



ICI Pakistan Limited is now part of the AkzoNobel Group

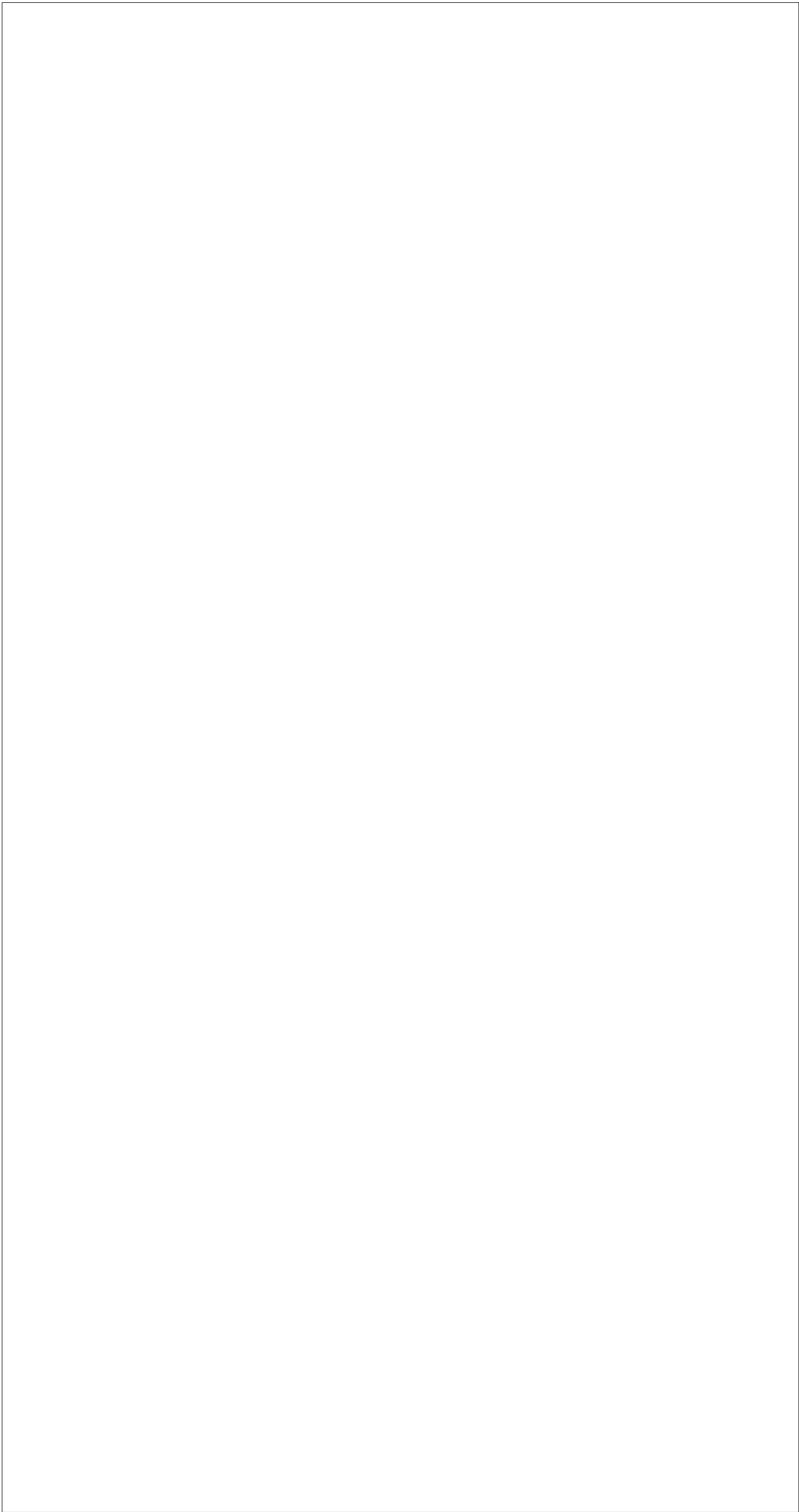
Grounds for Growth

Report for the Quarter & Six Months
Ended June 30, 2012



AkzoNobel
Tomorrow's Answers Today





Contents

ICI Pakistan Limited

| | |
|--|----|
| Company Information | 2 |
| Review of the Directors | 3 |
| Auditors' Report to Members on Review of Interim Financial Information | 6 |
| Condensed Interim Unconsolidated Balance Sheet | 7 |
| Condensed Interim Unconsolidated Profit and Loss Account | 8 |
| Condensed Interim Unconsolidated Statement of Comprehensive Income | 10 |
| Condensed Interim Unconsolidated Cash Flow Statement | 11 |
| Condensed Interim Unconsolidated Statement of Changes in Equity | 12 |
| Notes to the Condensed Interim Unconsolidated Financial Information | 13 |

Condensed Interim Consolidated Financial Information

| | |
|---|----|
| Review of the Directors | 20 |
| Condensed Interim Consolidated Balance Sheet | 21 |
| Condensed Interim Consolidated Profit and Loss Account | 22 |
| Condensed Interim Consolidated Statement of Comprehensive Income | 24 |
| Condensed Interim Consolidated Cash Flow Statement | 25 |
| Condensed Interim Consolidated Statement of Changes in Equity | 26 |
| Notes to the Condensed Interim Consolidated Financial Information | 27 |

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

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

Remuneration Sub Committee

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

Chief Financial Officer

Feroz Rizvi

Company Secretary

Ambreen Shah

Executive Management Team

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

Review of the Directors

For the Quarter & Half Year Ended June 30, 2012

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, 2012.

In Q2 2012, your Company posted profit after tax of Rs 304 m which was 13 percent lower than same quarter last year. Excluding the effect of one off demerger cost of approximately Rs 58 m for the quarter, this result is 4 percent higher than same quarter last year.

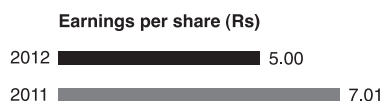
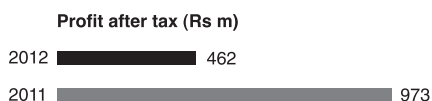
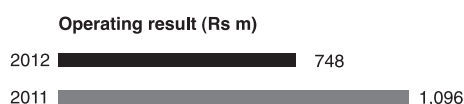
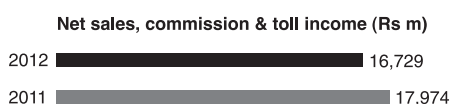
H1 2012 Net sales Income (NSI) was lower by 7 percent primarily due to lower sales volumes in Polyester Staple Fibre and Soda Ash businesses. Operating result for H1 2012 at Rs 748 m was lower by 32 percent compared to H1 2011 primarily due to reduction in unit gross margins in Polyester Staple Fibre business on the back of lower demand and margin shrinkage across whole of the Polyester chain. Further, rising cost of alternative fuels resulted in additional cost of Rs 348 m compared to same period last year. In addition, the company also incurred one off expenses of Rs 124 m relating to demerger of Paints business. Consequently, profit after tax at Rs 462 m for H1 2012 was lower by 52 percent.

The Company received the certified copy of the Honorable High Court of Sindh's order dated May 17, 2012, sanctioning the Scheme of demerger of the Paints business. The copy of the order was filed with the Registrar, joint stock companies on June 1, 2012 and with effect from that date the assets and liabilities of the Paints business of the Company vested in Akzo Nobel Pakistan Limited. Subsequent to 30 June 2012, the Company has also settled the Akzo Nobel Pakistan Limited inter-unit account balance as at May 31, 2012 of Rs 3.87 b mostly in July and August 2012 which has left the Company in an overdraft position.

Akzo Nobel N.V., in accordance with its declared strategy, through ICI Omicron B.V. has signed a Sale Purchase Agreement with Yunus Brothers Group for the sale of its entire holding of 70,019,459 shares in ICI Pakistan Limited. Necessary announcement in this respect has been made to the stock exchanges and the SECP. The completion of the transaction is subject to the clearance from the regulatory authorities.

H1 2012 EPS at Rs 5.00 per share was lower by 29 percent compared to the same period last year.

| Six Months Ended June 30 | | |
|-------------------------------|--------|--------|
| | 2012 | 2011 |
| Net Sales Income (Rs m) | 16,729 | 17,974 |
| Profit before taxation (Rs m) | 711 | 1,159 |
| Profit after taxation (Rs m) | 462 | 973 |
| Earnings per share (Rs) | 5.00 | 7.01 |



Review of the Directors

For the Quarter & Half Year Ended June 30, 2012

POLYESTER FIBRE BUSINESS (PSF)

| Net sales, commission & toll income (Rs m) | | Operating result (Rs m) | |
|--|--------|-------------------------|-------|
| 2012 | 8,271 | 2012 | (137) |
| 2011 | 10,875 | 2011 | 732 |

Ever-deepening debt crisis in Europe and increasing signs of economic slowdown in China led to a collapse in global market sentiment in the petrochemical chain in Q2 2012. While PTA supply continued to increase with new PTA plants coming online, downstream weakness kept the polyester utilization rates at low levels of 70 percent which resulted in a bearish trend in PTA prices. The lack of confidence in the petrochemical chain was also reflected in the weak MEG prices.

In the domestic market, spinners and weavers adopted a wait-and-see approach given the bearish cotton futures sentiment and global macroeconomic concerns. Local PSF prices declined in line with the regional bearish price trend. Sales volume also declined by 16 percent over last year.

As a result of lower volumes and squeezing margins, the business recorded an operating loss of Rs 137 m compared to operating profit of Rs 732 m in H1 2011.

Going forward in short term, a revival in the petrochemical chain seems unlikely and market sentiment remains highly cautious as traders and downstream manufacturers expect further price decreases along the polyester chain as new PTA capacities are expected to come online in second half of 2012.

SODA ASH BUSINESS

| Net sales, commission & toll income (Rs m) | | Operating result (Rs m) | |
|--|-------|-------------------------|-----|
| 2012 | 3,717 | 2012 | 393 |
| 2011 | 3,374 | 2011 | 297 |

Global Soda Ash demand remained mixed and while demand in some countries was strong, the slowdown in Chinese economy and strong cost pressures resulted in a reduction in production rates and exports from China.

