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ICI Pakistan Limited
Report for the Quarter &
Six Months Ended June 30, 2010



AkzoNobel
Tomorrow's Answers Today



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Company Information

Board of Directors

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

Audit & Remuneration Sub Committees of the Board

Audit Sub Committee

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

Remuneration Sub Committee

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

Chief Financial Officer

Feroz Rizvi

Company Secretary

Saira Nishtar

Executive Management Team

Waqar A Malik	Chief Executive	Suhail Aslam Khan	Vice President, Polyester
Ali A Aga *	Vice President, Soda Ash	M Asif Malik	Vice President, Corporate HR & Life Sciences
Khalid Alvi***	Vice President, Chemicals		
Jehanzeb Khan	Vice President, Paints	Feroz Rizvi	Chief Financial Officer

Bankers

Askari Bank Limited	MCB Bank Limited
Bank Al Habib Limited	Meezan Bank Limited
Bank Alfalah Limited	National Bank of Pakistan
Citibank N.A.	Oman International Bank
Deutsche Bank AG	Samba Bank Limited
Faysal Bank Limited	Standard Chartered Bank (Pakistan) Limited
Habib Bank Limited	The Royal Bank of Scotland Limited
HSBC Bank Middle East Limited	United Bank Limited
Habib Metropolitan 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.akzonobel.com/pk

E-mail: ccpakistan@ici.com

Shares Registrar

FAMCO Associates (Pvt) Ltd

1st Floor, State Life Building 1-A

I. I. Chundrigar Road, Karachi-74000

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

Fax : (021) 32426752

* names in alphabetical order

** appointed w.e.f. August 13, 2010 in place of Mr. Tariq Iqbal Khan

*** appointed w.e.f. June 01, 2010

Review of the Directors For the Quarter & Half Year Ended June 30, 2010

The country is going through a tragedy of unprecedented proportion due to the current flooding. While our staff and sites have not been affected by the floods, your Directors are saddened by the misery and suffering of a large number of our countrymen. Our hearts go out to the people who have lost their dear ones and have been displaced by the floods. We are equally conscious and mindful of our responsibilities in this hour of crisis. Your Company, employees and its business partners have contributed a total sum of Rs 27.5 million in cash and kind.

Under these tragic conditions your Directors present their review together with the un-audited financial statements of the Company for the first six months ended June 30, 2010.

Turnover for the six months at Rs 19.29 billion was up 22 percent due to strong volume growth across all businesses and better pricing in Q2.

Operating profit for the six months at Rs 1.77 billion was up 18 percent led by margin expansion. Profit after tax at Rs 1.17 billion was up 14 percent.

Business conditions remained tough on account of the gap between supply and demand of energy in the country and a fluid security environment. Despite this, the double digit increase in the bottom line reflects the strength of your Company's diversified portfolio, a strong footprint in the relevant markets and a healthy balance sheet.

The first half of 2010 was completed without any injury (lost time case) to the Company's employees, supervised contractors or other contractors.

INTERIM DIVIDEND

The board has approved an interim dividend in respect of the financial year ending December 31, 2010 at the rate of 55 percent i.e. Rs 5.50 per share of Rs 10/- each on the issued and paid up share capital of Rs 1,388,023,000.

BOARD CHANGES

Mr Tariq Iqbal Khan resigned from the Board with effect from July 19, 2010. To fill the casual vacancy, the Directors have appointed Mr Rogier Roelen, Director Legal Affairs Asia Pacific, AkzoNobel N.V., with effect from August 13, 2010 for the remainder of the term to expire on April 28, 2011.

FINANCIAL PERFORMANCE

A summary of the first six months financial performance of your Company with comparatives is as follows:

Net Sales Income (Rs m)

2010		17,067
2009		13,886

Profit After Tax (Rs m)

2010		1,165
2009		1,026

EPS (Rs m)

2010		8.39
2009		7.39

Review of the Directors For the Quarter & Half Year Ended June 30, 2010

Polyester Staple Fibre (PSF)

Net Sales Income (Rs m)

2010  8,412

2009  6,378

The regional yarn markets remained bullish. The robust activity in the domestic downstream yarn market continued in Q2. The plant was operated at full capacity and sales volumes, 4 percent higher over the same period last year, were maximised in Q2.

PSF prices in the international market at the start of the quarter showed a rising trend on back of increasing feed stock prices but started to turn down towards the end of the quarter which was also reflected in PSF prices.

Higher sales volume and continuation of strong margin over feed stock prices, resulted in margin growth during the quarter. Consequently, operating profit at Rs 854 million for the half year was 61 percent higher over the same period last year.

In July 2010, the Government of Pakistan finally eliminated the 7.5 percent subsidy on Pure Terephthalic Acid (PTA), the raw material for PSF and replaced it with a cascading tariff regime, as is prevalent in Pakistan, for basic raw materials and intermediates. The new tariff for PTA and PSF is 3 percent and 6 percent respectively, effective 1st July 2010. Your Company welcomes the elimination of the subsidy on PTA and introduction of the new cascading tariff regime which is largely cost neutral to your Company.

Sales volumes and margins going forward are likely to be influenced by the developments in the cotton market and the global demand for textiles. The adverse impact of floods in Pakistan is likely to impact the size of the domestic cotton crop.

Soda Ash

Net Sales Income (Rs m)

2010  3,203

2009  2,575

The global soda ash market showed some signs of stability in Q2, though it still remains in an oversupplied position.

Domestic demand, though still below the previous best, improved somewhat during the quarter which helped to increase domestic sales. With partial easing of gas supply to the plant during the quarter, the business also maximised soda ash exports to regional markets.

Despite substantially lower margins in Q1 on account of gas curtailment by the utility company and use of alternate expensive fuel, margin expansion was achieved during Q2 due to higher volumes and better price management, overall margins for the half year were higher over the same period last year, almost fully compensating for the weak margins in Q1 due to curtailment of gas supply.

Operating profit at Rs 417 million for the quarter was up 34 percent compared with the same quarter last year. For the half year, operating profit at Rs 418 million was 15 percent lower

Review of the Directors For the Quarter & Half Year Ended June 30, 2010

mainly due to higher freight costs for soda ash exports included in selling and distribution, thus partially offsetting the gains made through higher margin earned in Q2.

Outcome in the second half will be influenced by the durability of the current equilibrium in demand and supply of soda ash globally, impact of recent floods in the country and availability of adequate gas supplies.

Paints

Net Sales Income (Rs m)

2010  2,551

2009  2,221

Despite continuing weakness in the construction sector, lengthening of maintenance painting cycle, down trading of products and liquidity constraints in the market, decorative segment showed strong double digit growth of 22 percent in volumes during the quarter. The re-finish & industrial segments together posted a volume growth of 5 percent during the quarter.

The business continues to invest in the Brand, new products, channel modernisation and customer service as reflected in higher selling and distribution expense.

During the quarter and for half year, the margin expansion was achieved on the back of higher volumes and better price management.

