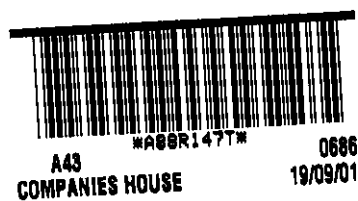


ERGON INVESTMENTS INTERNATIONAL LIMITED

Registered Number 2074788

**REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000**



ERGON INVESTMENTS INTERNATIONAL LIMITED

Directors: Mr D J Gee
Mr P J Gillett
Dr C Vallance
Mr A G Spall
Mr D C Blackwood (Appointed 10 November 2000)

Secretary: Miss M W Grosset (Resigned 18 August 2000)
Mr P S J Davis (Appointed 18 August 2000)

Registered Office: Imperial Chemical House
Millbank
London
SW1P 3JF

Auditor: KPMG Audit Plc
8 Salisbury Square
London
EC4Y 8BB

REPORT OF THE DIRECTORS

For the year ended 31 December 2000

The Directors of Ergon Investments International Limited submit their Report, together with the financial statements of the Company, for the year ended 31 December 2000.

No dividend is proposed for the year ended 31 December 2000 (1999: £Nil).

The principal activity of the Company during the year was the holding of investments. No change in this activity is envisaged.

The names of the Directors of the Company at the date of this Report are set out on page 2.

The interests at 31 December 2000 of persons who on that date were Directors in the stocks, shares and debentures of the Companies in the Imperial Chemical Industries PLC ("ICI") Group are shown below:

	ICI ORDINARY SHARES	
	AT 31 DECEMBER 2000	AT 1 JANUARY 2000 OR DATE OF APPOINTMENT
D J Gee	-	-
P J Gillett	-	-
C Vallance	12,223	7,126
A G Spall	57,409	35,053
D C Blackwood	3,820	3,820

(D C Blackwood was appointed on 10 November 2000.)

Options to subscribe for Ordinary Shares granted and exercised during 2000 are included in the table below:

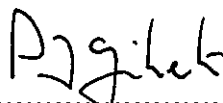
	1 January 2000 or date of appointment	Options Granted	Options Exercised	Options Renounced	31 December 2000
D J Gee	69,900	41,957	-	-	111,857
P J Gillett	48,124	31,510	-	-	79,634
C Vallance	60,546	25,440	-	-	85,986
A G Spall	312,348	94,178	(1,400)	-	405,126
D C Blackwood	42,587	-	-	-	42,587

(D C Blackwood was appointed on 10 November 2000.)

The company made no political or charitable contributions during the year.

Pursuant to a shareholders' resolution, the company is not obliged to reappoint its auditors annually and KPMG will therefore continue in office.

By order of the Board



 P J Gillett
 Director

Imperial Chemical House
 Millbank
 London
 SW1P 3JF

22 March 2001

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them for safeguarding the assets of the Company and to prevent and detect fraud and other irregularities.

AUDITOR'S REPORT TO THE MEMBERS OF ERGON INVESTMENTS INTERNATIONAL LIMITED

We have audited the financial statements on pages 7 to 11.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the directors' report and, as described on page 5, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2000 and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
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KPMG Audit Plc
Chartered Accountants
Registered Auditors
8 Salisbury Square
London
EC4Y 8BB

22 March 2001

ERGON INVESTMENTS INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2000

	Notes	2000 £'000	1999 £'000
Administrative expenses		-	-
Operating profit/(loss)		-	-
Interest receivable and similar income		-	-
Profit on ordinary activities before taxation		-	-
Tax on profit on ordinary activities		-	-
Profit on ordinary activities after taxation		-	-
Dividends proposed		-	-
Retained profit/(loss) for the year		-	-

ERGON INVESTMENTS INTERNATIONAL LIMITED


BALANCE SHEET

AT 31 DECEMBER 2000

	Notes	2000 £'000	1999 £'000
FIXED ASSET INVESTMENTS	6	4,021,595	4,000,000
CREDITORS: amounts falling due within one year	7	(1,537,081)	(1,515,486)
NET CURRENT ASSETS		<u>2,484,514</u>	<u>2,484,514</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,484,514</u>	<u>2,484,514</u>
NET ASSETS		<u>2,484,514</u>	<u>2,484,514</u>
FINANCED BY			
CAPITAL AND RESERVES			
Called up share capital	8	2,484,514	2,484,514
Profit and loss account	9	-	-
SHAREHOLDERS' FUNDS / EQUITY	10	<u>2,484,514</u>	<u>2,484,514</u>

The notes on pages 9 to 11 form part of these financial statements.