Domestic Soda Ash market remains depressed due to energy shortages that affected most downstream industries. Sales volume for H1 2012 was 5 percent lower than same period last year as severe gas shortage led the business to deliberately curtail production to minimize use of expensive furnace oil.

Although number of full time equivalent gas outages remained at 99 days in line with last year, rise in furnace oil and gas prices by 30 and 33 percent respectively resulted in additional cost of Rs 348 m compared to same period last year. Major initiatives launched by the business in energy and cost savings and efficiency improvement continue to bear fruit. This, along with better margin management, enabled the business to offset the adverse impact of higher fuel costs. Accordingly, operating result for H1 2012 at Rs 393 m was higher by Rs 96 m compared with same period last year.

The National Tariff Commission in response to the Company's application with NTC against dumping of soda ash and after its investigation has imposed a provisional Anti-Dumping duty of 19.8 percent on imports of Soda Ash into Pakistan from Kenya effective June 8, 2012.





Work on Coal Fired Boiler project is progressing as per plan.

Future availability of gas supply to the industrial sector remains a primary concern for the business as well as the downstream industry. Rising cost of expensive alternative fuel is expected to influence volumes and margins.

Review of the Directors

For the Quarter & Half Year Ended June 30, 2012

LIFE SCIENCES BUSINESS





| Net sales, commission & toll income (Rs m) | | Operating result (Rs m) | |
|--|---|-------------------------|--|
| 2012 |  2,793 | 2012 |  313 |
| 2011 |  2,264 | 2011 |  201 |

Net sales income was higher by 23 percent compared to H1 2011. Pharmaceuticals, Seeds and Vegetable Seeds posted double digit growth with significant growth rates in Seeds and Vegetable Seeds Segment. This was primarily attributable to one off sunflower sales to Government of Sindh and Food and Agriculture Organization (FAO).

Operating result for the H1 2012 at Rs 313 m was higher by 56 percent compared with the same period last year.

In Q3, the business expects to perform well in all four segments (with an expected dip in Pharmaceuticals division due to Ramzan) with plans to further introduce new products and enhance its presence in the market.

CHEMICALS BUSINESS

| Net sales, commission & toll income (Rs m) | | Operating result (Rs m) | |
|--|---|-------------------------|--|
| 2012 |  1,952 | 2012 |  180 |
| 2011 |  1,768 | 2011 |  175 |

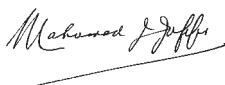
Overall sales volume for the six months was in-line with same period last year.

Net sales income and operating result for the six months at Rs 1,952 m and Rs 180 m were higher by 10 percent and 3 percent respectively compared to the same period last year primarily on the back of better unit margins in Trading & Polyurethanes segments and higher volumes sold in Textiles segment.

Energy outages and its impact on cost of production and declining overall demand remain a critical concern.

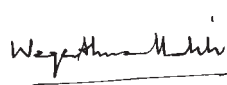
FUTURE OUTLOOK

Going forward, declining margins in PSF, uncertainty around the future downstream demand and rising cost of alternative fuel remains a serious concern particularly for PSF and Soda Ash businesses. Your Company in these difficult times will remain focused on customers, energy conservation, control of costs and an expeditious start and implementation of the coal fired boiler project.



M J Jaffer
Chairman

August 28, 2012
Karachi



Waqar A Malik
Chief Executive

Auditors' Report to Members on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim unconsolidated balance sheet of ICI Pakistan Limited ("the Company") as at 30 June 2012 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 the notes to the condensed interim unconsolidated financial statements for the six months period then ended (here-in-after-referred to as "condensed unconsolidated 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 and for the six months period ended 30 June 2012 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Others

The figures for the quarter ended 30 June 2012 in the condensed interim unconsolidated financial information have not been reviewed and therefore we do not express a conclusion on them.

Date: 28 August 2012
Karachi

KPMG Taseer Hadi & Co.
KPMG Taseer Hadi & Co.
Chartered Accountants
Amir Jamil Abbasi

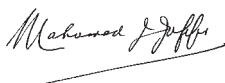
Condensed Interim Unconsolidated Balance Sheet (Unaudited)

As at June 30, 2012

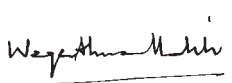
Amounts in Rs '000

| | Note | June 30 2012 | December 31 2011 |
|---|------|-------------------|---------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 2 | 9,403,036 | 8,262,888 |
| Intangible assets | 3 | 50,730 | 69,118 |
| | | 9,453,766 | 8,332,006 |
| Long-term investments | 4 | 502,976 | 502,976 |
| Long-term loans | 5 | 281,672 | 287,084 |
| Long-term deposits and prepayments | | 29,485 | 32,372 |
| | | 814,133 | 822,432 |
| | | 10,267,899 | 9,154,438 |
| Current Assets | | | |
| Stores and spares | | 494,976 | 482,710 |
| Stock-in-trade | 6 | 3,853,940 | 3,838,856 |
| Trade debts | 7 | 739,207 | 357,699 |
| Loans and advances | 8 | 474,398 | 455,149 |
| Trade deposits and short-term prepayments | | 287,053 | 265,719 |
| Other receivables | 9 | 280,889 | 308,788 |
| Taxation recoverable | | 978,745 | 821,729 |
| Cash and bank balances | | 2,577,600 | 4,633,322 |
| | | 9,686,808 | 11,163,972 |
| Total Assets | | 19,954,707 | 20,318,410 |
| EQUITY AND LIABILITIES | | | |
| Share Capital and Reserves | | | |
| Authorised capital | | | |
| 1,500,000,000 (December 31, 2011: 1,500,000,000) | | | |
| ordinary shares of Rs 10 each | | 15,000,000 | 15,000,000 |
| Issued, subscribed and paid-up capital | | | |
| 92,359,050 (December 31, 2011: 92,359,050) | | | |
| ordinary shares of Rs 10 each | | 923,591 | 923,591 |
| Capital reserves | | 309,643 | 309,643 |
| Unappropriated profit | | 8,017,006 | 8,294,690 |
| Total Equity | | 9,250,240 | 9,527,924 |
| Surplus on Revaluation of Property, Plant and Equipment | | 800,709 | 824,207 |
| LIABILITIES | | | |
| Non-Current Liabilities | | | |
| Provisions for non-management staff gratuity and eligible retired employees' medical scheme | | 279,302 | 255,094 |
| Deferred tax liability - net | | 1,121,830 | 1,186,234 |
| | | 1,401,132 | 1,441,328 |
| Current Liabilities | | | |
| Short-term financing | 10 | 482,815 | - |
| Trade and other payables | 11 | 8,019,811 | 8,524,951 |
| | | 8,502,626 | 8,524,951 |
| Contingencies and Commitments | 12 | | |
| Total Equity and Liabilities | | 19,954,707 | 20,318,410 |

The annexed notes from 1 to 25 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, 2012

| | Polyester | | | | Soda Ash | | | |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | For the 3 months ended June 30 2012 | For the 6 months ended June 30 2012 | For the 3 months ended June 30 2011 | For the 6 months ended June 30 2011 | For the 3 months ended June 30 2012 | For the 6 months ended June 30 2012 | For the 3 months ended June 30 2011 | For the 6 months ended June 30 2011 |
| Turnover - note 13 | 4,198,732 | 8,305,771 | 4,632,451 | 10,895,551 | 2,504,169 | 4,589,815 | 2,188,211 | 4,286,454 |
| Sales tax | - | - | - | - | 394,815 | 750,056 | 361,133 | 718,678 |
| Excise duty | - | - | - | - | - | - | 42,090 | 63,352 |
| Commission and discounts to distributors and customers | 12,694 | 34,300 | 12,179 | 20,356 | 66,462 | 122,432 | 68,428 | 130,082 |
| | 12,694 | 34,300 | 12,179 | 20,356 | 461,277 | 872,488 | 471,651 | 912,112 |
| Net sales, commission and toll income | 4,186,038 | 8,271,471 | 4,620,272 | 10,875,195 | 2,042,892 | 3,717,327 | 1,716,560 | 3,374,342 |
| Cost of sales - note 13 and 14 | 4,093,330 | 8,122,100 | 4,446,141 | 9,977,600 | 1,539,484 | 3,101,610 | 1,347,099 | 2,913,236 |
| Gross profit | 92,708 | 149,371 | 174,131 | 897,595 | 503,408 | 615,717 | 369,461 | 461,106 |
| Selling and distribution expenses | 25,832 | 42,474 | 16,405 | 31,941 | 20,965 | 41,946 | 32,495 | 57,106 |
| Administration and general expenses - note 15 | 151,036 | 243,765 | 73,055 | 133,808 | 96,910 | 181,177 | 59,522 | 107,061 |
| Operating result | (84,160) | (136,868) | 84,671 | 731,846 | 385,533 | 392,594 | 277,444 | 296,939 |
| Financial charges - note 16 | | | | | | | | |
| Workers' profit participation fund | | | | | | | | |
| Workers' welfare fund | | | | | | | | |
| Other operating charges | | | | | | | | |
| Other operating income | | | | | | | | |
| Profit before taxation | | | | | | | | |
| Taxation - note 17 | | | | | | | | |
| Profit after taxation from continuing operations | | | | | | | | |
| Profit from Discontinued operation (net of tax) - note 18 | | | | | | | | |
| Profit for the period | | | | | | | | |
| Basic and diluted earnings per share - Continuing operations | | | | | | | | |
| Basic and diluted earnings per share - Discontinued operation | | | | | | | | |

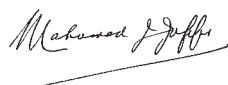
The annexed notes from 1 to 25 form an integral part of these condensed interim unconsolidated financial information.

