



ICI Pakistan Limited is now part of the AkzoNobel Group

Grounds for excitement



ICI Pakistan Limited
Quarterly Report January - March 2011

AkzoNobel

A publication of the Corporate Communications & Public Affairs Department

ICI Pakistan Limited
5 West Wharf
Karachi, 74000
Pakistan

T +92 21 32313717-22
F +92 21 3231 1739
E: ccpakistan@akzonobel.com
www.akzonobel.com/pk

Contents

ICI Pakistan Limited

| | |
|---|----|
| Company Information | 2 |
| Review of the Directors | 3 |
| 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 Information | 13 |

Condensed Interim Consolidated Financial Information

| | |
|---|----|
| Review of the Directors for ICI Pakistan Group | 18 |
| Condensed Interim Consolidated Balance Sheet | 19 |
| Condensed Interim Consolidated Profit and Loss Account | 20 |
| Condensed Interim Consolidated Statement of Comprehensive Income | 22 |
| Condensed Interim Consolidated Cash Flow Statement | 23 |
| Condensed Interim Consolidated Statement of Changes in Equity | 24 |
| Notes to the Condensed Interim Consolidated Financial Information | 25 |

Company Information

Board of Directors**

| | | | |
|---------------|--------------------------|-------------------|---------------|
| M J Jaffer | Chairman (Non-Executive) | James R Rees | Non-Executive |
| Waqar A Malik | Chief Executive | Feroz Rizvi | Executive |
| Mueen Afzal * | Non-Executive | Rogier M G Roelen | Non-Executive |
| Ali A Aga | Executive | M Nawaz Tiwana | Non-Executive |
| Bart Kaster | Non-Executive | Derek W Welch | Non-Executive |

Audit & Remuneration Sub Committees of the Board

Audit Sub Committee

| | |
|-------------|--------------------------|
| M J Jaffer | Chairman (Non-Executive) |
| Mueen Afzal | Non-Executive |
| Bart Kaster | Non-Executive |

Remuneration Sub Committee

| | |
|----------------|--------------------------|
| M Nawaz Tiwana | Chairman (Non-Executive) |
| James R Rees | Non-Executive |

Chief Financial Officer

Feroz Rizvi

Company Secretary

Saira Nishtar

Executive Management Team

| | | | |
|-------------------|---|-------------------|--|
| Waqar A Malik | Chief Executive | Jehanzeb Khan | Vice President, Paints |
| Ali A Aga * | Vice President, Soda Ash | Suhail Aslam Khan | Vice President, Polyester |
| Faisal Akhtar | General Manager, Chemicals | M Asif Malik | Vice President, Corporate HR & Life Sciences |
| Khalid Alvi | Vice President, Chemicals | | |
| Syed Iqbal Haider | General Manager, Corporate Technical Function | Feroz Rizvi | Chief Financial Officer |

Bankers

| | |
|-------------------------------|--|
| Askari Bank Limited | Habib Metropolitan Bank Limited |
| Bank Al Habib Limited | MCB Bank 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

Ernst & Young Ford Rhodes Sidat Hyder,
Chartered Accountants

External Auditors

KPMG Taseer Hadi & Co.,
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

** till April 28, 2011, the new Board comprising eight Directors shall be effective from April 29, 2011

Review of the Directors

For the Quarter Ended March 31, 2011

The Directors are pleased to present their review together with the un-audited financial statements of the Company for the quarter ended March 31, 2011.

Review of the Directors



Your Company posted its highest ever turnover of Rs 11.742 billion for any quarter which was 28 percent higher compared to the same period last year.



Operating result for the quarter at Rs 893.6 million was up by 61 percent compared to the same period last year. The results were primarily driven by volume growth in Polyester and Chemicals businesses and improved pricing across all businesses. As a result, profit after tax at Rs 624.1 million for the quarter was also higher by 57 percent.



The quarter was completed without any injury (lost time case) to the Company's employees and supervised contractors.

| Quarter Ended March 31, 2011 | | |
|--|--------|-------|
| | 2011 | 2010 |
| Net Sales (Rs million) | 10,667 | 8,088 |
| Profit before taxation (Rs million) | 949 | 610 |
| Profit after taxation (Rs million) | 624 | 397 |
| Earnings per share (Rs) | 4.50 | 2.86 |

Net sales, commission & toll income (Rs m)
2011  10,667
2010  8,088

Operating result (Rs m)
2011  894
2010  555

Profit after tax (Rs m)
2011  624
2010  397

Earnings per share (Rs)
2011  4.50
2010  2.86

Review of the Directors

For the Quarter Ended March 31, 2011

Polyester Fiber Business

| Net sales, commission & toll income (Rs m) | | Operating result (Rs m) | |
|--|---|-------------------------|--|
| 2011 |  6,255 | 2011 |  647 |
| 2010 |  3,984 | 2010 |  320 |

During the quarter, PSF prices in the international market followed a bullish trend on the back of strong crude oil prices. In addition, supply issues of paraxylene also affected PTA prices which further contributed towards the higher prices of PSF. However, towards the end of the quarter with the improvement in supply situation, prices began to stabilise.

Sales volume for the quarter was 8 percent higher compared to the same period last year with blend economics continuing to favour PSF and healthy demand from the downstream industry. Due to higher sales volume and significantly better unit margins, operating result for the quarter at Rs 647.2 million was 102 percent higher than the same period last year.


On the regulatory front, a new SRO was issued by the Federal Board of Revenue (FBR) whereby sales tax was initially levied at the rate of seventeen percent on sales to unregistered persons in the textile sector (which earlier was zero rated), subsequently this was reduced to four and six percent, applied from the 1st of April onwards.

This resulted in spinners offloading their accumulated stocks, prior to the effective date of sales tax, to the Faisalabad market to take advantage of zero rating facility prevailing at that time. Going forward the market is expected to be slow in volume trades while existing stocks are liquidated over the next two months. Regionally feedstock prices are expected to remain stable to soft due to slow down in the downstream market. Similarly regional PSF prices are also expected to soften, though to a larger extent than the raw material cost, hence squeezing margins from the levels witnessed in first quarter of 2011.

Margins erosion will also be contributed domestically by high energy costs due to continued gas outages which resulted in the use of expensive furnace oil as an alternative.

