



ICI Pakistan Limited is now part of the AkzoNobel Group

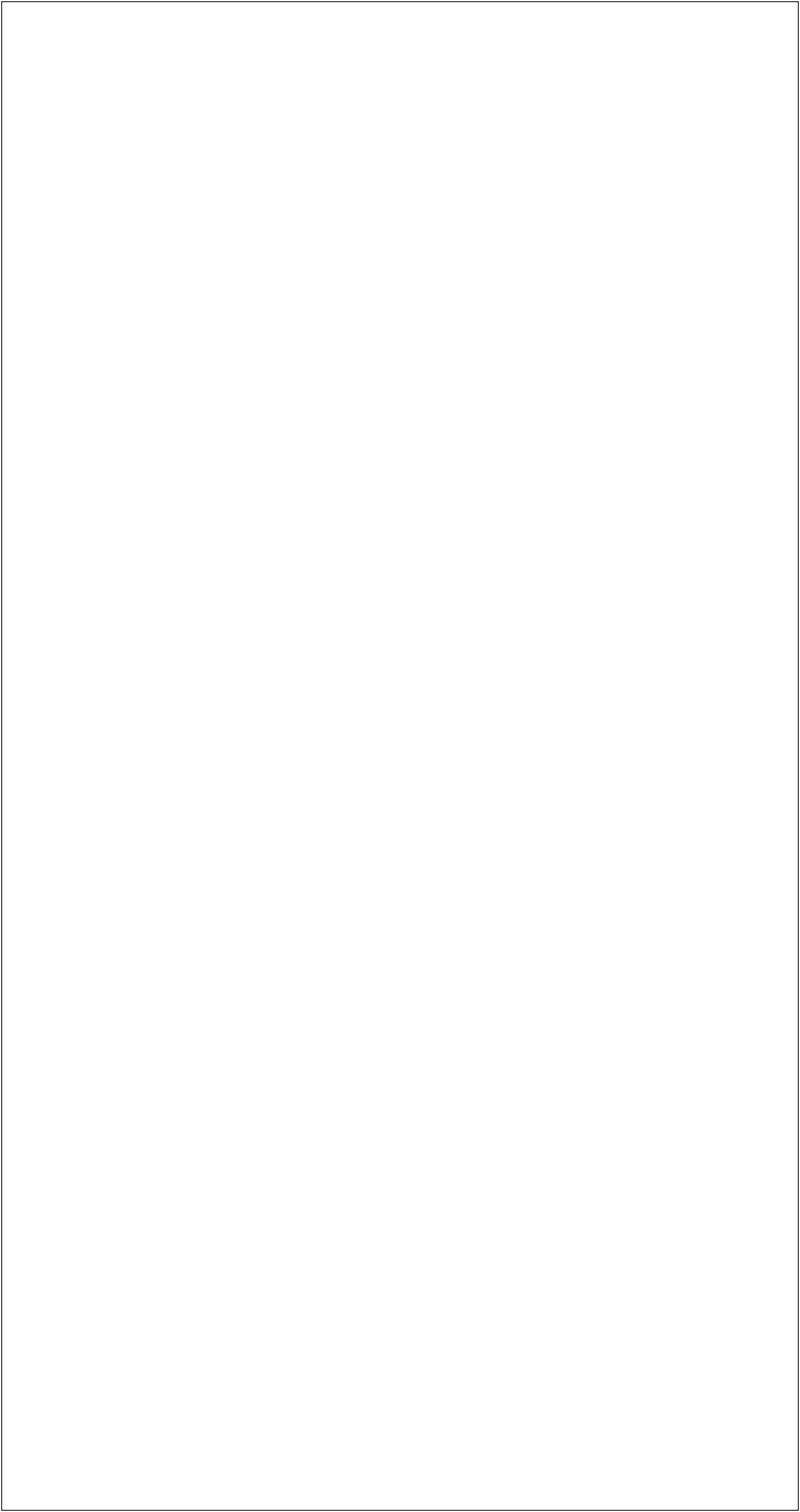
# Grounds for Growth

Report for the Quarter & Nine Months  
Ended September 30, 2012



**AkzoNobel**  
Tomorrow's Answers Today





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## Company Information

### Board of Directors

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

### Audit & Remuneration Sub Committees of the Board

#### Audit Sub Committee

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

#### Remuneration Sub Committee

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

### Chief Financial Officer

Feroz Rizvi

### Company Secretary

Ambreen Shah

### Executive Management Team

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

### Bankers

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

### Auditors

#### Internal Auditors

Ernst & Young Ford Rhodes Sidat Hyder,  
Chartered Accountants

#### External Auditors

KPMG Taseer Hadi & Co.,  
Chartered Accountants

### Registered Office

ICI House, 5 West Wharf, Karachi-74000  
Tel : 111-100-200, (021) 32313717-22  
Fax : 32311739  
Web: [www.icipakistan.com](http://www.icipakistan.com)  
E-mail: [ccpa\\_pakistan@ici.com](mailto:ccpa_pakistan@ici.com)

### Shares Registrar

FAMCO Associates (Pvt) Ltd  
1st Floor, State Life Building 1-A  
I. I. Chundrigar Road, Karachi-74000  
Tel : (021) 32427012, 32426597, 32420755, 32475606 & 32425467  
Fax : (021) 32426752

\* names in alphabetical order

## Review of the Directors

For the Quarter and Nine Months Ended September 30, 2012

The Directors are pleased to present their review together with the unaudited financial statements of the Company for the quarter and nine months ended September 30, 2012.

Net sales income for the quarter and nine months at Rs 8.7 billion and Rs 25.4 billion was 3 percent and 6 percent lower respectively compared with same periods last year.

Operating result for the quarter and nine months at Rs 521 m and Rs 1,270 m were both 32 percent lower compared to same period last year. Sharp reduction in margin over the feedstock prices as well as lower sales volume in the PSF Business and significantly higher energy and fuel cost for the periods under review played a major role in dragging down the operating results. Selling and administration expenses remained under tight control despite inflationary pressure.

As a result of lower operating results and higher financial charges, profit after tax at Rs 302 m for the quarter and Rs 764 m for nine months was lower by 32 percent and 36 percent respectively compared with the same periods last year.

EPS from continuing operations for the nine months ended September 30, 2012 at Rs 8.27 was lower by 20 percent compared to the same period last year.

The Coal Fired Boiler project is progressing as per plan.

Your company settled the inter-unit current account payable to Akzo Nobel Pakistan Limited amounting to Rs 3.69 billion in July and August 2012.

An unfortunate fatality involving one of the company employees occurred at our Polyester plant on August 1, 2012. A comprehensive investigation into the incident has been completed and remedial actions are being taken.

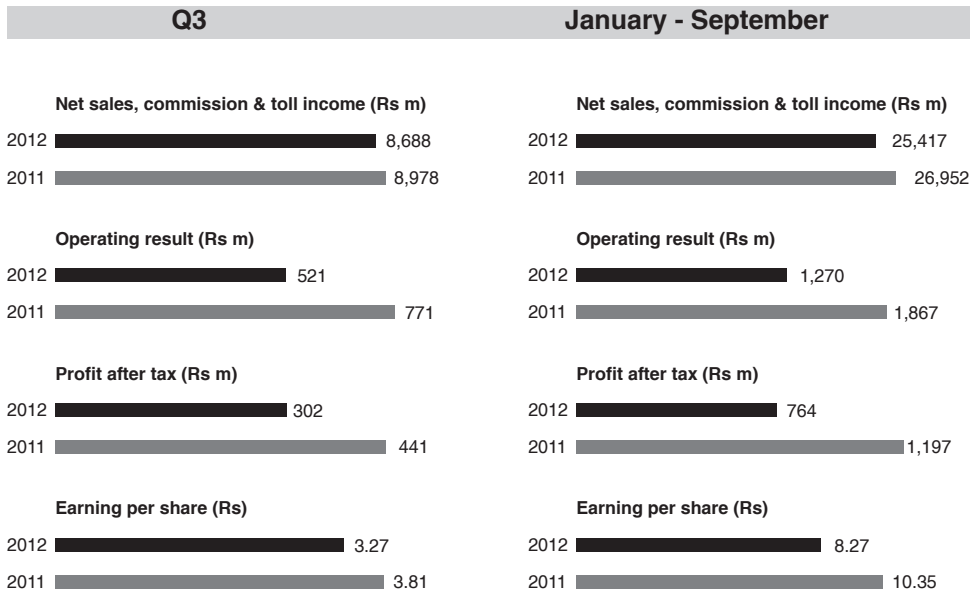
AkzoNobel N.V. in accordance with its declared strategy through ICI Omicron B.V. has signed a Sale Purchase Agreement with Yunus Brothers Group for the sale of its entire holding of 75.81% in ICI Pakistan Limited. Necessary announcement in this respect has been made to the stock exchanges and the SECP.

Nine Months Ended September 30

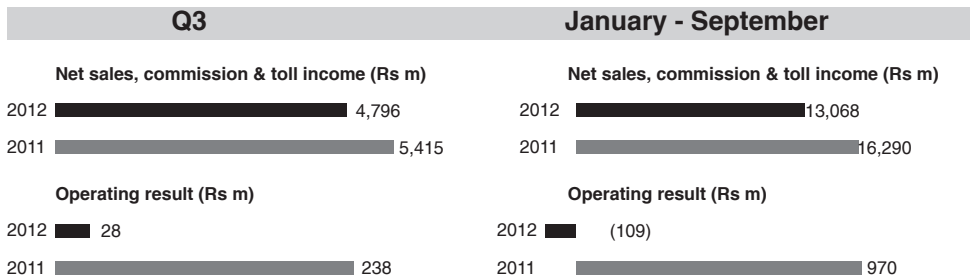
	2012	2011
Net Sales Income (Rs m)	25,417	26,952
Profit before taxation (Rs m)	1,171	1,837
Profit after taxation (Rs m)	764	1,197
Earnings per share (Rs)	8.27	10.35

## Review of the Directors

For the Quarter and Nine Months Ended September 30, 2012



## POLYESTER FIBRE BUSINESS (PSF)



Domestic demand for cotton counts picked up in coarser counts due to export orders from China. However, international and domestic cotton prices weakened in the third quarter on the back of global cotton surplus making cotton blends more attractive and putting pressure on PSF prices and margins.

Excess supply of PTA contributed to a low rate of increase in its prices. The tight supply of MEG throughout the quarter due to maintenance related shutdowns resulted in high MEG prices. However, by the end of the quarter, the surge in the petrochemical chain subsided with lower economic growth in China and a faltering economic recovery in the US and the Euro Zone.