Condensed Interim Unconsolidated Profit and Loss Account (Unaudited)

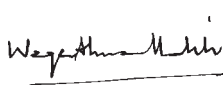
For the Six Months Period Ended June 30, 2012

Amounts in Rs '000

| Life Sciences | | | | Chemicals | | | | Company | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| For the 3 months ended June 30 2012 | For the 6 months ended June 30 2012 | For the 3 months ended June 30 2011 | For the 6 months ended June 30 2011 | For the 3 months ended June 30 2012 | For the 6 months ended June 30 2012 | For the 3 months ended June 30 2011 | For the 6 months ended June 30 2011 | For the 3 months ended June 30 2012 | For the 6 months ended June 30 2012 | For the 3 months ended June 30 2011 (Re presented) | For the 6 months ended June 30 2011 (Re presented) |
| 1,387,225 | 3,133,733 | 1,223,264 | 2,466,357 | 1,246,220 | 2,291,766 | 1,199,153 | 2,103,968 | 9,332,439 | 18,316,291 | 9,078,881 | 19,444,358 |
| 3,610 | 6,220 | 1,511 | 1,783 | 117,463 | 224,515 | 130,829 | 221,328 | 515,888 | 980,791 | 493,473 | 941,789 |
| - | - | - | - | - | - | 8,888 | 12,335 | - | - | 50,978 | 75,687 |
| 152,073 | 334,276 | 100,860 | 200,109 | 63,514 | 115,012 | 61,454 | 101,887 | 294,743 | 606,020 | 242,921 | 452,434 |
| 155,683 | 340,496 | 102,371 | 201,892 | 180,977 | 339,527 | 201,171 | 335,550 | 810,631 | 1,586,811 | 787,372 | 1,469,910 |
| 1,231,542 | 2,793,237 | 1,120,893 | 2,264,465 | 1,065,243 | 1,952,239 | 997,982 | 1,768,418 | 8,521,808 | 16,729,480 | 8,291,509 | 17,974,448 |
| 898,944 | 1,996,922 | 813,610 | 1,651,228 | 859,156 | 1,567,626 | 803,372 | 1,411,607 | 7,387,007 | 14,783,464 | 7,410,222 | 15,953,671 |
| 332,598 | 796,315 | 307,283 | 613,237 | 206,087 | 384,613 | 194,610 | 356,811 | 1,134,801 | 1,946,016 | 881,287 | 2,020,777 |
| 191,498 | 359,869 | 155,637 | 298,571 | 51,527 | 105,197 | 56,603 | 98,140 | 289,822 | 549,486 | 261,140 | 485,758 |
| 67,445 | 123,706 | 68,389 | 113,886 | 53,321 | 99,629 | 50,669 | 84,167 | 368,712 | 648,277 | 251,635 | 438,922 |
| 73,655 | 312,740 | 83,257 | 200,780 | 101,239 | 179,787 | 87,338 | 174,504 | 476,267 | 748,253 | 368,512 | 1,096,097 |
| | | | | | | | | 72,600 | 169,976 | 19,261 | 38,846 |
| | | | | | | | | 24,635 | 37,740 | 24,906 | 68,784 |
| | | | | | | | | 9,540 | 14,506 | 9,176 | 26,668 |
| | | | | | | | | 7,348 | 14,155 | 2,127 | 11,159 |
| | | | | | | | | 114,123 | 236,377 | 55,470 | 145,457 |
| | | | | | | | | 105,321 | 198,928 | 75,106 | 208,285 |
| | | | | | | | | 467,465 | 710,804 | 388,148 | 1,158,925 |
| | | | | | | | | 163,550 | 248,573 | 139,766 | 402,970 |
| | | | | | | | | 303,915 | 462,231 | 248,382 | 755,955 |
| | | | | | | | | - | - | 100,059 | 216,602 |
| | | | | | | | | 303,915 | 462,231 | 348,441 | 972,557 |
| | | | | | | | | (Rupees) | (Rupees) | | |
| | | | | | | | | 3.29 | 5.00 | 1.79 | 5.45 |
| | | | | | | | | - | - | 0.72 | 1.56 |



M J Jaffer
Chairman / Director



Waqar A Malik
Chief Executive



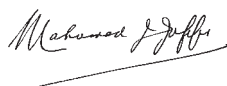
Feroz Rizvi
Chief Financial Officer

**Condensed Interim Unconsolidated
Statement of Comprehensive Income (Unaudited)**
For the Six Months Period Ended June 30, 2012

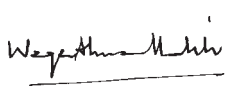
Amounts in Rs '000

| | For the 3 months ended June 30 2012 | For the 6 months ended June 30 2012 | For the 3 months ended June 30 2011 (Re presented) | For the 6 months ended June 30 2011 (Re presented) |
|--|---|---|---|---|
| Profit for the period | 303,915 | 462,231 | 348,441 | 972,557 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the period | 303,915 | 462,231 | 348,441 | 972,557 |

The annexed notes from 1 to 25 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

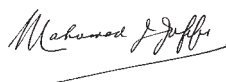
Condensed Interim Unconsolidated Cash Flow Statement (Unaudited)

For the Six Months Period Ended June 30, 2012

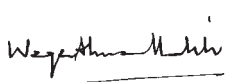
Amounts in Rs '000

| | June 30 2012 | June 30 2011 |
|--|------------------|------------------|
| Cash Flows from Operating Activities | | |
| Profit before taxation | 710,804 | 1,491,471 |
| Adjustments for: | | |
| Depreciation and amortisation | 527,929 | 514,319 |
| (Gain) / loss on disposal of property, plant and equipment | (5,238) | 2,168 |
| Provision for non-management staff gratuity and eligible retired employees' medical scheme | 35,422 | 47,860 |
| Mark-up on bank deposits and loan to subsidiary | (133,630) | (210,903) |
| Interest / mark-up expense | 127,154 | 39,584 |
| | 1,262,441 | 1,884,499 |
| Movement in: | | |
| Working capital | (1,453,152) | (1,003,612) |
| Long-term loans | (16,812) | (20,062) |
| Long-term deposits and prepayments | 2,887 | (3,448) |
| Cash (used in) / generated from operations | (204,636) | 857,377 |
| Payments for : | | |
| Non-management staff gratuity and eligible retired employees' medical scheme | (11,214) | (8,902) |
| Taxation | (469,993) | (837,079) |
| Interest / mark-up | (127,154) | (39,584) |
| Profit / mark-up received on bank deposits | 105,277 | 168,750 |
| Net cash (used in) / generated from operating activities | (707,720) | 140,562 |
| Cash Flows from Investing Activities | | |
| Payments for capital expenditure | (1,130,182) | (338,133) |
| Proceeds from disposal of property, plant and equipment | 7,460 | 4,163 |
| Profit / mark-up received on loan to subsidiary | 33,102 | 36,265 |
| Loan / standby finance facility to subsidiary company - net | 22,223 | - |
| Net cash used in investing activities | (1,067,397) | (297,705) |
| Cash Flows from Financing Activities | | |
| Dividend paid | (763,420) | (1,665,628) |
| Net cash used in financing activities | (763,420) | (1,665,628) |
| Net decrease in cash and cash equivalents | (2,538,537) | (1,822,771) |
| Cash and cash equivalents at January 1 | 4,633,322 | 4,661,822 |
| Cash and cash equivalents at June 30 | 2,094,785 | 2,839,051 |
| Movement in Working Capital | | |
| (Increase) / decrease in current assets | | |
| Stores and spares | (12,266) | (45,603) |
| Stock-in-trade | (15,084) | (1,128,384) |
| Trade debts | (381,508) | (153,198) |
| Loans and advances | (19,249) | 31,831 |
| Trade deposits and short-term prepayments | (21,334) | 37,234 |
| Other receivables | 23,150 | (142,569) |
| | (426,291) | (1,400,689) |
| (Decrease) / increase in current liability | | |
| Trade and other payables | (1,026,861) | 397,077 |
| | (1,453,152) | (1,003,612) |
| Cash and cash equivalents at June 30 comprise of: | | |
| Cash and bank balances | 2,577,600 | 2,845,025 |
| Short term financing - Note 10 | (482,815) | (5,974) |
| | 2,094,785 | 2,839,051 |

The annexed notes from 1 to 25 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)

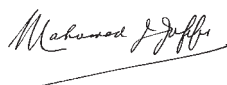
For the Six Months Period Ended June 30, 2012

Amounts in Rs '000

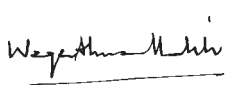
| | Issued, subscribed and paid-up capital | Capital reserves | Unappropriated profit | Total |
|---|---|---------------------|--------------------------|-------------------|
| Balance as on January 1, 2011 | 1,388,023 | 465,845 | 12,694,225 | 14,548,093 |
| Changes in equity for 2011 | | | | |
| Final 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 |
| Balance as on June 30, 2011 | 1,388,023 | 465,845 | 12,011,349 | 13,865,217 |
| Transferred to Akzo Nobel Pakistan Limited pursuant to the Scheme | (464,432) | (156,202) | (4,018,997) | (4,639,631) |
| Interim dividend for the year 2011 @ Rs 3.50 per share, transaction with owners recorded directly in equity | - | - | (485,808) | (485,808) |
| Total comprehensive income for the six months ended December 31, 2011 | - | - | 775,475 | 775,475 |
| Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation | - | - | 12,671 | 12,671 |
| Balance as on December 31, 2011 | 923,591 | 309,643 | 8,294,690 | 9,527,924 |
| Changes in equity for 2012 | | | | |
| Final dividend for the year ended December 31, 2011 @ Rs 5.50 per share, transaction with owners recorded directly in equity* | - | - | (763,413) | (763,413) |
| Total comprehensive income for the six months ended June 30, 2012 | - | - | 462,231 | 462,231 |
| Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation | - | - | 23,498 | 23,498 |
| Balance as on June 30, 2012 | 923,591 | 309,643 | 8,017,006 | 9,250,240 |

The annexed notes from 1 to 25 form an integral part of these condensed interim unconsolidated financial information.

* Dividend was declared before the approval of demerger by the High Court of Sindh on 138,802,300 shares.



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, 2012

Amounts in Rs '000

1. The condensed interim unconsolidated financial information has been presented in condensed form in accordance with the requirements of the International Accounting Standard (IAS) 34 - International 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. 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 re presented financial statements as at and for the year ended December 31, 2011 after incorporating the effects of demerger.

