

# SQUARE PHARMACEUTICALS LIMITED

and its subsidiary

## CONSOLIDATED BALANCE SHEET (Unaudited) As At 31 December 2010

|   | 31-12-2010                | 31-03-2010            |
|---|---------------------------|-----------------------|
| <b>ASSETS:</b>                                    |                           |                       |
| <b>Non-Current Assets:</b>                        | <b>12,679,887,923</b>     | <b>11,400,824,643</b> |
| Property, Plant and Equipment-Carrying Value      | 7,072,855,987             | 6,681,282,992         |
| Capital Work-in-Progress                          | 1,191,426,523             | 634,347,093           |
| Investment - Long Term (at Cost)                  | 289,324,380               | 185,157,800           |
| Investment - Associates Undertaking               | 4,126,231,487             | 3,900,036,758         |
| Preoperating/Preliminary Expenses                 | 49,546                    | -                     |
| <b>Current Assets:</b>                            | <b>7,535,572,760</b>      | <b>5,004,928,113</b>  |
| Inventories                                       | 2,854,391,210             | 2,574,728,918         |
| Trade Debtors                                     | 722,904,353               | 511,977,702           |
| Advances, Deposits and Prepayments                | 751,692,452               | 370,650,819           |
| Investment in Marketable Securities (at Cost)     | 256,582,007               | 221,269,226           |
| Short Term Loan                                   | 2,391,093,401             | 1,056,493,647         |
| Cash and Cash Equivalents                         | 558,909,337               | 269,807,801           |
| <b>TOTAL ASSETS</b>                               | <b>Tk. 20,215,460,683</b> | <b>16,405,752,756</b> |
| <b>SHAREHOLDERS' EQUITY AND LIABILITIES:</b>      |                           |                       |
| <b>Shareholders' Equity:</b>                      | <b>15,072,793,022</b>     | <b>12,940,209,559</b> |
| Share Capital                                     | 1,961,739,000             | 1,509,030,000         |
| Share Premium                                     | 2,035,465,000             | 2,035,465,000         |
| General Reserve                                   | 105,878,200               | 105,878,200           |
| Tax Holiday Reserve                               | 1,520,200,692             | 1,440,910,734         |
| Retained Earnings                                 | 9,449,510,130             | 7,848,925,625         |
| Minority Interest                                 | 5,334,713                 | 4,024,660             |
| <b>Non-Current Liabilities:</b>                   | <b>1,119,168,628</b>      | <b>1,368,376,052</b>  |
| Long Term Loans - Secured                         | 893,425,686               | 1,142,633,110         |
| Deffered Tax Liability                            | 225,742,942               | 225,742,942           |
| <b>Current Liabilities:</b>                       | <b>4,018,164,320</b>      | <b>2,093,142,485</b>  |
| Short Term Bank Loans                             | 2,016,063,470             | 879,742,205           |
| Long Term Loans-Current Portion                   | 509,241,041               | 502,090,211           |
| Trade Creditors                                   | 357,501,536               | 103,428,870           |
| Liabilities for Expenses                          | 89,495,378                | 61,271,985            |
| Liabilities for Other Finance                     | 1,045,862,895             | 546,609,214           |
| <b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b> | <b>Tk. 20,215,460,683</b> | <b>16,405,752,756</b> |

