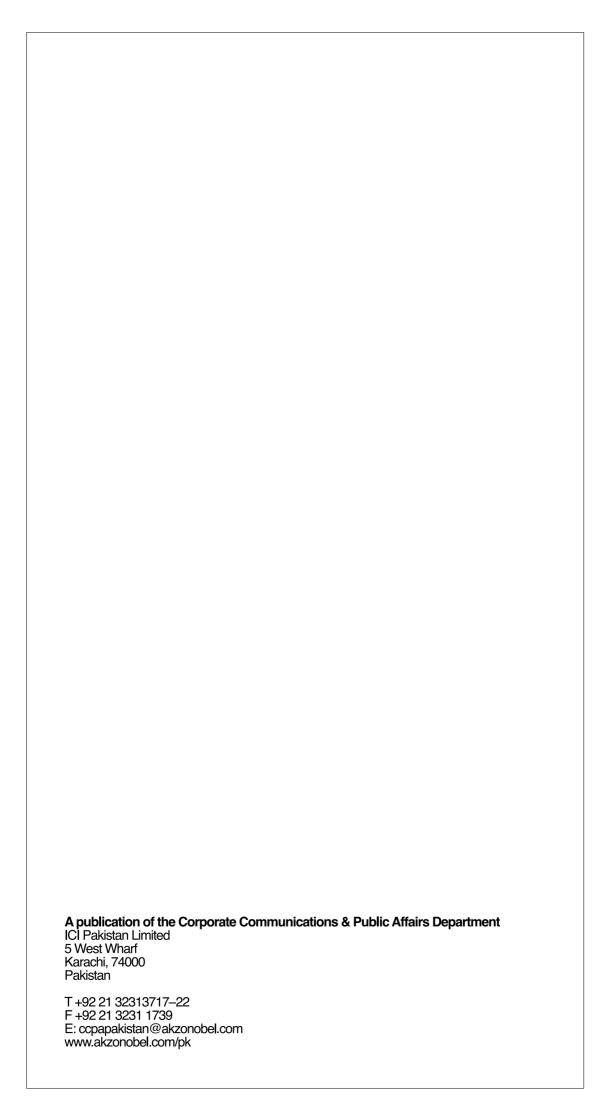


# Grounds for excitement



ICI Pakistan Limited Report for the Quarter & Six Months Ended June 30, 2011





#### Contents

#### **ICI Pakistan Limited**

Company Information	2
Review of the Directors	3
Auditors' Report to Members on Review of Interim Financial Information	8
Condensed Interim Unconsolidated Balance Sheet	9
Condensed Interim Unconsolidated Profit and Loss Account	10
Condensed Interim Unconsolidated Statement of Comprehensive Income	12
Condensed Interim Unconsolidated Cash Flow Statement	13
Condensed Interim Unconsolidated Statement of Changes in Equity	14
Notes to the Condensed Interim Unconsolidated Financial Information	15

## **Condensed Interim Consolidated Financial Information**

Review of the Directors	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 Consolidated Financial Information	29

#### **Company Information**

#### **Board of Directors**

M J Jaffer Bart Kaster Chairman (Non-Executive) Non-Executive Wagar A Malik Chief Executive Feroz Rizvi Executive Mueen Afzal \* Non-Executive M Nawaz Tiwana Non-Executive Ali A Aga Executive Derek W Welch Non-Executive

#### **Audit & Remuneration Sub Committees of the Board**

#### **Audit Sub Committee**

**Remuneration Sub Committee** 

M J Jaffer Chairman (Non-Executive) Mueen Afzal Non-Executive

M Nawaz Tiwana Chairman (Non-Executive) Derek W Welch

Non-Executive

Bart Kaster Non-Executive

**Chief Financial Officer** 

Feroz Rizvi

**Company Secretary** 

Sakina Sibtain\*\*

**Executive Management Team** 

Waqar A Malik Chief Executive Jehanzeb Khan Vice President Paints Ali A Aga \* Suhail Aslam Khan Vice President, Polyester Vice President, Soda Ash Faisal Akhtar General Manager, Chemicals M Asif Malik Vice President, Corporate HR & Life Sciences

Syed Igbal Haider General Manager,

Corporate Technical Function Feroz Rizvi Chief Financial Officer

**Bankers** 

Askari Bank Limited Habib Metropolitan Bank Limited

MCB Bank Limited Bank Al Habib Limited Bank Alfalah Limited Meezan Bank Limited Citibank N.A. National Bank of Pakistan Deutsche Bank AG Oman International Bank Faysal Bank Limited Samba Bank Limited

Habib Bank Limited Standard Chartered Bank (Pakistan) Limited

HSBC Bank Middle East Limited United Bank Limited

**Auditors** 

**Internal Auditors** 

**External Auditors** Ernst & Young Ford Rhodes Sidat Hyder, KPMG Taseer Hadi & Co., **Chartered Accountants** 

**Chartered Accountants** 

**Registered Office** 

ICI House, 5 West Wharf, Karachi-74000 Tel: 111-100-200, (021) 32313717-22

Fax: 32311739

Web: www.icipakistan.com E-mail: ccpa\_pakistan@ici.com

**Shares Registrar** 

FAMCO Associates (Pvt) Ltd 1st Floor, State Life Building 1-A I. I. Chundrigar Road, Karachi-74000

Tel: (021) 32427012, 32426597, 32420755, 32475606 & 32425467

Fax: (021) 32426752

\* names in alphabetical order

\*\* appointed with effect from July 15, 2011

For the Quarter & Half Year Ended June 30, 2011

The Directors are pleased to present their review together with the un-audited financial statements of the Company for the first six months ended June 30, 2011.

The rising gap between demand and supply of gas has became a serious challenge for the industrial sector in Pakistan. For the first time gas outages are being experienced in peak summer months. As a consequence the large scale manufacturing industry located in the North has been negatively affected.

Operating result and Profit after tax for HI 2011 at Rs 1,410 million and Rs 973 million were lower by 20 percent and 17 percent respectively compared to HI 2010 due to lower operating result in Q2 2011. Q2 2011 operating result was primarily impacted by (a) the additional cost of Rs 258 million for using more expensive alternative fuels due to gas outages in the Polyester and Soda Ash plants and (b) lower PSF sales volumes and margin over feedstock.

H1 2011operating results include the additional cost, over the same period last year, of using alternative fuels amounting to Rs 503 million (after tax Rs 327 million). The recently announced Rs 2 billion investment in coal fired boilers by your Company will largely address the issue of irregular gas supply and outages in the Soda ash business. This project is expected to be completed in early 2013.

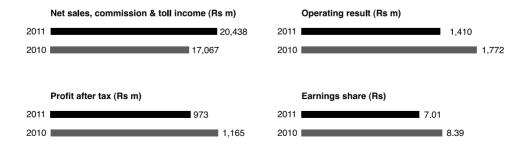
#### INTERIM DIVIDEND

The Board has approved an interim dividend in respect of the financial year ending December 31, 2011 at the rate of 35 percent i.e., Rs 3.50 per share of Rs 10/- each on the issued and paid up share capital of Rs 1,388,023,000.

#### FINANCIAL PERFORMANCE

HI 2011 EPS at Rs 7.01 per share was lower by 17 percent compared to the same period last year.

	Six Months Ended June 30			
	2011	2010		
Net Sales Income (Rs million)	20,438	17,067		
Profit before taxation (Rs million)	1,491	1,787		
Profit after taxation (Rs million)	973	1,165		
Earnings per share (Rupees)	7.01	8.39		



For the Quarter & Half Year Ended June 30, 2011

#### **POLYESTER FIBER BUSINESS (PSF)**



Domestic downstream market conditions remained subdued throughout Q2 2011. New York cotton futures tumbled from around 192 cents per pound at beginning of quarter to around 161 cents per pound by end of that quarter. This and forecast of a bumper domestic cotton crop led to sharp reduction in domestic cotton prices. Regional PSF price also softened. As a result there was destocking in the textile chain as traders adopted a wait and see approach.

H1 operating profit at Rs 732 million was 14 percent (Rs 122 million) lower than same period last year, due to lower operating result in Q2, partially compensated by higher earnings in Q1 2011.

Q2 2011, operating result at Rs 85 million was Rs 449 million lower than the same period last year. This was primarily due to destocking in textile chain resulting in 21 percent lower sales of PSF. In addition due to softening of PSF price, margin over feedstock were also lower than the same period last year. The business incurred an additional cost of Rs 97 million (HI 2011, Rs 223 million), over the same period last year due to gas outages on purchase of furnace oil and electricity.

Going forward domestic demand for PSF is likely to remain subdued on account of further fall forecast in cotton prices and slowdown expected in textile exports. Margins will be influenced by PSF supply and demand in the region and how feedstock prices shape up globally.

#### **SODA ASH BUSINESS**



Global Soda Ash demand remained firm in most regions. However, energy shortages in China led to reduced production and tight supply. Rising input costs remained a major concern globally, resulting in across the board price increases in all regions.

Domestic Soda Ash market remained adversely affected due to gas supply issues and was 4 percent lower than last year because of lower demand by the downstream industrial consumers who are suffering from gas outages. Sales volume for Q2 2011 and HI 2011 were 13 percent and 12 percent lower due to lower exports which were minimized as production for exports is not feasible using furnace oil.