The Board of Directors approved these financial statements on 22 March 2001.


 Director
 D C Blackwood

ERGON INVESTMENTS INTERNATIONAL LIMITED

NOTES RELATING TO THE FINANCIAL STATEMENTS

31 DECEMBER 2000

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 1985.

b) Financial Reporting Standard No.1 (revised 1996)

The consolidated financial statements of the Company's ultimate parent undertaking include a consolidated statement of cash flows of the Group. The Company is consequently exempt from preparing a cash flow statement in these accounts.

c) Foreign currencies

Assets and liabilities in foreign currencies are converted to sterling at the spot rates of exchange ruling at the balance sheet date.

2. Segmental information

The company's activities are carried out wholly in the United Kingdom.

3. Directors' emoluments and staff costs

The Company employed no staff during the year (1999: Nil). None of the Directors received any emoluments in respect of their services to the Company (1999: £Nil).

4. Profit and loss account

The company has no items in the profit and loss account for the year ended 31 December 2000 (1999: £ Nil).

5. Auditors' remuneration

The audit fee in amount of £1,000 was paid by the parent company, Imperial Chemical Industries PLC, and is not the subject of recharge.

6. **Fixed asset investments**

	Shares £'000	Total £'000
Cost		
At beginning of year	4,000,000	4,000,000
Additions	22,219	22,219
Disposals	-	-
Exchange adjustments	(624)	(624)
At end of year	<u>4,021,595</u>	<u>4,021,595</u>

All shares are held in unlisted subsidiary or associate undertakings.

Principal subsidiary and associate undertakings are given below:

	Country of Registration and Principal Operations	Class of shares held	% held (direct)	Principal Activities
ICI Theta B.V.	The Netherlands	Ordinary	100.00	Investment holding company
Alba SA	Argentina	Redeemable preference	-	Paints

Under section 228 of the Companies Act 1985, the company is exempt from the requirement to prepare Group accounts as it is a wholly owned subsidiary of Imperial Chemical Industries PLC ("ICI") and is therefore included in the consolidated accounts of ICI, a company incorporated in Great Britain and registered in England.

7. **Creditors - amounts falling due within one year**

	2000 £'000	1999 £'000
Amounts owed to group undertakings	<u>(1,537,081)</u>	<u>(1,515,486)</u>

8. **Share capital**

	2000 £'000	1999 £'000
Equity: Ordinary shares of £1 each Authorised	<u>5,000,000</u>	<u>5,000,000</u>
Equity: Ordinary shares of £1 each Allotted, called up and fully paid	<u>2,484,514</u>	<u>2,484,514</u>

9. **Reserves**

	Profit and Loss Account 2000 £'000	Profit and Loss Account 1999 £'000
At beginning and end of year	<u>-</u>	<u>-</u>

10. **Reconciliation of movements in shareholders' funds**

	2000 £'000	1999 £'000
Opening shareholders' funds	2,484,514	1,495,998
New share capital issued	<u>-</u>	<u>988,516</u>
Closing shareholders' funds	<u>2,484,514</u>	<u>2,484,514</u>

11. **Parent company**

The Company is a wholly owned subsidiary of Ergon Investments UK Limited, which is incorporated in Great Britain and registered in England.

12. **Ultimate parent company**

The Company's ultimate parent company is Imperial Chemical Industries PLC, which is incorporated in Great Britain and registered in England.

Copies of the Group accounts are available from Company Secretary's Department, Imperial Chemical House, Millbank, London SW1P 3JF.

13. **Related party disclosures**

Related party transactions with other members of the ICI Group controlled by Imperial Chemical Industries PLC are not disclosed in accordance with the exemption allowed under Financial Reporting Standard No.8.