



ICI PAKISTAN

BUILDING ON OUR VALUES

REPORT FOR THE QUARTER & SIX MONTHS ENDED
DECEMBER 31, 2014

Contents

ICI Pakistan Limited

Company Information	1
Review of the Directors	2
Auditors' Report to Members on Review of Interim Financial Information	6
Condensed Interim Unconsolidated Balance Sheet	7
Condensed Interim Unconsolidated Profit and Loss Account	8
Condensed Interim Unconsolidated Statement of Comprehensive Income	10
Condensed Interim Unconsolidated Cash Flow Statement	11
Condensed Interim Unconsolidated Statement of Changes in Equity	12
Notes to the Condensed Interim Unconsolidated Financial Statements	13

Condensed Interim Consolidated Financial Information

Review of the Directors for ICI Pakistan Group	22
Condensed Interim Consolidated Balance Sheet	23
Condensed Interim Consolidated Profit and Loss Account	24
Condensed Interim Consolidated Statement of Comprehensive Income	26
Condensed Interim Consolidated Cash Flow Statement	27
Condensed Interim Consolidated Statement of Changes in Equity	28
Notes to the Condensed Interim Unconsolidated Financial Statements	29

Company Information

Board of Directors

M Sohail Tabba	Chairman (Non-Executive)
M Ali Tabba	Vice Chairman (Non-Executive)
Jawed Yunus Tabba	Non-Executive
Amina A Aziz Bawany	Non-Executive

Asif Jooma	Chief Executive
Khawaja Iqbal Hassan	Independent
M Abid Ganatra	Executive
Kamal A Chinoy	Independent

Audit Sub Committee

Khawaja Iqbal Hassan	Chairman
M Ali Tabba	Member
Jawed Yunus Tabba	Member

HR & Remuneration Sub Committee

M Ali Tabba	Chairman
M Sohail Tabba	Member
Jawed Yunus Tabba	Member
Asif Jooma	Member
Khawaja Iqbal Hassan	Member

Chief Financial Officer

M Abid Ganatra

Company Secretary

Saima Kamila Khan

Head of Internal Audit

Muhammad Ali Mirza

Executive Management Team

Asif Jooma	Chief Executive
Fathema Zuberi	General Manager, Human Resources
M Abid Ganatra	Chief Financial Officer
M Asif Malik	Vice President, Life Sciences Business

M A Samie Cashmiri	General Manager, Chemicals and Strategy
Saima Kamila Khan	General Counsel & Company Secretary
Suhail Aslam Khan	Vice President, Polyester & Soda Ash Business
Syed Iqbal Haider	General Manager, Technical

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
Citibank N.A.
Deutsche Bank AG
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited

HSBC Bank Middle East Limited
HSBC Bank Oman S.A.O.G
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
NIB Bank Limited
Samba Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank Limited

Auditors

Internal Auditors

KPMG Taseer Hadi & Co.,
Chartered Accountants

External Auditors

Ernst & Young Ford Rhodes Sidat Hyder & Co,
Chartered Accountants

Registered Office

ICI House, 5 West Wharf, Karachi-74000
Tel # 111-100-200, (021) 32313717-22
Fax # 32311739
Website: www.ici.com.pk

Shares Registrar

FAMCO Associates (Pvt) Ltd.
8-F, next to Hotel Faran,
Nursery, Block-6, P.E.C.H.S.
Shahrah-e-Faisal, Karachi.
Tel: (021) 34380101-2,
Fax: (021) 34380106
Website: www.famco.com.pk

Review of the Directors

For the Six Months Ended December 31, 2014

The Directors are pleased to present their review together with the unaudited financial statements of the Company for the quarter and six months ended December 31, 2014.

Net sales income (NSI) for the quarter at PKR 9,883 million is 3% higher than the same period last year (SPLY) primarily due to better performance in the Soda Ash & Life Sciences Businesses. Operating result for the quarter at PKR 974 million is 65% higher as compared to the SPLY due to improved performance in the Polyester, Soda Ash and Life Sciences Businesses.

NSI for the six months ended at PKR 19,246 million is 3% higher than the SPLY primarily due to an improved performance in the Soda Ash & Life Sciences Businesses which compensated for lower sales value in Polyester Fibres. Operating result for the six months at PKR 1,653 million is 50% higher as compared to the SPLY due to a 66% improvement in the Polyester Business performance, along with a 20% and 18% increase in the Soda Ash and Life Sciences Businesses respectively. Performance of the Polyester Business improved following the correction of prices in the petrochemical chain coupled with a substantial reduction in energy costs post the commissioning of the coal fired heaters. In the Soda Ash Business, overall success has mainly been driven by higher sales volumes, enhanced operational efficiencies and the operations of the Coal Fired Boilers. In the Life Sciences Business, both Pharmaceuticals & Animal Health Divisions posted a double digit growth.

The Profit After Tax (PAT) for the six months ended at PKR 1,025 million is 34% higher than SPLY.

Earnings per Share (EPS) for the six months ended December 31, 2014 at PKR 11.10 is 34% higher as compared to the SPLY.

	Six months ended Dec 2014	Six months ended Dec 2013
Net sales income (PKR million)	19,246	18,618
Profit before taxation (PKR million)	1,358	937
Profit after taxation (PKR million)	1,025	765
Earnings per share (PKR)	11.10	8.29

Net sales, commission & toll income (PKR m)

Dec 2013  18,618
Dec 2014  19,246

Profit before tax (PKR m)

Dec 2013  937
Dec 2014  1,358

Profit after tax (PKR m)

Dec 2013  765
Dec 2014  1,025

Earnings per share (PKR)

Dec 2013  8.29
Dec 2014  11.10

Review of the Directors

For the Six Months Ended December 31, 2014


Polyester Staple Fibre Business (PSF)

Net sales, commission & toll income (PKR m)

Dec 2013  9,595

Dec 2014  8,724

Operating result (PKR m)

Dec 2013  (480)

Dec 2014  (166)

Following a substantial reduction in the price of crude oil, feedstock prices were sharply down, leading to continued dumping of PSF from China. The imports into Pakistan at uneconomic prices prejudiced domestic sales, which consequently declined by 9% over the corresponding period last year. The energy cost burden, due to continued curtailment of gas supply to industry was partially mitigated by the use of coal fired heaters and a subsequent reduction in furnace oil prices. Improved unit margins over feedstock and energy cost savings translated into an operating loss of PKR 166 million, which is 66% better than the SPLY.

Work on the coal fired steam turbine project is in progress and is expected to be completed by mid of 2015. Once commissioned, businesses' vulnerability to insufficient gas supply and higher oil prices in the future will be largely mitigated, placing the business on a sound platform.

The National Tariff Commission (NTC), on the recommendations of the Ministry of Commerce, initiated a tariff rationalisation exercise to reduce customs duty on imported PSF from the existing 6% to 5% during 2015-16. The Company has strongly opposed this proposal in a written response to the NTC and at the public hearing called by the NTC. This move, if implemented, will further exacerbate the already unfavourable conditions under which the PSF industry is operating. The PSF Manufacturing Group is seeking urgent redressal through the imposition of a safeguard duty against dumping by Chinese producers and for an increase in the net effective protection for PSF from the current level.

Going forward, OPEC's insistence on maintaining output will continue to weigh on downstream feedstock prices as well as PSF. On the domestic front, demand of PSF will be impacted by the sustained supply of gas to the textile industry. Furthermore, proposals of a 20%-30% increase in gas tariff may also negatively impact the industry performance, as it will significantly impact cost of production.

Soda Ash Business

Net sales, commission & toll income (PKR m)

Dec 2013  4,107

Dec 2014  5,020

Operating result (PKR m)

Dec 2013  995

Dec 2014  1,197

Although growth in the domestic market continues to remain constrained by energy shortages and the prevailing security situation around the country; sales in the Bazaar and Detergent Segments have remained strong, providing the growth impetus in domestic sales. NSI during the six months was 22% higher than the SPLY on account of higher sales volumes and a robust sales strategy. Operating result at PKR 1,197 million was 20% higher than the SPLY.

The coal fired boilers continue to deliver value to the Business through reduced production costs and increased production rates even during periods of low gas availability. The Business has thus been able to maintain its domestic market share and achieve better profitability in the export markets.

Review of the Directors

For the Six Months Ended December 31, 2014

The ongoing tariff rationalisation exercise initiated by the NTC seeks to reduce customs duty on Soda Ash and Sodium Bicarbonate from 10% and 20% to 5% and 10%, respectively. The Company has challenged the legal status of NTC to recommend tariff changes in the absence of a full quorum.

