



ICI Pakistan Limited is now part of the AkzoNobel Group

Grounds for Growth

Quarterly Report January - March 2012



AkzoNobel
Tomorrow's Answers Today



A publication of the Corporate Communications & Public Affairs Department

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Condensed Interim Consolidated Financial Information

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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

Acting Company Secretary

Nasir Jamal

Executive Management Team

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

Bankers

Askari Bank Limited	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

* Reconstituted by the Board in its meeting held on April 27, 2012.

Review of the Directors

For the Quarter Ended March 31, 2012

The Directors are pleased to present their review together with the un-audited financial information of the Company for the quarter ended March 31, 2012.

Review of the Directors

Net sales income (NSI) and operating result were lower by 14 percent and 71 percent respectively, compared to same quarter last year. Sales volume was lower both in Polyester Staple Fibre and Soda Ash businesses due to depressed demand. Operating result was further aggravated by 89 percent reduction in unit gross margins in the Polyester Staple Fibre business due to lower demand and margin shrinkage across whole of the Polyester Staple Fibre chain. Although Life Sciences business was able to procure a large one off order, it was not sufficient to offset the lower margin in the Polyester Staple Fibre business.

The demerger of Paints business is expected to be completed shortly once the certified copy of the Sindh High Court order sanctioning the scheme is received. As part of the demerger process, your Company will have to settle the Paints business inter-unit account balance which on 31 March, 2012 amounted to Rs 3.67 billion. This outflow would leave the company in an overdraft position for which adequate arrangements have been made with the banks.



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



Earnings per share at Rs 1.39 were lower by 69 percent compared with 2011.



On a group basis (including the result of the wholly owned subsidiary ICI Pakistan PowerGen Limited) profit after tax for the quarter at Rs 217 million was 65 percent lower compared with 2011.

	Quarter Ended March 31	
	2012	2011
Net Sales (Rs million)	9,177	10,667
Profit before taxation (Rs million)	297	949
Profit after taxation (Rs million)	193	624
Earnings per share (Rs)	1.39	4.50

Net sales, commission & toll income (Rs m)
2012  9,177
2011  10,667

Operation result (Rs m)
2012  259
2011  894

Profit after tax (Rs m)
2012  193
2011  624

Earning per share (Rs)
2012  1.39
2011  4.50

Review of the Directors

For the Quarter Ended March 31, 2012

Polyester Staple Fibre Business

Net sales, commission & toll income (Rs m)		Operation result (Rs m)	
2012	4,085	2012	(53)
2011	6,255	2011	647

Uncertainty in crude prices and speculative trading in the upstream petrochemical chain pushed the PX prices up while PTA margins were squeezed given the persistent lacklustre downstream demand. As a consequence, start-up of additional PTA capacities has been delayed well into the second quarter. MEG prices also followed this trend as surplus cargos continued to increase in China.

Margins over feedstock have started reverting to its pre 2009 touchstone levels as a result Q1 2012 witnessed a decline in margin over feed stock by \$107 per ton compared to Q1 2011. Lower downstream demand on account of energy issues and Euro Zone crises was aggravated further by declining cotton prices, tilting blend economics in favor of cotton, and dumping of PSF by regional players on the back of large exportable surplus in the region. This downside has resulted in a decline in sales volume by 27 percent compared to Q1 2011 and built-up of raw material inventory temporarily.

Margin decline was further negatively impacted by higher cost of alternative fuel and consequently the business posted an operating loss of Rs 53 million, a fall of 108 percent compared to Q1 2011.

Going forward margins are expected to remain depressed in whole PSF supply chain as it passes through its "low" cycle after three exceptional years. Low priced cotton and dumping of PSF by regional players at uneconomical prices will continue to put pressure on PSF demand and prices and may result in more mills shifting to cotton due to higher margins in cotton yarns. Additional PSF capacity due to come online in the domestic market by the end of the year will lead to an oversupply situation, putting further pressure on volumes and margins.

Soda Ash Business

Net sales, commission & toll income (Rs m)		Operation result (Rs m)	
2012	1,674	2012	7
2011	1,658	2011	19

The domestic Soda Ash market continued to remain affected by severe gas shortages and downstream industries are struggling with issues related to energy outages and working capital management. Consequently demand for Soda Ash during the quarter was about 2 percent lower compared to same quarter last year.

Business operations remained severely affected as full time equivalent gas outages increased to 58 days in Q1 2012 compared to 55 days in same period last year. In addition, gas prices also increased by 33 percent compared to Q1 2011 affecting margins. Increase in furnace oil prices used as an alternative source of energy by 35 percent resulted in additional cost of Rs 102 million compared to same period last year. The initiatives launched by the business in energy and cost savings and efficiency improvement continue to bear fruit and mitigate the adverse impact of higher fuel costs to some extent. Operating result at Rs 7 million was therefore only lower by Rs 12 million compared to the same period last year.

Review of the Directors



For the Quarter Ended March 31, 2012

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

Going forward, uncertainty of gas supply to the industrial sector remains a primary concern for the business as well as the downstream industry affecting volumes, also margins are expected to remain under pressure due to high cost of production.

PAINTS BUSINESS

Net sales, commission & toll income (Rs m)
2012  1,105
2011  984

Operation result (Rs m)
2012  (13)
2011  22



In Decorative segment, traditional painting season started in March, however, the market remains sluggish due to prolonged winters, energy crisis and lower economic & construction activities. Besides these, discontinuation of tokens also affected sales of non premium tier paints as expected, however premium tier volumes were higher than LY. Industrial and Refinish segment also remained below last year's level due to lower demand from Tractor and Motorcycle industries as well as suboptimal workflow at body-shops throughout the quarter. Decorative and Refinish segments sales were also impacted by FBR's requirement for adding CNIC data on invoices to identify buyers which was opposed by dealers.

NSI for the quarter were higher by 12 percent compared to Q1 2011 as a result of selective and sustainable price increases. The business also managed to achieve a 32 percent higher gross profit on the back of effective margin management. Increase in gross profit was offset by an increase in selling & distribution expenses by 39 percent due to higher advertisement and sales promotion expenditure and increase in administration & general expenses by 71 percent on account of one off demerger costs during the quarter amounting to Rs 50 million.

Performance of the business going forward would be highly dependent on the external factors such as the economic conditions, new industrial projects and law & order situation in the country. In the short to medium term, the business volumes will remain affected due to discontinuation of tokens and revival of CNIC requirement on invoices April 2012 onwards.

LIFE SCIENCES BUSINESS

Net sales, commission & toll income (Rs m)
2012  1,562
2011  1,144

Operation result (Rs m)
2012  239
2011  118

Life Sciences business posted an overall growth of 37 percent in its NSI compared to the same period last year. This healthy growth is primarily driven by one off sale of sunflower seeds. In addition, Pharmaceutical and Animal Health segment posted sales growth of 5 percent. Operating result at Rs 239 million was twice as higher compared to same period last year.



Further depreciation in Rupee value is expected to have an adverse impact on margins as cost push will not be completely passed on to customers due to competition and Government regulations.

Review of the Directors

For the Quarter Ended March 31, 2012

CHEMICALS BUSINESS

Net sales, commission & toll income (Rs m)
2012  887
2011  770

Operation result (Rs m)
2012  79
2011  87

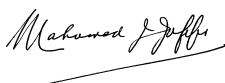
Overall sales volume for the quarter was 11 percent higher compared to the same period last year. NSI for the quarter at Rs 887 million was 15 percent higher compared to the same period last year on the back of higher volumes. Despite higher volumes and improved margins, operating result at Rs 79 million was 10 percent lower than Q1 2011 which benefited by a one off provision reversal of Rs 16 million.

Energy crisis is expected to deepen with the on-set of summers especially affecting downstream textile industries. However, business will try to mitigate the adverse impact through increase in customer base and offering complete product solutions to customers.

FUTURE OUTLOOK

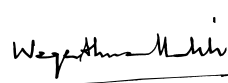
Uncertainty around the future downstream demand and cost of alternative fuel as a result of deteriorating energy supplies continues to be a serious concern particularly for PSF and Soda Ash businesses. In addition, reducing margins in PSF chain and dumping of polyester and soda ash at uneconomical prices remains a major threat. Your Company is aggressively pursuing the matter with National Tariff Commission.

With the budget expected to be announced later in Q2, we request the Government of Pakistan to rationalise the tax rates along with broadening the tax base to provide a level playing field to all. Also Government of Pakistan is requested to avoid any abrupt change in tariffs which could further aggravate the sustainability of domestic industry, already struggling as result of energy crises, declining margins and reduced demand.