Sd/-  
Tapan Chowdhury  
Managing Director

Sd/-  
Khandaker Habibuzzaman  
Company Secretary

# SQUARE PHARMACEUTICALS LIMITED

and its subsidiary

## CONSOLIDATED INCOME STATEMENT (Unaudited) For the 3rd Quarter Ended 31 December 2010

|   | <i>Nine Months Ended</i> |                        | <i>Third Quarter Ended</i> |                      |
|---|--------------------------|------------------------|----------------------------|----------------------|
|   | April-December<br>2010   | April-December<br>2009 | Oct - Dec<br>2010          | Oct - Dec<br>2009    |
| GROSS TURNOVER  | 13,667,680,684           | 11,125,660,207         | 4,441,567,616              | 3,648,555,489        |
| Less: Value Added Tax                                     | 1,723,534,070            | 1,517,502,886          | 539,703,162                | 516,438,302          |
| <b>NET TURNOVER</b>                                       | <b>11,944,146,614</b>    | <b>9,608,157,321</b>   | <b>3,901,864,454</b>       | <b>3,132,117,187</b> |
| Cost of Goods Sold  | (6,653,643,542)          | (5,190,459,401)        | (2,206,138,501)            | (1,763,736,958)      |
| <b>GROSS PROFIT</b>                                       | <b>5,290,503,072</b>     | <b>4,417,697,920</b>   | <b>1,695,725,953</b>       | <b>1,368,380,229</b> |
| <b>OPERATING EXPENSES:</b>                                | <b>(2,191,207,304)</b>   | <b>(1,764,846,693)</b> | <b>(779,765,739)</b>       | <b>(611,582,833)</b> |
| Selling & Distribution Expenses                           | (1,681,270,539)          | (1,371,039,035)        | (598,420,740)              | (486,286,658)        |
| Administrative Expenses                                   | (509,936,765)            | (393,807,658)          | (181,344,999)              | (125,296,175)        |
| <b>PROFIT FROM OPERATIONS</b>                             | <b>3,099,295,768</b>     | <b>2,652,851,227</b>   | <b>915,960,214</b>         | <b>756,797,396</b>   |
| Other Income  | 292,968,612              | 178,843,341            | 132,399,281                | 71,706,893           |
| Financial Expenses  | (183,147,139)            | (210,749,042)          | (68,932,456)               | (50,880,235)         |
| <b>NET PROFIT BEFORE WPPF</b>                             | <b>3,209,117,241</b>     | <b>2,620,945,526</b>   | <b>979,427,039</b>         | <b>777,624,054</b>   |
| Allocation for WPPF                                       | (155,312,985)            | (127,148,689)          | (46,639,383)               | (37,029,716)         |
| <b>NET PROFIT BEFORE TAX</b>                              | <b>3,053,804,256</b>     | <b>2,493,796,837</b>   | <b>932,787,656</b>         | <b>740,594,338</b>   |
| Provision for Income Tax                                  | (672,865,878)            | (580,431,459)          | (178,354,528)              | (171,532,513)        |
| <b>NET PROFIT AFTER TAX</b>                               | <b>2,380,938,378</b>     | <b>1,913,365,378</b>   | <b>754,433,128</b>         | <b>569,061,825</b>   |
| Profit/(Loss) from Associate<br>Undertakings              | 281,115,638              | 83,316,290             | 96,291,476                 | 36,111,485           |
| Minority Interest   | (1,310,053)              | (1,114,816)            | (369,691)                  | (521,778)            |
| Balance transfer to the Statement<br>of Changes in Equity | <b>Tk. 2,660,743,963</b> | <b>1,995,566,852</b>   | <b>850,354,913</b>         | <b>604,651,532</b>   |
| <b>Earnings Per Share (EPS)</b>                           | <b>Tk. 135.63</b>        | <b>101.72</b>          | <b>43.35</b>               | <b>30.82</b>         |
| Number of Shares used to compute                          | 19,617,390               | 19,617,390             | 19,617,390                 | 19,617,390           |