The Business continues to maintain a strong focus on improving reliability and the production capability of the Soda Ash plant. As a result of these efforts, record production volumes for Dense Soda Ash (DA) and Refined Sodium Bicarbonate (RSB) at 42,250 tons and 14,190 tons respectively were achieved during first half of the current fiscal year.

Going forward, growth in the domestic market may witness an improvement as small to medium sized industries continue to improve operating rates post the fall in oil prices which will positively impact alternative sources of power generation in the low gas availability period.

On the export front, the recent depreciation of the Indian Rupee against the US Dollar will imply that export prices to India will continue to remain under pressure. Demand from the Detergent segment in India remains strong, which presents an ongoing opportunity for the Business to export additional volumes.

Life Sciences Business

Net sales, commission & toll income (PKR m)

Dec 2013  3,237

Dec 2014  3,897

Operating result (PKR m)

Dec 2013  426

Dec 2014  503

The Life Sciences Business delivered its highest ever six months operating result of PKR 503 million for the six months ended December 31, 2014. The business achieved a growth of 20% in NSI and 18% in its operating results compared to the SPLY. The Pharmaceuticals and Animal Health Divisions of the Business have posted double digit growth, with the Animal Health Division being the major contributor in the overall success of the Business in the period under review. The Animal Health Division sales were higher with both Livestock and Poultry portfolios performing better than SPLY. Sales of the Pharmaceutical Division were higher across the entire portfolio. Sales of the Agri Segment were higher on account of increased sales of Agro-Chemicals and Vegetable Seeds.

The leased manufacturing facility for Animal Health products is currently under construction and the Company has applied for a new manufacturing license for the facility in its name. The facility is expected to commence commercial production in Q2 2015, subject to necessary regulatory approvals.

The Nutraceuticals manufacturing facility at West Wharf is progressing as per plan and is scheduled for commissioning in July 2015.

The Agrochemicals Segment, despite initial challenges, has been streamlined with formal product registration, regular farmer campaigns and comprehensive product launches in the first season. Sales of sunflower seeds have and shall continue to remain under pressure due to continuous unfavourable international prices for sunflower oil, carryover stocks of sunflower seeds in the market, improved farm economics for wheat and liquidity crunch in the agricultural sector due to lower commodity prices.

Review of the Directors

For the Six Months Ended December 31, 2014

The future outlook for the Business remains strong as it plans to further strengthen its existing portfolio and launch new products in all divisions, while continuing to explore opportunities for organic and inorganic growth.

Chemicals Business

Net sales, commission & toll income (PKR m)

Dec 2013  1,682

Dec 2014  1,610

Operating result (PKR m)

Dec 2013  160

Dec 2014  118

NSI for the six months at PKR 1,610 million was lower by 4% as compared to the SPLY. The decrease in sales is mainly due to lower volumes in the Polyurethanes (PU) segment which has continued to be affected by significant margin erosion from lowering prices, an increasingly competitive landscape and a shift from local sales to indenting sales. The General Chemicals (GC) and Specialty Chemicals (SC) Segment, however, have demonstrated strong growth as compared to the SPLY despite difficult market conditions.

Operating result at PKR 118 million was lower by 26% due to a decrease in sales as detailed above.

New Initiatives

During the six months ended December 31, 2014, the Company completed its first and second tranche of the intended investment in NutriCo Pakistan Pvt. Ltd., (Morinaga infant formula distribution business) with a total of 30% equity participation in the company.

Future Outlook

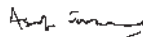
The ongoing energy conundrum, which has impacted industrial performance as well as downstream demand, is expected to improve in the near future due to a global reduction in oil prices.

The Company remains focused on fulfilling customer needs, launching new products, discovering innovative energy conversion methods and cost reduction initiatives, strengthening relationships with existing customers and suppliers, whilst exploring opportunities for both organic and inorganic growth.



Muhammad Sohail Tabba
Chairman / Director

February 19, 2015
Karachi



Asif Jooma
Chief Executive

Auditors' Report to the Members on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim unconsolidated balance sheet of ICI Pakistan Limited (the Company) as at 31 December 2014, the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated cash flow statement, condensed interim unconsolidated statement of changes in equity, and notes to the condensed interim unconsolidated financial statements for the six-months period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

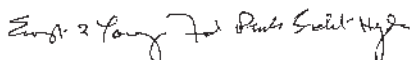
Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Date: February 19, 2015
Karachi



Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Shariq Ali Zaidi

Condensed Interim Unconsolidated Balance Sheet

As at December 31, 2014

Amounts in Rs '000

	Note	December 31, 2014 (Unaudited)	June 30, 2014 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	4	12,758,896	11,652,057
Intangible assets	5	48,228	64,261
		12,807,124	11,716,318
Long-term investments	6	1,222,976	502,976
Long-term loans	7	278,761	253,477
Long-term deposits and prepayments		29,191	27,843
		1,530,928	784,296
		14,338,052	12,500,614
Current assets			
Stores, spares and consumables		603,435	559,256
Stock-in-trade	8	4,722,352	4,582,632
Trade debts		1,486,851	858,347
Loans and advances		345,540	191,121
Trade deposits and short-term prepayments		181,803	206,775
Other receivables		1,040,315	1,420,794
Taxation - net		1,644,924	1,765,784
Cash and bank balances		125,381	852,095
		10,150,601	10,436,804
Total assets		24,488,653	22,937,418

EQUITY AND LIABILITIES

Share capital and reserves

Authorised capital 1,500,000,000 (June 30, 2014: 1,500,000,000) ordinary shares of Rs 10 each		15,000,000	15,000,000
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Issued, subscribed and paid-up capital 92,359,050 (June 30, 2014: 92,359,050) ordinary shares of Rs 10 each		923,591	923,591
Capital reserves		309,643	309,643
Revenue reserves - Unappropriated profit		10,690,239	10,004,193
Total equity		11,923,473	11,237,427

Surplus on revaluation of property, plant and equipment		609,320	639,372
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Non-current liabilities

Provisions for non-management staff gratuity		84,354	77,842
Long-term loans	9	1,719,297	2,314,805
Deferred tax liability - net	10	985,193	1,093,718
		2,788,844	3,486,365

Current liabilities

Current portion of long-term loan		1,173,284	872,221
Trade and other payables		6,939,403	6,264,665
Short-term borrowings and running finance	11	1,054,329	437,368
		9,167,016	7,574,254

Total equity and liabilities		24,488,653	22,937,418
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Contingencies and commitments

The annexed notes from 1 to 22 form an integral part of the condensed interim unconsolidated financial information.


Muhammad Sohail Tabba
Chairman / Director


Asif Jooma
Chief Executive


Muhammad Abid Ganatra
Chief Financial Officer

Condensed Interim Unconsolidated Profit and Loss Account (Unaudited)

For the Six Months Ended December 31, 2014

	Polyester				Soda Ash			
	For the 3 months ended December 31, 2014	For the 6 months ended December 31, 2014	For the 3 months ended December 31, 2013	For the 6 months ended December 31, 2013	For the 3 months ended December 31, 2014	For the 6 months ended December 31, 2014	For the 3 months ended December 31, 2013	For the 6 months ended December 31, 2013
Turnover - note 13	4,567,605	9,134,184	4,993,168	10,000,060	3,013,708	6,034,314	2,545,907	5,005,310
Sales tax	(89,575)	(179,121)	(97,942)	(196,118)	(418,540)	(826,691)	(360,623)	(707,177)
Commission and discounts to distributors and customers	(115,596)	(231,400)	(105,027)	(209,089)	(85,753)	(187,438)	(109,493)	(191,442)
	(205,171)	(410,521)	(202,969)	(405,207)	(504,293)	(1,014,129)	(470,116)	(898,619)
Net sales, commission and toll income	4,362,434	8,723,663	4,790,199	9,594,853	2,509,415	5,020,185	2,075,791	4,106,691
Cost of sales - note 13 and 14	(4,195,487)	(8,617,468)	(4,814,139)	(9,794,646)	(1,831,956)	(3,561,589)	(1,541,626)	(2,872,366)
Gross profit	166,947	106,195	(23,940)	(199,793)	677,459	1,458,596	534,165	1,234,325
Selling and distribution expenses	(64,664)	(126,029)	(62,539)	(129,818)	(67,839)	(136,644)	(57,298)	(108,206)
Administration and general expenses	(70,991)	(145,740)	(82,384)	(150,663)	(59,859)	(124,682)	(74,868)	(130,780)
Operating result	31,292	(165,574)	(168,863)	(480,274)	549,761	1,197,270	401,999	995,339

Financial charges

Exchange gains / (losses)

Workers' profit participation fund

Workers' welfare fund

Other charges

Other income

Profit before taxation

Taxation - note 15

Profit after taxation

Basic and diluted earnings per share

The annexed notes from 1 to 22 form an integral part of the condensed interim unconsolidated financial information.