Low cotton prices continued to put pressure on PSF and hence PSF sales volume remained low compared to corresponding period last year. Further, with pressure on PSF price in the international and domestic markets, lower margin over feedstock (Q3 lower by 9.7%, YTD lower by 15.4%) and increase in the cost of energy, operating profit for the quarter at Rs 28 m was 88 percent lower and operating loss on year to date basis at Rs (109) m was Rs 1,079 m lower than the same period last year.

Business continues to engage with the Ministry of Commerce for keeping PSF under 'no concession list' of the FTA agreement signed with China. Any adverse change can have severe negative effect on the business.

## Review of the Directors

For the Quarter and Nine Months Ended September 30, 2012

Going forward the PSF volumes and margins are expected to remain under pressure and would largely be dependent on gas availability, outlook on the Chinese and the regional market and cotton prices.

### SODA ASH BUSINESS

Q3		January - September	
Net sales, commission & toll income (Rs m)		Net sales, commission & toll income (Rs m)	
2012	1,983	2012	5,700
2011	1,785	2011	5,159
Operating result (Rs m)		Operating result (Rs m)	
2012	377	2012	770
2011	413	2011	710

Global soda ash demand remains erratic and most markets are affected due to global economic downturn. Manufacturers in China are reportedly facing severe cost pressure due to rising costs of inputs and weak domestic demand.

Domestic industries continue to be affected due to natural gas shortages and poor law and order situation. Despite difficulties, the business has managed to maintain its sales volumes at 2011 levels. Full time equivalent gas outages for the quarter and nine months remained slightly below the same period last year. However, average increases in furnace oil and gas prices by 26 percent and 29 percent respectively for the nine months compared to the same period last year, resulted in additional cost of Rs 78 m for the quarter and Rs 438 m for year to date.

Consequently, operating profit for the quarter at Rs 377 m was 9 percent lower compared to the same period last year. However on year to date basis, with effective margin management and despite higher energy cost, operating profit at Rs 770 m was higher by 8 percent. The Business continues its initiatives focusing on energy and cost savings to mitigate the adverse impact of rising input prices.

Going forward, rising cost of fuel on a weekly basis and warnings of severe gas shortages during the winter months are major concerns and any further cuts in allocation of gas to the industrial sector will have an adverse impact on the downstream industries and the business in the last quarter.

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

### LIFE SCIENCES BUSINESS

Q3		January - September	
Net sales, commission & toll income (Rs m)		Net sales, commission & toll income (Rs m)	
2012	1,196	2012	3,989
2011	1,055	2011	3,319
Operating result (Rs m)		Operating result (Rs m)	
2012	82	2012	395
2011	72	2011	272

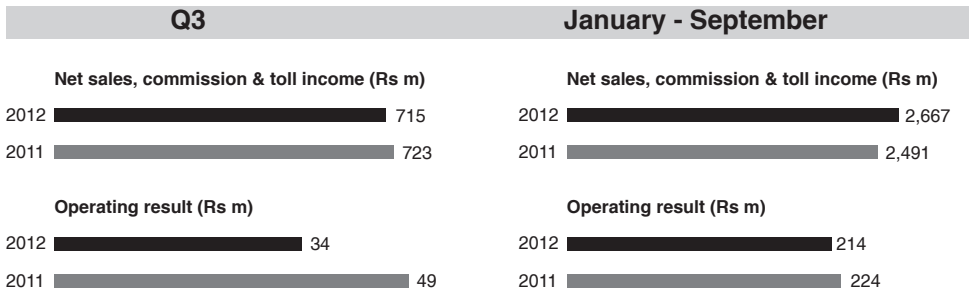
## Review of the Directors

For the Quarter and Nine Months Ended September 30, 2012

Net sales income for the quarter and nine months at Rs 1,196 m and Rs 3,989 m was 13 percent and 20 percent higher respectively compared to same period last year on the back of growth in all segments with higher revenue and gross profit. Operating result for the quarter and nine months at Rs 82 m and Rs 395 m was 15 percent and 45 percent higher respectively compared with the same period last year.

In Q4, the Business plans to introduce a number of new products to enhance its presence in the market. Performance going forward is expected to remain encouraging other than a dip in the Seeds segment due to the one-off sales of sunflower seeds received in Q4 last year.

### CHEMICALS BUSINESS



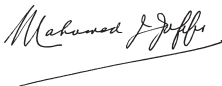
Overall sales volumes for the quarter and nine months were 10 percent and 3 percent higher respectively compared to same period last year.

Net sales income for the quarter and nine months at Rs 715 m and Rs 2,667 m was at par and 7 percent higher respectively compared to same period last year. Operating result for the quarter and nine months at Rs 34 m and Rs 214 m was 30 percent and 4 percent lower respectively despite higher volumes compared to same period last year primarily driven by lower purchases of titanium dioxide by the Paints industry.

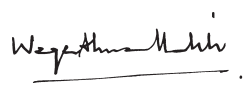
Going forward, performance will be critically dependent on law and order, energy supply situation and performance of Paints industry.

### FUTURE OUTLOOK

In Q4, the expected severe gas shortages in the North coupled with rising cost of alternative fuels are likely to adversely impact the financial performance in the Soda Ash business and the PSF business.



M J Jaffer  
Chairman



Waqar A Malik  
Chief Executive

October 23, 2012  
Karachi



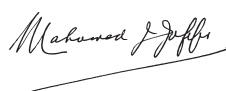
# Condensed Interim Unconsolidated Balance Sheet (Unaudited)

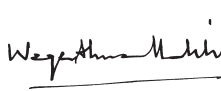
As at September 30, 2012

Amounts in Rs ,000

	Note	September 30 2012	December 31 2011
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	9,896,205	8,262,888
Intangible assets	3	45,206	69,118
		<b>9,941,411</b>	8,332,006
Long-term investments	4	502,976	502,976
Long-term loans	5	290,729	287,084
Long-term deposits and prepayments		35,524	32,372
		<b>829,229</b>	822,432
		<b>10,770,640</b>	9,154,438
<b>Current Assets</b>			
Stores and spares		525,815	482,710
Stock-in-trade	6	4,191,667	3,838,856
Trade debts	7	838,634	357,699
Loans and advances	8	494,592	455,149
Trade deposits and short-term prepayments		216,636	265,719
Other receivables	9	269,205	308,788
Taxation recoverable		957,463	821,729
Cash and bank balances		593,541	4,633,322
		<b>8,087,553</b>	11,163,972
<b>Total Assets</b>		<b>18,858,193</b>	20,318,410
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Authorised capital 1,500,000,000 (December 31, 2011: 1,500,000,000) ordinary shares of Rs 10 each		15,000,000	15,000,000
Issued, subscribed and paid-up capital 92,359,050 (December 31, 2011: 92,359,050) ordinary shares of Rs 10 each		923,591	923,591
Capital reserves		309,643	309,643
Unappropriated profit		8,033,761	8,294,690
<b>Total Equity</b>		<b>9,266,995</b>	9,527,924
<b>Surplus on Revaluation of Property, Plant and Equipment</b>		<b>762,488</b>	824,207
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Provisions for non-management staff gratuity and eligible retired employees' medical scheme		291,630	255,094
Deferred tax liability - net		1,059,796	1,186,234
		<b>1,351,426</b>	1,441,328
<b>Current Liabilities</b>			
Short-term financing	10	2,135,174	-
Trade and other payables	11	5,342,110	8,524,951
		<b>7,477,284</b>	8,524,951
<b>Contingencies and Commitments</b>	12		
<b>Total Equity and Liabilities</b>		<b>18,858,193</b>	20,318,410

The annexed notes from 1 to 23 form an integral part of these condensed interim unconsolidated financial information.

  
M J Jaffer  
Chairman / Director

  
Waqar A Malik  
Chief Executive

  
Ali A Aga  
Director

# Condensed Interim Unconsolidated Profit and Loss Account (Unaudited)

For the Quarter and Nine Months Period Ended September 30, 2012

	Polyester				Soda Ash			
	For the 3 months ended September 30, 2012	For the 9 months ended September 30, 2012	For the 3 months ended September 30, 2011	For the 9 months ended September 30, 2011	For the 3 months ended September 30, 2012	For the 9 months ended September 30, 2012	For the 3 months ended September 30, 2011	For the 9 months ended September 30, 2011
<b>Turnover - note 13</b>	<b>4,838,418</b>	<b>13,144,189</b>	<b>5,427,859</b>	<b>16,323,410</b>	<b>2,366,694</b>	<b>6,956,509</b>	<b>2,228,833</b>	<b>6,515,287</b>
Sales tax	-	-	-	-	316,440	1,066,496	381,343	1,100,021
Excise duty	-	-	-	-	-	-	-	63,352
Commission and discounts to distributors and customers	42,314	76,614	12,599	32,955	67,675	190,107	62,400	192,482
	<b>42,314</b>	<b>76,614</b>	<b>12,599</b>	<b>32,955</b>	<b>384,115</b>	<b>1,256,603</b>	<b>443,743</b>	<b>1,355,855</b>
Net sales, commission and toll income	<b>4,796,104</b>	<b>13,067,575</b>	<b>5,415,260</b>	<b>16,290,455</b>	<b>1,982,579</b>	<b>5,699,906</b>	<b>1,785,090</b>	<b>5,159,432</b>
Cost of sales - note 13 and 14	<b>4,659,474</b>	<b>12,781,574</b>	<b>5,073,190</b>	<b>15,050,790</b>	<b>1,508,822</b>	<b>4,610,432</b>	<b>1,277,337</b>	<b>4,190,573</b>
<b>Gross profit</b>	<b>136,630</b>	<b>286,001</b>	<b>342,070</b>	<b>1,239,665</b>	<b>473,757</b>	<b>1,089,474</b>	<b>507,753</b>	<b>968,859</b>
Selling and distribution expenses	17,499	59,973	16,052	47,993	21,029	62,975	21,061	78,167
Administration and general expenses - note 15	91,115	334,880	88,182	221,990	75,821	256,998	74,123	181,184
<b>Operating result</b>	<b>28,016</b>	<b>(108,852)</b>	<b>237,836</b>	<b>969,682</b>	<b>376,907</b>	<b>769,501</b>	<b>412,569</b>	<b>709,508</b>
Financial charges - note 16								
Workers' profit participation fund								
Workers' welfare fund								
Other operating charges								
Other operating income								
<b>Profit before taxation</b>								
Taxation - note 17								
Profit after taxation from continuing operations								
Profit after taxation from Discontinued operation (net of tax) - note 18								
<b>Profit for the period</b>								
<b>Basic and diluted earnings per share - Continuing operations</b>								
<b>Basic and diluted earnings per share - Discontinued operation</b>								

The annexed notes from 1 to 23 form an integral part of these condensed interim unconsolidated financial information.

