

ABBOTT INDIA LIMITED | ANNUAL REPORT 2009-2010



Transforming For Tomorrow





A Promise for life

Turning Science into Caring

We are here for the people we serve in their pursuit of healthy lives. This has been the way of Abbott for more than a century - passionately and thoughtfully translating science into lasting contributions to health.

Our products encircle life, from newborns to aging adults, from nutrition and diagnostics through medical care and pharmaceutical therapy.

Caring is central to the work we do and defines our responsibility to those we serve:

We advance leading-edge science and technologies that hold the potential for significant improvements to health and to the practice of health care.

We value our diversity-that of our products, technologies, markets and people-and believe that diverse perspectives combined with shared goals inspire new ideas and better ways of addressing changing health needs.

We focus on exceptional performance-a hallmark of Abbott people worldwide-demanding of ourselves and each other because our work impacts people's lives.

We strive to earn the trust of those we serve by committing to the highest standards of quality, excellence in personal relationships, and behavior characterized by honesty, fairness and integrity.

We sustain success-for our business and the people we serve-by staying true to key tenets upon which our company was founded over a century ago: innovative care and a desire to make a meaningful difference in all that we do.

The promise of our company is in the promise that our work holds for health and life.



Our **Mission in India**

reportjunction.com
To be an admired organization and

a leader in our core therapy areas by shaping
the Continuum of Care and be amongst the
3 fastest growing companies through 2015

Abbott India is the name of a century-old legacy

A legacy of trust that touches lives from infants to ageing adults.

A legacy of drug discovery, manufacture and marketing of products in the pharmaceutical, nutritional, hospital and diagnostic segments.

Our products and services span the continuum of care from prevention and diagnosis to treatment and cure.

In all these years, we have evolved our operations to move ahead with changing times, closely identifying critical areas of intervention and developing solutions to enhance affordable healthcare.

Abbott India's people, products and processes have made this journey fulfilling, drawing strength from our values:

Pioneering, Achieving, Caring and Enduring.

We reaffirm our commitment to these values, even as we brace ourselves to penetrate newer markets, adopt advanced technologies and expand the circle of wellness to many more lives.

Across the report

1	2	3	4
Overview	Strategy	Statutory Reports	Financial Statements
04 Performance at a Glance 06 Strong pillars of philosophy 08 Managing Director's message 10 Products - Transformed for Tomorrow	12 Primary Care 13 Hospital Products Division 14 Specialty Care 16 Consumer Healthcare 17 Super Specialty Care 18 New Launches 20 People 22 Processes 24 Corporate Social Responsibility 25 Shaping the Continuum of Care 26 Ten Years Financial Highlights	29 Notice 34 Directors' Report 39 Report on Corporate Governance 46 Management Discussion & Analysis	51 Auditors' Report 56 Balance Sheet 57 Profit & Loss Account 58 Cash Flow Statement 60 Schedules 66 Significant Accounting Policies and Notes to the Accounts 86 Balance Sheet Abstract and general Business Profile

Forward-looking statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

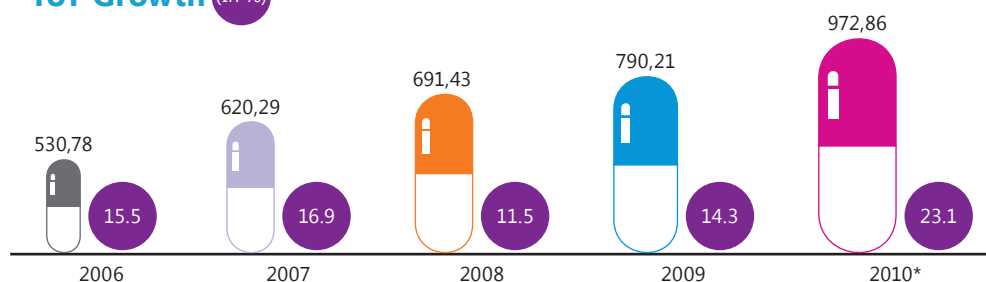
Performance at a Glance

We are amongst the fastest growing companies in the Indian pharmaceutical market. Our significant focused investment in people, products, processes and programs are expected to drive sustainable growth and value creation through 2015.

