ICI Pakistan Limited is now part of the AkzoNobel Group

Grounds for excitement

AkzoNobel

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

A publication of the Corporate Communications & Public Affairs Department
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ICI Pakistan Limited

Condensed Interim Consolidated Financial Information

Company Information

Board of Directors

M J Jaffer	Chairman (Non-Executive)	Bart Kaster	Non-Executive
Waqar 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

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

Remuneration Sub Committee

M Nawaz Tiwana	Chairman (Non-Executive)
Derek W Welch	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 *	Vice President, Soda Ash	Suhail Aslam Khan	Vice President, Polyester
Faisal Akhtar	General Manager, Chemicals	M Asif Malik	Vice President,Corporate HR & Life Sciences
Syed Iqbal Haider	General Manager, Corporate Technical Function	Feroz Rizvi	Chief Financial Officer

Bankers
Askari Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
Citibank N.A.
Deutsche Bank AG
Faysal Bank Limited
Habib Bank Limited
HSBC Bank Middle East Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Oman International Bank
Samba Bank Limited
Standard Chartered Bank (Pakistan) 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
** appointed with effect from July 15, 2011

Review of the Directors
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.

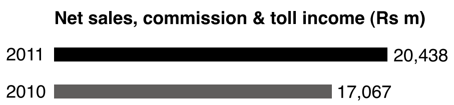
INTERIM DIVIDEND

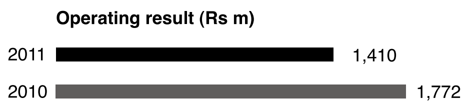
The Board has approved an interim dividend in respect of the financial year ending December 31, 2011 at the rate of 35 percent i.e., Rs 3.50 per share of Rs 10/- each on the issued and paid up share capital of Rs 1,388,023,000.

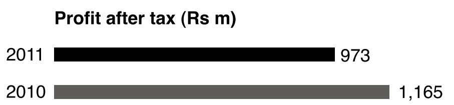
FINANCIAL PERFORMANCE

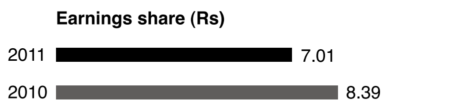
HI 2011 EPS at Rs 7.01 per share was lower by 17 percent compared to the same period last year.

	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

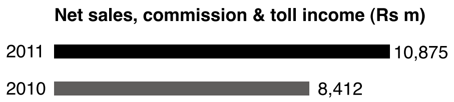


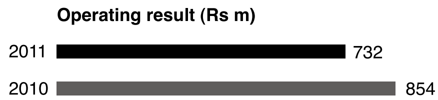






POLYESTER FIBER BUSINESS (PSF)





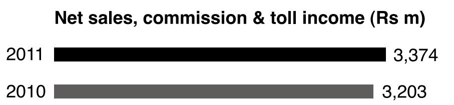
Domestic downstream market conditions remained subdued throughout Q2 2011. New York cotton futures tumbled from around 192 cents per pound at beginning of quarter to around 161 cents per pound by end of that quarter. This and forecast of a bumper domestic cotton crop led to sharp reduction in domestic 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.

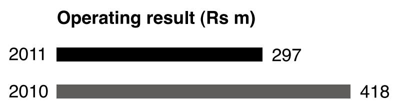
H1 operating profit at Rs 732 million was 14 percent (Rs 122 million) lower than same period last year, due to lower operating result in Q2, partially compensated by higher earnings in Q1 2011.

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.

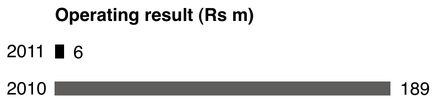
Review of the Directors
For the Quarter & Half Year Ended June 30, 2011

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



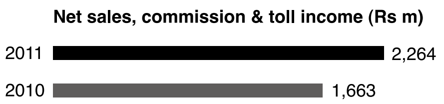
Consumer sentiment in large cities remained subdued due to high inflation which has negatively impacted consumer wallet leading to down trading. Drying up of private sector investment and energy shortages has adversely affected demand from the industrial sector. In addition liquidity issues in the market 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.

