

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

BORIS POZNIAK, Individually and on Behalf of
All Others Similarly Situated,

Plaintiff,

vs.

IMPERIAL CHEMICAL INDUSTRIES PLC,
BRENDAN R. O'NEILL and PAUL J. DRECHSLER,

Defendants.

Civil Case No. 1:03cv2457 (NRB)

(All Actions Consolidated Under This File Number)

VUAY PURI, Individually and on Behalf of
All Others Similarly Situated,

Plaintiff,

vs.

IMPERIAL CHEMICAL INDUSTRIES PLC,
BRENDAN R. O'NEILL and PAUL J. DRECHSLER,

Defendants.

Civil Case No. 1:03cv3234 (NRB)

THE ESHE FUND, Individually and on Behalf of
All Others Similarly Situated,

Plaintiff,

vs.

IMPERIAL CHEMICAL INDUSTRIES PLC,
BRENDAN R. O'NEILL and PAUL J. DRECHSLER,

Defendants.

Civil Case No. 1:03cv4138 (NRB)

**NOTICE OF PENDENCY OF CLASS ACTION,
HEARING ON PROPOSED SETTLEMENT, MOTION FOR ATTORNEYS' FEES,
AND RIGHT TO SHARE IN SETTLEMENT FUND**

TO: ALL PERSONS OR ENTITIES WHO PURCHASED IMPERIAL CHEMICAL INDUSTRIES, PLC ("ICI") AMERICAN DEPOSITORY SHARES ("ADS") LISTED ON THE NEW YORK STOCK EXCHANGE ("NYSE") DURING THE PERIOD FROM AUGUST 1, 2002 THROUGH AND INCLUDING MARCH 24, 2003 ("CLASS PERIOD")

PLEASE READ THIS ENTIRE NOTICE CAREFULLY. IF YOU ARE A CLASS MEMBER (AS DEFINED IN SECTION III, BELOW), YOUR RIGHTS WILL BE AFFECTED BY THESE PROCEEDINGS AND YOU MAY BE ENTITLED TO RECEIVE BENEFITS UNDER A PROPOSED SETTLEMENT.

CLAIM DEADLINE: ALL PROOF OF CLAIM FORMS MUST BE POSTMARKED ON OR BEFORE OCTOBER 18, 2006.

EXCLUSION DEADLINE: ALL REQUESTS TO BE EXCLUDED FROM THE CLASS MUST BE POSTMARKED ON OR BEFORE AUGUST 28, 2006.

SECURITIES BROKERS AND OTHER NOMINEES: PLEASE SEE INSTRUCTIONS IN SECTION XIV, BELOW.

I. SUMMARY OF SETTLEMENT AND RELATED MATTERS

Purpose of this Notice

1. This Notice is given pursuant to Rule 23 of the Federal Rules of Civil Procedure, and an Order of the Court dated May 31, 2006. The purpose of this Notice is to inform you that the above-captioned action (the "Action"), and the proposed Settlement, will affect all Class Members' rights. This Notice describes rights you may have under the proposed Settlement and what steps you may take in relation to this Action. This Notice is not an expression of any opinion by the Court as to the merits of any claims or any defenses asserted by any party in this Action, or the fairness or adequacy of proposed Settlement ("Settlement") of the Action as set forth in the Stipulation and Agreement of Settlement dated May 9, 2006 (the "Stipulation").

Statement of Lead Plaintiffs' Recovery

2. Under the federal securities laws, a claimant's recoverable damages are limited to the losses attributable to the alleged securities law violations. Losses that resulted from factors other than an alleged securities law violation (e.g., losses which resulted from overall stock market declines) are not recoverable from the Settlement Fund.
3. "Lead Plaintiffs" are Eugene M.J. Pugatch, Stephen Schendel and the Elysian Fund. Plaintiffs' Co-Lead Counsel (as defined below) estimate that there were approximately 6.3 million ICI ADS traded during the Class Period which may have been damaged as a result of the alleged wrongdoing described in Section IV, below. Defendants in the Action have agreed to pay \$3,800,000 (the "Settlement Amount") into an interest-bearing account for the benefit of the Class (the "Settlement Escrow Account"). The Settlement Amount, together with all accrued interest and any other income earned by the Settlement Escrow Account, is the Settlement Fund. Plaintiffs' Co-Lead Counsel estimate that the average recovery per allegedly damaged ADS is 60.3¢, before deduction of notice and administration expenses and attorneys' fees and expenses as may be awarded by the Court to Plaintiffs' Co-Lead Counsel and the Lead Plaintiffs and not including interest earned on the Settlement Amount. However, depending on the actual number of claims submitted, a Class Member may receive more or less than this average amount. Payments to Class Members will be allocated from the Settlement Fund under the Plan of Allocation described below, or such other Plan of Allocation as may be approved by the Court.