1.1 Discontinued operation due to demerger of Paints Business

The Company was previously also engaged in the manufacture of paints, however, with effect from July 1, 2011 (i.e. "Effective Date") its Paints Business has been demerged under a Scheme of Arrangement ("the Scheme") dated September 16, 2011 approved by the shareholders of ICI Pakistan Limited on February 8, 2012 and sanctioned by the High Court of Sindh on May 17, 2012 and submitted to the registrar on June 1, 2012 (i.e. "Completion Date"). The Scheme envisages splitting of net assets of ICI Pakistan Limited into Paints Business and Non-Paints Businesses on the basis of Special Purpose Financial Statements as of June 30, 2011 as detailed in the re presented financial statements for the year ended December 31, 2011. The comparatives have been re presented as disclosed in note 18 to this condensed interim unconsolidated financial information.

- 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 re presented financial statements for the preceding year ended December 31, 2011 after incorporating the effects of demerger.

2. PROPERTY, PLANT AND EQUIPMENT

| | June 30 2012 | December 31 2011 |
|--------------------------------------|------------------|---------------------|
| Operating assets - at net book value | 8,266,802 | 8,156,729 |
| Capital work-in-progress - at cost | | |
| Civil works and buildings | 115,821 | 17,463 |
| Plant and machinery | 937,841 | 51,488 |
| Miscellaneous equipment | 63,150 | 29,655 |
| Advances to suppliers / contractors | 19,422 | 7,553 |
| | 1,136,234 | 106,159 |
| | 9,403,036 | 8,262,888 |

- 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, 2012:

| | Additions / Transfers | | Disposals | |
|--------------------------------|-----------------------|-----------------|-----------------|-----------------|
| | June 30 2012 | June 30 2011 | June 30 2012 | June 30 2011 |
| Buildings on freehold land | 22,539 | 11,437 | - | - |
| Buildings on leasehold land | 5,566 | 23,681 | 9,277 | - |
| Plant and machinery - note 2.2 | 574,426 | 194,149 | 159,582 | 7,357 |
| Vehicles | 4,323 | 85 | 34,820 | 1,132 |
| Furniture and equipment | 13,748 | 35,400 | 19,908 | 134,815 |
| | 620,602 | 264,752 | 223,587 | 143,304 |

- 2.2 On April 11, 2012, the Company purchased Gas Turbines together with all related equipments including stores and spares for Rs 668 million. Out of which Gas Turbines of Rs 512 million have been classified as operating property, plant and equipment and Rs 48.75 million has been classified as capital work-in-progress. Spares amounting to Rs 25.32 million have been classified as stores and spares.

3. INTANGIBLE ASSETS

| | June 30 2012 | December 31 2011 |
|--|-----------------|---------------------|
| Intangible assets - at net book value - note 3.1 | 50,730 | 69,118 |

- 3.1 This includes additions of intangible assets and transfers from capital work in progress of Rs 0.500 million (December 31, 2011: Nil) during the period.

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the Six Months Period Ended June 30, 2012

Amounts in Rs '000

| | June 30 2012 | December 31 2011 |
|---|-----------------|---------------------|
| 4. LONG-TERM INVESTMENTS | | |
| <i>Unquoted</i> | | |
| Subsidiary - ICI Pakistan PowerGen Limited (wholly owned) - note 4.1 | | |
| 7,100,000 ordinary shares (December 31, 2011: 7,100,000) of | | |
| Rs 100 each | 710,000 | 710,000 |
| Provision of Impairment loss recognized in December 2011 - note 4.2 | (209,524) | (209,524) |
| | 500,476 | 500,476 |
| <i>Others</i> | | |
| Equity security available for sale - Arabian Sea Country Club Limited | 2,500 | 2,500 |
| | 502,976 | 502,976 |

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, 2012 amounted to Rs 380.185 million (December 31, 2011: Rs 467.818 million).

4.2 The basis of impairment loss recognized in 2011 have been explained in note 12.2 to the re presented financial statements for the year ended December 31, 2011. No provision is required in the current period as the expected discounted cash flows from the investments exceeds the recoverable amount.

5. LONG-TERM LOANS - Considered good

| | | |
|---|---------|---------|
| Due from Subsidiary - Unsecured loan - note 5.1 | 155,555 | 177,778 |
| Due from Directors, Executives and Employees - note 5.2 | 229,284 | 208,266 |
| | 384,839 | 386,044 |
| Less: Current portions shown under current assets | | |
| Due from Subsidiary - note 5.1 | 44,444 | 44,444 |
| Due from Directors, Executives and Employees - note 5.2 | 58,723 | 54,516 |
| | 103,167 | 98,960 |
| | 281,672 | 287,084 |

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 loans 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 632.727 million (December 31, 2011: Rs 30.024 million) are measured at net realisable value. As at June 30, 2012 stock has been written down by Rs 12.981 million (December 31, 2011: Rs 70.917 million) to arrive at its net realisable value.

Raw Material amounted to Rs 437.776 million are held with third parties.

7. TRADE DEBTS

This includes Rs 74.977 million receivable from Akzo Nobel Pakistan Limited (December 31, 2011: Rs 6.135 million).

8. LOANS AND ADVANCES

A standby finance facility of Rs 300 million (December 31, 2011: 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, 2011: 3 months KIBOR + 1.65%). The amount utilized under this facility as at June 30, 2012 amounted to Rs. 283 million (December 31, 2011: Rs. 283 million).

9. OTHER RECEIVABLES

This includes Rs 0.475 million (December 31, 2011: Rs 82.237 million) receivable from various entities of Akzo Nobel N.V. An amount of Rs 403 million has been adjusted against the bills payable balance of the same supplier in the year 2011.

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the Six Months Period Ended June 30, 2012

Amounts in Rs '000

| | June 30 2012 | December 31 2011 |
|--|------------------|---------------------|
| 10 SHORT-TERM FINANCING | | |
| Running finances utilised under mark-up arrangements - note 10.1 | 482,815 | - |
| 10.1 The facilities for running finance available from various banks amounted to Rs 3,321 million (December 31, 2011: Rs 2,721 million) and carry mark-up during the period ranging from relevant KIBOR + 0.75% to 1.5% per annum with an average markup rate as at June 30, 2012 at relevant KIBOR + 1.03% per annum (December 31, 2011: relevant KIBOR + 0.5% to 1.5% per annum with an average markup rate at relevant KIBOR + 1.00% 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. | | |
| 11. TRADE AND OTHER PAYABLES | | |
| This includes Rs 3.687 billion (December 31, 2011: Rs 3.609 billion) payable to Akzo Nobel Pakistan Limited, also Rs 65.256 million (December 31, 2011: Rs 59.282 million) to various entities of Akzo Nobel N.V. and Rs 512.338 million payable to ICI Pakistan PowerGen Limited in respect of transfer of PowerGen Gas Turbine as mentioned in note 2.2. | | |
| 11.1 An amount of Rs 403 million has been adjusted against the receivable balance of the same customer in the year 2011. | | |
| 12. CONTINGENCIES AND COMMITMENTS | | |
| 12.1 Claims against the Company not acknowledged as debts are as follows: | | |
| Local bodies | 84,550 | 63,135 |
| Sales Tax authorities | - | 492 |
| Others | 152,038 | 137,201 |
| | 236,588 | 200,828 |
| 12.2 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. | 2,010,000 | 2,100,000 |
| 12.3 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 |
| 12.4 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 |
| 12.5 Commitments in respect of capital expenditure (including Coal Fired Boiler Project of Soda Ash Business) | 987,837 | 118,770 |
| 12.5.1 The board of ICI Pakistan Limited approved the project of installing a Polymer Filter plant on July 03, 2012 at a cost of Rs 295 million to improve the quality of products of Polyester business. However, no agreement has been entered by the Company with the supplier/contractors as yet. | | |
| 12.6 Commitments for rentals under operating lease / Ijarah contracts in respect of vehicles are as follows: | | |
| Year | | |
| 2012 | 31,228 | 62,980 |
| 2013 | 53,808 | 51,029 |
| 2014 | 35,096 | 31,742 |
| 2015 | 16,386 | 12,351 |
| 2016 | 1,405 | - |
| | 137,923 | 158,102 |
| Payable not later than one year | 60,033 | 62,980 |
| Payable later than one year but not later than five years | 77,890 | 95,122 |
| | 137,923 | 158,102 |
| 12.7 Outstanding foreign exchange contracts as at June 30, 2012 entered into by the Company to hedge the anticipated future transactions amounted to Rs 1,454.457 million (December 31, 2011 : Rs 720.173 million). | | |

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the Six Months Period Ended June 30, 2012

Amounts in Rs '000

| | June 30, 2012 | | June 30, 2011 | |
|--|------------------------|------------------------|---------------------------------------|---------------------------------------|
| | For the 3 months ended | For the 6 months ended | For the 3 months ended (Re presented) | For the 6 months ended (Re presented) |

13. TURNOVER

| | | | | |
|---|-------|-------|---------|---------|
| 13.1 Inter-segment sales have been eliminated from the total. | 3,907 | 4,794 | 164,198 | 307,972 |
|---|-------|-------|---------|---------|

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

13.3 The inter-segment sales and purchases (between continued and discontinued operation) of Rs 164.198 million for the three months and Rs 307.972 million for the six month period ended June 30, 2011 have been eliminated with consequent effect on the results of continued and discontinued operations.

13.4 Turnover includes export sales of Rs 144.450 million made to various countries during the six months period ended June 30, 2012.

13.5 Turnover includes sales to Akzo Nobel Pakistan Limited amounting to Rs 360.710 million.

14. COST OF SALES

| | | | | |
|--|------------------|-------------------|------------------|-------------------|
| Opening stock of raw and packing materials | 1,962,634 | 1,604,429 | 1,728,851 | 1,438,678 |
| Purchases | 4,384,245 | 9,231,500 | 4,964,428 | 11,402,983 |
| Closing stock of raw and packing materials | 6,346,879 | 10,835,929 | 6,693,279 | 12,841,661 |
| | (1,790,807) | (1,790,807) | (1,818,080) | (1,818,080) |
| Raw and packing materials consumption | 4,556,072 | 9,045,122 | 4,875,199 | 11,023,581 |
| Manufacturing costs | 1,774,996 | 3,710,362 | 1,596,882 | 3,435,588 |
| Opening stock of work-in-process | 6,331,068 | 12,755,484 | 6,472,081 | 14,459,169 |
| | 282,999 | 220,246 | 129,516 | 37,578 |
| Closing stock of work-in-process | 6,614,067 | 12,975,730 | 6,601,597 | 14,496,747 |
| | (213,571) | (213,571) | (187,996) | (187,996) |
| Cost of goods manufactured | 6,400,496 | 12,762,159 | 6,413,601 | 14,308,751 |
| Opening stock of finished goods | 2,002,855 | 2,014,181 | 2,025,553 | 1,792,616 |
| Finished goods purchased | 833,218 | 1,856,686 | 1,165,235 | 2,046,471 |
| Closing stock of finished goods | 9,236,569 | 16,633,026 | 9,604,389 | 18,147,838 |
| | (1,849,562) | (1,849,562) | (2,194,167) | (2,194,167) |
| Total | 7,387,007 | 14,783,464 | 7,410,222 | 15,953,671 |

15. ADMINISTRATION AND GENERAL EXPENSE

Demerger Cost

Administration and general expenses includes demerger cost amounted to Rs 124 million (December 31, 2011: Rs 111.4 million)

16. FINANCIAL CHARGES

This includes an amount of Rs 96.364 million payable to Akzo Nobel Pakistan Limited.