Condensed Interim Unconsolidated Profit and Loss Account (Unaudited)

For the Six Months Ended December 31, 2014

Amounts in Rs '000

Life Sciences				Chemicals				Company			
For the 3 months ended December 31, 2014	For the 6 months ended December 31, 2014	For the 3 months ended December 31, 2013	For the 6 months ended December 31, 2013	For the 3 months ended December 31, 2014	For the 6 months ended December 31, 2014	For the 3 months ended December 31, 2013	For the 6 months ended December 31, 2013	For the 3 months ended December 31, 2014	For the 6 months ended December 31, 2014	For the 3 months ended December 31, 2013	For the 6 months ended December 31, 2013
2,607,564	4,605,611	2,113,822	3,664,323	996,424	1,951,358	982,204	2,043,809	11,184,618	21,721,606	10,632,985	20,710,132
(52,117)	(75,463)	(7,864)	(14,541)	(100,016)	(195,208)	(101,743)	(213,352)	(660,248)	(1,276,483)	(568,172)	(1,131,188)
(365,096)	(633,626)	(224,404)	(412,619)	(75,060)	(146,441)	(71,928)	(148,236)	(641,505)	(1,198,905)	(510,852)	(961,386)
(417,213)	(709,089)	(232,268)	(427,160)	(175,076)	(341,649)	(173,671)	(361,588)	(1,301,753)	(2,475,388)	(1,079,024)	(2,092,574)
2,190,351	3,896,522	1,881,554	3,237,163	821,348	1,609,709	808,533	1,682,221	9,882,865	19,246,218	9,553,961	18,617,558
(1,568,708)	(2,814,190)	(1,344,126)	(2,334,623)	(666,340)	(1,310,985)	(665,138)	(1,371,166)	(8,261,808)	(16,300,371)	(8,362,913)	(16,369,431)
621,643	1,082,332	537,428	902,540	155,008	298,724	143,395	311,055	1,621,057	2,945,847	1,191,048	2,248,127
(236,208)	(468,713)	(200,976)	(375,872)	(57,691)	(118,101)	(48,402)	(95,680)	(426,402)	(849,487)	(369,215)	(709,576)
(58,314)	(110,292)	(55,277)	(100,577)	(31,227)	(62,756)	(20,542)	(55,221)	(220,391)	(443,470)	(233,071)	(437,241)
327,121	503,327	281,175	426,091	66,090	117,867	74,451	160,154	974,264	1,652,890	588,762	1,101,310
								(98,364)	(215,676)	(69,733)	(153,164)
								38,544	(43,553)	(5,097)	(16,721)
								(46,856)	(71,537)	(25,869)	(49,479)
								(18,169)	(27,721)	(10,032)	(19,124)
								(14,560)	(20,560)	(4,271)	(8,996)
								(139,405)	(379,047)	(115,002)	(247,484)
								55,432	84,510	17,755	83,229
								890,291	1,358,353	491,515	937,055
								(216,980)	(332,923)	(32,875)	(171,674)
								673,311	1,025,430	458,640	765,381
(Rupees)											
7.29		11.10		4.97		8.29					

Condensed Interim Unconsolidated Statement of Comprehensive Income (Unaudited)

For the Six Months Ended December 31, 2014

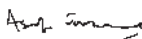
Amounts in Rs '000

	For the 3 months ended December 31, 2014	For the 6 months ended December 31, 2014	For the 3 months ended December 31, 2013	For the 6 months ended December 31, 2013
Profit for the period	673,311	1,025,430	458,640	765,381
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	673,311	1,025,430	458,640	765,381

The annexed notes from 1 to 22 form an integral part of the condensed interim unconsolidated financial information.



Muhammad Sohail Tabba
Chairman / Director



Asif Jooma
Chief Executive



Muhammad Abid Ganatra
Chief Financial Officer

Condensed Interim Unconsolidated Cash Flow Statement (Unaudited)

For the Six Months Ended December 31, 2014

Amounts in Rs '000

	December 31, 2014	December 31, 2013
Cash flows from operating activities		
Profit before taxation	1,358,353	937,055
Adjustments for:		
Depreciation and amortisation	809,039	593,011
Gain on disposal of property, plant and equipment	(501)	(1,006)
Provision for non-management staff gratuity and eligible retired employees' medical scheme	8,478	8,084
Provision for staff retirement benefit plan	25,430	23,196
Dividend income from Associate	(40,000)	-
Interest on bank deposits	(463)	-
Interest expense	214,831	153,143
	2,375,167	1,713,483
Movement in:		
Working capital (Ref. 1)	(84,756)	1,007,333
Long-term loans	(25,284)	(10,877)
Long-term deposits and prepayments	(1,349)	3,368
Cash generated from operations	2,263,778	2,713,307
Payments for:		
Non-management staff gratuity and eligible retired employees' medical scheme	(7,567)	(15,706)
Staff retirement benefit plan	(24,001)	(21,816)
Taxation	(320,586)	(203,160)
Interest	(163,126)	(158,430)
Net cash generated from operating activities	1,748,498	2,314,195
Cash flows from investing activities		
Payments for capital expenditure	(1,753,469)	(1,086,597)
Proceeds from disposal of property, plant and equipment	2,123	6,644
Dividend income from Associate	40,000	-
Interest on bank deposits	463	-
Long-term investments	(720,000)	-
Net cash used in investing activities	(2,430,883)	(1,079,953)
Cash flows from financing activities		
Long-term borrowings	(294,444)	1,500,000
Dividend paid	(366,846)	(331)
Net cash (used in) / generated from financing activities	(661,290)	1,499,669
Net (decrease) / increase in cash and cash equivalents	(1,343,675)	2,733,911
Cash and cash equivalents at the start of the period	414,727	(1,924,200)
Cash and cash equivalents at the end of period (Ref. 2)	(928,948)	809,711
Ref. 1: Movement in working capital		
Increase in current assets		
Stores, spares and consumables	(44,179)	21,655
Stock-in-trade	(139,718)	(353,359)
Trade debts	(628,505)	(160,576)
Loans and advances	(154,418)	(93,215)
Trade deposits and short-term prepayments	23,542	33,062
Other receivables	360,480	143,188
	(562,798)	(409,245)
Increase in current liability		
Trade and other payables	478,042	1,416,578
	(84,756)	1,007,333
Ref. 2: Cash and cash equivalents at the end of period comprise of:		
Cash and bank balances	125,381	1,382,378
Short-term borrowings and running finance	(1,054,329)	(572,667)
Cash and bank balances	(928,948)	809,711

The annexed notes from 1 to 22 form an integral part of the condensed interim unconsolidated financial information.


Muhammad Sohail Tabba
Chairman / Director


Asif Jooma
Chief Executive


Muhammad Abid Ganatra
Chief Financial Officer

Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited)

For the Six Months Ended December 31, 2014

Amounts in Rs '000

	Issued, subscribed and paid-up share capital	Capital reserves	Unappropriated profit	Total
Balance as on July 1, 2013	923,591	309,643	8,555,755	9,788,989
Profit for the period	-	-	765,381	765,381
Other comprehensive income for the period - net off taxation	-	-	-	-
Total comprehensive income	-	-	765,381	765,381
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net off deferred tax	-	-	38,909	38,909
Balance as on December 31, 2013	923,591	309,643	9,360,045	10,593,279
Interim dividend for the period ended June 30, 2014	-	-	(369,436)	(369,436)
Profit for the period	-	-	936,835	936,835
Other comprehensive income for the period - net off taxation	-	-	35,452	35,452
Total comprehensive income	-	-	972,287	972,287
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net off deferred tax	-	-	41,297	41,297
Balance as on June 30, 2014	923,591	309,643	10,004,193	11,237,427
Final dividend for the year ended June 30, 2014	-	-	(369,436)	(369,436)
Profit for the period	-	-	1,025,430	1,025,430
Other comprehensive income for the period - net off taxation	-	-	-	-
Total comprehensive income	-	-	1,025,430	1,025,430
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net off deferred tax	-	-	30,052	30,052
Balance as on December 31, 2014	923,591	309,643	10,690,239	11,923,473

The annexed notes from 1 to 22 form an integral part of the condensed interim unconsolidated financial information.


Muhammad Sohail Tabba
Chairman / Director


Asif Jooma
Chief Executive


Muhammad Abid Ganatra
Chief Financial Officer

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Six Months Ended December 31, 2014

Amounts in Rs '000

1 Status and nature of business

ICI Pakistan Limited ("the Company") is incorporated in Pakistan and is listed on the Karachi, Lahore and Islamabad Stock Exchanges. The Company is a subsidiary of Lucky Holding Limited (a subsidiary of Lucky Cement Limited) and is engaged in the manufacture of polyester staple fibre, POY chips, soda ash, specialty chemicals, sodium bicarbonate and polyurethanes; marketing of seeds, toll manufactured and imported pharmaceuticals and animal health products; and merchandising of general chemicals. It also acts as an indenting agent and toll manufacturer. The Company's registered office is situated at 5 West Wharf, Karachi.