Statement of Potential Outcome of Case

4. The parties disagreed on both liability and damages, and do not agree on the average amount of damages per share that would be recoverable if Lead Plaintiffs ultimately were to prevail on each claim alleged. The issues on which the parties disagree include: whether Defendants made any statement or omission that could be considered materially false or misleading; whether there was any proof that any alleged misstatement or omission by Defendants was made with the requisite fraudulent intent; the amount (if any) by which ICI ADS were allegedly artificially inflated during the Class Period; the effect of various market forces influencing the trading price of ICI ADS during the Class Period; the extent to which external factors, such as general market and industry conditions, influenced the trading price of ICI ADS during the Class Period; the extent to which the various matters that Lead Plaintiffs alleged were materially false or misleading influenced the trading price of ICI ADS during the Class Period; the extent to which the various allegedly adverse material facts that Lead Plaintiffs alleged were omitted influenced the trading price of ICI ADS during the Class Period; whether the statements made or facts allegedly omitted were material or otherwise actionable under the federal securities laws and whether any Defendants are liable in any respect based on any of the allegations of the Second Amended Consolidated Class Action Complaint ("Complaint") in this Action.
5. Plaintiffs' Co-Lead Counsel considered that there was a substantial risk that Lead Plaintiffs and the Class might not have prevailed on any or all of their claims, and that there were risks that the decline in the price of ICI ADS could be attributed, in whole or in part, to other factors at various times during the Class Period. Therefore, Lead Plaintiffs could have recovered nothing or substantially less than the amount of the Settlement.
6. Defendants have denied and continue to deny each and all of the claims and contentions alleged in this Action. Defendants have expressly denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged in this Action. Defendants further deny and continue to deny, inter alia, the allegations that Defendants made any material misstatement or omission, that Defendants acted with fraudulent intent, that the Lead Plaintiffs or Class Members have suffered damage, that the price of ICI ADS was artificially inflated (by reason of any conduct by Defendants or otherwise), or that any person or entity was harmed by the conduct alleged in this action. Defendants believe that they had meritorious defenses to the allegations set forth in this action. Nevertheless, Defendants have concluded that further litigation would be protracted and expensive, and have further taken into consideration the uncertainty and risks inherent in any litigation, particularly in complex cases of this kind. Defendants have therefore concluded that it is desirable that this litigation be settled in the manner and upon the terms and conditions set forth in the Stipulation.

Statement of Attorneys' Fees and Costs Sought

7. Plaintiffs' Co-Lead Counsel intend to apply for an award of attorneys' fees out of the Settlement Fund not to exceed one-third (33 1/3%) of the Settlement Fund, and for reimbursement of expenses incurred in prosecuting this Action in the approximate amount of \$100,000. The requested fees and expenses would amount to an average of 21.7¢ per allegedly damaged ADS in total for fees and expenses. Plaintiffs' Co-Lead Counsel have expended considerable time and effort in prosecuting this litigation. Plaintiffs' Co-Lead Counsel have litigated this case on a contingent fee basis, meaning that they have advanced all of the costs and expenses of the action with the expectation that, if they were successful in obtaining a recovery for the Class, they would be paid from that recovery. It is common in this type of litigation for counsel to receive a percentage of the common fund recovery as their attorneys' fees. However, the Court may also base its award of attorneys' fees on the hours expended in this litigation multiplied by the hourly rate of the attorneys who worked on the case. The Court has not indicated which method it will apply in this case.

Reasons Supporting Lead Plaintiffs' Participation in the Settlement

8. The principal reason for the Settlement in the Lead Plaintiffs' view is the certain benefit to be provided to the Class (defined below) now. This certain benefit must be compared to the risk that even after a contested trial and likely appeals, possibly years into the future no recovery would be achieved. Defendants' Counsel were prepared to introduce evidence that amongst other things, would purportedly rebut the allegations made against Defendants in the Action, including introducing evidence that would rebut the allegations that Defendants made any material misstatements or omissions or acted with the required fraudulent intent, and that would demonstrate that any fluctuation in the trading price of ICI ADS during much of the Class Period was not based on the alleged material misstatements or omissions made by Defendants but rather on general industry and market forces. Although Lead Plaintiffs were prepared to counter this evidence, it is uncertain which side a jury would have believed, or what amount of damage, if any, a jury would have awarded.

Further Information

9. Further information regarding this Action and Notice may be obtained from Plaintiffs' Co-Lead Counsel: George A. Bauer, III, Milberg Weiss Bershad & Schulman, LLP, One Pennsylvania Plaza, New York, New York 10119-0165 and Samuel H. Rudman, Lerach Coughlin Stoia Geller Rudman & Robbins LLP, 58 South Service Road, Suite 200, Melville, New York 11747.

II. NOTICE OF SETTLEMENT FAIRNESS HEARING

10. NOTICE IS HEREBY GIVEN, pursuant to an Order of the United States District Court for the Southern District of New York (the "Court") that a hearing will be held before the Honorable Naomi Reice Buchwald in the United States Courthouse, 500 Pearl Street, New

York, New York, at 9:15 a.m., on September 18, 2006 (the “Settlement Fairness Hearing”) to determine whether the proposed Settlement of the Action as set forth in the Stipulation, is fair, reasonable and adequate, and also to consider the proposed Plan of Allocation for the Settlement proceeds and the application of Plaintiffs’ Co-Lead Counsel for attorneys’ fees and reimbursement of expenses out of the Settlement Fund.

III. CLASS DEFINITION

11. By Order of the Court, this action was preliminarily certified as a class action on behalf of a Plaintiff Class consisting of all persons or entities who purchased ICI ADS listed on the New York Stock Exchange between August 1, 2002 to March 24, 2003, inclusive, and who were damaged thereby (the “Class” or “Class Members”).
12. Excluded from the Class are Defendants, persons serving as officers and directors of ICI or its subsidiaries during the relevant time period, members of their immediate families, and their legal representatives, heirs, successors or assigns, and/or any entity in which Defendants have or had a controlling interest. Also excluded from the Class are any putative Class Members who exclude themselves by timely submitting a request for exclusion in accordance with the requirements set forth in Section VIII, below.

