

quarterly results

Q3 2007

(announced 1 November 2007)



Summary information only. For full statutory reporting of ICI's results please visit www.ici.com or contact ICI's Investor Relations Department (details overleaf). This fact sheet may include forward-looking statements. The risk factors section of the Annual Report describes important factors that could cause actual results to differ materially from those forward-looking statements. You can get copies of ICI's most recent Annual Report from ICI's website or from ICI's Investor Relations Department.

Highlights

Third Quarter 2007

- 5% comparable growth in Group sales for continuing operations
- 12% comparable growth in Group trading profit for continuing operations
- 18% growth in Group adjusted profit before tax to £177m (2006: £149m)
- 24% growth in Group adjusted net profit to £138m (2006: £111m)

First Nine Months 2007

- 15% growth in Group adjusted profit before tax to £432m (2006: £377m)
- Net profit after special items attributable to ICI equity holders £1,145m (2006: £227m) including £912m profit on sale of Quest
- 22% growth in adjusted earnings per share to 28.4p (2006: 23.3p)
- Net cash £243m (2006: net debt £481m) reflecting Quest disposal proceeds partially offset by pension top-up payments and a £63m investment in Q3, principally the acquisition of Dulux in Southern Africa

John McAdam, Chief Executive, said:

"The third quarter was particularly strong with good underlying sales performances from Specialty Starches, Specialty Polymers and Decorative Paints in Asia & Latin America. Coupled with good cost control and selective price increases this resulted in Group trading margins increasing by nearly 1% to 13.3%.

This performance was achieved despite a mixed trading environment. European market conditions were varied, Asia and Latin America remained strong but North America was again challenging, particularly for Paints.

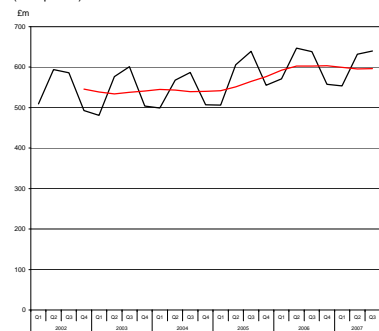
Against this backdrop, the expected out-turn for the year as a whole has improved. With Asia and Latin America remaining buoyant, and further operational efficiency improvements expected, results for the fourth quarter and the year are forecast to be ahead of our previous expectations."

Headline financials (top line only)

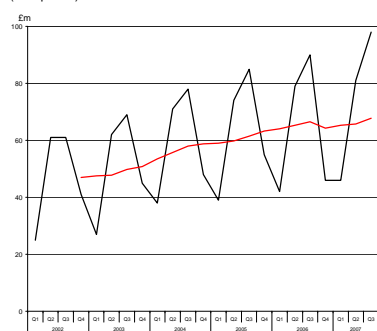
	Q3		YTD	
	07	06	07	06
Sales (£m)*	1,265	1,244	3,663	3,686
Trading Profit (£m)*	168	154	421	393
Trading Margin*	13.3%	12.4%	11.5%	10.7%
Trading Profit - Disc. operations (£m)	-	21	12	62
Income from associates (£m)	-	-	3	2
Group net finance income / (expense) (£m)	9	(26)	(4)	(80)
- Net interest income / (expense) (£m)	7	(20)	(6)	(64)
- Net post-retirement finance (£m)	2	(6)	2	(16)
Total Group Adjusted profit before tax (£m)	177	149	432	377
Taxation (before special items) (£m)	(31)	(31)	(74)	(79)
Net profit after special items (£m)	98	165	1,174	258
Net profit after special items (£m) (attrib. to ICI equity holders)	90	147	1,145	227
Adjusted EPS (undiluted)	11.6p	9.3p	28.4p	23.3p
Dividend per ordinary share	-	-	-	-
Net cash / (debt) (£m)	-	-	243	(481)
Group adjusted tax rate	-	-	17%	21%