During HI 2011, the number of zero equivalent gas days increased by 41 percent to 99 days from 70 days compared with HI 2010 resulting in additional cost of Rs 280 m (Q1 2011, Rs 119 m) incurred on purchase of furnace oil. Energy conservation measures, plant optimization and higher revenue realization partially mitigated the impact of higher energy cost. As a result, operating profit for HI at Rs 297 million was 29 percent down.

For the Quarter & Half Year Ended June 30, 2011

The Board of Directors have recently approved a plan to carry out a major project of over Rs 2 billion to install new boilers for steam generation based on state of the art coal fired technology. This project will safeguard the business from margin erosion due to gas shortages and is expected to come online in early 2013.

National Tariff Commission has restarted its investigation against dumping of Soda Ash into Pakistan from Kenya.

Looking forward, availability of natural gas and the rising cost of alternatives are expected to influence volumes and margins.

#### **PAINTS BUSINESS**



Consumer sentiment in large cities remained subdued due to high inflation which has negatively impacted consumer wallet leading to down trading. Drying up of private sector investment and energy shortages has adversely affected demand from the industrial sector. In addition liquidity issues in the market and the ongoing political and security environment has also affected the business sentiment. Production levels of Japanese OEM's in Pakistan were also lower due to the effects of Tsunami in Japan. In these challenging times your business has continued to invest in product innovation, higher level of customer service and dealer engagement.

HI 2011 volumes were 15 percent lower compared to HI 2010. Raw material prices kept margins under pressure. During the quarter advertisement and sales promotion expenses were Rs 35 m higher than the same period last year due to launch of "Weathershield Sun Reflect", which has been well received in the market. Dulux Premier Service has been launched, offering home owners color advisory by renowned interior designers.

Operating result for HI 2011 at Rs 5.7 million was 97 percent lower than the same period last year.

Going forward, demand is expected to remain subdued. Measured selling price increases were effected in Q2, to protect unit margins and consumer value.

#### LIFE SCIENCES BUSINESS



Net sales income was higher by 36 percent compared to HI 2010. All the four segments posted double digit growth driven by higher volumes and product diversification. The Pharmaceutical segment continues to launch its 'own brand' generics and maintain its leadership positions in cardiovascular and oncology

For the Quarter & Half Year Ended June 30, 2011

drugs. Animal Health segment almost doubled its NSI due to higher sales volumes of its live stock feeds and milk enhancer products. The seeds segment added new seeds varieties to its portfolio and also launched a new micronutrients range

Operating result for the H1 2011 at Rs 200.8 m was higher by 12 percent compared with the same period last year.

In Q3, the business expects to perform well in all four segments with plans to further introduce new products and enhance its presence in the market.

#### **CHEMICALS BUSINESS**



Overall sales volume for the six months was 2 percent higher compared to the same period last year.

Net sales income and operating result for the six months at Rs 1,768.4 million and Rs 174.5 million were higher by 22 percent and 34 percent respectively compared to the same period last year on the back of strong performance by Trading, Polyurethanes and Textile segments and better unit margins.

Going forward, a cautious view is maintained on demand since energy outages remain a big concern.

#### **FUTURE OUTLOOK**

H2 2011 results will be influenced by the gas outages which are likely to be more pronounced than the 2010 winter .The recent weakening of sovereign ratings in the US and Europe has heightened the risk of slow down of the global economy. This will also influence the outcome in H2. Your Company will remain focused on customers, energy conservation, control of costs and an expeditious start and implementation of the coal fired boiler project.

Your company continues to make representations to the Government of Pakistan to :

- a. take effective steps to reduce the high level of "unaccounted for gas" (UFG), rationalize the tariff structure and adopt an equitable policy on load shedding.
- b. take appropriate fiscal and administrative measures in order to provide level playing field for all players in the paint industry. The Government is losing substantial tax revenues as a significant part of this industry is operating in the unorganised sector.
- c. take appropriate and speedy measures to amend the Anti-dumping Ordinance so as to allow it to be effectively applied by removing the objections raised in the Supreme Court of Pakistan with respect to the issue of quorum of commission at NTC.

For the Quarter & Half Year Ended June 30, 2011

#### **BOARD CHANGES**

At the Fifty-Ninth Annual General Meeting of the Company held on April 27, 2011, an eight-member Board was elected by the shareholders for a three-year term commencing from April 29, 2011 namely, Messrs M J Jaffer, Waqar A Malik, Mueen Afzal, Ali A Aga, Bart Kaster, Feroz Rizvi, M Nawaz Tiwana and Derek W Welch.

At the said meeting the shareholders also authorised the holding of offices of profit by the Chief Executive and the executive directors as per their respective contracts of service. The three executive directors serving on the Board are: Messrs Waqar A Malik, Ali A Aga and Feroz Rizvi.

Subsequently, at a meeting of directors held on April 29, 2011, Mr M J Jaffer was appointed as Chairman and Mr Waqar A Malik as Chief Executive of the Company each for a term of three years commencing from April 29, 2011.

The directors also reconstituted the sub-committees of the Board with effect from April 29, 2011.

Earlier Mr James R Rees and Mr Rogier M G Roelen retired from the Board upon expiry of their terms of office as non-executive directors. The Board places on record the valuable contribution made by the two outgoing directors.

#### APPOINTMENT OF NEW COMPANY SECRETARY

Ms Sakina Sibtain was appointed as Company Secretary and General Counsel with effect from July 15, 2011 in place of Ms Saira Nishtar.

#### **DEMERGER OF THE PAINTS BUSINESS**

In May this year, the Board of Directors had approved in principle a plan to demerge the Company's Paints business into a separate listed company as Akzo Nobel Pakistan Limited effective from 1st July, 2011. The Board in its meeting held on August 24, 2011, has approved the Financial Statements as at June 30, 2011 which will form the basis of allocation of shares and reserves between ICI Pakistan Limited and Akzo Nobel Pakistan Limited. The Board has also approved a Scheme of Arrangement under section 284 to 288 of the Companies Ordinance 1984 between ICI Pakistan Limited (& its members) and Akzo Nobel Pakistan Limited (& its members) for reconstruction of ICI Pakistan Limited. The Scheme will be submitted to the Sindh High Court for its sanction. The Scheme will also be approved by the members at an Extra-Ordinary General Meeting to be convened in due course.

M J Jaffer Chairman

August 24, 2011 Karachi

Maharad Joff

Waqar A Malik Chief Executive

## Auditors' Report to 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 30 June 2011 and 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 a summary of significant accounting policies and the notes to the condensed interim unconsolidated financial statements for the six months period then ended (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 condensed interim unconsolidated financial information as at 30 June 2011 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The figures for the quarter ended 30 June 2011 in the condensed interim unconsolidated financial information have not been reviewed and we do not express a conclusion on them.

Date: 24 August 2011

Karachi

KPMG Taseer Hadi & Co. Chartered Accountants Amir Jamil Abbasi

14Pms Tou Head In a

## Condensed Interim Unconsolidated Balance Sheet (Unaudited) As at June 30, 2011

		Amou	ınts in Rs '000
	Note	June 30 2011	December 31 2010
ASSETS			
Non-Current Assets Property, plant and equipment Intangible assets	2 3	8,691,700 164,442	8,895,091 180,102
		8,856,142	9,075,193
Long-term investments Long-term loans Long-term deposits and prepayments	4 5	712,500 322,104 43,906	712,500 324,264 40,458
		1,078,510	1,077,222
Current Assets		9,934,652	10,152,415
Stores and spares Stock-in-trade Trade debts Loans and advances Trade deposits and short-term prepayments Other receivables Taxation recoverable Cash and bank balances	6 7	496,199 4,914,729 946,065 581,113 406,440 754,737 774,715 2,845,025	450,596 3,786,345 792,867 590,722 443,674 606,280 545,951 4,661,822
		11,719,023	11,878,257
Total Assets		21,653,675	22,030,672
EQUITY AND LIABILITIES  Share Capital and Reserves Authorised capital 1,500,000,000 (December 31, 2010: 1,500,000,000) ordinary shares of Rs 10 each  Issued, subscribed and paid-up capital 138,802,300 (December 31, 2010: 138,802,300) ordinary shares of Rs 10 each Capital reserves Unappropriated profit		15,000,000 1,388,023 465,845 12,011,349	15,000,000 1,388,023 465,845 12,694,225
Total Equity		13,865,217	14,548,093
Surplus on revaluation of property, plant and equipment		897,157	907,352
LIABILITIES			
Non-Current Liabilities Provisions for non-management staff gratuity and eligible retired employees' medical scheme  Deferred tax liability - net		261,900 780,847	222,942 870,248
Current Liabilities		1,042,747	1,093,190
Trade and other payables Short term financing	8	5,842,580 5,974	5,482,037
Contingencies and Commitments	9	5,848,554	5,482,037

The annexed notes from 1 to 18 form an integral part of these condensed interim unconsolidated financial information.

