NEIMETH INTERNATIONAL PHARMACEUTICALS PLC

FINANCIAL STATEMENTS
31 MARCH 2010

NEIMETH INTERNATIONAL PHARMACEUTICALS PLC

GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2010

		Group		Company	
		2010	2009	2010	2009
	Note	N'000	N'000	N'000	N'000
Turnover	2	1,890,731	1,867,365	1,871,667	1,731,820
Cost of sales		(1,023,123)	(825,654)	(990,350)	(713,456)
Gross profit		867,608	1,041,711	881,317	1,018,364
Marketing and distribution expenses		(408,136)	(421,407)	(407,508)	(408,008)
Administrative expenses		(509,070)	(801,137)	(438,193)	(757,502)
Diminution in value of shares	8.2	-	(104,959)	-	-
Other income	3	61,361	11,268	53,441	7,604
Operating loss		11,763	(274,523)	89,057	(139,543)
Interest payable and similar charges		(129,558)	(131,858)	(129,558)	(131,858)
Loss before taxation	4	(117,795)	(406,380)	(40,501)	(271,400)
Taxation	5	(8,338)	(48,826)	(8,338)	(46,815)
Loss after taxation transferred to revenue reserve	21	**(126,133)**	**(455,206)**	**(48,839)**	**(318,215)**
Loss per share (kobo) (Basic)		(15)	(55)	(6)	(49)

The accounting policies on pages 2 and 3 and notes on pages 7 to 20 form part of these financial statements.

NEIMETH INTERNATIONAL PHARMACEUTICALS PLC

GROUP BALANCE SHEET AS AT 31 MARCH 2010

		The Group		The Company	
	Note	2010 N'000	2009 N'000	2010 N'000	2009 N'000
FIXED ASSETS	6	342,819	189,897	300,648	182,332
FINANCED LEASED ASSETS	7	47,684	142,557	42,844	135,297
INVESTMENTS	8	76,757	69,556	44,515	44,515
CURRENT ASSETS					
Stocks	9	1,054,769	1,182,110	1,045,461	1,150,319
Trade debtors	10	1,008,451	869,838	985,372	812,391
Other debtors and prepayments	11	185,229	420,427	133,848	356,796
Intercompany balance		-	-	343,275	307,365
Cash and bank balances		70,348	14,342	70,343	13,220
		2,318,796	2,486,717	2,578,298	2,640,093
CREDITORS: Amounts falling due within one year					
Bank overdrafts and short term borrowing	12	196,754	212,316	193,938	212,316
Trade creditors		233,651	163,570	232,370	159,519
Other creditors and accrued expenses	12.1	386,106	391,248	363,249	379,943
Short term portion of finance lease obligation	17	31,883	30,902	31,421	25,311
Debenture stock	13	-	20,056	-	20,056
Taxation	5	70,396	78,015	70,396	78,015
Deposit for shares		210,000	210,000	210,000	210,000
Short tem loan	14	140,000	140,000	140,000	140,000
Dividend	15	13,691	13,691	13,691	13,691
		1,282,481	1,259,798	1,255,065	1,238,851
NET CURRENT ASSETS		1,036,315	1,226,919	1,323,233	1,401,242
TOTAL ASSETS LESS CURRENT LIABILITIES		1,503,575	1,628,929	1,711,240	1,763,386
Deferred taxation	16	(96,205)	(96,205)	(94,194)	(94,194)
CREDITORS: Amounts falling due after more than one year					
Long term loan	14	(154,339)	(154,339)	(154,339)	(154,339)
Finance lease obligation	17	(33,693)	(25,711)	(33,693)	(25,711)
PROVISION FOR LIABILITIES AND CHARGES					
Provision for staff gratuity	18	(268,598)	(279,887)	(268,598)	(279,887)
		950,740	**1,072,787**	**1,160,416**	**1,209,255**
CAPITAL AND RESERVES					
Share capital	19	410,788	410,788	410,788	410,788
Share premium	20	894,961	894,961	894,961	894,961
Revenue reserve	21	(355,009)	(232,962)	(145,333)	(96,494)
SHAREHOLDERS' FUNDS		**950,740**	**1,072,787**	**1,160,416**	**1,209,255**