M J Jaffer
Chairman

April 27, 2012
Karachi



Waqar A Malik
Chief Executive

Condensed Interim Unconsolidated Balance Sheet (Unaudited)

As at March 31, 2012

Amounts in Rs '000

	Note	March 31 2012	December 31 2011
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	9,807,147	9,614,392
Intangible assets	3	122,158	141,051
		9,929,305	9,755,443
Long-term investments	4	502,976	502,976
Long-term loans	5	343,752	325,714
Long-term deposits and prepayments		35,051	34,266
		881,779	862,956
		10,811,084	10,618,399
Current Assets			
Stores and spares		503,992	519,020
Stock-in-trade	6	4,968,171	4,596,021
Trade debts		973,101	618,647
Loans and advances	7	547,408	491,733
Trade deposits and short-term prepayments		389,708	279,370
Other receivables		808,555	740,470
Taxation recoverable		845,903	745,158
Cash and bank balances		3,008,241	4,856,496
		12,045,079	12,846,915
Total Assets		22,856,163	23,465,314

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 138,802,300 (December 31, 2011: 138,802,300) ordinary shares of Rs 10 each		1,388,023	1,388,023
Capital reserves		465,845	465,845
Unappropriated profit		12,700,638	12,501,477
Total Equity		14,554,506	14,355,345
Surplus on Revaluation of Property, Plant and Equipment		1,707,528	1,713,295

LIABILITIES

Non-Current Liabilities

Provisions for non-management staff gratuity and eligible retired employees' medical scheme		288,006	280,155
Deferred tax liability - net		983,717	1,002,576
		1,271,723	1,282,731

Current Liabilities

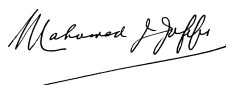
Trade and other payables		5,322,406	6,113,943
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Contingencies and Commitments

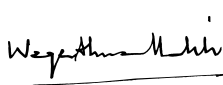
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Total Equity and Liabilities		22,856,163	23,465,314
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The annexed notes from 1 to 18 form an integral part of the condensed interim unconsolidated financial information.



M J Jaffer
Chairman / Director



Waqar A Malik
Chief Executive



Feroz Rizvi
Chief Financial Officer

Condensed Interim Unconsolidated Profit and Loss Account (Unaudited)

For the Quarter Ended March 31, 2012

	Polyester		Soda Ash	
	For the 3 months ended March 31 2012	For the 3 months ended March 31 2011	For the 3 months ended March 31 2012	For the 3 months ended March 31 2011
Turnover - note 10	4,107,039	6,263,100	2,085,646	2,098,243
Sales tax	-	-	355,241	357,545
Excise duty	-	-	-	21,262
Commission and discounts to distributors and customers	21,606	8,177	55,970	61,654
	21,606	8,177	411,211	440,461
Net sales, commission and toll income	4,085,433	6,254,923	1,674,435	1,657,782
Cost of sales - note 10 and 11	4,028,770	5,531,459	1,562,126	1,566,137
Gross profit	56,663	723,464	112,309	91,645
Selling and distribution expenses	16,642	15,536	20,981	24,611
Administration and general expenses	92,729	60,753	84,267	47,539
Operating result	(52,708)	647,175	7,061	19,495
Financial charges				
Workers' profit participation fund				
Workers' welfare fund				
Other operating charges				
Other operating income				
Profit before taxation				
Taxation - note 12				
Profit after taxation				

Earnings per share - Basic and Diluted

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


**Condensed Interim Unconsolidated
Profit and Loss Account (Unaudited)**
For the Quarter Ended March 31, 2012

Amounts in Rs '000

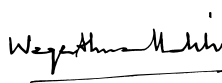
Paints		Life Sciences		Chemicals		Company	
For the 3 months ended March 31 2012	For the 3 months ended March 31 2011	For the 3 months ended March 31 2012	For the 3 months ended March 31 2011	For the 3 months ended March 31 2012	For the 3 months ended March 31 2011	For the 3 months ended March 31 2012	For the 3 months ended March 31 2011
1,474,601	1,376,081	1,746,508	1,243,093	1,045,546	904,815	10,322,613	11,741,558
201,464	188,102	2,610	272	107,052	90,499	666,367	636,418
-	14,045	-	-	-	3,447	-	38,754
167,875	189,969	182,203	99,249	51,498	40,433	479,152	399,482
369,339	392,116	184,813	99,521	158,550	134,379	1,145,519	1,074,654
1,105,262	983,965	1,561,695	1,143,572	886,996	770,436	9,177,094	10,666,904
769,434	730,392	1,097,978	837,618	708,470	608,235	8,030,051	9,130,067
335,828	253,573	463,717	305,954	178,526	162,201	1,147,043	1,536,837
206,681	148,449	168,371	142,934	53,670	41,537	466,345	373,067
141,831	82,916	56,261	45,497	46,308	33,498	421,396	270,203
(12,684)	22,208	239,085	117,523	78,548	87,166	259,302	893,567
						46,577	23,842
						15,909	50,409
						6,053	19,400
						9,060	10,357
						77,599	104,008
						114,914	159,423
						296,617	948,982
						103,223	324,866
						193,394	624,116

(Rupees)

1.39 **4.50**



M J Jaffer
Chairman / Director



Waqar A Malik
Chief Executive



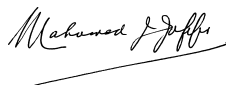
Feroz Rizvi
Chief Financial Officer

**Condensed Interim Unconsolidated
Statement of Comprehensive Income (Unaudited)**
For the Quarter Ended March 31, 2012

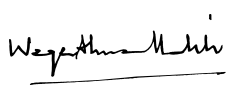
Amounts in Rs '000

	For the 3 months ended March 31 2012	For the 3 months ended March 31 2011
Profit for the period	193,394	624,116
Other comprehensive income	-	-
Total comprehensive income for the quarter	193,394	624,116

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



M J Jaffer
Chairman / Director



Waqar A Malik
Chief Executive



Feroz Rizvi
Chief Financial Officer

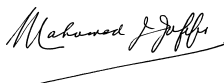
Condensed Interim Unconsolidated Cash Flow Statement (Unaudited)

For the Quarter Ended March 31, 2012

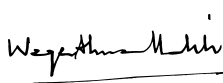
Amounts in Rs '000

	March 31 2012	March 31 2011
Cash Flows from Operating Activities		
Profit before taxation	296,617	948,982
Adjustments for:		
Depreciation and amortisation	286,434	256,803
(Gain) / Loss on disposal of property, plant and equipment	(4,029)	2,259
Provision for non-management staff gratuity and eligible retired employees' medical scheme	18,418	16,083
Mark-up on bank deposits and on loan/standby facility to subsidiary	(86,316)	(132,064)
Interest / mark-up expense	17,981	22,247
	529,105	1,114,310
Movement in:		
Working capital	(1,723,719)	(400,582)
Long-term loans	(18,038)	(4,388)
Long-term deposits and prepayments	(785)	(7,870)
Cash (used in) / generated from operations	(1,213,437)	701,470
Payments for :		
Non-management staff gratuity and eligible retired employees' medical scheme	(10,567)	(3,223)
Taxation	(222,829)	(292,171)
Interest / mark-up	(17,981)	(22,247)
Profit / mark-up received on bank deposits	74,756	99,880
Net cash (used in) / generated from operating activities	(1,390,058)	483,709
Cash Flows from Investing Activities		
Payments for capital expenditure	(479,765)	(164,012)
Proceeds from disposal of property, plant and equipment	4,199	4,001
Profit / mark-up received from subsidiary	17,369	18,097
Net cash used in investing activities	(458,197)	(141,914)
Cash Flows from Financing Activities		
	-	-
Net (decrease) / increase in cash and cash equivalents	(1,848,255)	341,795
Cash and cash equivalents at January 1	4,856,496	4,661,822
Cash and cash equivalents at March 31	3,008,241	5,003,617
Movement in Working Capital (Increase) / decrease in current assets		
Stores and spares	15,028	(29,459)
Stock-in-trade	(372,150)	(576,801)
Trade debts	(354,454)	(303,521)
Loans and advances	(55,675)	(153,660)
Trade deposits and short-term prepayments	(110,338)	(44,024)
Other receivables	(73,894)	(37,144)
	(951,483)	(1,144,609)
(Decrease) / increase in current liability		
Trade and other payables	(772,236)	744,027
	(1,723,719)	(400,582)
Cash and cash equivalents at March 31 comprise of:		
Cash and bank balances	3,008,241	5,003,617

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



M J Jaffer
Chairman / Director



Waqar A Malik
Chief Executive



Feroz Rizvi
Chief Financial Officer

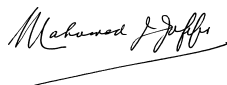
Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited)

For the Quarter Ended March 31, 2012

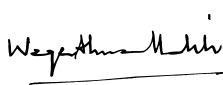
Amounts in Rs '000

	Issued, subscribed and paid-up share 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				
Total comprehensive income for the quarter ended March 31, 2011	-	-	624,116	624,116
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation	-	-	5,037	5,037
	-	-	629,153	629,153
Balance as on March 31, 2011	1,388,023	465,845	13,323,378	15,177,246
Total comprehensive income for the nine months ended December 31, 2011	-	-	1,311,597	1,311,597
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation	-	-	17,938	17,938
	-	-	1,329,535	1,329,535
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)
Interim dividend for the year 2011 @ Rs 3.50 per share, transactions with owners, recorded directly in equity	-	-	(485,808)	(485,808)
Balance as on December 31, 2011	1,388,023	465,845	12,501,477	14,355,345
Changes in equity for 2012				
Total comprehensive income for the quarter ended March 31, 2012	-	-	193,394	193,394
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation	-	-	5,767	5,767
	-	-	199,166	199,166
Balance as on March 31, 2012	1,388,023	465,845	12,700,638	14,554,506

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



M J Jaffer
Chairman / Director



Waqar A Malik
Chief Executive



Feroz Rizvi
Chief Financial Officer

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the Quarter Ended March 31, 2012

1. The condensed interim unconsolidated financial information has been presented in condensed form in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and is being submitted to shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984. This condensed interim unconsolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended December 31, 2011.

