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ICI Pakistan Limited
Report for the Quarter & Nine Months
Ended September 30, 2010



AkzoNobel
Tomorrow's Answers Today



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Condensed Interim Consolidated Financial Information

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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

Review of the Directors For the Quarter & Nine Months Ended September 30, 2010

The Directors are pleased to present their review together with the un-audited financial statements of the Company for the quarter and nine months ended September 30, 2010. Your company posted net sales income of Rs 8.5 billion and Rs 25.6 billion for the quarter and nine months ended September 30, 2010 respectively which were 22 percent and 23 percent higher compared with same periods last year.

During the quarter, economic activity witnessed a sharp slowdown post floods. Operating result for the quarter was 31 percent higher compared with Q3 2009. Profit after tax was 22 percent higher at Rs 682.8 million compared with the same quarter last year. The results were primarily driven by higher volumes and better unit margins in the Polyester and the Soda Ash businesses. Volumes in the Chemical, Life Sciences and Paints businesses were affected by the unprecedented rains, floods and disruption in gas supplies. Operating result and profit after tax for the nine months ended September 30 2010 were 23 percent and 17 percent higher respectively compared with corresponding period last year.

During the quarter one lost time injury related to a road accident was reported involving a supervised contractor.

FINANCIAL PERFORMANCE

A summary of Q3 and nine months with comparatives is as follows:

Q 3 2010		January - September 2010	
Net Sales Income (Rs m)		Net Sales Income (Rs m)	
2010	8,483.4	2010	25,550.3
2009	6,934.8	2009	20,820.4
Profit After Tax (Rs m)		Profit After Tax (Rs m)	
2010	682.8	2010	1,847.8
2009	557.4	2009	1,582.9
EPS (Rs m)		EPS (Rs m)	
2010	4.92	2010	13.31
2009	4.02	2009	11.40

Review of the Directors For the Quarter & Nine Months Ended September 30, 2010

Polyester Staple Fibre (PSF)

Q 3 2010		January - September 2010	
Net Sales Income (Rs m)		Net Sales Income (Rs m)	
2010	4,515.8	2010	12,927.9
2009	3,169.7	2009	9,547.3

The robust performance continued during the quarter on the back of strong volume growth and margin management.

Feed stock prices started an upward trend during the quarter and peaked at the end of quarter driven by increasing demand from the downstream market and rising global cotton prices. PSF prices followed this trend. Domestic and international cotton prices touched all time high and blend economics favoured usage of PSF.

On the Regulatory front, duty and quota on yarn exports from Pakistan was removed by the Government and during the quarter the National Tariff Commission reinitiated investigation into alleged dumping of PSF by regional players in Pakistan. Earlier, the decision of National Tariff Commission imposing duty on dumping of PSF from regional players at uneconomical prices had been set aside by the High Court on technical grounds.

Sales volume for the quarter and nine months was higher by 22 percent and 6 percent respectively over the same periods last year. Higher sales volume and better price management resulted in operating profit of Rs 566.3 million, 82 percent higher compared with Q3 2009. Operating result for the nine months at Rs 1,420.6 million was 69 percent higher over the same period last year.

PSF demand in the next quarter is likely to remain stable as downstream textile industry enters into its traditional peak production season.

Soda Ash

Q 3 2010		January - September 2010	
Net Sales Income (Rs m)		Net Sales Income (Rs m)	
2010	1,658.9	2010	4,862.2
2009	1,363.2	2009	3,938.1

During the quarter the continued strong growth in exports and margin management helped to deliver a strong operating result inspite of weak demand in the domestic market.

Global Soda Ash demand has stabilized in most regions with developing markets leading the recovery, however margins remained under pressure due to rising input costs in every region.

Overall sales volume was 8 percent higher over Q3 2009 due to higher exports volume. For the nine months sales volume was 17 percent higher compared with the same period last year.

Business activity during the quarter in the domestic market was affected due to recent floods and intermittent severe curtailment of gas supply to the plant. Major segments like silicate and paper operated at lower rates, bazaar and construction segments also remained affected. As a result, overall demand for Soda Ash during the quarter contracted by 4% compared with Q3 2009.

Review of the Directors For the Quarter & Nine Months Ended September 30, 2010

Exports volume to the regional market during the quarter was 3.4 times higher compared to Q3 2009.

Operating result at Rs 404.3 million and Rs 822.7 million for the quarter and nine months was 28 percent and 2 percent higher respectively compared with same periods last year mainly due to improved margins and volume growth.

Directorate General of Anti Dumping and Allied Duties, Ministry of Commerce and Industry, Government of India has served notices on exporters of Soda Ash into India for initiating anti dumping proceedings. ICI Pakistan Limited has been issued a similar notice and your company intends to defend its case vigorously.

In quarter 4 much depends on how the Government manages gas supplies to industrial units.

Paints

Q 3 2010		January - September 2010	
Net Sales Income (Rs m)		Net Sales Income (Rs m)	
2010	964.0	2010	3,515.0
2009	1,130.2	2009	3,351.3

The business re-established its position in the OEM sector at the two large automotive producers in the country with its product being approved and introduced for use. In the marine and protective coatings business, a new line, the industrial segment secured the first commercial order. In the refinish segment work continues to broaden the product range and new products are expected to be launched shortly.

The demand for coatings in the domestic market during the quarter was severely hit by excessive rains, floods and a number of security incidents in Karachi.

Operating margins were impacted mainly due to lower volumes and cost push impact on raw material prices.

Despite adverse external factors, for the first nine months of the year, decorative and industrial segments sales volumes were at par with corresponding period last year. Refinish segment is ahead of last year posting double digit growth in volume.

Operating result, for the quarter and the nine months was lower by 90 percent and 29 percent at Rs 9.2 million and Rs 198.3 million respectively compared with the same periods last year. These results also include a provision of Rs 42 million.

In Q4 with drier season approaching, demand is expected to recover. Margins are expected to remain under pressure.

Life Sciences

Q 3 2010		January - September 2010	
Net Sales Income (Rs m)		Net Sales Income (Rs m)	
2010	824.0	2010	2,487.2
2009	766.6	2009	2,361.7

Product expansion and volume growth in the animal health and pharmaceutical businesses offset weak performance in the seeds segment.