The financial statements on pages 2 to 22 were approved by the Board of Directors on ……. September 2010 and signed on its behalf by:

_____ } ***Directors***

The accounting policies on pages 2 and 3 and the explanatory notes on pages 7 to 20 form part of these financial statements

NEIMETH INTERNATIONAL PHARMACEUTICALS PLC

GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2010

		The Group		The Company	
		2010	2009	2010	2009
	Note	N'000	N'000	N'000	N'000
Cash flows from operating activities:					
Cash receipt from customers		2,018,483	2,068,814	1,957,146	1,927,079
Payment to suppliers and employees		(1,602,781)	(1,813,545)	(1,587,509)	(1,665,921)
Tax paid	5	(15,957)	(91,142)	(15,957)	(91,142)
Net cash provided by operating activities	23	399,746	164,127	353,681	170,016
Cashflows from investing activities					
Proceed from sale of fixed assets		22,397	1,617	22,397	1,617
Purchase of fixed assets	6	(141,965)	(59,257)	(104,318)	(55,595)
Investment Income		(7,237)	-	-	-
Interest received	3	20	7,589	5	6,680
Investments		-	(45,041)	-	-
Net cash provided by investing activities		(126,785)	(95,092)	(81,916)	(47,299)
Cash flows from financing activities					
Interest paid		(129,558)	(131,858)	(129,558)	(131,858)
Lease payment	17	(51,779)	(55,855)	(46,650)	(51,766)
Repayment of loan	14	-	(126,153)	-	(126,153)
Repayment of debenture stock	13	(20,056)	(76,000)	(20,056)	(76,000)
Deposit for shares		-	210,000	-	210,000
Dividend paid	15	-	(72,004)	-	(72,004)
Net cash provided by financing activities		(201,393)	(251,870)	(196,264)	(247,781)
Net increase /(decrease) in cash and cash equivalents		71,568	(182,835)	75,501	(125,064)
Cash and cash equivalents at 1 April		(197,974)	(15,139)	(199,096)	(74,032)
Cash and cash equivalents at 31 March	24	**(126,406)**	**(197,974)**	**(123,595)**	**(199,096)**

NEIMETH INTERNATIONAL PHARMACEUTICALS PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

1. The Company

1.1 Legal form

Neimeth International Pharmaceuticals Plc was incorporated on 30 August 1957 as a limited liability company and commenced operations in January 1958. It was converted to a public limited company in 1991 and its shares quoted on the Nigerian Stock Exchange. On 14 May 1997, Pfizer Inc NY divested from the company through a management buyout. The Company's name was subsequently changed to Neimeth International Pharmaceuticals Plc by a special resolution. The Company's subsidiaries are, Neimeth Integrated Services Limited which is wholly owned and Worldwide Healthcare Limited, with 87% shareholding.

1.2 Principal activities

The principal activities are the manufacturing and marketing of pharmaceuticals and animal health products, and merchandising.

2. Turnover

Turnover represents the net amount invoiced to customers for goods supplied and services rendered, all within Nigeria.

	The Group		The Company	
	2010	2009	2010	2009
	N'000	N'000	N'000	N'000
2.1 Business segments:				
Pharmaceuticals	1,808,944	1,666,506	1,808,944	1,666,506
Animal health	62,723	65,314	62,723	65,314
Merchandising	19,064	135,545	-	-
	1,890,731	**1,867,365**	**1,871,667**	**1,731,820**

2.2 The business segments, Animal health and Merchandising, individually did not constitute up to 10% of the total turnover, hence they were not seperated for direct cost allocation to determine the gross profit.

2.3

There is no disclosure of depreciation, amortisation and assets per business segment because the assets of the Company are not directly related to a particular business segment.