M J Jaffer Chairman / Director

**Total Equity and Liabilities** 

Waqar A Malik Chief Executive

Feroz Rizvi Chief Financial Officer

22,030,672

21,653,675

## **Condensed Interim Unconsolidated** Profit and Loss Account (Unaudited) For the Six Months Period Ended June 30, 2011

Polyester				Soda Ash			Paints				
For the	For the	For the	For the	For the	For the	For the	For the	For the	For the	For the	For the
3 months	6 months	3 months	6 months	3 months	6 months	3 months	6 months	3 months	6 months	3 months	6 months
ended	ended	ended	ended	ended	ended	ended	ended	ended	ended	ended	ended
June 30	June 30	June 30	June 30	June 30	June 30	June 30	June 30	June 30	June 30	June 30	June 30
2011	2011	2010	2010	2011	2011	2010	2010	2011	2011	2010	2010

Turnover - note 10	4,632,451	10,895,551	4,439,952	8,435,694	2,188,211	4,286,454	2,048,741	3,957,230	2,100,895	3,476,976	1,865,864	3,589,993
Sales tax	-	-	-	-	(361,133)	(718,678)	(303,512)	(582,872)	(289,905)	(478,007)	(248,261)	(477,611)
Excise duty	-	-	-	-	(42,090)	(63,352)	(14,847)	(28,487)	(41,837)	(55,882)	(15,349)	(29,518)
Commission and												
discounts to distributors and customers	(12,179)	(20,356)	(12,105)	(23,599)	(68,428)	(130,082)	(72,407)	(142,573)	(289,156)	(479,125)	(275,692)	(531,810)
	(12,179)	(20,356)	(12,105)	(23,599)	(471,651)	(912,112)	(390,766)	(753,932)	(620,898)	(1,013,014)	(539,302)	(1,038,939)
Net sales, commission												
and toll income	4,620,272	10,875,195	4,427,847	8,412,095	1,716,560	3,374,342	1,657,975	3,203,298	1,479,997	2,463,962	1,326,562	2,551,054
Cost of sales - note 10 and 11	(4,446,141)	(9,977,600)	(3,829,546)	(7,436,695	) (1,347,099	) (2,913,236	i) (1,106,671	1) (2,531,673	3) (1,108,985	5) (1,839,377	<b>7)</b> (928,969)	(1,786,210)
Gross profit	174,131	897,595	598,301	975,400	369,461	461,106	551,304	671,625	371,012	624,585	397,593	764,844
Selling and distribution expenses	(16,405)	(31,941)	(18,650)	(34,356)	(32,495)	(57,106)	(62,075)	(123,233)	(263,497)	(411,946)	(220,018)	(393,801)
Administration and general expenses	(73,055)	(133,808)	(45,742)	(86,798)	(59,522)	(107,061)	(71,730)	(129,960)	(124,067)	(206,983)	(86,468)	(181,971)
Operating result	84,671	731,846	533,909	854,246	277,444	296,939	417,499	418,432	(16,552)	5,656	91,107	189,072

Financial charges Workers' profit participation fund Workers' welfare fund Other operating charges

Other operating income Profit before taxation Taxation - note 12 Profit after taxation

#### Earnings per share - Basic and Diluted

The annexed notes from 1 to 18 form an integral part of these condensed interim unconsolidated financial information.

## **Condensed Interim Unconsolidated** Profit and Loss Account (Unaudited) For the Six Months Period Ended June 30, 2011

#### Amounts in Rs '000

	Life Sciences				Chemicals			Company			
For the	For the	For the	For the	For the	For the	For the	For the	For the	For the	For the	For the
3 months	6 months	3 months	6 months	3 months	6 months	3 months	6 months	3 months	6 months	3 months	6 months
ended	ended	ended	ended	ended	ended	ended	ended	ended	ended	ended	ended
June 30	June 30	June 30	June 30	June 30	June 30	June 30	June 30	June 30	June 30	June 30	June 30
2011	2011	2010	2010	2011	2011	2010	2010	2011	2011	2010	2010
1,223,264	2,466,357	902,617	1,816,670	1,199,153	2,103,968	1,027,184	1,704,476	11,179,776	22,921,334	10,145,306	19,295,066
(1,511)	(1,783)	(436)	(436)	(130,829)	(221,328)	(99,916)	(170,256)	(783,378)	(1,419,796)	(652,125)	(1,231,175)
-	-	-	-	(8,888)	(12,335)	(2,612)	(4,926)	(92,815)	(131,569)	(32,808)	(62,931)
(100,860)	(200,109)	(73,374)	(153,040)	(61,454)	(101,887)	(48,043)	(83,022)	(532,077)	(931,559)	(481,621)	(934,044)
(102,371)	(201,892)	(73,810)	(153,476)	(201,171)	(335,550)	(150,571)	(258,204)	(1,408,270)	(2,482,924)	(1,166,554)	(2,228,150)
1,120,893	2,264,465	828,807	1,663,194	997,982	1,768,418	876,613	1,446,272	9,771,506	20,438,410	8,978,752	17,066,916
(813,610)	(1,651,228)	(594,196)	(1,196,560)	(803,372)	(1,411,607)	(721,372)	(1,178,288)	(8,355,009)	(17,485,076)	(7,041,702)	(13,920,429)
307,283	613,237	234,611	466,634	194,610	356,811	155,241	267,984	1,416,497	2,953,334	1,937,050	3,146,487
(155,637)	(298,571)	(103,779)	(219,460)	(56,603)	(98,140)	(35,735)	(68,684)	(524,637)	(897,704)	(440,257)	(839,534)
(68,389)	(113,886)	(37,975)	(67,136)	(50,669)	(84,167)	(37,866)	(69,435)	(375,702)	(645,905)	(279,781)	(535,300)
83,257	200,780	92,857	180,038	87,338	174,504	81,640	129,865	516,158	1,409,725	1,217,012	1,771,653
								(23,551)	(47,393)	(54,574)	(91,977)
								(28,546)	(78,955)	(62,028)	(94,255)
								(11,038)	(30,438)	(24,029)	(36,474)
								(4,072)	(14,429)	(8,021)	(14,990)
								(67,207)	(171,215)	(148,652)	(237,696)
								93,538	252,961	109,104	253,285
								542,489	1,491,471	1,177,464	1,787,242
								(194,048)	(518,914)	(409,220)	(622,220)
								348,441	972,557	768,244	1,165,022
								(R	upees)	(F	Rupees)

M J Jaffer Chairman / Director

Waqar A Malik Chief Executive

## **Condensed Interim Unconsolidated** Statement of Comprehensive Income (Unaudited) For the Six Months Period Ended June 30, 2011

Amounts in Rs '000

	For the 3 months ended June 30 2011	For the 6 months ended June 30 2011	For the 3 months ended June 30 2010	For the 6 months ended June 30 2010
Profit for the period	348,441	972,557	768,244	1,165,022
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	348,441	972,557	768,244	1,165,022

The annexed notes from 1 to 18 form an integral part of these condensed interim unconsolidated financial information.

M J Jaffer Chairman / Director Waqar A Malik Chief Executive

Feroz Rizvi Chief Financial Officer

12 | Half Yearly Report January - June 2011 | ICI Pakistan Limited

## **Condensed Interim Unconsolidated** Cash Flow Statement (Unaudited) For the Six Months Period Ended June 30, 2011

Amounts in Rs '000

	June 30 2011	June 30 2010
Cash Flows from Operating Activities		
Profit before taxation	1,491,471	1,787,242
Adjustments for: Depreciation and amortisation Loss / (Gain) on disposal of property, plant and equipment Provision for non-management staff gratuity	514,319 2,168	457,689 (20,066)
and eligible retired employees' medical scheme Mark-up on bank deposits and loan to subsidiary Interest / mark-up expense	47,860 (210,903) 39,584	23,417 (175,777) 31,622
Movement in	1,884,499	2,104,127
Movement in: Working capital Long-term loans Long-term deposits and prepayments	(1,003,612) (20,062) (3,448)	(2,348,720) (18,973) (14,287)
Cash generated from / (used in) operations	857,377	(277,853)
Payments for :     Non-management staff gratuity     and eligible retired employees' medical scheme     Taxation     Interest / mark-up Profit / mark-up received on bank deposits	(8,902) (837,079) (39,584) 168,750	(6,954) (600,499) (31,622) 137,942
Net cash generated from / (used in) operating activities	140,562	(778,986)
Cash Flows from Investing Activities		
Payments for capital expenditure Proceeds from disposal of property, plant and equipment Profit / mark-up received from Subsidiary	(338,133) 4,163 36,265	(370,602) 25,434 34,347
Net cash used in investing activities	(297,705)	(310,821)
Cash Flows from Financing Activities		
Dividend paid	(1,665,628)	(624,613)
Net cash used in financing activities	(1,665,628)	(624,613)
Net decrease in cash and cash equivalents	(1,822,771)	(1,714,420)
Cash and cash equivalents at January 1	4,661,822	4,468,251
Cash and cash equivalents at June 30	2,839,051	2,753,831
Movement in Working Capital (Increase) / Decrease in current assets Stores and spares Stock-in-trade Trade debts Loans and advances Trade deposits and short-term prepayments Other receivables	(45,603) (1,128,384) (153,198) 31,831 37,234 (142,569)	(42,884) (505,462) (528,764) 25,976 (112,869) (197,058)
Increase / (Decrease) in current liability	(1,400,689)	(1,361,061)
Trade and other payables	397,077	(987,659)
-	(1,003,612)	(2,348,720)
Cash and cash equivalents at June 30 comprise of: Cash and bank balances Running finances utilised under mark-up arrangements	2,845,025 (5,974)	2,892,040 (138,209)
	2,839,051	2,753,831

The annexed notes from 1 to 18 form an integral part of these condensed interim unconsolidated financial information.