17. TAXATION

| | | | | |
|----------|----------|----------|----------|----------|
| Current | 190,893 | 312,977 | 150,139 | 448,285 |
| Deferred | (27,343) | (64,404) | (10,373) | (45,315) |
| | 163,550 | 248,573 | 139,766 | 402,970 |

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the Six Months Period Ended June 30, 2012

Amounts in Rs '000

| June 30, 2012 | | June 30, 2011 | |
|------------------------|------------------------|---------------------------------------|---------------------------------------|
| For the 3 months ended | For the 6 months ended | For the 3 months ended (Re presented) | For the 6 months ended (Re presented) |

18. DISCONTINUED OPERATION DUE TO DEMERGER OF PAINTS BUSINESS

As disclosed in Note 1.1 the profit and loss account of discontinued operation is given below:

Profit and loss

| | | |
|--|-----------|-------------|
| Net sales, commission and toll income | 1,479,999 | 2,463,964 |
| Cost of sales - note 18.1 | (944,787) | (1,531,405) |
| Gross profit | 535,212 | 932,559 |
| Selling and distribution expenses | (263,497) | (411,946) |
| Administration and general expenses | (124,067) | (206,983) |
| Operating result | 147,648 | 313,630 |
| Financial charges | (4,290) | (8,547) |
| Other operating charges | (7,449) | (17,213) |
| Other operating income - note 18.3 | 18,432 | 44,676 |
| Profit before taxation | 154,341 | 332,546 |
| Taxation | (54,282) | (115,944) |
| Profit after taxation | 100,059 | 216,602 |
| 18.1 Purchases from ICI Pakistan Limited have been eliminated from the total. | 164,198 | 307,972 |
| 18.2 The inter-segment sales and purchases (between continued and discontinued operation) of Rs 164.198 million for the three months and Rs 307.972 million for the six month period ended June 30, 2011 have been eliminated with consequent effect on the results of continued and discontinued operations. | | |
| 18.3 Inter-unit interest income from ICI Pakistan Limited has been eliminated from the total. | 81,504 | 169,721 |

19. 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 | 161,900 | 386,595 | 224,868 | 510,762 |
| Provision of services and other receipts | 495 | 990 | 495 | 990 |
| Return on loan to subsidiary and running finance facility | 14,973 | 30,706 | 18,442 | 36,610 |

Associated Companies

| | | | | |
|--|---------|---------|-----------|-----------|
| Purchase of goods, materials and services | 5,137 | 8,316 | 27,783 | 71,948 |
| Provision of services and other receipts | 812 | 933 | 335 | 449 |
| Sale of goods and materials | 47,717 | 88,254 | 36,278 | 74,769 |
| Contribution to staff retirement benefit plans | 54,778 | 184,987 | 53,372 | 99,882 |
| Dividends | 578,760 | 578,760 | 1,262,750 | 1,262,750 |
| Donations | - | 6,000 | - | - |

19.1 Transaction with Key Management Personnel

Key management personnel received an amount of Rs 208.116 million (June 30, 2011: Rs 137.491 million) on account of remuneration out of which Rs 14.554 million (June 30, 2011: Rs 14.529 million) relates to post employment benefits.

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the Six Months Period Ended June 30, 2012

20. ESTIMATES

Judgments and estimates made by the management in the preparation of the condensed interim unconsolidated financial information are the same as those that were applied to the re presented financial statements as at and for the year ended December 31, 2011.

21. POST BALANCE SHEET EVENTS

Memorandum of Understanding with Akzo Nobel Pakistan Limited

A Memorandum of Understanding (MoU) was entered between ICI Pakistan Limited and Akzo Nobel Pakistan Limited on July 03, 2012. According to the MoU ICI Pakistan Limited will settle the inter unit account of Paints Business (i.e. amount payable to Akzo Nobel Pakistan Limited) within 7 days of the approval of the Special Purpose Financial Statements for the period ended June 01, 2012. Further, the Company agrees and undertakes to facilitate transfer of respective amounts of retirement benefit funds to Akzo Nobel Pakistan Limited within 90 days of the Completion Date subject to the approval of the Commissioner of Income Tax.

ICI Pakistan Limited has paid the total amount to Akzo Nobel Pakistan Limited in respect of settlement of amount payable by the Company to Akzo Nobel Pakistan Limited.

Acquisition of Share Holding

A binding agreement was signed between ICI Omicron B.V. and Yunus Brothers Group on July 27, 2012 whereby ICI Omicron B.V. agreed to sell its entire holding of 70,019,460 shares in ICI Pakistan Limited to a number of companies in Yunus Brothers Group.

Allotment of Shares

The allotment of fresh issue of shares of ICI Pakistan Limited was made on July 03, 2012.

Tax Indemnity Agreement with Akzo Nobel Pakistan Limited

A tax indemnity agreement between ICI Pakistan Limited and Akzo Nobel Pakistan Limited was approved by the Board of Directors on July 25, 2012. The said agreement covered the possible outcome of the sub-judice issue of the disallowance of "tax depreciation" allowance, other disallowed allowances and disallowance of the capitalisation cost of design consultancy.

22. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with that disclosed in the re presented financial statements as at and for the year ended December 31, 2011.

23. DIVIDEND

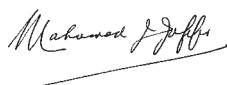
The Directors in their meeting held on August 28, 2012 have declared an interim dividend of Rs 3.50 per share in respect of six months period ended June 30, 2012. The condensed interim unconsolidated financial information for six months period ended June 30, 2012 does not include the effect of the above interim cash dividend which will be accounted for in the period in which it is declared.

24. DATE OF AUTHORISATION

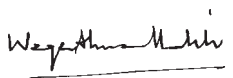
This condensed interim unconsolidated financial information was authorised for issue in the Board of Directors meeting held on August 28, 2012.

25. GENERAL

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



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 & Half Year Ended June 30, 2012

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, 2012. 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, 2012 has been presented separately.

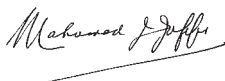
In wake of global demand supply dynamics, the crude oil prices fell during the quarter. Gas prices remained stable during the quarter.

Electricity sales volume for H1 2012 was 48 percent lower than same period last year. This was due to lower demand from the Polyester plant of ICI Pakistan Limited as it partially switched its operations to supplies from WAPDA coupled with lower production volumes compared to H1 2011.

Despite the decrease in sales volume, the Company's operating result at Rs 68 m was 46 percent higher than H1 2011 primarily due to 37 percent higher tariffs as per the revised agreement.

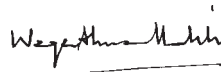
FUTURE OUTLOOK

Furnace oil prices are expected to rise steadily and are currently at Rs 67,440 per ton.



M J Jaffer
Chairman

August 28, 2012
Karachi



Waqar A Malik
Chief Executive

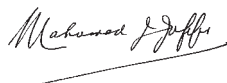
Condensed Interim Consolidated Balance Sheet (Unaudited)

As at June 30, 2012

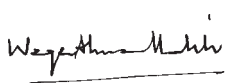
Amounts in Rs '000

| | Note | June 30 2012 | December 31 2011 |
|---|------|-------------------|---------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 2 | 9,593,659 | 8,979,355 |
| Intangible asset | 3 | 50,730 | 69,118 |
| | | 9,644,389 | 9,048,473 |
| Long-term investments | 4 | 2,500 | 2,500 |
| Long-term loans | 5 | 174,964 | 158,663 |
| Long-term deposits and prepayments | | 29,485 | 32,372 |
| | | 206,949 | 193,535 |
| | | 9,851,338 | 9,242,008 |
| Current Assets | | | |
| Stores and spares | | 542,533 | 552,848 |
| Stock-in-trade | 6 | 3,870,372 | 3,868,551 |
| Trade debts | 7 | 764,671 | 383,169 |
| Loans and advances | | 151,191 | 128,970 |
| Trade deposits and short-term prepayments | | 301,860 | 271,245 |
| Other receivables | 8 | 177,664 | 351,603 |
| Taxation recoverable | | 850,184 | 821,730 |
| Cash and bank balances | | 2,743,635 | 4,738,205 |
| | | 9,402,110 | 11,116,321 |
| Total Assets | | 19,253,448 | 20,358,329 |
| EQUITY AND LIABILITIES | | | |
| Share Capital and Reserves | | | |
| Authorised capital | | | |
| 1,500,000,000 (December 31, 2011: 1,500,000,000) | | | |
| ordinary shares of Rs 10 each | | 15,000,000 | 15,000,000 |
| Issued, subscribed and paid-up capital | | | |
| 92,359,050 (December 31, 2011: 92,359,050) | | | |
| ordinary shares of Rs 10 each | | 923,591 | 923,591 |
| Capital reserves | | 309,643 | 309,643 |
| Unappropriated profit | | 7,747,064 | 8,116,876 |
| Total Equity | | 8,980,298 | 9,350,110 |
| Surplus on revaluation of property, plant and equipment | | 944,365 | 967,863 |
| LIABILITIES | | | |
| Non-Current Liability | | | |
| Provisions for non-management staff gratuity and eligible retired employees' medical scheme | | 279,541 | 255,333 |
| Deferred liability - net | | 1,121,830 | 1,186,234 |
| | | 1,401,371 | 1,441,567 |
| Current Liabilities | | | |
| Short-term financing | 9 | 482,815 | - |
| Trade and other payables | 10 | 7,444,599 | 8,598,789 |
| | | 7,927,414 | 8,598,789 |
| Contingencies and Commitments | 11 | | |
| Total Equity and Liabilities | | 19,253,448 | 20,358,329 |