NEIMETH INTERNATIONAL PHARMACEUTICALS PLC

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2010

	The Group		The Company	
	2010	2009	2010	2009
	N'000	N'000	N'000	N'000
3. Other income				
Interest income	20	7,589	5	6,680
Miscellaneous income	259	2,755	-	-
Royalty income	35,506	-	35,506	-
Investment appreciation	7,237	-	-	-
Dividend income	409	-	-	-
Profit on disposal of fixed assets	17,930	924	17,930	924
	61,361	**11,268**	**53,441**	**7,604**

4. Loss before taxation

This is stated after charging/(crediting):

Directors' emoluments	42,003	39,010	42,003	39,010
Depreciation:				
- Fixed assets	55,774	-	52,733	28,007
- Leased assets	14,523	69,134	12,103	12,103
Auditors' remuneration	8,000	6,700	5,500	4,200
Interest on debenture stock	23,549	55,309	23,549	55,308
Interest on bank overdrafts/short term loans	93,701	63,195	93,701	63,195
Exchange loss	-	71,619	-	71,619
Royalty fee	29,533	26,008	29,533	26,008
Profit on disposal of fixed assets	(17,930)	(924)	(17,930)	(924)
Interest on finance lease	11,847	13,355	11,847	13,355

NEIMETH INTERNATIONAL PHARMACEUTICALS PLC

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2010

	The Group		The Company	
	2010	2009	2010	2009
	N'000	N'000	N'000	N'000
5. Taxation				
Per profit and loss account				
Based on result of the year				
Minimum tax	8,183	-	8,183	-
Education tax	155	-	155	-
	8,338	-	8,338	-
Deferred tax (Note 16)	-	48,826	-	46,815
Charge to profit and loss	**8,338**	**48,826**	**8,338**	**46,815**
Per balance sheet				
At 1 April	78,015	169,157	78,015	169,157
Charge for the year	8,338	-	8,338	-
	86,353	169,157	86,353	169,157
Payment during the year	(15,957)	(91,142)	(15,957)	(91,142)
At 31 March	**70,396**	**78,015**	**70,396**	**78,015**

The charge for taxation in these accounts is based on the provisions of the Companies Income Tax Act (CAP C21 LFN 2004) and the Education Tax Act (CAP E 4 LFN 2004).

NEIMETH INTERNATIONAL PHARMACEUTICALS PLC

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2010

6. Fixed assets

6.1 The Group

	Land and buildings N'000	Office equipment and furniture N'000	Machinery and equipment N'000	Motor Vehicles N'000	Computer equipment N'000	Capital work in progress N'000	Total N'000
Cost							
At 1 April 2009	18,336	46,273	133,928	130,052	26,061	57,675	412,325
Additions	-	-	37,542	-	105	104,318	141,965
Transfers	12,804	1,482	47,431	-	1,392	(63,109)	-
Reclassification from leased assets	-	-	34,650	95,580	11,266	-	141,496
Adjustments	-	(287)	(6,653)	1,259	201	-	(5,480)
Disposals	(5,232)	-	(756)	(9,962)	-	-	(15,950)
At 31 March 2010	25,908	47,468	246,142	216,929	39,025	98,884	674,356
Depreciation							
At 1 April	7,585	33,498	64,331	98,346	18,668	-	222,428
Charge for the year	557	1,818	15,022	26,070	12,307	-	55,774
Reclassification from leased assets	-	-	11,950	47,006	2,190	-	61,146
Adjustments	94	174	(206)	3,610	-	-	3,672
Disposals	(2,096)	-	(755)	(8,632)	-	-	(11,483)
At 31 March 2010	6,140	35,490	90,342	166,400	33,165	-	331,537
Net book value							
At 31 March 2010	**19,768**	**11,978**	**155,800**	**50,529**	**5,860**	**98,884**	**342,819**
At 31 March 2009	10,751	12,775	69,597	31,706	7,393	57,675	189,897