M J Jaffer Chairman / Director Waqar A Malik Chief Executive

## **Condensed Interim Unconsolidated** Statement of Changes in Equity (Unaudited) For the Six Months Period Ended June 30, 2011

Amounts in Rs '000

	Issued, subscribed and paid-up share capital	Capital reserves	Unappropriated profit	Total
Balance as on January 1, 2010	1,388,023	465,845	11,628,928	13,482,796
Changes in equity for 2010				
Final dividend for the year ended December 31, 2009 @ Rs 4.50 per share, transactions with owners, recorded directly in equity	-	-	(624,610)	(624,610)
Total comprehensive income for the six months ended June 30, 2010	-	-	1,165,022	1,165,022
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation	_	<u>-</u>	11,986	11,986
	_	_	1,177,008	1,177,008
Balance as on June 30, 2010	1,388,023	465,845	12,181,326	14,035,194
Interim dividend for the year 2010 @ Rs 5.50 per share, transactions with owners, recorded directly in equity	-	-	(763,413)	(763,413)
Total comprehensive income for the six months ended December 31, 2010	-	-	1,263,804	1,263,804
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation	-	-	12,508	12,508
	_	-	1,276,312	1,276,312
Balance as on December 31, 2010	1,388,023	465,845	12,694,225	14,548,093
Changes in equity for 2011				
Final dividend for the year ended December 31, 2010 @ Rs 12.00 per share, transactions with owners, recorded directly in equity	5 -	-	(1,665,628)	(1,665,628)
Total comprehensive income for the six months ended June 30, 2011	-	-	972,557	972,557
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period			10.105	10.105
- net of deferred taxation	-	-	10,195	10,195
Polones on an June 20, 2011	1 200 000	46F 04F	982,752	982,752
Balance as on June 30, 2011	1,388,023	465,845	12,011,349	13,865,217

The annexed notes from 1 to 18 form an integral part of these condensed interim unconsolidated financial information.

M J Jaffer Chairman / Director

Waqar A Malik Chief Executive

For the Six Months Period Ended June 30, 2011

Amounts in Rs '000

- 1. The condensed interim unconsolidated financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 Interim Financial Reporting and is being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984 and the Listing Regulations of Karachi, Lahore and Islamabad Stock Exchanges. The 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 December 31, 2010.
- 1.1 The Board of Directors of ICI Pakistan Limited on April 29, 2011 received a proposal from its ultimate holding company Akzo Nobel N.V. to restructure its interest in ICI Pakistan Limited. The Board of Directors of the Company on May 12, 2011 after taking advice from legal and tax consultant decided that the Company should be demerged into two entities, both of which will be listed on the Karachi, Lahore and Islamabad Stock Exchanges. Demerger would be approved by the shareholders and by the High Court of Sindh.

One such entity will be Akzo Nobel Pakistan Limited (comprising the Paints Business) and the other will be ICI Pakistan Limited (retaining all other businesses of ICI Pakistan).

The Board of Directors has also approved the Scheme of Arrangement for Demerger on August 24, 2011

1.2 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 preceding year ended December 31, 2010.

2.	PROPERTY, PLANT AND EQUIPMENT		
_		June 30 2011	December 31 2010
	Operating assets - at net book value Capital work-in-progress - at cost	8,449,665	8,677,493
	Civil works and buildings Plant and machinery Miscellaneous equipment Advances to suppliers / contractors	54,392 70,535 67,727 49,381	39,836 130,655 8,993 38,114
		242,035	217,598
	Total Property, plant and equipment	8.691.700	8.895.091

2.1 Following is the cost of operating property, plant and equipment that have been added / disposed off during the six months period ended June 30, 2011:

	Additions /	Transfers	Dispo	sals
	June 30 2011	June 30 2010	June 30 2011	June 30 2010
Buildings on freehold land Buildings on leasehold land	11,437 23.681	18,540 16.303	-	<del>-</del>
Plant and machinery Vehicles	194,149 85	143,799 1,416	7,357 1,132	8,461 1,960
Furniture and equipment	35,400	51,582	134,815	33,353
Total	264,752	231,640	143,304	43,774

3. INTANGIE	LE ASSETS	June 30 2011	December 31 2010
	assets - at net book value elopment - at cost	97,265 67,177	114,750 65,352
Total Intar	gible assets	164,442	180,102

3.1 This includes additions of intangible assets and transfers from capital work in progress of Rs 12.410 million during the period.

For the Six Months Period Ended June 30, 2011

Amounts in Rs '000

712,500

712,500

5,974

	June 30 2011	December 31 2010
LONG-TERM INVESTMENTS		
Unquoted Subsidiary - ICI Pakistan PowerGen Limited (wholly owned) - note 4.1 7,100,000 ordinary shares (December 31, 2010: 7,100,000) of Rs 100 each	710,000	710,000
Others Equity security available for sale - Arabian Sea Country Club Limited	2,500	2,500

**4.1** 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 for the six months period ended June 30, 2011 amounted to Rs 316.396 million (December 31, 2010: Rs 306.706 million).

#### 5. LONG-TERM LOANS - considered good

**Total Long-term investments** 

Due from Subsidiary - Unsecured loan - note 5.1 Due from Directors, Executives and Employees - note 5.2	200,000 247,085	200,000 219,177
Less: Current portions shown under current assets Due from Subsidiary - note 5.1 Due from Directors, Executives and Employees - note 5.2	447,085 44,444	419,177 22,222 72,601
Due from Directors, Executives and Employees - note 5.2	80,537 124,981	72,691 94,913
Total Long-term loans	322,104	324,264

- **5.1** This represents loan given to ICI Pakistan PowerGen Limited (wholly owned subsidiary) carrying a markup at 3 months KIBOR + 2%. This loan is repayable in nine equal semi annual installments commencing from October 1, 2011.
- 5.2 These include loans to key management personnel for the purchase of motor cars and house building assistance and are repayable between two to ten years. These loans are interest free and granted to the employees of the Company in accordance with their terms of employment.

#### 6. STOCK-IN-TRADE

Out of the total carrying value of inventories Rs 812.84 million (December 31, 2010: Rs Nil) are measured at net realisable value. As at June 30, 2011 stock has been written down by Rs 7.22 million (December 31, 2010: Rs Nil) to arrive at its net realisable value.

#### 7. LOANS AND ADVANCES

A standby finance facility of Rs 300 million (December 31, 2010: Rs 300 million) is provided to ICI Pakistan PowerGen Limited (wholly owned subsidiary) repayable on demand at a markup rate of 3 months KIBOR + 1.65% (December 31, 2010: 3 months KIBOR + 1.65%). The amount utilized under this facility as at June 30, 2011 amounted to Rs 283 million (December 31, 2010: Rs 283 million).

#### 8. SHORT-TERM FINANCING

8.1 The facilities for running finance available from various banks amounted to Rs 2,471 million (December 31, 2010: Rs 2,471 million) and carry mark-up during the period ranging from relevant KIBOR + 0.50 to 1.50 percent per annum with an average mark-up rate as on June 30, 2011 at relevant KIBOR + 1.18% per annum (December 31, 2010: KIBOR + 0.75% to 3.47% per annum with an average mark-up rate as on December 31, 2010 at relevant KIBOR + 1.30% per annum). The facilities are secured by hypothecation charge over the present and future stock-in-trade and book debts of the Company and first pari passu charge over plant and machinery of Soda Ash Business of the Company.

### **Notes to the Condensed Interim Unconsolidated** Financial Information (Unaudited) For the Six Months Period Ended June 30, 2011

Amounts in Rs '000

•	CONTINUENCIES AND COMMITMENTS	June 30 2011	December 31 2010
9.	CONTINGENCIES AND COMMITMENTS		
9.1	Claims against the Company not acknowledged as debts are as follow	s:	
	Local bodies Sales Tax authorities Others	14,278 91,336 172,046	14,178 91,336 137,934
	Total	277,660	243,448
9.2	Guarantees issued by the Company in respect of financial and operational obligations of Lotte Pakistan PTA Limited pursuant to the Scheme of Arrangement, against which Lotte Pakistan PTA Limited and KP Chemicals Corporation Limited have issued counter guarantees to the Company.	2,100,000	2,190,000
9.3	Guarantees issued by the Company to a bank in respect of financing obtained by Senior Executives, in accordance with the terms of employment.	35,000	35,000
9.4	Guarantee issued by the Company to a bank on behalf of its subsidiary ICI Pakistan PowerGen Limited for availing funded facility.	133,000	133,000
9.5	Commitments in respect of capital expenditure	103,181	138,350
9.6	A notice was issued by the Environmental Protection Authority (EPA) a	against the Paint	s factory located

at Ferozpur road, Lahore. Pursuant to this an order was passed by the EPA for violation of certain provisions of the 'Act'. The Company is of the opinion that the order was not justified and has filed an appeal against the order in the Environmental Tribunal in Lahore, which is pending.