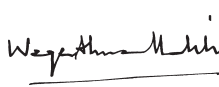
# Condensed Interim Unconsolidated Profit and Loss Account (Unaudited)

For the Quarter and Nine Months Period Ended September 30, 2012

Amounts in Rs ,000

Life Sciences				Chemicals				Company			
For the 3 months ended September 30, 2012	For the 9 months ended September 30, 2012	For the 3 months ended September 30, 2011	For the 9 months ended September 30, 2011	For the 3 months ended September 30, 2012	For the 9 months ended September 30, 2012	For the 3 months ended September 30, 2011	For the 9 months ended September 30, 2011	For the 3 months ended September 30, 2012	For the 9 months ended September 30, 2012	For the 3 months ended September 30, 2011 (Re presented/ restated)	For the 9 months ended September 30, 2011 (Re presented/ restated)
1,362,367	4,496,100	1,173,104	3,639,461	847,867	3,139,633	832,255	2,936,221	9,413,774	27,730,065	9,662,051	29,106,407
4,421	10,641	2,500	4,283	72,959	297,474	74,057	295,385	393,820	1,374,611	457,900	1,399,689
-	-	-	-	-	-	-	12,335	-	-	-	75,687
161,684	495,960	115,910	316,019	60,295	175,310	35,279	137,166	331,968	937,991	226,188	678,622
166,105	506,601	118,410	320,302	133,254	472,784	109,336	444,886	725,788	2,312,602	684,088	2,153,998
1,196,262	3,989,499	1,054,694	3,319,159	714,613	2,666,849	722,919	2,491,335	8,687,986	25,417,463	8,977,963	26,952,409
885,509	2,882,431	758,347	2,409,575	580,934	2,148,560	585,474	1,997,081	7,633,167	22,416,631	7,694,348	23,648,019
310,753	1,107,068	296,347	909,584	133,679	518,289	137,445	494,254	1,054,819	3,000,832	1,283,615	3,304,390
168,511	528,380	169,183	467,754	50,587	155,784	48,035	146,175	257,626	807,112	254,331	740,089
60,179	183,885	55,662	169,548	48,682	148,311	40,310	124,477	275,797	924,074	258,277	697,199
82,063	394,803	71,502	272,282	34,410	214,194	49,100	223,602	521,396	1,269,646	771,007	1,867,102
								54,463	224,439	115,493	154,339
								23,989	61,729	44,977	113,761
								9,398	23,904	16,490	43,158
								8,416	22,571	6,737	17,894
								96,266	332,643	183,697	329,152
								35,346	234,274	91,132	299,417
								460,476	1,171,277	678,442	1,837,367
								158,682	407,255	237,634	640,604
								301,794	764,022	440,808	1,196,763
								-	-	-	216,602
								301,794	764,022	440,808	1,413,365
								(Rupees)	(Rupees)		
								3.27	8.27	3.81	10.35
								-	-	-	1.87

  
M J Jaffer  
Chairman / Director

  
Waqar A Malik  
Chief Executive

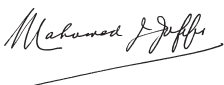
  
Ali A Aga  
Director

**Condensed Interim Unconsolidated  
Statement of Comprehensive Income (Unaudited)**  
For the Quarter and Nine Months Period Ended September 30, 2012

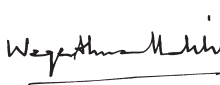
Amounts in Rs ,000

	For the 3 months ended September 30, 2012	For the 9 months ended September 30, 2012	For the 3 months ended September 30, 2011 <small>(Re presented/ restated)</small>	For the 9 months ended September 30, 2011 <small>(Re presented/ restated)</small>
<b>Profit for the period</b>	<b>301,794</b>	<b>764,022</b>	440,808	1,413,365
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>301,794</b>	<b>764,022</b>	440,808	1,413,365

The annexed notes from 1 to 23 form an integral part of these condensed interim unconsolidated financial information.



M J Jaffer  
Chairman / Director



Waqar A Malik  
Chief Executive



Ali A Aga  
Director

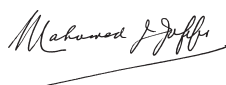
# Condensed Interim Unconsolidated Cash Flow Statement (Unaudited)

For the Nine Months Period Ended September 30, 2012

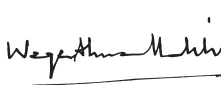
Amounts in Rs ,000

	September 30 2012	September 30 2011 (Re presented/ restated)
<b>Cash Flows from Operating Activities</b>		
Profit before taxation	1,171,277	2,169,913
Adjustments for:		
Depreciation and amortisation	806,041	746,390
(Gain) / loss on disposal of property, plant and equipment	(11,648)	1,811
Provision for non-management staff gratuity and eligible retired employees' medical scheme	52,657	53,857
Mark-up on bank deposits and loan to subsidiary	(155,130)	(239,436)
Interest / mark-up expense	164,934	51,521
	<b>2,028,131</b>	<b>2,784,056</b>
Movement in:		
Working capital	(4,943,174)	(232,873)
Long-term loans	(25,868)	(45,599)
Long-term deposits and prepayments	(3,152)	(4,707)
Cash (used in) / generated from operations	<b>(2,944,063)</b>	<b>2,500,877</b>
Payments for :		
Non-management staff gratuity and eligible retired employees' medical scheme	(16,121)	(11,847)
Taxation	(669,427)	(1,105,903)
Interest / mark-up	(164,934)	(51,521)
Profit / mark-up received on bank deposits	122,495	183,310
Net cash (used in) / generated from operating activities	<b>(3,672,050)</b>	<b>1,514,916</b>
<b>Cash Flows from Investing Activities</b>		
Payments for capital expenditure	(1,824,004)	(437,949)
Proceeds from disposal of property, plant and equipment	14,221	4,583
Profit / mark-up received on loan to subsidiary	48,075	54,707
Loan / standby finance facility to subsidiary company - net	22,223	-
Net cash used in investing activities	<b>(1,739,485)</b>	<b>(378,659)</b>
<b>Cash Flows from Financing Activities</b>		
Dividend paid	(763,420)	(1,602,326)
Net cash used in financing activities	<b>(763,420)</b>	<b>(1,602,326)</b>
Net decrease in cash and cash equivalents	<b>(6,174,955)</b>	<b>(466,069)</b>
Cash and cash equivalents at January 1	<b>4,633,322</b>	<b>4,419,552</b>
<b>Cash and cash equivalents at September 30</b>	<b>(1,541,633)</b>	<b>3,953,483</b>
<b>Movement in Working Capital</b>		
<b>(Increase) / decrease in current assets</b>		
Stores and spares	(43,105)	(48,885)
Stock-in-trade	(352,811)	(529,684)
Trade debts	(480,935)	(229,100)
Loans and advances	(39,443)	77,186
Trade deposits and short-term prepayments	49,083	119,339
Other receivables	24,144	(89,093)
	<b>(843,067)</b>	<b>(700,237)</b>
<b>(Decrease) / Increase in current liability</b>		
Trade and other payables	(4,100,107)	467,364
	<b>(4,943,174)</b>	<b>(232,873)</b>
<b>Cash and cash equivalents at September 30 comprise of:</b>		
Cash and bank balances	593,541	3,984,290
Short-term financing - Note 10	(2,135,174)	(30,807)
	<b>(1,541,633)</b>	<b>3,953,483</b>

The annexed notes from 1 to 23 form an integral part of these condensed interim unconsolidated financial information.



M J Jaffer  
Chairman / Director



Waqar A Malik  
Chief Executive



Ali A Aga  
Director

# Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited)

For the Nine Months Period Ended September 30, 2012

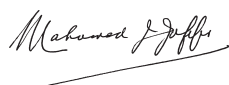
Amounts in Rs ,000

	Issued, subscribed and paid-up capital	Capital reserves	Unappropriated profit	Total
<b>Balance as on January 1, 2011</b>	<b>1,388,023</b>	<b>465,845</b>	<b>12,694,225</b>	<b>14,548,093</b>
<b>Changes in equity for 2011</b>				
Final dividend for the year ended December 31, 2010 @ Rs 12.00 per share, transactions with owners, recorded directly in equity	-	-	(1,665,628)	(1,665,628)
Total comprehensive income for the nine months ended September 30, 2011	-	-	1,413,365	1,413,365
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation	-	-	15,068	15,068
Transferred to Akzo Nobel Pakistan Limited pursuant to the Scheme	(464,432)	(156,202)	(4,018,997)	(4,639,631)
Interim dividend for the year 2011 @ Rs 3.50 per share, transactions with owners, recorded directly in equity	-	-	(485,808)	(485,808)
<b>Balance as on September 30, 2011</b>	<b>923,591</b>	<b>309,643</b>	<b>7,952,225</b>	<b>9,185,459</b>
Total comprehensive income for the three months ended December 31, 2011	-	-	334,667	334,667
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation	-	-	7,798	7,798
	-	-	342,465	342,465
<b>Balance as on December 31, 2011</b>	<b>923,591</b>	<b>309,643</b>	<b>8,294,690</b>	<b>9,527,924</b>
<b>Changes in equity for 2012</b>				
Final dividend for the year ended December 31, 2011 @ Rs 5.50 per share, transactions with owners, recorded directly in equity *	-	-	(763,413)	(763,413)
Total comprehensive income for the nine months ended September 30, 2012	-	-	764,022	764,022
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation	-	-	61,719	61,719
	-	-	825,741	825,741
Interim dividend for the year 2012 @ Rs 3.50 per share, transactions with owners, recorded directly in equity **	-	-	(323,257)	(323,257)
<b>Balance as on September 30, 2012</b>	<b>923,591</b>	<b>309,643</b>	<b>8,033,761</b>	<b>9,266,995</b>

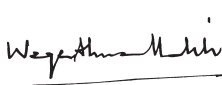
The annexed notes from 1 to 23 form an integral part of these condensed interim unconsolidated financial information.

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

\*\* Interim dividend was declared post approval of demerger by High Court of Sindh on 92,359,050 shares.



M J Jaffer  
Chairman / Director



Waqar A Malik  
Chief Executive



Ali A Aga  
Director

# Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the Quarter and Nine Months Period Ended September 30, 2012

Amounts in Rs ,000

1. The condensed interim unconsolidated financial information has been presented in condensed form in accordance with the requirements of the International Accounting Standard (IAS) 34 - International Financial Reporting and is being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984 and the Listing Regulations of Karachi, Lahore and Islamabad Stock Exchanges. The condensed interim unconsolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the re presented financial statements as at and for the year ended December 31, 2011 after incorporating the effects of demerger.

## 1.1 Discontinued operation due to demerger of Paints Business

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

- 1.2 The accounting policies and methods of computation adopted for the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of the re presented financial statements for the preceding year ended December 31, 2011 after incorporating the effects of demerger.