Review of the Directors For the Quarter & Nine Months Ended September 30, 2010

Seeds segment offtake was low due to floods. The widespread disaster also retarded the volume growth of the pharmaceutical and animal health business.

NSI during the quarter and nine months was 7 percent and 5 percent higher respectively compared to the same periods last year. Operating result for the quarter was marginally lower than Q3 2009. Operating result for the nine months at Rs. 249.6 million was marginally higher compared with the corresponding period last year.

In Q4, the pharmaceuticals, animal health and vegetable seeds business are expected to do well. The outcome on the sunflower seeds business will be influenced by farm economics (for wheat and sunflower) as well as the availability of cultivable land affected by floods.

Chemicals

Q 3 2010		January - September 2010	
Net Sales Income (Rs m)		Net Sales Income (Rs m)	
2010	 608.1	2010	 2,054.4
2009	 557.2	2009	 1,841.9

During the quarter, higher volumes, better price and margin management in trading segment offset the severe impact on business activity post floods.

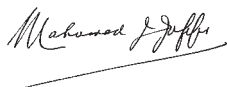
Operating result for the quarter at Rs 51.9 million remained at par with Q3 2009. For the nine months operating result at Rs 181.7 million was 9 percent higher compared with same period last year.

In Q4, recovery in demand is seen albeit at a slow pace. Margins may come under pressure due to higher raw material prices.

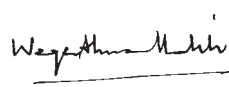
FUTURE OUTLOOK

A broad based portfolio, product expansion and customer focus helped the Company to post good results in Q3.

In Q4 business activities have rebounded post floods. However, the increasing gap between supply and demand of gas remains a serious concern. In the absence of a policy that equitably addresses the requirements of the different segments of the industrial sector in Pakistan, the cost of doing business is likely to increase and hurt the competitiveness of the industry. We request the Government of Pakistan to urgently address this issue and also implement a plan on fast track in order to develop other competitive sources of energy.



M J Jaffer
Chairman



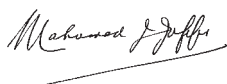
Waqar A Malik
Chief Executive

Date: October 26, 2010
Karachi

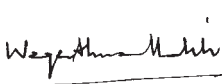
Condensed Interim Unconsolidated Balance Sheet (Unaudited) As at September 30, 2010

				Amounts in Rs '000	
	Note	September 30 2010	December 31 2009		
ASSETS					
Non-Current Assets					
Property, plant and equipment	2	8,922,848	9,225,110		
Intangible asset	3	107,669	-		
		<u>9,030,517</u>	<u>9,225,110</u>		
Long-term investments	4	712,500	712,500		
Long-term loans	5	348,686	330,801		
Long-term deposits and prepayments		38,485	29,078		
		<u>1,099,671</u>	<u>1,072,379</u>		
		10,130,188	10,297,489		
Current Assets					
Stores and spares		547,160	496,401		
Stock-in-trade	6	3,993,828	3,244,525		
Trade debts		1,349,031	919,463		
Loans and advances	7	505,858	406,739		
Trade deposits and short-term prepayments		483,503	452,438		
Other receivables		810,304	677,111		
Taxation recoverable		227,134	460,240		
Cash and bank balances		3,922,156	4,468,251		
		<u>11,838,974</u>	<u>11,125,168</u>		
Total Assets		<u>21,969,162</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		<u>1,388,023</u>	<u>1,388,023</u>		
Capital reserves		465,845	465,845		
Unappropriated profit		<u>12,103,549</u>	<u>11,628,928</u>		
Total Equity		<u>13,957,417</u>	<u>13,482,796</u>		
Surplus on Revaluation of Property, Plant and Equipment		916,974	931,846		
LIABILITIES					
Non-Current Liabilities					
Provisions for non-management staff gratuity and eligible retired employees' medical scheme		208,500	183,019		
Deferred tax liability - net		<u>907,688</u>	<u>1,025,098</u>		
		1,116,188	1,208,117		
Current Liabilities					
Short-term financing	8	104,051	-		
Trade and other payables		<u>5,874,532</u>	<u>5,799,898</u>		
		5,978,583	5,799,898		
Contingencies and Commitments					
Total Equity and Liabilities	9	<u>21,969,162</u>	<u>21,422,657</u>		

The annexed notes from 1 to 17 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 Nine Months Period Ended September 30, 2010

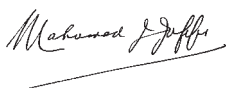
	Polyester				Soda Ash				Paints			
	For the 3 months ended September 30, 2010	For the 9 months ended September 30, 2010	For the 3 months ended September 30, 2009	For the 9 months ended September 30, 2009	For the 3 months ended September 30, 2010	For the 9 months ended September 30, 2010	For the 3 months ended September 30, 2009	For the 9 months ended September 30, 2009	For the 3 months ended September 30, 2010	For the 9 months ended September 30, 2010	For the 3 months ended September 30, 2009	For the 9 months ended September 30, 2009
Turnover - note 10	4,534,214	12,969,908	3,190,313	9,589,247	2,078,864	6,036,094	1,708,049	4,844,088	1,404,500	4,994,493	1,582,718	4,762,241
Sales tax	-	-	-	-	336,318	919,190	281,954	799,236	196,410	674,021	206,842	619,111
Excise duty	-	-	-	-	15,643	44,130	13,751	38,946	11,441	40,959	12,752	37,978
Commission and discounts to distributors and customers	18,452	42,051	20,613	41,954	68,011	210,584	49,123	67,853	232,684	764,494	232,888	753,842
	18,452	42,051	20,613	41,954	419,972	1,173,904	344,828	906,035	440,535	1,479,474	452,482	1,410,931
Net sales, commission and toll income	4,515,762	12,927,857	3,169,700	9,547,293	1,658,892	4,862,190	1,363,221	3,938,053	963,965	3,515,019	1,130,236	3,351,310
Cost of sales - note 10 and 11	3,887,686	11,324,381	2,760,332	8,494,898	1,129,531	3,661,204	949,807	2,885,246	708,093	2,494,303	769,956	2,276,814
Gross profit	628,076	1,603,476	409,368	1,052,395	529,361	1,200,986	413,414	1,052,807	255,872	1,020,716	360,280	1,074,496
Selling and distribution expenses	17,298	51,654	19,732	45,859	52,525	175,758	26,744	75,435	172,004	565,805	179,876	548,550
Administration and general expenses	44,463	131,261	78,873	165,359	72,536	202,496	71,849	171,811	74,627	256,598	89,589	247,217
Operating result	566,315	1,420,561	310,763	841,177	404,300	822,732	314,821	805,561	9,241	198,313	90,815	278,729
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												

