120,523 | 9,949,397,634 | 12.73 |
| Share Capital | 1,509,030,000 | 1,207,224,000 | 25.00 |
| Share Premium | 2,035,465,000 | 2,035,465,000 | - |
| General Reserve | 105,878,200 | 105,878,200 | - |
| Tax Holiday Reserve | 1,101,935,237 | 1,101,935,237 | - |
| Retained Earnings | 6,463,812,086 | 5,498,895,197 | 17.55 |
| Total Long Term Liabilities and Equity | Tk. 12,406,855,921 | 10,399,155,242 | 19.31 |

Tapan Chowdhury
Managing Director

Md. Kabir Reza
Chief Financial Officer

SQUARE PHARMACEUTICALS LTD.

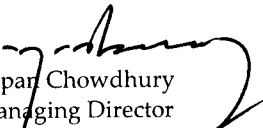
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INCOME STATEMENT

For the 3rd Quarter ended 31 December 2009

| | April-December 2009 | April-December 2008 | Growth % |
|-----------------------------------|--------------------------|------------------------|--------------|
| Net Turnover | 8,589,963,473 | 7,212,577,223 | 19.10 |
| Other Income | 418,710,817 | 581,572,069 | (28.00) |
| Turnover and Other Income | 9,008,674,290 | 7,794,149,292 | 15.58 |
| Cost and Expenses: | | | |
| Cost of Goods Sold | 4,654,730,727 | 3,916,129,008 | 18.86 |
| Administrative Expenses | 387,695,660 | 340,483,823 | 13.87 |
| Selling and Distribution Expenses | 1,317,618,310 | 1,080,039,769 | 22.00 |
| Interest Expenses | 202,083,448 | 287,844,398 | (29.79) |
| Allocation for WPPF | 116,502,197 | 103,316,776 | 12.76 |
| Total Costs and Expenses | 6,678,630,342 | 5,727,813,774 | 16.60 |
| Net Profit before Income Tax | 2,330,043,948 | 2,066,335,518 | 12.76 |
| Provision for Income Tax | 580,431,459 | 514,934,593 | 12.72 |
| Net Profit after Income Tax | Tk. 1,749,612,489 | 1,551,400,925 | 12.78 |
| | | | |
| Gross Margin | 45.81% | 45.70% | |
| Net Margin (AT) | 20.37% | 21.51% | |
| Earning Per Share (Tk.) | 115.94 | 102.81 | |


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CASH FLOW STATEMENT

For the 3rd Quarter ended 31 December 2009

| | April-December 2009 | April-December 2008 | Growth % |
|--|------------------------|------------------------|----------------|
| Cash Flows from Operating Activities: | | | |
| Collections from Turnover and Other Income | 9,017,572,588 | 7,729,717,763 | 16.66 |
| Payment for Costs and Expenses | (6,377,055,941) | (5,130,517,067) | 24.30 |
| Income Tax Paid and/or Deducted | (665,344,424) | (328,796,406) | 102.36 |
| | 1,975,172,223 | 2,270,404,290 | (13.00) |
| Cash Flows from Investing Activities: | | | |
| Acquisition of Fixed Assets | (446,834,609) | (605,718,218) | (26.23) |
| Acquisition of Long Term Assets Investment | (1,069,362,645) | - | 100.00 |
| | 237,336,073 | (100,000,000) | (337.34) |
| | (1,278,861,181) | (705,718,218) | 81.21 |
| Cash Flows from Financing Activities: | | | |
| Loans Received | 1,076,244,484 | 125,984,479 | 754.27 |
| Loans Repaid | (300,879,410) | (221,579,593) | 35.79 |
| Short Term Bank Loans | (529,901,646) | (874,790,049) | (39.43) |
| Short Term Loans | (504,310,218) | (148,737,373) | 239.06 |
| Dividend Paid | (482,889,600) | (357,696,000) | 35.00 |
| | (741,736,390) | (1,476,818,536) | (49.77) |
| Increase/(Decrease) in Cash and Cash Equivalents | (45,425,348) | 87,867,536 | (151.70) |
| Cash and Cash Equivalents at the Opening | 293,457,740 | 205,295,694 | 42.94 |
| Cash and Cash Equivalents at the Closing | Tk. <u>248,032,392</u> | <u>293,163,230</u> | <u>(15.39)</u> |

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STATEMENT OF CHANGES IN EQUITY For the 3rd Quarter ended 31 December 2009

| | Share Capital | Share Premium | General Reserve | Tax Holiday Reserve | Retained Earnings | Total |
|----------------------------|------------------|------------------|--------------------|------------------------|----------------------|----------------|
| At 31 March 2009 | 1,207,224,000 | 2,035,465,000 | 105,878,200 | 1,101,935,237 | 5,498,895,197 | 9,949,397,634 |
| Net Profit (Apr'09-Dec'09) | - | - | - | - | 1,749,612,489 | 1,749,612,489 |
| Cash Dividend (2008-2009) | - | - | - | - | (482,889,600) | (482,889,600) |
| Stock Dividend (2008-2009) | 301,806,000 | - | - | - | (301,806,000) | - |
| At 31 December 2009 Tk. | 1,509,030,000 | 2,035,465,000 | 105,878,200 | 1,101,935,237 | 6,463,812,086 | 11,216,120,523 |
| At 31 December 2008 Tk | 1,207,224,000 | 2,035,465,000 | 105,878,200 | 1,101,935,237 | 5,160,243,193 | 9,610,745,630 |

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