6.2 The company

	Land and buildings N'000	Office equipment and furniture N'000	Machinery and equipment N'000	Motor Vehicles N'000	Computer equipment N'000	Capital work in progress N'000	Total N'000
Cost							
At 1 April 2009	18,336	46,223	133,928	119,677	25,718	57,675	401,557
Additions	-	-	-	-	-	104,318	104,318
Transfers	12,804	1,482	47,431	-	1,392	(63,109)	-
Reclassification from leased assets	-	-	34,650	95,580	11,266	-	141,496
Adjustments	-	(287)	(6,653)	1,259	201	-	(5,480)
Disposals	(5,232)	-	(756)	(9,962)	-	-	(15,950)
At 31 March 2010	25,908	47,418	208,600	206,554	38,577	98,884	625,941
Depreciation							
At 1 April	7,585	33,488	64,331	95,267	18,554	-	219,225
Charge for the year	557	1,808	14,709	23,501	12,158	-	52,733
Reclassification from leased assets	-	-	11,950	47,006	2,190	-	61,146
Adjustments	94	174	(206)	3,610	-	-	3,672
Disposals	(2,096)	-	(755)	(8,632)	-	-	(11,483)
At 31 March 2010	6,140	35,470	90,029	160,752	32,902	-	325,293
Net book value							
At 31 March 2010	**19,768**	**11,948**	**118,571**	**45,802**	**5,675**	**98,884**	**300,648**
At 31 March 2009	10,751	12,735	69,597	24,410	7,164	57,675	182,332

NEIMETH INTERNATIONAL PHARMACEUTICALS PLC

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2010

7. Leased assets

7.1 The group

	Machinery and equipment N'000	Motor Vehicles N'000	Computer equipment N'000	Total N'000
Cost				
At 1 April 2009	34,650	165,775	11,266	211,691
Reclassification to freehold assets	(34,650)	(95,580)	(11,266)	(141,496)
At 31 March 2010	-	70,195	-	70,195
Depreciation				
At 1 April 2009	11,950	54,994	2,190	69,134
Reclassification to freehold assets	(11,950)	(47,006)	(2,190)	(61,146)
Charge for the year	-	14,523	-	14,523
At 31 March 2010	-	22,511	-	22,511
Net book value				
At 31 March 2010	**-**	**47,684**	**-**	**47,684**
At 31 March 2009	22,700	110,781	9,076	142,557

7.2 The company

	Machinery and equipment N'000	Motor Vehicles N'000	Computer equipment N'000	Total N'000
Cost				
At 1 April 2009	34,650	156,095	11,266	202,011
Reclassification to freehold assets	(34,650)	(95,580)	(11,266)	(141,496)
At 31 March 2010	-	60,515	-	60,515
Depreciation				
At 1 April 2009	11,950	52,574	2,190	66,714
Reclassification to freehold assets	(11,950)	(47,006)	(2,190)	(61,146)
Charge for the year	-	12,103	-	12,103
At 31 March 2010	-	17,671	-	17,671
Net book value				
At 31 March 2010	**-**	**42,844**	**-**	**42,844**
At 31 March 2009	22,700	103,521	9,076	135,297

NEIMETH INTERNATIONAL PHARMACEUTICALS PLC

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2010

	The Group		The Company	
	2010	2009	2010	2009
	N'000	N'000	N'000	N'000
8. Investments				
Quoted (Note 8.1)	52,242	45,041	-	-
Unquoted				
Worldwide Healthcare Limited	24,515	24,515	24,515	24,515
Neimeth Integrated Services Limited	-	-	20,000	20,000
	76,757	**69,556**	**44,515**	**44,515**

The subsidiary Worlwide Healthcare Limited is not consolidated as the Directors are of the opinion it would not have any material impact on the financial statements. It has a profit of N3.3m and a net asset of N28.3m

8.1 Quoted investment

	2010		2009	
	At cost	Market Value	At cost	Market Value
	N'000	N'000	N'000	N'000
ACCESS BANK	2,100	1121	2,100	485
ETERNOIL	3,583	721	3,583	3,202
FIRSTLAND	5,340	335	5,340	1,110
UNITED BANK FOR AFRICAL PLC	20,453	11652	20,453	6,171
UNION BANK OF NIGERIA PLC	10,855	2001	10,855	3,478
UNION HOMES	2,289	435	2,289	652
ZENITH BANK PLC	9,401	3794	9,401	2,354
ASHAKA CEMENT PLC	2,376	1,044	2,376	403
FIRST BANK NIGERIA PLC	15,510	10,045	15,510	9,432
UNITY BANK	13,940	1,734	13,940	1,785
IBTC CHARTERED BANK PLC	16,580	10,960	16,580	5,300
UNILEVER NIGERIA PLC	1	2	1	1
NEM INSURANCE	6,212	839	6,212	924
OCEANIC BANK PLC	28,750	2,000	28,750	6,500
UNIVERSAL INSURANCE	6,600	1,000	6,600	1,080
GUARANTY TRUST BANK PLC	6,010	4,560	6,010	2,164
	150,000	**52,242**	**150,000**	**45,041**