Looking further forward for the rest of the year, this trend of softer prices and lower margins is expected to persist as PSF prices come off their historic high.

Soda Ash Business

| Net sales, commission & toll income (Rs m) | | Operating result (Rs m) | |
|--|---|-------------------------|---|
| 2011 |  1,658 | 2011 |  19 |
| 2010 |  1,545 | 2010 |  1 |

Global Soda Ash market remains in an oversupply position and major producers in China are reportedly operating at 70-80 percent capacity.

Natural gas shortages have affected downstream industrial consumers of Soda Ash, consequently the domestic market during the quarter was about 1 percent lower than last year.

Natural gas outages continue to adversely affect the business and production was restricted due to limited gas availability. Number of equivalent zero days increased to 55 from 50 during the same period last year, leading to significantly higher cost of production due to use of alternate fuels. Sales volumes were 12 percent lower than last year because of significantly lower exports due to lower production owing to gas shortages. Operating profit for the quarter at Rs 19.5 million was higher than the same period last year due to lower administrative and selling expenses.

Review of the Directors

For the Quarter Ended March 31, 2011

National Tariff Commission issued notice for initiation of anti-dumping investigation against Kenya in January. Your Company is pursuing the case vigorously.



Going forward, availability of natural gas and the rising costs of alternative fuels and raw materials remain a primary concern for the business as well as for the downstream industries. Based on the experience in the first quarter, the gas supply is likely to worsen compared to last year, leading to higher use of alternate fuels and hence margins will remain affected adversely.

PAINTS BUSINESS

Net sales, commission & toll income (Rs m)

2011  984
2010  1,224

Operating result (Rs m)

2011  22
2010  98

Volumes in the Decorative segment were lower due to extended cold weather and rainfall, which eased somewhat by end March. Additionally, the streamlining of our distribution channel and roll out of the new ERP system in the business partially affected the volumes.

The business successfully commissioned the SAP ERP system which will considerably improve the control environment. As expected, in initial months there were teething issues which were sorted out and the system will be fully operational in the next quarter.

In the Industrial segment, the car manufacturers reduced their production levels in line with the demand. Further, levy of sales tax on Tractors also contributed towards decline in the demand for Industrial coatings. For the Refinish segment, quarter remained slow for the automotive repair industry aggravated further by liquidity crunch faced by the market, resulting in a decline in the overall demand. Though unit margins remained intact, operating result for the quarter at Rs 22 million was 77 percent lower than the same period last year on account of lower volumes.

The market is expected to recover partially in the next quarter with the start of the painting season. The business has started to launch various major initiatives and new products supported by a powerful media campaign to provide impetus for market growth and volumes.

LIFE SCIENCES BUSINESS

Net sales, commission & toll income (Rs m)

2011  1,144
2010  834

Operating result (Rs m)

2011  118
2010  87

Life Sciences business posted a growth of 37 percent in its NSI compared to the same period last year. All the four segments posted double digit growth driven by higher volumes and product diversification.

NSI and operating result at Rs 1,143.6 million and Rs 117.5 million were higher by 37 percent and 35 percent respectively, compared to the same period last year.



Business plans to introduce further new products to diversify its portfolio.

Review of the Directors

For the Quarter Ended March 31, 2011

CHEMICALS BUSINESS

Net sales, commission & toll income (Rs m)
2011  770
2010  570

Operating result (Rs m)
2011  87
2010  48

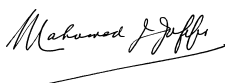
Overall sales volume for the quarter was 12 percent higher compared to the same period last year.

NSI and operating result for the quarter at Rs 770.4 million and Rs 87.2 million were higher by 35 percent and 81 percent respectively compared to the same period last year on the back of higher volumes and better unit margins.

Going forward, unit margins are expected to come under pressure in the polyurethanes and adhesives segments due to rising raw material prices. Gas shortages are expected to adversely affect the performance of the textile segment. Business is expected to partially mitigate the adverse impact through higher volumes in trading segment and diversification of its textile portfolio.

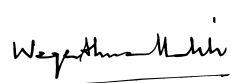
FUTURE OUTLOOK

The supply and demand gap for natural gas is expected to deteriorate further putting pressure on Soda Ash and PSF margins. Uncertainty surrounding the new sales tax regime in the textile sector is likely to adversely impact the volumes in PSF business. We urge the Government of Pakistan to implement a long term strategy to address gas supply issues and rationalise the tax rates along with broadening the tax base to provide a level playing field to all.



M J Jaffer
Chairman

April 28, 2011
Karachi



Waqar A Malik
Chief Executive

Condensed Interim Unconsolidated Balance Sheet (Unaudited)

As at March 31, 2011

Amounts in Rs '000

| | Note | March 31 2011 | December 31 2010 |
|---|------|-------------------|---------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 2 | 8,787,809 | 8,895,091 |
| Intangible assets | 3 | 175,162 | 180,102 |
| | | 8,962,971 | 9,075,193 |
| Long-term investments | 4 | 712,500 | 712,500 |
| Long-term loans | 5 | 328,652 | 324,264 |
| Long-term deposits and prepayments | | 48,328 | 40,458 |
| | | 1,089,480 | 1,077,222 |
| | | 10,052,451 | 10,152,415 |
| Current assets | | | |
| Stores and spares | | 480,055 | 450,596 |
| Stock-in-trade | | 4,363,146 | 3,786,345 |
| Trade debts | | 1,096,388 | 792,867 |
| Loans and advances | 6 | 744,382 | 590,722 |
| Trade deposits and short-term prepayments | | 487,698 | 443,674 |
| Other receivables | | 657,511 | 606,280 |
| Taxation recoverable | | 473,542 | 545,951 |
| Cash and bank balances | | 5,003,617 | 4,661,822 |
| | | 13,306,339 | 11,878,257 |
| Total Assets | | 23,358,790 | 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 | 15,000,000 | 15,000,000 |
| Issued, subscribed and paid-up capital 138,802,300 (December 31, 2010: 138,802,300) ordinary shares of Rs 10 each | 1,388,023 | 1,388,023 |
| Capital reserves | 465,845 | 465,845 |
| Unappropriated profit | 13,323,378 | 12,694,225 |
| Total Equity | 15,177,246 | 14,548,093 |
| Surplus on Revaluation of Property, Plant and Equipment | 902,315 | 907,352 |