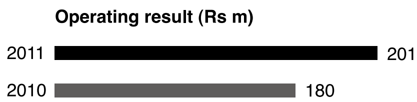
HI 2011 volumes were 15 percent lower compared to HI 2010. Raw material prices kept margins under pressure. During the quarter advertisement and sales promotion expenses were Rs 35 m higher than the same period last year due to launch of "Weathershield Sun Reflect", which has been well received in the 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



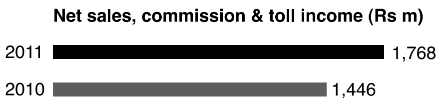


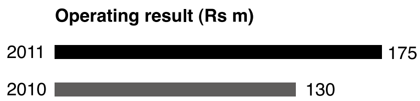
Net sales income was higher by 36 percent compared to HI 2010. All the four segments posted double digit growth driven by higher volumes and product diversification. The Pharmaceutical segment continues to launch its 'own brand' generics and maintain its leadership positions in cardiovascular and oncology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

Review of the Directors
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

Waqar A Malik
Chief Executive

August 24, 2011
Karachi

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.

KPMG Taseer Hadi & Co.

Date: 24 August 2011
Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Amir Jamil Abbasi

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

Amounts in Rs '000

	Note	June 30 2011	December 31 2010
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	**8,691,700**	8,895,091
Intangible assets	3	**164,442**	180,102
		8,856,142	9,075,193
Long-term investments	4	**712,500**	712,500
Long-term loans	5	**322,104**	324,264
Long-term deposits and prepayments		**43,906**	40,458
		1,078,510	1,077,222
		9,934,652	10,152,415
Current Assets			
Stores and spares		**496,199**	450,596
Stock-in-trade	6	**4,914,729**	3,786,345
Trade debts		**946,065**	792,867
Loans and advances	7	**581,113**	590,722
Trade deposits and short-term prepayments		**406,440**	443,674
Other receivables		**754,737**	606,280
Taxation recoverable		**774,715**	545,951
Cash and bank balances		**2,845,025**	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		**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		**12,011,349**	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		**261,900**	222,942
Deferred tax liability - net		**780,847**	870,248
		1,042,747	1,093,190
Current Liabilities			
Trade and other payables		**5,842,580**	5,482,037
Short term financing	8	**5,974**	-
		5,848,554	5,482,037
Contingencies and Commitments	9		
Total Equity and Liabilities		**21,653,675**	22,030,672

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

Condensed Interim Unconsolidated Profit and Loss Account (Unaudited)

For the Six Months Period Ended June 30, 2011

	Polyester				Soda Ash				Paints			
	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	**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	**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
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)**	(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												
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 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	**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	**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
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
								(Rupees)		(Rupees)	
								2.51	**7.01**	5.53	8.39

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 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

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	**514,319**	457,689
Loss / (Gain) on disposal of property, plant and equipment	**2,168**	(20,066)
Provision for non-management staff gratuity and eligible retired employees' medical scheme	**47,860**	23,417
Mark-up on bank deposits and loan to subsidiary	**(210,903)**	(175,777)
Interest / mark-up expense	**39,584**	31,622
	1,884,499	2,104,127
Movement in:		
Working capital	**(1,003,612)**	(2,348,720)
Long-term loans	**(20,062)**	(18,973)
Long-term deposits and prepayments	**(3,448)**	(14,287)
Cash generated from / (used in) operations	**857,377**	(277,853)
Payments for :		
Non-management staff gratuity and eligible retired employees' medical scheme	**(8,902)**	(6,954)
Taxation	**(837,079)**	(600,499)
Interest / mark-up	**(39,584)**	(31,622)
Profit / mark-up received on bank deposits	**168,750**	137,942
Net cash generated from / (used in) operating activities	**140,562**	(778,986)
Cash Flows from Investing Activities		
Payments for capital expenditure	**(338,133)**	(370,602)
Proceeds from disposal of property, plant and equipment	**4,163**	25,434
Profit / mark-up received from Subsidiary	**36,265**	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	**(45,603)**	(42,884)
Stock-in-trade	**(1,128,384)**	(505,462)
Trade debts	**(153,198)**	(528,764)
Loans and advances	**31,831**	25,976
Trade deposits and short-term prepayments	**37,234**	(112,869)
Other receivables	**(142,569)**	(197,058)
	(1,400,689)	(1,361,061)
Increase / (Decrease) in current liability		
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	**2,845,025**	2,892,040
Running finances utilised under mark-up arrangements	**(5,974)**	(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

Feroz Rizvi
Chief Financial Officer

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	-	-	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	-	-	(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 - net of deferred taxation	-	-	10,195	10,195
	-	-	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

Feroz Rizvi
Chief Financial Officer

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

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	**8,449,665**	8,677,493
Capital work-in-progress - at cost		
Civil works and buildings	**54,392**	39,836
Plant and machinery	**70,535**	130,655
Miscellaneous equipment	**67,727**	8,993
Advances to suppliers / contractors	**49,381**	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		**Disposals**	
	June 30 2011	June 30 2010	**June 30 2011**	June 30 2010
Buildings on freehold land	**11,437**	18,540	**-**	-
Buildings on leasehold land	**23,681**	16,303	**-**	-
Plant and machinery	**194,149**	143,799	**7,357**	8,461
Vehicles	**85**	1,416	**1,132**	1,960
Furniture and equipment	**35,400**	51,582	**134,815**	33,353
Total	**264,752**	231,640	**143,304**	43,774

3. INTANGIBLE ASSETS

	June 30 2011	December 31 2010
Intangible assets - at net book value	**97,265**	114,750
Under development - at cost	**67,177**	65,352
Total Intangible 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.