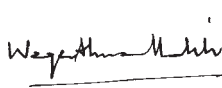
The annexed notes from 1 to 17 form an integral part of these condensed interim unconsolidated financial information.

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

Amounts in Rs '000

Life Sciences				Chemicals				Company			
For the 3 months ended September 30, 2010	For the 9 months ended September 30, 2010	For the 3 months ended September 30, 2009	For the 9 months ended September 30, 2009	For the 3 months ended September 30, 2010	For the 9 months ended September 30, 2010	For the 3 months ended September 30, 2009	For the 9 months ended September 30, 2009	For the 3 months ended September 30, 2010	For the 9 months ended September 30, 2010	For the 3 months ended September 30, 2009	For the 9 months ended September 30, 2009
902,364	2,719,034	839,744	2,631,028	706,729	2,411,205	644,722	2,187,147	9,539,338	28,834,404	7,913,366	23,793,920
438	874	-	-	61,381	231,637	57,493	204,482	594,547	1,825,722	546,289	1,622,829
-	-	-	-	1,290	6,216	1,641	5,617	28,374	91,305	28,144	82,541
77,915	230,955	73,179	269,291	35,980	119,002	28,370	135,194	433,042	1,367,086	404,173	1,268,134
78,353	231,829	73,179	269,291	98,651	356,855	87,504	345,293	1,055,963	3,284,113	978,606	2,973,504
824,011	2,487,205	766,565	2,361,737	608,078	2,054,350	557,218	1,841,854	8,483,375	25,550,291	6,934,760	20,820,416
593,744	1,790,304	552,236	1,684,039	483,157	1,661,445	438,839	1,485,303	6,714,878	20,635,307	5,418,990	16,606,469
230,267	696,901	214,329	677,698	124,921	392,905	118,379	356,551	1,768,497	4,914,984	1,515,770	4,213,947
121,384	340,844	112,718	324,343	34,729	103,413	36,814	100,133	397,940	1,237,474	375,884	1,094,320
39,291	106,427	30,777	106,859	38,313	107,748	29,666	89,715	269,230	804,530	300,754	780,961
69,592	249,630	70,834	246,496	51,879	181,744	51,899	166,703	1,101,327	2,872,980	839,132	2,338,666
55,669	147,646	43,974	121,157	55,314	149,569	43,126	123,565	21,468	57,942	16,722	47,829
17,820	32,810	6,998	23,189	150,271	387,967	110,820	315,740	100,844	354,129	91,084	320,703
1,051,900	2,839,142	819,396	2,343,629	369,150	991,370	262,023	760,728	682,750	1,847,772	557,373	1,582,901
(Rupees)				(Rupees)							
4.92				13.31				4.02 11.40			


M J Jaffer
Chairman / Director

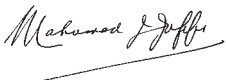

Waqar A Malik
Chief Executive


Feroz Rizvi
Chief Financial Officer

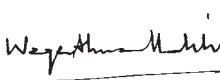
**Condensed Interim Unconsolidated
Statement of Comprehensive Income (Unaudited)
For the Nine Months Period Ended September 30, 2010**

	For the 3 months ended September 30, 2010	For the 9 months ended September 30, 2010	For the 3 months ended September 30, 2009	For the 9 months ended September 30, 2009
Profit for the period	682,750	1,847,772	557,373	1,582,901
Other comprehensive income	-	-	-	-
Total Comprehensive income for the period	<u>682,750</u>	<u>1,847,772</u>	<u>557,373</u>	<u>1,582,901</u>

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



M J Jaffer
Chairman / Director



Waqar A Malik
Chief Executive



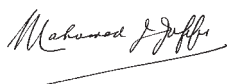
Feroz Rizvi
Chief Financial Officer

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

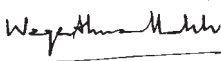
Amounts in Rs '000

	September 30 2010	September 30 2009
Cash Flows from Operating Activities		
Profit before taxation	2,839,142	2,343,629
Adjustments for:		
Depreciation and amortisation	697,363	643,635
Gain on disposal of property, plant and equipment	(19,899)	(5,373)
Provision for non-management staff gratuity and eligible retired employees' medical scheme	35,484	46,165
Mark-up on bank deposits and loan to subsidiary	(252,993)	(126,725)
Interest / mark-up expense	44,154	74,867
	<u>3,343,251</u>	<u>2,976,198</u>
Movement in:		
Working capital	(2,142,778)	73,213
Long-term loans	(17,885)	9,100
Long-term deposits and prepayments	(9,407)	5,417
	<u>1,173,181</u>	<u>3,063,928</u>
Cash generated from operations		
Payments for :		
Non-management staff gratuity and eligible retired employees' medical scheme	(10,003)	(6,840)
Taxation	(875,674)	(248,038)
Interest / mark-up	(44,154)	(83,627)
Profit / mark-up received on bank deposits	203,991	83,621
	<u>447,341</u>	<u>2,809,044</u>
Net cash generated from operating activities		
Cash Flows from Investing Activities		
Payments for capital expenditure	(555,265)	(619,095)
Proceeds from disposal of property, plant and equipment	31,023	11,292
Profit / mark-up received on loan to subsidiary	51,368	40,011
Loan / standby finance facility to subsidiary company - net	-	(211,000)
	<u>(472,874)</u>	<u>(778,792)</u>
Net cash used in investing activities		
Cash Flows from Financing Activities		
Dividend paid	(624,613)	(555,210)
	<u>(624,613)</u>	<u>(555,210)</u>
Net cash used in financing activities		
Net (decrease) / increase in cash and cash equivalents	(650,146)	1,475,042
Cash and cash equivalents at January 1	4,468,251	1,971,081
	<u>3,818,105</u>	<u>3,446,123</u>
Cash and cash equivalents at September 30		
Movement in Working Capital		
<i>(Increase) / decrease in current assets</i>		
Stores and spares	(50,759)	8,636
Stock-in-trade	(749,303)	(88,452)
Trade debts	(429,568)	(586,324)
Loans and advances	(99,119)	18,832
Trade deposits and short-term prepayments	(31,065)	79,210
Other receivables	(135,559)	15,159
	<u>(1,495,373)</u>	<u>(552,939)</u>
<i>(Decrease) / increase in current liability</i>		
Trade and other payables	(647,405)	626,152
	<u>(2,142,778)</u>	<u>73,213</u>
Cash and cash equivalents at September 30 comprise of:		
Cash and bank balances	3,922,156	3,446,123
Running finances utilised under mark-up arrangements - Note 8	(104,051)	-
	<u>3,818,105</u>	<u>3,446,123</u>