LIABILITIES

Non-current liabilities

| | | |
|--|------------------|-----------|
| Provisions for non-management staff gratuity and eligible retired employees' medical scheme | 235,802 | 222,942 |
| Deferred tax liability - net | 830,534 | 870,248 |
| | 1,066,336 | 1,093,190 |

Current liabilities

| | | |
|--------------------------|-----------|-----------|
| Trade and other payables | 6,212,893 | 5,482,037 |
|--------------------------|-----------|-----------|

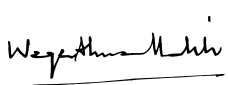
Contingencies and Commitments

| | | |
|-------------------------------------|-------------------|-------------------|
| | 8 | |
| Total Equity and Liabilities | 23,358,790 | 22,030,672 |

The annexed notes from 1 to 16 form an integral part of the condensed interim unconsolidated financial information.



M J Jaffer
Chairman / Director



Waqar A Malik
Chief Executive



Feroz Rizvi
Chief Financial Officer

**Condensed Interim Unconsolidated
Profit and Loss Account (Unaudited)**
For the Quarter Ended March 31, 2011

| | Polyester | | Soda Ash | |
|---|--|--|--|--|
| | For the 3 months ended March 31 2011 | For the 3 months ended March 31 2010 | For the 3 months ended March 31 2011 | For the 3 months ended March 31 2010 |
| Turnover - note 9 | 6,263,100 | 3,995,742 | 2,098,243 | 1,908,489 |
| Sales tax | - | - | 357,545 | 279,360 |
| Excise duty | - | - | 21,262 | 13,640 |
| Commission and discounts to distributors and customers | 8,177 | 11,494 | 61,654 | 70,166 |
| | 8,177 | 11,494 | 440,461 | 363,166 |
| Net sales, commission and toll income | 6,254,923 | 3,984,248 | 1,657,782 | 1,545,323 |
| Cost of sales - note 9 and 10 | 5,531,459 | 3,607,149 | 1,566,137 | 1,425,002 |
| Gross profit | 723,464 | 377,099 | 91,645 | 120,321 |
| Selling and distribution expenses | 15,536 | 15,706 | 24,611 | 61,158 |
| Administration and general expenses | 60,753 | 41,056 | 47,539 | 58,230 |
| Operating result | 647,175 | 320,337 | 19,495 | 933 |
| Financial charges | | | | |
| Workers' profit participation fund | | | | |
| Workers' welfare fund | | | | |
| Other operating charges | | | | |
| Other operating income | | | | |
| Profit before taxation | | | | |
| Taxation - note 11 | | | | |
| Profit after taxation | | | | |

Earnings per share - Basic and Diluted

The annexed notes from 1 to 16 form an integral part of the condensed interim unconsolidated financial information.

For the Quarter Ended March 31, 2011

Amounts in Rs '000

| | |
|---------|---------|
| 23,842 | 37,403 |
| 50,409 | 32,227 |
| 19,400 | 12,445 |
| 10,357 | 6,969 |
| 104,008 | 89,044 |
| 159,423 | 144,181 |
| 948,982 | 609,778 |
| 324,866 | 213,000 |
| 624,116 | 396,778 |

M J Jaffer
Chairman / Director

Waqar A Malik
Chief Executive

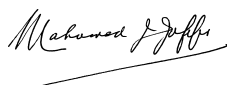
Feroz Rizvi
Chief Financial Officer

**Condensed Interim Unconsolidated
Statement of Comprehensive Income (Unaudited)**
For the Quarter Ended March 31, 2011

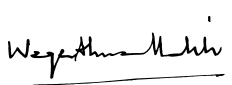
Amounts in Rs '000

| | For the 3 months ended March 31 2011 | For the 3 months ended March 31 2010 |
|---|--|--|
| Profit for the period | 624,116 | 396,778 |
| Other comprehensive income | - | - |
| Total comprehensive income for the quarter | 624,116 | 396,778 |

The annexed notes from 1 to 16 form an integral part of the condensed interim unconsolidated financial information.



M J Jaffer
Chairman / Director



Waqar A Malik
Chief Executive



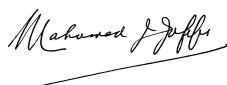
Feroz Rizvi
Chief Financial Officer

**Condensed Interim Unconsolidated
Cash Flow Statement (Unaudited)**
For the Quarter Ended March 31, 2011

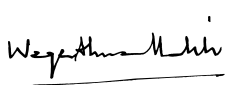
Amounts in Rs '000

| | March 31 2011 | March 31 2010 |
|---|--------------------------|--------------------------|
| Cash Flows from Operating Activities | | |
| Profit before taxation | 948,982 | 609,778 |
| Adjustments for: | | |
| Depreciation and amortisation | 256,803 | 224,455 |
| Loss / (Gain) on disposal of property, plant and equipment | 2,259 | (18,671) |
| Provision for non-management staff gratuity and eligible retired employees' medical scheme | 16,083 | 10,072 |
| Mark-up on bank deposits and on loan/standby facility to subsidiary | (132,064) | (98,847) |
| Interest / mark-up expense | 22,247 | 16,933 |
| | 1,114,310 | 743,720 |
| Movement in: | | |
| Working capital | (400,582) | (1,209,736) |
| Long-term loans | (4,388) | (21,120) |
| Long-term deposits and prepayments | (7,870) | (5,008) |
| Cash generated from / (used in) operations | 701,470 | (492,144) |
| Payments for : | | |
| Non-management staff gratuity and eligible retired employees' medical scheme | (3,223) | (3,423) |
| Taxation | (292,171) | (355,116) |
| Interest / mark-up | (22,247) | (16,933) |
| Profit / mark-up received on bank deposits | 99,880 | 80,040 |
| Net cash generated from / (used in) operating activities | 483,709 | (787,576) |
| Cash Flows from Investing Activities | | |
| Payments for capital expenditure | (164,012) | (209,971) |
| Proceeds from disposal of property, plant and equipment | 4,001 | 20,579 |
| Profit / mark-up received from subsidiary | 18,097 | 17,525 |
| Net cash used in investing activities | (141,914) | (171,867) |
| Cash Flows from Financing Activities | - | - |
| Net Increase / (decrease) in cash and cash equivalents | 341,795 | (959,443) |
| Cash and cash equivalents at January 1 | 4,661,822 | 4,468,251 |
| Cash and cash equivalents at March 31 | 5,003,617 | 3,508,808 |
| Movement in Working Capital (Increase) / decrease in current assets | | |
| Stores and spares | (29,459) | (2,072) |
| Stock-in-trade | (576,801) | (462,880) |
| Trade debts | (303,521) | (283,549) |
| Loans and advances | (153,660) | (904) |
| Trade deposits and short-term prepayments | (44,024) | 17,310 |
| Other receivables | (37,144) | (13,063) |
| | (1,144,609) | (745,158) |
| Increase / (decrease) in current liability | | |
| Trade and other payables | 744,027 | (464,578) |
| | (400,582) | (1,209,736) |
| Cash and cash equivalents at March 31 comprise of: | | |
| Cash and bank balances | 5,003,617 | 3,573,700 |
| Running finances utilised under mark-up arrangements | - | (64,892) |
| | 5,003,617 | 3,508,808 |