These are the separate condensed interim financial statements of the Company in which investment in subsidiary and associate is stated at cost less impairment losses if any.

2 Statement of compliance

The condensed interim unconsolidated financial information has been presented in condensed form in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and is being submitted to shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984. This condensed interim unconsolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended June 30, 2014.

3 Significant accounting policies

The accounting policies and methods of computation adopted for the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of the financial statements for the year ended June 30, 2014, except for the adoption of new accounting standards and interpretations as disclosed in note 18 to these financial statements.

4 Property, plant and equipment

	December 31, 2014 (Unaudited)	June 30, 2014 (Audited)
Operating fixed assets - at net book value	10,187,254	10,756,006
Capital work-in-progress - at cost		
Civil works and buildings	383,878	270,916
Plant and machinery	2,111,463	606,122
Advances to suppliers / contractors	76,301	19,013
	Note 4.2	
	2,571,642	896,051
Total property, plant and equipment	12,758,896	11,652,057

4.1 Following is the cost of operating property, plant and equipment that have been added / disposed off during the six months ended December 31, 2014:

	Additions / Transfers		Disposals - NBV	
	December 31, 2014 (Unaudited)	June 30, 2014 (Audited)	December 31, 2014 (Unaudited)	June 30, 2014 (Audited)
Freehold land	-	96,137	-	-
Lime beds on freehold land	250	10,899	-	-
Buildings on freehold land	4,088	92,172	-	30
Buildings on leasehold land	13,942	443,596	387	260
Plant and machinery	171,664	3,398,311	1,159	16,045
Rolling stock and vehicles	3,917	6,090	-	4,700
Furniture and equipment	24,371	63,604	76	555
Total	218,232	4,110,809	1,622	21,590

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Six Months Ended December 31, 2014

Amounts in Rs '000

	December 31, 2014 (Unaudited)	June 30, 2014 (Audited)
4.2 The following is the movement in capital work-in-progress during the period		
Opening balance	896,051	2,549,354
Add: Addition during the period	1,844,486	2,409,836
	2,740,537	4,959,190
Less: Transferred to operating fixed assets	168,895	4,063,139
Closing balance	2,571,642	896,051

5 Intangible assets

Intangible assets - at net book value - note 5.1	48,228	64,261
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5.1 This includes additions of intangible assets of Rs 7.645 million during the period.

6 Long-term investments

Unquoted

Subsidiary - ICI Pakistan PowerGen Limited

(wholly owned) - note 6.1

7,100,000 ordinary shares (June 30, 2014: 7,100,000)

of Rs 100 each

Less: Provision of impairment loss recognized in December 2011

710,000

209,524

500,476

710,000

209,524

500,476

Associate - NutriCo Pakistan (Private) Limited (30% ownership)

125,000 ordinary shares (June 30, 2014: Nil shares) of Rs. 1,000

each and premium of Rs. 4,760 per share

720,000

-

Others

Equity security available for sale - Arabian Sea Country Club Limited

2,500

2,500

Total long-term investments	1,222,976	502,976
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6.1 The value of the Company's investment on the basis of net assets of the Subsidiary as disclosed in the unaudited condensed interim financial information as at December 31, 2014 amounted to Rs 815.425 million (June 30, 2014: Rs 773.149 million).

7 Long-term loans

Considered Good

Due from Directors, Executives and Employees	360,255	329,124
Less: Current portion shown under current assets		
Due from Directors, Executives and Employees	81,494	75,647
Total long-term loans	278,761	253,477

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Six Months Ended December 31, 2014

Amounts in Rs '000

December 31, 2014 (Unaudited)	June 30, 2014 (Audited)
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8 Stock-in-trade

It includes items carried at net realisable value of Rs. 440.198 million on which expense of Rs. 22.608 million was recognised during the period.

9 Long-term loans - note 9.1, 9.2 and 9.3

1,719,297 2,314,805

There is no material change in the amounts and disclosures made in the annual financial statements with regard to long-term loans except for the following:

9.1 Long-term financing facility

Faysal Bank Limited	343,591	343,591
Less: Current portion of long term finance	63,386	-
	280,205	343,591
Habib Bank Limited	543,435	543,435
Less: Current portion of long term finance	54,343	-
	489,092	543,435

9.2 Islamic term finance

Standard Chartered Bank (Pakistan) Limited	1,000,000	1,000,000
Less: Principal paid	300,000	200,000
Less: Current portion of long term loan	500,000	400,000
	200,000	400,000
Meezan Bank Limited	500,000	500,000
Less: Principal paid	111,112	-
Less: Current portion of long term loan	222,222	222,222
	166,666	277,778

9.3 Other long-term loan

Allied Bank Limited	1,000,000	1,000,000
Less: Principal Paid	83,333	-
Less: Current portion of long term loan	333,333	249,999
	583,334	750,001

10 Deferred tax liability - net

Deductible temporary differences		
Provisions for retirement benefits, doubtful debts and others	(243,865)	(259,368)
Retirement fund provision routed through other comprehensive income	(64,169)	(65,232)
Taxable temporary differences		
Property, plant and equipment	1,293,227	1,418,318
	985,193	1,093,718

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Six Months Ended December 31, 2014

Amounts in Rs '000

	December 31, 2014 (Unaudited)	June 30, 2014 (Audited)
11. Short-term borrowings and running finance - note 11.1, 11.2 & 11.3	1,054,329	437,368

There is no material change in the amounts and disclosures made in the annual financial statements with regard to short-term borrowings and running finance except for the following:

11.1 Foreign currency loan against import finance	-	267,368
11.2 Export refinance	241,962	170,000

The Company has export refinance facility of Rs. 800 million (June 30, 2014: Rs. 200 million) available from Faysal Bank Limited as at December 31, 2014 out of which Rs. 241.96 million was utilized (June 30, 2014: Rs. 170 million). The export refinance facility carries mark-up at SBP rate + 0.25% per annum.

The above export refinance facility is secured by first pari passu hypothecation charge over the present and future stock-in-trade and book debts of the Company.

11.3 Short term running finance - secured	812,367	-
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The above short term running finance is secured by first pari passu hypothecation charge and carry mark-up during the period of relevant KIBOR + 0.20% to 1.00% per annum with a weighted average markup rate of relevant KIBOR + 0.32% as at December 31, 2014 on utilized limits (June 30, 2014: relevant KIBOR + 0.20% to 1.00% per annum with an average markup rate of relevant KIBOR + 0.20% on utilized limits).

12 Contingencies and commitments

12.1 Claims against the Company not acknowledged as debts are as follows:

Local bodies	32,261	32,261
Others	36,216	36,616
Total	68,477	68,877

12.2 There are no changes in the status of income tax contingencies as reported in the annual audited financial statements of the Company for the year ended June 30, 2014. However following sales tax contingency has arisen during half year ended December 31, 2014:

Sales tax case – Suit no. 1793 of 2014

In course of conducting a sales tax audit for the period July 2012 to June 2013, Federal Board of Revenue raised certain issues with respect to exemption and zero-rating / reduced rate benefit available to The Company on its sales. On September 12, 2014 The Company received an order in which demand of Rs. 968.753 million was raised. The Company being aggrieved has filed a suit in the Sindh High Court (Suit no. 1793 of 2014) for relief in which the court has granted ad-interim relief till the next date of hearing which is yet to take place. The Company has also filed an appeal with CIR(A) in which no hearing has taken place to date. The Company is confident that there is no merit in this claim and hence it is probable that the case would be decided in favor of The Company. Therefore, no provision in respect of above has been made in these financial statements.

12.3 Commitments in respect of capital expenditure (including coal fired projects of Soda Ash & Polyester Businesses)	3,619,914	1,168,636
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For the Six Months Ended December 31, 2014

Amounts in Rs '000

- 12.4** During the half year under review, ICI Pakistan Limited invested Rs. 720 million in the NutriCo Pakistan (Private) Limited (Moringa business) out of total commitment of Rs 960 million as reported earlier through signing of shareholders and share subscription agreements with Unibrands. At the Balance sheet date Rs. 240 million remains as a commitment.
- 12.5** Commitments for rentals under operating lease / Ijarah agreements in respect of vehicles are as follows:

	December 31, 2014 (Unaudited)	June 30, 2014 (Audited)
Year		
2014-15	31,580	61,657
2015-16	52,556	48,649
2016-17	39,924	34,403
2017-18	14,117	9,203
2018-19	619	-
	138,796	153,912
Payable not later than one year	31,580	61,657
Payable later than one year but not later than five years	107,216	92,255
	138,796	153,912

	For the 3 months ended December 31, 2014	For the 6 months ended December 31, 2014	For the 3 months ended December 31, 2013	For the 6 months ended December 31, 2013
(Unaudited)				

13 Turnover

Inter-segment sales and purchases have been eliminated from the total.