1.1 DEMERGER

In 2011, the Board of Directors received a proposal from its ultimate holding company, Akzo Nobel N.V. to restructure its interest in ICI Pakistan Limited by separation of its Paints Business and transferring and vesting it into Akzo Nobel Pakistan Limited.

The principal phases in this respect are as follows:

- a) On April 29, 2011, the Board of Directors received a proposal from its ultimate holding company, Akzo Nobel N.V. to restructure its interest in ICI Pakistan Limited.
- b) On May 11, 2011, the Board of Directors decided to demerge the Company's Paints Business into a separate entity Akzo Nobel Pakistan Limited (comprising the Paints Business) and the rest of the Businesses would continue under ICI Pakistan Limited. After the completion of demerger (pending order of the High Court of Sindh), Akzo Nobel Pakistan Limited will also be listed on the Karachi, Lahore and Islamabad Stock Exchanges. ICI Pakistan Limited is already and will continue to be listed on Karachi, Lahore and Islamabad Stock Exchanges.
- c) The Board of Directors approved the Scheme of Arrangement for Demerger on August 24, 2011. This was subsequently approved by the Board of Directors of Akzo Nobel Pakistan Limited on September 16, 2011.
- d) The Company has obtained the consent of more than 75% in value of each class of creditors pertaining to Paints Business and Non-Paints Businesses. Further, it has obtained signed letters from most of the employees of Paints Business agreeing to accept employment with Akzo Nobel Pakistan Limited in lieu of their employment with ICI Pakistan Limited.
- e) On November 24, 2011, the Company filed a petition in the High Court of Sindh for sanction of, and for other orders facilitating implementation of the Scheme of Arrangement for the Reconstruction (demerger).
- f) The Company obtained a No Objection Certificate (NOC) from the Competition Commission of Pakistan (CCP) on November 29, 2011.
- g) The shareholders approved the Scheme of Arrangement for demerger and the consequent reduction in the share capital of ICI Pakistan Limited in the Extra Ordinary General Meeting (EOGM) held on February 8, 2012.
- h) On February 14, 2012 the Chairman's Report on EOGM was filed with the Court.
- i) On March 21, 2012 the Court has verbally approved the Scheme. However, the Scheme will become effective as soon as a certified copy of an order or orders of the High Court of Sindh under section 284 of the Companies Ordinance, 1984 sanctioning the Scheme have been received and filed with the Registrar of companies, Karachi.
- j) Once the demerger is sanctioned by the High Court of Sindh and filed with the registrar, the Scheme will come into effect from July 1, 2011. In accordance with the Scheme, the net assets of Paints Business will transfer to and vest in Akzo Nobel Pakistan Limited. The share capital of the Company (attributable to the Paints Business) will be reduced by 46.4 million ordinary shares amounting to Rs 464.4 million. Further, 46.4 million ordinary shares amounting to Rs 464.4 million of Akzo Nobel Pakistan Limited will be issued to the shareholders of the Company as a consequence of the transfer to and vesting of the Paints Business in Akzo Nobel Pakistan Limited.
- k) From July 1, 2011 and until the Paints Undertaking is actually transferred to and vested in Akzo Nobel Pakistan Limited, the Paints Business will be deemed to have been carried on by ICI Pakistan Limited for and on account and for the benefit of Akzo Nobel Pakistan Limited. On this basis, all profits and losses accruing or arising to or incurred by ICI Pakistan Limited through the operation of the Paints Undertaking from the Effective Date (i.e. July 1, 2011) shall be treated as the profits or losses, as the case may be, of Akzo Nobel Pakistan Limited.
- l) When the Scheme becomes effective, the reconstruction of ICI Pakistan Limited by the separation and transfer to and vesting in Akzo Nobel Pakistan Limited of the Paints Undertaking in accordance with the Scheme, will be treated as having taken effect from the Effective Date i.e. July 1, 2011.
- m) The Scheme also provides that save and except to the extent of the proportionate share of the Paints Business in the interim dividend declared from the profits for the six (6) months ended June 30, 2011, the profits reserves and surpluses (if any) of ICI Pakistan Limited to the extent they relate to the operations of the Paints Undertaking during the period from the Effective Date to the Completion Date shall not be utilised by ICI Pakistan Limited for or in connection with the declaration of the dividends or the issuance of bonus shares or otherwise than in the operations of the Paints Undertaking in the ordinary course of business.

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the Quarter Ended March 31, 2012

Amounts in Rs '000

n) This is a common control transaction, therefore will be accounted for as a business combination under common control at carrying amount. The bifurcated results, net assets and basis of allocation of Paints and Non-Paints Businesses as at and for the period ended March 31, 2012 is disclosed in note 13 to this financial information and should be read in conjunction with note 25 to the annual financial statements as at and for the year ended December 31, 2011.

1.2 The accounting policies and methods of computation adopted for the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of the financial statements for the preceding year ended December 31, 2011. Further, these financial statements have been prepared on the basis mentioned in note 2.2 to the financial statements for the year ended December 31, 2011.

2. PROPERTY, PLANT AND EQUIPMENT

	March 31 2012	December 31 2011
Operating assets - at net book value	9,302,974	9,466,126
Capital work-in-progress - at cost		
Civil works and buildings	17,896	17,463
Plant and machinery	403,060	93,595
Miscellaneous equipment	75,336	29,655
Advances to suppliers / contractors	7,881	7,553
	504,173	148,266
Total property, plant and equipment	9,807,147	9,614,392

2.1 Following is the cost of operating property, plant and equipment that have been added / disposed off during the quarter ended March 31, 2012:

	Additions / Transfers		Disposals	
	March 31 2012	March 31 2011	March 31 2012	March 31 2011
Buildings on freehold land	6,529	5,294	-	-
Buildings on leasehold land	2,508	4,167	-	-
Plant and machinery	88,391	58,508	4,590	6,116
Vehicles	1,747	77	33,489	1,132
Furniture and equipment	5,466	15,452	1,953	132,369
Total	104,641	83,498	40,032	139,617

3. INTANGIBLE ASSETS

	March 31 2012	December 31 2011
Intangible assets - at net book value - note 3.1	122,158	141,051

3.1 This includes additions of intangible assets of Rs 0.15 million during the period.

4. LONG-TERM INVESTMENTS

Unquoted

Subsidiary - ICI Pakistan PowerGen Limited (wholly owned) - note 4.1
7,100,000 ordinary shares (December 31, 2011: 7,100,000)
of Rs 100 each

	710,000	710,000
Less: Provision for impairment loss - note 4.2	(209,524)	(209,524)
	500,476	500,476

Others

Equity security available for sale - Arabian Sea Country Club Limited

	2,500	2,500
Total Long-term Investments	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 period ended March 31, 2012 amounted to Rs 491.760 million (December 31, 2011: Rs 467.818 million).

4.2 The basis for impairment loss recognised in 2011 have been explained in note 12.2 to the financial statements for the year ended December 31, 2011. No provision is required in the current period as there is no change in the expected future cash flows estimated in 2011.

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the Quarter Ended March 31, 2012

Amounts in Rs '000

	March 31 2012	December 31 2011
5. LONG-TERM LOANS - Considered good		
Due from Subsidiary - Unsecured loan - note 5.1	133,334	133,334
Due from Directors, Executives and Employees - note 5.2	284,746	277,627
	418,080	410,961
Less: Current portion shown under current assets		
Due from Directors, Executives and Employees - note 5.2	74,328	85,247
Total Long-term loans	343,752	325,714

5.1 This represents loans 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 instalments commenced from October 1, 2011.

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

6. STOCK-IN-TRADE

Stock amounting to Rs 5.625 million is measured at net realisable value and has been written down by Rs 1.768 million to arrive at its net realisable value.

7. 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 utilised under this facility as at March 31, 2012 amounted to Rs. 283 million (December 31, 2011: Rs. 283 million).

8. SHORT-TERM FINANCING

The facilities for running finance available from various banks amounted to Rs 2,721 million (December 31, 2011: Rs 2,721 million) and carried mark-up during the period ranging from relevant KIBOR + 0.50% to 1.50% per annum with an average mark-up rate as on March 31, 2012 at relevant KIBOR + 1.00% (December 31, 2011: relevant KIBOR + 0.50% to 1.50% percent per annum with an average mark-up 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.

9. CONTINGENCIES AND COMMITMENTS

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

Local bodies	63,693	63,588
Sales Tax authorities	91,579	91,579
Others	162,387	162,425
Total	317,659	317,592

9.2 Guarantees issued by the Company in respect of financial and operational obligations of Lotte Pakistan PTA Limited pursuant to the Scheme of Arrangement, against which Lotte Pakistan PTA Limited and KP Chemicals Corporation Limited have issued counter guarantees to the Company

	2,100,000	2,100,000
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9.3 Guarantees issued by the Company to a bank in respect of financings obtained by Senior Executives, in accordance with the terms of employment

	35,000	35,000
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9.4 Guarantee issued by the Company to a bank on behalf of its subsidiary ICI Pakistan PowerGen Limited for availing funded facility

	133,000	133,000
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Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the Quarter Ended March 31, 2012

Amounts in Rs '000

9.5 Commitments in respect of capital expenditure (including Coal Fired Boiler project of Soda Ash Business). **504,853** 172,770

9.6 A notice was issued by the Environmental Protection Authority (EPA) against the Paints factory located at Ferozpur Road, Lahore. Pursuant to this an order was passed by the EPA for violation of certain provisions of the 'Act'. The Company is of the opinion that the order was not justified and has filed an appeal against the order in the Environmental Tribunal in Lahore, which is pending.