NEIMETH INTERNATIONAL PHARMACEUTICALS PLC

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2010

8.2 Diminution in value of quoted investments

This represents the diminution in value of quoted investments as at year end, which is the difference between the market price and cost.

	The Group		The Company	
	2010 N'000	2009 N'000	2010 N'000	2009 N'000
9. Stocks				
Raw materials	454,078	419,737	454,078	419,737
Work-in-progress	20,565	19,112	20,565	19,112
Finished goods	485,209	507,987	475,901	476,196
Spare parts and tools	12,756	22,961	12,756	22,961
Goods in transit	82,161	212,313	82,161	212,313
	1,054,769	**1,182,110**	**1,045,461**	**1,150,319**

In the opinion of the Directors, the net realisable value of stocks is not lower than the book value.

10. Trade debtors				
Trade debtors	1,464,267	1,206,917	1,422,451	1,149,470
Provision for doubtful debtors	(455,816)	(337,079)	(437,079)	(337,079)
	1,008,451	**869,838**	**985,372**	**812,391**
11. Other debtors and prepayments				
Other debtors	175,117	376,614	123,736	312,983
Prepayments and accrued income	10,111	43,813	10,111	43,813
	185,229	**420,427**	**133,848**	**356,796**
12. Bank overdrafts and short borrowing				
Bank overdraft	114,384	167,316	112,568	167,316
Short term loan	52,370	-	51,370	-
Commercial papers	30,000	45,000	30,000	45,000
	196,754	**212,316**	**193,938**	**212,316**

NEIMETH INTERNATIONAL PHARMACEUTICALS PLC

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2010

	The Group		The Company	
	2010	2009	2010	2009
	N'000	N'000	N'000	N'000
12.1 Other creditors and accrued expenses				
Accruals	182,543	123,392	172,762	119,982
Other creditors	203,563	267,856	190,487	259,961
	386,106	**391,248**	**363,249**	**379,943**
13. Debenture stock				
At 1 April	20,056	96,056	20,056	96,056
Payment during the year	(20,056)	(76,000)	(20,056)	(76,000)
At 31 March	-	20,056	-	20,056
Repayable within 12 months	-	(20,056)	-	(20,056)
Repayable after 12 months	**-**	**-**	**-**	**-**

Following the securitisation exercise carried out by the company in 2003, the company issued N480,093,000 floating rate secured redeemable convertible debenture stock 2004/2008 and the final balance of N20 million was paid within the year.

	The Group		The Company	
	2010	2009	2010	2009
	N'000	N'000	N'000	N'000
14. Long term loan				
At 1 April	294,339	420,492	294,339	420,492
Additions during the year	-	-	-	-
Payment during the year	-	(126,153)	-	(126,153)
At 31 March	**294,339**	**294,339**	**294,339**	**294,339**
Due within one year	(140,000)	(140,000)	(140,000)	(140,000)
Due after more than one year	**154,339**	**154,339**	**154,339**	**154,339**

During 2007/2008 financial year, the company issued N420 million (400 million Japanese Yen (JPY) zero coupon Bonds due 2014 (but recallable in January, 2010) with options to subscribe for ordinary shares of the company to Daewoo Securities (Europe) Limited.In accordance with the payment schedule, the Company paid N120 million in 2008/2009. The balance is due in two installments of N140 million each: August 2010 and February 2011.