**9.7** Commitments for rentals under operating lease / Ijarah contracts in respect of vehicles are as follows:

Payable not later than one year	68,977	67,470
Total	182,283	164,159
2015	7,740	-
2014	26,768	7,135
2013	47,905	32,769
2012	63,669	56,785
2011	36,201	67,470

June 30	0, 2011	June 30, 2010				
For the 3 months ended	For the 3 months 6 months		For the 6 months ended			

#### 10. TURNOVER

#### 10.1 INTER-SEGMENT SALES AND PURCHASES

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

164,198 307,972 139,052 208,997

10.2 Transactions among the business segments are recorded at arm's length prices using admissible valuation methods.

10.3 Turnover includes export sales of Rs 178.24 million made to various countries during the six month period.

## Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited) For the Six Months Period Ended June 30, 2011

Amounts in Rs '000

		June 30	), 2011	June 30, 2010		
11.	COST OF SALES	For the 3 months ended	For the 6 months ended	For the 3 months ended	For the 6 months ended	
	Opening stock of raw and packing materials Purchases	1,813,378 6,023,162	1,698,629 12,901,088	1,417,102 5,073,150	1,218,757 9,907,342	
	Closing stock of raw and packing materials	7,836,540 (2,058,184)	14,599,717 (2,058,184)	6,490,252 (1,488,652)	11,126,099 (1,488,652)	
	Raw and packing materials consumption Manufacturing costs	5,778,356 1,695,795	12,541,533 3,620,101	5,001,600 1,400,317	9,637,447 3,020,688	
	Opening stock of work-in-process	7,474,151 181,696	16,161,634 48,553	6,401,917 117,428	12,658,135 83,229	
	Closing stock of work-in-process	7,655,847 (226,475)	16,210,187 (226,475)	6,519,345 (89,685)	12,741,364 (89,685)	
	Cost of goods manufactured Opening stock of finished goods Finished goods purchased	7,429,372 2,368,072 1,187,635	15,983,712 2,039,163 2,092,271	6,429,660 2,172,875 610,817	12,651,679 1,942,539 1,497,861	
	Closing stock of finished goods	10,985,079 (2,630,070)	20,115,146 (2,630,070)	9,213,352 (2,171,650)	16,092,079 (2,171,650)	
	Cost of sales	8,355,009	17,485,076	7,041,702	13,920,429	

#### 12. TAXATION

Current	243,735	608,315	398,110	668,110
Deferred	(49,687)	(89,401)	11,110	(45,890)
Total	194,048	518,914	409,220	622,220

#### 13. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise parent company (ICI Omicron B.V.), ultimate parent company (AkzoNobel N.V.), related group companies, local associated 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 Provision of services and other receipts Return on loan to subsidiary and running finance facility	224,868 495 18.442	510,762 990 36,610	251,412 495 17.021	476,809 990 33,843
running imance raciity	10,442	36,610	17,021	33,043
Associated Companies				
Purchase of goods, materials and services	27,783	71,948	50,629	76,986
Provision of services and other receipts	335	449	399	3,296
Sale of goods and materials	36,278	74,769	30,571	57,884
Contribution to staff retirement benefit plans	53,372	99,882	148,682	181,109
Dividends	1,262,750	1,262,750	_	473,517

For the Six Months Period Ended June 30, 2011

#### 13.1 Transaction with key management personnel

Key management personnel received an amount of Rs 137.491 million (June 30, 2010: Rs 122.988 million) on account of remuneration out of which Rs 14.529 million (June 30, 2010: Rs 13.224 million) relates to post employment benefits.

#### 14. ESTIMATES

Judgments and estimates made by the management in the preparation of the condensed interim unconsolidated financial information were the same as those that were applied to the financial statements as at and for the year ended December 31, 2010.

#### 15. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with that disclosed in the financial statements as at and for the year ended December 31, 2010.

#### 16. DIVIDEND

The Directors in their meeting held on August 24, 2011 have declared an interim dividend of Rs 3.50 per share in respect of six months period ended June 30, 2011. The condensed interim unconsolidated financial information for six months period ended June 30, 2011 does not include the effect of the above interim cash dividend which will be accounted for in the period in which it is declared.

#### 17. DATE OF AUTHORISATION

This condensed interim unconsolidated financial information was authorised for issue in the Board of Directors meeting held on August 24, 2011.

#### 18. GENERAL

- 18.1 Figures have been rounded off to the nearest thousand rupees except as stated otherwise.
- **18.2** The charge for defined benefit has been recognized on the basis of actuarial valuation carried out at June 30, 2011.

M J Jaffer Chairman / Director Waqar A Malik Chief Executive



#### **Condensed Interim Consolidated Financial Information**

## ICI Pakistan Limited and its Subsidiary Company





ICI Pakistan Limited is now part of the AkzoNobel Group

For the Quarter & Half Year Ended June 30, 2011

The Directors are pleased to present their review together with the un-audited Group results of ICI Pakistan Limited for the quarter and half year ended June 30, 2011. The ICI Pakistan Group comprises of ICI Pakistan Limited and ICI Pakistan PowerGen Limited, a wholly owned subsidiary.

The Directors review, giving a commentary on the performance of ICI Pakistan Limited for the quarter and half year ended June 30, 2011 has been presented separately.

In wake of global demand supply dynamics, the crude oil prices fell during the quarter, however it remained above the average prices of Q1 2011 and same period last year. Gas prices remained stable during the quarter.

Electricity sales volume for HI 2011 was 21 percent lower than same period last year due to lower demand from Polyester business of ICI Pakistan Limited.

Operating result for HI 2011 at Rs 46.74 million was 19 percent lower than the same period last year mainly due to lower sales volumes and frequent gas curtailment resulting in use of expensive alternative fuels.

#### **FUTURE OUTLOOK**

Furnace oil prices are expected to remain stable to firm and are currently at Rs 62,588 per ton.