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



M J Jaffer
Chairman / Director



Waqar A Malik
Chief Executive



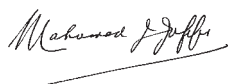
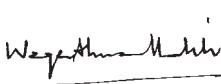
Feroz Rizvi
Chief Financial Officer

Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited) For the Nine Months Period Ended September 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 nine months ended September 30, 2009	-	-	1,582,901	1,582,901
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period	-	-	23,206	23,206
- net of deferred taxation	-	-	1,606,107	1,606,107
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 September 30, 2009	1,388,023	465,845	11,159,348	13,013,216
Total comprehensive income for the three months ended December 31, 2009	-	-	461,837	461,837
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period	-	-	7,743	7,743
- net of deferred taxation	-	-	469,580	469,580
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 nine months ended September 30, 2010	-	-	1,847,772	1,847,772
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period	-	-	14,872	14,872
- net of deferred taxation	-	-	1,862,644	1,862,644
Interim dividend for the year 2010 @ Rs 5.50 per share, transactions with owners, recorded directly in equity	-	-	(763,413)	(763,413)
Balance as on September 30, 2010	1,388,023	465,845	12,103,549	13,957,417

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


M J Jaffer
Chairman / Director

Waqar A Malik
Chief Executive

Feroz Rizvi
Chief Financial Officer

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited) For the Nine Months Period Ended September 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

	September 30 2010	December 31 2009
Operating assets - at net book value	8,433,615	8,835,201
Capital work-in-progress - at cost		
Civil works and buildings	87,125	50,634
Plant and machinery	285,310	183,965
Miscellaneous equipment	64,416	33,664
Advances to suppliers / contractors	52,382	121,646
	<u>489,233</u>	<u>389,909</u>
	<u>8,922,848</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 nine months period ended September 30, 2010:

	Additions / Transfers		Disposals	
	September 30 2010	September 30 2009	September 30 2010	September 30 2009
Buildings on freehold land	26,575	13,840	-	-
Buildings on leasehold land	29,915	309,085	-	5,386
Plant and machinery	173,253	1,585,905	13,975	22,748
Vehicles	7,302	4,835	3,251	4,146
Furniture and equipment	51,970	27,572	39,724	4,641
	<u>289,015</u>	<u>1,941,237</u>	<u>56,950</u>	<u>36,921</u>

3. INTANGIBLE ASSET

3.1 This includes computer software amounting to Rs 125.555 million capitalised during the period out of which Rs 20.799 million relates to capital work-in-progress.

4. LONG-TERM INVESTMENTS

	September 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 nine months period ended September 30, 2010 amounted to Rs 299.999 million (December 31, 2009: Rs 258.426 million).

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

Amounts in Rs '000

	September 30 2010	December 31 2009
5. LONG-TERM LOANS - considered good		
Due from Subsidiary - Unsecured loan - note 5.1	200,000	200,000
Due from Directors, Executives and Employees - note 5.2	213,882	175,993
	<u>413,882</u>	375,993
Less: Current portions shown under current assets		
Due from Directors, Executives and Employees - note 5.2	65,196	45,192
	<u>65,196</u>	45,192
	<u>348,686</u>	<u>330,801</u>
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 Loans for purchase of motor cars, motor cycles and house building are repayable between two to ten years. These loans are interest free and granted to the key management personnel, employees including executives of the Company in accordance with their terms of employment.		
6. STOCK-IN-TRADE		
Of the total carrying value of inventories Rs 18.159 million (December 31, 2009: Rs 18.663 million) are measured at net realisable value. As at September 30, 2010 stock has been written down by Rs 1.616 million (December 31, 2009: Rs 1.616 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 September 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	<u>104,051</u>	-
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 carried mark-up during the period ranging from relevant KIBOR + 0.75% to 4.00% per annum with an average mark-up rate of relevant KIBOR + 1.57% 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	91,336	93,323
Others	136,436	53,396
	<u>241,950</u>	<u>161,350</u>
The Company received two assessment orders during the period pertaining to assessment year 1998-99 and tax year 2004. The possibility of an unfavourable decision is unlikely.		
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.	<u>2,190,000</u>	<u>2,280,000</u>
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.	<u>35,000</u>	<u>35,000</u>
9.4 Guarantee issued by the Company to a bank on behalf of its subsidiary ICI Pakistan PowerGen Limited for availing funded facility.	<u>133,000</u>	<u>133,000</u>
9.5 Commitments in respect of capital expenditure.	<u>67,352</u>	<u>23,875</u>

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

Amounts in Rs '000

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 was of the opinion that the order was not justified. The Company filed an appeal against the order in the Environmental Tribunal in Lahore, which is pending.