The operating profit for the quarter at Rs 91 million was up 21 percent and for the half year at Rs 189 million remained higher than last year despite a weak start in Q1.

Going forward, consumer confidence is likely to be negatively impacted by the hike in interest rates and devastation caused by the recent floods. In addition, the continuing poor security environment continues to negatively impact commercial and industrial activity. Your Company shall continue to focus on our customers and products in addition to further improving the efficiency of our channels to the market.

Life Sciences

Net Sales Income (Rs m)

2010  1,633

2009  1,595

Pharmaceuticals and animal health segments continued to grow strongly during the quarter. Volumes in seeds segment were also up over last year.

Overall, Net Sales Income (NSI) during the quarter was 11 percent higher over the same period last year. Operating profit for Q2 at Rs 93 million was up 39 percent over same quarter last year, compensating for the weaker performance in Q1, in the seeds segment. For the half year operating profit at Rs 180 million was higher by 2 percent compared to the corresponding period last year.

Outcome in the second half shall be influenced by the farm economics of wheat vs sunflower. The impact from recent floods is also likely to slow down economic activities.

Review of the Directors For the Quarter & Half Year Ended June 30, 2010

Chemicals

Net Sales Income (Rs m)

2010  1,446

2009  1,285

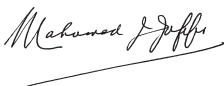
Demand showed improvement during the quarter, resultantly NSI was up 25 percent partially compensating for the weak performance in Q1.

Higher volumes and intense margin management led to an increase in operating profit by 23 percent during the quarter. Operating profit for the half year at Rs 130 million was up 13 percent over the same period last year.

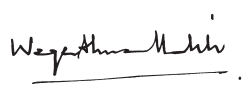
Outcome in the second half is likely to be influenced by the recent hike in interest rates and negative impact of recent floods.

FUTURE OUTLOOK

The next few months will be extremely challenging, though it is premature to speculate on the economic impact of the current crisis, the full enormity of which is yet to be determined. Your Directors are certain that our country has the resilience to overcome any adversity as it has demonstrated in the past. We are hopeful that we will come out of this crisis and the Government will continue to follow policies that promote business growth leading to economic development.



M J Jaffer
Chairman



Waqar A Malik
Chief Executive

Date: August 26, 2010
Karachi

Auditors' Report to Members on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim unconsolidated balance sheet of ICI Pakistan Limited ("the Company") as at 30 June 2010 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 notes to the condensed interim unconsolidated financial statements for the six months period then ended (interim financial information). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

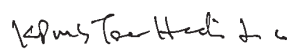
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim unconsolidated financial information as at 30 June 2010 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The figures for the quarter ended 30 June 2010 in the condensed interim unconsolidated information have not been reviewed and we do not express a conclusion on them.

Date: 26 August 2010
Karachi

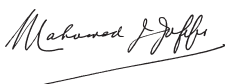


KPMG Taseer Hadi & Co.
Chartered Accountants
Amir Jamil Abbasi

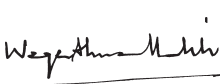
Condensed Interim Unconsolidated Balance Sheet (Unaudited) As at June 30, 2010

		Amounts in Rs '000	
	Note	June 30 2010	December 31 2009
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	8,985,375	9,225,110
Intangible asset	3	108,463	-
		<u>9,093,838</u>	<u>9,225,110</u>
Long-term investments	4	712,500	712,500
Long-term loans	5	349,774	330,801
Long-term deposits and prepayments		43,365	29,078
		<u>1,105,639</u>	<u>1,072,379</u>
		<u>10,199,477</u>	<u>10,297,489</u>
Current Assets			
Stores and spares		539,285	496,401
Stock-in-trade	6	3,749,987	3,244,525
Trade debts		1,448,227	919,463
Loans and advances	7	380,763	406,739
Trade deposits and short-term prepayments		565,307	452,438
Other receivables		877,657	677,111
Taxation recoverable		392,629	460,240
Cash and bank balances		2,892,040	4,468,251
		<u>10,845,895</u>	<u>11,125,168</u>
Total Assets		<u>21,045,372</u>	<u>21,422,657</u>
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorised capital 1,500,000,000 (December 31, 2009: 1,500,000,000) ordinary shares of Rs 10 each		<u>15,000,000</u>	<u>15,000,000</u>
Issued, subscribed and paid-up capital 138,802,300 (December 31, 2009: 138,802,300) ordinary shares of Rs 10 each		1,388,023	1,388,023
Capital reserves		465,845	465,845
Unappropriated profit		12,181,326	11,628,928
Total Equity		<u>14,035,194</u>	<u>13,482,796</u>
Surplus on Revaluation of Property, Plant and Equipment		919,860	931,846
LIABILITIES			
Non-Current Liabilities			
Provisions for non-management staff gratuity and eligible retired employees' medical scheme		199,482	183,019
Deferred tax liability - net		979,208	1,025,098
		<u>1,178,690</u>	<u>1,208,117</u>
Current Liabilities			
Short-term financing	8	138,209	-
Trade and other payables		4,773,419	5,799,898
		<u>4,911,628</u>	<u>5,799,898</u>
Contingencies and Commitments			
Total Equity and Liabilities	9	<u>21,045,372</u>	<u>21,422,657</u>

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



M J Jaffer
Chairman / Director



Waqar A Malik
Chief Executive



Feroz Rizvi
Chief Financial Officer

Condensed Interim Unconsolidated Profit and Loss Account (Unaudited) For the Six Months Period Ended June 30, 2010

	Polyester				Soda Ash				Paints			
	For the 3 months ended June 30 2010	For the 6 months ended June 30 2010	For the 3 months ended June 30 2009	For the 6 months ended June 30 2009	For the 3 months ended June 30 2010	For the 6 months ended June 30 2010	For the 3 months ended June 30 2009	For the 6 months ended June 30 2009	For the 3 months ended June 30 2010	For the 6 months ended June 30 2010	For the 3 months ended June 30 2009	For the 6 months ended June 30 2009
Turnover - note 10	4,439,952	8,435,694	3,353,453	6,398,934	2,048,741	3,957,230	1,672,744	3,136,039	1,865,864	3,589,993	1,519,540	3,179,523
Sales tax	-	-	-	-	303,512	582,872	270,093	517,282	248,261	477,611	200,059	412,269
Excise duty	-	-	-	-	14,847	28,487	13,154	25,195	15,349	29,518	12,258	25,226
Commission and discounts to distributors and customers	12,105	23,599	1,402	21,341	72,407	142,573	13,594	18,730	275,692	531,810	238,014	520,954
	12,105	23,599	1,402	21,341	390,766	753,932	296,841	561,207	539,302	1,038,939	450,331	958,449
Net sales, commission and toll income	4,427,847	8,412,095	3,352,051	6,377,593	1,657,975	3,203,298	1,375,903	2,574,832	1,326,562	2,551,054	1,069,209	2,221,074
Cost of sales - note 10 and 11	3,829,546	7,436,695	2,884,789	5,734,566	1,106,671	2,531,673	974,713	1,935,439	928,969	1,786,210	727,283	1,506,858
Gross profit	598,301	975,400	467,262	643,027	551,304	671,625	401,190	639,393	397,593	764,844	341,926	714,216
Selling and distribution expenses	18,650	34,356	15,362	26,127	62,075	123,233	35,484	48,691	220,018	393,801	179,394	368,674
Administration and general expenses	45,742	86,798	37,121	86,486	71,730	129,960	54,417	99,962	86,468	181,971	87,240	157,628
Operating result	533,909	854,246	414,779	530,414	417,499	418,432	311,289	490,740	91,107	189,072	75,292	187,914
Financial charges												
Workers' profit participation fund												
Workers' welfare fund												
Other operating charges												
Other operating income												
Profit before taxation												
Taxation - note 12												
Profit after taxation												
Earnings per share - Basic and Diluted												