## 2. PROPERTY, PLANT AND EQUIPMENT

	September 30 2012	December 31 2011
Operating assets - at net book value	8,076,528	8,156,729
Capital work-in-progress - at cost		
Civil works and buildings	168,960	17,463
Plant and machinery	1,533,896	51,488
Miscellaneous equipment	105,487	29,655
Advances to suppliers / contractors	11,334	7,553
	1,819,677	106,159
	9,896,205	8,262,888

- 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, 2012:

	Additions / Transfers		Disposals	
	September 30 2012	September 30 2011	September 30 2012	September 30 2011
Buildings on freehold land	22,539	8,606	-	-
Limebeads on freehold land	-	12,847	-	-
Buildings on leasehold land	10,894	37,955	9,277	-
Plant and machinery - note 2.2	622,018	220,039	159,650	7,940
Rolling stock and vehicles	4,641	2,665	34,984	1,132
Furniture and equipment	43,910	67,346	21,950	136,262
	704,002	349,458	225,861	145,334

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

## 3. INTANGIBLE ASSETS

	September 30 2012	December 31 2011
Intangible assets - at net book value - note 3.1	45,206	69,118

- 3.1 This includes additions of intangible assets of Rs 0.50 million (December 31, 2011: Nil) during the period.

# Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the Quarter and Nine Months Period Ended September 30, 2012

Amounts in Rs ,000

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

**4.1** The value of the Company's investment on the basis of net assets of the Subsidiary as disclosed in the unaudited condensed interim financial information for the nine months period ended September 30, 2012 amounted to Rs 405.199 million (December 31, 2011: Rs 467.818 million).

**4.2** The basis of impairment loss was explained in note 12.2 to the annual re presented financial statements for the year ended December 31, 2011. The expected discounted cash flows from the investments exceeds the recoverable amount, therefore, additional provision is not required in the current period.

## 5. LONG-TERM LOANS - considered good

Due from Subsidiary - Unsecured loan - note 5.1	155,555	177,778
Due from Directors, Executives and Employees - note 5.2	237,932	208,265
	<b>393,487</b>	386,043
Less: Current portions shown under current assets		
Due from Subsidiary - note 5.1	44,444	44,444
Due from Directors, Executives and Employees - note 5.2	58,314	54,515
	<b>102,758</b>	98,959
	<b>290,729</b>	287,084

**5.1** This represents loan given to ICI Pakistan PowerGen Limited (wholly owned subsidiary) carrying a markup at 3 months KIBOR + 2%. Repayment of loan was commenced from October 1, 2011 and the entire loan repayable in nine equal semi annual installments.

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

## 6. STOCK-IN-TRADE

Stocks amounting to Rs 686.629 million (December 31, 2011: Rs 30.024 million) are measured at net realisable value. As at September 30, 2012 stock has been written down by Rs 8.815 million (December 31, 2011: Rs 70.917 million) to arrive at its net realisable value.

Stocks amounting to Rs 538.2 million (December 31, 2011: Rs 287.717 million) are held with third parties.

## 7. TRADE DEBTS

This includes Rs 23.989 million (December 31, 2011: Rs 6.135 million) receivable from Akzo Nobel Pakistan Limited.

## 8. LOANS AND ADVANCES

A standby finance facility of Rs 300 million (December 31, 2011: Rs 300 million) is provided to ICI Pakistan PowerGen Limited (wholly owned subsidiary) which is repayable on demand at a markup rate of 3 months KIBOR + 1.65% (December 31, 2011: 3 months KIBOR + 1.65%). The amount utilized under this facility as at September 30, 2012 amounted to Rs 283 million (December 31, 2011: Rs. 283 million).

## 9. OTHER RECEIVABLES

This includes Rs 1.693 million (December 31, 2011: Rs 82.237 million) receivable from various entities of Akzo Nobel N.V. An amount of Rs 403 million has been adjusted against the bills payable balance of the same supplier in the year 2011.



# Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the Quarter and Nine Months Period Ended September 30, 2012

Amounts in Rs ,000

September 30 2012	December 31 2011
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## 10. SHORT-TERM FINANCING

Running finances utilised under mark-up arrangements - note 10.1 **2,135,174** -

**10.1** The facilities for running finance available from various banks amounted to Rs 3,840 million (31 December 2011: Rs 2,721 million) and carry mark-up during the period ranging from relevant KIBOR + 0.75% to 1.5% per annum with an average markup rate as at September 30, 2012 at relevant KIBOR + 1.01% (December 31, 2011: relevant KIBOR + 0.5% to 1.5% per annum with an average markup rate of relevant KIBOR + 1.00% per annum). The facilities are secured by hypothecation charge over the present and future stock-in-trade and book debts of the Company and first pari passu charge over plant and machinery of Soda Ash Business of the Company.

## 11. TRADE AND OTHER PAYABLES

This includes Rs Nil (December 31, 2011: Rs 3,609 billion) payable to Akzo Nobel Pakistan Limited. Also Rs 70.569 million (December 31, 2011: Rs 59.282 million) to various entities of Akzo Nobel N.V. and Rs 512.338 million payable to ICI Power Gen Limited in respect of transfer of PowerGen Gas Turbine as detailed in note 2.2.

**11.1** An amount of Rs 403 million has been adjusted against the receivable balance of the same customer in the year 2011.

## 12. CONTINGENCIES AND COMMITMENTS

**12.1** Claims against the Company not acknowledged as debts are as follows:

Local bodies	<b>84,550</b>	63,135
Sales Tax authorities	-	492
Others	<b>173,736</b>	137,201
	<b>258,286</b>	200,828

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

**2,010,000** 2,100,000

**12.3** Guarantees issued by the Company to a bank in respect of financing obtained by Senior Executives, in accordance with the terms of employment.

**35,000** 35,000

**12.4** Guarantee issued by the Company to a bank on behalf of its subsidiary ICI Pakistan PowerGen Limited for availing funded facility.

**133,000** 133,000

**12.5** Commitments in respect of capital expenditure (including Coal Fired Boiler Project of Soda Ash Business)

**1,516,091** 118,770

**12.6** The Board of ICI Pakistan Limited reviewed the cost escalation of the Polymer Filter project and approved the revised cost of Rs 324.3 million in August 2012 given the strategic importance of this quality improvement project for the Polyester business. The Company has signed a Design Services contract with Chemtex International Inc. and is in the process of negotiating an Equipment Supply contract with the same company.

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

Year		
2012	<b>15,194</b>	62,980
2013	<b>53,478</b>	51,029
2014	<b>35,752</b>	31,742
2015	<b>20,397</b>	12,351
2016	<b>2,888</b>	-

**127,709** 158,102

Payable not later than one year

**56,930** 62,980

Payable later than one year but not later than five years

**70,779** 95,122

**127,709** 158,102

**12.8** Outstanding foreign exchange contracts as at September 30, 2012 entered into by the Company to hedge the anticipated future transactions amounted to Rs 931.258 million (December 31, 2011 : Rs 720.173 million).

# Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the Quarter and Nine Months Period Ended September 30, 2012

Amounts in Rs ,000

September 30, 2012		September 30, 2011	
For the 3 months ended	For the 9 months ended	For the 3 months ended (Re presented / restated)	For the 9 months ended (Re presented / restated)

## 13. TURNOVER

13.1 Inter-segment sales and purchases between business segment have been eliminated from the total	1,572	6,366	-	307,972
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13.2 Transactions among the business segments are recorded at arm's length prices using admissible valuation methods.

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

13.4 Turnover includes export sales of Rs 214.3 million made to various countries during the nine months period ended September 30, 2012.

13.5 Turnover includes sales to Akzo Nobel Pakistan Limited amounting to Rs 401.652 million during the nine months period ended September 30, 2012.

## 14. COST OF SALES

Opening stock of raw and packing materials	1,790,807	1,604,429	1,818,080	1,438,678
Purchases	5,365,810	14,597,310	4,983,506	16,386,490
Closing stock of raw and packing materials	7,156,617 (2,177,986)	16,201,739 (2,177,986)	6,801,586 (1,591,511)	17,825,168 (1,591,511)
Raw and packing materials consumption	4,978,631	14,023,753	5,210,075	16,233,657
Manufacturing costs	1,839,604	5,549,966	1,516,282	4,951,869
Opening stock of work-in-process	6,818,235 213,571	19,573,719 220,246	6,726,357 187,996	21,185,526 37,578
Closing stock of work-in-process	7,031,806 (131,465)	19,793,965 (131,465)	6,914,353 (212,023)	21,223,104 (212,023)
Cost of goods manufactured	6,900,341	19,662,500	6,702,330	21,011,081
Opening stock of finished goods	1,849,562	2,014,181	2,194,167	1,792,616
Finished goods purchased	765,481	2,622,167	595,860	2,642,331
Closing stock of finished goods	9,515,384 (1,882,217)	24,298,848 (1,882,217)	9,492,357 (1,798,009)	25,446,028 (1,798,009)
	7,633,167	22,416,631	7,694,348	23,648,019

## 15. ADMINISTRATION AND GENERAL EXPENSES

### Demerger Cost

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

## 16. FINANCIAL CHARGES

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

## 17. TAXATION

Current	220,716	533,693	270,546	729,328
Deferred	(62,034)	(126,438)	(32,912)	(88,724)
	158,682	407,255	237,634	640,604

# Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the Quarter and Nine Months Period Ended September 30, 2012

Amounts in Rs ,000

## 18. DISCONTINUED OPERATION DUE TO DEMERGER OF PAINTS BUSINESS

As disclosed in Note 1.1 the profit and loss account of discontinued operation from January to June 2011 is given below:

<b>Profit and loss</b>	
Net sales, commission and toll income	2,463,964
Cost of sales - note 18.1	(1,531,405)
Gross profit	932,559
Selling and distribution expenses	(411,946)
Administration and general expenses	(206,983)
Operating result	313,630
Financial charges	(8,547)
Other operating charges	(17,213)
Other operating income - note 18.3	44,676
Profit before taxation	332,546
Taxation	(115,944)
Profit after taxation	216,602

18.1 Purchases from ICI Pakistan Limited have been eliminated. 307,972

18.2 The inter-segment sales and purchases (between continued and discontinued operation) of Rs. 307.972 million for the nine months period ended September 30, 2011 have been eliminated with consequent effect on the results of continued and discontinued operations.