683	3,861	2,116	3,370
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- 13.1** Transactions among the business segments are recorded at arm's length prices using admissible valuation methods.
- 13.2** Turnover includes export sales of Rs 354.610 million made to various countries during the period ended December 31, 2014.

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Six Months Ended December 31, 2014

Amounts in Rs '000

	For the 3 months ended December 31, 2014	For the 6 months ended December 31, 2014	For the 3 months ended December 31, 2013	For the 6 months ended December 31, 2013
	(Unaudited)			
14 Cost of sales				
Opening stock of raw and packing materials	2,287,471	2,339,345	2,102,335	2,069,329
Purchases	4,348,358	9,395,996	5,244,710	10,649,724
	6,635,829	11,735,341	7,347,045	12,719,053
Closing stock of raw and packing materials	(1,773,922)	(1,773,922)	(2,303,938)	(2,303,938)
Raw and packing materials consumption	4,861,907	9,961,419	5,043,107	10,415,115
Manufacturing costs	2,141,468	4,091,338	1,934,929	3,646,743
	7,003,375	14,052,757	6,978,036	14,061,858
Opening stock of work-in-process	110,105	165,341	151,361	232,840
	7,113,480	14,218,098	7,129,397	14,294,698
Closing stock of work-in-process	(103,982)	(103,982)	(219,145)	(219,145)
Cost of goods manufactured	7,009,498	14,114,116	6,910,252	14,075,553
Opening stock of finished goods	2,383,457	2,077,947	2,600,633	2,271,107
Finished goods purchased	1,713,301	2,952,756	1,255,580	2,426,323
	11,106,256	19,144,819	10,766,465	18,772,983
Closing stock of finished goods	(2,844,448)	(2,844,448)	(2,403,552)	(2,403,552)
Cost of Sales	8,261,808	16,300,371	8,362,913	16,369,431

15 Taxation

Current	251,855	441,446	(78,618)	85,299
Prior year adjustment	-	-	(31,557)	(31,557)
Deferred	(34,875)	(108,523)	143,050	117,932
	216,980	332,923	32,875	171,674

16 Transactions with related parties

The related parties comprise ultimate holding company (Lucky Cement Limited), intermediary holding company (Lucky Holdings Limited), related group companies, local associated company, subsidiary company, directors of the Company, companies where directors also hold directorship, key employees and staff retirement funds. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Subsidiary company

Purchase of goods, materials and services	205,229	434,799	244,370	525,681
Provision of services and other receipts	495	990	495	990
Sale of goods, materials and services	1,417	3,869	703	1,771

Associated companies

Purchase of goods, materials and services	9,347	28,062	21	1,318
Sale of goods and materials	413,621	897,580	281,577	606,143
Royalty	137,438	206,158	68,660	137,015
Dividend from Associate	40,000	40,000	-	-
Staff retirements benefits	46,436	78,735	42,138	70,274
Reimbursement of expenses incurred on behalf of Associate	5,700	15,000	-	-

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Six Months Ended December 31, 2014

16.1 Transaction with key management personnel

Key management personnel received an amount of Rs 115.685 million (December 31, 2013: Rs 99.764 million) on account of remuneration out of which Rs 14.602 million (December 31, 2013: Rs 15.447 million) relates to post employment benefits.

17 Estimates

Judgments and estimates made by the management in the preparation of the condensed interim unconsolidated financial statements were the same as those that were applied to the represented financial statements as at and for the year ended June 30, 2014.

18 New amended and revised standards and interpretations of IFRSs

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those of the previous financial year except as follows:

The Company has adopted the following amendments and interpretation of IFRSs which became effective for the current period:

IAS 19 – Employee Benefits – Defined Benefit Plans: Employee Contributions

IAS 32 – Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities

IAS 36 – Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets

IAS 39 – Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting

IFRIC 21 – Levies

The adoption of the above amendments to accounting standards and interpretations did not have any effect on the condensed interim financial statements.

In addition to the above standards and interpretations, improvements to various accounting standards have also been issued by the IASB and are generally effective for current period. The Company expects that such improvements to the standards do not have any impact on the Company's financial statements for the period.

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Six Months Ended December 31, 2014

19 Financial risk management

The Company's financial risk management objective and policies are consistent with that disclosed in the represented financial statements as at and for the year ended June 30, 2014.

20 Post balance sheet - dividend

The Directors in their meeting held on February 19, 2015 have recommended an interim cash dividend of Rs 5.00 per share in respect of six months ended December 31, 2014. The condensed interim unconsolidated financial statement for the six months ended December 31, 2014 do not include the effect of the above interim dividend which will be accounted for in the period in which it is approved.

21 Date of authorisation

The condensed interim unconsolidated financial information was authorised for issue in the Board of Directors meeting held on February 19, 2015.

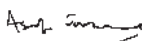
22 General

22.1 Royalty expense pertaining to Lucky Holdings Limited has been reclassified in corresponding period amounting to Rs. 137 million for six months and Rs. 68.6 million for three months from cost of goods sold to selling & distribution expenses. There are no other reclassifications made in these financial statements.

22.2 Figures have been rounded off to the nearest thousand rupees except as stated otherwise.



Muhammad Sohail Tabba
Chairman / Director



Asif Jooma
Chief Executive



Muhammad Abid Ganatra
Chief Financial Officer



ICI PAKISTAN

ICI Pakistan Limited and its Subsidiary Company Consolidated Financial Statements



Review of the Directors

For the Six Months Ended December 31, 2014

The Directors are pleased to present their report together with the unaudited Group results of ICI Pakistan Limited for the quarter and half year ended December 31, 2014. The ICI Pakistan Group comprises ICI Pakistan Limited and ICI Pakistan PowerGen Limited (PowerGen), a wholly owned subsidiary.

The Directors' report, giving a commentary on the performance of ICI Pakistan Limited for the quarter ended December 31, 2014, has been presented separately.

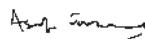
Net Sales of PowerGen for the first half of year stands at PKR 372 million which is 17% lower as compared to corresponding period due to lower electricity sales. This is also due to lower demand from the Polyester plant of ICI Pakistan Limited. Further, the classification of PowerGen under Captive Power category by SNGPL resulted in higher raw material costs. As a result, the operating profit declined by 39% as compared to the corresponding period last year (PKR 46 million versus PKR 75 million last year).

During the six months ended December 31, 2014, the Company completed a 30% equity participation in NutriCo Pakistan Pvt. Ltd., of which PKR 34 million has been recognised as 'Share of Profit from Associate'.



Muhammad Sohail Tabba
Chairman / Director

February 19, 2015
Karachi



Asif Jooma
Chief Executive

Condensed Interim Consolidated Balance Sheet

As at December 31, 2014

Amounts in Rs '000

	Note	December 31, 2014 (Unaudited)	June 30, 2014 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	4	12,926,421	11,808,502
Intangible assets	5	48,228	64,261
		12,974,649	11,872,763
Long-term investment	6	756,527	2,500
Long-term loans	7	281,087	256,525
Long-term deposits and prepayments		29,191	27,843
		1,066,805	286,868
		14,041,454	12,159,631
Current assets			
Stores, spares and consumables		659,325	617,668
Stock-in-trade	8	4,736,996	4,607,216
Trade debts		1,512,303	883,710
Loans and advances		347,380	193,000
Trade deposits and short-term prepayments		191,367	220,018
Other receivables		1,114,032	1,488,685
Taxation - net		1,644,924	1,765,784
Cash and bank balances		125,511	858,204
		10,331,838	10,634,285
Total assets		24,373,292	22,793,916

EQUITY AND LIABILITIES

Share capital and reserves

Authorised capital			
1,500,000,000 (June 30, 2014: 1,500,000,000)			
ordinary shares of Rs 10 each		15,000,000	15,000,000
Issued, subscribed and paid-up capital			
92,359,050 (June 30, 2014: 92,359,050)			
ordinary shares of Rs 10 each		923,591	923,591
Capital reserves		309,643	309,643
Revenue reserves - Unappropriated profit		10,887,463	10,125,694
Total equity		12,120,697	11,358,928

Surplus on revaluation of property, plant and equipment		755,047	784,517
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Non-current liabilities

Provisions for non-management staff gratuity		84,593	78,081
Long-term loans	9	1,719,297	2,314,805
Deferred tax liability - net	10	985,193	1,093,718
		2,789,083	3,486,604

Current liabilities

Current portion of long-term loan		1,173,284	872,221
Trade and other payables		6,482,148	5,854,278
Short-term borrowings and running finance	11	1,053,033	437,368
		8,708,465	7,163,867

Total equity and liabilities		24,373,292	22,793,916
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Contingencies and commitments 12

The annexed notes 1 to 22 form an integral part of the condensed interim consolidated financial information.