Total Revenue (Rs. Lakhs)

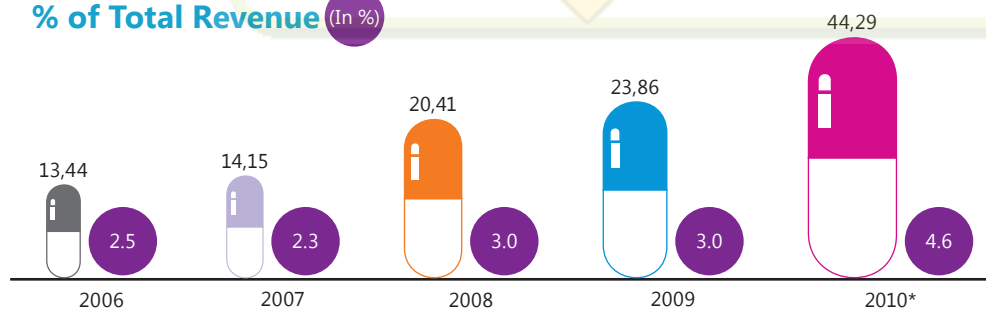
CAGR 16.4%

YoY Growth (In %)



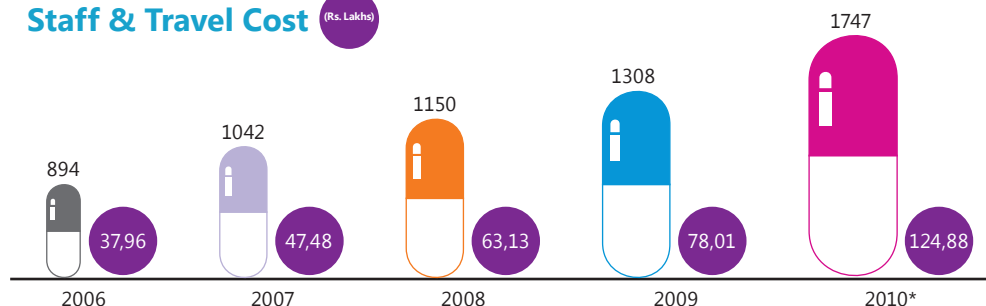
Advertising and Publicity (Rs. Lakhs)

% of Total Revenue (In %)