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

	June 30 2011	December 31 2010
5. LONG-TERM LOANS - considered good		
Due from Subsidiary - Unsecured loan - note 5.1	**200,000**	200,000
Due from Directors, Executives and Employees - note 5.2	**247,085**	219,177
	447,085	419,177
Less: Current portions shown under current assets		
Due from Subsidiary - note 5.1	**44,444**	22,222
Due from Directors, Executives and Employees - note 5.2	**80,537**	72,691
	124,981	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).

	June 30 2011	December 31 2010
8. SHORT-TERM FINANCING	**5,974**	-

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

		June 30 2011	December 31 2010
9.	**CONTINGENCIES AND COMMITMENTS**		
9.1	Claims against the Company not acknowledged as debts are as follows:		
	Local bodies	**14,278**	14,178
	Sales Tax authorities	**91,336**	91,336
	Others	**172,046**	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) 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.

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

Year	June 30 2011	December 31 2010
2011	**36,201**	67,470
2012	**63,669**	56,785
2013	**47,905**	32,769
2014	**26,768**	7,135
2015	**7,740**	-
Total	**182,283**	164,159
Payable not later than one year	**68,977**	67,470
Payable later than one year but not later than five years	**113,306**	96,689
Total	**182,283**	164,159

	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
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	
	For the 3 months ended	**For the 6 months ended**	For the 3 months ended	For the 6 months ended
11. COST OF SALES				
Opening stock of raw and packing materials	**1,813,378**	**1,698,629**	1,417,102	1,218,757
Purchases	**6,023,162**	**12,901,088**	5,073,150	9,907,342
	7,836,540	**14,599,717**	6,490,252	11,126,099
Closing stock of raw and packing materials	**(2,058,184)**	**(2,058,184)**	(1,488,652)	(1,488,652)
Raw and packing materials consumption	**5,778,356**	**12,541,533**	5,001,600	9,637,447
Manufacturing costs	**1,695,795**	**3,620,101**	1,400,317	3,020,688
	7,474,151	**16,161,634**	6,401,917	12,658,135
Opening stock of work-in-process	**181,696**	**48,553**	117,428	83,229
	7,655,847	**16,210,187**	6,519,345	12,741,364
Closing stock of work-in-process	**(226,475)**	**(226,475)**	(89,685)	(89,685)
Cost of goods manufactured	**7,429,372**	**15,983,712**	6,429,660	12,651,679
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
	10,985,079	**20,115,146**	9,213,352	16,092,079
Closing stock of finished goods	**(2,630,070)**	**(2,630,070)**	(2,171,650)	(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	**224,868**	**510,762**	251,412	476,809
Provision of services and other receipts	**495**	**990**	495	990
Return on loan to subsidiary and running finance facility	**18,442**	**36,610**	17,021	33,843
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

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	Waqar A Malik	Feroz Rizvi
Chairman / Director	*Chief Executive*	*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 & 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

Waqar A Malik
Chief Executive

August 24, 2011
Karachi

Condensed Interim Consolidated Balance Sheet (Unaudited)

As at June 30, 2011

Amounts in Rs '000

	Note	June 30 2011	December 31 2010
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	**9,294,788**	9,510,300
Intangible assets	3	**164,442**	180,103
		9,459,230	9,690,403
Long-term investment	4	**2,500**	2,500
Long-term loans	5	**171,859**	148,265
Long-term deposits and prepayments		**43,906**	40,458
		218,265	191,223
		9,677,495	9,881,626
Current Assets			
Stores and spares		**564,881**	518,978
Stock-in-trade	6	**4,944,139**	3,816,680
Trade debts		**971,521**	818,351
Loans and advances		**255,295**	286,655
Trade deposits and short-term prepayments		**415,218**	455,232
Other receivables		**790,825**	647,669
Taxation recoverable		**774,715**	545,951
Cash and bank balances		**2,959,186**	4,739,557
		11,675,780	11,829,073
Total Assets		**21,353,275**	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		**11,607,341**	12,279,401
Total Equity		**13,461,209**	14,133,269
Surplus on revaluation of property, plant and equipment		**906,060**	917,380
LIABILITIES			
Non-Current Liabilities			
Provisions for non-management staff gratuity and eligible retired employees' medical scheme		**262,139**	223,181
Deferred liability		**780,847**	870,248
		1,042,986	1,093,429
Current Liabilities			
Trade and other payables		**5,936,990**	5,566,621
Short term financing	7	**6,030**	-
		5,943,020	5,566,621
Contingencies and Commitments	8		
Total Equity and Liabilities		**21,353,275**	21,710,699