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

Year	September 30 2010	December 31 2009
2010	17,691	66,746
2011	64,437	58,165
2012	52,514	45,305
2013	33,315	23,680
2014	6,724	1,270
	174,681	195,166
Payable not later than one year	67,174	66,746
Payable later than one year but not later than five years	107,507	128,420
	174,681	195,166

September 30, 2010		September 30, 2009	
For the 3 months ended	For the 9 months ended	For the 3 months ended	For the 9 months ended

10. TURNOVER

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

87,333	296,330	52,180	219,831
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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 736.490 million made to various countries during the period ended September 30, 2010.

11. COST OF SALES

Opening stock of raw and packing materials	1,488,652	1,218,757	1,417,781	1,422,502
Purchases - Note 10.1	4,827,490	14,734,832	3,986,402	11,524,137
	6,316,142	15,953,589	5,404,183	12,946,639
Closing stock of raw and packing materials	(1,557,730)	(1,557,730)	(1,367,240)	(1,367,240)
Raw and packing materials consumption	4,758,412	14,395,859	4,036,943	11,579,399
Manufacturing costs	1,387,932	4,408,620	1,170,844	3,443,711
	6,146,344	18,804,479	5,207,787	15,023,110
Opening stock of work-in-process	89,685	83,229	109,299	134,237
	6,236,029	18,887,708	5,317,086	15,157,347
Closing stock of work-in-process	(87,557)	(87,557)	(102,900)	(102,900)
Cost of goods manufactured	6,148,472	18,800,151	5,214,186	15,054,447
Opening stock of finished goods	2,171,650	1,942,539	1,197,191	1,395,217
Finished goods purchased	743,297	2,241,158	577,881	1,727,073
	9,063,419	22,983,848	6,989,258	18,176,737
Closing stock of finished goods	(2,348,541)	(2,348,541)	(1,570,268)	(1,570,268)
	6,714,878	20,635,307	5,418,990	16,606,469

12. TAXATION

Current	440,670	1,108,780	260,285	298,713
Deferred	(71,520)	(117,410)	1,738	462,015
	369,150	991,370	262,023	760,728

Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited) For the Nine Months Period Ended September 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:

	September 30, 2010		September 30, 2009	
	For the 3 months ended	For the 9 months ended	For the 3 months ended	For the 9 months ended
Subsidiary Company				
Purchase of goods, materials and services	238,551	715,359	175,661	505,743
Provision of services and other receipts	495	1,485	495	1,485
Repayment of loan by subsidiary	-	-	24,000	72,000
Return on loan to subsidiary and running finance facility	17,111	50,954	18,090	43,105
Standby Finance Facility availed by subsidiary - note 7	-	-	183,000	283,000
Associated Companies				
Purchase of goods, materials and services	17,258	94,243	1,785,763	5,721,610
Provision of services and other receipts	456	3,752	1,742	6,265
Sale of goods and materials	30,980	88,864	32,782	91,703
Contribution to staff retirement benefit plans	50,340	231,449	34,033	122,449
Dividends	578,774	1,052,291	368,303	789,219
Donations	15,000	15,000	-	5,800

13.1 Transaction with key management personnel

Key management personnel received an amount of Rs 159.562 million (September 30, 2009: Rs 138.570 million) on account of remuneration out of which Rs 20.511 million (September 30, 2009: Rs 19.360 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.

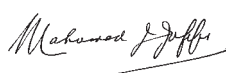
16. DATE OF AUTHORISATION

This condensed interim consolidated financial information was authorised for issue in the Board of Directors meeting held on October 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 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 & Nine Months Ended September 30, 2010

The Directors are pleased to present their review together with the un-audited Group results of ICI Pakistan Limited for the quarter and nine months ended September 30, 2010. The ICI Pakistan Group comprises of ICI Pakistan Limited and ICI Pakistan PowerGen Limited, a wholly owned subsidiary.

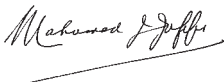
The Directors review, giving a commentary on the performance of ICI Pakistan Limited for the quarter and nine months ended September 30, 2010 has been presented separately.

During the quarter, crude oil prices remained fairly stable. In Q3 2010 furnace oil prices at Rs 41,910/tonne was on an average higher by 32 percent compared with Rs 31,763/tonne in Q3 2009. For the nine months period, furnace oil price at Rs 43,288/tonne was on an average higher by 53 percent compared with Rs 28,307/tonne in 2009.

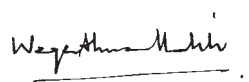
Electricity sales volume for the quarter and nine months was 11 percent and 7 percent higher respectively compared with the same periods last year. This was due to higher demand from the Polyester plant of ICI Pakistan Limited. This along with revision in electricity tariff at the beginning of the year enabled the Company to achieve an operating result of Rs 38.1 million and Rs 96.0 million for the quarter and nine months 2010 which were 52 percent and 38 percent higher respectively compared with the same periods last year.

FUTURE OUTLOOK

Considering the current crude oil prices, furnace oil prices are expected to remain firm going forward.



M J Jaffer
Chairman



Waqar A Malik
Chief Executive

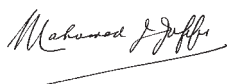
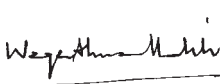
Date: October 26, 2010
Karachi

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

Amounts in Rs '000

	Note	September 30 2010	December 31 2009
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	9,538,833	9,862,870
Intangible asset	3	107,669	-
		<u>9,646,502</u>	<u>9,862,870</u>
Long-term investments	4	2,500	2,500
Long-term loans	5	150,613	131,430
Long-term deposits and prepayments		38,485	29,078
		<u>191,598</u>	<u>163,008</u>
		<u>9,838,100</u>	<u>10,025,878</u>
Current Assets			
Stores and spares		607,643	554,581
Stock-in-trade	6	4,006,453	3,253,345
Trade debts		1,374,458	944,879
Loans and advances		224,035	124,940
Trade deposits and short-term prepayments		489,003	454,433
Other receivables		845,598	713,444
Taxation recoverable		227,134	460,240
Cash and bank balances		4,025,567	4,547,713
		<u>11,799,891</u>	<u>11,053,575</u>
Total Assets		<u><u>21,637,991</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		11,681,457	11,163,577
Total Equity		<u>13,535,325</u>	<u>13,017,445</u>
Surplus on Revaluation of Property, Plant and Equipment		927,564	944,124
LIABILITIES			
Non-Current Liability			
Provisions for non-management staff gratuity and eligible retired employees' medical scheme		208,739	183,258
Deferred tax liability - net		907,688	1,025,098
		<u>1,116,427</u>	<u>1,208,356</u>
Current Liabilities			
Short-term financing	7	104,051	36,038
Trade and other payables		5,954,624	5,873,490
		<u>6,058,675</u>	<u>5,909,528</u>
Contingencies and Commitments			
	8		
Total Equity and Liabilities		<u><u>21,637,991</u></u>	<u><u>21,079,453</u></u>