The annexed notes from 1 to 16 form an integral part of the condensed interim unconsolidated financial information.



M J Jaffer
Chairman / Director



Waqar A Malik
Chief Executive



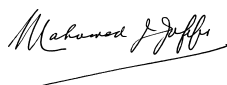
Feroz Rizvi
Chief Financial Officer

**Condensed Interim Unconsolidated
Statement of Changes in Equity (Unaudited)**
For the Quarter Ended March 31, 2011

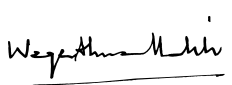
Amounts in Rs '000

| | 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 quarter ended March 31, 2010 | - | - | 396,778 | 396,778 |
| Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation | - | - | 6,235 | 6,235 |
| | - | - | 403,013 | 403,013 |
| Balance as on March 31, 2010 | 1,388,023 | 465,845 | 11,407,331 | 13,261,199 |
| Total comprehensive income for the nine months ended December 31, 2010 | - | - | 2,032,048 | 2,032,048 |
| Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation | - | - | 18,259 | 18,259 |
| | - | - | 2,050,307 | 2,050,307 |
| Interim dividend for the year 2010 @ Rs 5.50 per share, transactions with owners, recorded directly in equity | - | - | (763,413) | (763,413) |
| Balance as on December 31, 2010 | 1,388,023 | 465,845 | 12,694,225 | 14,548,093 |
| Changes in equity for 2011 | | | | |
| Total comprehensive income for the quarter ended March 31, 2011 | - | - | 624,116 | 624,116 |
| Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation | - | - | 5,037 | 5,037 |
| | - | - | 629,153 | 629,153 |
| Balance as on March 31, 2011 | 1,388,023 | 465,845 | 13,323,378 | 15,177,246 |

The annexed notes from 1 to 16 form an integral part of the condensed interim unconsolidated financial information.



M J Jaffer
Chairman / Director



Waqar A Malik
Chief Executive



Feroz Rizvi
Chief Financial Officer

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the Quarter Ended March 31, 2011

Amounts in Rs '000

1. 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 December 31, 2010.

- 1.1 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

| | March 31 2011 | December 31 2010 |
|--|------------------|---------------------|
| Operating assets - at net book value | 8,510,380 | 8,677,493 |
| Capital work-in-progress - at cost | | |
| Civil works and buildings | 50,109 | 39,836 |
| Plant and machinery | 150,379 | 130,655 |
| Miscellaneous equipment | 33,452 | 8,993 |
| Advances to suppliers / contractors | 43,489 | 38,114 |
| | 277,429 | 217,598 |
| Total Property, plant and equipment | 8,787,809 | 8,895,091 |

- 2.1 Following is the cost of operating property, plant and equipment that have been added / disposed off during the quarter ended March 31, 2011:

| | Additions/Transfers | | Disposals | |
|-----------------------------|---------------------|------------------|------------------|------------------|
| | March 31 2011 | March 31 2010 | March 31 2011 | March 31 2010 |
| Buildings on freehold land | 5,294 | 7,808 | - | - |
| Buildings on leasehold land | 4,167 | 255 | - | - |
| Plant and machinery | 58,508 | 57,041 | 6,116 | 5,539 |
| Vehicles | 77 | 363 | 1,132 | 477 |
| Furniture and equipment | 15,452 | 8,022 | 132,369 | 23,921 |
| Total | 83,498 | 73,489 | 139,617 | 29,937 |

3. INTANGIBLE ASSETS

| | March 31 2011 | December 31 2010 |
|--|------------------|---------------------|
| Intangible assets - at net book value - note 4.1 | 108,534 | 114,750 |
| Under development - at cost | 66,628 | 65,352 |
| Total Intangible assets | 175,162 | 180,102 |

- 3.1 This includes additions of intangible assets of Rs 6.23 million during the period.

4. 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

Total Long-term Investments

712,500 712,500

- 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 period ended March 31, 2011 amounted to Rs 312.336 million (December 31, 2010: Rs 306.706 million).

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the Quarter Ended March 31, 2011

Amounts in Rs '000

| | March 31 2011 | December 31 2010 |
|---|------------------|---------------------|
| 5. LONG-TERM LOANS - <i>considered good</i> | | |
| Due from Subsidiary - Unsecured loan - note 5.1 | 177,778 | 177,778 |
| Due from Directors, Executives and Employees - note 5.2 | 229,028 | 219,177 |
| | 406,806 | 396,955 |
| Less: Current portion shown under current assets | | |
| Due from Directors, Executives and Employees - note 5.2 | 78,154 | 72,691 |
| Total Long-term loans | 328,652 | 324,264 |

5.1 This represents loan given to ICI Pakistan PowerGen Limited (wholly owned subsidiary) of Rs 200 million carrying a markup at 3 months KIBOR + 2%. This loan is repayable in nine equal semi annual instalments commencing from October 1, 2011. Current maturity of this loan amounting to Rs 22.222 million (December 31, 2010: Nil) included in loans and advances.