Paints % of Sales**: 50% % of Trading Profit**: 50% **Leading international paints business, concentrating on decorative paint (90% of sales) and packaging coatings for food and beverage cans (10% of sales). Broad geographic coverage with 17% of sales in Asia, 9% in Latin America, 38% in North America and 36% in Europe.**

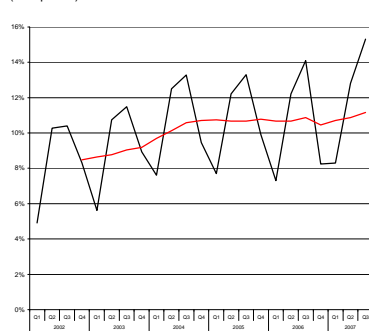
Quarterly Sales (as reported)



Quarterly Trading Profit (as reported)



Quarterly Trading Margin (as reported)



	Q307	Q306	9M07	9M06
Sales (£m)	640	638	1,828	1,856
Comparable* change	3%	-	3%	3%
Trading profit (£m)	98	90	225	211
Comparable* change	10%	-	10%	10%
Trading margin	15.3%	14.1%	12.3%	11.4%

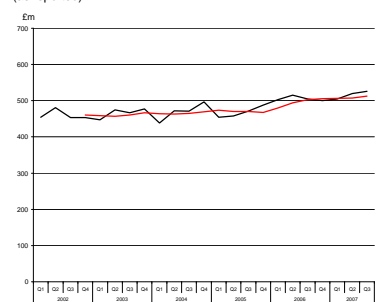
- **Decorative UK & Republic of Ireland (22%*)**: Sales in line. Growth in UK Trade and Ireland was offset by weaker demand in UK Retail. Gross margin percentages improved and trading profit was up.
- **Decorative Continental Europe (11%*)**: Sales up 3% with growth in the Benelux region and Eastern Europe offset by weakness in Germany. Gross margin percentages were lower, but good control of costs below gross margin contributed to increase in trading profit.
- **Decorative North America (34%*)**: Sales 5% lower, volume demand for US Retail and US Trade depressed by continued weakness in the US housing market. Gross margin percentages up due to better product mix. With good cost control, trading profit was ahead.
- **Decorative Asia (15%*)**: Sales up 21% with double digit growth in key developing markets in China, India, Indonesia and Pakistan. Growth in China was over 30% reflecting further regional expansion. Gross margin percentages in Asia were up and trading profit was significantly ahead.
- **Decorative Latin America (8%*)**: Sales grew 12% with increased volume demand in all countries. Gross margin percentages were broadly in line with the prior year. Costs below gross margin were higher, but with stronger top line performance, trading profit was ahead.
- **Packaging Coatings (10%*)**: Sales up 4% reflecting improved selling prices. Gross margin percentages were lower due to adverse mix effects and continued raw material cost pressure. With good cost control due to the benefits of restructuring, trading profit was ahead.

1 % of 9M07 sales of ICI Paints

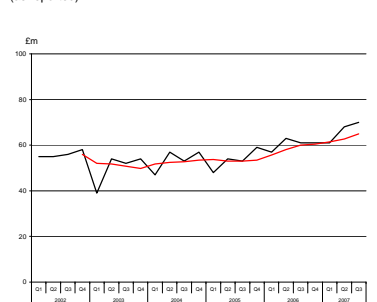
National Starch % of Sales**: 42% % of Trading Profit**: 45%

One of the global leaders in high performance adhesives for consumer goods, packaging, electronics and construction materials. In addition, a leading manufacturer of specialty food starches, industrial starches and specialty polymers.