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

Year	March 31 2012	December 31 2011
2012	58,509	76,033
2013	64,820	60,520
2014	44,493	39,493
2015	22,703	17,222
2016	1,350	
	191,875	193,268
Payable not later than one year	76,576	76,033
Payable later than one year but not later than five years	115,299	117,235
Total	191,875	193,268

9.8 Outstanding foreign exchange contracts as at March 31, 2012 entered into by the Company to hedge the anticipated future transactions amounted to Rs 397.833 million (December 31, 2011: Rs 720.173 million).

For the 3 months ended March 31 2012	For the 3 months ended March 31 2011
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10. TURNOVER

10.1 Inter-segment sales of Chemicals to Paints and Polyester have been eliminated from the total **136,727** 143,774

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

10.3 Turnover includes export sales of Rs 68.222 million made to various countries during the period ended March 31, 2012

11. COST OF SALES

Opening stock of raw and packing materials	2,042,500	1,698,629
Purchases	5,330,158	6,877,926
Closing stock of raw and packing materials	7,372,658 (2,389,389)	8,576,555 (1,813,378)
Raw and packing materials consumption	4,983,269	6,763,177
Manufacturing costs	2,025,331	1,924,306
Opening stock of work-in-process	7,008,600	8,687,483
Closing stock of work-in-process	255,938	48,553
	7,264,538 (317,214)	8,736,036 (181,696)
Cost of goods manufactured	6,947,324	8,554,340
Opening stock of finished goods	2,297,583	2,039,163
Finished goods purchased	1,046,711	904,636
Closing stock of finished goods	10,291,618 (2,261,567)	11,498,139 (2,368,072)
Cost of sales	8,030,051	9,130,067

12. TAXATION

Current	122,084	364,580
Deferred	(18,861)	(39,714)
Total	103,223	324,866

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the Quarter Ended March 31, 2012

Amounts in Rs '000

13. Details of allocation between Paints and Non-Paints Businesses

Bifurcated Balance Sheet

The net assets ratio for the demerger is determined on the basis of June 30, 2011. Details of assets and liabilities segregated between Paints and Non-Paints Businesses as per the Scheme of Arrangement for Demerger are as follows:

EQUITY	March 31, 2012			December 31, 2011		
	Non-Paints	Paints	Total	Non-Paints	Paints	Total
Share Capital and Reserves						
Issued, subscribed and paid-up capital	-	-	1,388,023	-	-	1,388,023
Capital reserves	-	-	465,845	-	-	465,845
Unappropriated profit	-	-	12,700,638	-	-	12,501,477
	-	-	14,554,506	-	-	14,355,345
Surplus on revaluation of property, plant and equipment	818,494	889,034	1,707,528	824,207	889,088	1,713,295
			16,262,034			16,068,640
ASSETS						
Non-Current Assets						
Property, plant and equipment	8,439,515	1,367,632	9,807,147	8,262,888	1,351,504	9,614,392
Intangible assets	57,869	64,289	122,158	69,118	71,933	141,051
	8,497,384	1,431,921	9,929,305	8,332,006	1,423,437	9,755,443
Deferred tax asset - net (c)	-	165,458	165,458	-	183,658	183,658
Long-term investments	502,976	-	502,976	502,976	-	502,976
Long-term loans	297,576	46,176	343,752	287,084	38,630	325,714
Long-term deposits and prepayments	28,949	6,102	35,051	32,372	1,894	34,266
	829,501	217,736	1,047,237	822,432	224,182	1,046,614
	9,326,885	1,649,657	10,976,542	9,154,438	1,647,619	10,802,057
Current Assets						
Stores and spares	484,367	19,625	503,992	482,710	36,310	519,020
Stock-in-trade	4,248,488	719,683	4,968,171	3,838,856	757,165	4,596,021
Trade debts - note 13.1	590,056	391,134	973,101	357,699	267,083	618,647
Loans and advances	522,625	24,783	547,408	455,149	36,584	491,733
Trade deposits and short-term prepayments	387,300	2,408	389,708	265,719	13,651	279,370
Other receivables	780,848	27,707	808,555	711,788	28,682	740,470
Inter-unit current accounts receivable (a)	-	3,671,399	3,671,399	-	3,546,473	3,546,473
Taxation recoverable (b)	922,475	-	922,475	821,729	-	821,729
Cash and bank balances	2,834,256	173,985	3,008,241	4,633,322	223,174	4,856,496
	10,770,415	5,030,724	15,793,050	11,566,972	4,909,122	16,469,959
Total Assets	20,097,300	6,680,381	26,769,592	20,721,410	6,556,741	27,272,016
LIABILITIES						
Non-Current Liabilities						
Provisions for non-management staff gratuity and eligible retired employees' medical scheme	259,099	28,907	288,006	255,094	25,061	280,155
Deferred tax liability - net (c)	1,149,174	-	1,149,174	1,186,234	-	1,186,234
	1,408,273	28,907	1,437,180	1,441,328	25,061	1,466,389
Current Liabilities						
Taxation payable (b)	-	76,572	76,572	-	76,571	76,571
Inter-unit current accounts payable (a)	3,671,399	-	3,671,399	3,546,473	-	3,546,473
Trade and other payables - note 13.1	4,506,851	823,645	5,322,407	5,318,176	801,902	6,113,943
	8,178,250	900,217	9,070,378	8,864,649	878,473	9,736,987
Total Liabilities	9,586,523	929,124	10,507,558	10,305,977	903,534	11,203,376
Net Assets	10,510,777	5,751,257	16,262,034	10,415,433	5,653,207	16,068,640

(a) Inter-unit current accounts of Paints and Non-Paints businesses are eliminated in the balance sheet of the Company as a whole.

(b) This has been netted off from the tax recoverable of Non-Paints businesses to arrive at the net tax recoverable disclosed in the balance sheet of the Company as a whole.

(c) This has been netted off from the deferred tax liabilities of Non-Paints businesses to arrive at the net deferred tax liabilities disclosed in the balance sheet of the Company as a whole.

Basis of allocation

The following basis used for the allocation between Paints and Non-Paints as at June 30, 2011 has been agreed as per the Scheme of Arrangement for Demerger. The same basis were used at March 31, 2012. These are as follows:

13.1 Assets and Liabilities

All assets and liabilities are segregated between Paints and Non-Paints Businesses as per the Scheme of Arrangement for Demerger in which inter-business receivables and payables Rs 8.1 million (December 31, 2011: Rs 6.1 million) amongst Business units have been eliminated from the total.

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the Quarter Ended March 31, 2012

Amounts in Rs '000

13.2 Surplus on Revaluation of Property, Plant and Equipment

The balance of surplus on revaluation of property, plant and equipment has been segregated on actual basis (i.e. recorded in the subsidiary records of businesses) determined by the independent valuer.

13.3 Share capital, capital reserves and unappropriated profits

At June 30, 2011, share capital, capital reserves and unappropriated profits will be allocated on the basis of the net assets ratio of Paints and Non-Paints Businesses. The details are as follows:

- As a result of transfer to and vesting of the net assets of the Paints Business in Akzo Nobel Pakistan Limited, the share capital of the Company (attributable to the Paints Business) will be reduced by 46,443,250 ordinary shares amounting to Rs 464.4 million.

- Further, 46,443,250 ordinary shares amounting to Rs 464.4 million of Akzo Nobel Pakistan Limited will be issued to shareholders of the Company as a consequence of the transfer to and vesting of the Paints Business in Akzo Nobel Pakistan Limited.

13.4 Taxation

The profit attributable to Paints Business earned upto June 30, 2011, will be assessed in the books of ICI Pakistan Limited. Profits earned effective from July 1, 2011, will be assessed in the books of Akzo Nobel Pakistan Limited.

13.5 Contingencies and Commitments

	March 31, 2012			December 31, 2011		
	Non-Paints	Paints	Total	Non-Paints	Paints	Total
Claims against the Company not acknowledged as debts are as follows:						
Local bodies	63,240	453	63,693	63,135	453	63,588
Sales Tax authorities	492	91,087	91,579	492	91,087	91,579
Others	137,163	25,224	162,387	137,201	25,224	162,425
	200,895	116,764	317,659	200,828	116,764	317,592

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

Year						
2012	49,089	9,420	58,509	62,980	13,053	76,033
2013	56,217	8,603	64,820	51,029	9,491	60,520
2014	37,441	7,052	44,493	31,742	7,751	39,493
2015	17,868	4,835	22,703	12,351	4,871	17,222
2016	1,342	8	1,350			
	161,957	29,918	191,875	158,102	35,166	193,268
Payable not later than one year	64,752	11,824	76,576	62,980	13,053	76,033
Payable later than one year but not later than five years	97,205	18,094	115,299	95,122	22,113	117,235
	161,957	29,918	191,875	158,102	35,166	193,268

13.7 All other contingencies, claims and commitments of ICI Pakistan Limited will transfer to Paints Business to the extent they relate primarily and exclusively to the Paints Business.

