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HERCULES INC
Form DFAN14A
June 30, 2003

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON JUNE 30, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934
(AMENDMENT NO.)

Filed by the Registrant
Filed by a Party other than the Registrant
Check the appropriate box:
 Preliminary Proxy Statement
 Confidential, For Use of the Commission Only (as permitted by
Rule 14a-6(e)(2))
 Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material Pursuant to Rule 14a-12

HERCULES INCORPORATED
(Name of Registrant as Specified in Its Charter)

THE HERCULES SHAREHOLDERS' COMMITTEE FOR NEW MANAGEMENT
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):
 No fee required.
 Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
(1) Title of each class of securities to which transaction applies:
(2) Aggregate number of securities to which transaction applies:
(3) Per unit price or other underlying value of transaction computed
pursuant to Exchange Act Rule 0-11 (set forth the amount on which the
filing fee is calculated and state how it was determined):
(4) Proposed maximum aggregate value of transaction:
(5) Total fee paid:
 Fee paid previously with preliminary materials.
 Check box if any part of the fee is offset as provided by Exchange Act Rule
0-11(a)(2) and identify the filing for which the offsetting fee was paid
previously. Identify the previous filing by registration statement number,
or the Form or Schedule and the date of its filing.
(1) Amount Previously Paid:
(2) Form, Schedule or Registration Statement No.:
(3) Filing Party:
(4) Date Filed:

NEWS RELEASE

Hercules Shareholders' Committee For NEW Management * 17 State Street *
New York, New York 10004

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Contact: Chris Hayden
212-440-9850

FOR IMMEDIATE RELEASE

NEW YORK--June 30, 2003-- The Hercules Shareholders' Committee For NEW Management announced today that it sent the following letter to Hercules (NYSE: HPC) employees and retirees who own the Company's stock:

THE HERCULES SHAREHOLDERS' COMMITTEE FOR NEW MANAGEMENT
17 State Street, New York, NY 10004

June 30, 2003

Dear Hercules Employee Plan Participant:

You should know that we have received numerous calls from Hercules employees and retirees who own Hercules stock and have expressed support for our nominees. Others have called to ask very legitimate questions with regard to issues involved in the proxy contest.

While we have attempted to spell out our strong disagreement with the way in which Joyce has managed the Company, The Hercules Shareholders' Committee for NEW Management believes that both parties owe you the courtesy of a fully informative meeting which would provide you with the opportunity to hear from both sides. To this end, in a June 16th letter to Joyce, we proposed a discussion between Joyce and a representative of our Committee, which would be open to all Hercules Employee Plan participants, in Wilmington. APPARENTLY, JOYCE BELIEVES THAT HE IS ACCOUNTABLE TO NO ONE - NOT EVEN YOU - BECAUSE, AT LEAST AS OF THE DATE OF THIS LETTER, HE HAS NOT RESPONDED.

While we have all been adversely affected as Hercules shareholders by Joyce's mismanagement of the Company in our view, we know that you have a special interest in the outcome of the proxy contest either as employees concerned about the future of your Company and your jobs or as retirees in terms of your pensions and other benefits.

ASK YOURSELF: ARE YOU BETTER OFF TODAY THAN YOU WERE WHEN JOYCE CAME TO THE COMPANY TWO YEARS AGO? In doing so, we ask you to consider what has happened at Hercules over the last two years:

- o More than 1,800 employees have lost their jobs.
- o Many remaining employees have had their salaries frozen or capped, while Joyce and senior executives continue to receive huge salaries, bonuses, stock grants, and golden parachutes.
- o Hercules has sold one of its best businesses in our view at the worst possible time - reducing the size of our Company almost in half.
- o Under Joyce, the Company's pension funds have been invested in accordance with an inappropriate and unduly risky asset allocation policy. As a result, the Company was required last year to take a charge to equity of almost \$570 million.
- o Joyce is essentially a caretaker CEO, with no business strategy and no vision, who is unwilling to make investments for the future in terms

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of human resources, R&D, and capital expenditures.

- o The Company under Joyce is in our view in a virtual state of stagnation, and employee morale is at an all-time low.

You should be aware of Joyce's history as a manager, for he did the same thing to Union Carbide that he is now doing to Hercules. We believe that voting for the Board's nominees and allowing Joyce to remain at Hercules for another year is like renewing his driver's license on the basis of his poor accident record. Please help end the long nightmare Hercules shareholders and employees have experienced under Joyce and his predecessors.

Your vote is all the more important because of the Company's director election Bylaw, which the majority directors claim requires an affirmative vote of a majority of ALL OUTSTANDING SHARES to unseat an incumbent director. This means in effect that A VOTE NOT CAST is the equivalent of A VOTE TO PERPETUATE JOYCE'S TEAM IN OFFICE. Regardless of the number of shares you own, we urge you, in your own best interest, to support our shareholder nominees for election as Hercules directors. PLEASE SIGN, DATE AND RETURN OUR WHITE PROXY CARD TODAY!

Sincerely,

THE HERCULES SHAREHOLDERS' COMMITTEE FOR NEW MANAGEMENT

/s/ Samuel J. Heyman

Samuel J. Heyman

/s/ Harry Fields

Harry Fields

/s/ Anthony T. Kronman

Anthony T. Kronman

/s/Sunil Kumar

Sunil Kumar

/s/ Gloria Schaffer

Gloria Schaffer

/s/ Vincent Tese

Vincent Tese

/s/ Raymond S. Troubh

Raymond S. Troubh

/s/ Gerald Tsai, Jr.

Gerald Tsai, Jr.