Sd/-  
Tapan Chowdhury  
Managing Director

Sd/-  
Khandaker Habibuzzaman  
Company Secretary

# SQUARE PHARMACEUTICALS LIMITED

and its subsidiary

## CONSOLIDATED CASH FLOW STATEMENT (Unaudited) For the 3rd Quarter Ended 31 December 2010

|  | April-Decemembr<br>2010 | April-Decemembr<br>2009 |
|--|-------------------------|-------------------------|
| <b>Cash Flows from Operating Activities:</b>     |                         |                         |
| Collections from Turnover and Other Income       | 12,064,366,259          | 9,791,408,815           |
| Payment for Costs and Expenses                   | (8,450,947,338)         | (6,925,483,538)         |
| Income Tax Paid and/or Deducted                  | (572,162,185)           | (688,069,905)           |
|  | 3,041,256,736           | 2,177,855,372           |
| <b>Cash Flows from Investing Activities:</b>     |                         |                         |
| Acquisition of Fixed Assets                      | (1,089,516,748)         | (586,757,786)           |
| Acquisition of Long Term Assets                  | (557,128,976)           | (342,926,670)           |
| Investment                                       | (137,013,893)           | (180,663,927)           |
|  | (1,783,659,617)         | (1,110,348,383)         |
| <b>Cash Flows from Financing Activities:</b>     |                         |                         |
| Long Term Loan Received                          | 84,404,644              | 1,155,244,484           |
| Long Term Loan Repaid                            | (326,461,238)           | (681,563,904)           |
| Short Term Bank Loan                             | 1,136,321,265           | (566,970,574)           |
| Short Term Loan                                  | (1,334,599,754)         | (550,139,774)           |
| Dividend Paid                                    | (528,160,500)           | (482,889,600)           |
|  | (968,495,583)           | (1,126,319,368)         |
| Increase/(Decrease) in Cash and Cash Equivalents | 289,101,536             | (58,812,379)            |
| Cash and Cash Equivalents at the Opening         | 269,807,801             | 314,388,576             |
| Cash and Cash Equivalents at the Closing         | <b>558,909,337</b>      | <b>255,576,197</b>      |

Sd/-  
Tapan Chowdhury  
Managing Director

Sd/-  
Khandaker Habibuzzaman  
Company Secretary

# SQUARE PHARMACEUTICALS LIMITED

and its subsidiary

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)

For the 3rd Quarter Ended 31 December 2010

|                                 | Share<br>Capital | Share<br>Premium | General<br>Reserve | Tax Holiday<br>Reserve | Retained<br>Earnings | Total          |
|---------------------------------|------------------|------------------|--------------------|------------------------|----------------------|----------------|
| At 31 March 2010                | 1,509,030,000    | 2,035,465,000    | 105,878,200        | 1,440,910,734          | 7,848,925,625        | 12,940,209,559 |
| Net Profit (Apr'2010-Dec'2010)  | -                | -                | -                  | -                      | 2,660,743,963        | 2,660,743,963  |
| Transfer to Tax Holiday Reserve | -                | -                | -                  | 79,289,958             | (79,289,958)         | -              |
| Cash Dividend (2009-2010)       | -                | -                | -                  | -                      | (528,160,500)        | (528,160,500)  |
| Stock Dividend (2009-2010)      | 452,709,000      | -                | -                  | -                      | (452,709,000)        | -              |
|                                 |                  |                  |                    |                        | -                    |                |
| At 31 December 2010 Tk.         | 1,961,739,000    | 2,035,465,000    | 105,878,200        | 1,520,200,692          | 9,449,510,130        | 15,072,793,022 |
| At 31 December 2009 Tk.         | 1,509,030,000    | 2,035,465,000    | 105,878,200        | 1,248,026,732          | 7,540,255,536        | 12,438,655,468 |

Sd/-  
Tapan Chowdhury  
Managing Director

Sd/-  
Khandaker Habibuzzaman  
Company Secretary

# SQUARE PHARMACEUTICALS LTD.

## BALANCE SHEET (Unaudited)

As At 31 December 2010

|   | 31-12-2010                | 31-03-2010            |
|---|---------------------------|-----------------------|
| <b>ASSETS:</b>                                    |                           |                       |
| <b>Non-Current Assets:</b>                        | <b>11,245,119,283</b>     | <b>10,255,189,084</b> |
| Property, Plant and Equipment-Carrying Value      | 6,021,941,479             | 5,630,791,822         |
| Capital Work-in-Progress                          | 1,191,426,523             | 634,347,093           |
| Investment - Long Term (at Cost)                  | 4,031,751,281             | 3,990,050,169         |
| <b>Current Assets:</b>                            | <b>7,086,372,300</b>      | <b>4,774,311,194</b>  |
| Inventories                                       | 2,415,174,491             | 2,207,078,082         |
| Trade Debtors                                     | 551,065,245               | 508,249,174           |
| Advances, Deposits and Prepayments                | 611,451,692               | 358,250,076           |
| Investment in Marketable Securities (at Cost)     | 256,582,007               | 221,269,226           |
| Short Term Loan                                   | 2,713,599,996             | 1,220,736,941         |
| Cash and Cash Equivalents                         | 538,498,869               | 258,727,695           |
| <b>TOTAL ASSETS</b>                               | <b>Tk. 18,331,491,583</b> | <b>15,029,500,278</b> |
| <b>SHAREHOLDERS' EQUITY AND LIABILITIES:</b>      |                           |                       |
| <b>Shareholders' Equity:</b>                      | <b>13,208,761,646</b>     | <b>11,554,379,825</b> |
| Share Capital                                     | 1,961,739,000             | 1,509,030,000         |
| 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                                 | 8,003,744,209             | 6,802,071,388         |
| <b>Non-Current Liabilities:</b>                   | <b>1,039,168,628</b>      | <b>1,258,376,052</b>  |
| Long Term Loans - Secured                         | 813,425,686               | 1,032,633,110         |
| Deffered Tax Liability                            | 225,742,942               | 225,742,942           |
| <b>Current Liabilities:</b>                       | <b>4,083,561,309</b>      | <b>2,216,744,401</b>  |
| Short Term Bank Loans                             | 1,812,175,440             | 736,443,848           |
| Long Term Loans - Current Portion                 | 469,241,041               | 462,090,211           |
| Trade Creditors                                   | 665,467,966               | 394,715,915           |
| Liabilities for Expenses                          | 82,374,073                | 56,463,570            |
| Liabilities for Other Finance                     | 1,054,302,789             | 567,030,857           |
| <b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b> | <b>Tk. 18,331,491,583</b> | <b>15,029,500,278</b> |

