

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

IN RE: MICROCRYSTALLINE
CELLULOSE ANTITRUST LITIGATION

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MASTER FILE NO. 01-CV-111 (O'NEILL, J.)
MDL NO. 1402

NOTICE OF PROPOSED SETTLEMENT AND HEARING

A Federal Court authorized this Notice. This is not a solicitation from a lawyer.

**IF YOU PURCHASED MICROCRYSTALLINE CELLULOSE *DIRECTLY*
FROM DEFENDANT FMC CORPORATION NAMED IN THIS
CLASS ACTION LAWSUIT DURING THE PERIOD FROM
JANUARY 1, 1984 THROUGH DECEMBER 31, 1997, YOU MAY BE
ELIGIBLE TO PARTICIPATE IN A PARTIAL SETTLEMENT
OF \$25 MILLION REACHED IN THIS CASE.**

What is the purpose of this Notice and why did I receive this Notice?

This Notice is to inform you that because you may have purchased microcrystalline cellulose directly from Defendant FMC Corporation ("FMC") during the period from January 1, 1984 through December 31, 1997 (the "Class Period"), you may be a member of one of three Classes certified by the Court.

As described in further detail below, this Notice is sent:

(1) to inform you that a proposed settlement has been reached with defendant Asahi Kasei Corporation, formerly known as Asahi Chemical Industry Co., Ltd., and Asahi Kasei Chemicals Corporation ("Asahi") in the amount of \$25 million and to advise you of your rights with respect to that settlement;

(2) to notify you that Class Plaintiffs will request an Order authorizing the use of a portion of the Fund to pay such expenses as may reasonably be incurred in the prosecution of the Class Actions, in an amount not to exceed \$2.5 million, subject to further application to the Court;

(3) to notify you that the Court will hold a hearing on June 15, 2005 to determine whether the proposed settlement is fair; and

(4) to notify you of your right to object to the proposed settlement and to the use of a portion of the Fund to pay such expenses as may reasonably be incurred in the prosecution of the Class Actions, in an amount not to exceed \$2.5 million, subject to further application to the Court.

What is the current status of the litigation?

You were previously notified of the existence of this class action, the nature of the plaintiffs' claims, certification by the Court of the three Classes and your right to exclude yourself from the Classes.

A proposed settlement has now been reached with Asahi, and it has agreed to pay \$25 million.

This is a proposed settlement with Asahi only. The litigation is continuing against FMC.

What is this litigation about?

This class action is described in more detail in the February 19, 2004 Notice of Pendency of Class Action, which was previously sent to Members of the Classes. Copies of that Notice, as well as the Consolidated and Amended Complaint, the Agreement of Settlement and other documents, are available at www.hrsclaimsadministration.com. Briefly, plaintiffs allege that defendants entered into a conspiracy in violation of the federal antitrust laws, to divide the international market for non-Avicel MCC in restraint of trade in violation of Section 1 of the Sherman Act during the period from January 1, 1984 through December 31, 1997. Plaintiffs further allege that as a result of the conspiracy, they and other members of the Classes have been injured by paying more for microcrystalline cellulose than they would have paid in the absence of the alleged conspiracy.

Asahi denies that it violated the antitrust laws. Asahi believes that it had legal and factual defenses to the claims asserted by the Classes, but it has agreed to enter into the settlement in order to put to rest all controversy in this action, which is in its fifth year of litigation, and to avoid the further expense and burden of protracted litigation.

Who are the Class Members in this lawsuit?

On July 24, 2003, the Court determined that this case could proceed as a class action and certified the following three Classes:

(i) The Pharmaceutical Class is defined as: All persons or entities in the United States who purchased microcrystalline cellulose directly from defendant FMC Corporation in the United States for use in connection with the manufacture or preparation of prescription and/or over-the-counter pharmaceutical products at any time during the period January 1, 1984 through December 31, 1997. The Class excludes governmental entities, defendants, defendants' parents, subsidiaries, and affiliates.

(ii) The Vitamins Class is defined as: All persons or entities in the United States who purchased microcrystalline cellulose directly from defendant FMC Corporation in the United States for use in connection with the manufacture or preparation of vitamin products at any time during the period from January 1, 1984 through December 31, 1997. The Class excludes governmental entities, defendants, defendants' parents, subsidiaries, and affiliates.

(iii) The Food Purchasers Class is defined as: All persons or entities in the United States who purchased microcrystalline cellulose directly from defendant FMC Corporation in the United States for use as a food additive at any time during the period from January 1, 1984 through December 31, 1997. The Class excludes governmental entities, defendants, defendants' parents, subsidiaries, and affiliates.