The annexed notes from 1 to 16 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 Nine Months Period Ended September 30, 2010

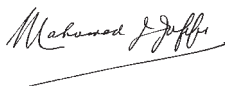
	Polyester				Soda Ash				Paints			
	For the 3 months ended September 30, 2010	For the 9 months ended September 30, 2010	For the 3 months ended September 30, 2009	For the 9 months ended September 30, 2009	For the 3 months ended September 30, 2010	For the 9 months ended September 30, 2010	For the 3 months ended September 30, 2009	For the 9 months ended September 30, 2009	For the 3 months ended September 30, 2010	For the 9 months ended September 30, 2010	For the 3 months ended September 30, 2009	For the 9 months ended September 30, 2009
Turnover - note 9	4,534,214	12,969,908	3,190,313	9,589,247	2,078,864	6,036,094	1,708,049	4,844,088	1,404,500	4,994,493	1,582,718	4,762,241
Sales tax	-	-	-	-	336,318	919,190	281,954	799,236	196,410	674,021	206,842	619,111
Excise duty	-	-	-	-	15,643	44,130	13,751	38,946	11,441	40,959	12,752	37,978
Commission and discounts to distributors and customers	18,452	42,051	20,613	41,954	68,011	210,584	49,123	67,853	232,684	764,494	232,888	753,842
	18,452	42,051	20,613	41,954	419,972	1,173,904	344,828	906,035	440,535	1,479,474	452,482	1,410,931
Net sales, commission and toll income	4,515,762	12,927,857	3,169,700	9,547,293	1,658,892	4,862,190	1,363,221	3,938,053	963,965	3,515,019	1,130,236	3,351,310
Cost of sales - note 9 and 10	3,887,686	11,324,381	2,760,332	8,494,898	1,129,531	3,661,204	949,807	2,885,246	708,093	2,494,303	769,956	2,276,814
Gross profit	628,076	1,603,476	409,368	1,052,395	529,361	1,200,986	413,414	1,052,807	255,872	1,020,716	360,280	1,074,496
Selling and distribution expenses	17,298	51,654	19,732	45,859	52,525	175,758	26,744	75,435	172,004	565,805	179,876	548,550
Administration and general expenses	44,463	131,261	78,873	165,359	72,536	202,496	71,849	171,811	74,627	256,598	89,589	247,217
Operating result	566,315	1,420,561	310,763	841,177	404,300	822,732	314,821	805,561	9,241	198,313	90,815	278,729
Financial charges												
Workers' profit participation fund												
Workers' welfare fund												
Other operating charges												
Other operating income												
Profit before taxation												
Taxation - note 11												
Profit after taxation												
Earnings per share - Basic and Diluted												

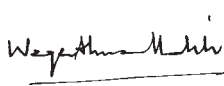
The annexed notes from 1 to 16 form an integral part of the condensed interim consolidated financial information.

Condensed Interim Consolidated Profit and Loss Account (Unaudited) For the Nine Months Period Ended September 30, 2010

Amounts in Rs '000

Life Sciences				Chemicals				PowerGen				Group			
For the 3 months ended September 30, 2010	For the 9 months ended September 30, 2010	For the 3 months ended September 30, 2009	For the 9 months ended September 30, 2009	For the 3 months ended September 30, 2010	For the 9 months ended September 30, 2010	For the 3 months ended September 30, 2009	For the 9 months ended September 30, 2009	For the 3 months ended September 30, 2010	For the 9 months ended September 30, 2010	For the 3 months ended September 30, 2009	For the 9 months ended September 30, 2009	For the 3 months ended September 30, 2010	For the 9 months ended September 30, 2010	For the 3 months ended September 30, 2009	For the 9 months ended September 30, 2009
902,364	2,719,034	839,744	2,631,028	706,729	2,411,205	644,722	2,187,147	238,550	715,359	175,661	505,743	9,539,338	28,834,404	7,913,366	23,793,920
438	874	-	-	61,381	231,637	57,493	204,482	34,661	100,428	24,229	69,758	629,208	1,926,150	570,518	1,692,587
-	-	-	-	1,290	6,216	1,641	5,617	-	-	-	-	28,374	91,305	28,144	82,541
77,915	230,955	73,179	269,291	35,980	119,002	28,370	135,194	-	-	-	-	433,042	1,367,086	404,173	1,268,134
78,353	231,829	73,179	269,291	98,651	356,855	87,504	345,293	34,661	100,428	24,229	69,758	1,090,624	3,384,541	1,002,835	3,043,262
824,011	2,487,205	766,565	2,361,737	608,078	2,054,350	557,218	1,841,854	203,889	614,931	151,432	435,985	8,448,714	25,449,863	6,910,531	20,750,658
593,744	1,790,304	552,236	1,684,039	483,157	1,661,445	438,839	1,485,303	165,402	517,674	126,172	366,031	6,641,295	20,436,317	5,369,066	16,465,452
230,267	696,901	214,329	677,698	124,921	392,905	118,379	356,551	38,487	97,257	25,260	69,954	1,807,419	5,013,546	1,541,465	4,285,206
121,384	340,844	112,718	324,343	34,729	103,413	36,814	100,133	-	-	-	-	397,940	1,237,474	375,884	1,094,320
39,291	106,427	30,777	106,859	38,313	107,748	29,666	89,715	338	1,261	192	522	269,568	805,611	300,886	781,303
69,592	249,630	70,834	246,496	51,879	181,744	51,899	166,703	38,149	95,996	25,068	69,432	1,139,911	2,970,461	864,695	2,409,583
55,716	149,048	97,065	138,011	56,343	151,757	95,696	123,565	21,866	58,790	37,044	47,829	17,936	33,101	15,791	23,339
151,861	392,696	245,596	332,744	83,337	302,948	248,043	276,297	1,071,387	2,880,713	867,142	2,353,136	369,150	991,370	282,023	760,728
702,237	1,889,343	605,119	1,592,408												
(Rupees)				(Rupees)											
5.06				13.61				4.36				11.47			