The annexed notes 1 to 24 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, 2012

| | Polyester | | | | Soda Ash | | | | Life Sciences | | | |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | For the 3 months ended June 30 2012 | For the 6 months ended June 30 2012 | For the 3 months ended June 30 2011 | For the 6 months ended June 30 2011 | For the 3 months ended June 30 2012 | For the 6 months ended June 30 2012 | For the 3 months ended June 30 2011 | For the 6 months ended June 30 2011 | For the 3 months ended June 30 2012 | For the 6 months ended June 30 2012 | For the 3 months ended June 30 2011 | For the 6 months ended June 30 2011 |
| Turnover - note 12 | 4,198,732 | 8,305,771 | 4,632,451 | 10,895,551 | 2,504,169 | 4,589,815 | 2,188,211 | 4,286,454 | 1,387,225 | 3,133,733 | 1,223,264 | 2,466,357 |
| Sales tax | - | - | - | - | 394,815 | 750,056 | 361,133 | 718,678 | 3,610 | 6,220 | 1,511 | 1,783 |
| Excise duty | - | - | - | - | - | - | 42,090 | 63,352 | - | - | - | - |
| Commission and discounts to distributors and customers | 12,694 | 34,300 | 12,179 | 20,356 | 66,462 | 122,432 | 68,428 | 130,082 | 152,073 | 334,276 | 100,860 | 200,109 |
| | 12,694 | 34,300 | 12,179 | 20,356 | 461,277 | 872,488 | 471,651 | 912,112 | 155,683 | 340,496 | 102,371 | 201,892 |
| Net sales, commission and toll income | 4,186,038 | 8,271,471 | 4,620,272 | 10,875,195 | 2,042,892 | 3,717,327 | 1,716,560 | 3,374,342 | 1,231,542 | 2,793,237 | 1,120,893 | 2,264,465 |
| Cost of sales - note 12 and 13 | 4,093,330 | 8,122,100 | 4,446,141 | 9,977,600 | 1,539,484 | 3,101,610 | 1,347,099 | 2,913,236 | 898,944 | 1,996,922 | 813,610 | 1,651,228 |
| Gross profit | 92,708 | 149,371 | 174,131 | 897,595 | 503,408 | 615,717 | 369,461 | 461,106 | 332,598 | 796,315 | 307,283 | 613,237 |
| Selling and distribution expenses | 25,832 | 42,474 | 16,405 | 31,941 | 20,965 | 41,946 | 32,495 | 57,106 | 191,498 | 359,869 | 155,637 | 298,571 |
| Administration and general expenses - note - 14 | 151,036 | 243,765 | 73,055 | 133,808 | 96,910 | 181,177 | 59,522 | 107,061 | 67,445 | 123,706 | 68,389 | 113,886 |
| Operating result | (84,160) | (136,868) | 84,671 | 731,846 | 385,533 | 392,594 | 277,444 | 296,939 | 73,655 | 312,740 | 83,257 | 200,780 |
| Financial charges - note 15 | | | | | | | | | | | | |
| Workers' profit participation fund | | | | | | | | | | | | |
| Workers' welfare fund | | | | | | | | | | | | |
| Other operating charges | | | | | | | | | | | | |
| Other operating income | | | | | | | | | | | | |
| Profit before taxation | | | | | | | | | | | | |
| Taxation - note 16 | | | | | | | | | | | | |
| Profit after taxation from continuing operations | | | | | | | | | | | | |
| Profit from Discontinued operation (net of tax) - note 17 | | | | | | | | | | | | |
| Profit for the period | | | | | | | | | | | | |
| Basic & Diluted Earnings per share - Continuing operations | | | | | | | | | | | | |
| Basic & Diluted Earnings per share - Discontinued operations | | | | | | | | | | | | |

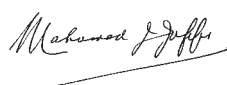
The annexed notes 1 to 24 form an integral part of the condensed interim consolidated financial information.

Condensed Interim Consolidated Profit and Loss Account (Unaudited)

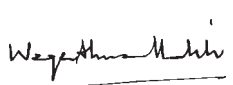
For the Six Months Period Ended June 30, 2012

Amounts in Rs '000

| Chemicals | | | | Others - PowerGen | | | | Group | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| For the 3 months ended June 30 2012 | For the 6 months ended June 30 2012 | For the 3 months ended June 30 2011 | For the 6 months ended June 30 2011 | For the 3 months ended June 30 2012 | For the 6 months ended June 30 2012 | For the 3 months ended June 30 2011 | For the 6 months ended June 30 2011 | For the 3 months ended June 30 2012 | For the 6 months ended June 30 2012 | For the 3 months ended June 30 2011 (Re presented) | For the 6 months ended June 30 2011 (Re presented) |
| 1,246,220 | 2,291,766 | 1,199,153 | 2,103,968 | 161,901 | 361,275 | 224,868 | 510,762 | 9,332,440 | 18,316,292 | 9,078,882 | 19,444,358 |
| 117,463 | 224,515 | 130,829 | 221,328 | 22,331 | 49,831 | 32,673 | 74,213 | 538,219 | 1,030,622 | 526,146 | 1,016,002 |
| - | - | 8,888 | 12,335 | - | - | - | - | - | - | 50,978 | 75,687 |
| 63,514 | 115,012 | 61,454 | 101,887 | - | - | - | - | 294,743 | 606,020 | 242,921 | 452,434 |
| 180,977 | 339,527 | 201,171 | 335,550 | 22,331 | 49,831 | 32,673 | 74,213 | 832,962 | 1,636,642 | 820,045 | 1,544,123 |
| 1,065,243 | 1,952,239 | 997,982 | 1,768,418 | 139,570 | 311,444 | 192,195 | 436,549 | 8,499,478 | 16,679,650 | 8,258,837 | 17,900,235 |
| 859,156 | 1,567,626 | 803,372 | 1,411,607 | 111,852 | 242,126 | 168,589 | 388,330 | 7,336,433 | 14,663,354 | 7,353,509 | 15,830,369 |
| 206,087 | 384,613 | 194,610 | 356,811 | 27,718 | 69,318 | 23,606 | 48,219 | 1,163,045 | 2,016,296 | 905,328 | 2,069,866 |
| 51,527 | 105,197 | 56,603 | 98,140 | - | - | - | - | 289,822 | 549,486 | 261,140 | 485,758 |
| 53,321 | 99,629 | 50,669 | 84,167 | 369 | 916 | 617 | 1,484 | 369,021 | 649,073 | 252,192 | 440,286 |
| 101,239 | 179,787 | 87,338 | 174,504 | 27,349 | 68,402 | 22,989 | 46,735 | 504,202 | 817,737 | 391,996 | 1,143,822 |
| | | | | | | | | 72,950 | 170,343 | 19,210 | 38,795 |
| | | | | | | | | 24,635 | 39,099 | 25,114 | 69,294 |
| | | | | | | | | 9,540 | 15,033 | 9,256 | 26,865 |
| | | | | | | | | 7,530 | 14,512 | 2,127 | 11,159 |
| | | | | | | | | 114,655 | 238,987 | 55,707 | 146,113 |
| | | | | | | | | 90,408 | 168,487 | 55,920 | 170,907 |
| | | | | | | | | 479,955 | 747,237 | 392,209 | 1,168,616 |
| | | | | | | | | 292,111 | 377,134 | 139,766 | 402,970 |
| | | | | | | | | 187,844 | 370,103 | 252,443 | 765,646 |
| | | | | | | | | - | - | 100,059 | 216,602 |
| | | | | | | | | 187,844 | 370,103 | 352,502 | 982,248 |
| | | | | | | | | (Rupees) | (Rupees) | | |
| | | | | | | | | 2.03 | 4.01 | 1.82 | 5.52 |
| | | | | | | | | - | - | 0.72 | 1.56 |



M J Jaffer
Chairman / Director



Waqar A Malik
Chief Executive



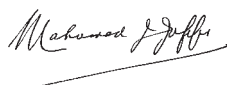
Feroz Rizvi
Chief Financial Officer

**Condensed Interim Consolidated
Statement of Comprehensive Income (Unaudited)**
For the Six Months Period Ended June 30, 2012

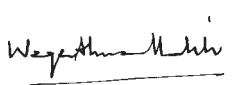
Amounts in Rs '000

| | For the 3 months ended June 30 2012 | For the 6 months ended June 30 2012 | For the 3 months ended June 30 2011 | For the 6 months ended June 30 2011 |
|--|---|---|---|---|
| Profit for the period | 187,844 | 370,103 | 352,502 | 982,248 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the period | 187,844 | 370,103 | 352,502 | 982,248 |

The annexed notes from 1 to 24 form an integral part of the condensed interim consolidated financial information.