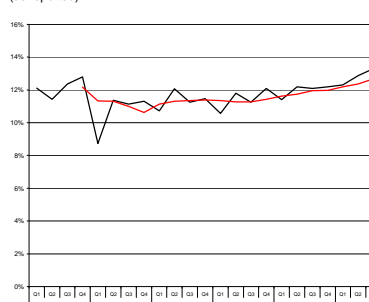
Quarterly Sales (as reported)



Quarterly Trading Profit (as reported)



Quarterly Trading Margin (as reported)



	Q307	Q306	9M07	9M06
Sales (£m)	526	505	1,551	1,523
Comparable* change	9%	-	0%	0%
Trading profit (£m)	70	61	199	181
Comparable* change	20%	-	16%	16%
Trading margin	13.3%	12.1%	12.8%	11.9%

National Starch

National Starch delivered 9% comparable sales growth for the quarter, with all businesses ahead of last year. Whilst gross margin percentages were below last year, reflecting high underlying raw material costs, trading profit was 20% ahead due to continued strong performances from Specialty Starches and Specialty Polymers and a particularly good performance from Adhesives. Trading margins improved to 13.3% (2006 12.1%).

For the nine months, comparable sales were 8% ahead. Gross margin percentages were ahead of last year and, despite higher costs below gross margin, trading profit was 16% ahead.

Adhesives

	Q307	Q306	9M07	9M06
Sales (£m)	264	262	791	794
Comparable* change	4%	-	5%	5%
Trading profit (£m)	23	18	67	63
Comparable* change	31%	-	11%	7.9%
Trading margin	8.7%	6.8%	8.4%	7.9%

Sales up 4%; growth across all regions. Strong growth in China, India and Vietnam was partly offset by weakness in Japan and South Korea. Good growth in Europe and Latin America. Sales in North America ahead due to pricing and some new account wins. Gross margin percentages up, despite selected raw material cost inflation, reflecting some price increases and reduced supply chain costs. With lower costs below gross margin, trading profit up 31%.

Specialty Starches

	Q307	Q306	9M07	9M06
Sales (£m)	139	125	402	376
Comparable* change	16%	-	13%	13%
Trading profit (£m)	20	19	53	44
Comparable* change	11%	-	27%	13.1%
Trading margin	14.0%	14.7%	13.1%	11.7%

Sales up 16%; good growth in all regions, double digit growth for industrial and food starches due to volume demand and some price increases. Strong food sales in Europe with significant growth of wholesome Novation® starches. Latin America food sales growth driven by demand in Mexico. Good progress on potato starch alliance with AVEBE in North America. Gross margin percentages impacted by higher corn and tapioca costs. Strong underlying trading performance was held back due to impact of a one off cost saving made in Q3 2006.

Specialty Polymers

	Q307	Q306	9M07	9M06
Sales (£m)	74	68	213	201
Comparable* change	15%	-	14%	14%
Trading profit (£m)	15	12	44	36
Comparable* change	29%	-	31%	20.9%
Trading margin	20.9%	18.5%	20.7%	17.9%

Sales up 15%; led by overall strong double digit growth in Europe and Asia. Elotex achieved another quarter of exceptional sales growth for its construction materials polymers in Europe and Asia. Personal Care delivered strong sales growth due to higher demand for sunscreen and hair care polymers notably in Europe and North America. Alco sales ahead with growth in Europe offset by lower Asian sales. Gross margin percentages ahead and trading profit was up 29%.

Electronic Materials

	Q307	Q306	9M07	9M06
Sales (£m)	49	50	145	152
Comparable* change	4%	-	3%	3%
Trading profit (£m)	12	12	35	38
Comparable* change	7%	-	(1)%	24.0%
Trading margin	24.2%	24.0%	24.0%	24.9%

Sales up 4%; reflecting improved demand in consumer electronics. Ablestik sales ahead with growth in most segments. Emerson & Cuming sales up due to higher demand for digital displays and LED lighting. Acherson Electronic Material sales were broadly unchanged. Gross margin percentages were lower due to sustained high silver costs and less favourable profit mix. Costs below gross margin were lower reflecting benefits from restructuring and trading profit was up 7%.