18.3 Inter-unit interest income from ICI Pakistan Limited has been eliminated. 169,721

18.4 Effects of demerger and discontinued operation due to Demerger of Paints business are given below:

	For the 3 months ended September 30, 2011				
	Previously Reported	Continued Operation	Effects of demerger #	Total	Change
	A	B	C	D=B+C	E=D-A
Net sales and Commission income (a)	10,033,884	8,977,963	1,236,884	10,214,847	180,963
Cost of sales (a)	(8,336,555)	(7,694,348)	(823,170)	(8,517,518)	(180,963)
<b>Gross profit</b>	<b>1,697,329</b>	<b>1,283,615</b>	<b>413,714</b>	<b>1,697,329</b>	-
Selling and distribution expenses	(448,808)	(254,331)	(194,477)	(448,808)	-
Administration and general expenses	(350,210)	(258,277)	(91,933)	(350,210)	-
<b>Operating result</b>	<b>898,311</b>	<b>771,007</b>	<b>127,304</b>	<b>898,311</b>	-
Financial charges (b)	(41,365)	(115,493)	(261)	(115,754)	(74,389)
Other Operating charges	(80,936)	(68,204)	(12,732)	(80,936)	-
Other operating income (b)	99,195	91,132	82,452	173,584	74,389
<b>Profit before taxation</b>	<b>875,205</b>	<b>678,442</b>	<b>196,763</b>	<b>875,205</b>	-
Taxation	(304,634)	(237,634)	(67,000)	(304,634)	-
<b>Profit after taxation</b>	<b>570,571</b>	<b>440,808</b>	<b>129,763</b>	<b>570,571</b>	-

	For the 9 months ended September 30, 2011					
	Previously Reported	Continued Operation	Discontinued Operation (Paints) Jan-June 2011	Effects of demerger # Jul-Sep 2011	Total	Change
	A	B	C	D	E=B+C+D	F=E-A
Net sales and Commission income (a)	30,472,294	26,952,409	2,463,964	1,236,884	30,653,257	180,963
Cost of sales (a)	(25,821,631)	(23,648,019)	(1,531,405)	(823,170)	(26,002,594)	(180,963)
<b>Gross profit</b>	<b>4,650,663</b>	<b>3,304,390</b>	<b>932,559</b>	<b>413,714</b>	<b>4,650,663</b>	-
Selling and distribution expenses	(1,346,512)	(740,089)	(411,946)	(194,477)	(1,346,512)	-
Administration and general expenses	(996,115)	(697,199)	(206,983)	(91,933)	(996,115)	-
<b>Operating result</b>	<b>2,308,036</b>	<b>1,867,102</b>	<b>313,630</b>	<b>127,304</b>	<b>2,308,036</b>	-
Financial charges (b)	(88,758)	(154,339)	(8,547)	(261)	(163,147)	(74,389)
Other Operating charges	(204,758)	(174,813)	(17,213)	(12,732)	(204,758)	-
Other operating income (b)	352,156	299,417	44,676	82,452	426,545	74,389
<b>Profit before taxation</b>	<b>2,366,676</b>	<b>1,837,367</b>	<b>332,546</b>	<b>196,763</b>	<b>2,366,676</b>	-
Taxation	(823,548)	(640,604)	(115,944)	(67,000)	(823,548)	-
<b>Profit after taxation</b>	<b>1,543,128</b>	<b>1,196,763</b>	<b>216,602</b>	<b>129,763</b>	<b>1,543,128</b>	-

(a) Inter business sales / purchases between Paints and Non-Paints businesses for the third quarter have been re-instated which were eliminated in pre demerger financial statements on account of business segment consolidation.

# Notes to the Condensed Interim Unconsolidated Financial Information (Unaudited)

For the Quarter and Nine Months Period Ended September 30, 2012

Amounts in Rs ,000

- (b) Inter unit interest income / expenses between Paints and Non-Paints businesses amounting to Rs 74.389 million have been reinstated which were eliminated from the total in the pre demerger financial statements on account of business segment consolidation.

# Results of Paints business post demerger has been transferred to Akzo Nobel Pakistan Limited.

September 30, 2012		September 30, 2011	
For the 3 months ended	For the 9 months ended	For the 3 months ended (Re presented / restated)	For the 9 months ended (Re presented / restated)

## 19. TRANSACTIONS WITH RELATED PARTIES

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

### Subsidiary Company

Purchase of goods, materials and services	260,010	646,605	239,816	750,579
Provision of services and other receipts	495	1,485	495	1,485
Return on loan to subsidiary and running finance facility	15,170	45,876	18,669	55,279

### Associated Companies

Purchase of goods, materials and services	5,174	13,490	57	72,069
Provision of services and other receipts	2,538	3,471	324	773
Sale of goods and materials	31,642	119,896	29,013	103,781
Contribution to staff retirement benefit plans	16,014	201,001	44,885	144,766
Dividends	-	578,760	368,302	1,631,051
Donations	-	6,000	-	-
Paid to Akzo Nobel Pakistan Limited in respect of inter-unit current account	3,686,810	3,686,810	-	-

### 19.1 Transaction with key management personnel

Key management personnel received an amount of Rs 309.289 million (September 30, 2011: Rs 178.793 million) on account of remuneration out of which Rs 22.634 million (September 30, 2011: Rs 21.606 million) relates to post employment benefits.

## 20. ESTIMATES

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

## 21. FINANCIAL RISK MANAGEMENT

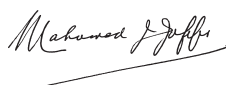
The Company's financial risk management objective and policies are consistent with that disclosed in the re presented financial statements as at and for the year ended December 31, 2011.

## 22. DATE OF AUTHORISATION

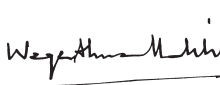
This condensed interim unconsolidated financial information was authorised for issue in the Board of Directors meeting held on October 23, 2012.

## 23. GENERAL

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



M J Jaffer  
Chairman / Director



Waqar A Malik  
Chief Executive



Ali A Aga  
Director

# ICI Pakistan Limited and its Subsidiary Company



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ICI Pakistan Limited is now part  
of the AkzoNobel Group



**AkzoNobel**  
Tomorrow's Answers Today

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## Review of the Directors

For the Quarter and Nine Months Ended September 30, 2012

The Directors are pleased to present their review together with the un-audited Group results of ICI Pakistan Limited for the quarter and nine months ended September 30, 2012. The ICI Pakistan Group comprises of ICI Pakistan Limited and ICI Pakistan PowerGen Limited, a wholly owned subsidiary.

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

In the wake of global demand supply dynamics, crude oil prices increased during the quarter. However, they remained below the average price of previous quarter.

Electricity sales volume for Q3 2012 was 14 percent lower than same period last year. This was due to lower demand from the Polyester plant of ICI Pakistan Limited following sale of Gas Turbines to ICI Pakistan Limited.

Despite the decrease in sales volume, the company's operating result for the quarter at Rs 43 m was 64 percent higher than same period last year primarily due to lower depreciation as a result of sale of Gas Turbines and higher unit prices for electricity supplied.

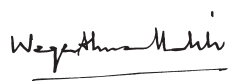
### FUTURE OUTLOOK

Volumes are expected to rise in the coming quarter in the wake of lower gas availability in the winter season.



M J Jaffer  
Chairman

October 23, 2012  
Karachi



Waqar A Malik  
Chief Executive

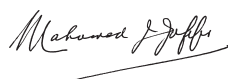
# Condensed Interim Consolidated Balance Sheet (Unaudited)

As at September 30, 2012


Amounts in Rs ,000

	Note	September 30 2012	December 31 2011
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	10,091,347	8,979,355
Intangible assets	3	45,206	69,118
		<b>10,136,553</b>	9,048,473
Long-term investments	4	2,500	2,500
Long-term loans	5	183,765	158,663
Long-term deposits and prepayments		35,524	32,372
		<b>221,789</b>	193,535
		<b>10,358,342</b>	9,242,008
<b>Current assets</b>			
Stores and spares		573,578	552,848
Stock-in-trade	6	4,223,775	3,868,551
Trade debts	7	864,130	383,169
Loans and advances		169,696	128,970
Trade deposits and short-term prepayments		237,136	271,245
Other receivables	8	318,811	351,603
Taxation recoverable		828,901	821,730
Cash and bank balances		725,885	4,738,205
		<b>7,941,912</b>	11,116,321
<b>Total Assets</b>		<b>18,300,254</b>	20,358,329
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Authorised capital 1,500,000,000 (December 31, 2011: 1,500,000,000) ordinary shares of Rs 10 each		15,000,000	15,000,000
Issued, subscribed and paid-up capital 92,359,050 (December 31, 2011: 92,359,050) ordinary shares of Rs 10 each		923,591	923,591
Capital reserves		309,643	309,643
Unappropriated profit		7,788,396	8,116,876
<b>Total Equity</b>		<b>9,021,630</b>	9,350,110
<b>Surplus on Revaluation of Property, Plant and Equipment</b>		<b>906,555</b>	967,863
<b>LIABILITIES</b>			
<b>Non-Current Liability</b>			
Provisions for non-management staff gratuity and eligible retired employees' medical scheme		291,869	255,333
Deferred tax liability - net		1,059,796	1,186,234
		<b>1,351,665</b>	1,441,567
<b>Current Liabilities</b>			
Short-term financing	9	2,135,174	-
Trade and other payables	10	4,885,230	8,598,789
		<b>7,020,404</b>	8,598,789
<b>Contingencies and Commitments</b>	11		
<b>Total Equity and Liabilities</b>		<b>18,300,254</b>	20,358,329

The annexed notes 1 to 22 form an integral part of the condensed interim consolidated financial information.



