

ABBOTT CAPITAL INDIA LIMITED
(formerly Lupharma UK Holding One Limited)

Annual Report & Financial Statements

30 November 2001

Registered Number 4166322 England and Wales



DIRECTORS' REPORT

For the period from incorporation to 30 November 2001

The directors present their annual report on the affairs of the company, together with the financial statements and audited financial statements, for the period from incorporation to 30 November 2001.

INCORPORATION

The company was incorporated on 22 February 2001.

CHANGE OF NAME

By resolution on 6 December 2002 the company changed its name to Abbott Capital India Limited. Previously, the company name was Lupharma UK Holding One Limited.

BOARD OF DIRECTORS:

The following were directors of the company throughout the period except as noted below :

Instant Companies Limited (Appointed 22/02/01 : Resigned 22/02/01)
J. Wippel (Appointed 22/02/01 : Resigned 03/08/01)
G. Frier (Appointed 22/02/01 : Resigned 03/08/01)
A. Oehmichen (Appointed 22/02/01 : Resigned 03/08/01)
M. Haywood (Appointed 03/08/01)
P. Beattie (Appointed 03/08/01, resigned 01/04/03)
K. Branigan (Appointed 03/08/01 : Resigned 31/05/02)
L. Iglesias-Fernandez (Appointed 31/05/02)

None of the above have any interests in the shares or debentures of the company or any other group companies required to be disclosed under Schedule 7 of the Companies Act 1985 .

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW:

The company's principal activity is that of a holding company.
The broad direction of the company's business will continue for 2002.
On 2 March 2001 the company acquired 51% of the share capital of
Knoll Pharmaceutical Limited, a public company incorporated in India (see note 5)
from Lupharma GmbH for US\$ 57,570,000. The subsidiary's principal activity is the
manufacture and sale of healthcare products.

RESULTS:

The audited financial statements for the period from incorporation to 30 November 2001
are set out on pages 4 to 8. The profit after tax for the period was £2,775,000.
The directors recommend that no interim or final dividend be paid and that retained profit
of £2,775,000 at 30 November 2001 be transferred to reserves.

DIRECTORS' RESPONSIBILITIES:

United Kingdom company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



BY ORDER OF THE BOARD,
D. MARK
Company Secretary.

Date: 12 May 2003

Queenborough,
Kent, ME11 5EL

To the Members of Abbott Capital India Limited (formerly Lupharma UK Holding One Limited):

We have audited the financial statements of Abbott Capital India Ltd for the period from incorporation, on 22 February 2001 to 30 November 2001 which comprise the profit and loss account, the balance sheet and the related notes 1 to 12.

These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the directors' report, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report, if in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company and other members of the group is not disclosed.

We read the directors' report for the above period and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the company, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 November 2001 and of its profit for the period from incorporation, on 22 February 2001 to 30 November 2001 and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

DELOITTE & TOUCHE

Chartered Accountants and Registered Auditors

Date: 12 May 2003

ABBOTT CAPITAL INDIA LIMITED
(formerly Lupharma UK Holding One Limited)

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**Profit and Loss Account for the period from
incorporation, 22 February 2001, to 30 November 2001**

	Notes	<u>2001</u>
		<u>£000's</u>
Other operating income		17
Operating profit	(3)	<u>17</u>
Income from shares in subsidiary undertakings		3,045
Profit on ordinary activities before finance income		<u>3,062</u>
Interest receivable	(2)	<u>17</u>
Profit on ordinary activities before taxation		3,079
Tax on profit on ordinary activities	(5)	(304)
Profit on ordinary activities after taxation and retained profit for the financial period	(9,10)	<u><u>2,775</u></u>

There were no recognised gains or losses in 2001 other than the profit for the financial period.

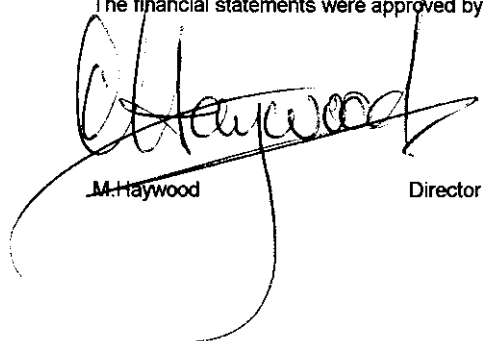
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Balance Sheet as at 30 November 2001

	Notes	<u>2001</u>
		<u>£000's</u>
FIXED ASSETS		
Investments	(6)	40,145
CURRENT ASSETS		
Debtors	(7)	3,059
Cash at bank and in hand		<u>20</u>
		3,079
CREDITORS: amounts falling due within one year	(8)	<u>(304)</u>
NET CURRENT ASSETS		2,775
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>42,920</u></u>
CAPITAL AND RESERVES		
Called up share capital	(11)	-
Other Capital reserve	(9,10)	40,145
Profit and loss account	(9,10)	2,775
EQUITY SHAREHOLDERS' FUNDS	(9)	<u><u>42,920</u></u>

The financial statements were approved by the board of directors on 12 May 2003 and signed on its behalf by:


M. Haywood Director

NOTES TO THE financial statements

1.ACCOUNTING POLICIES:

A summary of the principal accounting policies, all of which have been applied consistently throughout the financial period is as follows:-

a) Basis of Accounting

The financial statements have been prepared on the historical cost basis and have been prepared in accordance with applicable United Kingdom accounting standards. The financial statements present information as an individual undertaking and not about its group.