IV. BACKGROUND OF THE LITIGATION

13. ICI is a corporation organized under the laws of the United Kingdom of Great Britain. The ICI family of companies produce a variety of products, including specialty products and paints. ICI’s companies market their products globally.

Lead Plaintiffs’ Allegations

14. Lead Plaintiffs make the following allegations. In the Spring of 2002, ICI’s subsidiary, Quest, attempted to implement a new supply chain management software system (“Q-Star”). This implementation compounded existing supply chain and manufacturing process problems at Quest. Beginning on August 1, 2002, and periodically thereafter during the Class Period, Defendants issued statements which were materially false and misleading with respect to the scope and impact of the problems with Q-Star and also omitted material facts regarding Q-Star which should have been disclosed. Additionally, another ICI subsidiary, National Starch, failed to disclose material facts regarding its supply of raw materials.
15. On March 24, 2003, ICI issued a profit warning stating that due in part to a loss of business at Quest and increases in raw material prices at National Starch, ICI’s results for the first quarter of 2003 would be lower than the same quarter for the prior year. As a result of this announcement, the price of ICI ADS fell from \$9.60 on March 24 to a close of \$6.05 on March 25, 2003.

Procedural History

16. This litigation began with the filing of three separate class actions by investors, in April 2003, which were then consolidated into a single case by Orders of the Court dated August 27, 2003 and January 5, 2004. The Consolidated Amended Class Action Complaint (“First Consolidated Complaint”) was filed and served on December 5, 2003, alleging, among other things, that Defendants issued materially false and misleading statements during the period August 1, 2002 to March 24, 2003 in violation of Sections 10(b) and 20 of the Securities Exchange Act of 1934 (the “1934 Act”).
17. On February 3, 2004, Defendants moved to dismiss the First Consolidated Complaint. The Court issued an Order, dated September 24, 2004, granting Defendants’ motion in part and denying it in part. The Court dismissed, on jurisdictional grounds, claims by foreign or non-resident citizens who purchased their shares outside the United States.
18. The Second Amended Consolidated Class Action Complaint (“Complaint”) was filed and served on October 28, 2004, alleging, among other things, that Defendants issued materially false and misleading statements during the period August 1, 2002 to March 24, 2003 in violation of sections 10(b) and 20 of the 1934 Act.
19. On December 22, 2004, Defendants filed their motion for partial dismissal of the Complaint or for a more definite statement. The motion has been withdrawn without prejudice pending completion of the Settlement described herein.

V. BACKGROUND OF THE SETTLEMENT

20. Prior to entering into the Stipulation, Plaintiffs’ Co-Lead Counsel conducted a thorough investigation relating to the events and transactions underlying Lead Plaintiffs’ claims.
21. Plaintiffs’ Co-Lead Counsel’s decision to enter into this Settlement, which has been approved by the Lead Plaintiffs, was made with knowledge of the facts, circumstances, strengths and weaknesses of Lead Plaintiffs’ claims and Defendants’ defenses and took into account the substantial expense and length of time necessary to prosecute the Action through trial, post-trial motions, and likely appeals as well as the significant uncertainties in predicting the outcome of this complex litigation.
22. Plaintiffs’ Co-Lead Counsel believe that the Settlement described herein confers very substantial benefits upon the Class. Based upon their consideration of all of these factors, Lead Plaintiffs and Plaintiffs’ Co-Lead Counsel have concluded that it is in the best interest of Lead Plaintiffs and the Class to settle the Action on the terms described herein.
23. Lead Plaintiffs recognized the uncertainty and the risk of the outcome of any litigation, especially complex litigation such as this, and the difficulties and risks inherent in the trial of such an action. Lead Plaintiffs desired to settle the claims of the Class against Defendants on the terms and conditions described herein which provide substantial benefits to the Class. Plaintiffs’ Co-Lead Counsel deem such settlement to be fair, reasonable and adequate, and in the best interests of the members of the Class.
24. Defendants have denied and continue to deny each and all of the claims and contentions alleged in this action. Defendants have expressly denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged in the Action. Defendants further have denied and continue to deny, inter alia, the allegations that the Lead Plaintiffs or Class Members have suffered damage, that the price of ICI ADS was artificially inflated (by reason of any conduct by Defendants or otherwise), or that any person or entity was harmed by the conduct alleged in the Action. Defendants further believe that they had meritorious defenses to the allegations set forth in the Action. Nevertheless, Defendants have concluded that further litigation would be protracted and expensive, and have further taken into consideration the uncertainty and risks inherent in any litigation,

particularly in complex cases of this kind. Defendants have therefore concluded that it is desirable that this litigation be settled in the manner and upon the terms and conditions set forth in the Stipulation.

25. The amount of damages, if any, that Lead Plaintiffs could prove was also a matter of serious dispute, and the Settlement's use of a Recognized Claim (defined below) formula for distributing the Settlement proceeds does not constitute a finding, admission or concession that provable damages could be measured by the Recognized Claim formula. No determination has been made by the Court as to liability or the amount, if any, of damages suffered by the Class, nor on the proper measure of any such damages. The determination of damages, like the determination of liability, is a complicated and uncertain process, typically involving conflicting expert opinions. During the course of the Action, Defendants, in addition to denying any liability, disputed that Lead Plaintiffs and the Class were damaged by any wrongful conduct on the part of Defendants. The Settlement herein provides an immediate and substantial cash benefit and avoids the risks that liability or damages might not have been proven at trial.
26. The Court has not determined the merits of the Lead Plaintiffs' claims or the defenses thereto. This Notice does not imply that there has been or would be any finding of violation of the law or that recovery could be had in any amount if the Action were not settled.