Regional & Industrial % of Sales**: 8% % of Trading Profit**: 5% **Consists principally of four regional businesses local in scope, the most significant of which are located in Pakistan, India and Argentina. Main activities include manufacture of polymer fibres, soda ash, PTA, wine additives and sulphur related products.**

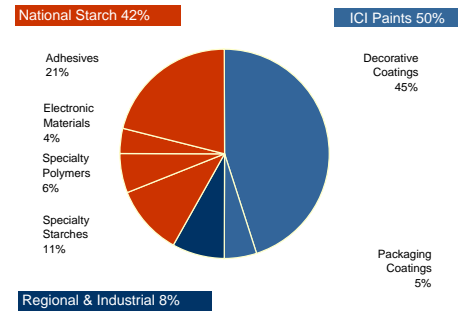
Comparable sales for the Regional and Industrial business for the quarter were ahead of last year. Growth in ICI Pakistan was offset by lower sales in Pakistan PTA and ICI Argentina. Gross margin percentages in the Pakistan PTA business remained lower than last year, due to a lower margin over paraxylene, although better than expected. The trading profit impact of this was offset by continued profit improvements in the remaining activities in Regional and Industrial. Consequently, comparable trading profit was 1% ahead. For the nine months comparable sales were 2%. With gross margin percentages well below last year and costs below gross margin in line, comparable trading profit was 7% lower than the same period in 2006.

Note: red line on charts represents a rolling four quarter moving average
 * Comparable performance - excluding the effects of currency translation differences and the impact of acquisitions and divestments
 ** Continuing reporting segments.
 # Continuing operations only (ie excluding Uniqema and Quest)



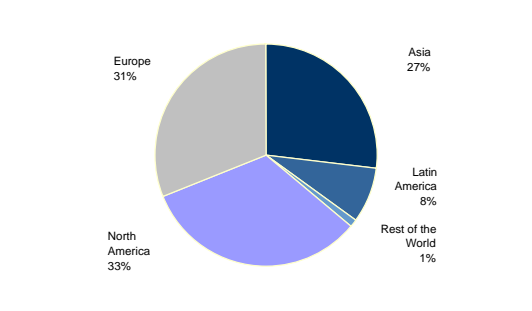
2007 YTD Sales by business

Continuing Reporting Segments



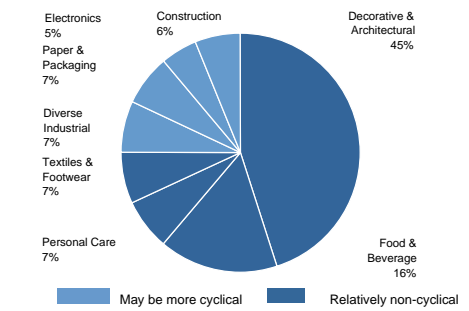
2007 YTD Sales by region

Continuing Reporting Segments



2006 Sales by end market

Continuing Reporting Segments

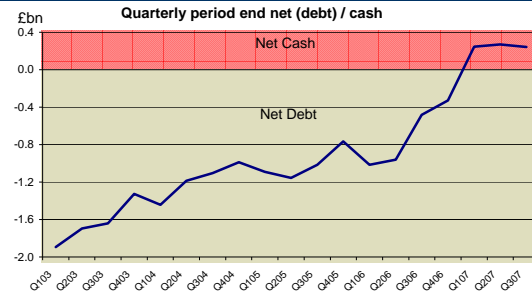


Key dates and newsflow

- July 2007:**
- ICI announced acquisition of Dulux business from AECI South Africa for £52m
 - ICI announced alliance formed with AVEBE (starches)
 - 30 July: ICI rejects 650p per share proposal from Akzo Nobel
- August 2007:**
- 13 August: ICI Board recommends 670p per share bid from Akzo Nobel
 - 16 August: ICI acquires Advance Applied Adhesives through Electronic Materials for its semiconductor technologies
- September 2007:**
- 17 September: ICI listing on Dow Jones Sustainability Index renewed
 - 25 September: Elotex (Specialty Polymers Group) announced investment for new production site in Shanghai