Muhammad Sohail Tabba
Chairman / Director


Asif Jooma
Chief Executive


Muhammad Abid Ganatra
Chief Financial Officer

Condensed Interim Consolidated Profit and Loss Account (Unaudited)

For the Six Months Ended December 31, 2014

	Polyester				Soda Ash				Life Sciences			
	For the 3 months ended December 31, 2014	For the 6 months ended December 31, 2014	For the 3 months ended December 31, 2013	For the 6 months ended December 31, 2013	For the 3 months ended December 31, 2014	For the 6 months ended December 31, 2014	For the 3 months ended December 31, 2013	For the 6 months ended December 31, 2013	For the 3 months ended December 31, 2014	For the 6 months ended December 31, 2014	For the 3 months ended December 31, 2013	For the 6 months ended December 31, 2013
Turnover - note 13	4,567,605	9,134,184	4,993,168	10,000,060	3,013,708	6,034,314	2,545,907	5,005,310	2,607,564	4,605,611	2,113,822	3,664,323
Sales tax	(89,575)	(179,121)	(97,942)	(196,118)	(418,540)	(826,691)	(360,623)	(707,177)	(52,117)	(75,463)	(7,864)	(14,541)
Commission and discounts to distributors and customers	(115,596)	(231,400)	(105,027)	(209,089)	(85,753)	(187,438)	(109,493)	(191,442)	(365,096)	(633,626)	(224,404)	(412,619)
	(205,171)	(410,521)	(202,969)	(405,207)	(504,293)	(1,014,129)	(470,116)	(898,619)	(417,213)	(709,089)	(232,268)	(427,160)
Net sales, commission and toll income	4,362,434	8,723,663	4,790,199	9,594,853	2,509,415	5,020,185	2,075,791	4,106,691	2,190,351	3,896,522	1,881,554	3,237,163
Cost of sales - note 13 and 14	(4,195,487)	(8,617,468)	(4,814,139)	(9,794,646)	(1,831,956)	(3,561,589)	(1,541,626)	(2,872,366)	(1,568,708)	(2,814,190)	(1,344,126)	(2,334,623)
Gross profit	166,947	106,195	(23,940)	(199,793)	677,459	1,458,596	534,165	1,234,325	621,643	1,082,332	537,428	902,540
Selling and distribution expenses	(64,664)	(126,029)	(62,539)	(129,818)	(67,839)	(136,644)	(57,298)	(108,206)	(236,208)	(468,713)	(200,976)	(375,872)
Administration and general expenses	(70,991)	(145,740)	(82,384)	(150,663)	(59,859)	(124,682)	(74,868)	(130,780)	(58,314)	(110,292)	(55,277)	(100,577)
Operating result	31,292	(165,574)	(168,863)	(480,274)	549,761	1,197,270	401,999	995,339	327,121	503,327	281,175	426,091
Financial charges												
Exchange gains / (losses)												
Workers' profit participation fund												
Workers' welfare fund												
Other charges												
Other income												
Share of profit from Associate												
Profit before taxation												
Taxation - note 15												
Profit after taxation												

Basic and diluted earnings per share

The annexed notes 1 to 22 form an integral part of the condensed interim consolidated financial information.

For the Six Months Ended December 31, 2014

Chemicals				Others - PowerGen				Group			
For the 3 months ended December 31, 2014	For the 6 months ended December 31, 2014	For the 3 months ended December 31, 2013	For the 6 months ended December 31, 2013	For the 3 months ended December 31, 2014	For the 6 months ended December 31, 2014	For the 3 months ended December 31, 2013	For the 6 months ended December 31, 2013	For the 3 months ended December 31, 2014	For the 6 months ended December 31, 2014	For the 3 months ended December 31, 2013	For the 6 months ended December 31, 2013
996,424	1,951,358	982,204	2,043,809	205,229	434,799	244,370	525,681	11,184,619	21,721,607	10,632,985	20,710,132
(100,016)	(195,208)	(101,743)	(213,352)	(29,820)	(63,176)	(35,507)	(76,381)	(690,068)	(1,339,659)	(603,679)	(1,207,569)
(75,060)	(146,441)	(71,928)	(148,236)	-	-	-	-	(641,505)	(1,198,905)	(510,852)	(961,386)
(175,076)	(341,649)	(173,671)	(361,588)	(29,820)	(63,176)	(35,507)	(76,381)	(1,331,573)	(2,538,564)	(1,114,531)	(2,168,955)
821,348	1,609,709	808,533	1,682,221	175,409	371,623	208,863	449,300	9,853,046	19,183,043	9,518,454	18,541,177
(666,340)	(1,310,985)	(665,138)	(1,371,166)	(154,827)	(325,518)	(172,549)	(373,015)	(8,210,972)	(16,190,221)	(8,290,657)	(16,215,895)
155,008	298,724	143,395	311,055	20,582	46,105	36,314	76,285	1,642,074	2,992,822	1,227,797	2,325,282
(57,691)	(118,101)	(48,402)	(95,680)	-	-	-	-	(426,402)	(849,487)	(369,215)	(709,576)
(31,227)	(62,756)	(20,542)	(55,221)	(199)	(289)	(519)	(810)	(220,530)	(443,639)	(233,530)	(437,931)
66,090	117,867	74,451	160,154	20,383	45,816	35,795	75,475	995,142	1,699,696	625,052	1,177,775
								(98,364)	(215,735)	(69,870)	(153,514)
								38,296	(44,277)	(5,411)	(17,035)
								(47,850)	(73,766)	(27,602)	(53,182)
								(18,554)	(28,584)	(10,701)	(20,552)
								(14,614)	(20,613)	(4,278)	(9,042)
								(141,086)	(382,975)	(117,862)	(253,325)
								55,106	83,908	17,109	82,600
								34,027	34,027	-	-
								943,189	1,434,656	524,299	1,007,050
								(216,980)	(332,923)	(32,875)	(171,674)
								726,209	1,101,733	491,424	835,376
								(Rupees)			
								7.86	11.93	5.32	9.04

Asif Jooma
Chief Executive


Muhammad Abid Ganatra
Chief Financial Officer

Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)

For the Six Months Ended December 31, 2014

Amounts in Rs '000

	For the 3 months ended December 31, 2014	For the 6 months ended December 31, 2014	For the 3 months ended December 31, 2013	For the 6 months ended December 31, 2013
Profit for the period	726,209	1,101,733	491,424	835,376
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	726,209	1,101,733	491,424	835,376

The annexed notes from 1 to 22 form an integral part of the condensed interim consolidated financial information.


Muhammad Sohail Tabba
Chairman / Director


Asif Jooma
Chief Executive


Muhammad Abid Ganatra
Chief Financial Officer

Condensed Interim Consolidated Cash Flow Statement (Unaudited)

For the Six Months Ended December 31, 2014

Amounts in Rs '000

	December 31, 2014	December 31, 2013
Cash Flows from operating activities		
Profit before taxation	1,434,656	1,007,050
Adjustments for:		
Depreciation and amortisation	834,628	613,452
Gain on disposal of property, plant and equipment	(501)	(1,125)
Provision for non-management staff gratuity and eligible retired employees' medical scheme	8,478	8,084
Provision for staff retirement benefit plan	25,631	23,381
Dividend from Associate	(40,000)	-
Associate share of profits	(34,027)	-
Mark-up on bank deposits	(601)	-
Interest expense	214,889	153,493
	2,443,153	1,804,335
Movement in:		
Working capital (Ref. 1)	(120,631)	1,008,402
Long-term loans	(24,561)	(10,633)
Long-term deposits and prepayments	(1,349)	3,368
Cash generated from operations	2,296,612	2,805,472
Payments for :		
Non-management staff gratuity and eligible retired employees' medical scheme	(24,203)	(15,706)
Staff retirement benefit plan	(7,567)	(21,816)
Taxation	(320,586)	(203,160)
Interest	(163,185)	(158,780)
Net cash generated from operating activities	1,781,071	2,406,010
Cash flows from investing activities		
Payments for capital expenditure	(1,790,863)	(1,117,497)
Proceeds from disposal of property, plant and equipment	2,123	6,763
Dividend from Associate	40,000	-
Mark-up received on bank deposits	601	-
Long-term investments	(720,000)	-
Net cash used in investing activities	(2,468,139)	(1,110,734)
Cash flows from financing activities		
Long term financing	(294,444)	1,500,000
Dividend paid	(366,846)	(331)
Net cash (used in) / generated from financing activities	(661,290)	1,499,669
Net (decrease) / Increase in cash and cash equivalents	(1,348,358)	2,794,945
Cash and cash equivalents at the start of the period	420,836	(1,818,406)
Cash and cash equivalents at the end of the period (Ref. 2)	(927,522)	976,539