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. 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) which is repayable on demand at a markup rate of 3 months KIBOR + 1.65% (December 31, 2010: 3 months KIBOR + 1.65%). The amount utilised under this facility as at March 31, 2011 amounted to Rs. 283 million (December 31, 2010: Rs. 283 million).

7. SHORT-TERM FINANCING

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% per annum with an average mark-up rate as on March 31, 2011 at relevant KIBOR + 1.18% (December 31, 2010: relevant KIBOR + 0.75% to 3.47% percent per annum with an average mark-up rate 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.

8. CONTINGENCIES AND COMMITMENTS

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

| | | |
|-----------------------|----------------|---------|
| Local bodies | 14,178 | 14,178 |
| Sales Tax authorities | 91,336 | 91,336 |
| Others | 137,842 | 137,934 |
| Total | 243,356 | 243,448 |

8.2 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 Chemical Corporation Limited, have issued counter guarantees to the Company.

2,190,000 2,190,000

8.3 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

8.4 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

8.5 Commitments in respect of capital expenditure.

66,321 138,350

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the Quarter Ended March 31, 2011

Amounts in Rs '000

8.6 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 has filed an appeal against the order in the Environmental Tribunal in Lahore, which is pending.

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

| Year | March 31 2011 | December 31 2010 |
|---|--|--|
| 2011 | 51,040 | 67,470 |
| 2012 | 58,048 | 56,785 |
| 2013 | 41,217 | 32,769 |
| 2014 | 16,846 | 7,135 |
| 2015 | 2,259 | - |
| Total | 169,410 | 164,159 |
| Payable not later than one year | 66,352 | 67,470 |
| Payable later than one year but not later than five years | 103,058 | 96,689 |
| Total | 169,410 | 164,159 |
| | For the 3 months ended March 31 2011 | For the 3 months ended March 31 2010 |

9. TURNOVER

9.1 Inter-segment sales and purchases between Chemicals and Paints have been eliminated from the total. **143,774** 69,945

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

9.3 Turnover includes export sales of Rs 68.111 million made to various countries during the period ended March 31, 2011

10. COST OF SALES

| | | |
|--|-------------------|------------------|
| Opening stock of raw and packing materials | 1,698,629 | 1,218,757 |
| Purchases | 6,877,926 | 4,834,192 |
| | 8,576,555 | 6,052,949 |
| Closing stock of raw and packing materials | (1,813,378) | (1,417,102) |
| Raw and packing materials consumption | 6,763,177 | 4,635,847 |
| Manufacturing costs | 1,924,306 | 1,620,371 |
| | 8,687,483 | 6,256,218 |
| Opening stock of work-in-process | 48,553 | 83,229 |
| | 8,736,036 | 6,339,447 |
| Closing stock of work-in-process | (181,696) | (117,428) |
| Cost of goods manufactured | 8,554,340 | 6,222,019 |
| Opening stock of finished goods | 2,039,163 | 1,942,539 |
| Finished goods purchased | 904,636 | 887,044 |
| | 11,498,139 | 9,051,602 |
| Closing stock of finished goods | (2,368,072) | (2,172,875) |
| Cost of sales | 9,130,067 | 6,878,727 |

11. TAXATION

| | | |
|--------------|----------------|----------------|
| Current | 364,580 | 270,000 |
| Deferred | (39,714) | (57,000) |
| Total | 324,866 | 213,000 |

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the Quarter Ended March 31, 2011

Amounts in Rs '000

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 these financial statements are as follows:

| | For the 3 months ended March 31 2011 | For the 3 months ended March 31 2010 |
|--|--|--|
| <i>Subsidiary Company</i> | | |
| Purchase of goods, materials and services | 285,894 | 225,397 |
| Provision of services and other receipts | 495 | 495 |
| Return on loan and on standby finance facility | 18,168 | 16,822 |
| <i>Associated Companies</i> | | |
| Purchase of goods, materials and services | 44,165 | 26,357 |
| Provision of services and other receipts | 114 | 2,897 |
| Sale of goods and materials | 38,491 | 27,313 |
| Contribution to staff retirement benefit plans | 46,510 | 32,427 |
| Dividends | - | 473,517 |

12.1 Transaction with key management personnel

Key management personnel received an amount of Rs 85.499 million (March 31, 2010: Rs 77.035 million) on account of remuneration out of which Rs 6.843 million (March 31, 2010: Rs 6.072 million) relates to post employment benefits.

13. 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.

14. 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.

15. DATE OF AUTHORISATION

The condensed interim unconsolidated financial information was authorised for issue in the Board of Directors meeting held on April 28, 2011.

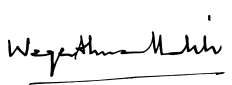
16. GENERAL

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

16.2 Certain figures have been reclassified in the condensed interim unconsolidated financial information for better presentation and disclosures in line with the annual financial statements of 2010.



M J Jaffer
Chairman / Director



Waqar A Malik
Chief Executive



Feroz Rizvi
Chief Financial Officer

ICI Pakistan Limited and its Subsidiary Company



ICI Pakistan Limited is now part
of the AkzoNobel Group



AkzoNobel
Tomorrow's Answers Today

Review of the Directors

For the Quarter Ended March 31, 2011

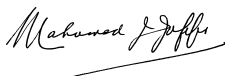
The Directors are pleased to present their review together with the un-audited Group results of ICI Pakistan Limited for the quarter ended March 31, 2011. The ICI Pakistan Group comprises of ICI Pakistan Limited and ICI Pakistan PowerGen Limited, a wholly owned subsidiary. The Directors review, giving a commentary on the performance of ICI Pakistan Limited for the quarter ended March 31, 2011 has been presented separately.

In wake of global demand supply dynamics, the crude oil prices rose during the quarter and remained above the average prices of same period last year. Furnace oil prices during the three months of 2011 at Rs 52,092/ton were on an average higher by 17 percent compared with Rs 44,549/ton in the same period last year. Gas prices remained stable during the quarter.

Electricity sales volume for the quarter was 8 percent higher compared to the same period last year. This was due to higher demand from the Polyester plant of ICI Pakistan Limited. This along with revision in electricity tariff enabled the Company to achieve an operating result of Rs 23.75 million which was 9 percent lower than the same period last year mainly due to frequent gas curtailment resulting in significant decrease in sale of steam to Polyester.