M J Jaffer Chairman

August 24, 2011 Karachi

Mahared & Joffer

Waqar A Malik Chief Executive

## Condensed Interim Consolidated Balance Sheet (Unaudited) As at June 30, 2011

Non-current Assets   Property, plant and equipment   2 9,294,788   9,510,3     Intangible assets   3 164,442   180,1     Intangible assets   9,459,230   9,690,4     Long-term investment   4 2,500   2,5     Long-term deposits and prepayments   5 171,859   148,2     Long-term deposits and prepayments   5 171,859   148,2     Long-term deposits and prepayments   5 171,859   148,2     Long-term deposits and prepayments   5 191,2     Current Assets   9,677,495   9,881,6     Current Liabilities   1,380,23   1,380,23     Current Liabilities   1,042,986   1,093,4     Current Liabilities   1,042,986				11115 111 115 000
Non-Current Assets		Note		December 31 2010
Property, plant and equipment   2   9,294,788   9,510.5   Intangible assets   3   164,442   184,142   184,142   184,142   184,142   184,142   184,142   184,142   184,142   184,142   184,143   184,142   184,143   18	ASSETS			
Property, plant and equipment   2   9,294,788   9,510.5   Intangible assets   3   164,442   184,142   184,142   184,142   184,142   184,142   184,142   184,142   184,142   184,142   184,143   184,142   184,143   18	Non Original Assets			
Intangible assets   3   164,442   180,1   9,459,230   9,690,4   9,690,20   9,690,20   9,690,20   9,690,20   9,690,20   171,859   148,2   148		2	9.294.788	9,510,300
Long-term investment Long-term loans Long-term deposits and prepayments    Courrent Assets				180,103
Long-term loans Long-term deposits and prepayments  218,265 219,265 191,2 218,265 191,2 218,265 191,2 218,265 191,2 218,265 219,265 219,265 219,265 219,265 219,265 219,265 219,265 219,265 219,27 219			9,459,230	9,690,403
Long-term loans Long-term deposits and prepayments    218,266   191,2     218,265   191,2     218,261   191,2     218,265   19	Language Assertation and Assertation and		0.500	0.500
Long-term deposits and prepayments				2,500 148,265
Stores and spares   Stores and advances   Stores and		Ŭ		40,458
Stores and spares   Stor		,	218,265	191,223
Stores and spares   564,881   518,5   3,816,6   1,944,139   3,946,7   3,94			9,677,495	9,881,626
Stock-in-trade			FC4 004	510.070
Trade debts Loans and advances Loans and advances Loans and advances Trade deposits and short-term prepayments Charaction recoverable Cash and bank balances Cash and bank balances  Total Assets  EQUITY AND LIABILITIES  Share Capital and Reserves Authorised capital 1,500,000,000 (December 31, 2010: 1,500,000,000) ordinary shares of Rs 10 each Capital reserves Unappropriated profit 11,607,341 12,279,4 11,607,341 12,279,4 15,000,000 (December 31, 2010: 138,802,300) ordinary shares of Rs 10 each Capital reserves Liabilities Surplus on revaluation of property, plant and equipment Liabilities Provisions for non-management staff gratuity and eligible retired employees' medical scheme  Deferred liability Current Liabilities Trade and other payables Trade and other payables Short term financing 7 Contingencies and Commitments 8		6		3,816,680
Loans and advances   255,295   286,6   415,218   415,2		J		818,351
Other receivables       790,825       647,65       545,6	Loans and advances			286,655
Taxation recoverable   Cash and bank balances   2,959,186   4,739,5   2,959,186   4,739,5   11,675,780   11,829,0   11,675,780   11,829,0   11,675,780   11,829,0   11,675,780   11,829,0   11,675,780   11,829,0   11,675,780   11,829,0   11,675,780   11,829,0   11,675,780   11,829,0   12,710,6			, ,	455,232
2,959,186   4,739,6   11,675,780   11,829,0   11,675,780   11,829,0   11,675,780   11,829,0   11,				647,669
11,675,780   11,829,0				545,951
EQUITY AND LIABILITIES	Jasii alia balik balances			11,829,073
EQUITY AND LIABILITIES  Share Capital and Reserves Authorised capital 1,500,000,000 (December 31, 2010: 1,500,000,000) ordinary shares of Rs 10 each 15,000,000 Issued, subscribed and paid-up capital 138,802,300 (December 31, 2010: 138,802,300) ordinary shares of Rs 10 each Capital reserves 465,845 Unappropriated profit 11,607,341 12,279,4  Total Equity 13,461,209 14,133,2  Surplus on revaluation of property, plant and equipment 906,060 917,3  LIABILITIES  Non-Current Liabilities Provisions for non-management staff gratuity and eligible retired employees' medical scheme Deferred liability  Current Liabilities Trade and other payables Short term financing 7 5,936,990 5,966,6  Contingencies and Commitments 8	Total Access			
Authorised capital 1,500,000,000 (December 31, 2010: 1,500,000,000) ordinary shares of Rs 10 each 15,000,000,000 (December 31, 2010: 138,802,300) ordinary shares of Rs 10 each 1,388,02,300 (December 31, 2010: 138,802,300) ordinary shares of Rs 10 each 1,388,02,300 (December 31, 2010: 138,802,300) ordinary shares of Rs 10 each 465,845 465,84	Iotal Assets		21,353,275	21,710,699
Sisued, subscribed and paid-up capital   138,802,300 (December 31, 2010: 138,802,300)   ordinary shares of Rs 10 each   1,388,023   465,845   465,845   465,845   465,845   11,607,341   12,279,4   13,461,209   14,133,2   13,461,209   14,133,2   13,461,209   14,133,2   13,461,209   14,133,2   14,	Authorised capital 1,500,000,000 (December 31, 2010: 1,500,000,000)		15,000,000	15,000,000
138,802,300 (December 31, 2010: 138,802,300) ordinary shares of Rs 10 each       1,388,023 465,845 465,845 465,845 11,607,341 12,279,4         Capital reserves       11,607,341 12,279,4         Unappropriated profit       13,461,209 14,133,2         Surplus on revaluation of property, plant and equipment       906,060 917,3         LIABILITIES       Provisions for non-management staff gratuity and eligible retired employees' medical scheme       262,139 223,1         Deferred liability       780,847 870,2         Current Liabilities       1,042,986 1,093,4         Trade and other payables       5,936,990 6,030 5,566,6         Short term financing       7 6,030 5,566,6         Contingencies and Commitments       8	·			
1,388,023   465,845   465,845   465,845   11,607,341   12,279,4	.ssued, subscribed and paid-up capital 138 802 300 (December 31, 2010: 138 802 300)			
Capital reserves       465,845 11,607,341       465,845 12,279,4         Inappropriated profit       13,461,209       14,133,2         Surplus on revaluation of property, plant and equipment       906,060       917,3         LIABILITIES       Von-Current Liabilities       262,139       223,1         Provisions for non-management staff gratuity and eligible retired employees' medical scheme       262,139       223,1         Deferred liability       780,847       870,2         Current Liabilities       1,042,986       1,093,4         Trade and other payables       5,936,990       5,566,6         Short term financing       7       6,030       5,566,6         Contingencies and Commitments       8			1.388.023	1,388,023
13,461,209   14,133,25   14,				465,845
Surplus on revaluation of property, plant and equipment 906,060 917,3  LIABILITIES  Non-Current Liabilities  Provisions for non-management staff gratuity and eligible retired employees' medical scheme 262,139 870,2  Deferred liability 780,847 870,2  Current Liabilities  Trade and other payables Short term financing 7 5,936,990 5,566,6  Contingencies and Commitments 8	Jnappropriated profit		11,607,341	12,279,401
Non-Current Liabilities Provisions for non-management staff gratuity and eligible retired employees' medical scheme  Deferred liability  Current Liabilities Frade and other payables Short term financing  Contingencies and Commitments  Provisions for non-management staff gratuity and eligible retired employees' medical scheme  262,139 223,1 780,847 870,2 780,847 1,042,986 1,093,4 5,936,990 6,030 5,943,020 5,566,6 Contingencies and Commitments	Total Equity		13,461,209	14,133,269
Non-Current Liabilities Provisions for non-management staff gratuity and eligible retired employees' medical scheme  Deferred liability  Current Liabilities Trade and other payables Short term financing  Contingencies and Commitments  8  262,139 223,1 262,139 1,042,986 1,093,4 1,042,986 1,093,4 5,566,6 5,943,020 5,566,6 Contingencies and Commitments	Surplus on revaluation of property, plant and equipment		906,060	917,380
Provisions for non-management staff gratuity and eligible retired employees' medical scheme         262,139         223,1           Deferred liability         780,847         870,2           Current Liabilities         1,042,986         1,093,4           Trade and other payables         5,936,990         5,566,6           Short term financing         7         6,030         5,943,020         5,566,6           Contingencies and Commitments         8         8         6,030 <td< td=""><td>LIABILITIES</td><td></td><td></td><td></td></td<>	LIABILITIES			
Deferred liability   262,139   223,1   223,1   223,1   223,1   223,1   223,1   223,1   223,1   223,1   223,1   233,1	Non-Current Liabilities			
Deferred liability   262,139   223,1   870,2     870,2     870,2     870,2     870,2     870,2     870,2     870,2     870,2     870,2     870,2     870,2     870,2     870,2     870,2   870,2     870,2	Provisions for non-management staff gratuity and			
Current Liabilities Trade and other payables Short term financing  1,042,986 5,936,990 7 6,030 5,943,020 5,566,60  Contingencies and Commitments	eligible retired employees' medical scheme		262,139	223,181
Current Liabilities Trade and other payables Short term financing  7  5,936,990 6,030 5,566,6  5,943,020 5,566,6  Contingencies and Commitments	Deferred liability		780,847	870,248
Trade and other payables         5,936,990 6,030         5,566,6           Short term financing         7         5,943,020         5,566,6           Contingencies and Commitments         8			1,042,986	1,093,429
Short term financing         7         6,030         5,943,020         5,566,           Contingencies and Commitments         8			E 000 000	E 500 00:
Contingencies and Commitments 8		7		5,566,621
			5,943,020	5,566,621
Total Equity and Liabilities 21.353.275 21.710.6	Contingencies and Commitments	8		
			21,353 275	21,710,699
			,000,270	2.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,

The annexed notes 1 to 17 form an integral part of the condensed interim consolidated financial information.

M J Jaffer Chairman / Director Waqar A Malik Chief Executive

## **Condensed Interim Consolidated** Profit and Loss Account (Unaudited) For the Six Months Period Ended June 30, 2011

		Poly	ester			Soda	Ash			Pai	nts	
	For the	For the	For the									
	3 months	6 months	3 months	6 months								
	ended	ended	ended									
	June 30	June 30	June 30									
	2011	2011	2010	2010	2011	2011	2010	2010	2011	2011	2010	2010
Turnover - note 9	4.632.451	10.895.551	4.439.952	8.435.694	2.188.211	4.286.454	2.048.741	3.957.230	2,100,895	3,476,976	1.865.864	3.589.993
Tulliovel - Hote 9	4,032,431	10,030,001	4,435,532	0,433,034	2,100,211	4,200,434	2,040,741	3,537,230	2,100,093	3,470,570	1,000,004	3,303,333
Sales tax	-	-	-	-	(361,133)	(718,678)	(303,512)	(582,872)	(289,905)	(478,007)	(248,261)	(477,611)
Excise duty	-	-	-	-	(42,090)	(63,352)	(14,847)	(28,487)	(41,837)	(55,882)	(15,349)	(29,518)
Commission and discounts to												
distributors and customers	(12,179)	(20,356)	(12,105)	(23,599)	(68,428)	(130,082)	(72,407)	(142,573)	(289,156)	(479,125)	(275,692)	(531,810)
	(12,179)	(20,356)	(12,105)	(23,599)	(471,651)	(912,112)	(390,766)	(753,932)	(620,898)	(1,013,014)	(539,302)	(1,038,939)
Net sales, commission												
and toll income	4,620,272	10,875,195	4,427,847	8,412,095	1,716,560	3,374,342	1,657,975	3,203,298	1,479,997	2,463,962	1,326,562	2,551,054
Cost of sales - note 9 and 10	(4,446,141)	(9,977,600)	(3,829,546)	(7,436,695)	(1,347,099)	(2,913,236)	(1,106,671)	(2,531,673)	(1,108,985)	(1,839,377)	(928,969)	(1,786,210)
Gross profit	174,131	897,595	598,301	975,400	369,461	461,106	551,304	671,625	371,012	624,585	397,593	764,844
Selling and												
distribution expenses	(16,405)	(31,941)	(18,650)	(34,356)	(32,495)	(57,106)	(62,075)	(123,233)	(263,497)	(411,946)	(220,018)	(393,801)
Administration and												
general expenses	(73,055)	(133,808)	(45,742)	(86,798)	(59,522)	(107,061)	(71,730)	(129,960)	(124,067)	(206,983)	(86,468)	(181,971)
Operating result	84,671	731,846	533,909	854,246	277,444	296,939	417,499	418,432	(16,552)	5,656	91,107	189,072

Financial charges

Workers' profit participation fund

Other operating charges

Other operating income

Taxation - note 11

Profit after taxation

Earnings per share - Basic and Diluted

The annexed notes 1 to 17 form an integral part of the condensed interim consolidated financial information.

