

ICI reports third quarter Group adjusted profit before tax* up 18% Adjusted earnings per share* up 22% for the first nine months

GROUP RESULTS (unaudited)

THIRD QUARTER AND FIRST NINE MONTHS 2007

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.”

* Definitions given in Appendix V.

Further information

Results conference calls

There will be a conference call for analysts and investors on 1 November at 9:00am, hosted by Alan Brown, ICI's Chief Financial Officer. Details are set out below and related presentation materials will be made available on www.ici.com from 8:30am. The conference call can also be listened to live at 9:00am on ICI's website, www.ici.com. A recording will be available shortly after the presentation has concluded.

Access Number: +44 (0)20 8609 0581

In addition, there will be an afternoon conference call on 1 November, open to investors and analysts. There will be a brief synopsis of the results following which there will be an opportunity for participants to ask more detailed and technical questions of the investor relations team if required. The call will commence at 14:30hrs UK time (15:30 CET, 9:30 EST). Participants can join the call by dialling one of the numbers below, providing their name and other details, and quoting the "ICI Results Conference Call".

US dial-in: +1 334 323 6201
UK: 020 7162 0025
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DISCONTINUED OPERATIONS

The table on page 7 shows the reconciliation from trading profit to adjusted net profit for the Group for Q3 and the first nine months (and 2006 comparatives) including the results of Quest (sale completed Q1 2007) and Uniqema (sale completed in Q3 2006) within discontinued operations.

COMPARABLE MEASURES OF PERFORMANCE

Measures of performance on a "comparable" basis relating to the Group are in respect of continuing operations only and thus exclude the results of Quest and Uniqema. "Comparable" and "continuing" are defined in Appendix V.

Comparable performance percentages in the Operating Review and Appendix III exclude the effect of currency translation differences and the impact of acquisitions and divestments and are calculated using unrounded numbers. Unless otherwise stated, the commentary in the Operating Review refers to performance measured on a "comparable" basis. Reconciliations to "as reported" percentages in the Operating Review can be found in Appendix III.

GROUP FINANCIAL REVIEW

	Third Quarter		First Nine Months	
	2007	2006	2007	2006
	£m	£m	£m	£m
Sales				
Continuing operations	1,265	1,244	3,663	3,686
Trading profit*				
Continuing operations	168	154	421	393
Discontinued operations	-	21	12	62
Income from associates (net of interest and tax)	-	-	3	2
Net finance income (expense) for the Group (before special items)	9	(26)	(4)	(80)
- <i>Net interest income (expense)</i>	7	(20)	(6)	(64)
- <i>Net post-retirement benefit finance income (expense)</i>	2	(6)	2	(16)
Total Group adjusted profit before tax*	177	149	432	377
Taxation (before special items)	(31)	(31)	(74)	(79)
Special items after tax	(48)	47	816 [†]	(40)
Net profit after special items	98	165	1,174	258
Attributable to minorities	(8)	(18)	(29)	(31)
Net profit after special items (attributable to ICI equity holders)	90	147	1,145	227
Adjusted net profit* (attributable to ICI equity holders)	138	111	337	278
Adjusted Earnings per £1 Ordinary Share* (undiluted basis)	11.6p	9.3p	28.4p	23.3p
Earnings per £1 Ordinary Share* (undiluted basis)	7.6p	12.4p	96.5p	19.1p
Key performance measures*				
<i>Continuing operations</i>				
Comparable sales growth	5.2%	4.9%	4.9%	6.3%
Comparable trading profit growth	12.4%	10.6%	12.6%	6.1%
Trading margin	13.3%	12.4%	11.5%	10.7%
<i>Group</i>				
Adjusted tax rate			17%	21%
Reconciliation of movement in net cash (debt)				
Opening net cash (debt)	271	(962)	(329)	(763)
Net cash inflow (outflow) from operating activities	97	152	(118)	-
Net cash (outflow) inflow used in investing activities	(104)	317	707	230
Cash (outflow) inflow before financing activities	(7)	469	589	230
ESOP share purchase / receipts from options exercised	2	(12)	(70)	(12)
Other movements	(23)	24	53	64
Total movement in net cash (debt)	(28)	481	572	282
Closing net cash (debt)	243	(481)	243	(481)

* Definitions given in Appendix V.

† Includes gain on sale of Quest.

GROUP FINANCIAL REVIEW *(continued)*

Trading performance

“Comparable” performance percentages exclude the effect of currency translation differences and the impact of acquisitions and divestments. Reconciliation to “as reported” percentages can be found in Appendix III.

References in this section to National Starch are the aggregate of Adhesives, Specialty Starches, Specialty Polymers and Electronic Materials.

On a comparable basis, for the **quarter**, Group sales for continuing operations were 5% ahead. Including the impact of foreign currency the Group’s reported sales at £1,265m were 2% ahead of last year.

On a comparable basis sales for all businesses were ahead of last year with National Starch up 9%, Paints up 3% and Regional and Industrial up 5%. National Starch delivered growth in all regions with particularly good performances in Europe, up 12% and Latin America, up 16%. Paints sales in Asia were up 16%, Latin America up 13% and Europe ahead 2%. As expected, Paints sales in North America were down 5%, however trading profit in the region again improved. Overall comparable sales for the continuing businesses, including Regional and Industrial were 5% ahead in Europe, 10% ahead in Asia and 11% ahead in Latin America, but lower year-on-year in North America, reflecting the weak market for decorative paint.