M J Jaffer
Chairman / Director



Waqar A Malik
Chief Executive



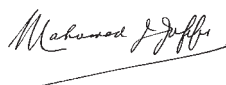
Feroz Rizvi
Chief Financial Officer

**Condensed Interim Consolidated
Cash Flow Statement (Unaudited)**
For the Six Months Period Ended June 30, 2012

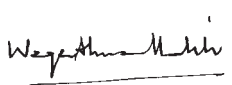
Amounts in Rs '000

| | June 30 2012 | June 30 2011 |
|---|--------------------|--------------------|
| Cash Flows from Operating Activities | | |
| Profit before taxation | 747,237 | 1,501,162 |
| Adjustments for: | | |
| Depreciation and amortisation | 548,254 | 559,798 |
| Gain on disposal of property, plant and equipment | (5,238) | 2,168 |
| Provision for non-management staff gratuity and eligible retired employees' medical scheme | 35,423 | 47,860 |
| Mark-up on bank deposits | (102,924) | (174,293) |
| Interest / mark-up expense | 127,521 | 39,300 |
| | 1,350,273 | 1,975,995 |
| Movement in: | | |
| Working capital | (1,415,289) | (985,709) |
| Long-term loans | (16,301) | (23,594) |
| Long-term deposits and prepayments | 2,887 | (3,448) |
| Cash (used in) / generated from operations | (78,430) | 963,244 |
| Payments for : | | |
| Non-management staff gratuity and eligible retired employees' medical scheme | (11,215) | (8,902) |
| Taxation | (469,992) | (837,079) |
| Interest / mark-up | (127,521) | (39,462) |
| Profit / mark-up received on bank deposits | 105,277 | 168,750 |
| Net cash (used in) / generated from operating activities | (581,881) | 246,551 |
| Cash Flows from Investing Activities | | |
| Payments for capital expenditure | (1,139,544) | (371,487) |
| Proceeds from disposal of property, plant and equipment | 7,460 | 4,163 |
| Net cash used in investing activities | (1,132,084) | (367,324) |
| Cash Flows from Financing Activities | | |
| Dividend paid | (763,420) | (1,665,628) |
| Net cash used in financing activities | (763,420) | (1,665,628) |
| Net decrease in cash and cash equivalents | (2,477,385) | (1,786,401) |
| Cash and cash equivalents at January 1 | 4,738,205 | 4,739,557 |
| Cash and cash equivalents at June 30 | 2,260,820 | 2,953,156 |
| Movement in Working Capital (Increase) / decrease in current assets | | |
| Stores and spares | 10,315 | (45,903) |
| Stock-in-trade | (1,821) | (1,127,459) |
| Trade debts | (381,502) | (153,170) |
| Loans and advances | (22,221) | 31,360 |
| Trade deposits and short-term prepayments | (30,615) | 40,014 |
| Other receivables | 171,586 | (137,613) |
| | (254,258) | (1,392,771) |
| (Decrease) in current liability | | |
| Trade and other payables | (1,161,031) | 407,062 |
| | (1,415,289) | (985,709) |
| Cash and cash equivalents at June 30 comprise of: | | |
| Cash and bank balances | 2,743,635 | 2,959,186 |
| Short term financing - Note 9 | (482,815) | (6,030) |
| | 2,260,820 | 2,953,156 |

The annexed notes 1 to 24 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)

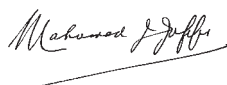
For the Six Months Period Ended June 30, 2012

Amounts in Rs '000

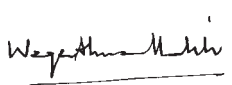
| | Issued, subscribed and paid-up capital | Capital reserves | Unappropriated profit | Total |
|---|---|---------------------|--------------------------|-------------------|
| Balance as on January 1, 2011 | 1,388,023 | 465,845 | 12,279,401 | 14,133,269 |
| Changes in equity for 2011 | | | | |
| Final 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 |
| Balance as on June 30, 2011 | 1,388,023 | 465,845 | 11,607,341 | 13,461,209 |
| Transferred to Akzo Nobel Pakistan Limited pursuant to the Scheme | (464,432) | (156,202) | (4,018,997) | (4,639,631) |
| Interim dividend for the year 2011 @ Rs 3.50 per share, transaction with owners recorded directly in equity | - | - | (485,808) | (485,808) |
| Total comprehensive income for the six months ended December 31, 2011 | - | - | 1,000,662 | 1,000,662 |
| Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation | - | - | 13,678 | 13,678 |
| Balance as on December 31, 2011 | 923,591 | 309,643 | 8,116,876 | 9,350,110 |
| Changes in equity for 2012 | | | | |
| Final dividend for the year ended December 31, 2011 @ Rs 5.50 per share, transaction with owners recorded directly in equity* | - | - | (763,413) | (763,413) |
| Total comprehensive income for the six months ended June 30, 2012 | - | - | 370,103 | 370,103 |
| Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation | - | - | 23,498 | 23,498 |
| Balance as on June 30, 2012 | 923,591 | 309,643 | 7,747,064 | 8,980,298 |

The annexed notes 1 to 24 form an integral part of the condensed interim consolidated financial information.

* Dividend was declared before the approval of demerger by the High Court of Sindh on 138,802,300 shares.



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, 2012

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, 2012 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 This 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 re presented financial statements as at and for the year ended December 31, 2011 after incorporating the effects of demerger.

1.2 Discontinued operation due to demerger of Paints Business

The Company was previously also engaged in the manufacture of paints, however, with effect from July 1, 2011 (i.e. "Effective Date") its Paints Business has been demerged under a Scheme of Arrangement ("the Scheme") dated September 16, 2011 approved by the shareholders of ICI Pakistan Limited on February 8, 2012 and sanctioned by the High Court of Sindh on May 17, 2012 and submitted to the registrar on June 1, 2012 (i.e. "Completion Date"). The Scheme envisages splitting of net assets of ICI Pakistan Limited into Paints Business and Non-Paints Businesses on the basis of Special Purpose Financial Statements as of June 30, 2011 as detailed in the re presented financial statements for the year ended December 31, 2011. The comparatives have been re presented as disclosed in note 17 to this condensed interim consolidated financial information.

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 re presented financial statements for the preceding year ended December 31, 2011 after incorporating the effects of demerger.

2. PROPERTY, PLANT AND EQUIPMENT

| | June 30 2012 | December 31 2011 |
|--------------------------------------|-----------------|---------------------|
| Operating assets - at net book value | 8,425,578 | 8,837,831 |
| Capital work-in-progress - at cost | | |
| Civil works and buildings | 116,481 | 17,960 |
| Plant and machinery | 933,424 | 85,832 |
| Miscellaneous equipment | 63,150 | 29,655 |
| Advances to suppliers / contractors | 55,026 | 8,077 |
| | 1,168,081 | 141,524 |
| | 9,593,659 | 8,979,355 |

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, 2012:

| | Additions / Transfers | | Disposals | |
|-----------------------------|-----------------------|-----------------|-----------------|-----------------|
| | June 30 2012 | June 30 2011 | June 30 2012 | June 30 2011 |
| Buildings on freehold land | 7,026 | 11,937 | 2,478 | - |
| Buildings on leasehold land | 5,566 | 23,681 | 9,277 | - |
| Plant and machinery | 87,984 | 281,640 | 199,905 | 7,357 |
| Vehicles | 4,323 | 85 | 34,820 | 1,132 |
| Furniture and equipment | 13,748 | 35,400 | 19,908 | 134,815 |
| | 118,647 | 352,743 | 266,388 | 143,304 |

3. INTANGIBLE ASSETS

| | June 30 2012 | December 31 2011 |
|--|-----------------|---------------------|
| Intangible assets - at net book value - note 3.1 | 50,730 | 69,118 |

3.1 This includes additions of intangible assets and transfers from capital work in progress of Rs 0.500 million (December 31, 2011: Nil) during the period.

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)
For the Six Months Period Ended June 30, 2012

Amounts in Rs '000

| | June 30 2012 | December 31 2011 |
|--|-----------------|---------------------|
| 4. LONG-TERM INVESTMENT | | |
| <i>Unquoted</i> | | |
| 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 | 236,714 | 213,446 |
| Less: Current portion shown under current assets | | |
| Due from Directors, Executives and Employees - note 5.1 | 61,750 | 54,783 |
| | 174,964 | 158,663 |
| 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 632.727 million (December 31, 2011: Rs 30.024 million) are measured at net realisable value. As at June 30, 2011 stock has been written down by Rs 12.981 million (December 31, 2011: Rs 70.917 million) to arrive at its net realisable value. | | |
| Raw Material amounted to Rs 437.776 million which are held with third parties. | | |
| 7. TRADE DEBTS | | |
| This includes Rs 74.977 million receivable from Akzo Nobel Pakistan Limited (December 31, 2011: Rs 6.135 million). | | |
| 8. OTHER RECEIVABLES | | |
| This includes Rs 0.475 million (December 31, 2011: Rs 82.237 million) receivable from various entities of Akzo Nobel N.V. An amount of Rs 403 million has been adjusted against the bills payable balance of the same supplier in the year 2011. | | |
| 9. SHORT-TERM FINANCING | | |
| Running finances utilised under mark-up arrangements - note 9.1 | 482,815 | - |
| 9.1 The facilities for running finance available from various banks amounted to Rs 3,421 million (31 December 2011: Rs 3,056 million) and carry mark-up during the period ranging from relevant KIBOR + 0.75% to 1.50% per annum with an average markup rate as at June 30, 2012 at relevant KIBOR + 1.03% (December 31, 2011: relevant KIBOR + 0.5% to 1.50% per annum with an average markup rate of relevant KIBOR + 1.00% 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. | | |
| 10. TRADE AND OTHER PAYABLES | | |
| This includes Rs 3.687 billion payable to Akzo Nobel Pakistan Limited (December 31, 2011: Rs 3.609 billion) and Rs 65.256 million (December 31, 2011: Rs 59.282 million) to various entities of Akzo Nobel N.V. | | |
| 10.1 An amount of Rs 403 million has been adjusted against the receivable balance of the same customer in the year 2011. | | |

**Notes to the Condensed Interim
Consolidated Financial Information (Unaudited)**
For the Six Months Period Ended June 30, 2012