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

Condensed Interim Unconsolidated Profit and Loss Account (Unaudited) For the Six Months Period Ended June 30, 2010

Amounts in Rs '000

Life Sciences				Chemicals				Company			
For the 3 months ended June 30 2010	For the 6 months ended June 30 2010	For the 3 months ended June 30 2009	For the 6 months ended June 30 2009	For the 3 months ended June 30 2010	For the 6 months ended June 30 2010	For the 3 months ended June 30 2009	For the 6 months ended June 30 2009	For the 3 months ended June 30 2010	For the 6 months ended June 30 2010	For the 3 months ended June 30 2009	For the 6 months ended June 30 2009
902,617	1,816,670	825,825	1,791,284	1,027,184	1,704,476	845,423	1,542,425	10,145,306	19,295,066	8,132,807	15,880,554
436	436	-	-	99,916	170,256	82,311	146,989	652,125	1,231,175	552,463	1,076,540
-	-	-	-	2,612	4,926	2,282	3,976	32,808	62,931	27,694	54,397
73,374	153,040	78,475	196,112	48,043	83,022	58,310	106,824	481,621	934,044	389,795	863,961
73,810	153,476	78,475	196,112	150,571	258,204	142,903	257,789	1,166,554	2,228,150	969,952	1,994,898
828,807	1,663,194	747,350	1,595,172	876,613	1,446,272	702,520	1,284,636	8,978,752	17,066,916	7,162,855	13,885,656
594,196	1,196,560	534,482	1,138,029	721,372	1,178,288	569,057	1,046,464	7,041,702	13,920,429	5,606,146	11,193,705
234,611	466,634	212,868	457,143	155,241	267,984	133,463	238,172	1,937,050	3,146,487	1,556,709	2,691,951
103,779	219,460	100,195	205,399	35,735	68,684	34,964	63,319	440,257	839,534	365,399	712,210
37,975	67,136	45,939	76,082	37,866	69,435	32,101	60,049	279,781	535,300	256,818	480,207
92,857	180,038	66,734	175,662	81,640	129,865	66,398	114,804	1,217,012	1,771,653	934,492	1,499,534
54,574	91,977	42,764	77,183	62,028	94,255	52,570	80,439	24,029	36,474	20,322	31,107
8,021	14,990	8,643	16,191	148,652	237,696	124,299	204,920	109,104	253,285	188,496	229,619
1,177,464	1,787,242	998,689	1,524,233	409,220	622,220	315,878	498,705	768,244	1,165,022	682,811	1,025,528
(Rupees)	(Rupees)										
5.53	8.39	4.92	7.39								


M J Jaffer
Chairman / Director

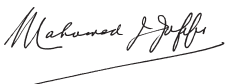

Waqar A Malik
Chief Executive


Feroz Rizvi
Chief Financial Officer

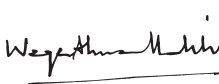
Condensed Interim Unconsolidated Statement of Comprehensive Income (Unaudited) For the Six Months Period Ended June 30, 2010

	For the 3 months ended June 30 2010	For the 6 months ended June 30 2010	For the 3 months ended June 30 2009	For the 6 months ended June 30 2009
Profit for the period	768,244	1,165,022	682,811	1,025,528
Other comprehensive income	-	-	-	-
Total Comprehensive income for the period	<u>768,244</u>	<u>1,165,022</u>	<u>682,811</u>	<u>1,025,528</u>

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



M J Jaffer
Chairman / Director



Waqar A Malik
Chief Executive



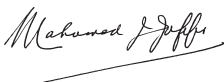
Feroz Rizvi
Chief Financial Officer

Condensed Interim Unconsolidated Cash Flow Statement (Unaudited) For the Six Months Period Ended June 30, 2010

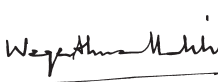
Amounts in Rs '000

	June 30 2010	June 30 2009
Cash Flows from Operating Activities		
Profit before taxation	1,787,242	1,524,233
Adjustments for:		
Depreciation and amortisation	457,689	421,058
Gain on disposal of property, plant and equipment	(20,066)	(4,309)
Provision for non-management staff gratuity and eligible retired employees' medical scheme	23,417	27,169
Mark-up on bank deposits and loan / standby facility to subsidiary	(175,777)	(59,565)
Interest / mark-up expense	31,622	46,745
	<u>2,104,127</u>	<u>1,955,331</u>
Movement in:		
Working capital	(2,348,720)	(180,369)
Long-term loans	(18,973)	16,794
Long-term deposits and prepayments	(14,287)	(6,955)
Cash (used in) / generated from operations	<u>(277,853)</u>	<u>1,784,801</u>
Payments for:		
Non-management staff gratuity and eligible retired employees' medical scheme	(6,954)	(5,050)
Taxation	(600,499)	(118,197)
Interest / mark-up	(31,622)	(55,505)
Profit / mark-up received on bank deposits	137,942	34,550
Net cash (used in) / generated from operating activities	<u>(778,986)</u>	<u>1,640,599</u>
Cash Flows from Investing Activities		
Payments for capital expenditure	(370,602)	(505,033)
Proceeds from disposal of property, plant and equipment	25,434	9,018
Profit / mark-up received on loan to subsidiary	34,347	27,043
Loan / standby finance facility to subsidiary company - net	-	(52,000)
Net cash used in investing activities	<u>(310,821)</u>	<u>(520,972)</u>
Cash Flows from Financing Activities		
Dividend paid	(624,613)	(555,209)
Net cash used in financing activities	<u>(624,613)</u>	<u>(555,209)</u>
Net (decrease) / increase in cash and cash equivalents	<u>(1,714,420)</u>	<u>564,418</u>
Cash and cash equivalents at January 1	4,468,251	1,971,081
Cash and cash equivalents at June 30	<u><u>2,753,831</u></u>	<u><u>2,535,499</u></u>
Movement in Working Capital <i>(Increase) / decrease in current assets</i>		
Stores and spares	(42,884)	(18,534)
Stock-in-trade	(505,462)	227,685
Trade debts	(528,764)	(643,121)
Loans and advances	25,976	14,648
Trade deposits and short-term prepayments	(112,869)	66,955
Other receivables	(197,058)	209,337
	<u>(1,361,061)</u>	<u>(143,030)</u>
<i>Decrease in current liability</i>		
Trade and other payables	(987,659)	(37,339)
	<u>(2,348,720)</u>	<u>(180,369)</u>
Cash and cash equivalents at June 30 comprise of:		
Cash and bank balances	2,892,040	2,573,590
Running finances utilised under mark-up arrangements	(138,209)	(38,091)
	<u><u>2,753,831</u></u>	<u><u>2,535,499</u></u>