Trading profit on a comparable basis was up for all businesses, with National Starch, recording particularly good growth, up 20%. Paints was up 10%, with the benefits of restructuring in North America complementing profitable growth in all other regions. Regional and Industrial was also ahead.

With Corporate and other costs higher than the third quarter last year comparable Group trading profit was 12% ahead. Adjusting for adverse impacts from foreign currency translation and income from business acquisitions and divestments, totalling £8m, trading profit for the continuing Group was £168m, 9% ahead of last year.

Net finance income before special items for the quarter was £9m compared with an expense of £26m last year, due in part to the move from a net debt to net cash position, a lower pension deficit, and £3m of non recurring benefits. Consequently, adjusted profit before tax for the Group was £177m for the quarter, 18% ahead of last year.

For the **nine months**, comparable Group sales were 5% better than the same period in 2006. Including the impact of foreign currency, reported sales for the continuing Group at £3,663m were 1% below last year. Comparable trading profit for the first nine months was 13% ahead of last year with both Paints and National Starch delivering double digit growth. Regional and Industrial comparable trading profit was 7% below last year.

Net finance expense of £4m for the first nine months was £76m lower than the same period last year benefiting from the move to a net cash position. Consequently adjusted profit before tax for the Group was £432m, 15% ahead of last year. Adjusted earnings per share for the first nine months were 28.4p, 22% higher than last year.

Group cash flow and movement in net debt

For the quarter, net cash inflow from operating activities was £97m compared to an inflow of £152m in the prior year, partly due to higher working capital outflows, but average monthly working capital as a percentage of sales was in line with the third quarter of 2006. Pension top up payments of £27m relating to the US plans were offset by lower net financing payments in the quarter. The acquisitions of the Dulux business in South Africa and the Advanced Applied Adhesives business in the US and buy-back of some ICI India shares were completed in the quarter, resulting in a cash outflow of £63m. Overall, cash outflow before financing for the quarter of £7m compared with an inflow of £469m in the prior year, which included £353m net proceeds from the disposal of the Uniqema business. Net cash at the quarter end was £243m compared to net debt of £481m at the third quarter of 2006.

GROUP FINANCIAL REVIEW *(continued)*

Special Items – continuing and discontinued operations

	Third Quarter		First Nine Months	
	2007	2006	2007	2006
	£m	£m	£m	£m
<i>Continuing operations</i>				
Losses on special items in continuing operating profit	(11)	(8)	(69)	(34)
Profit on sale of continuing operations	1	-	5	3
Foreign exchange (loss) gain on debt previously hedging goodwill written off to reserves	(19)	7	(14)	8
Takeover related costs	(36)	-	(36)	-
Losses on special items before tax and minority interests	(65)	(1)	(114)	(23)
Taxation	12	-	16	7
Minority interests	-	-	(1)	-
Losses on special items after tax and minority interests	(53)	(1)	(99)	(16)

Continuing operations

Losses on special items in operating profit of £11 m for the quarter and £69m for the first nine months related to the transformation programmes announced in May 2006.

The takeover related costs comprise transaction costs and accelerated share based payment expense.

<i>Discontinued operations</i>				
Losses on special items in discontinued operating profit	(2)	-	(3)	(68)
Profit (loss) on sale of discontinued operations	7	48	930	43
Gains (losses) on special items before tax and minority interests	5	48	927	(25)
Taxation	-	-	(13)	1
Minority interests	-	(11)	(7)	(11)
Gains (losses) on special items after tax and minority interests	5	37	907	(35)

Discontinued operations

For the first nine months, the gain on special items before tax and minority interests of £927m primarily reflected the gain on the sale of Quest.

Net profit and earnings per share

Net profit after special items attributable to equity holders of the parent for the quarter was £90m, compared with £147m in 2006. Earnings per share after special items were 7.6p compared with 12.4p for the third quarter of 2006.

BUSINESS INFORMATION

	Third Quarter		First Nine Months	
	2007	2006	2007	2006
	£m	£m	£m	£m
Sales				
<i>Continuing operations</i>				
Paints	640	638	1,826	1,856
Adhesives	264	262	791	794
Specialty Starches	139	125	402	376
Specialty Polymers	74	68	213	201
Electronic Materials	49	50	145	152
<i>Total National Starch</i>	526	505	1,551	1,523
Regional and Industrial	105	107	301	324
Total continuing reporting segments	1,271	1,250	3,678	3,703
Corporate and other	1	1	2	2
Inter-segment revenue	(7)	(7)	(17)	(19)
Total continuing operations	1,265	1,244	3,663	3,686
<i>Discontinued operations</i>				
Uniqema	-	108	-	435
Quest**	-	148	98	445
EBITDA*				
<i>Continuing operations</i>				
Paints	110	102	261	247
Adhesives	28	22	80	77
Specialty Starches	25	24	69	61
Specialty Polymers	17	14	49	40
Electronic Materials	13	14	39	43
<i>Total National Starch</i>	83	74	237	221
Regional and Industrial	15	17	36	43
Total continuing reporting segments	208	193	534	511
Corporate and other	(10)	(8)	(25)	(25)
Income from associates (net of interest and tax)	-	-	3	2
Total continuing operations	198	185	512	488
<i>Discontinued operations</i>				
Uniqema	-	6	-	28
Quest**	-	19	12	59

* Definitions are given in Appendix V.