13.8 Bifurcated Cash Flow statements

	ICI - Non Paints Businesses Jan 1 to Mar 31 2012	ICI - Paints Business Jan 1 to Mar 31 2012	ICI - All Businesses Jan 1 to Mar 31 2012
Net cash flows from operating activities	(1,386,391)	(3,667)	(1,390,058)
Net cash flows from investing activities	(412,675)	(45,522)	(458,197)
Net cash flows from financing activities	-	-	-
Net decrease in cash and cash equivalents	(1,799,066)	(49,189)	(1,848,255)

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the Quarter Ended March 31, 2012

Amounts in Rs '000

13.9 Bifurcated Profit and Loss account

Details of income and expenses segregated between Paints and Non-Paints businesses are as follows:

	ICI - Non Paints Businesses Jan 1 to Mar 31 2012	ICI - Paints Business Jan 1 to Mar 31 2012	ICI - All Businesses Jan 1 to Mar 31 2012
Turnover - note 13.9.1	8,983,852	1,474,601	10,322,613
Sales tax, excise duty, commission and discounts	(776,180)	(369,339)	(1,145,519)
Net sales, commission & toll income	8,207,672	1,105,262	9,177,094
Cost of sales - note 13.9.1	(7,396,457)	(769,434)	(8,030,051)
Gross profit	811,215	335,828	1,147,043
Selling and distribution expenses	(259,664)	(206,681)	(466,345)
Administration and general expenses - note 13.9.3	(279,565)	(141,831)	(421,396)
Operating result	271,986	(12,684)	259,302
Financial charges - note 13.9.1	(97,376)	(3,888)	(46,577)
Other operating charges	(24,878)	(6,144)	(31,022)
	(122,254)	(10,032)	(77,599)
Other operating income - note 13.9.1	93,607	75,994	114,914
Profit before taxation	243,339	53,278	296,617
Taxation	(85,023)	(18,200)	(103,223)
Profit after taxation	158,316	35,078	193,394

Basis of allocation

Income and expenses allocated are segregated between Paints and Non-Paints Businesses on actual basis.

13.9.1 Income and expenses

Inter-business sales / purchases of Rs 135.8 million and inter- unit interest / income of Rs 54.7 million between Business Units have been eliminated from the total.

13.9.2 Profit and loss of Paints Business from July 1, 2011

All profits and losses occurring or arising to or incurred by ICI Pakistan Limited through the operations of the Paints Undertaking (as defined in the Scheme of Arrangement for Demerger) from July 1, 2011 to the Completion Date shall be transferred to and vested in Akzo Nobel Pakistan Limited upon completion of demerger.

13.9.3 Demerger cost

This includes demerger cost amounting to Rs 131 million (March 31, 2011: Nil)

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the Quarter Ended March 31, 2012

Amounts in Rs '000

14 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise parent company (ICI Omicron B.V.), ultimate parent company (AkzoNobel N.V.), related group companies, local associated company, directors of the Company, companies where directors also hold directorship, key employees and staff retirement funds. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	For the 3 months ended March 31 2012	For the 3 months ended March 31 2011
Subsidiary Company		
Purchase of goods, materials and services	199,375	285,894
Provision of services and other receipts	495	495
Return on loan to subsidiary and running finance facility	15,733	18,168
Associated Companies		
Purchase of goods, materials and services	26,385	44,165
Provision of services and other receipts	121	114
Sale of goods and materials	40,537	38,491
Contribution to staff retirement benefit plans	130,209	46,510
Donations	6,000	-

14.1 Transaction with key management personnel

Key management personnel received an amount of Rs 102.437 million (March 31, 2011: Rs 85.499 million) on account of remuneration out of which Rs 7.335 million (March 31, 2011: Rs 6.843 million) relates to post employment benefits.

15 ESTIMATES

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

16 FINANCIAL RISK MANAGEMENT

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

17 DATE OF AUTHORISATION

The condensed interim unconsolidated financial information was authorised for issue in the Board of Directors meeting held on April 27, 2012.

18 GENERAL

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

ICI Pakistan Limited and its Subsidiary Company



ICI Pakistan Limited is now part
of the AkzoNobel Group



AkzoNobel
Tomorrow's Answers Today

Review of the Directors

For the Quarter Ended March 31, 2012

The Directors are pleased to present their review together with the un-audited Group results of ICI Pakistan Limited for the quarter ended March 31, 2012. The ICI Pakistan Group comprises of ICI Pakistan Limited and ICI Pakistan PowerGen Limited, a wholly owned subsidiary.

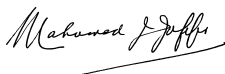
The Directors review, giving a commentary on the performance of ICI Pakistan Limited for the quarter ended March 31, 2012 has been presented separately.

In wake of global demand supply dynamics, the crude oil prices rose during the quarter and remained above the average prices of same period last year. Furnace oil prices during the three months of 2012 at Rs 67,669 per ton were on an average higher by 30 percent compared with Rs 52,093 per ton in the same period last year. Gas prices was also raised by 14 percent during the quarter by OGRA.

Electricity sales volume for the quarter was 55 percent lower compared to Q1 2011. 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 Q1 2011. Despite the decrease in sales volume, the company's gross profit at Rs 41 million in Q1 2012 was 73 percent higher than Q1 2011 primarily due to 58 percent higher tariffs as per the revised agreement.

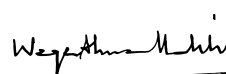
FUTURE OUTLOOK

Furnace oil prices are expected to rise steadily and are currently at Rs 74,659 per ton.



M J Jaffer
Chairman

April 27, 2012
Karachi



Waqar A Malik
Chief Executive

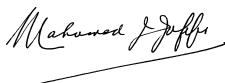
Condensed Interim Consolidated Balance Sheet (Unaudited)

As at March 31, 2012

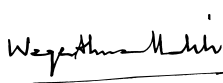
Amounts in Rs '000

	Note	March 31 2012	December 31 2011
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	10,529,664	10,330,859
Intangible assets	3	122,158	141,051
		10,651,822	10,471,910
Long-term investment	4	2,500	2,500
Long-term loans	5	215,079	197,293
Long-term deposits and prepayments		35,051	34,266
		252,630	234,059
		10,904,452	10,705,969
Current Assets			
Stores and spares		573,872	589,158
Stock-in-trade	6	4,987,432	4,625,716
Trade debts		998,586	644,117
Loans and advances		221,255	165,554
Trade deposits and short-term prepayments		399,779	284,896
Other receivables		848,675	783,285
Taxation recoverable		845,903	745,158
Cash and bank balances		3,130,028	4,961,379
		12,005,530	12,799,263
Total Assets		22,909,982	23,505,232
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 138,802,300 (December 31, 2011: 138,802,300) ordinary shares of Rs 10 each		1,388,023	1,388,023
Capital reserves		465,845	465,845
Unappropriated profit		12,547,258	12,323,663
Total Equity		14,401,126	14,177,531
Surplus on Revaluation of Property, Plant and Equipment		1,850,693	1,856,951
LIABILITIES			
Non-Current Liabilities			
Provisions for non-management staff gratuity and eligible retired employees' medical scheme		288,245	280,394
Deferred tax liability - net		983,717	1,002,576
		1,271,962	1,282,970
Current Liabilities			
Trade and other payables		5,386,201	6,187,780
Contingencies and Commitments	8		
Total Equity and Liabilities		22,909,982	23,505,232

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



M J Jaffer
Chairman / Director



Waqar A Malik
Chief Executive



Feroz Rizvi
Chief Financial Officer

Condensed Interim Consolidated Profit and Loss Account (Unaudited)

For the Quarter Ended March 31, 2012

	Polyester		Soda Ash		Paints	
	For the 3 months ended March 31 2012	For the 3 months ended March 31 2011	For the 3 months ended March 31 2012	For the 3 months ended March 31 2011	For the 3 months ended March 31 2012	For the 3 months ended March 31 2011
Turnover - note 9	4,107,039	6,263,100	2,085,646	2,098,243	1,474,601	1,376,081
Sales tax	-	-	355,241	357,545	201,464	188,102
Excise duty	-	-	-	21,262	-	14,045
Commission and discounts to distributors and customers	21,606	8,177	55,970	61,654	167,875	189,969
	21,606	8,177	411,211	440,461	369,339	392,116
Net sales, commission and toll income	4,085,433	6,254,923	1,674,435	1,657,782	1,105,262	983,965
Cost of sales - note 9 and 10	4,028,770	5,531,459	1,562,126	1,566,137	769,434	730,392
Gross profit	56,663	723,464	112,309	91,645	335,828	253,573
Selling and distribution expenses	16,642	15,536	20,981	24,611	206,681	148,449
Administration and general expenses	92,729	60,753	84,267	47,539	141,831	82,916
Operating result	(52,708)	647,175	7,061	19,495	(12,684)	22,208
Financial charges						
Workers' profit participation fund						
Workers' welfare fund						
Other operating charges						
Other operating income						
Profit before taxation						
Taxation - note 11						
Profit after taxation						
Earnings per share - Basic and Diluted						

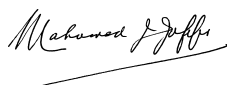
The annexed notes from 1 to 17 form an integral part of the condensed interim consolidated financial information.

