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## Documentation

### **Speech by Martin Riediker, CTO**

Honored guests, ladies and gentlemen,

I am delighted to be here for the inauguration of Ciba Specialty Chemicals' R&D center in Shanghai. This is a historic day for us and I am very grateful to all of you for arranging the time to join us today.

Innovation has always been, still is and will continue to be the key to the ongoing success of Ciba Specialty Chemicals. We have a company tradition rich in scientific achievements – our company ancestors introduced synthetic dyes for silks as far back as 1859, for example. Since the establishment of Ciba Specialty Chemicals in 1997, new products and technologies have been introduced at an ever-increasing pace. Through our R&D efforts, we introduce some 270 new products each year.

Today, Ciba has a comprehensive global research network with more than 1,600 employees at 24 research sites around the world. We have also built partnerships with 76 leading universities and institutions in 14 countries.

Our research management is actively focused on rapid market introduction. Being able to bring innovative products to market swiftly is crucial for profitable growth. Our medium-term goal is to have around one-third of our sales generated by products that are less than five years old and we are already at over 25% – up from 18% in 2000.

Each year, Ciba reserves approximately USD 240 million for research and development, and a growing percentage is allocated to new markets and technologies. The opening of our new global Research and Development Center here in Shanghai, is an important component to this plan and highlights the importance of the Chinese market for Ciba's global operations.

The R&D center here in Cao Hejing Hi Tech Park has a total area of approximately 6,000 square meters and will employ around 100 scientists dedicated to new product development, innovation, and applications research.

The mission for us here will be to combine our expertise in organic synthesis, organic, physical, polymer, and analytical chemistry with our knowledge in application and formulation sciences to create new products and to provide solutions with high value effects for our chosen industry customers.

It is important to our customers that the effects we provide differentiate their products in the market. It is therefore important for our R&D to be close to the markets of our customers. Ciba intends to leverage our new R&D center in China to better meet the needs of our customers in the local and regional markets as well as to drive a number of global projects.

Today marks a historic step on a long journey for Ciba Specialty Chemicals' research and development in China. We still have lots of work ahead of us, but I am confident that our new addition to the Ciba Specialty Chemicals R&D family is set to be one of our major research centers both in Asia and globally.

With focus, dedicated partners, supportive relations with the media and the Shanghai government, we are well positioned for success in the journey ahead.

Thank you.