Amounts in Rs '000

| | June 30 2012 | December 31 2011 |
|--|------------------|---------------------|
| 11. CONTINGENCIES AND COMMITMENTS | | |
| 11.1 Claims against the Group not acknowledged as debts are as follows: | | |
| Local bodies | 102,261 | 80,846 |
| Sales Tax authorities | - | 492 |
| Others | 152,038 | 137,201 |
| | 254,299 | 218,539 |
| 11.2 Guarantees issued by the Group in respect of financial and operational obligations of Lotte Pakistan PTA Limited (formerly Pakistan PTA limited) pursuant to the Scheme of Arrangement, against which Lotte Pakistan PTA Limited (formerly Pakistan PTA Limited) and KP Chemicals Corporation Limited, the parent Company of Lotte Pakistan PTA Limited (formerly Pakistan PTA Limited), has issued counter guarantees to the Group. | 2,010,000 | 2,100,000 |
| 11.3 Guarantees issued by the Company in respect of financing obtained by Senior Executives, in accordance with the terms of employment. | 35,000 | 35,000 |
| 11.4 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 |
| 11.5 Commitments in respect of capital expenditure (including Coal Fired Boiler Project of Soda Ash Business) | 1,027,533 | 133,470 |
| 11.5.1 The board of ICI Pakistan Limited approved the project of installing a Polymer Filter plant on July 03, 2012 at a cost of Rs 295 million to improve the quality of products of Polyester business. However, no agreement has been entered by the Company with the supplier/contractors as yet. | | |
| 11.6 Commitments for rentals under operating lease/ijarah contracts in respect of vehicles are as follows: | | |
| Year | | |
| 2012 | 31,447 | 63,429 |
| 2013 | 53,917 | 51,141 |
| 2014 | 35,096 | 31,742 |
| 2015 | 16,386 | 12,351 |
| 2016 | 1,405 | - |
| | 138,251 | 158,663 |
| Payable not later than one year | 60,361 | 63,429 |
| Payable later than one year but not later than five years | 77,890 | 95,234 |
| | 138,251 | 158,663 |
| 11.7 Outstanding foreign exchange contracts as at June 30, 2012 entered into by the Company to hedge the anticipated future transactions amounted to Rs 1,454.457 million (December 31, 2011 : Rs 720.173 million). | | |

| June 30, 2012 | | June 30, 2011 | |
|------------------------------|------------------------------|------------------------------|------------------------------|
| For the 3 months ended | For the 6 months ended | For the 3 months ended | For the 6 months ended |

12. INTER-SEGMENT SALES AND PURCHASES

| | | | | |
|--|----------------|----------------|---------|---------|
| Inter-segment sales and purchases have been eliminated from the total. | 165,807 | 366,068 | 389,065 | 818,734 |
| 12.1 Transactions among the business segments are recorded at arm's length prices using admissible valuation methods. | | | | |
| 12.2 The inter-segment sales and purchases (between continued and discontinued operation) of Rs 164.198 million for the three months and Rs 307.972 million for the six month period ended June 30, 2011 have been eliminated with consequent effect on the results of continued and discontinued operations. | | | | |
| 12.3 Turnover includes export sales of Rs 144.450 million made to various countries during the six months period ended June 30, 2012. | | | | |
| 12.4 Turnover includes sales to Akzo Nobel Pakistan Limited amounting to Rs 360.710 million. | | | | |

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)
For the Six Months Period Ended June 30, 2012

Amounts in Rs '000

| June 30, 2012 | | June 30, 2011 | |
|------------------------|------------------------|------------------------|------------------------|
| For the 3 months ended | For the 6 months ended | For the 3 months ended | For the 6 months ended |

13. COST OF SALES

| | | | | |
|--|------------------|-------------------|------------------|-------------------|
| Opening stock of raw and packing materials | 1,981,896 | 1,634,124 | 1,749,426 | 1,469,013 |
| Purchases | 4,381,417 | 9,218,238 | 4,973,263 | 11,402,057 |
| | 6,363,313 | 10,852,362 | 6,722,689 | 12,871,070 |
| Closing stock of raw and packing materials | (1,807,238) | (1,807,238) | (1,847,490) | (1,847,490) |
| Raw and packing materials consumption | 4,556,075 | 9,045,124 | 4,875,199 | 11,023,580 |
| Manufacturing costs | 1,724,421 | 3,590,251 | 1,540,169 | 3,312,287 |
| | 6,280,496 | 12,635,375 | 6,415,368 | 14,335,867 |
| Opening stock of work-in-process | 282,999 | 220,246 | 129,516 | 37,578 |
| | 6,563,495 | 12,855,621 | 6,544,884 | 14,373,445 |
| Closing stock of work-in-process | (213,571) | (213,571) | (187,996) | (187,996) |
| Cost of goods manufactured | 6,349,924 | 12,642,050 | 6,356,888 | 14,185,449 |
| Opening stock of finished goods | 2,002,854 | 2,014,181 | 2,025,553 | 1,792,616 |
| Finished goods purchased | 833,218 | 1,856,686 | 1,165,235 | 2,046,471 |
| | 9,185,996 | 16,512,917 | 9,547,676 | 18,024,536 |
| Closing stock of finished goods | (1,849,563) | (1,849,563) | (2,194,167) | (2,194,167) |
| Total | 7,336,433 | 14,663,354 | 7,353,509 | 15,830,369 |

14. ADMINISTRATION AND GENERAL EXPENSES

Demerger Cost

Administration and general expenses includes demerger cost amounted to Rs 124 million (December 31, 2011: Rs 111.4 million)

15. FINANCIAL CHARGES

This includes an amount of Rs 96.364 million payable to Akzo Nobel Pakistan Limited.

16. TAXATION

| | | | | |
|---------------------|----------------|----------------|----------------|----------------|
| Current - note 16.1 | 319,454 | 441,538 | 150,139 | 448,285 |
| Deferred | (27,343) | (64,404) | (10,373) | (45,315) |
| | 292,111 | 377,134 | 139,766 | 402,970 |

16.1 This includes tax charge on sale of Gas Turbine amounting to Rs 128.561million.

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)
For the Six Months Period Ended June 30, 2012

Amounts in Rs '000

| June 30, 2012 | | June 30, 2011 | |
|------------------------|------------------------|------------------------|------------------------|
| For the 3 months ended | For the 6 months ended | For the 3 months ended | For the 6 months ended |

17. DISCONTINUED OPERATION DUE TO DEMERGER OF PAINTS BUSINESS

As disclosed in Note 1.1 the profit and loss account of discontinued operation is given below:

Profit and loss

| | | |
|--|-----------|-------------|
| Net sales, commission and toll income | 1,479,999 | 2,463,964 |
| Cost of sales - note 17.1 | (944,787) | (1,531,405) |
| Gross profit | 535,212 | 932,559 |
| Selling and distribution expenses | (263,497) | (411,946) |
| Administration and general expenses | (124,067) | (206,983) |
| Operating result | 147,648 | 313,630 |
| Financial charges | (4,290) | (8,547) |
| Other operating charges | (7,449) | (17,213) |
| Other operating income - note 17.3 | 18,432 | 44,676 |
| Profit before taxation | 154,341 | 332,546 |
| Taxation | (54,282) | (115,944) |
| Profit after taxation | 100,059 | 216,602 |
| 17.1 Purchases from ICI Pakistan Limited have been eliminated from the total. | 164,198 | 307,972 |
| 17.2 The inter-segment sales and purchases (between continued and discontinued operation) of Rs 164.198 million for the three months and Rs 307.972 million for the six month period ended June 30, 2011 have been eliminated with consequent effect on the results of continued and discontinued operations. | | |
| 17.3 Inter-unit interest income from ICI Pakistan Limited has been eliminated from the total. | 81,504 | 169,721 |

18. 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 | 5,137 | 8,316 | 27,783 | 71,948 |
| Provision of services and other receipts | 812 | 933 | 335 | 449 |
| Sale of goods and materials | 47,717 | 88,254 | 36,278 | 74,769 |
| Contribution to staff retirement benefit plans | 54,778 | 184,987 | 53,372 | 99,882 |
| Dividends | 578,760 | 578,760 | 1,262,750 | 1,262,750 |
| Donations | - | 6,000 | - | - |

18.1 Transaction with Key Management Personnel

Key management personnel received an amount of Rs 208.116 million (June 30, 2011: Rs 137.491 million) on account of remuneration out of which Rs 14.554 million (June 30, 2011: Rs 14.529 million) relates to post employment benefits.

19. 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 re presented financial statements as at and for the year ended December 31, 2011.

**Notes to the Condensed Interim
Consolidated Financial Information (Unaudited)**
For the Six Months Period Ended June 30, 2012

Amounts in Rs '000

20. POST BALANCE SHEET EVENTS

Memorandum of Understanding with Akzo Nobel Pakistan Limited

"A Memorandum of Understanding (MoU) was entered between ICI Pakistan Limited and Akzo Nobel Pakistan Limited on July 03, 2012. According to the MoU ICI Pakistan Limited will settle the inter unit account of Paints Business (i.e. amount payable to Akzo Nobel Pakistan Limited) within 7 days of the approval of the Special Purpose Financial Statements for the period ended June 01, 2012. Further, the Company agrees and undertakes to facilitate transfer of respective amounts of retirement benefit funds to Akzo Nobel Pakistan Limited within 90 days of the Completion Date subject to the approval of the Commissioner of Income Tax.

ICI Pakistan Limited has paid the total amount to Akzo Nobel Pakistan Limited in respect of settlement of amount payable by the Company to Akzo Nobel Pakistan Limited.

Acquisition of Share Holding

A binding agreement was signed between ICI Omicron B.V. and Yunus Brothers Group on July 27, 2012 whereby ICI Omicron B.V. agreed to sell its entire holding of 70,019,460 shares in ICI Pakistan Limited to a number of companies in Yunus Brothers Group.

Allotment of Shares

The allotment of fresh issue of shares of ICI Pakistan Limited was made on July 03, 2012.

Tax Indemnity Agreement with Akzo Nobel Pakistan Limited

A tax indemnity agreement between ICI Pakistan Limited and Akzo Nobel Pakistan Limited was approved by the Board of Directors on July 25, 2012. The said agreement covered the possible outcome of the sub-judice issue of the disallowance of "tax depreciation" allowance, other disallowed allowances and disallowance of the capitalisation cost of design consultancy.

21. 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, 2011.

22. DIVIDEND

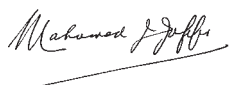
The Directors in their meeting held on August 28, 2012 have declared an interim dividend of Rs 3.50 per share in respect of six months period ended June 30, 2012. The condensed interim consolidated financial information for six months period ended June 30, 2012 does not include the effect of the above interim cash dividend which will be accounted for in the period in which it is declared.

23. DATE OF AUTHORISATION

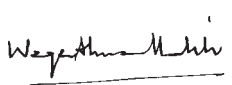
This condensed interim consolidated financial information was authorised for issue in the Board of Directors meeting held on August 28, 2012.

24. GENERAL

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



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 paint 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 consistently ranked as one of the leaders in the area of sustainability. With operations in more than 80 countries, our 55,000 people around the world are committed to excellence and delivering Tomorrow's Answers Today™

To learn more, visit the AkzoNobel Corporate Website

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