** Sales, EBITDA and trading profit for Quest in discontinued operations reflect two months of ownership in 2007 and nine months of ownership in 2006.

BUSINESS INFORMATION (continued)

	Third Quarter		First Nine Months	
	2007	2006	2007	2006
	£m	£m	£m	£m
Trading Profit*				
<i>Continuing operations</i>				
Paints	98	90	225	211
Adhesives	23	18	67	63
Specialty Starches	20	19	53	44
Specialty Polymers	15	12	44	36
Electronic Materials	12	12	35	38
<i>Total National Starch</i>	70	61	199	181
Regional and Industrial	11	12	24	29
Total continuing reporting segments	179	163	448	421
Corporate and other	(11)	(9)	(27)	(28)
Total continuing operations	168	154	421	393
<i>Discontinued operations</i>				
Uniqema	-	6	-	16
Quest**	-	15	12	46

RECONCILIATION FROM TRADING PROFIT TO ADJUSTED NET PROFIT
(including the results of Quest and Uniqema within discontinued operations)

	Third quarter 2007			Third quarter 2006		
	Continuing operations £m	Discontinued operations £m	Total Group £m	Continuing operations £m	Discontinued operations £m	Total Group £m
Trading profit	168	-	168	154	21	175
Income from associates	-	-	-	-	-	-
Net finance income (expense)	9	-	9	(25)	(1)	(26)
Adjusted profit before tax	177	-	177	129	20	149
Taxation	(31)	-	(31)	(27)	(4)	(31)
Minority interests	(8)	-	(8)	(7)	-	(7)
Adjusted net profit	138	-	138	95	16	111

	First Nine Months 2007			First Nine Months 2006		
	Continuing operations £m	Discontinued operations £m	Total Group £m	Continuing operations £m	Discontinued operations £m	Total Group £m
Trading profit	421	12	433	393	62	455
Income from associates	3	-	3	2	-	2
Net finance income (expense)	(4)	-	(4)	(78)	(2)	(80)
Adjusted profit before tax	420	12	432	317	60	377
Taxation	(72)	(2)	(74)	(67)	(12)	(79)
Minority interests	(21)	-	(21)	(19)	(1)	(20)
Adjusted net profit	327	10	337	231	47	278

OPERATIONAL REVIEW - *Continuing operations*

Paints

2007 £m	Third Quarter		2007 £m		First Nine Months		2007 £m	2006 £m	Reported %	Comparable %
	2006 £m	Reported %			Comparable %	Reported %				
640	638	-	3	Sales	1,826	1,856	(2)			3
98	90	8	10	Trading Profit	225	211	7			10
15.3%	14.1%			Trading Margin (%)	12.3%	11.4%				

Paints comparable sales were 3% ahead for the **quarter**. Strong growth for the Decorative business in Asia and Latin America offset the impact of continued weak trading conditions for Decorative North America. Gross margin percentages were marginally ahead of Q3 2006 and with costs below gross margin in line with last year led by benefits from restructuring, trading profit was 10% higher.

For the **nine months**, comparable sales were also 3% ahead. Gross margin percentages were ahead of last year and with costs below gross margin only slightly increased, trading profit was 10% ahead.

Sales for **Decorative UK & Republic of Ireland** were in line with the third quarter last year as weak UK Retail market conditions continued to offset growth in the UK Trade and Ireland businesses. With improved gross margin percentages, trading profit was slightly ahead of the third quarter last year.

Decorative Continental Europe sales were 3% ahead of last year, with growth in the Benelux region and Eastern Europe partially offset by weakness in Germany. Although gross margin percentages were lower than last year, good control of costs below gross margin contributed to trading profit ahead of last year.

Sales for **Decorative North America** were 5% lower than last year due to lower sales volumes for US Retail and US Trade, which were depressed by the continuing weakness in the US housing market. Gross margin percentages improved from last year, including the benefit of a favourable product mix in the US Trade and Canadian businesses. With good control of costs below gross margin and further benefits of restructuring activities, trading profit was ahead.

Decorative Asia had another strong quarter, with sales growth of 21%, reflecting double-digit growth in key developing markets in China, India, Indonesia and Pakistan. In particular, growth in China was over 30%, in part reflecting the benefit of expanded distribution. With higher gross margin percentages, trading profit for the quarter was significantly ahead.

Decorative Latin America had another good quarter with sales up 12%, reflecting volume growth in all countries. Gross margin percentages were broadly in line. Costs below gross margin were higher, but with stronger top-line performance trading profit was ahead.

Sales for **Packaging Coatings** for the quarter grew by 4%, reflecting improved selling prices. Gross margin percentages were lower due to adverse mix effects and continued raw material cost pressure. However, with costs below gross margin lower than last year, trading profit was ahead.

OPERATIONAL REVIEW - *Continuing operations* (continued)

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.