M J Jaffer
Chairman / Director


Waqar A Malik
Chief Executive

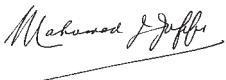

Feroz Rizvi
Chief Financial Officer

**Condensed Interim Consolidated
Statement of Comprehensive Income (Unaudited)
For the Nine Months Period Ended September 30, 2010**

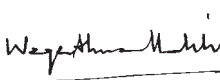
Amounts in Rs '000

	For the 3 months ended September 30, 2010	For the 9 months ended September 30, 2010	For the 3 months ended September 30, 2009	For the 9 months ended September 30, 2009
Profit for the period	702,237	1,889,343	605,119	1,592,408
Other comprehensive income	-	-	-	-
Total Comprehensive income for the period	<u>702,237</u>	<u>1,889,343</u>	<u>605,119</u>	<u>1,592,408</u>

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



M J Jaffer
Chairman / Director



Waqar A Malik
Chief Executive



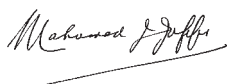
Feroz Rizvi
Chief Financial Officer

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

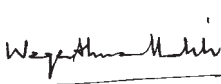
Amounts in Rs '000

	September 30 2010	September 30 2009
Cash Flows from Operating Activities		
Profit before taxation	2,880,713	2,353,136
Adjustments for:		
Depreciation and amortisation	759,674	709,283
Gain on disposal of property, plant and equipment	(19,899)	(5,373)
Provision for non-management staff gratuity and eligible retired employees' medical scheme	35,484	46,165
Mark-up on bank deposits	(202,039)	(83,621)
Interest / mark-up expense	45,558	91,721
	3,499,491	3,111,311
Movement in:		
Working capital	(2,143,074)	83,956
Long-term loans	(19,183)	9,174
Long-term deposits and prepayments	(9,407)	5,417
Cash generated from operations	1,327,827	3,209,858
Payments for :		
Non-management staff gratuity and eligible retired employees' medical scheme	(10,003)	(6,840)
Taxation	(875,674)	(248,210)
Interest / mark-up	(46,554)	(105,347)
Profit / mark-up received on bank deposits	203,991	83,621
Net cash generated from operating activities	599,587	2,933,082
Cash Flows from Investing Activities		
Payments for capital expenditure	(596,156)	(628,207)
Proceeds from disposal of property, plant and equipment	31,023	11,292
Net cash used in investing activities	(565,133)	(616,915)
Cash Flows from Financing Activities		
Dividend paid	(624,613)	(555,210)
Net cash used in financing activities	(624,613)	(555,210)
Net (decrease) / increase in cash and cash equivalents	(590,159)	1,760,957
Cash and cash equivalents at January 1	4,511,675	1,743,816
Cash and cash equivalents at September 30	3,921,516	3,504,773
Movement in Working Capital		
<i>(Increase) / decrease in current assets</i>		
Stores and spares	(53,062)	(4,093)
Stock-in-trade	(753,108)	(92,811)
Trade debts	(429,579)	(586,310)
Loans and advances	(99,095)	18,708
Trade deposits and short-term prepayments	(34,570)	79,268
Other receivables	(134,106)	16,617
	(1,503,520)	(568,621)
<i>(Decrease) / increase in current liability</i>		
Trade and other payables	(639,554)	652,577
	(2,143,074)	83,956
Cash and cash equivalents at September 30 comprise of:		
Cash and bank balances	4,025,567	3,504,773
Running finances utilised under mark-up arrangements - Note 7	(104,051)	-
	3,921,516	3,504,773

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



M J Jaffer
Chairman / Director



Waqar A Malik
Chief Executive



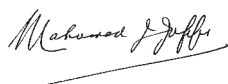
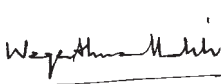
Feroz Rizvi
Chief Financial Officer

Condensed Interim Consolidated Statement of Changes in Equity (Unaudited) For the Nine Months Period Ended September 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 nine months ended September 30, 2009	-	-	1,592,408	1,592,408
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation	-	-	24,893	24,893
	-	-	1,617,301	1,617,301
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 September 30, 2009	1,388,023	465,845	10,693,349	12,547,217
Total comprehensive income for the three months ended December 31, 2009	-	-	461,922	461,922
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation	-	-	8,306	8,306
	-	-	470,228	470,228
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 nine months ended September 30, 2010	-	-	1,889,343	1,889,343
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation	-	-	16,560	16,560
	-	-	1,905,903	1,905,903
Interim dividend for the year 2010 @ Rs 5.50 per share, transactions with owners, recorded directly in equity	-	-	(763,413)	(763,413)
Balance as on September 30, 2010	1,388,023	465,845	11,681,457	13,535,325

The annexed notes from 1 to 16 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 Nine Months Period Ended September 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 September 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

	September 30 2010	December 31 2009
Operating assets - at net book value	8,998,828	9,445,987
Capital work-in-progress - at cost		
Civil works and buildings	87,871	51,121
Plant and machinery	334,812	209,638
Miscellaneous equipment	64,416	33,664
Advances to suppliers / contractors	52,906	122,460
	<u>540,005</u>	<u>416,883</u>
	<u>9,538,833</u>	<u>9,862,870</u>

2.1 Following is the cost of operating property, plant and equipment that have been added / disposed off during the nine months ended September 30, 2010:

	Additions / Transfers		Disposals	
	September 30 2010	September 30 2009	September 30 2010	September 30 2009
Buildings on freehold land	26,575	13,840	-	-
Buildings on leasehold land	29,915	309,085	-	5,386
Plant and machinery	189,991	1,585,905	13,975	22,748
Vehicles	7,302	4,835	3,251	4,146
Furniture and equipment	51,970	27,572	39,724	4,641
	<u>305,753</u>	<u>1,941,237</u>	<u>56,950</u>	<u>36,921</u>

3. INTANGIBLE ASSET

3.1 This includes computer software amounting to Rs 125.555 million capitalised during the period out of which Rs 20.799 million relates to capital work-in-progress.