- Forthcoming events:**
- 5 November 2007: Akzo Nobel EGM regarding ICI acquisition
 - 6 November 2007: ICI plc EGM to regarding Akzo Nobel bid

Net (debt) / cash



ICI Group Credit ratings		
Agency	Short term	Long term
Moody's	P-2	Baa2
Standard & Poor's ¹	A-2	BBB

¹ Apr 2007 - Outlook revised to positive from stable

Key Performance Indicators

- Accelerate Profitable Growth**
- Strengthen target market positions
 - Deliver higher growth from developing markets (on average 3 times global GDP)
 - Innovation from formulation science driving growth - at least 25% of sales
- Improved Operational Effectiveness**
- Top quartile trading margins
 - 1% on average per annum improvement in ROCE
 - £170m annualised savings from planned £340m investment by 2011

- Culture of Sustainable Improvement**
- Safe working environment
 - Environmental impact

ICI's Businesses

Paints

Overview: With some of the world's top paint and decorative product brands, ICI Paints aims to inspire consumers to transform their surroundings with performance products and colour. It makes products to prepare and care for many building materials, and also provides coatings for cans and packaging. Headquartered in the UK, with manufacturing in 24 countries.

Major product groups: Decorative & Architectural coatings: interior and exterior paints; wood treatment products; architectural metal coatings; decorative fillers and bonding materials. Packaging and coatings: can coatings (inside and outside); plastic bottle coatings

Growth opportunities: Leverage leading technologies to improve product offering and constantly focus on cost management.

Growth in Asia: building on strong market presence and good Dulux brand positions in major developing economies (ICI Paints is not in Japan).

Growth in Latin America and Eastern Europe: investing selectively in developing markets.

~ 30% of global Paint sales come from products launched within the last three years.

Consumer Brands:



National Starch

Overview: National Starch markets an extensive product range to sectors as diverse as food, healthcare and construction. Four main divisions: adhesives, specialty starches, specialty synthetic polymers and electronic materials. Headquartered in the US with manufacturing and customer service centres in 39 countries.

Major product groups: **Electronic Materials:** semi conductor packages, circuit board assemblies, electronic assemblies, coatings, and specialty lubricants.

Adhesives: consumer related: packaging, nappies/diapers, industrial related: furniture, construction

Specialty Synthetic Polymers: personal care products including hair fixatives, water treatment and construction polymers.

Specialty Starches: specialty food starches to enhance texture and focus on nutrition, and industrial starches to add strength and printable quality to paper.

Growth opportunities: Focus on high growth products and sectors driven by technology and innovation in electronic materials, high performance adhesives, polymers for personal care and construction, and specialty food starches.

High growth regions include Asia and Latin America.

Latest innovation and technology:

For National as a whole, ~22% of sales are generated by products developed in the last three years.



Other useful information

Senior management

Chairman: Peter Ellwood
Chief Executive: John McAdam
Chief Financial Officer: Alan Brown

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Share information

UK Listing
London Stock Exchange
Member of the FTSE 100 Index
Bloomberg: ICI LN
Reuters: ICIL

US ADR

OTCQX Market Tier
Bloomberg: ICIYY US
Reuters: ICIYY.PK

9M 07 Share price perf.

Avg share price 551p
9M 07 high 652p
9M 07 low 447p
Price return 44%
FTSE 100 return 4%
Market Cap. 30/09/07 £7.8bn

2006 Share price perf.

Avg share price 372p
52 week high 452p
52 week low 330p
Price return 36%
FTSE 100 return 11%
Market Cap. 31/12/06 £5.4bn

Historic closing share price (p) Jan 03 - Sep 07