VI. TERMS OF THE SETTLEMENT

27. In full and complete settlement of the claims that have or could have been asserted in the Action, and subject to the terms and conditions of the Stipulation, Defendants have paid into an escrow account \$3.8 million (\$3,800,000), which is earning interest for the benefit of the Class.
 28. Pursuant to the Settlement, and on the Effective Date (defined below), the Lead Plaintiffs and the Class Members, on behalf of themselves, their heirs, executors, administrators, successors and assigns shall be deemed to have, and by operation of the Order and Final Judgment shall have fully, finally and forever released, relinquished, abandoned and discharged, and shall forever be enjoined from prosecuting the Released Parties (defined below) with respect to each and every Settled Claim (defined below).
 29. "Released Parties" means Defendants and each of their present and former parents, present and former subsidiaries, present and former divisions and affiliates, and each of their respective present or former officers, directors, and employees, and their present or past heirs, executors, estates, administrators, predecessors, successors, assigns, attorneys, insurers, coinsurers and reinsurers.
 30. "Settled Claims" means any and all claims, rights, demands, causes of action, suits, including Unknown Claims, against the Released Parties by any member of the Class (i) that are or were asserted in this Action by the Lead Plaintiffs or the Class Members or any of them against any of the Released Parties, or (ii) that could have been asserted by the Lead Plaintiffs or the Class Members in any forum against any of the Released Parties that arise from, are based upon, or relate to the subject matter of the Action or the factual allegations of the Complaint and that relate to the purchase of ICI ADS during the Class Period, whether any such claim was or could have been asserted by the Lead Plaintiffs, the Class Members or any of them on their own behalf or on behalf of other Class Members. "Settled Claims" does not mean or include claims, if any, against the Released Parties arising under the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001, *et seq.* ("ERISA") which are not common to all Class Members.
 - (a) "Unknown Claims" means (i) any and all Settled Claims that any Lead Plaintiff or Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Parties including, without limitation, claims that if known by him, her or it might have affected his, her or its decision(s) to settle with and release the Released Parties or not to object to the Settlement, and (ii) any and all Settled Defendants' Claims that any Released Party does not know or suspect to exist in his, her, or its favor, including, without limitation, claims that if known by him, her, or it might have affected his, her or its decision(s) with respect to the Settlement. With respect to any and all Settled Claims and Settled Defendants' Claims, the parties stipulate and agree that, upon the Effective Date, the Lead Plaintiffs and the Released Parties shall have expressly, and all Class Members on behalf of themselves, their heirs, executors, administrators, successors, and assigns shall be deemed to have, and by operation of the Order and Final Judgment shall have, waived and relinquished to the fullest extent provided by law the provisions, rights and benefits of Section 1542 of the California Civil Code, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.
 - Also, with respect to any and all Settled Claims, the Lead Plaintiffs and all Class Members on behalf of themselves, their heirs, executors, administrators, successors and assigns shall, and with respect to any and all Settled Defendants' Claims, the Released Parties shall, be deemed to and by operation of the Order and Final Judgment shall, waive any and all provisions, rights, and benefits conferred by the law of any state or territory of the United States or any other jurisdiction, or principle of common law, which is similar, comparable or equivalent to Cal. Civ. Code § 1542. The Lead Plaintiffs, Class Members and Released Parties may hereafter discover facts in addition to or different from those which they now know or believe to be true with respect to the subject matter of the Settled Claims or Settling Defendants' Claims but hereby stipulate and agree that the Lead Plaintiffs, Class Members and Released Parties, and all of their heirs, executors, administrators, successors and assigns, do, and by operation of the Order and Final Judgment shall, upon the Effective Date, fully, finally and forever settle and release any and all Settled Claims and Settling Defendants' Claims, respectively, known or unknown, suspected or unsuspected, contingent or non-contingent, which now exist, or heretofore have existed upon any theory of law or equity, including, but not limited to, conduct which is negligent, intentional, with or without malice, or breach of any duty, law, or rule of any jurisdiction, without regard to subsequent discovery or existence of such different or additional facts. Lead Plaintiffs and Settling Defendants acknowledge, and Class Members and Released Parties by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Settled Claims and Settling Defendants' Claims was separately bargained for and was a key element of the Settlement of which the releases are a part.
 - (b) "Settled Defendants' Claims" means any and all claims, including Unknown Claims, rights, demands, causes of action or suits by any Released Party against any of the Lead Plaintiffs, Class Members or their attorneys, which arise out of or relate to the institution, prosecution, or settlement of the Action, except claims arising out of or relating to the obligations of the Plaintiffs, Class Members, or their attorneys embodied in this Stipulation or the implementation or enforcement of this Stipulation or the Settlement of the Action.
31. The Settlement will become effective at such time as an Order and Final Judgment entered by the Court approving the Settlement shall become final and not subject to Appeal (the "Effective Date").