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



M J Jaffer
Chairman / Director



Waqar A Malik
Chief Executive



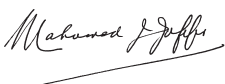
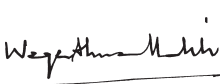
Feroz Rizvi
Chief Financial Officer

Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited) For the Six Months Period Ended June 30, 2010

Amounts in Rs '000

	Issued, subscribed and paid-up share capital	Capital reserves	Unappropriated profit	Total
Balance as on January 1, 2009	1,388,023	465,845	10,594,258	12,448,126
Changes in equity for 2009				
Final dividend for the year ended December 31, 2008 @ Rs 4.00 per share, transactions with owners, recorded directly in equity	-	-	(555,209)	(555,209)
Total comprehensive income for the six months ended June 30, 2009	-	-	1,025,528	1,025,528
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation	-	-	15,378	15,378
	-	-	1,040,906	1,040,906
Balance as on June 30, 2009	1,388,023	465,845	11,079,955	12,933,823
Total comprehensive income for the six months ended December 31, 2009	-	-	1,019,210	1,019,210
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation	-	-	15,571	15,571
	-	-	1,034,781	1,034,781
Interim dividend for the year 2009 @ Rs 3.50 per share, transactions with owners, recorded directly in equity	-	-	(485,808)	(485,808)
Balance as on December 31, 2009	1,388,023	465,845	11,628,928	13,482,796
Changes in equity for 2010				
Final dividend for the year ended December 31, 2009 @ Rs 4.50 per share, transactions with owners, recorded directly in equity	-	-	(624,610)	(624,610)
Total comprehensive income for the six months ended June 30, 2010	-	-	1,165,022	1,165,022
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation	-	-	11,986	11,986
	-	-	1,177,008	1,177,008
Balance as on June 30, 2010	1,388,023	465,845	12,181,326	14,035,194

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 Six Months Period Ended June 30, 2010

Amounts in Rs '000

1. This 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, 2009.

1.1 The accounting policies and methods of computation adopted for the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of the financial statements for the preceding year ended December 31, 2009.

2. PROPERTY, PLANT AND EQUIPMENT

	June 30 2010	December 31 2009
Operating assets - at net book value	8,612,132	8,835,201
Capital work-in-progress - at cost		
Designing, consultancy and engineering fee	200	-
Civil works and buildings	72,824	50,634
Plant and machinery	205,367	183,965
Miscellaneous equipment	24,333	33,664
Advances to suppliers / contractors	70,519	121,646
	<u>373,243</u>	<u>389,909</u>
	<u>8,985,375</u>	<u>9,225,110</u>

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, 2010:

	Additions / Transfers		Disposals	
	June 30 2010	June 30 2009	June 30 2010	June 30 2009
Buildings on freehold land	18,540	13,804	-	-
Buildings on leasehold land	16,303	308,290	-	5,386
Plant and machinery	143,799	1,576,519	8,461	22,636
Vehicles	1,416	-	1,960	2,665
Furniture and equipment	51,582	22,792	33,353	4,079
	<u>231,640</u>	<u>1,921,405</u>	<u>43,774</u>	<u>34,766</u>

3. INTANGIBLE ASSET

3.1 This includes computer software amounting to Rs 116.810 million capitalised during the period ended June 30, 2010.

4. LONG-TERM INVESTMENTS

	June 30 2010	December 31 2009
Unquoted		
Subsidiary - ICI Pakistan PowerGen Limited (wholly owned) - note 4.1 7,100,000 ordinary shares (December 31, 2009: 7,100,000) of Rs 100 each	710,000	710,000
Others		
Equity security available for sale - Arabian Sea Country Club Limited	2,500	2,500
	<u>712,500</u>	<u>712,500</u>

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, 2010 amounted to Rs 280.450 million (December 31, 2009: Rs 258.426 million).

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited) For the Six Months Period Ended June 30, 2010

Amounts in Rs '000

	June 30 2010	December 31 2009
5. LONG-TERM LOANS - considered good		
Due from Subsidiary - Unsecured loan - note 5.1	200,00	200,000
Due from Directors, Executives and Employees - note 5.2	215,663	175,993
	415,663	375,993
Less: Current portions shown under current assets		
Due from Directors, Executives and Employees - note 5.2	65,889	45,192
	65,889	45,192
	349,774	330,801
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 instalments commencing from October 1, 2011.		
5.2 These include loans to key management personnel for the purchase of motor cars and house building assistance and are repayable between two to ten years. These loans are interest free and granted to the employees of the Company in accordance with their terms of employment.		
6. STOCK-IN-TRADE		
Of the total carrying value of inventories Rs 47.46 million (December 31, 2009: Rs 18.663 million) are measured at net realisable value. As at June 30, 2010 stock has been written down by Rs 1.616 million (December 31, 2009: Rs 1.62 million) to arrive at its net realisable value.		
7. LOANS AND ADVANCES		
A standby finance facility of Rs 300 million (December 31, 2009: Rs 300 million) is provided to ICI Pakistan PowerGen Limited (wholly owned subsidiary) repayable on demand at a markup rate of 3 months KIBOR + 1.65% (December 31, 2009: 3 months KIBOR + 1.65%). The amount utilised under this facility as at June 30, 2010 amounted to Rs. 283 million (December 31, 2009: Rs 283 million).		
8. SHORT-TERM FINANCING		
Running finances utilised under mark-up arrangements - note 8.1	138,209	-
8.1 The facilities for running finance available from various banks amounted to Rs 2,821 million (December 31, 2009: Rs 2,691 million) and carry mark-up during the period ranging from 13.08 to 16.25 percent per annum (December 31, 2009: 12.64 to 17.37 percent 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 Polyester Business of the Company.		
9. CONTINGENCIES AND COMMITMENTS		
9.1 Claims against the Company not acknowledged as debts are as follows:		
Local bodies	14,178	14,631
Sales Tax authorities	93,323	93,323
Others	136,297	53,396
	243,798	161,350
The Company received two assesment orders during the period pertaining to assesment year 1998-99 and tax year 2004. The possibility of an unfavourable decision is remote.		
9.2 Guarantees issued by the Company 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 Company.	2,190,000	2,280,000
9.3 Guarantees issued by the Company to a bank in respect of financing obtained by Senior Executives, in accordance with the terms of employment.	35,000	35,000
9.4 Guarantee issued by the Company to a bank on behalf of its subsidiary ICI Pakistan PowerGen Limited for availing funded facility.	133,000	133,000
9.5 Commitments in respect of capital expenditure.	76,546	23,875