National Starch: Adhesives

2007 £m	Third Quarter		2007 £m	First Nine Months				
	2006 £m	Reported %		2006 £m	Reported %			
264	262	1	4	Sales	791	794	-	5
23	18	28	31	Trading Profit	67	63	6	11
8.7%	6.8%			Trading Margin (%)	8.4%	7.9%		

Adhesives sales for the quarter were 4% ahead, with growth across all regions. Sales in Asia were ahead with continued strong growth in China, India and Vietnam. Good sales growth was achieved in Europe and Latin America and North America was also ahead. Gross margin percentages were above prior year, reflecting good supply chain cost control. As a result, trading profit was 31% ahead.

National Starch: Specialty Starches

2007 £m	Third Quarter		2007 £m	First Nine Months				
	2006 £m	Reported %		2006 £m	Reported %			
139	125	12	16	Sales	402	376	7	13
20	19	6	11	Trading Profit	53	44	20	27
14.0%	14.7%			Trading Margin (%)	13.1%	11.7%		

Sales for **Specialty Starches** were 16% ahead of last year, with double digit growth in both food and industrial paper-making starches. Food sales were particularly strong in Europe, where the Novation® product line delivered significant growth. Sales in Latin America were also good, driven by strong volume growth in Mexico. Sales of industrial starches were particularly strong in Latin America, but were partially offset by lower volumes in Europe. Despite the impact of high corn and tapioca costs on gross margin percentages, the strong top-line performance resulted in trading profit being 11% ahead.

OPERATIONAL REVIEW - *Continuing operations* (continued)

National Starch: Specialty Polymers

2007 £m	Third Quarter		Comparable %		2007 £m	First Nine Months		Comparable %
	2006 £m	Reported %				2006 £m	Reported %	
74	68	9	15	Sales	213	201	6	14
15	12	23	29	Trading Profit	44	36	23	31
20.9%	18.5%			Trading Margin (%)	20.7%	17.9%		

Sales for **Specialty Polymers** were 15% ahead of last year, led by Asia and Europe, particularly for the Elotex business. Alco had a strong quarter in Europe, partially offset by the impact of lost business in Asia. Double digit growth for Personal Care was driven by continued demand for hair care and sunscreen polymers, particularly in Europe and North America. Overall, gross margin percentages were ahead due to the recovery of raw material cost inflation and higher manufacturing efficiencies, resulting in trading profit 29% ahead of last year.

National Starch: Electronic Materials

2007 £m	Third Quarter		Comparable %		2007 £m	First Nine Months		Comparable %
	2006 £m	Reported %				2006 £m	Reported %	
49	50	(2)	4	Sales	145	152	(5)	3
12	12	(1)	7	Trading Profit	35	38	(8)	(1)
24.2%	24.0%			Trading Margin (%)	24.0%	24.9%		

Electronic Materials sales were 4% ahead of last year, in part reflecting volume improvements in the consumer electronics industry. Sales for Emerson & Cuming and Ablestik were ahead, whilst Acheson Electronic Materials sales were broadly unchanged. Gross margin percentages were below last year, reflecting the sustained high silver costs and a somewhat less favourable product mix. However, good cost control and benefits from restructuring resulted in trading profit 7% ahead of last year.

Regional and Industrial

2007 £m	Third Quarter		Comparable %		2007 £m	First Nine Months		Comparable %
	2006 £m	Reported %				2006 £m	Reported %	
105	107	(2)	5	Sales	301	324	(7)	2
11	12	(5)	1	Trading Profit	24	29	(15)	(7)
10.8%	11.2%			Trading Margin (%)	8.1%	8.9%		

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 growth was 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.

ADDITIONAL INFORMATION

The recommended acquisition of ICI by Akzo Nobel is pending, dependent on receiving shareholder and anti-trust approvals. As outlined in the documentation related to the Scheme of Arrangement, the current expected effective date for completion is 2 January 2008.

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20 Manchester Square
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1 November 2007

ATTACHMENTS

Appendix I	Group Income Statement
Appendix II	Reconciliation of Earnings per £1 Ordinary Share to Adjusted Earnings per £1 Ordinary Share
Appendix III	Reconciliation Tables – “As Reported” to “Comparable” Revenue and Trading Profit
Appendix IV	Notes
Appendix V	Definitions

IMPERIAL CHEMICAL INDUSTRIES PLC
GROUP INCOME STATEMENT
THIRD QUARTER

The unaudited results of the Group for the third quarter 2007, with comparative figures for 2006 are set out below:

	Third Quarter 2007			Third Quarter 2006		
	Before special items	Special items	Total	Before special items	Special items	Total
	£m	£m	£m	£m	£m	£m
Continuing operations						
Revenue	1,265		1,265	1,244		1,244
Net operating costs <i>(including restructuring costs)</i>	(1,097)	(11) <i>(11)</i>	(1,108) <i>(11)</i>	(1,090)	(17) <i>(17)</i>	(1,107) <i>(17)</i>
Profit less losses on disposals of fixed assets		-	-		9	9
Operating profit (loss)	168	(11)	157	154	(8)	146
Profits (losses) on sale of continuing operations		1	1		-	-
Takeover related costs		(36)	(36)		-	-
Share of profits less losses of associates	-	-	-	-	-	-
Interest expense	(18)		(18)	(31)	-	(31)
Interest income	25		25	11	-	11
Post-retirement benefit finance expense:						
- interest cost	(114)		(114)	(106)	-	(106)
- expected return on assets	116		116	101	-	101
Foreign exchange gains (losses) on debt previously hedging goodwill written off to reserves		(19)	(19)		7	7
Net finance income (expense)	9	(19)	(10)	(25)	7	(18)
Profit (loss) before taxation	177	(65)	112	129	(1)	128
Income tax (expense) credit	(31)	12	(19)	(27)	-	(27)
Net profit (loss) for the period from continuing operations	146	(53)	93	102	(1)	101
Discontinued operations						
Profit (loss) for the period for discontinued operations <i>(including special items of: restructuring costs fine)</i>	-	(2) <i>-</i> <i>(2)</i>	(2) <i>-</i> <i>(2)</i>	16	- <i>(1)</i> <i>1</i>	16 <i>(1)</i> <i>1</i>
Profits less (losses) on disposal of discontinued operations		7	7		48	48
Net profit (loss) for discontinued operations	-	5	5	16	48	64
Net profit (loss) for the period	146	(48)	98	118	47	165
Attributable to minority interest	(8)	-	(8)	(7)	(11)	(18)
Attributable to equity holders of the parent	138	(48)	90	111	36	147
Earnings per £1 ordinary share						
Basic			7.6p			12.4p
Weighted average number of Ordinary shares in issue during the period			1,189m			1,190m
of which:						
Continuing			7.1p			7.9p
Discontinued			0.5p			4.5p

IMPERIAL CHEMICAL INDUSTRIES PLC

GROUP INCOME STATEMENT

FIRST NINE MONTHS

The unaudited results of the Group for the first nine months 2007, with comparative figures for 2006 are set out below:

	First Nine Months 2007			First Nine Months 2006		
	Before special items	Special items	Total	Before special items	Special items	Total
	£m	£m	£m	£m	£m	£m
Continuing operations						
Revenue	3,663		3,663	3,686		3,686
Net operating costs (including restructuring costs)	(3,242)	(69) (69)	(3,311) (69)	(3,293)	(43) (43)	(3,336) (43)
Profit less losses on disposals of fixed assets		-	-		9	9
Operating profit (loss)	421	(69)	352	393	(34)	359
Profits (losses) on sale of continuing operations		5	5		3	3
Takeover related costs		(36)	(36)		-	-
Share of profits less (losses) of associates	3	-	3	2	-	2
Interest expense	(68)		(68)	(95)	-	(95)
Interest income	62		62	31	-	31
Post-retirement benefit finance expense:						
- interest cost	(339)		(339)	(317)	-	(317)
- expected return on assets	341		341	303	-	303
Foreign exchange gains (losses) on debt previously hedging goodwill written off to reserves		(14)	(14)		8	8
Net finance expense	(4)	(14)	(18)	(78)	8	(70)
Profit (loss) before taxation	420	(114)	306	317	(23)	294
Income tax (expense) credit	(72)	16	(56)	(67)	7	(60)
Net profit (loss) for the period from continuing operations	348	(98)	250	250	(16)	234
Discontinued operations						
Profit (loss) for the period for discontinued operations (including special items of: restructuring costs fine)	10	(3) (1) (2)	7 (1) (2)	48	(68) (6) (62)	(20) (6) (62)
Profits less (losses) on disposal of discontinued operations		917	917		44	44
Net profit (loss) for discontinued operations	10	914	924	48	(24)	24
Net profit (loss) for the period	358	816	1,174	298	(40)	258
Attributable to minority interest	(21)	(8)	(29)	(20)	(11)	(31)
Attributable to equity holders of the parent	337	808	1,145	278	(51)	227
Earnings per £1 ordinary share						
Basic			96.5p			19.1p
Weighted average number of shares in issue during the period			1,186m			1,190m
of which:						
Continuing			19.2p			18.1p
Discontinued			77.3p			1.0p

IMPERIAL CHEMICAL INDUSTRIES PLC

RECONCILIATION OF EARNINGS PER £1 ORDINARY SHARE TO ADJUSTED EARNINGS PER £1 ORDINARY SHARE†

	Third Quarter		First Nine Months	
	2007 £m	2006 £m	2007 £m	2006 £m
<i>Continuing operations</i>				
Adjusted earnings*	138	95	327	231
Special items after tax and minorities	(53)	(1)	(99)	(16)
Earnings – continuing operations	85	94	228	215
<i>Discontinued operations</i>				
Adjusted earnings*	-	16	10	47
Special items after tax and minorities	5	37	907	(35)
Earnings – discontinued operations	5	53	917	12
Total adjusted earnings	138	111	337	278
Total special items after tax and minorities	(48)	36	808	(51)
Total earnings – Group	90	147	1,145	227
<i>Continuing operations</i>				
Basic adjusted earnings per £1 Ordinary Share*	11.6p	8.0p	27.6p	19.4p
Special items after tax per £1 Ordinary Share	(4.5)p	(0.1)p	(8.4)p	(1.3)p
Basic earnings per £1 Ordinary Share – continuing operations	7.1p	7.9p	19.2p	18.1p
<i>Discontinued operations</i>				
Basic adjusted earnings per £1 Ordinary Share	0.0p	1.3p	0.8p	3.9p
Special items after tax per £1 Ordinary Share	0.5p	3.2p	76.5p	(2.9)p
Basic earnings per £1 Ordinary Share – discontinued operations	0.5p	4.5p	77.3p	1.0p
Total basic adjusted earnings per £1 Ordinary Share	11.6p	9.3p	28.4p	23.3p
Total special items after tax per £1 Ordinary Share	(4.0)p	3.1p	68.1p	(4.2)p
Total earnings per £1 Ordinary Share – Group	7.6p	12.4p	96.5p	19.1p
Weighted average number of Ordinary shares in issue during the period	1,189m	1,190m	1,186m	1,190m

* Definitions are given in Appendix V.