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 228 of the Companies Act 1985 because it is a wholly owned subsidiary of Abbott Equity Holdings Limited which prepares consolidated financial statements which are publicly available (see note 11). The company is also, on this basis, exempt from the requirement of FRS 1(revised) "Cash Flow Statements to present a cash flow statement.

The company has taken advantage of the exemption from the requirement of "Statements" to present a cash flow statement because it is a wholly owned subsidiary of Abbott Laboratories (incorporated in the state of Illinois, USA) which prepares consolidated financial statements that are publicly available (see note 10).

b) Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

c) Foreign Currency

Foreign currency transactions are translated into sterling at the rates ruling at the transaction date. Monetary assets and liabilities in foreign currency are translated into sterling at the rate ruling at the balance sheet date, or where appropriate, at the rate of exchange in a related forward exchange contract. Any gains or losses are reported as exchange differences in the profit and loss account.

d) Investments

Fixed asset investments are shown at cost less provision for any impairment.

2.INTEREST RECEIVABLE:

	<u>2001</u>
	<u>£000's</u>
Bank interest	<u>17</u>

3. OPERATING PROFIT

The audit fee is borne by a fellow group company. Apart from directors the company has no other staff in the year.

4. DIRECTORS' REMUNERATION

All of the directors are paid by other companies within the Abbott Laboratories group of companies for their services as directors.

5. TAX ON PROFIT ON ORDINARY ACTIVITIES:

The difference between the current tax and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:-

	<u>2001</u> <u>£000's</u>
UK corporation tax charge for the year	<u>304</u>
The difference between the current tax and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:-	
Profit on ordinary activities before tax	<u>3,079</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 30%	924
Adjustment to tax charge in respect of foreign income	265
Relief for foreign tax suffered	(885)
	<u>304</u>

6. FIXED ASSET INVESTMENTS

The following are included in the company net book value of fixed asset investments :

	<u>2001</u> <u>£000's</u>
Subsidiary undertakings :	
Additions	40,145
Cost and net book value at the end of the period	<u>40,145</u>

The company purchased the investment in the following subsidiary on 2 March 2001 for a fair value consideration of £40,145,000.

	<u>Country of</u> <u>Incorporation</u>	<u>Principal</u> <u>Activity</u>	<u>Holding/</u> <u>Voting rights</u>
Knoll Pharmaceuticals Limited	India	Healthcare	51%

During 2002 Knoll Pharmaceuticals Limited changed its company name to Abbott India Limited.

The aggregate amount of capital and reserves as at 30 November 2001 was £18,919,000 and profit for the 10 month period ended 30 November was £7,031,000.

7. DEBTORS:

	<u>2001</u> <u>£000's</u>
Due from other group undertakings falling due within one year	<u>3,059</u>

8. CREDITORS: amounts falling due within one year

UK corporation tax payable	<u>304</u>
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9. RESERVES

	<u>Profit and</u> <u>loss</u> <u>£000's</u>	<u>Capital</u> <u>contribution</u> <u>£000's</u>	<u>Total</u> <u>£000's</u>
Profit for the financial period	2,775	-	2,775
Capital contribution	-	40,145	40,145
At 30 November 2001	<u>2,775</u>	<u>40,145</u>	<u>42,920</u>

10. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS:

	<u>2001</u> <u>£000's</u>
Profit for the financial period	2,775
Capital contribution	<u>40,145</u>
Net addition to equity shareholders' funds	42,920
Opening equity shareholders' funds	-
Closing equity shareholders' funds	<u><u>42,920</u></u>

11. CALLED UP SHARE CAPITAL

	<u>2001</u> <u>£</u>
<i>Authorised</i> 100 ordinary shares of £1 each	<u>100</u>
<i>Called up, allotted and fully paid</i> 1 ordinary share of £1	<u><u>1</u></u>

12. ULTIMATE HOLDING COMPANY AND GROUP STRUCTURE:

- a) The smallest group in which the results of Abbott Capital India Limited are consolidated is Abbott Equity Holdings Limited. The largest group in which the results of Abbott Capital India Limited are consolidated is Abbott Laboratories (incorporated in the State of Illinois, USA), which is also the ultimate parent company. The consolidated financial statements of both companies are available to the public and may be obtained from Abbott Laboratories, Queenborough, Kent, ME11 5EL.
- b) As permitted by Financial Reporting Standard 8, related transactions are not provided in these financial statements as the company is a wholly-owned subsidiary undertaking and the consolidated financial statements of the group are available to the public (see (a) above).