M J Jaffer  
Chairman / Director



Waqar A Malik  
Chief Executive



Ali A Aga  
Director

# Condensed Interim Consolidated Profit and Loss Account (Unaudited)

For the Quarter and Nine Months Period Ended September 30, 2012

	Polyester				Soda Ash				Life Sciences			
	For the 3 months ended September 30, 2012	For the 9 months ended September 30, 2012	For the 3 months ended September 30, 2011	For the 9 months ended September 30, 2011	For the 3 months ended September 30, 2012	For the 9 months ended September 30, 2012	For the 3 months ended September 30, 2011	For the 9 months ended September 30, 2011	For the 3 months ended September 30, 2012	For the 9 months ended September 30, 2012	For the 3 months ended September 30, 2011	For the 9 months ended September 30, 2011
Turnover - note 12	4,838,418	13,144,189	5,427,859	16,323,410	2,366,694	6,956,509	2,228,833	6,515,287	1,362,367	4,496,100	1,173,104	3,639,461
Sales tax	-	-	-	-	316,440	1,066,496	381,343	1,100,021	4,421	10,641	2,500	4,283
Excise duty	-	-	-	-	-	-	-	63,352	-	-	-	-
Commission and discounts to distributors and customers	42,314	76,614	12,599	32,955	67,675	190,107	62,400	192,482	161,684	495,960	115,910	316,019
	42,314	76,614	12,599	32,955	384,115	1,256,603	443,743	1,355,855	166,105	506,601	118,410	320,302
Net sales, commission and toll income	4,796,104	13,067,575	5,415,260	16,290,455	1,982,579	5,699,906	1,785,090	5,159,432	1,196,262	3,989,499	1,054,694	3,319,159
Cost of sales - note 12 and 13	4,659,474	12,781,574	5,073,190	15,050,790	1,508,822	4,610,432	1,277,337	4,190,573	885,509	2,882,431	758,347	2,409,575
<b>Gross profit</b>	<b>136,630</b>	<b>286,001</b>	<b>342,070</b>	<b>1,239,665</b>	<b>473,757</b>	<b>1,089,474</b>	<b>507,753</b>	<b>968,859</b>	<b>310,753</b>	<b>1,107,068</b>	<b>296,347</b>	<b>909,584</b>
Selling and distribution expenses	17,499	59,973	16,052	47,993	21,029	62,975	21,061	78,167	168,511	528,380	169,183	467,754
Administration and general expenses - note 14	91,115	334,880	88,182	221,990	75,821	256,998	74,123	181,184	60,179	183,885	55,662	169,548
<b>Operating result</b>	<b>28,016</b>	<b>(108,852)</b>	<b>237,836</b>	<b>969,682</b>	<b>376,907</b>	<b>769,501</b>	<b>412,569</b>	<b>709,508</b>	<b>82,063</b>	<b>394,803</b>	<b>71,502</b>	<b>272,282</b>

Financial charges - note 15

Workers' profit participation fund

Workers' welfare fund

Other operating charges

Other operating income

**Profit before taxation**

Taxation - note 16

Profit after taxation from continuing operations

Profit after taxation from Discontinued operation (net of tax) - note 17

**Profit for the period**

**Basic and diluted earnings per share - Continuing operations**

**Basic and diluted earnings per share - Discontinued operation**

The annexed notes 1 to 22 form an integral part of the condensed interim consolidated financial information.

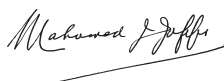


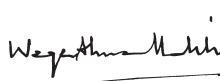
# Condensed Interim Consolidated Profit and Loss Account (Unaudited)

For the Quarter and Nine Months Period Ended September 30, 2012

Amounts in Rs ,000

Chemicals				Others - PowerGen				Group			
For the 3 months ended September 30, 2012	For the 9 months ended September 30, 2012	For the 3 months ended September 30, 2011	For the 9 months ended September 30, 2011	For the 3 months ended September 30, 2012	For the 9 months ended September 30, 2012	For the 3 months ended September 30, 2011	For the 9 months ended September 30, 2011	For the 3 months ended September 30, 2012	For the 9 months ended September 30, 2012	For the 3 months ended September 30, 2011 (Re presented/ restated)	For the 9 months ended September 30, 2011 (Re presented/ restated)
847,867	3,139,633	832,255	2,936,221	260,010	621,285	239,817	750,579	9,413,774	27,730,066	9,662,098	29,106,407
72,959	297,474	74,057	295,385	35,863	85,694	33,078	107,291	429,683	1,460,305	490,978	1,506,980
-	-	-	12,335	-	-	-	-	-	-	-	75,687
60,295	175,310	35,279	137,166	-	-	-	-	331,968	937,991	226,188	678,622
133,254	472,784	109,336	444,886	35,863	85,694	33,078	107,291	761,651	2,398,296	717,166	2,261,289
714,613	2,666,849	722,919	2,491,335	224,147	535,591	206,739	643,288	8,652,123	25,331,770	8,944,932	26,845,118
580,934	2,148,560	585,474	1,997,081	180,826	422,952	180,101	568,432	7,553,577	22,216,931	7,634,197	23,464,566
133,679	518,289	137,445	494,254	43,321	112,639	26,638	74,856	1,098,546	3,114,839	1,310,735	3,380,552
50,587	155,784	48,035	146,175	-	-	-	-	257,626	807,112	254,331	740,089
48,682	148,311	40,310	124,477	294	1,210	328	1,812	276,091	925,104	258,605	698,831
34,410	214,194	49,100	223,602	43,027	111,429	26,310	73,044	564,829	1,382,623	797,799	1,941,632
								54,462	224,805	114,718	153,513
								26,105	65,204	44,763	114,057
								10,217	25,250	16,489	43,354
								8,416	22,928	4,518	15,675
								99,200	338,187	180,488	326,599
								19,772	188,259	68,730	239,637
								485,401	1,232,695	686,041	1,854,670
								158,680	535,814	237,634	640,604
								326,721	696,881	448,407	1,214,066
								-	-	-	216,602
								326,721	696,881	448,407	1,430,668
								(Rupees)	(Rupees)		
								3.54	7.55	3.88	10.50
								-	-	-	1.87

  
M J Jaffer  
Chairman / Director

  
Waqar A Malik  
Chief Executive

  
Ali A Aga  
Director

**Condensed Interim Consolidated  
Statement of Comprehensive Income (Unaudited)**  
For the Quarter and Nine Months Period Ended September 30, 2012

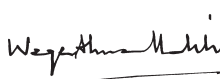
Amounts in Rs ,000

	For the 3 months ended September 30, 2012	For the 9 months ended September 30, 2012	For the 3 months ended September 30, 2011 <small>(Re presented/ restated)</small>	For the 9 months ended September 30, 2011 <small>(Re presented/ restated)</small>
<b>Profit for the period</b>	<b>326,721</b>	<b>696,881</b>	448,407	1,430,668
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>326,721</b>	<b>696,881</b>	448,407	1,430,668

The annexed notes from 1 to 22 form an integral part of these condensed interim unconsolidated financial information.



M J Jaffer  
Chairman / Director



Waqar A Malik  
Chief Executive



Ali A Aga  
Director

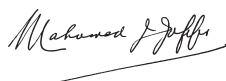
# Condensed Interim Consolidated Cash Flow Statement (Unaudited)

For the Nine Months Period Ended September 30, 2012

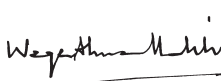
Amounts in Rs ,000

	September 30 2012	September 30 2011 (Re presented/ restated)
<b>Cash Flows from Operating Activities</b>		
Profit before taxation	1,232,695	2,187,216
Adjustments for:		
Depreciation and amortisation	836,608	816,216
(Gain) / loss on disposal of property, plant and equipment	(11,648)	1,811
Provision for non-management staff gratuity and eligible retired employees' medical scheme	52,657	53,857
Mark-up on bank deposits	(109,254)	(184,157)
Interest / mark-up expense	165,300	51,453
	2,166,358	2,926,396
Movement in:		
Working capital	(4,954,890)	(227,414)
Long-term loans	(25,102)	(49,029)
Long-term deposits and prepayments	(3,152)	(4,707)
Cash (used in) / generated from operations	(2,816,786)	2,645,246
Payments for :		
Non-management staff gratuity and eligible retired employees' medical scheme	(16,121)	(11,847)
Taxation	(669,426)	(1,105,903)
Interest / mark-up	(165,300)	(51,641)
Profit / mark-up received on bank deposits	122,495	183,310
Net cash (used in) / generated from operating activities	(3,545,138)	1,659,165
<b>Cash Flows from Investing Activities</b>		
Payments for capital expenditure	(1,853,157)	(497,803)
Proceeds from disposal of property, plant and equipment	14,221	4,583
Net cash used in investing activities	(1,838,936)	(493,220)
<b>Cash Flows from Financing Activities</b>		
Dividend paid	(763,420)	(1,602,326)
Net cash used in financing activities	(763,420)	(1,602,326)
Net decrease in cash and cash equivalents	(6,147,494)	(436,381)
Cash and cash equivalents at January 1	4,738,205	4,497,287
Cash and cash equivalents at September 30	(1,409,289)	4,060,906
<b>Movement in Working Capital (Increase) / decrease in current assets</b>		
Stores and spares	(20,730)	(50,411)
Stock-in-trade	(355,224)	(531,647)
Trade debts	(480,961)	(230,186)
Loans and advances	(40,726)	76,389
Trade deposits and short-term prepayments	34,109	118,210
Other receivables	19,551	(81,911)
	(843,981)	(699,556)
<b>(Decrease) / increase in current liability</b>		
Trade and other payables	(4,110,909)	472,142
	(4,954,890)	(227,414)
<b>Cash and cash equivalents at September 30 comprise of:</b>		
Cash and bank balances	725,885	4,091,475
Short-term financing - Note 9	(2,135,174)	(30,569)
	(1,409,289)	4,060,906

The annexed notes 1 to 22 form an integral part of the condensed interim consolidated financial information.



M J Jaffer  
Chairman / Director



Waqar A Malik  
Chief Executive



Ali A Aga  
Director

# Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)

For the Nine Months Period Ended September 30, 2012

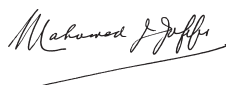
Amounts in Rs ,000

	Issued, subscribed and paid-up capital	Capital reserves	Unappropriated profit	Total
<b>Balance as on January 1, 2011</b>	<b>1,388,023</b>	<b>465,845</b>	<b>12,279,401</b>	<b>14,133,269</b>
<b>Changes in equity for 2011</b>				
Final dividend for the year ended December 31, 2010 @ Rs 12.00 per share, transactions with owners, recorded directly in equity	-	-	(1,665,628)	(1,665,628)
Total comprehensive income for the nine months ended September 30, 2011	-	-	1,430,668	1,430,668
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation	-	-	16,560	16,560
	-	-	1,447,228	1,447,228
Transferred to Akzo Nobel Pakistan Limited pursuant to the Scheme	(464,432)	(156,202)	(4,018,997)	(4,639,631)
Interim dividend for the year 2011 @ Rs 3.50 per share, transactions with owners, recorded directly in equity	-	-	(485,808)	(485,808)
<b>Balance as on September 30, 2011</b>	<b>923,591</b>	<b>309,643</b>	<b>7,556,196</b>	<b>8,789,430</b>
Total comprehensive income for the three months ended December 31, 2011	-	-	552,242	552,242
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation	-	-	8,438	8,438
	-	-	560,680	560,680
<b>Balance as on December 31, 2011</b>	<b>923,591</b>	<b>309,643</b>	<b>8,116,876</b>	<b>9,350,110</b>
<b>Changes in equity for 2012</b>				
Final dividend for the year ended December 31, 2011 @ Rs 5.50 per share, transactions with owners, recorded directly in equity *	-	-	(763,413)	(763,413)
Total comprehensive income for the nine months ended September 30, 2012	-	-	696,881	696,881
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred taxation	-	-	61,309	61,309
	-	-	758,190	758,190
Interim dividend for the year 2012 @ Rs 3.50 per share, transactions with owners, recorded directly in equity **	-	-	(323,257)	(323,257)
<b>Balance as on September 30, 2012</b>	<b>923,591</b>	<b>309,643</b>	<b>7,788,396</b>	<b>9,021,630</b>

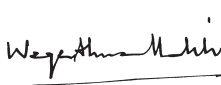
The annexed notes 1 to 22 form an integral part of the condensed interim consolidated financial information.