† Measures of earnings per share are calculated using rounded values.

IMPERIAL CHEMICAL INDUSTRIES PLC

RECONCILIATION TABLES – “AS REPORTED” TO “COMPARABLE” REVENUE,
AND OPERATING PROFIT AND TRADING PROFIT

In the following reconciliation tables, percentage changes are calculated using unrounded values. As noted, comparable performance is defined on the basis of continuing operations.

RECONCILIATION TABLE – “AS REPORTED” TO “COMPARABLE” REVENUE
Third quarter 2007 vs third quarter 2006

	Revenue		“As reported” change		Foreign exchange translation effects	Divestment/ (acquisition) effects	“Comparable” change	
	2007	2006	2007 vs 2006		adverse/ (favourable)		2007 vs 2006	
	£m	£m	£m	%	£m	£m	£m	%
<i>Continuing operations</i>								
Paints	640	638	2	-	16	2	20	3
Adhesives	264	262	2	1	9	-	11	4
Specialty Starches	139	125	14	12	7	-	21	16
Specialty Polymers	74	68	6	9	4	-	10	15
Electronic Materials	49	50	(1)	(2)	4	-	3	4
<i>Total National Starch</i>	526	505	21	4	24	-	45	9
Regional and Industrial	105	107	(2)	(2)	7	-	5	5
Total continuing reporting segments	1,271	1,250	21	2	47	2	70	5
Corporate and other	1	1	-	-	-	-	-	-
Inter segment revenue	(7)	(7)	-	-	(1)	-	(1)	-
Total	1,265	1,244	21	2	46	2	69	5

RECONCILIATION TABLE – OPERATING PROFIT AND TRADING PROFIT
Third quarter 2007 vs third quarter 2006

	Trading profit		Special operating items		Operating profit	
	2007 £m	2006 £m	2007 £m	2006 £m	2007 £m	2006 £m
<i>Continuing operations</i>						
Paints	98	90	(11)	(2)	87	88
Adhesives	23	18	(2)	(3)	21	15
Specialty Starches	20	19	-	2	20	21
Specialty Polymers	15	12	-	-	15	12
Electronic Materials	12	12	2	-	14	12
<i>Total National Starch</i>	70	61	-	(1)	70	60
Regional and Industrial	11	12	(1)	-	10	12
Total continuing reporting segments	179	163	(12)	(3)	167	160
Corporate and other	(11)	(9)	1	(5)	(10)	(14)
Total	168	154	(11)	(8)	157	146

IMPERIAL CHEMICAL INDUSTRIES PLC

RECONCILIATION TABLE – “AS REPORTED” TO “COMPARABLE” TRADING PROFIT

RECONCILIATION TABLE – “AS REPORTED” TO “COMPARABLE” TRADING PROFIT

Third quarter 2007 vs third quarter 2006

	Trading profit “As reported”		“As reported” change		Foreign exchange translation effects	Divestment/ (acquisition) effects	“Comparable” change	
	2007	2006	2007 vs 2006		adverse/ (favourable)		2007 vs 2006	
	£m	£m	£m	%	£m	£m	£m	%
<i>Continuing operations</i>								
Paints	98	90	8	8	2	(1)	9	10
Adhesives	23	18	5	28	1	-	6	31
Specialty Starches	20	19	1	6	1	-	2	11
Specialty Polymers	15	12	3	23	1	-	4	29
Electronic Materials	12	12	-	(1)	-	-	-	7
<i>Total National Starch</i>	70	61	9	15	3	-	12	20
Regional and Industrial	11	12	(1)	(5)	1	-	-	1
Total continuing reporting segments	179	163	16	10	6	(1)	21	13
Corporate and other	(11)	(9)	(2)		-	-	(2)	
Total	168	154	14	9	6	(1)	19	12

IMPERIAL CHEMICAL INDUSTRIES PLC

RECONCILIATION TABLE – “AS REPORTED” TO “COMPARABLE” REVENUE AND OPERATING PROFIT AND TRADING PROFIT

RECONCILIATION TABLE – “AS REPORTED” TO “COMPARABLE” REVENUE
First nine months 2007 vs first nine months 2006

	Revenue		“As reported” change		Foreign exchange translation effects	Divestment/ (acquisition) effects	“Comparable” change	
	2007	2006	2007 vs 2006		adverse/ (favourable)		2007 vs 2006	
	£m	£m	£m	%	£m	£m	£m	%
<i>Continuing operations</i>								
Paints	1,826	1,856	(30)	(2)	78	4	52	3
Adhesives	791	794	(3)	-	45	-	42	5
Specialty Starches	402	376	26	7	23	-	49	13
Specialty Polymers	213	201	12	6	14	-	26	14
Electronic Materials	145	152	(7)	(5)	12	-	5	3
<i>Total National Starch</i>	<i>1,551</i>	<i>1,523</i>	<i>28</i>	<i>2</i>	<i>94</i>	<i>-</i>	<i>122</i>	<i>8</i>
Regional and Industrial	301	324	(23)	(7)	29	-	6	2
Total continuing reporting segments	3,678	3,703	(25)	(1)	201	4	180	5
Corporate and other	2	2	-		-	-	-	
Inter segment revenue	(17)	(19)	2		(3)	-	(1)	
Total	3,663	3,686	(23)	(1)	198	4	179	5