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited) For the Six Months Period Ended June 30, 2010

Amounts in Rs '000

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

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

Year	June 30 2010	December 31 2009
2010	35,445	66,746
2011	64,402	58,165
2012	52,124	45,305
2013	32,106	23,680
2014	4,611	1,270
	188,688	195,166
Payable not later than one year	68,915	66,746
Payable later than one year but not later than five years	119,773	128,420
	188,688	195,166

June 30, 2010		June 30, 2009	
For the 3 months ended	For the 6 months ended	For the 3 months ended	For the 6 months ended

10. TURNOVER

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

139,052	208,997	84,178	167,651
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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 498.419 million made to various countries during the period ended June 30, 2010

11. COST OF SALES

Opening stock of raw and packing materials	1,417,102	1,218,757	1,397,782	1,422,502
Purchases	5,073,150	9,907,342	3,987,744	7,532,535
Closing stock of raw and packing materials	6,490,252	11,126,099	5,385,526	8,955,037
Raw and packing materials consumption	(1,488,652)	(1,488,652)	(1,417,781)	(1,417,781)
Manufacturing costs	5,001,600	9,637,447	3,967,745	7,537,256
Opening stock of work-in-process	1,400,317	3,020,688	1,127,689	2,284,293
Closing stock of work-in-process	6,401,917	12,658,135	5,095,434	9,821,549
Cost of goods manufactured	117,428	83,229	137,365	134,237
Opening stock of finished goods	6,519,345	12,741,364	5,232,799	9,955,786
Finished goods purchased	(89,685)	(89,685)	(109,299)	(109,299)
Closing stock of finished goods	6,429,660	12,651,679	5,123,500	9,846,487
Cost of goods sold	2,172,875	1,942,539	1,058,439	1,395,217
Cost of sales	610,817	1,497,861	621,398	1,149,192
Cost of sales	9,213,352	16,092,079	6,803,337	12,390,896
Cost of sales	(2,171,650)	(2,171,650)	(1,197,191)	(1,197,191)
Cost of sales	7,041,702	13,920,429	5,606,146	11,193,705

12. TAXATION

Current	398,110	668,110	18,619	38,428
Deferred	11,110	(45,890)	297,259	460,277
	409,220	622,220	315,878	498,705

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited) For the Six Months Period Ended June 30, 2010

13. TRANSACTIONS WITH RELATED PARTIES

Amounts in Rs '000

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:

	June 30, 2010		June 30, 2009	
	For the 3 months ended	For the 6 months ended	For the 3 months ended	For the 6 months ended
Subsidiary Company				
Purchase of goods, materials and services	251,412	476,809	180,586	330,082
Provision of services and other receipts	495	990	495	990
Repayment of loan by subsidiary	-	-	24,000	48,000
Return on loan to subsidiary and running finance facility	17,021	33,843	12,355	25,015
Running finance facility availed by subsidiary - note 8	-	-	-	100,000
Associated Companies				
Purchase of goods, materials and services	50,629	76,986	2,075,866	3,935,847
Provision of services and other receipts	399	3,296	1,876	4,523
Sale of goods and materials	30,571	57,884	31,818	58,921
Contribution to staff retirement benefit plans	148,682	181,109	55,251	88,416
Dividends	-	473,517	-	420,917
Donations	-	-	5,500	5,800

13.1 Transaction with key management personnel

Key management personnel received an amount of Rs 122.988 million (June 30, 2009: Rs 122.726 million) on account of remuneration out of which Rs 13.224 million (June 30, 2009: Rs 14.359 million) relates to post employment benefits.

14. ESTIMATES

Judgments and estimates made by the management in the preparation of the condensed interim unconsolidated financial information are the same as those that were applied to the financial statements as at and for the year ended December 31, 2009.

15. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with that disclosed in the financial statements as at and for the year ended December 31, 2009.

16. POST BALANCE SHEET EVENTS

16.1 Dividend

The Directors in their meeting held on August 26, 2010 have declared an interim dividend of Rs 5.50 per share in respect of six months period ended June 30, 2010. The condensed interim unconsolidated financial information for six months period ended June 30, 2010 does not include the effect of the above interim cash dividend which will be accounted for in the period in which it is declared.

16.2 Flood

Adverse impact of flood in the country is likely to slow down economic activity in the second half of 2010. However an estimate of financial effect cannot be determined.

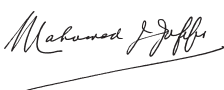
17. DATE OF AUTHORISATION

This condensed interim unconsolidated financial information was authorised for issue in the Board of Directors meeting held on August 26, 2010.

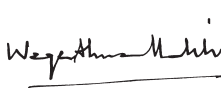
18. GENERAL

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

18.2 Certain figures have been reclassified in the condensed interim unconsolidated financial information for better presentation and disclosures in line with the annual financial statements of 2009.



M J Jaffer
Chairman / Director



Waqar A Malik
Chief Executive



Feroz Rizvi
Chief Financial Officer

Condensed Interim Consolidated Financial Information

**ICI Pakistan Limited
and its Subsidiary Company**

Review of the Directors For the Quarter & Half Year Ended June 30, 2010

The Directors are pleased to present their review together with the un-audited Group results of ICI Pakistan Limited for the first six months ended June 30, 2010. 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 half year ended June 30, 2010 has been presented separately.

During the quarter, crude oil prices remained fairly stable. On a comparable basis, furnace oil prices at Rs 43,977/tonne was on an average higher by 77 percent compared to Rs 24,910/tonne in the first half of 2009.

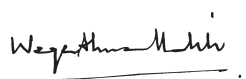
Electricity sales volumes for the quarter and six months were 8 percent and 5 percent higher respectively compared with the same periods last year. This was due to higher demand from the Polyester plant of ICI Pakistan Limited. This along with revision in electricity tariff enabled the Company to achieve an operating result Rs 31.8 million and 57.9 million respectively for Q2 and first half of 2010 which were 21 percent and 30 percent higher compared to the same periods last year.

FUTURE OUTLOOK

Furnace oil prices are expected to move upwards going forward and are currently at Rs 43,190/tonne.