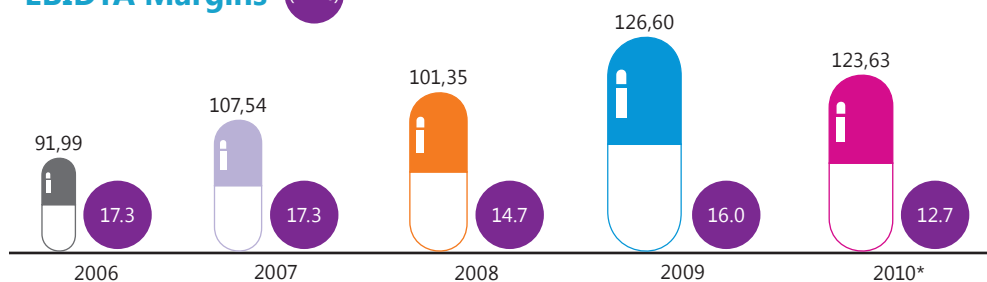
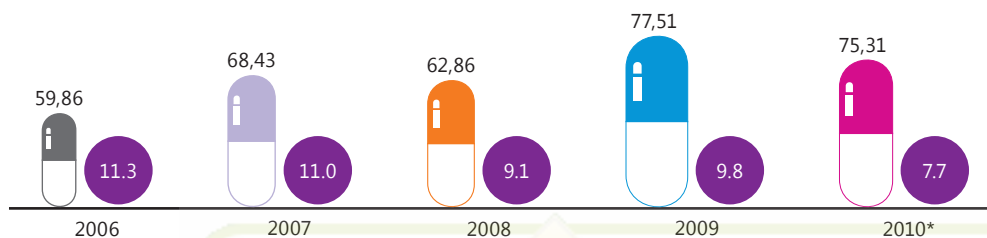
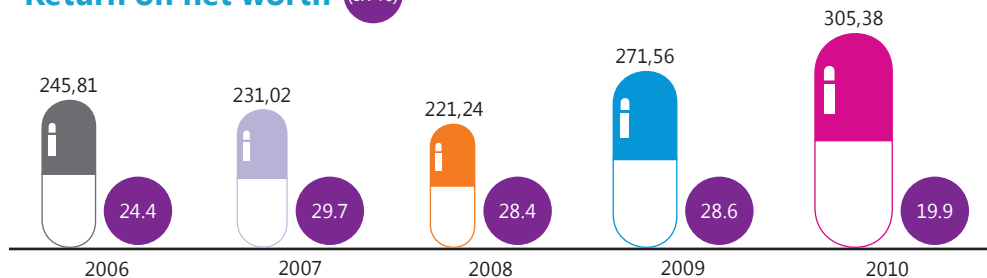
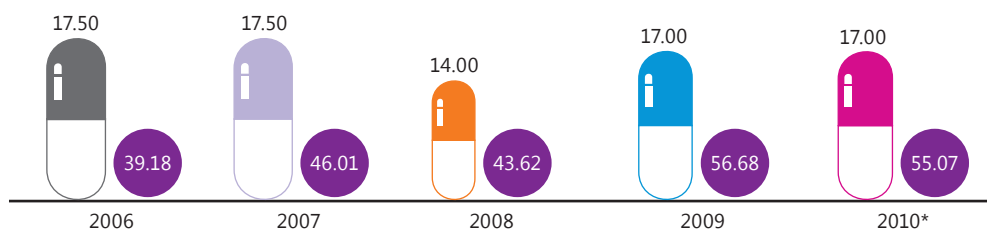


Headcount (Nos)

Staff & Travel Cost (Rs. Lakhs)



* To make the figures comparable, 2010 numbers are for 12 months ending November 30, 2010

EBIDTA (Rs. Lakhs)**EBIDTA Margins** (In %)**PAT** (Rs. Lakhs)**PAT Margins** (In %)**Net Worth** (Rs. Lakhs)**Return on net worth** (In %)**Dividend** (Rs. per share)**EPS** (Rs.)

* To make the figures comparable, 2010 numbers are for 12 months ending November 30, 2010

Strong pillars of philosophy

Vision

To be the world's premier health care company

Mission

To be an admired organization and a leader in our core therapy areas by shaping the Continuum of Care and be amongst the 3 fastest growing companies through 2015

Strategy

- Institutionalize the Continuum of care model as the central strategic foundation driving market creation activities
- Strengthen Brand marketing skills and scale up self generating demand models for patient capture launched in 2010
- Strengthen leadership capabilities and implement HR practices that will inspire and empower employees to contribute to organizational development over time
- Promote productivity improvement lead growth
- Shape KOL management programs and invest in building a scientific platform for dialogue with target customers
- Integrate legacy Solvay operations with those of Abbott

Dedication

To customers, shareholders, employees, suppliers and other stakeholders

Backed by rich parentage

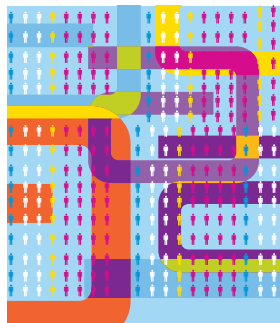
1888

Abbott was founded by a young Chicago physician, Dr Wallace Calvin Abbott



90,000+

People form a part of the Abbott family



130

Countries where Abbott has its footprint



Abbott, is a company that focuses on turning science into caring – **ABBOTT, A Promise for Life.**

For more than a century, Abbott has been working to advance health care for people around the world.

Abbott has evolved globally into a diversified health care company that discovers, develops, manufactures and markets innovative pharmaceutical, diagnostic, nutritional and hospital products. Products and services of Abbott span the Continuum of Care, from prevention and diagnosis, to treatment and cure.