Sd/-  
Tapan Chowdhury  
Managing Director

Sd/-  
Khandaker Habibuzzaman  
Company Secretary

# SQUARE PHARMACEUTICALS LTD.

## INCOME STATEMENT (Unaudited) For the 3rd Quarter Ended 31 December 2010

|   | <i>Nine Months Ended</i> |                        | <i>Third Quarter Ended</i> |                          |
|---|--------------------------|------------------------|----------------------------|--------------------------|
|   | April-December<br>2010   | April-December<br>2009 | October-December<br>2010   | October-December<br>2009 |
| <b>GROSS TURNOVER</b>                           | <b>11,494,123,124</b>    | <b>9,941,182,076</b>   | <b>3,807,414,566</b>       | <b>3,251,691,207</b>     |
| Less: Value Added Tax                           | 1,524,608,926            | 1,351,218,603          | 476,243,958                | 461,704,478              |
| <b>NET TURNOVER</b>                             | <b>9,969,514,198</b>     | <b>8,589,963,473</b>   | <b>3,331,170,608</b>       | <b>2,789,986,729</b>     |
| <b>COST OF GOODS SOLD</b>                       | <b>(5,277,916,346)</b>   | <b>(4,654,730,727)</b> | <b>(1,821,101,939)</b>     | <b>(1,605,156,917)</b>   |
| <b>GROSS PROFIT</b>                             | <b>4,691,597,852</b>     | <b>3,935,232,746</b>   | <b>1,510,068,669</b>       | <b>1,184,829,812</b>     |
| <b>Operating Expenses:</b>                      | <b>(2,106,135,489)</b>   | <b>(1,705,313,970)</b> | <b>(749,178,935)</b>       | <b>(596,877,743)</b>     |
| Selling & Distribution Expenses                 | (1,608,686,588)          | (1,317,618,310)        | (573,231,940)              | (473,554,413)            |
| Administrative Expenses                         | (497,448,901)            | (387,695,660)          | (175,946,995)              | (123,323,330)            |
| <b>PROFIT FROM OPERATIONS</b>                   | <b>2,585,462,363</b>     | <b>2,229,918,776</b>   | <b>760,889,734</b>         | <b>587,952,069</b>       |
| Other Income                                    | 574,239,174              | 418,710,817            | 205,350,275                | 132,652,594              |
| Interest Expenses                               | (161,522,928)            | (202,083,448)          | (61,047,717)               | (47,623,148)             |
| <b>NET PROFIT BEFORE WPPF</b>                   | <b>2,998,178,609</b>     | <b>2,446,546,145</b>   | <b>905,192,292</b>         | <b>672,981,515</b>       |
| Allocation for WPPF                             | (142,770,410)            | (116,502,197)          | (43,104,395)               | (32,046,738)             |
| <b>NET PROFIT BEFORE TAX</b>                    | <b>2,855,408,199</b>     | <b>2,330,043,948</b>   | <b>862,087,897</b>         | <b>640,934,777</b>       |
| Provision for Income Tax                        | (672,865,878)            | (580,431,459)          | (178,354,528)              | (171,532,513)            |
| <b>NET PROFIT AFTER TAX</b>                     | <b>2,182,542,321</b>     | <b>1,749,612,489</b>   | <b>683,733,369</b>         | <b>469,402,264</b>       |
| (Transferred to Statement of Changes in Equity) |                          |                        |                            |                          |
| <b>Earnings Per Share</b>                       | <b>111.26</b>            | <b>89.19</b>           | <b>34.85</b>               | <b>23.93</b>             |
| Number of Shares used to compute EPS            | 19,617,390               | 19,617,390             | 19,617,390                 | 19,617,390               |