NEIMETH INTERNATIONAL PHARMACEUTICALS PLC

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2010

	The Group		The Company	
	2010	2009	2010	2009
	N'000	N'000	N'000	N'000
15. Dividends				
At 1 April	13,691	6,824	13,691	6,824
Prior year declared	-	78,871	-	78,871
Paid during the year	-	(72,004)	-	(72,004)
At 31 March	**13,691**	**13,691**	**13,691**	**13,691**
16. Deferred taxation				
At 1 April	96,205	47,379	94,194	47,379
Charge for the year (Note 5)	-	48,826	-	46,815
At 31 March	**96,205**	**96,205**	**94,194**	**94,194**

The deferred taxation computation resulted in deferred tax asset of N52.3 million as at 31 March 2010. The Directors have decided not to recognise the deferred tax asset in the financial statements on ground of prudence.

17. Finance lease obligations				
At 1 April	56,613	17,294	51,022	17,294
Adjustments	742	15,508	742	15,508
Additions	60,000	79,666	60,000	69,986
Repayments	(51,779)	(55,855)	(46,650)	(51,766)
At 31 March	**65,576**	**56,613**	**65,114**	**51,022**
Due within one year	(31,883)	(30,902)	(31,421)	(25,311)
Due after more than one year	**33,693**	**25,711**	**33,693**	**25,711**

The Company has the option to buy the leased assets at the end of the lease term.

18. Provision for gratuity				
At 1 April	279,887	283,328	279,887	283,328
Payment during the year	(11,289)	(3,441)	(11,289)	(3,441)
At 31 March	**268,598**	**279,887**	**268,598**	**279,887**

NEIMETH INTERNATIONAL PHARMACEUTICALS PLC

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2010

	The Group		The Company	
	2010	2009	2010	2009
	N'000	N'000	N'000	N'000
19. Share capital				
19.1 *Authorised:*				
1,500,000,000 ordinary shares of 50 kobo each	**750,000**	**750,000**	**750,000**	**750,000**
19.2 *Issued and fully paid:*				
Ordinary shares of 50 kobo each				
At 1 April	410,788	328,630	410,788	328,630
Bonus issue	-	82,158	-	82,158
At 31 March	**410,788**	**410,788**	**410,788**	**410,788**

In 2008/2009, the company issued bonus shares of 1 for 4 ordinary shares which amounted to additional 164,315,000 shares valued at N82,157,500.

	The Group		The Company	
	2010	2009	2010	2009
	N'000	N'000	N'000	N'000
20. Share premium				
At 1 April	894,961	894,961	894,961	894,961
At 31 March	**894,961**	**894,961**	**894,961**	**894,961**
21. Revenue reserve				
At 1 April	(232,962)	328,326	(96,494)	309,450
Prior year adjustment	4,086	(27,211)	-	(8,858)
Prior year dividend declared	-	(78,871)	-	(78,871)
(Loss)/ profit for the year after taxation	(126,133)	(455,206)	(48,839)	(318,215)
At 31 March	**(355,009)**	**(232,962)**	**(145,333)**	**(96,494)**

Prior year adjustments represents expenses incurred by the company in the previous year which were not posted.

NEIMETH INTERNATIONAL PHARMACEUTICALS PLC

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2010

	The Group		The Company	
	2010	2009	2010	2009
	N'000	N'000	N'000	N'000

22. Information regarding Directors and employees

22.1 Directors

Emoluments:				
Chairman	350	350	350	350
President/CEO	13,922	11,674	13,922	11,674
Other Directors	33,426	26,956	27,731	26,986
	47,698	**38,980**	**42,003**	**39,010**
Fees as Directors	1,550	1,200	1,550	1,200
Emolument as executives	47,348	37,930	41,653	37,930

The number of Directors excluding the Chairman, President/ CEO whose emoluments were within the following:

N		N	Number	Number	Number	Number
3,000,000	-	3,500,000	-	-	-	-
4,000,001	-	4,500,000	1	1	-	1
4,500,001	-	5,000,000	-	2	1	1
5,000,001	-	6,000,000	5	3	3	2
6,000,001	-	7,000,000	-	-	-	-
7,000,001	-	8,000,000	-	-	-	-