VII. THE RIGHTS OF CLASS MEMBERS

32. If you are a Class Member, you have the following options pursuant to Rule 23(c)(2) of the Federal Rules of Civil Procedure:
- If you wish to remain a member of the Class, you may share in the proceeds of the Settlement, provided that you submit an acceptable Proof of Claim and Release ("Proof of Claim") by following the instructions in Section X, below. If you submit a valid Proof of Claim form, you WILL be bound by this Settlement and you WILL be entitled to a share of the Settlement Fund. You are not required to retain your own counsel, but may do so at your own expense. If you choose to retain independent counsel, he/she must file an appearance on your behalf by August 28, 2006, and must serve copies of his/her appearance on Plaintiffs' Co-Lead Counsel;
 - If you do not wish to remain a member of the Class, you may exclude yourself from the Class by following the instructions in Section VIII, below. Persons or entities who exclude themselves from the Class will NOT be bound by this Settlement, but will NOT receive any share of the Settlement Fund. If you are a Class Member and you do not properly exclude yourself from the Class, you will be bound by the Settlement and the Order and Final Judgment of the Court, even if you do not submit a Proof of Claim;
 - If you object to the Settlement, or to Plaintiffs' Co-Lead Counsel's application for fees and expenses, but do not exclude yourself from the Class, you may present your objections under the procedures described in Section XI, below.

VIII. EXCLUSION FROM THE CLASS

33. Each Member of the Class will be bound by all determinations and judgments in this Action concerning the Settlement, whether favorable or unfavorable, unless he/she sends a written request for exclusion from the Class by first class mail to:

Imperial Chemical Securities Litigation - EXCLUSIONS
c/o Rust Consulting, Inc. Claims Administrator
Post Office Box 24644
West Palm Beach, FL 33416

34. All requests to be excluded from the Class must be postmarked on or before August 28, 2006.
35. In order to be valid, a request for exclusion must clearly state the name and address of the person or entity seeking exclusion, contain a request to be excluded from the Class in Pozniak v. Imperial Chemical Industries, PLC, et al., Civil Action No. 1:03cv2457, and bear the signature of the person or entity seeking exclusion, or the signature of his/her authorized representative. Persons and entities requesting exclusion are directed to also provide the following information: their telephone number, the date(s), price(s), and number(s) of shares of all purchases and sales of ICI ADS during the Class Period. The request for exclusion shall not be effective unless the request for exclusion provides the required information and is made within the time stated above, or the exclusion is otherwise accepted by the Court.

IX. PLAN OF ALLOCATION

36. In accordance with the Plan of Allocation set forth herein, the Settlement Fund, less all taxes, approved costs, Court awarded attorneys' fees and expenses (the "Net Settlement Fund"), will be distributed to Class Members who submit timely and acceptable Proofs of Claim ("Authorized Claimants").
37. Each Authorized Claimant will be allocated a pro rata share of the Net Settlement Fund based on his/her Recognized Claim as compared to the total Recognized Claims of all Authorized Claimants. The Recognized Claim formula is not intended to be an estimate of the amount that a Class Member might have been able to recover after trial; nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Claim formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants.
38. An Authorized Claimant's "Recognized Claim" shall mean the amount determined in accordance with the following Recognized Claim formula:
- For ICI ADSs purchased on the NYSE between August 1, 2002 and October 30, 2002, inclusive, and:
 - sold between August 1, 2002 and the close of business on March 24, 2003, inclusive, the "Recognized Claim" per ADS shall mean zero.
 - sold between March 25, 2003 and June 20, 2003, inclusive, the "Recognized Claim" per ADS shall mean the least of:
 - \$0.43¹ per ADS; or
 - The purchase price paid (including commissions, etc.) (the "PPP") less the sales proceeds received (net of commissions, etc.) (the "SPR"); or
 - The PPP less the average daily closing price from the end of the Class Period to the date of the sale (as shown in the chart below).
 - held at the close of business on June 20, 2003, the "Recognized Claim" per ADS shall mean the lesser of:
 - \$0.43 per ADS; or
 - The PPP less \$8.26² per ADS.
 - For ICI ADSs purchased on the NYSE between October 31, 2002 and March 24, 2003, inclusive, and:
 - sold between October 31, 2002 and the close of business on March 24, 2003, inclusive, the "Recognized Claim" per ADS shall mean zero.
 - sold between March 25, 2003 and June 20, 2003, inclusive, the "Recognized Claim" per ADS shall mean the least of:
 - \$0.85³ per ADS; or
 - The PPP less the SPR; or
 - The PPP less the average daily closing price from the end of the Class Period to the date of the sale (as shown in the chart below).
 - held at the close of business on June 20, 2003, the "Recognized Claim" per ADS shall mean the lesser of:
 - \$0.85 per ADS; or
 - The PPP less \$8.26 per ADS.

¹ \$0.43 is the portion of the price per ADS which, in the opinion of Plaintiffs' damages expert, is attributable to the alleged artificial inflation from August 1, 2002 (the start of the Class Period) to October 30, 2002 (the day before ICI's October 31, 2002 announcement).

² \$8.26 was the average closing price per ADS for the ninety-day period following the end of the Class Period.

³ \$0.85 is the portion of the drop in the price per ADS which, in the opinion of Plaintiffs' damages expert, is attributable to the correction of the alleged artificial inflation at the time of the corrective disclosure at the end of the Class Period (before the opening of trading on March 25, 2003).