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

\*\* Interim dividend was declared post approval of demerger by High Court of Sindh on 92,359,050 shares.



M J Jaffer  
Chairman / Director



Waqar A Malik  
Chief Executive



Ali A Aga  
Director

# Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the Quarter and Nine Months Period Ended September 30, 2012

Amounts in Rs ,000

1. The condensed interim consolidated financial information comprises the consolidated balance sheet of ICI Pakistan Limited and its subsidiary company, ICI Pakistan PowerGen Limited, as at September 30, 2012 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof.
- 1.1 This condensed interim consolidated financial information has been prepared in condensed form in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and is being submitted to shareholders in accordance with the requirements of section 245 of Companies Ordinance, 1984. This condensed interim consolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual re presented financial statements as at and for the year ended December 31, 2011 after incorporating the effects of demerger.

## 1.2 Discontinued operation due to demerger of Paints Business

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

- 1.3 The accounting policies and methods of computation adopted for the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the re presented financial statements for the preceding year ended December 31, 2011 after incorporating the effects of demerger.

	September 30 2012	December 31 2011
<b>2. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating assets - at net book value	8,225,169	8,837,831
Capital work-in-progress - at cost		
Civil works and buildings	169,620	17,960
Plant and machinery	1,579,737	85,832
Miscellaneous equipment	105,487	29,655
Advances to suppliers / contractors	11,334	8,077
	<b>1,866,178</b>	141,524
	<b>10,091,347</b>	8,979,355

- 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, 2012:

	Additions / Transfers		Disposals	
	September 30 2012	September 30 2011	September 30 2012	September 30 2011
Buildings on freehold land	7,523	9,208	-	-
Limebeads on freehold land	-	12,847	-	-
Buildings on leasehold land	10,894	37,955	9,277	-
Plant and machinery	139,666	286,804	159,650	7,940
Rolling stock and vehicles	4,641	2,665	34,984	1,132
Furniture and equipment	43,910	67,346	21,950	136,262
	<b>206,634</b>	416,825	<b>225,861</b>	145,334

## 3. INTANGIBLE ASSETS

Intangible assets - at net book value - note 3.1	45,206	69,118
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- 3.1 This includes additions of intangible assets of Rs 0.50 million (December 31, 2011: Nil) during the period.

# Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the Quarter and Nine Months Period Ended September 30, 2012

Amounts in Rs ,000

	September 30 2012	December 31 2011
<b>4. LONG-TERM INVESTMENT</b>		
<i>Unquoted</i>		
Equity security available for sale - Arabian Sea Country Club Limited	2,500	2,500
<b>5. LONG-TERM LOANS - considered good</b>		
Due from Directors, Executives and Employees - note 5.1	243,045	213,446
Less: Current portion shown under current assets		
Due from Directors, Executives and Employees - note 5.1	59,280	54,783
	<b>183,765</b>	<b>158,663</b>
<b>5.1</b> This include loans for purchase of motor cars, motor cycles and house building assistance repayable between two to ten years. These are interest free loans granted to the employees in accordance with their terms of employment of the Company, which also comprise loans to key management personnel.		
<b>6. STOCK-IN-TRADE</b>		
Stocks amounting to Rs 686.629 million (December 31, 2011: Rs 30.024 million) are measured at net realisable value. As at September 30, 2012 stock has been written down by Rs 8.815 million (December 31, 2011: Rs 70.917 million) to arrive at its net realisable value.		
Stocks amounting to Rs 538.2 million (December 31, 2011: Rs 287.717 million) are held with third parties.		
<b>7. TRADE DEBTS</b>		
This includes Rs 23.989 million (December 31, 2011: Rs 6.135 million) receivable from Akzo Nobel Pakistan Limited.		
<b>8. OTHER RECEIVABLES</b>		
This includes Rs 1.693 million (December 31, 2011: Rs 82.237 million) receivable from various entities of Akzo Nobel N.V. An amount of Rs 403 million has been adjusted against the bills payable balance of the same supplier in the year 2011.		
<b>9. SHORT-TERM FINANCING</b>		
Running finances utilised under mark-up arrangements - note 9.1	2,135,174	-
<b>9.1</b> The facilities for running finance available from various banks amounted to Rs 3,940 million (31 December 2011: Rs 3,056 million) and carry mark-up during the period ranging from relevant KIBOR + 0.75% to 1.5% per annum with an average markup rate as at September 30, 2012 at relevant KIBOR + 1.01% (December 31, 2011: relevant KIBOR + 0.5% to 1.5% per annum with an average markup rate of relevant KIBOR + 1.00% per annum). The facilities are secured by hypothecation charge over the present and future stock-in-trade and book debts of the Group and first pari passu charge over plant and machinery of Soda Ash Business of the Group.		
<b>10. TRADE AND OTHER PAYABLES</b>		
This includes Rs Nil (December 31, 2011: Rs 3.609 billion) payable to Akzo Nobel Pakistan Limited. Also Rs 70.569 million (December 31, 2011: Rs 59.282 million) to various entities of Akzo Nobel N.V.		
<b>10.1</b> An amount of Rs 403 million has been adjusted against the receivable balance of the same customer in the year 2011.		
<b>11. CONTINGENCIES AND COMMITMENTS</b>		
<b>11.1</b> Claims against the Group not acknowledged as debts are as follows:		
Local bodies	102,261	80,846
Sales Tax authorities	-	492
Others	173,736	137,201
	<b>275,997</b>	<b>218,539</b>

# Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the Quarter and Nine Months Period Ended September 30, 2012

Amounts in Rs ,000

	September 30 2012	December 31 2011
<b>11.2</b> Guarantees issued by the Group in respect of financial and operational obligations of Lotte Pakistan PTA Limited pursuant to the Scheme of Arrangement, against which Lotte Pakistan PTA Limited and KP Chemicals Corporation Limited have issued counter guarantees to the Group.	<b>2,010,000</b>	2,100,000
<b>11.3</b> Guarantees issued by the Group in respect of financing obtained by Senior Executives, in accordance with the terms of employment.	<b>35,000</b>	35,000
<b>11.4</b> Commitments in respect of capital expenditure (including Coal Fired Boiler Project of Soda Ash Business)	<b>1,528,714</b>	133,470
<b>11.5</b> The Board of ICI Pakistan Limited reviewed the cost escalation of the Polymer Filter project and approved the revised cost of Rs 324.3 million in August, 2012 given the strategic importance of this quality improvement project for the Polyester business. The Company has signed a Design Services contract with Chemtex International Inc., and is in the process of negotiating an Equipment Supply contract with the same company.		
<b>11.6</b> Commitments for rentals under operating lease/ljarah contracts in respect of vehicles are as follows:		
<b>Year</b>		
2012	<b>15,304</b>	63,429
2013	<b>53,588</b>	51,141
2014	<b>35,752</b>	31,742
2015	<b>20,397</b>	12,351
2016	<b>2,888</b>	-
	<b>127,929</b>	158,663
Payable not later than one year	<b>57,148</b>	63,429
Payable later than one year but not later than five years	<b>70,781</b>	95,234
	<b>127,929</b>	158,663

**11.7** Outstanding foreign exchange contracts as at September 30, 2012 entered into by the Company to hedge the anticipated future transactions amounted to Rs 931.258 million (December 31, 2011 : Rs 720.173 million).

September 30, 2012		September 30, 2011	
For the 3 months ended	For the 9 months ended	For the 3 months ended (Re presented / restated)	For the 9 months ended (Re presented / restated)

## 12. TURNOVER

- 12.1** Inter-segment sales and purchases have been eliminated from the total.
- |  | 261,582 | 627,650 | 239,817 | 1,058,551 |
|--|---------|---------|---------|-----------|
|  |         |         |         |           |
- 12.2** Transactions among the business segments are recorded at arm's length prices using admissible valuation methods.
- 12.3** The inter-segment sales and purchases (between continued and discontinued operation) of Rs 239.817 million for the three months and Rs 1,058.551 million for the nine months period ended September 30, 2011 have been eliminated with consequent effect on the results of continued and discontinued operations.
- 12.4** Turnover includes export sales of Rs 214.3 million made to various countries during the nine months period ended September 30, 2012.
- 12.5** Turnover includes sales to Akzo Nobel Pakistan Limited amounting to Rs 401.652 million during the nine months period ended September 30, 2012.

# Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the Quarter and Nine Months Period Ended September 30, 2012

Amounts in Rs ,000

	September 30, 2012		September 30, 2011	
	For the 3 months ended	For the 9 months ended	For the 3 months ended (Re presented / restated)	For the 9 months ended (Re presented / restated)
<b>13. COST OF SALES</b>				
Opening stock of raw and packing materials	1,807,238	1,634,124	1,847,490	1,469,013
Purchases	5,381,485	14,599,723	4,986,394	16,388,451
	7,188,723	16,233,847	6,833,884	17,857,464
Closing stock of raw and packing materials	(2,210,093)	(2,210,093)	(1,623,809)	(1,623,809)
Raw and packing materials consumption	4,978,630	14,023,754	5,210,075	16,233,655
Manufacturing costs*	1,760,014	5,350,265	1,456,131	4,768,418
	6,738,644	19,374,019	6,666,206	21,002,073
Opening stock of work-in-process	213,571	220,246	187,996	37,578
	6,952,215	19,594,265	6,854,202	21,039,651
Closing stock of work-in-process	(131,465)	(131,465)	(212,023)	(212,023)
Cost of goods manufactured	6,820,750	19,462,800	6,642,179	20,827,628
Opening stock of finished goods	1,849,563	2,014,181	2,194,167	1,792,616
Finished goods purchased	765,481	2,622,167	595,860	2,642,331
	9,435,794	24,099,148	9,432,206	25,262,575
Closing stock of finished goods	(1,882,217)	(1,882,217)	(1,798,009)	(1,798,009)
	7,553,577	22,216,931	7,634,197	23,464,566

## 14. ADMINISTRATION AND GENERAL EXPENSES\*

### Demerger Cost

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

\* This includes certain administrative service charges in accordance with the service level agreement which have been eliminated from the total.