NEIMETH INTERNATIONAL PHARMACEUTICALS PLC

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2010

	The Group		The Company	
	2010	2009	2010	2009
	Number	Number	Number	Number

22.2 Employees

Employees remunerated at higher rates, excluding allowances and retirement benefits

N		N				
130,001	-	140,000	2	2	2	2
140,001	-	150,000	14	8	14	8
150,001	-	160,000	7	7	7	7
160,001	-	170,000	6	6	6	6
170,001	-	180,000	1	1	1	1
180,001	-	190,000	7	9	7	9
190,001	-	200,000	9	9	9	9
200,001	-	210,000	3	3	3	3
210,001	-	220,000	6	8	6	8
220,001	-	230,000	5	3	5	3
230,001	-	240,000	2	3	2	3
240,001	-	250,000	7	9	7	9
250,001	-	260,000	2	2	2	2
260,001	-	270,000	1	1	1	1
270,001	-	280,000	13	10	10	10
280,001	-	290,000	3	4	3	4
290,001	-	300,000	3	6	3	6
300,001	-	400,000	67	78	67	78
400,001 and above			110	112	108	96

22.3 Staff

Average number of persons employed in the financial year and the staffs were as follows:

Managerial	50	47	48	45
Senior staff	141	172	141	167
Junior staff	77	68	74	68
	268	**287**	**263**	**280**

NEIMETH INTERNATIONAL PHARMACEUTICALS PLC

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2010

	The Group		The Company	
	2010	2009	2010	2009
	N'000	N'000	N'000	N'000
Made up thus:				
Salaries and allowances	232,217	328,055	215,001	310,086
Retirement cost - Gratuity	-	-	-	-
Retirement cost - Pension	25,582	54,531	24,706	54,531
	257,799	**382,586**	**239,707**	**364,617**

23. Reconciliation of net income to net cash provided by operating activities

Loss after taxation	(126,133)	(455,206)	(48,839)	(318,215)
Adjustment to reconcile net cash provided:				
Depreciation	70,297	64,083	64,836	58,987
Profit on sale of assets	(17,930)	(924)	(17,930)	(924)
Fixed assets adjustments	9,152	21,681	9,152	-
Leased assets adjustments	-	(6,650)	-	(6,650)
Interest received	(20)	(7,589)	(5)	(6,680)
Interest payable and similar charges	129,558	131,858	129,558	131,858
Prior year adjustment	4,086	(27,211)	-	(8,858)
Lease liability adjustment	-	15,508	-	15,508
Changes in assets and liabilities:				
Decrease in stock	127,340	196,856	104,858	121,381
(Increase)/ decrease in trade debtors	(138,612)	198,694	(172,980)	195,259
Decrease/ (increase) in other debtors and prepaymer	279,117	(117,963)	283,691	(222,705)
(Increase)/decrease in due from related company	(43,382)	-	(35,909)	53,731
Increase in creditors	70,081	48,044	72,851	59,951
Increase in other creditors and accruals	(1,016)	148,703	(16,694)	145,140
Decrease in tax payable	(7,619)	(91,142)	(7,619)	(91,142)
Increase in deferred tax	-	48,826	-	46,815
Increase in gratuity	(11,289)	(3,441)	(11,289)	(3,441)
Total adjustments	525,879	619,333	402,520	488,230
Net cash provided by operating activities	**399,746**	**164,127**	**353,681**	**170,016**

NEIMETH INTERNATIONAL PHARMACEUTICALS PLC

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2010

	The Group		The Company	
	2010	2009	2010	2009
	N'000	N'000	N'000	N'000
24. Cash and bank balances				
Cash and bank balances	70,348	14,342	70,343	13,220
Short term bank loans and overdraft	(196,754)	(212,316)	(193,938)	(212,316)
At 31 March	**(126,406)**	**(197,974)**	**(123,595)**	**(199,096)**

25. Guarantees and other financial commitments

.1 Financial commitments

The Directors are of the opinion that all known commitments and liabilities which are relevant in assessing the state of affairs of the Group have been taken into consideration in the preparation of these financial statements.

26. Contingent liabilities

The Directors are not aware of any pending litigation against the Group.