M J Jaffer
Chairman



Waqar A Malik
Chief Executive

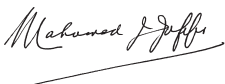
Date: August 26, 2010
Karachi

Condensed Interim Consolidated Balance Sheet (Unaudited) As at June 30, 2010

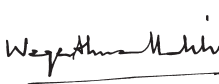
Amounts in Rs '000

	Note	June 30 2010	December 31 2009
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	9,603,166	9,862,870
Intangible asset	3	108,463	-
		<u>9,711,629</u>	<u>9,862,870</u>
Long-term investments	4	2,500	2,500
Long-term loans	5	150,577	131,430
Long-term deposits and prepayments		43,365	29,078
		<u>196,442</u>	<u>163,008</u>
		<u>9,908,071</u>	<u>10,025,878</u>
Current Assets			
Stores and spares		601,549	554,581
Stock-in-trade	6	3,766,038	3,253,345
Trade debts		1,473,688	944,879
Loans and advances		99,047	124,940
Trade deposits and short-term prepayments		567,569	454,433
Other receivables		915,787	713,444
Taxation recoverable		392,629	460,240
Cash and bank balances		2,981,309	4,547,713
		<u>10,797,616</u>	<u>11,053,575</u>
Total Assets		<u><u>20,705,687</u></u>	<u><u>21,079,453</u></u>
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorised capital 1,500,000,000 (December 31, 2009: 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, 2009: 138,802,300) ordinary shares of Rs 10 each		1,388,023	1,388,023
Capital reserves		465,845	465,845
Unappropriated profit		11,739,124	11,163,577
Total Equity		<u>13,592,992</u>	<u>13,017,445</u>
Surplus on Revaluation of Property, Plant and Equipment		931,013	944,124
LIABILITIES			
Non-Current Liability			
Provisions for non-management staff gratuity and eligible retired employees' medical scheme		199,721	183,258
Deferred tax liability - net		979,208	1,025,098
		<u>1,178,929</u>	<u>1,208,356</u>
Current Liabilities			
Short-term financing	7	138,209	36,038
Trade and other payables		4,864,544	5,873,490
		<u>5,002,753</u>	<u>5,909,528</u>
Contingencies and Commitments	8		
Total Equity and Liabilities		<u><u>20,705,687</u></u>	<u><u>21,079,453</u></u>

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 Profit and Loss Account (Unaudited) For the Six Months Period Ended June 30, 2010

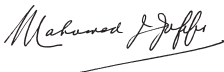
	Polyester				Soda Ash				Paints			
	For the	For the	For the	For the	For the	For the	For the	For the	For the	For the	For the	
	3 months	6 months	3 months	6 months	3 months	6 months	3 months	6 months	3 months	6 months	3 months	6 months
	ended	ended	ended	ended	ended	ended	ended	ended	ended	ended	ended	ended
June 30	June 30	June 30	June 30	June 30	June 30	June 30	June 30	June 30	June 30	June 30	June 30	
2010	2010	2009	2009	2010	2010	2009	2009	2010	2010	2009	2009	
Turnover - note 9	4,439,952	8,435,694	3,353,453	6,398,934	2,048,741	3,957,230	1,672,744	3,136,039	1,865,864	3,589,993	1,519,540	3,179,523
Sales tax	-	-	-	-	303,512	582,872	270,093	517,282	248,261	477,611	200,059	412,269
Excise duty	-	-	-	-	14,847	28,487	13,154	25,195	15,349	29,518	12,258	25,226
Commission and discounts to distributors and customers	12,105	23,599	1,402	21,341	72,407	142,573	13,594	18,730	275,692	531,810	238,014	520,954
	12,105	23,599	1,402	21,341	390,766	753,932	296,841	561,207	539,302	1,038,939	450,331	958,449
Net sales, commission and toll income	4,427,847	8,412,095	3,352,051	6,377,593	1,657,975	3,203,298	1,375,903	2,574,832	1,326,562	2,551,054	1,069,209	2,221,074
Cost of sales - note 9 and 10	3,829,546	7,436,695	2,884,789	5,734,566	1,106,671	2,531,673	974,713	1,935,439	928,969	1,786,210	727,283	1,506,858
 Gross profit	598,301	975,400	467,262	643,027	551,304	671,625	401,190	639,393	397,593	764,844	341,926	714,216
Selling and distribution expenses	18,650	34,356	15,362	26,127	62,075	123,233	35,484	48,691	220,018	393,801	179,394	368,674
Administration and general expenses	45,742	86,798	37,121	86,486	71,730	129,960	54,417	99,962	86,468	181,971	87,240	157,628
 Operating result	533,909	854,246	414,779	530,414	417,499	418,432	311,289	490,740	91,107	189,072	75,292	187,914
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 Six Months Period Ended June 30, 2010

Amounts in Rs '000

Life Sciences				Chemicals				PowerGen				Group			
For the 3 months ended June 30 2010	For the 6 months ended June 30 2010	For the 3 months ended June 30 2009	For the 6 months ended June 30 2009	For the 3 months ended June 30 2010	For the 6 months ended June 30 2010	For the 3 months ended June 30 2009	For the 6 months ended June 30 2009	For the 3 months ended June 30 2010	For the 6 months ended June 30 2010	For the 3 months ended June 30 2009	For the 6 months ended June 30 2009	For the 3 months ended June 30 2010	For the 6 months ended June 30 2010	For the 3 months ended June 30 2009	For the 6 months ended June 30 2009
902,617	1,816,670	825,825	1,791,284	1,027,184	1,704,476	845,423	1,542,425	251,412	476,809	180,586	330,082	10,145,306	19,295,066	8,132,807	15,880,554
436	436	-	-	99,916	170,256	82,311	146,989	34,678	65,767	24,909	45,529	686,803	1,296,942	577,372	1,122,069
-	-	-	-	2,612	4,926	2,282	3,976	-	-	-	-	32,808	62,931	27,694	54,397
73,374	153,040	78,475	196,112	48,043	83,022	58,310	106,824	-	-	-	-	481,621	934,044	389,795	863,961
73,810	153,476	78,475	196,112	150,571	258,204	142,903	257,789	34,678	65,767	24,909	45,529	1,201,232	2,293,917	994,861	2,040,427
828,807	1,663,194	747,350	1,595,172	876,613	1,446,272	702,520	1,284,636	216,734	411,042	155,677	284,553	8,944,074	17,001,149	7,137,946	13,840,127
594,196	1,196,560	534,482	1,138,029	721,372	1,178,288	569,057	1,046,464	184,627	352,272	129,302	239,859	6,974,482	13,795,022	5,554,427	11,102,612
234,611	466,634	212,868	457,143	155,241	267,984	133,463	238,172	32,107	58,770	26,375	44,694	1,969,592	3,206,127	1,583,519	2,737,515
103,779	219,460	100,195	205,399	35,735	68,684	34,964	63,319	-	-	-	-	440,257	839,534	365,399	712,210
37,975	67,136	45,939	76,082	37,866	69,435	32,101	60,049	335	923	142	330	280,116	536,103	256,900	480,417
92,857	180,038	66,734	175,662	81,640	129,865	66,398	114,804	31,772	57,847	26,233	44,364	1,249,219	1,830,490	961,220	1,544,888
54,867	93,332	48,738	89,684	62,779	95,414	52,570	80,439	24,324	36,924	20,322	31,107	8,021	15,165	8,793	16,341
149,991	240,835	130,423	217,571	92,037	219,611	175,512	203,766	1,191,265	1,809,266	1,006,309	1,531,083	409,220	622,220	315,878	498,705
782,045	1,187,046	690,431	1,032,378												
(Rupees)	(Rupees)														
5.63	8.55	4.97	7.44												



