

Ciba Specialty Chemicals

Results 2005

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FY'2005 Supplemental Information
for Conference Call
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Results fourth quarter 2005

MCHF	Q4 2005	% of Sales	Incl. restr. / impair.	Δ% ⁽¹⁾ CHF	Δ% ⁽¹⁾ l.c.
Sales	1 887			+ 7	+ 1
EBIT	139	7.3	- 487	+ 41	+ 15
EBITDA ⁽²⁾	246	13.1		+ 19	
Net income	90	4.8	- 476	+ 98	
EPS ⁽³⁾	1.37		- 7.28	+ 98	

- sales prices 3% over Q4'04
- stable sales prices and volumes to Q3'05
- lower capacity utilization especially in WPT and Coating Effects
- smaller one-time gains, offset by one-time costs

**Operationally better than 2004,
but impacted by impairment charge**

(1) compared to Q4 2004 (2) adjusted EBITDA (3) basic and diluted, in CHF

Results 2005

MCHF	2005	% of Sales	Incl. restr. / impair.	$\Delta\%$ ⁽¹⁾ CHF	$\Delta\%$ ⁽¹⁾ l.c.
Sales	7 419			+ 6	+ 4
EBIT	579	7.8	- 124	- 5	- 11
EBITDA ⁽²⁾	1 000	13.5		- 1	
Net income	364	4.9	- 256	- 3	
EPS ⁽³⁾	5.57		- 3.92	- 2	
Free cash flow	250			- 38	
Net debt	1 946				

**Significant impairment charge for Textile Effects
Underlying stable EBITDA**

- (1) compared to 2004
 (2) adjusted EBITDA
 (3) basic and diluted, in CHF



Segment sales 2005

MCHF	2005	$\Delta\%$ ⁽¹⁾ CHF	$\Delta\%$ ⁽¹⁾ l.c.
Plastic Additives	1 938	+ 2	+ 1
Coating Effects	1 804	- 1	- 2
Water & Paper Treatment	2 394	+ 19	+ 17
Textile Effects	1 283	- 1	- 2
Group	7 419	+ 6	+ 4

Growth supported by acquisition and Plastic Additives

- (1) compared to 2004



Segment EBITDA 2005

	EBITDA ^(1,2) 2004	EBITDA ^(1,2) 2005	EBITDA ⁽²⁾ MCHF
Plastic Additives	16.8%	18.3%	355
Coating Effects	21.7%	18.9%	340
Water & Paper Treatment	12.8%	12.0%	288
Textile Effects	9.0%	9.0%	115
Corporate			- 98
Group	14.3%	13.5%	1 000

Textile Effects: “Shape” stabilized EBITDA margin

(1) in % of sales

(2) adjusted EBITDA, excluding restructuring, impairment and other charges



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Outlook 2006

- Assumption: Business conditions still mixed but less volatile
- Raw material costs expected to stabilize

Outlook 2006

- Sales in local currencies above last year's level
 - Adjusted EBITDA
 - Net income
 - Free cash flow
- } Depend on Textile Effects repositioning

Outlook to come after decision on Textile Effects



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Forward-Looking Statements

Forward-looking statements and information contained in this Report are qualified in their entirety as there are certain important factors that could cause results to differ materially from those anticipated. Certain such forward-looking statements can be identified by the use of forward-looking terminology such as “believe”, “expect”, “may”, “are expected to”, “will”, “will continue”, “should”, “would be”, “seek” or “anticipate” or similar expressions or the negative thereof or other variations thereof or comparable terminology, or by discussions of strategy, plans or intentions. Such statements reflect the current views and estimates of the Company with respect to market conditions and future events and are subject to certain risks, uncertainties and assumptions. Investors are cautioned that all forward-looking statements involve risks and uncertainty. In addition to the factors discussed above, among the factors that could cause actual results to differ materially are the following: the timing and strength of new product offerings, pricing strategies of competitors, introduction of competing products by other companies, lack of acceptance of new products and services by the Company’s targeted customers, changes in the Company’s business strategy, the Company’s ability to continue to receive adequate raw materials from its suppliers on acceptable terms, or at all, and to continue to obtain sufficient financing to meet its liquidity needs, and changes in the political, social and regulatory framework in which the Company operates or in economic or technological trends or conditions, including currency fluctuations, inflation and consumer confidence, on a global, regional or national basis and various other factors. Furthermore, the Company does not assume any obligation to update these forward-looking statements.

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This presentation is not and under no circumstances is to be construed as an offer to purchase or sell any securities issued by Ciba Specialty Chemicals and does not constitute an offer or solicitation for investment or funds.

Non-U.S. GAAP Measures

The presentation today includes the display of some company financial indicators that do not directly conform to United States Generally Accepted Accounting Principles (“U.S. GAAP”). Management is of the opinion that these financial indicators are an important measure of comparative operating performance and financial stability of the businesses of the Company, and provide investors with additional insight into the ongoing operations of the business. However, these supplementary financial indicators should be considered in addition to, and not as a substitute for U.S. GAAP measures of operating performance and financial stability. Furthermore, these financial indicators may not be consistent with similar measures provided by other companies.

Information regarding the reconciliation between the U.S. GAAP and non-U.S. GAAP measures are available, with today’s presentation, on the Investor Relations section of our website at <http://www.cibasc.com> and definitions are provided in the “Glossary of Financial Terms” in the Financial Review of the Annual Report.

Q4'05 Performance: Sales & EBIT per segment

Sales

%Change Q4'04	Total		Vol./	
	in CHF	Curr.	Mix	Price
Plastic Additives	7%	6%	-4%	5%
Coating Effects	9%	5%	5%	-1%
Water & Paper T.	4%	5%	-7%	6%
Textile Effects	8%	7%	1%	0%
Group	7%	6%	-2%	3%

EBIT⁽¹⁾

	EBIT Q4 05	EBIT Q4 04	EBIT Margin ⁽²⁾	EBIT Margin
	MCHF	MCHF	Q4 05	Q4 04
Plastic Additives	69	48	13.8%	10.5%
Coating Effects	48	48	10.6%	11.6%
Water & Paper T.	30	17	4.9%	3.0%
Textile Effects	18	3	5.8%	0.8%
Corporate	-26	-19		
Group	139	97	7.3%	5.5%

(1) before restructuring, impairment and other charges

(2) in % of sales, before restructuring, impairment and other charges

FY'05 Performance: Sales per segment

Sales

%Change FY'04	Total		Vol./	
	in CHF	Curr.	Mix ⁽¹⁾	Price
Plastic Additives	2%	1%	-4%	5%
Coating Effects	-1%	1%	-1%	-1%
Water & Paper T.	19%	2%	12%	5%
Textile Effects	-1%	1%	-1%	-1%
Group	6%	2%	2%	2%