## Condensed Interim Consolidated Profit and Loss Account (Unaudited) For the Six Months Period Ended June 30, 2011

#### Amounts in Rs '000

	Life Sci	ences			Chemi	cals			PowerG	en		Group		)	
For the	For the	For the	For the	For the	For the	For the	For the	For the	For the						
3 months	6 months	3 months	6 months	3 months	6 months	3 months	6 months	3 months	6 months						
ended	ended	ended	ended	ended	ended	ended	ended	ended	ended	ended	ended	ended	ended	ended	ended
June 30	June 30	June 30	June 30	June 30	June 30	June 30	June 30	June 30	June 30						
2011	2011	2010	2010	2011	2011	2010	2010	2011	2011	2010	2010	2011	2011	2010	2010
1,223,264	2,466,357	902,617	1,816,670	1,199,153	2,103,968	1,027,184	1,704,476	224,868	510,762	251,412	476,809	11,179,777	22,921,334	10,145,306	19,295,066
(1,511)	(1,783)	(436)	(436)	(130,829)	(221,328)	(99,916)	(170,256)	(32,673)	(74,213)	(34,678)	(65,767)	(816,051)	(1,494,009)	(686,803)	(1,296,942)
-	-	-	-	(8,888)	(12,335)	(2,612)	(4,926)	-	-	-	-	(92,815)	(131,569)	(32,808)	(62,931)
(100,860)	(200,109)	(73,374)	(153,040)	(61,454)	(101,887)	(48,043)	(83,022)	-	-	-	-	(532,077)	(931,559)	(481,621)	(934,044)
(102,371)	(201,892)	(73,810)	(153,476)	(201,171)	(335,550)	(150,571)	(258,204)	(32,673)	(74,213)	(34,678)	(65,767)	(1,440,943)	(2,557,137)	(1,201,232)	(2,293,917)
1,120,893	2,264,465	828,807	1,663,194	997,982	1,768,418	876,613	1,446,272	192,195	436,549	216,734	411,042	9,738,834	20,364,197	8,944,074	17,001,149
(813,610)	(1,651,228)	(594,196)	(1,196,560)	(803,372)	(1,411,607)	(721,372)	(1,178,288)	(168,589)	(388,330)	(184,627)	(352,272)	(8,298,296)	(17,361,774)	(6,974,482)	(13,795,022)
307,283	613,237	234,611	466,634	194,610	356,811	155,241	267,984	23,606	48,219	32,107	58,770	1,440,538	3,002,423	1,969,592	3,206,127
(155,637)	(298,571)	(103,779)	(219,460)	(56,603)	(98,140)	(35,735)	(68,684)	-	-	-	-	(524,637)	(897,704)	(440,257)	(839,534)
(68,389)	(113,886)	(37,975)	(67,136)	(50,669)	(84,167)	(37,866)	(69,435)	(617)	(1,484)	(335)	(923)	(376,259)	(647,269)	(280,116)	(536,103)
83,257	200,780	92,857	180,038	87,338	174,504	81,640	129,865	22,989	46,735	31,772	57,847	539,642	1,457,450	1,249,219	1,830,490
												(23,500)	(47,342)	(54,867)	(93,332)
												(28,754)	(79,465)	(62,779)	(95,414)
												(11,118)	(30,635)	(24,324)	(36,924)
												(4,072)	(14,429)	(8,021)	(15,165)
												(67,444)	(171,871)	(149,991)	(240,835)
												74,352	215,583	92,037	219,611
												546,550	1,501,162	1,191,265	1,809,266
												(194,048)	(518,914)	(409,220)	(622,220)
												352,502	982,248	782,045	1,187,046
												(1	Rupees)	(Ru	ipees)
												2.54	7.08	5.63	8.55

M J Jaffer Chairman / Director

Waqar A Malik Chief Executive

Feroz Rizvi Chief Financial Officer

ICI Pakistan Limited | Half Yearly Report January - June 2011 | 25

## **Condensed Interim Consolidated** Statement of Comprehensive Income (Unaudited) For the Six Months Period Ended June 30, 2011

Amounts in Rs '000

	For the 3 months ended June 30 2011	For the 6 months ended June 30 2011	For the 3 months ended June 30 2010	For the 6 months ended June 30 2010
Profit for the period	352,502	982,248	782,045	1,187,046
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	352,502	982,248	782,045	1,187,046

The annexed notes from 1 to 17 form an integral part of the condensed interim consolidated financial information.

M J Jaffer Chairman / Director

Waqar A Malik Chief Executive

## **Condensed Interim Consolidated** Cash Flow Statement (Unaudited) For the Six Months Period Ended June 30, 2011

Amounts in Rs '000

	June 30 2011	June 30 2010
Cash Flows from Operating Activities		
Profit before taxation	1,501,162	1,809,266
Adjustments for: Depreciation and amortisation Loss / (Gain) on disposal of property, plant and equipment Provision for non-management staff gratuity	559,798 2,168	498,850 (20,066)
and eligible retired employees' medical scheme Mark-up on bank deposits Interest / mark-up expense	47,860 (174,293) 39,300	23,417 (141,934) 32,977
Movement in:	1,975,995	2,202,510
Working capital Long-term loans Long-term deposits and prepayments	(985,709) (23,594) (3,448)	(2,343,445) (19,147) (14,287)
Cash generated from / (used in) operations	963,244	(174,369)
Payments for :     Non-management staff gratuity     and eligible retired employees' medical scheme     Taxation     Interest / mark-up Profit / mark-up received on bank deposits	(8,902) (837,079) (39,462) 168,750	(6,954) (600,499) (33,542) 137,942
Net cash generated from / (used in) opearting activities	246,551	(677,422)
Cash Flows from Investing Activities		
Payments for capital expenditure Proceeds from disposal of property, plant and equipment	(371,487) 4,163	(391,974) 25,434
Net cash used in investing activities	(367,324)	(366,540)
Cash Flows from Financing Activities		
Dividend paid	(1,665,628)	(624,613)
Net cash used in financing activities	(1,665,628)	(624,613)
Net decrease in cash and cash equivalents	(1,786,401)	(1,668,575)
Cash and cash equivalents at January 1	4,739,557	4,511,675
Cash and cash equivalents at June 30	2,953,156	2,843,100
Movement in Working Capital (Increase) / Decrease in current assets Stores and spares Stock-in-trade Trade debts	(45,903) (1,127,459) (153,170)	(46,968) (512,693) (528,809)
Loans and advances Trade deposits and short-term prepayments Other receivables	31,360 40,014 (137,613)	25,893 (113,136) (198,351)
Increase / (Decrease) in current liability	(1,392,771)	(1,374,064)
Trade and other payables	407,062	(969,381)
	(985,709)	(2,343,445)
Cash and cash equivalents at June 30 comprise of: Cash and bank balances Running finances utilised under mark-up arrangements	2,959,186 (6,030)	2,981,309 (138,209)
	2,953,156	2,843,100

The annexed notes 1 to 17 form an integral part of the condensed interim consolidated financial information.

M J Jaffer Chairman / Director Waqar A Malik Chief Executive

## Condensed Interim Consolidated Statement of Changes in Equity (Unaudited) For the Six Months Period Ended June 30, 2011

Amounts in Rs '000

	Issued, subscribed and paid-up share capital	Capital reserves	Unappropriated profit	Total
Balance as on January 1, 2010	1,388,023	465,845	11,163,577	13,017,445
Changes in equity for 2010				
Final dividend for the year ended December 31, 2009 @ Rs 4.50 per share, transactions with owners, recorded directly in equity	-	-	(624,610)	(624,610)
Total comprehensive income for the six months ended June 30, 2010	-	-	1,187,046	1,187,046
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation	-	-	13,111	13,111
	-	-	1,200,157	1,200,157
Balance as on June 30, 2010	1,388,023	465,845	11,739,124	13,592,992
Interim dividend for the year 2010 @ Rs 5.50 per share, transactions with owners, recorded directly in equity	-	-	(763,413)	(763,413)
Total comprehensive income for the six months ended December 31, 2010	-	-	1,290,057	1,290,057
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation	-	<del>-</del>	13,633	13,633
	-	-	1,303,690	1,303,690
Balance as on December 31, 2010	1,388,023	465,845	12,279,401	14,133,269
Changes in equity for 2011				
Final dividend for the year ended December 31, 2010 @ Rs 12.00 per share, transactions with owners, recorded directly in equity	<u>-</u>	<del>-</del>	(1,665,628)	(1,665,628)
Total comprehensive income for the six months ended June 30, 2011	-	-	982,248	982,248
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation	_	_	11,320	11,320
not of dolottod taxation		_	993,568	993,568
Balance as on June 30, 2011	1,388,023	465,845	11,607,341	13,461,209

The annexed notes 1 to 17 form an integral part of the condensed interim consolidated financial information.

M J Jaffer Chairman / Director Waqar A Malik Chief Executive

For the Six Months Period Ended June 30, 2011

Amounts in Rs '000

- 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 June 30, 2011 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.
- 1.1 The condensed interim consolidated financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 Interim Financial Reporting and is being submitted to the shareholders as required by section 245 of the 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 annual financial statements as at and for the year ended December 31, 2010.
- 1.2 The Board of Directors of ICI Pakistan Limited on April 29, 2011 received a proposal from its ultimate holding company Akzo Nobel N.V. to restructure its interest in ICI Pakistan Limited. The Board of Directors of the Company on May 12, 2011 after taking advice from legal and tax consultant decided that the Company should be demerged into two entities, both of which will be listed on the Karachi, Lahore and Islamabad Stock Exchanges. Demerger would be approved by the shareholders and by the High Court of Sindh.

One such entity will be Akzo Nobel Pakistan Limited (comprising the Paints Business) and the other will be ICI Pakistan Limited (retaining all other businesses of ICI Pakistan).