M J Jaffer
Chairman / Director



Waqar A Malik
Chief Executive



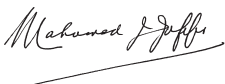
Feroz Rizvi
Chief Financial Officer

Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited) For the Six Months Period Ended June 30, 2010

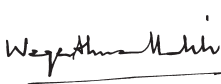
Amounts in Rs '000

	For the 3 months ended June 30 2010	For the 6 months ended June 30 2010	For the 3 months ended June 30 2009	For the 6 months ended June 30 2009
Profit for the period	782,045	1,187,046	690,431	1,032,378
Other comprehensive income	-	-	-	-
Total Comprehensive income for the period	<u>782,045</u>	<u>1,187,046</u>	<u>690,431</u>	<u>1,032,378</u>

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



M J Jaffer
Chairman / Director



Waqar A Malik
Chief Executive



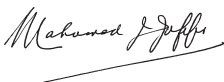
Feroz Rizvi
Chief Financial Officer

Condensed Interim Consolidated Cash Flow Statement (Unaudited) For the Six Months Period Ended June 30, 2010

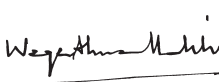
Amounts in Rs '000

	June 30 2010	June 30 2009
Cash Flows from Operating Activities		
Profit before taxation	1,809,266	1,531,083
Adjustments for:		
Depreciation and amortisation	498,850	464,834
Gain on disposal of property, plant and equipment	(20,066)	(4,309)
Provision for non-management staff gratuity and eligible retired employees' medical scheme	23,417	27,169
Mark-up on bank deposits	(141,934)	(34,550)
Interest / mark-up expense	32,977	59,246
	<u>2,202,510</u>	<u>2,043,473</u>
Movement in:		
Working capital	(2,343,445)	(175,896)
Long-term loans	(19,147)	16,808
Long-term deposits and prepayments	(14,287)	(6,955)
Cash (used in) / generated from operations	<u>(174,369)</u>	<u>1,877,430</u>
Payments for :		
Non-management staff gratuity and eligible retired employees' medical scheme	(6,954)	(5,050)
Taxation	(600,499)	(118,369)
Interest / mark-up	(33,542)	(70,709)
Profit / mark-up received on bank deposits	137,942	34,550
Net cash (used in) / generated from operating activities	<u>(677,422)</u>	<u>1,717,852</u>
Cash Flows from Investing Activities		
Payments for capital expenditure	(391,974)	(506,369)
Proceeds from disposal of property, plant and equipment	25,434	9,018
Net cash used in investing activities	<u>(366,540)</u>	<u>(497,351)</u>
Cash Flows from Financing Activities		
Dividend paid	(624,613)	(555,209)
Net cash used in financing activities	<u>(624,613)</u>	<u>(555,209)</u>
Net (decrease) / increase in cash and cash equivalents	<u>(1,668,575)</u>	<u>665,292</u>
Cash and cash equivalents at January 1	4,511,675	1,743,816
Cash and cash equivalents at June 30	<u><u>2,843,100</u></u>	<u><u>2,409,108</u></u>
Movement in Working Capital <i>(Increase) / decrease in current assets</i>		
Stores and spares	(46,968)	(32,359)
Stock-in-trade	(512,693)	229,697
Trade debts	(528,809)	(643,135)
Loans and advances	25,893	14,450
Trade deposits and short-term prepayments	(113,136)	65,386
Other receivables	(198,351)	210,322
	<u>(1,374,064)</u>	<u>(155,639)</u>
<i>Decrease in current liability</i>		
Trade and other payables	(969,381)	(20,257)
	<u>(2,343,445)</u>	<u>(175,896)</u>
Cash and cash equivalents at June 30 comprise of:		
Cash and bank balances	2,981,309	2,605,811
Running finances utilised under mark-up arrangements	(138,209)	(196,703)
	<u><u>2,843,100</u></u>	<u><u>2,409,108</u></u>

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



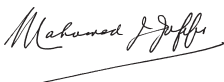
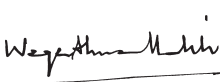
Feroz Rizvi
Chief Financial Officer

Condensed Interim Consolidated Statement of Changes in Equity (Unaudited) For the Six Months Period Ended June 30, 2010

Amounts in Rs '000

	Issued, subscribed and paid-up share capital	Capital reserves	Unappropriated profit	Total
Balance as on January 1, 2009	1,388,023	465,845	10,117,065	11,970,933
Changes in equity for 2009				
Final dividend for the year ended December 31, 2008 @ Rs 4.00 per share, transactions with owners, recorded directly in equity	-	-	(555,209)	(555,209)
Total comprehensive income for the six months ended June 30, 2009	-	-	1,032,378	1,032,378
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation	-	-	16,503	16,503
	-	-	1,048,881	1,048,881
Balance as on June 30, 2009	1,388,023	465,845	10,610,737	12,464,605
Total comprehensive income for the six months ended December 31, 2009	-	-	1,021,952	1,021,952
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation	-	-	16,696	16,696
	-	-	1,038,648	1,038,648
Interim dividend for the year 2009 @ Rs 3.50 per share, transactions with owners, recorded directly in equity	-	-	(485,808)	(485,808)
Balance as on December 31, 2009	1,388,023	465,845	11,163,577	13,017,445
Changes in equity for 2010				
Final dividend for the year ended December 31, 2009 @ Rs 4.50 per share, transactions with owners, recorded directly in equity	-	-	(624,610)	(624,610)
Total comprehensive income for the six months ended June 30, 2010	-	-	1,187,046	1,187,046
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation	-	-	13,111	13,111
	-	-	1,200,157	1,200,157
Balance as on June 30, 2010	1,388,023	465,845	11,739,124	13,592,992

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

Notes to the Condensed Interim Consolidated Financial Information (Unaudited) For the Six Months Period Ended June 30, 2010

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, 2010 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 annual financial statements as at and for the year ended December 31, 2009.

1.2 The accounting policies and methods of computation adopted for the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the financial statements for the preceding year ended December 31, 2009.