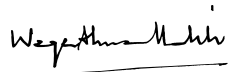
FUTURE OUTLOOK

Furnace oil prices are expected to remain stable to firm and are currently at Rs 59,489 per ton.



M J Jaffer
Chairman

April 28, 2011
Karachi



Waqar A Malik
Chief Executive

Condensed Interim Consolidated Balance Sheet (Unaudited)

As at March 31, 2011

Amounts in Rs '000

| | Note | March 31 2011 | December 31 2010 |
|---|------|-------------------|---------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 2 | 9,411,902 | 9,510,300 |
| Intangible assets | 3 | 175,162 | 180,103 |
| | | 9,587,064 | 9,690,403 |
| Long-term investment | 4 | 2,500 | 2,500 |
| Long-term loans | 5 | 152,584 | 148,265 |
| Long-term deposits and prepayments | | 48,328 | 40,458 |
| | | 203,412 | 191,223 |
| | | 9,790,476 | 9,881,626 |
| Current assets | | | |
| Stores and spares | | 548,685 | 518,978 |
| Stock-in-trade | | 4,383,721 | 3,816,680 |
| Trade debts | | 1,121,846 | 818,351 |
| Loans and advances | | 440,413 | 286,655 |
| Trade deposits and short-term prepayments | | 497,217 | 455,232 |
| Other receivables | | 694,082 | 647,669 |
| Taxation recoverable | | 473,542 | 545,951 |
| Cash and bank balances | | 5,111,692 | 4,739,557 |
| | | 13,271,198 | 11,829,073 |
| Total Assets | | 23,061,674 | 21,710,699 |

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 | 15,000,000 |
| Issued, subscribed and paid-up capital 138,802,300 (December 31, 2010: 138,802,300) ordinary shares of Rs 10 each | 1,388,023 | 1,388,023 |
| Capital reserves | 465,845 | 465,845 |
| Unappropriated profit | 12,914,747 | 12,279,401 |
| Total Equity | 14,768,615 | 14,133,269 |
| Surplus on Revaluation of Property, Plant and Equipment | 911,780 | 917,380 |

LIABILITIES

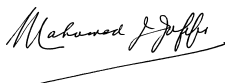
Non-current liabilities

| | | |
|--|------------------|-----------|
| Provisions for non-management staff gratuity and eligible retired employees' medical scheme | 236,041 | 223,181 |
| Deferred tax liability - net | 830,534 | 870,248 |
| | 1,066,575 | 1,093,429 |

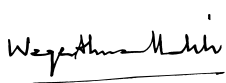
Current liabilities

| | | |
|--------------------------------------|-------------------|------------|
| Trade and other payables | 6,314,704 | 5,566,621 |
| Contingencies and Commitments | 7 | |
| Total Equity and Liabilities | 23,061,674 | 21,710,699 |

The annexed notes from 1 to 15 form an integral part of the condensed interim consolidated financial information.



M J Jaffer
Chairman / Director



Waqar A Malik
Chief Executive



Feroz Rizvi
Chief Financial Officer

**Condensed Interim Consolidated
Profit and Loss Account (Unaudited)**
For the Quarter Ended March 31, 2011

| | Polyester | | Soda Ash | | Paints | |
|---|---|--|---|--|---|--|
| | For the 3 months ended March 31 2011 | For the 3 months ended March 31 2010 | For the 3 months ended March 31 2011 | For the 3 months ended March 31 2010 | For the 3 months ended March 31 2011 | For the 3 months ended March 31 2010 |
| Turnover - note 8 | 6,263,100 | 3,995,742 | 2,098,243 | 1,908,489 | 1,376,081 | 1,724,129 |
| Sales tax | - | - | 357,545 | 279,360 | 188,102 | 229,350 |
| Excise duty | - | - | 21,262 | 13,640 | 14,045 | 14,169 |
| Commission and discounts to distributors and customers | 8,177 | 11,494 | 61,654 | 70,166 | 189,969 | 256,118 |
| | 8,177 | 11,494 | 440,461 | 363,166 | 392,116 | 499,637 |
| Net sales, commission and toll income | 6,254,923 | 3,984,248 | 1,657,782 | 1,545,323 | 983,965 | 1,224,492 |
| Cost of sales - note 8 and 9 | 5,531,459 | 3,607,149 | 1,566,137 | 1,425,002 | 730,392 | 857,241 |
| Gross profit | 723,464 | 377,099 | 91,645 | 120,321 | 253,573 | 367,251 |
| Selling and distribution expenses | 15,536 | 15,706 | 24,611 | 61,158 | 148,449 | 173,783 |
| Administration and general expenses | 60,753 | 41,056 | 47,539 | 58,230 | 82,916 | 95,503 |
| Operating result | 647,175 | 320,337 | 19,495 | 933 | 22,208 | 97,965 |
| Financial charges | | | | | | |
| Workers' profit participation fund | | | | | | |
| Workers' welfare fund | | | | | | |
| Other operating charges | | | | | | |
| Other operating income | | | | | | |
| Profit before taxation | | | | | | |
| Taxation - note 10 | | | | | | |
| Profit after taxation | | | | | | |
| Earnings per share - Basic and Diluted | | | | | | |
| The annexed notes from 1 to 15 form an integral part of the condensed interim consolidated financial information. | | | | | | |

For the Quarter Ended March 31, 2011

| Life Sciences | | Chemicals | | Others- PowerGen | | Group | |
|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| For the 3 months ended March 31 2011 | For the 3 months ended March 31 2010 | For the 3 months ended March 31 2011 | For the 3 months ended March 31 2010 | For the 3 months ended March 31 2011 | For the 3 months ended March 31 2010 | For the 3 months ended March 31 2011 | For the 3 months ended March 31 2010 |

Mahomed Jaffer

Wegpunkt 1

FM

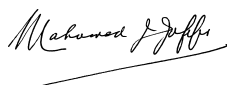
ICI Pakistan Limited | Quarterly Report Jan - Mar 2011 | 21

**Condensed Interim Consolidated
Statement of Comprehensive Income (Unaudited)**
For the Quarter Ended March 31, 2011

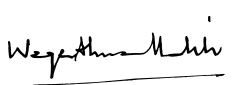
Amounts in Rs '000

| | For the 3 months ended March 31 2011 | For the 3 months ended March 31 2010 |
|---|--|--|
| Profit for the period | 629,746 | 404,941 |
| Other comprehensive income | - | - |
| Total comprehensive income for the quarter | 629,746 | 404,941 |

The annexed notes from 1 to 15 form an integral part of the condensed interim consolidated financial information.



