Ciba Specialty Chemicals

Sales Price Increases
Outlook Confirmed

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Q1'2005 Supplemental Information
for Conference Call
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Results first quarter 2005

MCHF	Q1' 2005	% of Sales	Change[1] CHF	Change[1] l.c.
Sales	**1 791**		**+ 7%**	**+ 10%**
EBIT [2]	**130**	7.2%	**- 24%**	**- 18%**
EBITDA [2]	**233**	13.0%	**- 11%**	**- 6%**
Restructuring [3]	**8**			
Net income [4]	**73/67**			
EPS [5](CHF)	**1.10/1.01**			

Better than Q4 2004, lower than Q1 2004

(1) compared to Q1'2004
(2) before restructuring
(3) Restructuring: 8 mio CHF before, 6 mio CHF after tax
(4) before and after restructuring
(5) basic and diluted; before and after restructuring

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Segment sales first quarter 2005

MCHF	Q1'2005	Change[1]. CHF	l.c.
Plastic Additives	461	- 2%	+ 1%
Coating Effects	441	- 5%	- 3%
Water & Paper Treatment	584	+ 46%	+ 51%
Textile Effects	305	- 8%	- 5%
Group	1791	+ 7%	+ 10%

Price increase by 1%

(1) compared to Q1'2004

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Segment EBITDA first quarter 2005

	EBITDA[1] Q1'04	EBITDA[1] Q1'05	EBITDA[2] MCHF
Plastic Additives	17.4%	18.9%	88
Coating Effects	22.9%	19.5%	86
Water & Paper Treatment	13.9%	11.5%	67
Textile Effects	11.1%	5.1%	16
Corporate			- 24
Group	15.6%	13.0%	233

Positive development in Plastic Additives

(1) in % of sales, before restructuring
(2) before restructuring in Q1'05

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Outlook 2005 - reiterated

- Market conditions remain challenging
- Continuous improvements of operating productivity
- Further price increases
- Profitable growth with 4 strong segments

Outlook 2005 under these conditions

- Sales in local currencies
  EBITDA in CHF
  Net income in CHF[1]
  } Expectations: Above last years level
- Free cash flow: 250 - 350 MCHF

Assumptions
- **No further worsening of currency levels**
- **No substantial worsening of the economic environment**

(1) on a comparable basis to 2004

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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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 www.cibasc.com and definitions are provided in the "Glossary of Financial Terms" in the Financial Review of the Annual Report.

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Project "Shape"

"Shape" (1)	2004 (2)	2005	2006	2007+	Total
Costs after taxes	50 (57)	50	25		125
Headcount reduction	150 (250)	500	300		950
Annual savings after taxes	-	25	60	90	
Cash out	20 (11)	55	30		105

Project "Shape" well on track

(1) Project shape, projected costs / benefits, all figures in million CHF
(2) 2004 forecast without brackets; actual 2004 figures in brackets

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Q1'05 Performance: Sales & EBIT per segment

Sales

%Change Q1'04	Total in CHF	Curr.	Vol./ Mix (1)	Price
Plastic Additives	-2%	-3%	-3%	4%
Coating Effects	-5%	-2%	-2%	-1%
Water & Paper T.	46%	-5%	49%	2%
Textile Effects	-8%	-3%	-2%	-3%
Group	7%	-3%	+9%	+1%

EBIT(2)	EBIT Q1 05 MCHF	EBIT Q1 04 MCHF	EBIT Margin(3) Q1 05	EBIT Margin Q1 04
Plastic Additives	65	58	14.2%	12.3%
Coating Effects	60	81	13.6%	17.3%
Water & Paper T.	27	30	4.7%	7.6%
Textile Effects	2	23	0.7%	6.9%
Corporate	-24	-22		
Group	130	170	7.2%	10.2%

(1) including an acquisition effect of 2% (Coating Effects), est. 47% (Water & Paper T.), approx. 10% (Group)
(2) before restructuring; (3) in % of sales, before restructuring