AVERAGE DAILY CLOSING PRICE FROM THE END OF THE CLASS PERIOD TO THE DATE OF THE SALE

<u>Date</u>	<u>Closing Price</u>	<u>Moving Average Closing Price since end of Class Period</u>	<u>Date</u>	<u>Closing Price</u>	<u>Moving Average Closing Price since end of Class Period</u>	<u>Date</u>	<u>Closing Price</u>	<u>Moving Average Closing Price since end of Class Period</u>
25-Mar-03	\$6.050	\$6.050	24-Apr-03	\$8.170	\$6.916	23-May-03	\$9.150	\$7.772
26-Mar-03	\$6.250	\$6.150	25-Apr-03	\$8.000	\$6.963	27-May-03	\$9.160	\$7.803
27-Mar-03	\$6.600	\$6.300	28-Apr-03	\$8.190	\$7.015	28-May-03	\$9.300	\$7.837
28-Mar-03	\$6.380	\$6.320	29-Apr-03	\$8.450	\$7.072	29-May-03	\$9.070	\$7.863
31-Mar-03	\$6.000	\$6.256	30-Apr-03	\$8.400	\$7.123	30-May-03	\$9.200	\$7.892
1-Apr-03	\$5.820	\$6.183	1-May-03	\$7.990	\$7.155	2-Jun-03	\$9.220	\$7.920
2-Apr-03	\$6.210	\$6.187	2-May-03	\$8.320	\$7.197	3-Jun-03	\$9.150	\$7.945
3-Apr-03	\$6.370	\$6.210	5-May-03	\$8.360	\$7.237	4-Jun-03	\$9.390	\$7.974
4-Apr-03	\$6.400	\$6.231	6-May-03	\$8.480	\$7.278	5-Jun-03	\$9.300	\$8.000
7-Apr-03	\$6.580	\$6.266	7-May-03	\$8.430	\$7.315	6-Jun-03	\$9.860	\$8.035
8-Apr-03	\$6.450	\$6.283	8-May-03	\$8.290	\$7.346	9-Jun-03	\$9.800	\$8.069
9-Apr-03	\$6.700	\$6.318	9-May-03	\$8.350	\$7.376	10-Jun-03	\$9.760	\$8.100
10-Apr-03	\$6.950	\$6.366	12-May-03	\$8.490	\$7.409	11-Jun-03	\$9.570	\$8.127
11-Apr-03	\$7.150	\$6.422	13-May-03	\$8.650	\$7.445	12-Jun-03	\$9.530	\$8.152
14-Apr-03	\$7.590	\$6.500	14-May-03	\$9.130	\$7.491	13-Jun-03	\$9.280	\$8.172
15-Apr-03	\$7.620	\$6.570	15-May-03	\$9.460	\$7.545	16-Jun-03	\$9.780	\$8.199
16-Apr-03	\$7.480	\$6.624	16-May-03	\$9.490	\$7.596	17-Jun-03	\$9.550	\$8.222
17-Apr-03	\$7.600	\$6.678	19-May-03	\$9.120	\$7.635	18-Jun-03	\$9.350	\$8.241
21-Apr-03	\$7.660	\$6.729	20-May-03	\$9.160	\$7.673	19-Jun-03	\$8.920	\$8.252
22-Apr-03	\$7.880	\$6.787	21-May-03	\$9.130	\$7.709	20-Jun-03	\$8.930	\$8.263
23-Apr-03	\$8.250	\$6.857	22-May-03	\$8.990	\$7.739			

39. The date of purchase or sale is the “contract” or “trade” date as distinguished from the settlement date.
40. Multiple dates of purchase and/or sale of shares shall be accounted for on a first-in, first-out method (“FIFO”) method. For Class Members who made multiple purchases or multiple sales during the Class Period, the earliest subsequent sale shall be matched first against ADS held at the beginning of the Class Period and chronologically thereafter for purposes of the claim calculations. Transactions resulting in gains shall be netted against the losses incurred as calculated above. A Claimant who sold short during the Class Period shall have no Recognized Claim with respect to such transactions.
41. Class Members who do not submit acceptable Proofs of Claim will not share in the settlement proceeds. Class Members who do not either submit a request for exclusion or submit an acceptable Proof of Claim will nevertheless be bound by the Settlement and the Order and Final Judgment of the Court dismissing this Action.
42. Checks will be distributed to Authorized Claimants after the Effective Date, after all claims have been processed and after the Court has finally approved the Settlement. If any funds remain in the Net Settlement Fund by reason of uncashed checks or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Class Members who are entitled to participate in the distribution of the Net Settlement Fund cash their distribution checks, any balance remaining in the Net Settlement Fund one (1) year after the initial distribution of such funds shall be re-distributed, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund for such re-distribution, to Class Members who have cashed their checks and who would receive at least \$10.00 from such re-distribution. If after six months after such re-distribution any funds shall remain in the Net Settlement Fund, then such balance shall be contributed to non-sectarian, not-for-profit, 501(c)(3) organization(s) designated by Plaintiffs’ Co-Lead Counsel.
43. The Plan of Allocation was determined by Plaintiffs’ Co-Lead Counsel. Defendants take no position with respect to the Plan of Allocation, how it was calculated, or its effect on the fairness to any authorized claimant other than to deny that ICI ADS were artificially affected or inflated by Defendants’ conduct and deny any wrongdoing. Defendants have no responsibility or liability with the Plan of Allocation or the distribution of Settlement Fund to Class Members.