4. LONG-TERM INVESTMENT

	September 30 2010	December 31 2009
<i>Unquoted</i>		
Equity security available for sale - Arabian Sea Country Club Limited	<u>2,500</u>	<u>2,500</u>

5. LONG-TERM LOANS - considered good

Due from Directors, Executives and Employees - note 5.1	216,046	176,912
Less: Current portion shown under current assets		
Due from Directors, Executives and Employees - note 5.1	<u>65,433</u>	<u>45,482</u>
	<u>150,613</u>	<u>131,430</u>

5.1 Loans for purchase of motor cars, motor cycles and house building are repayable between two to ten years. These loans are interest free and granted to the key management personnel, employees including executives of the Group in accordance with their terms of employment.

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

Amounts in Rs '000

6. STOCK-IN-TRADE

Of the total carrying value of inventories Rs 18.159 million (December 31, 2009: Rs 18.663 million) are measured at net realisable value. As at September 30, 2010 stock has been written down by Rs 1.616 million (December 31, 2009: Rs 1.616 million) to arrive at its net realisable value.

7. SHORT-TERM FINANCING

	September 30 2010	December 31 2009
Running finances utilised under mark-up arrangements - note 7.1	<u>104,051</u>	<u>36,038</u>

7.1 The facilities for running finance available from various banks amounted to Rs 3,156 million (December 31, 2009: Rs 2,991 million) and carried mark-up during the period ranging from relevant KIBOR + 0.75% to 4.00% per annum with an average mark-up rate of relevant KIBOR + 1.51% 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	91,336	93,323
Others	136,436	53,396
	<u>259,661</u>	<u>179,061</u>

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

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 was of the opinion that the order was not justified. The Company filed an appeal against the order in the Environmental Tribunal in Lahore, which is pending.

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.

<u>2,190,000</u>	<u>2,280,000</u>
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8.4 Guarantees issued by the Company to a bank in respect of financing obtained by Senior Executives, in accordance with the terms of employment.

<u>35,000</u>	<u>35,000</u>
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8.5 Commitments in respect of capital expenditure.

<u>86,754</u>	<u>33,875</u>
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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.

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

Year		
2010	17,800	67,213
2011	64,875	58,633
2012	52,952	45,772
2013	33,425	23,797
2014	6,724	1,270
	<u>175,776</u>	<u>196,685</u>
Payable not later than one year	67,612	67,213
Payable later than one year but not later than five years	108,164	129,472
	<u>175,776</u>	<u>196,685</u>

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

Amounts in Rs '000

September 30, 2010		September 30, 2009	
For the 3 months ended	For the 9 months ended	For the 3 months ended	For the 9 months ended

9. TURNOVER

9.1 Inter-segment sales and purchases

have been eliminated from the total.

325,883	1,011,689	227,841	725,574
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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 736.490 million made to various countries during the period ended September 30, 2010.

10. COST OF SALES

Opening stock of raw and packing materials
Purchases - Note 9.1

1,504,703	1,227,577	1,429,512	1,436,245
4,824,063	14,738,636	4,018,616	11,588,342

Closing stock of raw and packing materials
Raw and packing materials consumption

6,328,766	15,966,213	5,448,128	13,024,587
(1,570,355)	(1,570,355)	(1,385,342)	(1,385,342)

Manufacturing costs

4,758,411	14,395,858	4,062,786	11,639,245
1,314,350	4,209,631	1,095,077	3,242,848

Opening stock of work-in-process

6,072,761	18,605,489	5,157,863	14,882,093
89,685	83,229	109,299	134,237

Closing stock of work-in-process

6,162,446	18,688,718	5,267,162	15,016,330
(87,557)	(87,557)	(102,900)	(102,900)

Cost of goods manufactured
Opening stock of finished goods
Finished goods purchased

6,074,889	18,601,161	5,164,262	14,913,430
2,171,650	1,942,539	1,197,191	1,395,217
743,297	2,241,158	577,881	1,727,073

Closing stock of finished goods

8,989,836	22,784,858	6,939,334	18,035,720
(2,348,541)	(2,348,541)	(1,570,268)	(1,570,268)

6,641,295	20,436,317	5,369,066	16,465,452
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11. TAXATION

Current
Deferred

440,670	1,108,780	260,285	298,713
(71,520)	(117,410)	1,738	462,015

369,150	991,370	262,023	760,728
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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	17,258	94,243	1,785,763	5,721,610
Provision of services and other receipts	456	3,752	1,742	6,265
Sale of goods and materials	30,980	88,864	32,782	91,703
Contribution to staff retirement benefit plans	50,340	231,449	34,033	122,449
Dividends	578,774	1,052,291	368,303	789,219
Donations	15,000	15,000	-	5,800

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

12.1 Transaction with key management personnel

Key management personnel received an amount of Rs 159.562 million (September 30, 2009: Rs 138.570 million) on account of remuneration out of which Rs 20.511 million (September 30, 2009: Rs 19.360 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.

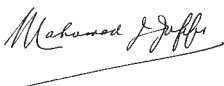
15. DATE OF AUTHORISATION

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

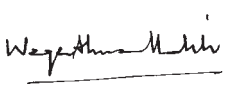
16. GENERAL

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

16.2 Certain figures have been reclassified in the condensed interim 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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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, Sikken, International and Eka. Headquartered in Amsterdam, the Netherlands, we are a Global Fortune 500 company and are consistently ranked as one of the leaders on the Dow Jones Sustainability Indexes. With operations in more than 80 countries, our 55,000 people around the world are committed to excellence and delivering Tomorrow's Answers Today™.

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