M J Jaffer
Chairman / Director



Waqar A Malik
Chief Executive



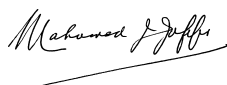
Feroz Rizvi
Chief Financial Officer

**Condensed Interim Consolidated
Cash Flow Statement (Unaudited)**
For the Quarter Ended March 31, 2011

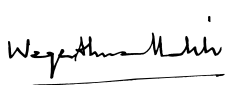
Amounts in Rs '000

| | March 31 2011 | March 31 2010 |
|---|------------------|------------------|
| Cash Flows from Operating Activities | | |
| Profit before taxation | 954,612 | 617,941 |
| Adjustments for: | | |
| Depreciation and amortisation | 278,228 | 244,992 |
| Loss / (Gain) on disposal of property, plant and equipment | 2,259 | (18,671) |
| Provision for non-management staff gratuity and eligible retired employees' medical scheme | 16,083 | 10,072 |
| Mark-up on bank deposits | (114,203) | (82,025) |
| Interest / mark-up expense | 22,247 | 17,995 |
| | 1,159,226 | 790,304 |
| Movement in: | | |
| Working capital | (366,743) | (1,198,616) |
| Long-term loans | (4,319) | (21,357) |
| Long-term deposits and prepayments | (7,870) | (5,008) |
| Cash generated from / (used in) operations | 780,294 | (434,677) |
| Payments for : | | |
| Non-management staff gratuity and eligible retired employees' medical scheme | (3,223) | (3,423) |
| Taxation | (292,171) | (355,116) |
| Interest / mark-up | (22,632) | (17,923) |
| Profit / mark-up received | 100,187 | 80,040 |
| Net cash generated from / (used in) operating activities | 562,455 | (731,099) |
| Cash Flows from Investing Activities | | |
| Payments for capital expenditure | (194,321) | (229,755) |
| Proceeds from disposal of property, plant and equipment | 4,001 | 20,579 |
| Net cash used in investing activities | (190,320) | (209,176) |
| Cash Flows from Financing Activities | - | - |
| Net Increase / (decrease) in cash and cash equivalents | 372,135 | (940,275) |
| Cash and cash equivalents at January 1 | 4,739,557 | 4,511,675 |
| Cash and cash equivalents at March 31 | 5,111,692 | 3,571,400 |
| Movement in Working Capital | | |
| (Increase) / Decrease in current assets | | |
| Stores and spares | (29,707) | (1,048) |
| Stock-in-trade | (567,041) | (469,606) |
| Trade debts | (303,495) | (283,580) |
| Loans and advances | (153,758) | (883) |
| Trade deposits and short-term prepayments | (41,985) | 17,392 |
| Other receivables | (32,397) | (13,945) |
| | (1,128,383) | (751,670) |
| Increase / (Decrease) in current liability | | |
| Trade and other payables | 761,640 | (446,946) |
| | (366,743) | (1,198,616) |
| Cash and cash equivalents at March 31 comprise of: | | |
| Cash and bank balances | 5,111,692 | 3,636,292 |
| Running finances utilised under mark-up arrangements | - | (64,892) |
| | 5,111,692 | 3,571,400 |

The annexed notes from 1 to 15 form an integral part of the condensed interim consolidated financial information.



M J Jaffer
Chairman / Director



Waqar A Malik
Chief Executive



Feroz Rizvi
Chief Financial Officer

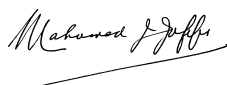
Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)

For the Quarter Ended March 31, 2011

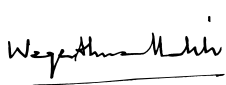
Amounts in Rs '000

| | 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 quarter ended March 31, 2010 | - | - | 404,941 | 404,941 |
| Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation | - | - | 6,798 | 6,798 |
| | - | - | 411,739 | 411,739 |
| Balance as on March 31, 2010 | 1,388,023 | 465,845 | 10,950,706 | 12,804,574 |
| Total comprehensive income for the nine months ended December 31, 2010 | - | - | 2,072,162 | 2,072,162 |
| Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation | - | - | 19,946 | 19,946 |
| | - | - | 2,092,108 | 2,092,108 |
| Interim dividend for the year 2010 @ Rs 5.50 per share, transactions with owners, recorded directly in equity | - | - | (763,413) | (763,413) |
| Balance as on December 31, 2010 | 1,388,023 | 465,845 | 12,279,401 | 14,133,269 |
| Changes in equity for 2011 | | | | |
| Total comprehensive income for the quarter ended March 31, 2011 | - | - | 629,746 | 629,746 |
| Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation | - | - | 5,600 | 5,600 |
| | - | - | 635,346 | 635,346 |
| Balance as on March 31, 2011 | 1,388,023 | 465,845 | 12,914,747 | 14,768,615 |

The annexed notes from 1 to 15 form an integral part of the condensed interim consolidated financial information.



M J Jaffer
Chairman / Director



Waqar A Malik
Chief Executive



Feroz Rizvi
Chief Financial Officer

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the Quarter Ended March 31, 2011

Amounts in Rs '000

1. 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 March 31, 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 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 annual financial statements as at and for the year ended December 31, 2010.