27. Comparative figures

Certain comparative figures have been restated in line with current year's presentation to make for more meaningful comparison.

28. Related party transactions

The Company entered into transactions on behalf of Neimeth Integrated Services Limited (a subsidiary) in respect of payment for goods and services. The balance due from Neimeth Integrated Services Limited as at 31 March 2010 stood at N343 million (2009 - N307 million).

29. Post balance sheet events.

There were no post balance sheet events which could have had material effect on the state of affairs of the Group as at 31 March, 2010 and on the profit and loss for the year ended on that date which have not been adequately provided for or recognised.

NEIMETH INTERNATIONAL PHARMACEUTICALS PLC

STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 MARCH 2010

	2010		2009	
	N'000	%	N'000	%
Sales	1,890,731		1,867,365	
Other income	53,441		11,268	
	1,944,172		1,878,633	
Bought-in materials and services: - Imported	(1,146,654)		(993,293)	
- Local	(483,241)		(713,193)	
VALUED ADDED	**314,277**	**100**	**17,975**	**100**
APPLIED AS FOLLOWS:				
To pay employees:				
Salaries, bonus and benefits	232,217	74	228,414	222
To pay Government:				
Tax	8,338	-	-	-
To pay providers of capital:				
Interest on borrowing	129,558	44	131,858	77
Retained for future replacement of assets and expansion of business:				
- Deferred tax	-		48,826	28
- Depreciation of fixed assets	70,297	22	64,083	37
- Profit and loss account	(126,133)	(40)	(455,206)	(264)
	314,277	**100**	**17,975**	**100**

Value added is the wealth created by the efforts of the company and its employees and its allocation between employees, shareholders, government and re-investment for the future creation of further wealth.

NEIMETH INTERNATIONAL PHARMACEUTICALS PLC

FINANCIAL SUMMARY

31 MARCH	2010 N'000	2009 N'000	2008 N'000	2007 N'000	2006 N'000
ASSETS					
Fixed assets	342,819	189,897	183,698	95,260	48,874
Financed leased assets	47,684	142,557	89,641	111,916	25,900
Investments	76,757	69,556	24,515	-	-
Net current assets	1,036,315	1,226,919	2,087,420	1,728,381	1,836,527
Deferred taxation	(96,205)	(96,205)	(47,379)	(24,813)	(18,589)
Finance lease obligation	(33,693)	(25,711)	-	-	-
Debenture stock	(154,339)	(154,339)	(420,492)	(96,056)	(192,056)
Staff gratuity	(268,598)	(279,887)	(283,328)	(190,971)	(124,656)
	950,740	**1,072,787**	**1,634,075**	**1,623,717**	**1,576,000**
CAPITAL AND RESERVES					
Share capital	410,788	410,788	328,630	327,529	327,070
Reserve for bonus issue	-	-	82,158	-	-
Share premium account	894,961	894,961	894,961	969,477	973,220
Revenue reserve	(355,009)	(232,962)	328,326	326,711	275,710
Shareholders' funds	**950,740**	**1,072,787**	**1,634,075**	**1,623,717**	**1,576,000**
Turnover	1,890,731	1,867,365	1,946,513	1,503,858	1,203,530
(Loss)/profit before taxation	(117,795)	(406,380)	165,130	172,306	124,592
(Loss)/profit after taxation	(126,133)	(455,206)	98,267	116,415	82,228
Dividend	-	-	-	65,414	-
(Loss)/earnings per 50k share:					
- Basic	(15)	(55)	15	18	30
- Diluted	-	-	15	18	13
Net asset per share	116	131	249	248	241
Dividend per 50k share (kobo)	-	-	12	15	10

Note:
(Loss)/earnings per share are calculated based on the (loss)/profit after taxation and the number of issued and fully paid ordinary shares at the end of each financial year.

Net assets per share are calculated based on net assets and the number of issued and fully paid ordinary shares at the end of each financial year.

Dividend per share is calculated based on dividend declared and the number of issued and fully paid ordinary shares at the end of each financial year.

Earnings per share
Earnings per share is calculated by dividing the profit attributable to the equity holders of the company by the weighted average number of shares in issue during the year.