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

Feroz Rizvi
Chief Financial Officer

Condensed Interim Consolidated Profit and Loss Account (Unaudited)

For the Six Months Period Ended June 30, 2011

	Polyester				Soda Ash				Paints			
	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	**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	**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
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
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

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 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 Sciences				Chemicals				PowerGen				Group			
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	**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	**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	**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
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
												(Rupees)		(Rupees)	
												2.54	**7.08**	5.63	8.55

M J Jaffer
Chairman / Director

Waqar A Malik
Chief Executive

Feroz Rizvi
Chief Financial Officer

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

Feroz Rizvi
Chief Financial Officer

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	**559,798**	498,850
Loss / (Gain) on disposal of property, plant and equipment	**2,168**	(20,066)
Provision for non-management staff gratuity and eligible retired employees' medical scheme	**47,860**	23,417
Mark-up on bank deposits	**(174,293)**	(141,934)
Interest / mark-up expense	**39,300**	32,977
	1,975,995	2,202,510
Movement in:		
Working capital	**(985,709)**	(2,343,445)
Long-term loans	**(23,594)**	(19,147)
Long-term deposits and prepayments	**(3,448)**	(14,287)
Cash generated from / (used in) operations	**963,244**	(174,369)
Payments for :		
Non-management staff gratuity and eligible retired employees' medical scheme	**(8,902)**	(6,954)
Taxation	**(837,079)**	(600,499)
Interest / mark-up	**(39,462)**	(33,542)
Profit / mark-up received on bank deposits	**168,750**	137,942
Net cash generated from / (used in) opearting activities	**246,551**	(677,422)
Cash Flows from Investing Activities		
Payments for capital expenditure	**(371,487)**	(391,974)
Proceeds from disposal of property, plant and equipment	**4,163**	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	**(45,903)**	(46,968)
Stock-in-trade	**(1,127,459)**	(512,693)
Trade debts	**(153,170)**	(528,809)
Loans and advances	**31,360**	25,893
Trade deposits and short-term prepayments	**40,014**	(113,136)
Other receivables	**(137,613)**	(198,351)
	(1,392,771)	(1,374,064)
Increase / (Decrease) in current liability		
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	**2,959,186**	2,981,309
Running finances utilised under mark-up arrangements	**(6,030)**	(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	Waqar A Malik	Feroz Rizvi
Chairman / Director	*Chief Executive*	*Chief Financial Officer*

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	-	-	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	-	-	(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
	-	-	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

Feroz Rizvi
Chief Financial Officer

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

	June 30 2011	December 31 2010
Operating assets - at net book value	**9,039,629**	9,224,944
Capital work-in-progress - at cost		
Civil works and buildings	**55,186**	40,261
Plant and machinery	**82,341**	197,464
Miscellaneous equipment	**67,727**	8,993
Advances to suppliers / contractors	**49,905**	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	**11,937**	18,540	-	-
Buildings on leasehold land	**23,681**	16,303	-	-
Plant and machinery	**281,640**	160,537	**7,357**	8,461
Vehicles	**85**	1,416	**1,132**	1,960
Furniture and equipment	**35,400**	51,582	**134,815**	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	**97,265**	114,751
Under development - at cost	**67,177**	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.

Amounts in Rs '000

	June 30 2011	December 31 2010
4. LONG-TERM INVESTMENT		
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

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. 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.

	June 30 2011	December 31 2010
7. 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.

8. CONTINGENCIES AND COMMITMENTS

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

	June 30 2011	December 31 2010
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.

	June 30 2011	December 31 2010
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.	**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
8.6 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

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)
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
	7,865,950	**14,629,126**	6,419,643	11,142,150
Closing stock of raw and packing materials	**(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
	7,417,438	**16,038,332**	6,334,697	12,532,728
Opening stock of work-in-process	**181,696**	**48,553**	117,428	83,229
	7,599,134	**16,086,885**	6,452,125	12,615,957
Closing stock of work-in-process	**(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
	10,928,366	**19,991,844**	9,146,132	15,966,672
Closing stock of finished goods	**(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

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)
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	Waqar A Malik	Feroz Rizvi
Chairman / Director	*Chief Executive*	*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™