Ref. 1: Movement in working capital

Increase in current assets

Stores, spares and consumables	(41,656)	7,363
Stock-in-trade	(129,781)	(365,987)
Trade debts	(628,594)	(160,527)
Loans and advances	(154,380)	(94,801)
Trade deposits and short-term prepayments	27,189	29,065
Other receivables	374,654	163,505
	(552,568)	(421,382)

Increase in current liabilities

Trade and other payables	431,937	1,429,784
	(120,631)	1,008,402

Ref 2: Cash and cash equivalents at the end of period comprise of:

Cash and bank balances	125,511	1,549,206
Short-term borrowings and running finance	(1,053,033)	(572,667)
Cash and bank balances	(927,522)	976,539

The annexed notes 1 to 22 form an integral part of the condensed interim consolidated financial information.


Muhammad Sohail Tabba
Chairman / Director


Asif Jooma
Chief Executive


Muhammad Abid Ganatra
Chief Financial Officer

Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)

For the Six Months Ended December 31, 2014

Amounts in Rs '000

	Issued, subscribed and paid-up share capital	Capital reserves	Unappropriated profit	Total
Balance as on July 1, 2013	923,591	309,643	8,545,000	9,778,234
Profit for the period	-	-	835,376	835,376
Other comprehensive income for the period - net off taxation	-	-	-	-
Total comprehensive income	-	-	835,376	835,376
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net off deferred tax	-	-	38,598	38,598
Balance as on December 31, 2013	923,591	309,643	9,418,974	10,652,208
Interim dividend for the period ended June 30, 2014	-	-	(369,436)	(369,436)
Profit for the period	-	-	999,741	999,741
Other comprehensive income for the period - net off taxation	-	-	35,452	35,452
Total comprehensive income	-	-	1,035,193	1,035,193
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net off deferred tax	-	-	40,964	40,964
Balance as on June 30, 2014	923,591	309,643	10,125,695	11,358,929
Final dividend for the year ended June 30, 2014	-	-	(369,436)	(369,436)
Profit for the period	-	-	1,101,733	1,101,733
Other comprehensive income for the period - net off taxation	-	-	-	-
Total comprehensive income	-	-	1,101,733	1,101,733
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net off deferred tax	-	-	29,471	29,471
Balance as on December 31, 2014	923,591	309,643	10,887,463	12,120,697

The annexed notes from 1 to 22 form an integral part of the condensed interim consolidated financial information.


Muhammad Sohail Tabba
Chairman / Director


Asif Jooma
Chief Executive


Muhammad Abid Ganatra
Chief Financial Officer

Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months Ended December 31, 2014

1 Status and nature of business

The Group consists of ICI Pakistan Limited; and ICI Pakistan PowerGen Limited. ICI Pakistan Limited ("the Company") is incorporated in Pakistan and is listed on the Karachi, Lahore and Islamabad Stock Exchanges. ICI Pakistan PowerGen Limited ("the Subsidiary") is incorporated in Pakistan as an unlisted public company and is a wholly owned subsidiary company of ICI Pakistan Limited. The Group is a subsidiary of Lucky Holding Limited (a subsidiary of Lucky Cement Limited). The Company is engaged in the manufacture of polyester staple fibre, POY chips, soda ash, specialty chemicals, sodium bicarbonate and polyurethanes; marketing of seeds, toll manufactured and imported pharmaceuticals and animal health products; and merchandising of general chemicals. It also acts as an indenting agent and toll manufacturer. The Subsidiary is engaged in generating, selling and supplying electricity to the Company. The Group's registered office is situated at 5 West Wharf, Karachi.

The condensed interim consolidated financial information comprises the consolidated balance sheet of ICI Pakistan Limited and its subsidiary company, ICI Pakistan PowerGen Limited, as at December 31, 2014 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof.

2 Statement of compliance

The condensed interim consolidated financial information has been prepared in condensed form in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and is being submitted to shareholders in accordance with the requirements of section 245 of Companies Ordinance, 1984. This condensed interim consolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements as at and for the year ended June 30, 2014.

3 Significant accounting policies

The accounting policies and methods of computation adopted for the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the financial statements for the year ended June 30, 2014, except for the adoption of new accounting standards and interpretations as disclosed in note 18 to these financial statements.

4 Property, plant and equipment

	December 31, 2014 (Unaudited)	June 30, 2014 (Audited)
Operating assets - at net book value	10,337,736	10,908,546
Capital work-in-progress - at cost		
Civil works and buildings	383,878	270,916
Plant and machinery	2,128,506	610,027
Advances to suppliers / contractors	76,301	19,013
Note 4.2	2,588,685	899,956
Total property, plant and equipment	12,926,421	11,808,502

4.1 Following is the cost of operating property, plant and equipment that have been added / disposed off during the six months ended December 31, 2014:

	Additions / Transfers		Disposals - NBV	
	December 31, 2014 (Unaudited)	June 30, 2014 (Audited)	December 31, 2014 (Unaudited)	June 30, 2014 (Audited)
Freehold land	-	96,137	-	-
Lime beds on freehold land	250	10,899	-	-
Buildings on freehold land	4,616	92,816	-	30
Buildings on leasehold land	13,942	443,596	387	260
Plant and machinery	194,666	3,446,311	1,159	16,162
Rolling stock and vehicles	3,917	6,090	-	4,700
Furniture and equipment	24,371	63,603	76	555
Total	241,762	4,159,452	1,622	21,707

Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months Ended December 31, 2014

Amounts in Rs '000

	December 31, 2014 (Unaudited)	June 30, 2014 (Audited)
4.2 The following is the movement in capital work-in-progress during the period		
Opening balance	899,956	2,580,208
Add: Addition during the period	1,880,626	2,431,531
	2,780,582	5,011,739
Less: Transferred to operating fixed assets	191,897	4,111,783
Closing balance	2,588,685	899,956

5 Intangible assets

Intangible assets - at net book value - note 5.1	48,228	64,261
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5.1 This includes additions of intangible assets of Rs 7.645 million during the period.

6 Long-term investments

Unquoted

Associate - NutriCo Pakistan (Private) Limited (30% ownership)
125,000 ordinary shares (June 30, 2014: Nil shares) of Rs. 1,000
each and premium of Rs. 4,760 per share
Add: post acquisition share of profit

	720,000	-
	34,027	-
Carrying value of Associate	754,027	-

Others

Equity security available for sale - Arabian Sea Country Club Limited

	2,500	2,500
Total long-term investments	756,527	2,500

7 Long-term loans

Considered good

Due from Directors, Executives and Employees

Less: Current portion shown under current assets

Due from Directors, Executives and Employees

	363,720	333,356
	82,633	76,831
Total long-term loans	281,087	256,525

8 Stock-in-trade

It includes items carried at net realisable value of Rs. 440.198 million on which expense of Rs. 22.608 million was recognised during the period.

Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months Ended December 31, 2014

Amounts in Rs '000

	December 31, 2014 (Unaudited)	June 30, 2014 (Audited)
9 Long-term loans - note 9.1, 9.2 & 9.3	1,719,297	2,314,805
There is no material change in the amounts and disclosures made in the annual financial statements with regard to long-term loans except for the following:		
9.1 Long-term financing facility		
Faysal Bank Limited	343,591	343,591
Less: Current portion of long term finance	63,386	-
	280,205	343,591
Habib Bank Limited	543,435	543,435
Less: Current portion of long term finance	54,343	-
	489,092	543,435
9.2 Islamic term finance		
Standard Chartered Bank (Pakistan) Limited	1,000,000	1,000,000
Less: Principal paid	300,000	200,000
Less: Current portion of long term loan	500,000	400,000
	200,000	400,000
Meezan Bank Limited	500,000	500,000
Less: Principal paid	111,112	-
Less: Current portion of long term loan	222,222	222,222
	166,666	277,778
9.3 Other long-term loan		
Allied Bank Limited	1,000,000	1,000,000
Less: Principal paid	83,333	-
Less: Current portion of long term loan	333,333	249,999
	583,334	750,001
10 Deferred tax liability - net		
Deductible temporary differences		
Provisions for retirement benefits, doubtful debts and others	(243,865)	(259,368)
Retirement fund provision routed through other comprehensive income	(64,169)	(65,232)
Taxable temporary differences		
Property, plant and equipment	1,293,227	1,418,318
	985,193	1,093,718

Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months Ended December 31, 2014

Amounts in Rs '000

	December 31, 2014 (Unaudited)	June 30, 2014 (Audited)
11 Short-term borrowings and running finance - note 11.1, 11.2 & 11.3	1,053,033	437,368

There is no material change in the amounts and disclosures made in the annual financial statements with regard to short-term borrowings and running finance except for the following:

11.1 Foreign currency loan against import finance	-	267,368
11.2 Export refinance	241,962	170,000

The Group has export refinance facility of Rs. 800 million (June 30, 2014: Rs. 200 million) available from Faysal Bank Limited as at December 31, 2014 out of which Rs. 241.96 million was utilized (June 30, 2014: Rs. 170 million). The export refinance facility carries mark-up at SBP rate + 0.25% per annum.