Sd/-  
Tapan Chowdhury  
Managing Director

Sd/-  
Khandaker Habibuzzaman  
Company Secretary

# SQUARE PHARMACEUTICALS LTD.

## CASH FLOW STATEMENT (Unaudited) for the 3rd Quarter Ended 31 December 2010

|  | April-December<br>2010 | April-December<br>2009 |
|--|------------------------|------------------------|
| <b>Cash Flows from Operating Activities:</b>     |                        |                        |
| Collections from Turnover and Other Income       | 10,505,513,984         | 9,017,572,588          |
| Payment for Costs and Expenses                   | (6,941,508,545)        | (6,377,055,941)        |
| Income Tax Paid and/or Deducted                  | (558,559,682)          | (665,344,424)          |
|  | 3,005,445,757          | 1,975,172,223          |
| <b>Cash Flows from Investing Activities:</b>     |                        |                        |
| Acquisition of Fixed Assets                      | (934,232,703)          | (446,834,609)          |
| Acquisition of Long Term Assets                  | (557,079,430)          | (1,069,362,645)        |
| Investment                                       | (77,013,893)           | 237,336,073            |
|  | (1,568,326,026)        | (1,278,861,181)        |
| <b>Cash Flows from Financing Activities:</b>     |                        |                        |
| Long Term Loan Received                          | 84,404,644             | 1,076,244,484          |
| Long Term Loan Repaid                            | (296,461,238)          | (300,879,410)          |
| Short Term Bank Loan                             | 1,075,731,592          | (529,901,646)          |
| Short Term Loan                                  | (1,492,863,055)        | (504,310,218)          |
| Dividend Paid                                    | (528,160,500)          | (482,889,600)          |
|  | (1,157,348,557)        | (741,736,390)          |
| Increase/(Decrease) in Cash and Cash Equivalents | 279,771,174            | (45,425,348)           |
| Cash and Cash Equivalents at the Opening         | 258,727,695            | 293,457,740            |
| Cash and Cash Equivalents at the Closing         | 538,498,869            | 248,032,392            |

Tk.

Sd/-  
Tapan Chowdhury  
Managing Director

Sd/-  
Khandaker Habibuzzaman  
Company Secretary

# **SQUARE PHARMACEUTICALS LTD.**

## **STATEMENT OF CHANGES IN EQUITY (Unaudited) For the 3rd Quarter Ended 31 December 2010**

|                            | Share<br>Capital | Share<br>Premium | General<br>Reserve | Tax Holiday<br>Reserve | Retained<br>Earnings | Total          |
|----------------------------|------------------|------------------|--------------------|------------------------|----------------------|----------------|
| At 31 March 2010           | 1,509,030,000    | 2,035,465,000    | 105,878,200        | 1,101,935,237          | 6,802,071,388        | 11,554,379,825 |
| Net Profit (Apr'10-Dec'10) | -                | -                | -                  | -                      | 2,182,542,321        | 2,182,542,321  |
| Cash Dividend (2009-2010)  | -                | -                | -                  | -                      | (528,160,500)        | (528,160,500)  |
| Stock Dividend (2009-2010) | 452,709,000      | -                | -                  | -                      | (452,709,000)        | -              |
| At 31 December 2010 Tk.    | 1,961,739,000    | 2,035,465,000    | 105,878,200        | 1,101,935,237          | 8,003,744,209        | 13,208,761,646 |
| 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 |

Sd/-  
Tapan Chowdhury  
Managing Director

Sd/-  
Khandaker Habibuzzaman  
Company Secretary