RECONCILIATION TABLE – OPERATING PROFIT AND TRADING PROFIT
First nine months 2007 vs first nine months 2006

	Trading profit		Special operating items		Operating profit	
	2007 £m	2006 £m	2007 £m	2006 £m	2007 £m	2006 £m
<i>Continuing operations</i>						
Paints	225	211	(24)	(5)	201	206
Adhesives	67	63	(12)	(15)	55	48
Specialty Starches	53	44	(1)	-	52	44
Specialty Polymers	44	36	(1)	(1)	43	35
Electronic Materials	35	38	(3)	-	32	38
<i>Total National Starch</i>	<i>199</i>	<i>181</i>	<i>(17)</i>	<i>(16)</i>	<i>182</i>	<i>165</i>
Regional and Industrial	24	29	(1)	(2)	23	27
Total continuing reporting segments	448	421	(42)	(23)	406	398
Corporate and other	(27)	(28)	(27)	(11)	(54)	(39)
Total	421	393	(69)	(34)	352	359

IMPERIAL CHEMICAL INDUSTRIES PLC

RECONCILIATION TABLE – “AS REPORTED” TO “COMPARABLE” TRADING PROFIT

RECONCILIATION TABLE – “AS REPORTED” TO “COMPARABLE” TRADING PROFIT

First nine months 2007 vs first nine months 2006

	Trading profit “As reported”		“As reported” change		Foreign exchange translation effects	Divestment/ (acquisition) effects	“Comparable” change	
	2007	2006	2007 vs 2006		adverse/ (favourable)		2007 vs 2006	
	£m	£m	£m	%	£m	£m	£m	%
<i>Continuing operations</i>								
Paints	225	211	14	7	6	1	21	10
Adhesives	67	63	4	6	3	-	7	11
Specialty Starches	53	44	9	20	3	-	12	27
Specialty Polymers	44	36	8	23	3	-	11	31
Electronic Materials	35	38	(3)	(8)	2	-	(1)	(1)
<i>Total National Starch</i>	199	181	18	10	11	-	29	16
Regional and Industrial	24	29	(5)	(15)	3	-	(2)	(7)
Total continuing reporting segments	448	421	27	7	20	1	48	12
Corporate and other	(27)	(28)	1		-	-	1	
Total	421	393	28	7	20	1	49	13

IMPERIAL CHEMICAL INDUSTRIES PLC**NOTES****1. Notes to the figures used on page 3**

ICI management believes that the information presented in the table on page 3 provides useful financial information relating to the performance of the operations of the Group. This should not be considered as an alternative, but as supplementary to the full IFRS income statement presented in Appendix I. Further explanation of the basis of presentation is included in section 4 below.

2. Basis of Preparation

The information included within this document has been prepared on the basis of the recognition and measurement requirements of IFRS standards and IFRIC interpretations in issue that are endorsed by the European Commission and effective (or which ICI has chosen to early adopt) for the year ended 31 December 2007 (“adopted IFRS”).

3. Basis of segmentation

ICI changed its reporting segments in 2006. The National Starch business, previously reported as one segment, is now reported as four segments.

Segmental data for continuing operations comprises:

- Paints,
- Adhesives, Specialty Starches, Specialty Polymers, and Electronic Materials (collectively formerly reported as National Starch),
- Regional and Industrial, and
- Corporate and other.

The Regional and Industrial segment comprises the Group’s Regional businesses (of which the largest operation is the pure terephthalic acid business in Pakistan) and some ongoing residual activity relating to legacy management. Corporate and other represents the shared costs that are not directly attributable to individual segments i.e. largely those relating to operating as a “PLC”. The Group’s discontinued reporting segment, as described on page 71 of the 2006 Annual Report and Accounts, includes Uniqema and Quest.

Information for the entirety of the National Starch business continues to be provided as it is an important part of the organisation and management structure. Prior year segment information has been updated for the change.

IMPERIAL CHEMICAL INDUSTRIES PLC**NOTES (continued)****4. Basis of Presentation**

The Group's financial statements are prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards.

The financial data presented in this document is for the third quarter 2007, being the three months ended 30 September 2007, and for the first nine months of 2007, being the nine months ended 30 September 2007, and compared to the corresponding periods in the previous year.

The results presented in the financial table on pages 6 and 7 and in the tables in the operational review on pages 8 to 10 are "as reported". "As reported" numbers include the effects of currency translation, acquisitions and divestments and are quoted before accounting for special items. Unless otherwise stated, the commentary on pages 8 through 10 refers to performance measured on a "comparable" basis and are quoted before special items.