"Microcrystalline Cellulose" or "MCC" refers to a substance derived from purified wood cellulose. Its principal commercial applications are as a binder in the production of both prescription and over-the-counter pharmaceuticals, as a food additive to emulsify, stabilize and thicken food products and as a fat replacer in foods such as frozen desserts and salad dressings, and as a binder in the production of vitamins.

Who are the defendants in this lawsuit?

The defendants in this litigation are the Asahi defendants and FMC.

If you purchased microcrystalline cellulose in the United States **directly** from FMC during the Class Period, you may be eligible to receive a share of the Settlement Fund proceeds (unless you previously requested exclusion from one or more of the Classes).

What relief does the proposed settlement provide?

The proposed settlement with Asahi provides for payment of \$25 million from Asahi. This amount has been received and deposited into an interest-bearing escrow account on behalf of the Classes. The settlement also provides for a release in favor of Asahi of claims that relate to or arise from the alleged conspiracy to allocate markets with respect to MCC.

Class Counsel agreed to the proposed settlement to ensure a fair and reasonable resolution to this matter and to provide monetary benefits to the members of the Classes, recognizing the existence of complex, contested issues of law and fact; the risks inherent in such complex litigation; the likelihood that in the absence of settlement future proceedings would take several years and be extremely costly; and the magnitude of the benefits resulting from the settlement in light of the possible range of recovery that could be obtained through further litigation, including the risk of no recovery.

Class Counsel believe that it is in the best interests of the Classes to enter into the proposed settlement and to resolve this litigation as to the Asahi defendants.

This Notice is only a summary of the terms of the proposed settlement. The full agreement is set forth in the Agreement of Settlement Between Class Plaintiffs and Asahi dated March 8, 2005, which has been filed with the Court. The Agreement of Settlement contains other important provisions, including releases of certain claims against Asahi, and you are referred to the Agreement of Settlement for the complete terms of the settlement. The Agreement is available on-line, www.hrsclaimsadministration.com, and is on file with the Clerk of Court. The proposed settlement must receive final approval by the Court in order to become effective.

If you are a member of a Class and the proposed settlement is approved and becomes effective, you will be bound by its terms, including the release provisions, whether or not you subsequently file a claim to receive a share of the settlement proceeds. If you wish to be heard with regard to approval of the settlement, either to support or to object to the settlement, you may do so, but only in accordance with the procedures set forth below.

How will the Settlement Fund be distributed?

The proceeds from the settlement have been deposited in a Court-authorized, interest-bearing account for the benefit of the Classes. The Settlement Fund, with accrued interest, less any interim amounts approved by the Court for payment of litigation and administration costs and expenses and attorneys' fees, will be retained for the benefit of members of the Classes pending the conclusion of this litigation. Class Counsel do **not** intend to apply for attorneys' fees at this time, but will defer the filing of their petition for attorneys' fees to a later date.

There will be no distribution to the Class from the proceeds of this partial settlement at this time. You may be required as a condition to participating in any recovery through settlement or trial to present evidence respecting your purchases of MCC, including, among other data, the amounts in units and dollars and the net price paid, during the relevant time period. You should, therefore, preserve invoices and other records reflecting this information.

When will the Court decide these issues and must I attend the hearing?

A hearing will be held on **June 15, 2005 at 10:30 a.m. in Courtroom 4A** of the United States Courthouse, 601 Market Street, Philadelphia, Pennsylvania 19106 for the purpose of determining: (1) whether the proposed settlement with Asahi is fair, reasonable and adequate and should be approved by the Court; and (2) whether Class Counsel's request for an Order authorizing the use of a portion of the Fund to pay such expenses as may reasonably be incurred in the prosecution of the Class Actions, in an amount not to exceed \$2.5 million, subject to further application to the Court, should be approved.

The time and date of the hearing may be continued from time to time without further notice to Class Members. **Class Members who do not wish to object to the proposed settlement, or the request for an Order authorizing the use of a portion of the Fund to pay such expenses as may reasonably be incurred in the prosecution of the Class Actions, in an amount not to exceed \$2.5 million, subject to further application to the Court, need not appear at the hearing or take any other action.**

Class Members who wish to object to the proposed settlement, or to Class Counsel's request for an Order authorizing the use of a portion of the Fund to pay such expenses as may reasonably be incurred in the prosecution of the Class Actions, in an amount not to exceed \$2.5 million, subject to further application to the Court, must do so in writing, no later than **May 17, 2005**, by filing a notice of intention to appear at the hearing and a statement of the position to be asserted and the grounds of the objection, together with any supporting papers or briefs, referring to the *In re Microcrystalline Cellulose Antitrust Litigation*, MDL No. 1402, with the Clerk of the Court, United States District Court for the Eastern District of Pennsylvania, U.S. Courthouse, Room 2609, 601 Market Street, Philadelphia, Pennsylvania 19106. Copies of any such objection, and any supporting papers or briefs shall also be sent via certified mail, return receipt requested, postmarked no later than **May 17, 2005** to the following counsel:

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**Counsel for Defendants Asahi Kasei Corporation,
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and Asahi Kasei Chemicals Corporation**

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**Class Counsel for the Food
Purchasers Class Plaintiffs**

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**Class Counsel for the Vitamins
Class Plaintiffs**

Except as provided herein, no person shall be entitled to contest the terms and conditions of the proposed settlement, or the request for an Order authorizing the use of a portion of the Fund to pay such expenses as may reasonably be incurred in the prosecution of the Class Actions, in an amount not to exceed \$2.5 million, subject to further application to the Court, and persons who fail to object as provided herein shall be deemed to have waived any such objections.

What Claims am I Releasing?

Upon the Agreement of Settlement becoming final, each member of the three Classes shall be deemed to have covenanted and agreed that he, she or it will forever refrain from seeking to institute, maintain or prosecute or continuing to maintain or prosecute any suit or action, or collecting from or proceeding against the Asahi defendants or any of their past and present officers, directors, employees, attorneys, parents, subsidiaries, affiliates, divisions and any of their legal representatives, and the predecessors, successors, heirs, executors, administrators, and assigns of each of the foregoing (the "Releasees"), from any and all claims, demands, actions, suits, and causes of action, damages whenever incurred, liabilities of any nature, including costs, expenses, penalties and attorneys' fees, known or unknown, suspected or unsuspected, in law or equity, whether class, individual, or otherwise in nature that the members of the Classes, or any one of them, ever had, now has, or hereafter can, shall or may have directly, representatively, derivatively or in any other capacity against the Releasees or any of them, on account of, arising out of, relating to, or resulting from the purchase of MCC in the United States during the Class Period based in whole or in part on the facts, occurrences, transactions or other matters alleged in the Complaint or otherwise the subject of this litigation, which arise under any federal or state antitrust, unfair competition, unfair practices, price discrimination, unitary pricing, trade practice, or civil conspiracy law, including, without limitation, the Sherman Antitrust Act, 15 U.S.C. § 1 et seq. (the "Released Claims"). The provisions of the release shall apply regardless of the provisions of California Civil Code Section 1542 or any equivalent, similar, or comparable present or future law or principle of law of any jurisdiction. Each member of the three Classes may hereafter discover facts other than or different from those which he, she or it knows or believes to be true with respect to the Released Claims, but each member of the three Classes expressly and fully, finally and forever waives, relinquishes, and forever settles and releases any and all rights and benefits existing under (i) California Civil Code Section 1542 or any equivalent, similar or comparable present or future law or principle of law of any jurisdiction and (ii) any law or principle of law of any jurisdiction that would limit or restrict the effect or scope of the provisions of the release set forth above. Each member of the three Classes also expressly waives and fully, finally and forever settles any claims it may have against Releasees or any of them under California Business and Professions Code § 17200 et seq.

The Agreement of Settlement does not settle or compromise any claim by Class Plaintiffs or the Classes asserted in the Consolidated Amended Class Action Complaint against Defendant FMC Corporation or other persons or entities other than the Releasees, and all rights against Defendant FMC Corporation or other persons or entities are specifically reserved.

What should I do if I want additional information concerning these matters, or if my mailing address changes?

All references in this Notice to pleadings, agreements of settlement and court orders are only summaries.

Any questions concerning the matters contained in this Notice may be directed to any of the Plaintiffs' Counsel listed above.

You may also seek the advice and counsel of your own attorney if you desire, at your own expense. All of the pleadings and other records in this litigation may be examined and copied during regular office hours at the Office of the Clerk, United States District Court for the Eastern District of Pennsylvania, Room 2609, U.S. Courthouse, 601 Market Street, Philadelphia, Pennsylvania 19106. Copies of the February 19, 2004 Notice of Pendency of Class Action, the Agreement of Settlement, and the Consolidated and Amended Complaint are available at www.hrsclaimsadministration.com.

If this Notice reached you at an address other than the one on the mailing label, or if your address changes, please send your correct address to:

In re Microcrystalline Cellulose Antitrust Litigation
c/o Heffler, Radetich & Saitta LLP
P.O. Box 900
Philadelphia, PA 19105-0900

Please do not directly contact either the Judge or the Clerk of the Court concerning these matters.

April 1, 2005

BY ORDER OF:

The Clerk of the United States
District Court for the Eastern
District of Pennsylvania

In re Microcrystalline Cellulose Antitrust Litigation
c/o Heffler, Radetich & Saitta LLP
P.O. Box 900
Philadelphia, PA 19105-0900

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