1.2 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

| | March 31 2011 | December 31 2010 |
|--|------------------|---------------------|
| Operating assets - at net book value | 9,036,406 | 9,224,944 |
| Capital work-in-progress - at cost | | |
| Civil works and buildings | 50,609 | 40,261 |
| Plant and machinery | 247,421 | 197,464 |
| Miscellaneous equipment | 33,452 | 8,993 |
| Advances to suppliers / contractors | 44,014 | 38,638 |
| | 375,496 | 285,356 |
| Total Property, plant and equipment | 9,411,902 | 9,510,300 |

2.1 Following is the cost of operating property, plant and equipment that have been added / disposed off during the quarter ended March 31, 2011:

| | Additions/Transfers | | Disposals | |
|-----------------------------|---------------------|------------------|------------------|------------------|
| | March 31 2011 | March 31 2010 | March 31 2011 | March 31 2010 |
| Buildings on freehold land | 5,294 | 7,808 | - | - |
| Buildings on leasehold land | 4,167 | 255 | - | - |
| Plant and machinery | 58,508 | 57,041 | 6,116 | 5,539 |
| Vehicles | 77 | 363 | 1,132 | 477 |
| Furniture and equipment | 15,452 | 8,022 | 132,369 | 23,921 |
| Total | 83,498 | 73,489 | 139,617 | 29,937 |

3. INTANGIBLE ASSETS

| | March 31 2011 | December 31 2010 |
|--|------------------|---------------------|
| Intangible assets - at net book value - note 3.1 | 108,534 | 114,751 |
| Under development - at cost | 66,628 | 65,352 |
| Total Intangible assets | 175,162 | 180,103 |

3.1 This includes additions of intangible assets of Rs 6.23 million during the period.

4. LONG-TERM INVESTMENT

| | | |
|---|-------|-------|
| <i>Unquoted</i> | | |
| Equity security available for sale - Arabian Sea Country Club Limited | 2,500 | 2,500 |

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the Quarter Ended March 31, 2011

Amounts in Rs '000

| | March 31 2011 | December 31 2010 |
|---|------------------|---------------------|
| 5. LONG-TERM LOANS - <i>considered good</i> | | |
| Due from Directors, Executives and Employees - note 5.1 | 230,974 | 221,193 |
| Less: Current portion shown under current assets | | |
| Due from Directors, Executives and Employees - note 5.1 | 78,390 | 72,928 |
| Total long-term loans | 152,584 | 148,265 |

5.1 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. SHORT-TERM FINANCING

6.1 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 mark-up rate as on March 31, 2011 at relevant KIBOR + 1.16% (December 31, 2010: relevant KIBOR + 0.75% to 3.47% percent per annum with an average mark-up rate 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.

7. CONTINGENCIES AND COMMITMENTS

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

| | | |
|-----------------------|----------------|----------------|
| Local bodies | 31,889 | 31,889 |
| Sales Tax authorities | 91,336 | 91,336 |
| Others | 137,842 | 137,934 |
| Total | 261,067 | 261,159 |

7.2 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 has filed an appeal against the order in the Environmental Tribunal in Lahore, which is pending.

7.3 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 Chemical Corporation Limited, have issued counter guarantees to the Group.

2,190,000 2,190,000

7.4 Guarantees issued by the Company in respect of financing obtained by Senior Executives, in accordance with the terms of employment.

35,000 35,000

7.5 Commitments in respect of capital expenditure.

66,356 152,646

7.6 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

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

| | | |
|---|----------------|----------------|
| Year | | |
| 2011 | 51,377 | 67,908 |
| 2012 | 58,496 | 57,223 |
| 2013 | 41,329 | 32,878 |
| 2014 | 16,846 | 7,135 |
| 2015 | 2,259 | - |
| Total | 170,307 | 165,144 |
| Payable not later than one year | 66,801 | 67,908 |
| Payable later than one year but not later than five years | 103,506 | 97,236 |
| Total | 170,307 | 165,144 |

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the Quarter Ended March 31, 2011

Amounts in Rs '000

| For the 3 months ended March 31 2011 | For the 3 months ended March 31 2010 |
|--|--|
|--|--|

8. INTER-SEGMENT SALES AND PURCHASES

| | | |
|--|---------|---------|
| 8.1 Inter-segment sales and purchases have been eliminated from the total. | 429,669 | 295,342 |
|--|---------|---------|

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

| | | |
|--|--|--|
| 8.2 Turnover includes export sales of Rs. 68.111 million made to various countries during the period ended March 31, 2011. | | |
|--|--|--|

9. COST OF SALES

| | | |
|--|---------------------------|--------------------------|
| Opening stock of raw and packing materials | 1,728,964 | 1,227,577 |
| Purchases | 6,868,165 | 4,927,578 |
| Closing stock of raw and packing materials | 8,597,129 (1,833,953) | 6,155,155 (1,432,648) |
| Raw and packing materials consumption | 6,763,176 | 4,722,507 |
| Manufacturing costs | 1,857,718 | 1,475,524 |
| Opening stock of work-in-process | 8,620,894 48,553 | 6,198,031 83,229 |
| Closing stock of work-in-process | 8,669,447 (181,696) | 6,281,260 (117,428) |
| Cost of goods manufactured | 8,487,751 | 6,163,832 |
| Opening stock of finished goods | 2,039,163 | 1,942,539 |
| Finished goods purchased | 904,636 | 887,044 |
| Closing stock of finished goods | 11,431,550 (2,368,072) | 8,993,415 (2,172,875) |
| Cost of sales | 9,063,478 | 6,820,540 |

10. TAXATION

| | | |
|--------------|----------------|----------------|
| Current | 364,580 | 270,000 |
| Deferred | (39,714) | (57,000) |
| Total | 324,866 | 213,000 |

11. 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 | 44,165 | 26,357 |
| Provision of services and other receipts | 114 | 2,897 |
| Sale of goods and materials | 38,491 | 27,313 |
| Contribution to staff retirement benefit plans | 46,510 | 32,427 |
| Dividends | - | 473,517 |

11.1 Transaction with key management personnel

Key management personnel received an amount of Rs 85.499 million (March 31, 2010: Rs 77.035 million) on account of remuneration out of which Rs 6.843million (March 31, 2010: Rs 6.072 million) relates to post employment benefits.

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the Quarter Ended March 31, 2011

12. ESTIMATES

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

13. 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.

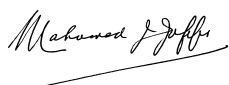
14. DATE OF AUTHORISATION

The condensed interim consolidated financial information was authorised for issue in the Board of Directors meeting held on April 28, 2011.

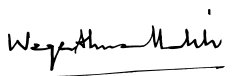
15. GENERAL

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

15.2 Certain figures have been reclassified in the condensed interim consolidated financial information for better presentation and disclosures in line with the annual financial statements of 2010.



M J Jaffer
Chairman / Director



Waqar A Malik
Chief Executive



Feroz Rizvi
Chief Financial Officer



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™