Condensed Interim Consolidated Profit and Loss Account (Unaudited)

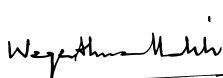
For the Quarter Ended March 31, 2012

Amounts in Rs '000

Life Sciences		Chemicals		Others- PowerGen		Group	
For the 3 months ended March 31 2012	For the 3 months ended March 31 2011	For the 3 months ended March 31 2012	For the 3 months ended March 31 2011	For the 3 months ended March 31 2012	For the 3 months ended March 31 2011	For the 3 months ended March 31 2012	For the 3 months ended March 31 2011
1,746,508	1,243,093	1,045,546	904,815	199,375	285,894	10,322,613	11,741,557
2,610	272	107,052	90,499	27,500	41,540	693,867	677,958
-	-	-	3,447	-	-	-	38,754
182,203	99,249	51,498	40,433	-	-	479,152	399,482
184,813	99,521	158,550	134,379	27,500	41,540	1,173,019	1,116,194
<hr/>							
1,561,695	1,143,572	886,996	770,436	171,875	244,354	9,149,594	10,625,363
1,097,978	837,618	708,470	608,235	130,274	219,741	7,960,515	9,063,478
463,717	305,954	178,526	162,201	41,601	24,613	1,189,079	1,561,885
168,371	142,934	53,670	41,537	-	-	466,345	373,067
56,261	45,497	46,308	33,498	547	867	421,883	271,010
239,085	117,523	78,548	87,166	41,054	23,746	300,851	917,808
<hr/>						46,594	23,842
						17,268	50,711
						6,580	19,517
						9,235	10,357
						79,677	104,427
						99,386	141,231
						320,560	954,612
						103,223	324,866
						217,337	629,746
<hr/>							
(Rupees)							
						1.57	4.54



M J Jaffer
Chairman / Director



Waqar A Malik
Chief Executive



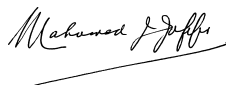
Feroz Rizvi
Chief Financial Officer

**Condensed Interim Consolidated
Statement of Comprehensive Income (Unaudited)**
For the Quarter Ended March 31, 2012

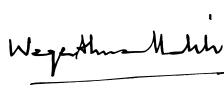
Amounts in Rs '000

	For the 3 months ended March 31 2012	For the 3 months ended March 31 2011
Profit for the period	217,337	629,746
Other comprehensive income	-	-
Total comprehensive income for the quarter	217,337	629,746

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



M J Jaffer
Chairman / Director



Waqar A Malik
Chief Executive



Feroz Rizvi
Chief Financial Officer

Condensed Interim Consolidated Cash Flow Statement (Unaudited)

For the Quarter Ended March 31, 2012

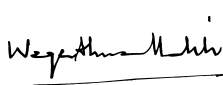
Amounts in Rs '000

	March 31 2012	March 31 2011
Cash Flows from Operating Activities		
Profit before taxation	320,560	954,612
Adjustments for:		
Depreciation and amortisation	297,145	278,228
(Gain) / Loss on disposal of property, plant and equipment	(4,029)	2,259
Provision for non-management staff gratuity and eligible retired employees' medical scheme	18,418	16,083
Mark-up on bank deposits	(70,583)	(114,203)
Interest / mark-up expense	17,998	22,247
	579,509	1,159,226
Movement in:		
Working capital	(1,722,222)	(366,743)
Long-term loans	(17,786)	(4,319)
Long-term deposits and prepayments	(785)	(7,870)
Cash (used in) / generated from operations	(1,161,284)	780,294
Payments for:		
Non-management staff gratuity and eligible retired employees' medical scheme	(10,567)	(3,223)
Taxation	(222,888)	(292,171)
Interest / mark-up	(17,998)	(22,632)
Profit / mark-up received on bank deposits	74,665	100,187
Net cash (used in) / generated from operating activities	(1,338,072)	562,455
Cash Flows from Investing Activities		
Payments for capital expenditure	(497,478)	(194,321)
Proceeds from disposal of property, plant and equipment	4,199	4,001
Net cash used in investing activities	(493,279)	(190,320)
Cash Flows from Financing Activities		
	-	-
Net (decrease) / increase in cash and cash equivalents	(1,831,351)	372,135
Cash and cash equivalents at January 1	4,961,379	4,739,557
Cash and cash equivalents at March 31	3,130,028	5,111,692
Movement in Working Capital		
Decrease / (increase) in current assets		
Stores and spares	15,286	(29,707)
Stock-in-trade	(361,716)	(567,041)
Trade debts	(354,469)	(303,495)
Loans and advances	(55,701)	(153,758)
Trade deposits and short-term prepayments	(114,883)	(41,985)
Other receivables	(69,563)	(32,397)
	(941,046)	(1,128,383)
(Decrease) / increase in current liability		
Trade and other payables	(781,176)	761,640
	(1,722,222)	(366,743)
Cash and cash equivalents at March 31 comprise of:		
Cash and bank balances	3,130,028	5,111,692

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



M J Jaffer
Chairman / Director



Waqar A Malik
Chief Executive



Feroz Rizvi
Chief Financial Officer

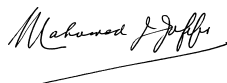
Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)

For the Quarter Ended March 31, 2012

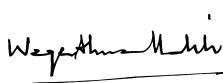
Amounts in Rs '000

	Issued, subscribed and paid-up share 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				
Total comprehensive income for the quarter ended March 31, 2011	-	-	629,746	629,746
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation	-	-	5,600	5,600
	-	-	635,346	635,346
Balance as on March 31, 2011	1,388,023	465,845	12,914,747	14,768,615
Total comprehensive income for the nine months ended December 31, 2011	-	-	1,540,845	1,540,845
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation	-	-	19,507	19,507
	-	-	1,560,352	1,560,352
Final dividend for the year ended December 31, 2010 @ Rs 12.00 per share	-	-	(1,665,628)	(1,665,628)
Interim dividend for the year 2011 @ Rs 3.50 per share	-	-	(485,808)	(485,808)
Transactions with owners, recorded directly in equity	-	-	(2,151,436)	(2,151,436)
Balance as on December 31, 2011	1,388,023	465,845	12,323,663	14,177,531
Changes in equity for 2012				
Total comprehensive income for the quarter ended March 31, 2012	-	-	217,337	217,337
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation	-	-	6,258	6,258
	-	-	223,595	223,595
Balance as on March 31, 2012	1,388,023	465,845	12,547,258	14,401,126

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



M J Jaffer
Chairman / Director



Waqar A Malik
Chief Executive



Feroz Rizvi
Chief Financial Officer

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the Quarter Ended March 31, 2012

1. The condensed interim consolidated financial information comprises the consolidated balance sheet of ICI Pakistan Limited and its subsidiary company, ICI Pakistan PowerGen Limited, as at March 31, 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 The condensed interim consolidated financial information has been prepared in condensed form in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and is being submitted to shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984. This condensed interim consolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended December 31, 2011.

1.2 DEMERGER

In 2011, the Board of Directors received a proposal from its ultimate holding company, Akzo Nobel N.V. to restructure its interest in ICI Pakistan Limited by separation of its Paints Business and transferring and vesting it into Akzo Nobel Pakistan Limited.

The principal phases in this respect are as follows:

- a) On April 29, 2011, the Board of Directors received a proposal from its ultimate holding company, Akzo Nobel N.V. to restructure its interest in ICI Pakistan Limited.
- b) On May 11, 2011, the Board of Directors decided to demerge the Company's Paints Business into a separate entity Akzo Nobel Pakistan Limited (comprising the Paints Business) and the rest of the Businesses would continue under ICI Pakistan Limited. After the completion of demerger (pending order of the High Court of Sindh), Akzo Nobel Pakistan Limited will also be listed on the Karachi, Lahore and Islamabad Stock Exchanges. ICI Pakistan Limited is already and will continue to be listed on Karachi, Lahore and Islamabad Stock Exchanges.
- c) The Board of Directors approved the Scheme of Arrangement for Demerger on August 24, 2011. This was subsequently approved by the Board of Directors of Akzo Nobel Pakistan Limited on September 16, 2011.
- d) The Company has obtained the consent of more than 75% in value of each class of creditors pertaining to Paints Business and Non-Paints Businesses. Further, it has obtained signed letters from most of the employees of Paints Business agreeing to accept employment with Akzo Nobel Pakistan Limited in lieu of their employment with ICI Pakistan Limited.
- e) On November 24, 2011, the Company filed a petition in the High Court of Sindh for sanction of, and for other orders facilitating implementation of the Scheme of Arrangement for the Reconstruction (demerger).
- f) The Company obtained a No Objection Certificate (NOC) from the Competition Commission of Pakistan (CCP) on November 29, 2011.
- g) The shareholders approved the Scheme of Arrangement for demerger and the consequent reduction in the share capital of ICI Pakistan Limited in the Extra Ordinary General Meeting (EOGM) held on February 8, 2012.
- h) On February 14, 2012 the Chairman's Report on EOGM was filed with the Court.
- i) On March 21, 2012 the Court has verbally approved the Scheme. However, the Scheme will become effective as soon as a certified copy of an order or orders of the High Court of Sindh under section 284 of the Companies Ordinance, 1984 sanctioning the Scheme have been received and filed with the Registrar of companies, Karachi.
- j) Once the demerger is sanctioned by the High Court of Sindh and filed with the registrar, the Scheme will come into effect from July 1, 2011. In accordance with the Scheme, the net assets of Paints Business will transfer to and vest in Akzo Nobel Pakistan Limited. The share capital of the Company (attributable to the Paints Business) will be reduced by 46.4 million ordinary shares amounting to Rs 464.4 million. Further, 46.4 million ordinary shares amounting to Rs 464.4 million of Akzo Nobel Pakistan Limited will be issued to the shareholders of the Company as a consequence of the transfer to and vesting of the Paints Business in Akzo Nobel Pakistan Limited.
- k) From July 1, 2011 and until the Paints Undertaking is actually transferred to and vested in Akzo Nobel Pakistan Limited, the Paints Business will be deemed to have been carried on by ICI Pakistan Limited for and on account and for the benefit of Akzo Nobel Pakistan Limited. On this basis, all profits and losses accruing or arising to or incurred by ICI Pakistan Limited through the operation of the Paints Undertaking from the Effective Date (i.e. July 1, 2011) shall be treated as the profits or losses, as the case may be, of Akzo Nobel Pakistan Limited.
- l) When the Scheme becomes effective, the reconstruction of ICI Pakistan Limited by the separation and transfer to and vesting in Akzo Nobel Pakistan Limited of the Paints Undertaking in accordance with the Scheme, will be treated as having taken effect from the Effective Date i.e. July 1, 2011.