X. CLAIM SUBMISSION AND SETTLEMENT ADMINISTRATION

44. In order to be eligible to receive any distribution from the Settlement Fund, you must send a properly executed Proof of Claim by first class mail postmarked on or before October 18, 2006, to:

Imperial Chemical Securities Litigation
c/o Rust Consulting, Inc. Claims Administrator
Post Office Box 24644
West Palm Beach, FL 33416

45. All Proofs of Claim must be submitted by the date specified in this Notice unless such period is extended by Order of the Court. Each Class Member’s Proof of Claim must:
 - (a) Be properly completed, submitted and signed under penalty of perjury;
 - (b) Be accompanied by adequate supporting documentation for the claimed transactions in the form of broker confirmation slips, broker account statements, an authorized statement from the broker containing the transactional information found in a broker confirmation slip, or such other documentation as is deemed adequate by Plaintiffs’ Co-Lead Counsel; and

- (c) Include a certification of current authority to act on behalf of the Class Member if the person executing the Proof of Claim is acting in a representative capacity.
46. Proofs of Claim that do not meet these requirements may be rejected. Before rejecting a Claim, the Claims Administrator may communicate with the submitting Class Member to remedy curable deficiencies in their Proof of Claim forms. Otherwise, the Claims Administrator will notify in writing all Claimants whose Proofs of Claim they propose to reject, in whole or in part, setting forth the reasons for the proposed rejection. This letter will give rejected Claimants an opportunity, within 20 days after receiving the notice described above, to send the Claims Administrator a notice and statement of reasons indicating the Claimant's grounds for contesting the rejection, along with all supporting documentation, and a request for further review. If a dispute concerning a claim cannot be otherwise resolved, Plaintiffs' Co-Lead Counsel shall present the request for review to the Court for decision with regard to payment.
47. All proceedings with respect to the administration, processing and determination of claims and the determination of all controversies relating thereto, including disputed questions of law and fact with respect to the validity of claims, shall be subject to the jurisdiction of the Court.
48. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his/her claim. Each claim will be subject to investigation and discovery concerning the Claimant's status as a Class Member and the validity and amount of the Claimant's claim. No discovery shall be allowed on the merits of the Action or Settlement in connection with processing of the Proofs of Claim. Payment pursuant to this Stipulation shall be deemed final and conclusive against all Class Members.
49. Any Class Member who does not submit a timely and valid Proof of Claim will not be entitled to receive proceeds from the Net Settlement Fund, but WILL be bound by the terms of the Stipulation and the Settlement, including the covenants and releases barring any action against the Released Parties concerning the Settled Claims unless you filed a timely exclusion.
50. All Class Members whose claims are not approved will not be entitled to receive proceeds from the Net Settlement Fund, but WILL be bound by the terms of the Stipulation and the Settlement, including the covenants and releases barring any action against the Released Parties concerning the Settled Claims.
51. The Net Settlement Fund shall be distributed to Authorized Claimants by the Claims Administrator only after the Effective Date and after:
- (a) All Claims have been processed, and all Claimants whose Claims have been rejected or disallowed, in whole or in part, have been notified and provided the opportunity to be heard concerning such rejection or disallowance;
 - (b) All objections with respect to all rejected or disallowed claims have been resolved by the Court, and all appeals therefrom have been resolved or the time therefor has expired;
 - (c) All matters with respect to attorneys' fees, costs, and disbursements have been resolved by the Court, all appeals therefrom have been resolved or the time therefor has expired; and
 - (d) All costs of administration have been paid.
52. The Claims Administrator shall determine each Authorized Claimant's pro rata share of the Net Settlement Fund based upon each Authorized Claimant's Recognized Claim. The Recognized Claim formula is not intended to be an estimate of the amount that a Class Member might have been able to recover after a trial; nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Claim formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants.

XI. SETTLEMENT FAIRNESS HEARING

53. A Settlement Fairness Hearing is scheduled to be held before the Honorable District Judge Naomi Reice Buchwald in the United States Courthouse, 500 Pearl Street, New York, New York 10007, at 9:15 a.m., on September 18, 2006. The Settlement Fairness Hearing may be adjourned from time to time by the Court without further written notice to the Class. If you intend to attend the Settlement Fairness Hearing, you should confirm the date and time with Plaintiffs' Co-Lead Counsel.
54. At the Settlement Fairness Hearing, the Court will consider whether the proposed Settlement is fair, reasonable, and adequate, and should be approved. The Court will also consider any comments and/or objections submitted by Class Members in deciding whether to approve the proposed Settlement and Plan of Allocation for the Settlement proceeds.
55. If the Court approves the Settlement, the Released Parties will receive complete release of the Settled Claims, including any Unknown Claims, by Lead Plaintiffs and all Class Members against the Released Parties in return for the \$3,800,000 Settlement Amount. The Settlement Fund will be distributed among the Class Members and Class Counsel pursuant to the Order and Final Judgment entered by the Court and the terms of the Stipulation and the Action will be dismissed with prejudice. If the Settlement is approved, the Court will also consider the application of Plaintiffs' Co-Lead Counsel for attorneys' fees and expenses out of the Settlement Fund.
56. Class Members are NOT required to appear at the Settlement Fairness Hearing or take any action to indicate their approval with the Settlement. Class Members who have not validly excluded themselves from the Class may submit for the Court's consideration comments and/or objections to the Stipulation, the Plan of Allocation, or the award of attorneys' fees and reimbursement of expenses only if such comments or objections, along with any supporting papers, are filed with the Clerk of the Court, United States District Court, Southern District of New York, United States Courthouse, 500 Pearl Street, New York, New York 10007, and copies of all such papers are served upon each of the following: George A. Bauer, III, Esquire, Milberg Weiss Bershad & Schulman, LLP, One Pennsylvania Plaza, New York, New York 10119-0165; Samuel H. Rudman, Esquire, Lerach Coughlin Stoia Geller Rudman & Robbins LLP, 58 South Service Road, Suite 200, Melville, New York 11747, Plaintiffs' Co-Lead Counsel; and Robert F. Wise, Jr., Esquire, Davis Polk & Wardwell, 450 Lexington Avenue, New York, New York 10017, Defendants' Counsel, on or before August 28, 2006. Class Members who wish to appear at the Settlement Fairness Hearing to oppose the Settlement, the Plan of Allocation, and/or the request for attorneys' fees and expenses must, consistent with the procedures for filing objections outlined above, on or before August 28, 2006:

- (a) Timely file an objection with the Clerk of Court, United States District Court for the Southern District of New York, United States Courthouse, 500 Pearl Street, New York, New York 10007, that indicates an intention to appear at the hearing, showing proof of membership in the Class, and providing a statement that indicates the basis for such opposition, along with any documentation in support of such objection, and describes all witnesses or exhibits to be produced, and
 - (b) Timely serve their objection, proof, statement and documentation, together with copies of any other papers or briefs such person files with the Court, upon: George A. Bauer, III, Esquire, Milberg Weiss Bershad & Schulman, LLP, One Pennsylvania Plaza, New York, New York 10119-0165; Samuel H. Rudman, Esquire, Lerach Coughlin Stoia Geller Rudman & Robbins LLP, 58 South Service Road, Suite 200, Melville, New York 11747, Plaintiffs' Co-Lead Counsel; and Robert F. Wise, Jr., Esquire, Davis Polk & Wardwell, 450 Lexington Avenue, New York, New York 10017, Defendants' Counsel.
57. Counsel for both parties also reserve the right to terminate the Settlement under certain circumstances, including where the Court refuses to approve the Stipulation, declines to enter the Order and Final Judgment, or the Order and Final Judgment is modified or reversed on appeal.

XII. MOTION FOR ATTORNEYS' FEES AND DISBURSEMENTS

58. At the Settlement Fairness Hearing or at such other time as the Court may direct, Plaintiffs' Co-Lead Counsel are moving the Court to award attorneys' fees from the Settlement Fund in an amount not greater than one-third (33 1/3%) of the Settlement Fund and for reimbursement of their expenses in the approximate amount of \$100,000 plus interest on such expenses at the same rate as earned by the Settlement Fund. Plaintiffs' Co-Lead Counsel, without further notice to the Class, may subsequently apply to the Court for fees and expenses incurred in connection with administering and distributing the settlement proceeds to the members of the Class and any proceedings subsequent to the Settlement Fairness Hearing. The award of attorneys' fees shall be allocated among Plaintiffs' Counsel in a fashion which, in the opinion of Plaintiffs' Co-Lead Counsel, fairly compensates Plaintiffs' Counsel for their respective contributions in the prosecution of the Action.

XIII. FURTHER INFORMATION

59. This notice summarizes the proposed settlement. More details are in the Stipulation and Agreement of Settlement dated May 9, 2006 (the "Stipulation"). You can get a copy of the Stipulation by writing to George A. Bauer, III, Milberg Weiss Bershad & Schulman, LLP, One Pennsylvania Plaza, New York, New York 10119-0165 or Samuel H. Rudman, Lerach Coughlin Stoia Geller Rudman & Robbins LLP, 58 South Service Road, Suite 200, Melville, New York 11747, or by visiting www.imperialchemicalsettlement.com. On May 18, 2006 in the United States District Court for the Central District of California (Los Angeles), Milberg Weiss Bershad & Schulman was named as a defendant in an indictment based on allegations that are unrelated to the present case. The firm has publicly stated that it is innocent and intends to fight the charges.
60. You also can call the Claims Administrator at 1-888-285-7847 toll free; write to Imperial Chemical Securities Litigation Settlement, c/o Rust Consulting, Inc., Claims Administrator, Post Office Box 24644, West Palm Beach, FL 33416; or visit the website at www.imperialchemicalsettlement.com, where you will find answers to common questions about the settlement, a Proof of Claim form, plus other information to help you determine whether you are a Class Member and whether you are eligible for a payment.
61. For a more detailed statement of the matters involved in this Action, reference is made to the pleadings, to the Stipulation, to the Orders entered by the Court and to the other papers filed in the Action, which may be inspected at the Office of the Clerk of the United States District Court for the Southern District of New York, United States Courthouse, 500 Pearl Street, New York, New York 10007, during regular business hours.
62. ALL INQUIRIES CONCERNING THIS NOTICE OR THE PROOF OF CLAIM FORM BY CLASS MEMBERS SHOULD BE MADE TO THE CLAIMS ADMINISTRATOR IN WRITING AT THE ADDRESS INDICATED HEREIN AND NOT TO THE COURT.

XIV. SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

63. If you purchased the ICI ADS listed on the NYSE between August 1, 2002 and March 24, 2003, inclusive, for the beneficial interest of a person or organization other than yourself, the Court has directed that, WITHIN SEVEN DAYS OF YOUR RECEIPT OF THIS NOTICE, you either:
- (a) Provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased such stock during such time period; or
 - (b) Request additional copies of this Notice and the Proof of Claim form, which will be provided free of charge and, within seven days of your receipt of these additional copies, mail them directly to the beneficial owners of the securities referred to herein.
64. If you choose to follow alternative procedure (b), the Court has directed that, upon such mailing, you send a statement to the Claims Administrator confirming that the mailing was made as directed.
65. You are entitled to reimbursement from the Settlement Fund of reasonable expenses actually incurred in connection with the foregoing, including postage expenses and the cost of ascertaining the names and addresses of beneficial owners. These expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator at the following address:

Imperial Chemical Securities Litigation
c/o Rust Consulting, Inc. Claims Administrator
Post Office Box 24644
West Palm Beach, FL 33416
(888) 285-7847

Dated: New York, New York
June 22, 2006

**BY ORDER OF THE COURT
CLERK OF THE COURT**