The Board of Directors has also approved the Scheme of Arrangement for Demerger on August 24, 2011.

1.3 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 preceding year ended December 31, 2010.

2.	PROPERTY, PLANT AND EQUIPMENT		
_	THO ENTRY EATH AND EAGN MENT	June 30 2011	December 31 2010
	Operating assets - at net book value Capital work-in-progress - at cost	9,039,629	9,224,944
	Civil works and buildings Plant and machinery Miscellaneous equipment Advances to suppliers / contractors	55,186 82,341 67,727 49,905	40,261 197,464 8,993 38,638
		255,159	285,356
	Total Property, plant and equipment	9,294,788	9,510,300

2.1 Following is the cost of operating property, plant and equipment that have been added / disposed off during the six months ended June 30, 2011:

	Additions / Transfers		Disposals	
	June 30 2011	June 30 2010	June 30 2011	June 30 2010
Buildings on freehold land Buildings on leasehold land Plant and machinery Vehicles Furniture and equipment	11,937 23,681 281,640 85 35,400	18,540 16,303 160,537 1,416 51,582	7,357 1,132 134,815	- 8,461 1,960 33,353
Total	352,743	248,378	143,304	43,774

3.	INTANGIBLE ASSETS	June 30 2011	December 31 2010
	Intangible assets - at net book value Under development - at cost	97,265 67,177	114,751 65,352
	Total Intangible assets	164,442	180,103

**3.1** This includes additions of intangible assets and transfers from capital work in progress of Rs 12.410 million during the period.

For the Six Months Period Ended June 30, 2011

Amounts in Rs '000

4.	LONG-TERM INVESTMENT	June 30 2011	December 31 2010
	Unquoted		
	Equity security available for sale - Arabian Sea Country Club Limited	2,500	2,500
5.	LONG-TERM LOANS - considered good		_
	Due from Directors, Executives and Employees - note 5.1	252,633	221,193
	Less: Current portion shown under current assets Due from Directors, Executives and Employees - note 5.1	80,774	72,928
	Total Long-term loans	171,859	148,265

<sup>5.1</sup> These include loans to key management personnel for the purchase of motor cars and house building assistance and are repayable between two to ten years. These loans are interest free and granted to the employees of the Group in accordance with their terms of employment.

#### 6. STOCK-IN-TRADE

Out of the total carrying value of inventories Rs 812.84 million (December 31, 2010: Rs Nil) is measured at net realisable value. As at June 30, 2011 stock has been written down by Rs 7.22 million (December 31, 2010: Rs Nil) to arrive at its net realisable value.

#### SHORT-TERM FINANCING

6.030

The facilities for running finance available from various banks amounted to Rs 2,806 million (December 31, 2010: Rs 2,806 million) and carry mark-up during the period ranging from relevant KIBOR + 0.50% to 1.50% per annum with an average markup rate of relevant KIBOR + 1.16% per annum as at June 30, 2011 (December 31, 2010: KIBOR + 0.75% to 3.47% per annum with an average markup rate as on December 31, 2010 at relevant KIBOR + 1.26% per annum). The facilities are secured by hypothecation charge over the present and future stock-in-trade and book debts of the Group and first pari passu charge over plant and machinery of Soda Ash Business of the Group.

#### CONTINGENCIES AND COMMITMENTS

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

Local bodies	31,989	31,889
Sales Tax authorities	91,336	91,336
Others	172,046	137,934
Total	295,371	261,159

- **8.2** A notice was issued by the Environmental Protection Authority (EPA) against the Paints factory located at Ferozpur road, Lahore. Pursuant to this an order was passed by the EPA for violation of certain provisions of the 'Act'. The Company is of the opinion that the order was not justified and filed an appeal against the order in the Environmental Tribunal in Lahore, which is pending.
- 8.3 Guarantees issued by the Group in respect of financial and operational obligations of Lotte Pakistan PTA Limited pursuant to the Scheme of Arrangement, against which Lotte Pakistan PTA Limited and KP Chemicals Corporation Limited have issued counter guarantees to the Group.

	to the Group.	2,100,000	2,190,000
8.4	Guarantees issued by the Company in respect of financing obtained by Senior Executives, in accordance with the terms of employment.	35,000	35,000
8.5	Commitments in respect of capital expenditure	109,237	152,646

8.5	Commitments in respect of capital expenditure
8.6	Guarantee issued by the Company to a bank on behalf of its subsidiary

ICI Pakistan PowerGen Limited for availing funded facility.

133,000 133,000

For the Six Months Period Ended June 30, 2011

Amounts in Rs '000

June 30 2011 December 31 2010

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

Year		
2011	36,425	67,908
2012	64,118	57,223
2013	48,017	32,878
2014	26,768	7,135
2015	7,740	
Total	183,068	165,144
Payable not later than one year	69,426	67,908
Payable later than one year but not later than five years	113,642	97,236
Total	183,068	165,144

June 30, 2011		June 30, 2010		
For the 3 months ended	For the 6 months ended	For the 3 months ended	For the 6 months ended	

#### 9. INTER-SEGMENT SALES AND PURCHASES

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

389,065

818,734

390,464

685,806

- **9.1** Transactions among the business segments are recorded at arm's length prices using admissible valuation methods.
- **9.2** Turnover includes export sales of Rs 178.248 million made to various countries during the period ended June 30, 2011

#### 10. COST OF SALES

Opening stock of raw and packing materials	1,833,953	1,728,964	1,432,648	1,227,577
Purchases	6,031,997	12,900,162	4,986,995	9,914,573
Closing stock of raw and packing materials	7,865,950	14,629,126	6,419,643	11,142,150
	(2,087,594)	(2,087,594)	(1,504,703)	(1,504,703)
Raw and packing materials consumption	5,778,356	12,541,532	4,914,940	9,637,447
Manufacturing costs	1,639,082	3,496,800	1,419,757	2,895,281
Opening stock of work-in-process	7,417,438	16,038,332	6,334,697	12,532,728
	181,696	48,553	117,428	83,229
Closing stock of work-in-process	7,599,134	16,086,885	6,452,125	12,615,957
	(226,475)	(226,475)	(89,685)	(89,685)
Cost of goods manufactured	7,372,659	15,860,410	6,362,440	12,526,272
Opening stock of finished goods	2,368,072	2,039,163	2,172,875	1,942,539
Finished goods purchased	1,187,635	2,092,271	610,817	1,497,861
Closing stock of finished goods	10,928,366	19,991,844	9,146,132	15,966,672
	(2,630,070)	(2,630,070)	(2,171,650)	(2,171,650)
Cost of sales	8,298,296	17,361,774	6,974,482	13,795,022

#### 11. TAXATION

Current	243,735	608,315	398,110	668,110
Deferred	(49,687)	(89,401)	11,110	(45,890)
Total	194,048	518,914	409,220	622,220

For the Six Months Period Ended June 30, 2011

Amounts in Rs '000

	June 30, 2011		June 30, 2010		
;	For the 3 months ended	For the 6 months ended	For the 3 months ended	For the 6 months ended	

#### 12. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise parent company (ICI Omicron B.V.), ultimate parent company (AkzoNobel N.V.), related group companies, local associated 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 this condensed interim consolidated financial information are as follows:

#### Associated Companies

Purchase of goods, materials and services	27,783	71,948	50,629	76,986
Provision of services and other receipts	335	449	399	3,296
Sale of goods and materials	36,278	74,769	30,571	57,884
Contribution to staff retirement benefit plans	53,372	99,882	148,682	181,109
Dividends	1,262,750	1,262,750	-	473,517

#### 12.1 Transaction with key management personnel

Key management personnel received an amount of Rs 137.491 million (June 30, 2010: Rs 122.988 million) on account of remuneration out of which Rs 14.529 million (June 30, 2010: Rs 13.224 million) relates to post employment benefits.

#### 13. ESTIMATES

Judgments and estimates made by the management in the preparation of the condensed interim consolidated financial information are the same as those that were applied to the financial statements as at and for the year ended December 31, 2010.

#### 14. 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 December 31, 2010.

#### 15. POST BALANCE SHEET EVENTS

#### 15.1 DIVIDEND

The Directors in their meeting held on August 24, 2011 have declared an interim dividend of Rs 3.50 per share in respect of six months period ended June 30, 2011. The condensed interim consolidated financial information for the six months period ended June 30, 2011 does not include the effect of the above interim cash dividend which will be accounted for in the period in which it is declared.

#### 16. DATE OF AUTHORISATION

This condensed interim consolidated financial information was authorised for issue in the Board of Directors meeting held on August 24, 2011.

#### 17. GENERAL

- 17.1 Figures have been rounded off to the nearest thousand rupees except as stated otherwise.
- 17.2 The charge for defined benefit has been recognized on the basis of actuarial valuation carried out at June 30, 2011.

M J Jaffer Chairman / Director Waqar A Malik Chief Executive

## ICI Pakistan Limited is now part of the AkzoNobel Group.

AkzoNobel is the largest global paints and coatings company and a major producer of specialty chemicals. We supply industries and consumers worldwide with innovative products and are passionate about developing sustainable answers for our customers.

Our portfolio includes well known brands such as Dulux, Sikkens, International and Eka. Headquartered in Amsterdam, the Netherlands, we are a Global Fortune 500 company and are consistently ranked as one of the leaders on the Dow Jones Sustainability Indexes. With operations in more than 80 countries, our 55,000 people around the world are committed to excellence and delivering Tomorrow's Answers Today™