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the Quarter Ended March 31, 2012

Amounts in Rs '000

- m) The Scheme also provides that save and except to the extent of the proportionate share of the Paints Business in the interim dividend declared from the profits for the six (6) months ended June 30, 2011, the profits reserves and surpluses (if any) of ICI Pakistan Limited to the extent they relate to the operations of the Paints Undertaking during the period from the Effective Date to the Completion Date shall not be utilised by ICI Pakistan Limited for or in connection with the declaration of the dividends or the issuance of bonus shares or otherwise than in the operations of the Paints Undertaking in the ordinary course of business.
- n) This is a common control transaction, therefore will be accounted for as a business combination under common control at carrying amount. The bifurcated results, net assets and basis of allocation of Paints and Non-Paints Businesses as at and for the period ended March 31, 2012 is disclosed in note 12 to this financial information and should read in conjunction with note 26 to the annual financial statements as at and for the year ended December 31, 2011.

1.3 The accounting policies and methods of computation adopted for the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the financial statements for the preceding year ended December 31, 2011. Further, these financial statements have been prepared on the basis mentioned in note 2.2 to the financial statements for the year ended December 31, 2011.

2. PROPERTY, PLANT AND EQUIPMENT

	March 31 2012	December 31 2011
Operating assets - at net book value	9,974,726	10,147,228
Capital work-in-progress - at cost		
Civil works and buildings	17,896	17,960
Plant and machinery	452,189	127,939
Miscellaneous equipment	75,336	29,655
Advances to suppliers / contractors	9,517	8,077
	554,938	183,631
Total property, plant and equipment	10,529,664	10,330,859

2.1 Following is the cost of operating property, plant and equipment that have been added / disposed off during the quarter ended March 31, 2012:

	Additions / Transfers		Disposals	
	March 31 2012	March 31 2011	March 31 2012	March 31 2011
Buildings on freehold land	7,026	5,294	-	-
Buildings on leasehold land	2,508	4,167	-	-
Plant and machinery	34,234	58,508	4,590	6,116
Vehicles	1,747	77	33,489	1,132
Furniture and equipment	6,578	15,452	1,953	132,369
Total	52,093	83,498	40,032	139,617

3. INTANGIBLE ASSETS

	March 31 2012	December 31 2011
Intangible assets - at net book value - note 3.1	122,158	141,051

3.1 This includes additions of intangible assets of Rs 0.15 million during the period.

4. LONG-TERM INVESTMENT - At cost

<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	289,675	282,808
Less: Current portion shown under current assets		
Due from Directors, Executives and Employees - note 5.1	74,596	85,515
Total long-term loans	215,079	197,293

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.

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the Quarter Ended March 31, 2012

Amounts in Rs '000

6. STOCK-IN-TRADE

Stock amounting to Rs 5.625 million is measured at net realisable value and has been written down by Rs 1.768 million to arrive at its net realisable value.

7. SHORT-TERM FINANCING

The facilities for running finance available from various banks amounted to Rs 3,056 million (31 December 2011: Rs 3,056 million) and carried mark-up during the period ranging from relevant KIBOR + 0.50% to 1.50% per annum with an average mark-up rate as on March 31, 2012 at relevant KIBOR + 1.00% (December 31, 2011: relevant KIBOR + 0.50% to 1.50% per annum with an average mark-up 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.

March 31 2012	December 31 2011
------------------	---------------------

8. CONTINGENCIES AND COMMITMENTS

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

Local bodies	81,405	81,299
Sales tax authorities	91,579	91,579
Others	162,387	162,425
Total	335,371	335,303

8.2 A notice was issued by the Environmental Protection Authority (EPA) against the Paints factory located at Ferozpur Road, Lahore. Pursuant to this an order was passed by the EPA for violation of certain provisions of the 'Act'. The Company is of the opinion that the order was not justified and has filed an appeal against the order in the Environmental Tribunal in Lahore, which is pending.

8.3 Guarantees issued by the Company in respect of financial and operational obligations of Lotte Pakistan PTA Limited pursuant to the Scheme of Arrangement, against which Lotte Pakistan PTA Limited and KP Chemicals Corporation Limited, the parent Company of Lotte Pakistan PTA limited, has issued counter guarantees to the Group

	2,100,000	2,100,000
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8.4 Guarantees issued by the Company in respect of financings obtained by Senior Executives, in accordance with the terms of employment

	35,000	35,000
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8.5 Commitments in respect of capital expenditure (including Coal Fired Boiler project of Soda Ash Business)

	544,424	187,470
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8.6 Guarantee issued by the Company to a bank on behalf of its subsidiary ICI Pakistan PowerGen Limited for availing funded facility

	133,000	133,000
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8.7 Commitments for rentals under operating lease / Ijarah agreements in respect of vehicles are as follows:

Year		
2012	58,845	76,482
2013	64,932	60,632
2014	44,493	39,493
2015	22,703	17,222
2016	1,350	
	192,323	193,829
Payable not later than one year	77,025	76,482
Payable later than one year but not later than five years	115,298	117,347
	192,323	193,829

8.8 Outstanding foreign exchange contracts as at March 31, 2012 entered into by the Group to hedge the anticipated future transactions amounted to Rs 397.833 million (December 31, 2011: Rs 720.173 million).

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the Quarter Ended March 31, 2012

Amounts in Rs '000

9. TURNOVER

9.1 INTER-SEGMENT SALES AND PURCHASES

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

For the 3 months ended March 31 2012	For the 3 months ended March 31 2011
336,102	429,669

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

9.2 Turnover includes export sales of Rs 68.222 million made to various countries during the period ended March 31, 2012.

10. COST OF SALES

Opening stock of raw and packing materials	2,072,195	1,728,964
Purchases	5,319,726	6,868,165
Closing stock of raw and packing materials	7,391,921 (2,408,650)	8,597,129 (1,833,953)
Raw and packing materials consumption	4,983,271	6,763,176
Manufacturing costs	1,955,794	1,857,718
Opening stock of work-in-process	6,939,065 255,938	8,620,894 48,553
Closing stock of work-in-process	7,195,003 (317,214)	8,669,447 (181,696)
Cost of goods manufactured	6,877,789	8,487,751
Opening stock of finished goods	2,297,583	2,039,163
Finished goods purchased	1,046,711	904,636
Closing stock of finished goods	10,222,083 (2,261,568)	11,431,550 (2,368,072)
Cost of sales	7,960,515	9,063,478

11. TAXATION

Current	122,084	364,580
Deferred	(18,861)	(39,714)
Total	103,223	324,866

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the Quarter Ended March 31, 2012

Amounts in Rs '000

12. Details of allocation between Paints and Non-Paints Businesses

Bifurcated Balance Sheet

The net assets ratio for the demerger is determined on the basis of June 30, 2011. Details of assets and liabilities segregated between Paints and Non-Paints Businesses as per the Scheme of Arrangement for Demerger are as follows:

EQUITY	March 31, 2012			December 31, 2011		
	Non-Paints	Paints	Total	Non-Paints	Paints	Total
Share Capital and Reserves						
Issued, subscribed and paid-up capital	-	-	1,388,023	-	-	1,388,023
Capital reserves	-	-	465,845	-	-	465,845
Unappropriated profit	-	-	12,547,258	-	-	12,323,663
	-	-	14,401,126	-	-	14,177,531
Surplus on revaluation of property, plant and equipment	961,659	889,034	1,850,693	967,863	889,088	1,856,951
			16,251,819			16,034,482
ASSETS						
Non-Current Assets						
Property, plant and equipment	9,162,032	1,367,632	10,529,664	8,979,355	1,351,504	10,330,859
Intangible assets	57,869	64,289	122,158	69,118	71,933	141,051
	9,219,901	1,431,921	10,651,822	9,048,473	1,423,437	10,471,910
Deferred tax asset - net (c)	-	165,458	165,458	-	183,658	183,658
Long-term investments	2,500	-	2,500	2,500	-	2,500
Long-term loans	168,903	46,176	215,079	158,663	38,630	197,293
Long-term deposits and prepayments	28,949	6,102	35,051	32,372	1,894	34,266
	200,352	217,736	418,088	193,535	224,182	417,717
	9,420,253	1,649,657	11,069,910	9,242,008	1,647,619	10,889,627
Current Assets						
Stores and spares	554,247	19,625	573,872	552,848	36,310	589,158
Stock-in-trade	4,267,749	719,683	4,987,432	3,868,551	757,165	4,625,716
Trade debts - note 12.1	615,540	391,134	998,586	383,169	267,083	644,117
Loans and advances	196,472	24,783	221,255	128,970	36,584	165,554
Trade deposits and short-term prepayments	397,371	2,408	399,779	271,245	13,651	284,896
Other receivables	820,968	27,707	848,675	754,603	28,682	783,285
Inter-unit current accounts receivable (a)	-	3,671,399	3,671,399	-	3,546,473	3,546,473
Taxation recoverable (b)	922,475	-	922,475	821,730	-	821,730
Cash and bank balances	2,956,043	173,985	3,130,028	4,738,205	223,174	4,961,379
	10,730,865	5,030,724	15,753,501	11,519,321	4,909,122	16,422,308
Total Assets	20,151,118	6,680,381	26,823,411	20,761,329	6,556,741	27,311,935
LIABILITIES						
Non-Current Liabilities						
Provisions for non-management staff gratuity and eligible retired employees' medical scheme	259,338	28,907	288,245	255,333	25,061	280,394
Deferred tax liability - net (c)	1,149,175	-	1,149,175	1,186,234	-	1,186,234
	1,408,513	28,907	1,437,420	1,441,567	25,061	1,466,628
Current Liabilities						
Taxation payable (b)	-	76,572	76,572	-	76,572	76,572
Inter-unit current accounts payable (a)	3,671,399	-	3,671,399	3,546,473	-	3,546,473
Trade and other payables - note 12.1	4,570,644	823,645	5,386,201	5,392,014	801,901	6,187,780
	8,242,043	900,217	9,134,172	8,938,487	878,473	9,810,825
Total Liabilities	9,650,556	929,124	10,571,592	10,380,054	903,534	11,277,453
Net Assets	10,500,562	5,751,257	16,251,819	10,381,275	5,653,207	16,034,482