References to "comparable" performances exclude the effect of currency translation differences and the impact of acquisitions and divestments. "Comparable" results for both 2007 and 2006 are derived by excluding the results of divested businesses and the impact of acquired businesses from the relevant periods and translating results of those subsidiaries that report in currencies other than sterling for both periods at a single average exchange rate for each currency. For this purpose ICI has used the average of the daily exchange rates for each particular currency for the first year included in the comparison (e.g. both the 2007 and 2006 results for the quarter are translated using the average of the daily exchange rates in 2006). At Group level, "comparable" performances refer to continuing operations only.

Reconciliations between "as reported" and "comparable" performance are shown in Appendix III.

5. Basis of Presentation - non-Generally Accepted Accounting Principles financial measures

Investors should consider non-GAAP financial measures in addition to, and not as a substitute for or as superior to, measures of financial performance reported in accordance with IFRS. The IFRS results reflect all items that affect reported performance and therefore it is important to consider the IFRS measures alongside the non-GAAP measures.

Guidance from the UK Auditing Practices Board and the UK Listing Authority, states that where non-GAAP figures are discussed, the most directly comparable GAAP figures must also be presented and reconciled to the non-GAAP figures. Reconciliation tables have been included in Appendix III, which include reconciliations of key non-GAAP data provided in this statement to the directly comparable GAAP segmental information.

IMPERIAL CHEMICAL INDUSTRIES PLC**NOTES (continued)****6. Forward-looking statements**

This document contains forward-looking statements concerning the Group's business, financial condition, results of operations and certain of the Group's plans, objectives, assumptions, projections, expectations or beliefs with respect to these items.

The Company cautions that any forward-looking statements in this document may and often do vary from actual results and the differences between these statements and actual results can be material. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements, which speak only at their respective dates. The Company undertakes no obligation to release publicly the result of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date of this document, including, without limitation, changes in the Group's business or acquisition or divestment strategy or planned capital expenditures, or to reflect the occurrence of unanticipated events.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, among other things: the impact of competitive products and pricing; changes in the price of raw materials; the occurrence of major operational problems; the loss of major customers; limitations imposed by the Group's indebtedness and leverage; a credit rating downgrade by the rating agencies; undertakings and guarantees relating to pension funds; contingent liabilities, including those arising in connection with disposed businesses; risks associated with the Group's international operations and risks of litigation.

7. Relationship to Statutory Accounts and Audit Status

The financial information included in this document is unaudited and does not comprise statutory accounts within the meaning of section 240 of the Companies Act 1985. The auditors have reported on the statutory accounts for the year ended 31 December 2006. Their report was unqualified and did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report or contain a statement under Section 237 (2) or (3) of the Companies Act 1985. The accounts have been delivered to the Registrar of Companies.

IMPERIAL CHEMICAL INDUSTRIES PLC

DEFINITIONS

Adjusted net profit	Net profit before special items attributable to equity holders of the parent.
Adjusted profit before taxation	Profit of continuing and discontinued operations before taxation and special items.
Adjusted tax rate	Taxation (excluding tax on special items) divided by adjusted profit before tax.
As reported performance	Performance including the effects of currency translation differences and the impact of acquisitions and divestments.
Basic adjusted earnings per share	Net profit before special items attributable to equity holders of the parent divided by the weighted average number of shares in issue (less weighted average number of shares held by the Group's employee share plans) during the period.
Basic earnings per share	Net profit after special items attributable to equity holders of the parent divided by the weighted average number of shares in issue (less weighted average number of shares held by the Group's employee share plans) during the period.
Comparable *	Results excluding the effects of currency translation differences and the impact of acquisitions and divestments. At a Group level, this refers to continuing operations only. Comparable profits and losses are quoted before accounting for special items.
Continuing operations	ICI's continuing operations comprise the Paints, Adhesives, Specialty Starches, Specialty Polymers, Electronic Materials and Regional and Industrial Businesses, Corporate and other.
Earnings before interest, tax, depreciation and amortisation (EBITDA) *	Profit before interest, taxation, depreciation, amortisation of intangibles and special items.
Gross margin *	Sales value less the variable and fixed costs directly associated with the manufacture and distribution of the goods sold.
Net cash	Cash (including overdrafts), cash equivalents and current asset investments less the borrowings of ICI (comprising loans and short-term borrowings other than overdrafts together with related derivatives and obligations under finance leases).

* Management believes these measures are an important financial indicator, however they should not be considered in isolation, or as an alternative to operating profit or net profit or cash flow from operating activities, in each case, determined in accordance with IFRS.

IMPERIAL CHEMICAL INDUSTRIES PLC

DEFINITIONS (continued)

Net debt	The borrowings of ICI (comprising loans and short-term borrowings other than overdrafts together with related derivatives, obligations under finance leases and the liabilities associated with the forward contracts for the acquisition of own shares (to the extent that the contracts are 'out of the money')) less cash (including overdrafts), cash equivalents and current asset investments.
Reporting segments	The continuing reporting segments comprise the Group's Paints, Adhesives, Specialty Starches, Specialty Polymers, Electronic Materials and Regional and Industrial businesses.
Special items	Special items are those items of financial performance that should be separately disclosed to assist in the understanding of the financial performance achieved by the Group and in making projections of future results, as explained in IAS 1 <i>Presentation of Financial Statements</i> . Special items includes items relating to both continuing and discontinued businesses.
Trading margin *	Trading profit expressed as a percentage of sales.
Trading profit	Operating profit before special items. At Group level this refers to continuing operations only unless otherwise stated.