The above export refinance facility is secured by first pari passu hypothecation charge over the present and future stock-in-trade and book debts of the Group.

11.3 Short - term running finance - secured	811,071	-
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The above short - term running finance is secured by first pari passu hypothecation charge and carry mark-up during the period of KIBOR + 0.20% to 1.00% per annum with an average markup rate of relevant KIBOR + 0.32% as at December 31, 2014 on utilized limits (June 30, 2014: relevant KIBOR + 0.20% to 1.00% per annum with an average markup rate of relevant KIBOR + 0.20% on utilized limits).

12. Contingencies and commitments

12.1 Claims against the Group not acknowledged as debts are as follows:

Local bodies	49,972	49,972
Others	36,216	36,616
Total	86,188	86,588

12.2 There are no changes in the status of income tax contingencies as reported in the annual audited financial statements of the Group for the year ended June 30, 2014. However following sales tax contingency has arisen during the six months ended December 31, 2014:

Sales tax case – Suit no. 1793 of 2014

In course of conducting a sales tax audit for the period July 2012 to June 2013, Federal Board of Revenue raised certain issues with respect to exemption and zero-rating / reduced rate benefit available to The Group on its sales. On September 12, 2014 The Group received an order in which demand of Rs. 968.753 million was raised. The Group being aggrieved has filed a suit in the Sindh High Court (Suit no. 1793 of 2014) for relief in which the court has granted ad-interim relief till the next date of hearing which is yet to take place. The Group has also filed an appeal with CIR(A) in which no hearing has taken place to date. The Group is confident that there is no merit in this claim and hence it is probable that the case would be decided in favor of The Group. Therefore, no provision in respect of above has been made in these financial statements.

12.3 Commitments in respect of capital expenditure (including Coal Fired based Projects of Soda Ash & Polyester Business)	3,628,704	1,172,736
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Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months Ended December 31, 2014

Amounts in Rs '000

12.4 During the half year under review, Group invested Rs. 720 million in the NutriCo Pakistan (Private) Limited (Morinaga business) out of total commitment of Rs. 960 million as reported earlier through signing of shareholders and share subscription agreements with Unibrands. At the Balance sheet date Rs. 240 million remains as a commitment.

12.5 Commitments for rentals under operating lease / Ijarah agreements in respect of vehicles are as follows:

<u>Year</u>	December 31, 2014 (Unaudited)	June 30, 2014 (Audited)
2014-15	31,866	62,223
2015-16	53,129	49,215
2016-17	40,497	34,969
2017-18	14,117	9,203
2018-19	619	-
	140,228	155,610
Payable not later than one year	31,866	62,223
Payable later than one year but not later than five years	108,362	93,387
	140,228	155,610

For the 3 months ended December 31, 2014	For the 6 months ended December 31, 2014	For the 3 months ended December 31, 2013	For the 6 months ended December 31, 2013
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(Unaudited)

13 Turnover

Inter-segment sales and purchases have been eliminated from the total	205,911	438,659	246,486	529,051
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13.1 Transactions among the business segments are recorded at arm's length prices using admissible valuation methods.

13.2 Turnover includes export sales of Rs. 354.610 million made to various countries during the period ended December 31, 2014.

Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months Ended December 31, 2014

	For the 3 months ended December 31, 2014	For the 6 months ended December 31, 2014	For the 3 months ended December 31, 2013	For the 6 months ended December 31, 2013
(Unaudited)				
14 Cost of sales				
Opening stock of raw and packing materials	2,305,143	2,363,927	2,126,386	2,090,931
Purchases	4,345,331	9,386,059	5,254,890	10,662,353
	6,650,474	11,749,986	7,381,276	12,753,284
Closing stock of raw and packing materials	(1,788,566)	(1,788,566)	(2,338,169)	(2,338,169)
Raw and packing materials consumption	4,861,908	9,961,420	5,043,107	10,415,115
Manufacturing costs	2,090,631	3,981,187	1,862,672	3,493,206
	6,952,539	13,942,607	6,905,779	13,908,321
Opening stock of work-in-process	110,105	165,341	151,361	232,840
	7,062,644	14,107,948	7,057,140	14,141,161
Closing stock of work-in-process	(103,982)	(103,982)	(219,145)	(219,145)
Cost of goods manufactured	6,958,662	14,003,966	6,837,995	13,922,016
Opening stock of finished goods	2,383,457	2,077,947	2,600,633	2,271,107
Finished goods purchased	1,713,301	2,952,756	1,255,580	2,426,323
	11,055,420	19,034,669	10,694,208	18,619,446
Closing stock of finished goods	(2,844,448)	(2,844,448)	(2,403,551)	(2,403,551)
	8,210,972	16,190,221	8,290,657	16,215,895

15 Taxation

Current	251,855	441,446	(78,618)	85,299
Prior year adjustment	-	-	(31,557)	(31,557)
Deferred	(34,875)	(108,523)	143,050	117,932
	216,980	332,923	32,875	171,674

16 Transactions with related parties

The related parties comprise ultimate holding company (Lucky Cement Limited), related group companies, local associated company, directors of the Group, companies where directors also hold directorship, key employees and staff retirement funds. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Associated companies

Purchase of goods, materials and services	9,347	28,062	21	1,318
Sale of goods and materials	413,621	897,580	281,577	606,143
Royalty	137,438	206,158	68,660	137,015
Dividends from Associate	40,000	40,000	-	-
Contribution to staff retirement benefit plans	46,436	78,735	42,138	70,274
Reimbursement of expenses incurred on behalf of Associate	5,700	15,000	-	-

Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months Ended December 31, 2014

16.1 Transactions with key management personnel

Key management personnel received an amount of Rs 115.685 million (December 31, 2013: Rs 99.764 million on account of remuneration out of which Rs 14.602 million (December 31, 2013: Rs 15.447 million) relates to post employment benefits.

17 Estimates

Judgments and estimates made by the management in the preparation of the condensed interim consolidated financial statements were the same as those that were applied to the financial statements as at and for the year ended June 30, 2014.

18 New, amended and revised standards and interpretations of IFRS's

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those of the previous financial year except as follows:

The Group has adopted the following amendments and interpretation of IFRSs which became effective for the current period:

IAS 19 – Employee Benefits – Defined Benefit Plans: Employee Contributions

IAS 32 – Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities

IAS 36 – Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets

IAS 39 – Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting

IFRIC 21 – Levies

The adoption of the above amendments to accounting standards and interpretations did not have any effect on the condensed interim financial statements.

In addition to the above standards and interpretations, improvements to various accounting standards have also been issued by the IASB and are generally effective for current period. The Group expects that such improvements to the standards do not have any impact on the Group's financial statements for the period.

Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months Ended December 31, 2014

19 Financial risk management

The Group's financial risk management objective and policies are consistent with that disclosed in the financial statements as at and for the year ended June 30, 2014.

20 Post balance sheet - dividend

The Directors in their meeting held on February 19, 2015 have recommended an interim cash dividend of Rs 5.00 per share in respect of six months ended December 31, 2014. The condensed interim consolidated financial statement for the six months ended December 31, 2014 do not include the effect of the above interim dividend which will be accounted for in the period in which it is approved.

21 Date of authorisation

The condensed interim consolidated financial information was authorised for issue in the Board of Directors meeting held on February 19, 2015.

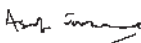
22 General

22.1 Royalty expense pertaining to Lucky Holdings Limited has been reclassified in corresponding period amounting to Rs. 137 million for six months and Rs. 68.6 million for three months from cost of goods sold to selling & distribution expenses. There are no other reclassifications made in these financial statements.

22.2 Figures have been rounded off to the nearest thousand rupees except as stated otherwise.



Muhammad Sohail Tabba
Chairman / Director



Asif Jooma
Chief Executive



Muhammad Abid Ganatra
Chief Financial Officer

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