(a) Inter-unit current accounts of Paints and Non-Paints Businesses are eliminated in the balance sheet of the Group as a whole.

(b) This has been netted off from the tax recoverable of Non-Paints businesses to arrive at the net tax recoverable disclosed in the balance sheet of the Group as a whole.

(c) This has been netted off from the deferred tax liabilities of Non-Paints businesses to arrive at the net deferred tax liabilities disclosed in the balance sheet of the Group as a whole.

Basis of allocation

The following basis used for the allocation between Paints and Non-Paints as at June 30, 2011 has been agreed as per the Scheme of Arrangement for Demerger. The same basis were used at March 31, 2012. These are as follows:

12.1 Assets and Liabilities

All assets and liabilities are segregated between Paints and Non-Paints Businesses as per the Scheme of Arrangement for Demerger in which inter-business receivables and payables Rs 8.1 million (December 31, 2011: Rs 6.1 million) amongst Business units have been eliminated from the total.

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the Quarter Ended March 31, 2012

Amounts in Rs '000

12.2 Surplus on Revaluation of Property, Plant and Equipment

The balance of surplus on revaluation of property, plant and equipment has been segregated on actual basis (i.e. recorded in the subsidiary records of businesses) determined by the independent valuer.

12.3 Share capital, capital reserves and unappropriated profits

At June 30, 2011, share capital, capital reserves and unappropriated profits will be allocated on the basis of the net assets ratio of Paints and Non-Paints Businesses. The details are as follows:

- As a result of transfer to and vesting of the net assets of the Paints Business in Akzo Nobel Pakistan Limited, the share capital of the Company (attributable to the Paints Business) will be reduced by 46,443,250 ordinary shares amounting to Rs 464.4 million.

- Further, 46,443,250 ordinary shares amounting to Rs 464.4 million of Akzo Nobel Pakistan Limited will be issued to shareholders of the Company as a consequence of the transfer to and vesting of the Paints Business in Akzo Nobel Pakistan Limited.

12.4 Taxation

The profit attributable to Paints Business earned upto June 30, 2011, will be assessed in the books of ICI Pakistan Limited. Profits earned effective from July 1, 2011, will be assessed in the books of Akzo Nobel Pakistan Limited.

12.5 Contingencies and Commitments

	March 31, 2012			December 31, 2011		
	Non-Paints	Paints	Total	Non-Paints	Paints	Total
Claims against the Company not acknowledged as debts are as follows:						
Local bodies	80,952	453	81,405	80,846	453	81,299
Sales tax authorities	492	91,087	91,579	492	91,087	91,579
Others	137,163	25,224	162,387	137,201	25,224	162,425
	218,607	116,764	335,371	218,539	116,764	335,303

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

Year						
2012	49,425	9,420	58,845	63,429	13,053	76,482
2013	56,329	8,603	64,932	51,141	9,491	60,632
2014	37,441	7,052	44,493	31,742	7,751	39,493
2015	17,868	4,835	22,703	12,351	4,871	17,222
2016	1,342	8	1,350			
	162,405	29,918	192,323	158,663	35,166	193,829
Payable not later than one year	65,201	11,824	77,025	63,429	13,053	76,482
Payable later than one year but not later than five years	97,204	18,094	115,298	95,234	22,113	117,347
	162,405	29,918	192,323	158,663	35,166	193,829

12.7 All other contingencies, claims and commitments of ICI Pakistan Limited will transfer to Paints Business to the extent they relate primarily and exclusively to the Paints Business.

12.8 Bifurcated Cash Flow statements

	ICI - Non Paints Businesses Jan 1 to Mar 31 2012	ICI - Paints Business Jan 1 to Mar 31 2012	ICI - All Businesses Jan 1 to Mar 31 2012
Net cash flows from operating activities	(1,334,405)	(3,667)	(1,338,072)
Net cash flows from investing activities	(447,757)	(45,522)	(493,279)
Net cash flows from financing activities	-	-	-
Net decrease in cash and cash equivalents	(1,782,162)	(49,189)	(1,831,351)

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the Quarter Ended March 31, 2012

Amounts in Rs '000

12.9 Bifurcated Profit and Loss account

Details of income and expenses segregated between Paints and Non-Paints Businesses are as follows:

	ICI - Non Paints Businesses Jan 1 to Mar 31 2012	ICI - Paints Business Jan 1 to Mar 31 2012	ICI - All Businesses Jan 1 to Mar 31 2012
Turnover - note 12.9.1	8,983,852	1,474,601	10,322,613
Sales tax, excise duty, commission and discounts	(803,680)	(369,339)	(1,173,019)
Net sales, commission & toll income	8,180,172	1,105,262	9,149,594
Cost of sales - note 12.9.1	(7,326,921)	(769,434)	(7,960,515)
Gross profit	853,251	335,828	1,189,079
Selling and distribution expenses	(259,664)	(206,681)	(466,345)
Administration and general expenses - note 12.9.3	(280,052)	(141,831)	(421,883)
Operating result	313,535	(12,684)	300,851
Financial charges - note 12.9.1	(97,393)	(3,888)	(46,594)
Other operating charges	(26,939)	(6,144)	(33,083)
	(124,332)	(10,032)	(79,677)
Other operating income - note 12.9.1	78,079	75,994	99,386
Profit before taxation	267,282	53,278	320,560
Taxation	(85,023)	(18,200)	(103,223)
Profit after taxation	182,259	35,078	217,337

Basis of allocation

Income and expenses allocated are segregated between Paints and Non-Paints Businesses on actual basis.

12.9.1 Income and expenses

Inter-business sales / purchases of Rs 135.8 million and inter-unit interest / income of Rs 54.7 million between Business Units have been eliminated from the total.

12.9.2 Profit and loss of Paints Business from July 1, 2011

All profits and losses occurring or arising to or incurred by ICI Pakistan Limited through the operations of the Paints Undertaking (as defined in the Scheme of Arrangement for Demerger) from July 1, 2011 to the Completion Date shall be transferred to and vested in Akzo Nobel Pakistan Limited upon completion of demerger.

12.9.3 Demerger cost

This includes demerger cost amounting to Rs 131 million (March 31, 2011: Nil)

Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the Quarter Ended March 31, 2012

Amounts in Rs '000

13. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise parent company (ICI Omicron B.V.), ultimate parent company (AkzoNobel N.V.), related group companies, local associated company, directors of the Company, companies where directors also hold directorship, key employees and staff retirement funds. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in this condensed interim consolidated financial information are as follows:

	For the 3 months ended March 31 2012	For the 3 months ended March 31 2011
Associated Companies		
Purchase of goods, materials and services	26,385	44,165
Provision of services and other receipts	121	114
Sale of goods and materials	40,537	38,491
Contribution to staff retirement benefit plans	130,209	46,510
ICI Pakistan Foundation	6,000	-

13.1 Transactions with key management personnel

Key management personnel received an amount of Rs 102.437 million (March 31, 2011: Rs 85.499 million) on account of remuneration out of which Rs 7.335 million (March 31, 2011: Rs 6.843 million) relates to post employment benefits.

14. ESTIMATES

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

15. FINANCIAL RISK MANAGEMENT

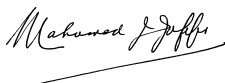
The Group's financial risk management objective and policies are consistent with that disclosed in the financial statements as at and for the year ended December 31, 2011.

16. DATE OF AUTHORISATION

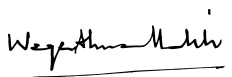
The condensed interim consolidated financial information was authorised for issue in the Board of Directors meeting held on April 27, 2012.

17. GENERAL

17.1 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 paints and coatings company and a major producer of specialty chemicals. We supply industries and consumers worldwide with innovative products and are passionate about developing sustainable answers for our customers. Our portfolio includes well known-

brands such as Dulux, Sikkens, International and Eka.

Headquartered in Amsterdam, the Netherlands, we are a Global Fortune 500 company and are consistently ranked as one of the leaders in the area of sustainability. With operations in more than 80 countries, our people around the world are committed to excellence and delivering Tomorrow's Answer Today™

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