## 15. FINANCIAL CHARGES

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

## 16. TAXATION

Current	220,716	662,254	270,546	729,328
Deferred	(62,036)	(126,440)	(32,912)	(88,724)
	158,680	535,814	237,634	640,604

## 17. DISCONTINUED OPERATION DUE TO DEMERGER OF PAINTS BUSINESS

As disclosed in Note 1.1 the profit and loss account of discontinued operation from January to June 2011 is given below:

### Profit and loss

Net sales, commission and toll income	2,463,964
Cost of sales - note 17.1	(1,531,405)
Gross profit	932,559
Selling and distribution expenses	(411,946)
Administration and general expenses	(206,983)
Operating result	313,630
Financial charges	(8,547)
Other operating charges	(17,213)
Other operating income - note 17.3	44,676
Profit before taxation	332,546
Taxation	(115,944)
Profit after taxation	216,602

17.1 Purchases from ICI Pakistan Limited have been eliminated from the total. 307,972



# Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the Quarter and Nine Months Period Ended September 30, 2012

Amounts in Rs ,000

**17.2** The inter-segment sales and purchases (between continued and discontinued operation) of Rs 307.972 million for the nine months period ended September 30, 2011 have been eliminated with consequent effect on the results of continued and discontinued operations.

**17.3** Inter-unit interest income from ICI Pakistan Limited has been eliminated. 169,721

**17.4** Effects of demerger and discontinued operation due to Demerger of Paints business are given below:

	For the 3 months ended September 30, 2011				
	Previously Reported	Continued Operation	Effects of demerger #	Total	Change
	A	B	C	D=B+C	E=D-A
Net sales and Commission income (a)	10,000,853	8,944,932	1,236,884	10,181,816	180,963
Cost of sales (a)	(8,276,404)	(7,634,197)	(823,170)	(8,457,367)	(180,963)
<b>Gross profit</b>	<b>1,724,449</b>	<b>1,310,735</b>	<b>413,714</b>	<b>1,724,449</b>	-
Selling and distribution expenses	(448,808)	(254,331)	(194,477)	(448,808)	-
Administration and general expenses	(350,538)	(258,605)	(91,933)	(350,538)	-
<b>Operating result</b>	<b>925,103</b>	<b>797,799</b>	<b>127,304</b>	<b>925,103</b>	-
Financial charges (b)	(40,590)	(114,718)	(261)	(114,979)	(74,389)
Other Operating charges	(78,502)	(65,770)	(12,732)	(78,502)	-
Other operating income (b)	76,793	68,730	82,452	151,182	74,389
<b>Profit before taxation</b>	<b>882,804</b>	<b>686,041</b>	<b>196,763</b>	<b>882,804</b>	-
Taxation	(304,634)	(237,634)	(67,000)	(304,634)	-
<b>Profit after taxation</b>	<b>578,170</b>	<b>448,407</b>	<b>129,763</b>	<b>578,170</b>	-

	For the 9 months ended September 30, 2011					
	Previously Reported	Continued Operation	Discontinued Operation (Paints) Jan-June 2011	Effects of demerger # Jul-Sep 2011	Total	Change
	A	B	C	D	E=B+C+D	F=E-A
Net sales and Commission income (a)	30,365,003	26,845,118	2,463,964	1,236,884	30,545,966	180,963
Cost of sales (a)	(25,638,178)	(23,464,566)	(1,531,405)	(823,170)	(25,819,141)	(180,963)
<b>Gross profit</b>	<b>4,726,825</b>	<b>3,380,552</b>	<b>932,559</b>	<b>413,714</b>	<b>4,726,825</b>	-
Selling and distribution expenses	(1,346,512)	(740,089)	(411,946)	(194,477)	(1,346,512)	-
Administration and general expenses	(997,747)	(698,831)	(206,983)	(91,933)	(997,747)	-
<b>Operating result</b>	<b>2,382,566</b>	<b>1,941,632</b>	<b>313,630</b>	<b>127,304</b>	<b>2,382,566</b>	-
Financial charges (b)	(87,932)	(153,513)	(8,547)	(261)	(162,321)	(74,389)
Other Operating charges	(203,031)	(173,086)	(17,213)	(12,732)	(203,031)	-
Other operating income (b)	292,376	239,637	44,676	82,452	366,765	74,389
<b>Profit before taxation</b>	<b>2,383,979</b>	<b>1,854,670</b>	<b>332,546</b>	<b>196,763</b>	<b>2,383,979</b>	-
Taxation	(823,548)	(640,604)	(115,944)	(67,000)	(823,548)	-
<b>Profit after taxation</b>	<b>1,560,431</b>	<b>1,214,066</b>	<b>216,602</b>	<b>129,763</b>	<b>1,560,431</b>	-

(a) Inter business sales / purchases between Paints and Non-Paints businesses for the third quarter have been re-instated which were eliminated in pre demerger financial statements on account of business segment consolidation.

(b) Inter unit interest income / expenses between Paints and Non-Paints businesses amounting to Rs 74.389 million have been reinstated which were eliminated from the total in the pre demerger financial statements on account of business segment consolidation.

# Results of Paints business post demerger has been transferred to Akzo Nobel Pakistan Limited.

# Notes to the Condensed Interim Consolidated Financial Information (Unaudited)

For the Quarter and Nine Months Period Ended September 30, 2012

Amounts in Rs ,000

September 30, 2012		September 30, 2011	
For the 3 months ended	For the 9 months ended	For the 3 months ended (Re presented / restated)	For the 9 months ended (Re presented / restated)

## 18. TRANSACTIONS WITH RELATED PARTIES

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

### Associated Companies

Purchase of goods, materials and services	5,174	13,490	57	72,069
Provision of services and other receipts	2,538	3,471	324	773
Sale of goods and materials	31,642	119,896	29,013	103,781
Contribution to staff retirement benefit plans	16,014	201,001	44,885	144,766
Dividends	-	578,760	368,302	1,631,051
Donations	-	6,000	-	-
Paid to Akzo Nobel Pakistan Limited in respect of inter-unit current account	3,686,810	3,686,810	-	-

### 18.1 Transaction with key management personnel

Key management personnel received an amount of Rs 309.289 million (September 30, 2011: Rs 178.793 million) on account of remuneration out of which Rs 22.634 million (September 30, 2011: Rs 21.606 million) relates to post employment benefits.

## 19. ESTIMATES

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

## 20. FINANCIAL RISK MANAGEMENT

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

## 21. DATE OF AUTHORISATION

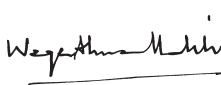
This condensed interim consolidated financial information was authorised for issue in the Board of Directors meeting held on October 23, 2012.

## 22. GENERAL

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



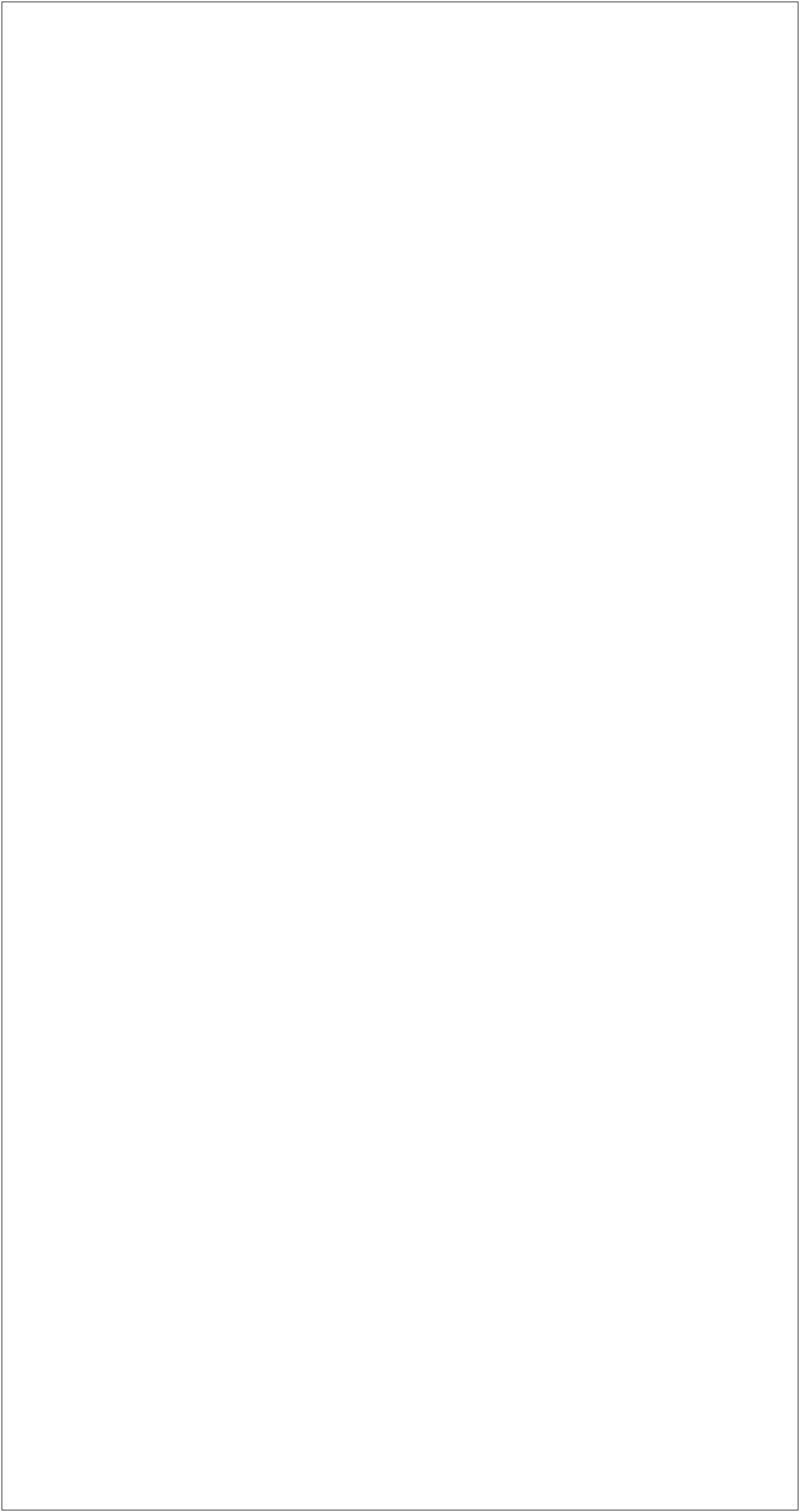
M J Jaffer  
Chairman / Director



Waqar A Malik  
Chief Executive



Ali A Aga  
Director



## **ICI Pakistan Limited is now part of the AkzoNobel Group**

AkzoNobel is the largest global paint and coatings company and a major producer of specialty chemicals. We supply industries and consumers worldwide with innovative products and are passionate about developing sustainable answers for our customers. Our portfolio includes well known brands such as Dulux, Sikkens, International and Eka. Headquartered in Amsterdam, the

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

To learn more, visit the AkzoNobel Corporate Website

### **A publication of the Corporate Communications & Public Affairs Department**

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