2. PROPERTY, PLANT AND EQUIPMENT

	June 30 2010	December 31 2009
Operating assets - at net book value	9,198,495	9,445,987
Capital work-in-progress - at cost		
Designing, consultancy and engineering fee	200	-
Civil works and buildings	73,541	51,121
Plant and machinery	235,554	209,638
Miscellaneous equipment	24,333	33,664
Advances to suppliers / contractors	71,043	122,460
	404,671	416,883
	9,603,166	9,862,870

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, 2010:

	Additions / Transfers		Disposals	
	June 30 2010	June 30 2009	June 30 2010	June 30 2009
Buildings on freehold land	18,540	13,804	-	-
Buildings on leasehold land	16,303	308,290	-	5,386
Plant and machinery	160,537	1,576,519	8,461	22,636
Vehicles	1,416	-	1,960	2,665
Furniture and equipment	51,582	22,792	33,353	4,079
	248,378	1,921,405	43,774	34,766

3. INTANGIBLE ASSET

3.1 This includes computer software amounting to Rs 116.810 million capitalised during the period ended June 30, 2010.

4. LONG-TERM INVESTMENT

	June 30 2010	December 31 2009
<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	216,744	176,912
Less: Current portion shown under current assets		
Due from Directors, Executives and Employees - note 5.1	66,167	45,482
	150,577	131,430

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 Six Months Period Ended June 30, 2010

Amounts in Rs '000

6. STOCK-IN-TRADE

Of the total carrying value of inventories Rs 47.46 million (December 31, 2009: Rs 18.663 million) is measured at net realisable value. As at June 30, 2010 stock has been written down by Rs 1.616 million (December 31, 2009: Rs 1.62 million) to arrive at its net realisable value.

7. SHORT-TERM FINANCING

Running finances utilised under mark-up arrangements - note 7.1

	June 30 2010	December 31 2009
	138,209	36,038

7.1 The facilities for running finance available from various banks amounted to Rs 3,154 million (December 31, 2009: Rs 2,991 million) and carry mark-up during the period ranging from 13.08 to 16.25 percent per annum (December 31, 2009: 12.64 to 17.37 percent 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 Polyester Business of the Group.

8. CONTINGENCIES AND COMMITMENTS

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

Local bodies	31,889	32,342
Sales Tax authorities	93,323	93,323
Others	136,297	53,396
	261,509	179,061

The Company received two assesment orders during the period pertaining to assesment year 1998-99 and tax year 2004. The possibility of an unfavourable decision is remote.

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

8.3 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.

2,190,000	2,280,000
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8.4 Guarantees issued by the Company in respect of financing obtained by Senior Executives, in accordance with the terms of employment.

35,000	35,000
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8.5 Commitments in respect of capital expenditure.

94,390	33,875
---------------	--------

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
----------------	---------

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

Year

2010	35,679	67,213
2011	64,869	58,633
2012	52,591	45,772
2013	32,223	23,797
2014	4,611	1,270
	189,973	196,685
Payable not later than one year	69,382	67,213
Payable later than one year but not later than five years	120,591	129,472
	189,973	196,685

Notes to the Condensed Interim Consolidated Financial Information (Unaudited) For the Six Months Period Ended June 30, 2010

Amounts in Rs '000

June 30, 2010		June 30, 2009	
For the 3 months ended	For the 6 months ended	For the 3 months ended	For the 6 months ended

9. TURNOVER

9.1 Inter-segment sales and purchases

have been eliminated from the total. **390,464** **685,806** 264,764 497,733

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

9.3 Turnover includes export sales of Rs 498.419 million made to various countries during the period ended June 30, 2010

10. COST OF SALES

Opening stock of raw and packing materials	1,432,648	1,227,577	1,407,370	1,436,245
Purchases	4,986,995	9,914,573	3,994,365	7,575,952
	6,419,643	11,142,150	5,401,735	9,012,197
Closing stock of raw and packing materials	(1,504,703)	(1,504,703)	(1,429,512)	(1,429,512)
Raw and packing materials consumption	4,914,940	9,637,447	3,972,223	7,582,685
Manufacturing costs	1,419,757	2,895,281	1,071,492	2,147,771
	6,334,697	12,532,728	5,043,715	9,730,456
Opening stock of work-in-process	117,428	83,229	137,365	134,237
	6,452,125	12,615,957	5,181,080	9,864,693
Closing stock of work-in-process	(89,685)	(89,685)	(109,299)	(109,299)
Cost of goods manufactured	6,362,440	12,526,272	5,071,781	9,755,394
Opening stock of finished goods	2,172,875	1,942,539	1,058,439	1,395,217
Finished goods purchased	610,817	1,497,861	621,398	1,149,192
	9,146,132	15,966,672	6,751,618	12,299,803
Closing stock of finished goods	(2,171,650)	(2,171,650)	(1,197,191)	(1,197,191)
	6,974,482	13,795,022	5,554,427	11,102,612

11. TAXATION

Current	398,110	668,110	18,619	38,428
Deferred	11,110	(45,890)	297,259	460,277
	409,220	622,220	315,878	498,705

12. TRANSACTIONS WITH RELATED PARTIES

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

Associated Companies

Purchase of goods, materials and services	50,629	76,986	2,075,866	3,935,847
Provision of services and other receipts	399	3,296	1,876	4,523
Sale of goods and materials	30,571	57,884	31,818	58,921
Contribution to staff retirement benefit plans	148,682	181,109	55,251	88,416
Dividends	-	473,517	-	420,917
Donations	-	-	5,500	5,800

Notes to the Condensed Interim Consolidated Financial Information (Unaudited) For the Six Months Period Ended June 30, 2010

Amounts in Rs '000

12.1 Transaction with key management personnel

Key management personnel received an amount of Rs 122.988 million (June 30, 2009: Rs 122.726 million) on account of remuneration out of which Rs 13.224 million (June 30, 2009: Rs 14.359 million) relates to post employment benefits.

13. ESTIMATES

Judgments and estimates made by the management in the preparation of the condensed interim consolidated financial information are the same as those that were applied to the financial statements as at and for the year ended December 31, 2009.

14. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objective and policies are consistent with that disclosed in the financial statements as at and for the year ended December 31, 2009.

15. POST BALANCE SHEET EVENTS

15.1 Dividend

The Directors in their meeting held on August 26, 2010 have declared an interim dividend of Rs 5.50 per share in respect of six months period ended June 30, 2010. The condensed interim unconsolidated financial information for six months period ended June 30, 2010 does not include the effect of the above interim cash dividend which will be accounted for in the period in which it is declared.

15.2 Flood

Adverse impact of flood in the country is likely to slow down economic activity in the second half of 2010. However an estimate of financial effect cannot be determined.

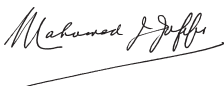
16. DATE OF AUTHORISATION

This condensed interim unconsolidated financial information was authorised for issue in the Board of Directors meeting held on August 26, 2010.

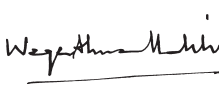
17. GENERAL

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

17.2 Certain figures have been reclassified in the condensed interim consolidated financial information for better presentation and disclosures in line with the annual financial statements of 2009.



M J Jaffer
Chairman / Director



Waqar A Malik
Chief Executive



Feroz Rizvi
Chief Financial Officer

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