Abbott India**1910**

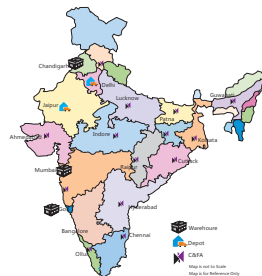
Abbott established presence in India

**1,750+**

People form a part of the Abbott India family

**India**

Headquarters in Mumbai
Presence across India

**Business divisions****Primary Care**

Markets products in the areas of Pain Management, Gastroenterology, with well-known brands like Brufen, Digene, Cremaffin

Specialty Care

Catering to the areas of Metabolics and Urology, providing solutions in the field of Thyroid, Diabetes and Benign Prostatic Hyperplasia. Neuroscience has a varied portfolio, with specialty products in the Neurology and Psychiatry segments

Hospital Care

Offers products in the field of Anesthesiology and Neonatology, namely Forane, Sevorane and Survanta

Super Specialty Care

Markets products in the therapy area of liver care. Heptral is the first and only brand of Ademetionine (SD4 salt) which has been approved in India as a drug by the DCGI

Prominent brands

Brufen, Cremaffin and Digene are some of the heritage brands which have become household names in India. Epilex, Ganaton, Prothiaden, Sevorane, Survanta, Thyronorm and Zolfresh are among the other prominent market-leading brands.

Extensive presence

Abbott India, today has strong brand equity and commands esteem in the market place. It has a network of **17 distribution points, which cater to 4,000 stockists and 100,000 retailers**. Behind Abbott India's success, is a team of competent, committed people, driven by the principles of value-based management, and aided by strong alliances and partnerships.

Go Go Go The Journey of Transformation



Vivek Mohan
Managing Director

At the dawn of the 100th year of presence in this great country, Abbott decided to accelerate business growth by actively shaping the market opportunities in India. Your leadership team did a great job of first creating a blueprint for driving higher levels of growth and then translating the plan into reality through an intense focus on performance management and efficient execution of strategies. Their impact can be gauged from the fact that the business grew by more than 20% over the preceding period. This growth rate happens to be the highest Abbott has recorded in the last decade. The key driver of growth has been our ability to optimize and leverage investments in people, products, processes and programs. The business also benefited from the expansions in market coverage, introduction of new models for demand generation and enhancement of organizational capabilities.

I take great pride in informing you that over the course of the year a new dynamism emerged within your company - one that learnt to challenge the status quo. The rallying cry of "Go Go Go" epitomized the new organizational philosophy of making things happen. The performance of the teams has been exemplary, be it in terms of the record number of new product introductions, improving field force productivity, hiring of about 500 sales personnel or making one of the finest new product introductions in the Indian Pharmaceutical Market (IPM). In essence, 2010 marked the beginning of Abbott's transformational journey in India from "manpower to mindpower" as a key lever for driving growth.



Some of the disease areas in which Abbott operates are woefully underserved: like hypothyroidism, sleep disorders and epilepsy. Market creation is thus an imperative for driving brand growth. Armed with a deep understanding of the market dynamics for chronic ailments, the Company's leadership teams conceptualized and implemented a holistic business framework for market creation called the Continuum of Care paradigm. The central tenet of the Continuum of Care model is the active creation of a patient pool by increasing awareness, and a single platform for facilitating detection and diagnosis, treatment and compliance. We collaborated and partnered with doctors and healthcare providers to operationalize this approach aimed at improving patients' lives. Brands such as Thyronorm and Zolfresh recorded extraordinary growths of 44% and 23% respectively, with Thyronorm breaking into the elite league table of the top 100 brands in the IPM.



Our heritage brands were successfully driven through innovative lifecycle management efforts, which revitalized the brands' identity and reenergized their relevance to doctors and patients as best-in-class therapies. As a result, our heritage brands such as Digene and Cremaffin grew by 19% and 17% respectively.

The year 2011 promises to be another landmark year of accelerated business growth. We will continue to drive the transformational agenda which we began last year to prepare the organization to meet the challenges for our next century in India. We look forward to another exciting year.

Best Regards,
Vivek Mohan