

Ciba Specialty Chemicals



Good progress in 2006

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FY'06 Supplemental Information
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Results Q4 2006

MCHF	Q4 2006	Q4 2005	Δ% CHF l.c.		Incl. restr. / impairment		
					Q4 2006	Q4 2005	Δ% CHF
Sales	1 547	1 541	0	+ 1			
Operating income ⁽¹⁾	117	117	+ 1		97	74	+ 31
as % of sales	7.6	7.5			6.3	4.8	
Income ⁽¹⁾	95	75	+ 28		81	43	+ 89
as % of sales	6.1	4.8			5.2	2.8	
Income/loss discount. operat					3	- 519	
Net income/loss					84	- 476	

Seasonally weaker, as usual

(1) continuing operations



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Results 2006

MCHF			Δ%		Incl. restr. / impairment		Δ% CHF
	2006	2005	CHF	I.c.	2006	2005	
Sales	6 352	6 035	+ 5	+ 4			
Operating income ⁽¹⁾	531	509	+ 5		462	389	+ 19
as % of sales	8.4	8.4			7.3	6.4	
Income ⁽¹⁾	306	286	+ 7		259	200	+ 30
as % of sales	4.8	4.7			4.1	3.3	
Loss discont. operations					- 300	- 456	
Net loss					- 41	- 256	
Free cash flow	195	176					

Progress in profitable sales growth

(1) continuing operations



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Segment Sales 2006

MCHF	FY'06 CHF	Δ% ⁽¹⁾ CHF	Δ% ⁽¹⁾ I.c.	Curr.	Vol.	Price
Plastic Additives	2 090	+8	+7	+1%	+7%	0%
Coating Effects	1 801	+6	+5	+1%	+8%	-3%
Water & Paper	2 461	+3	+1	+2%	+1%	0%
Group⁽²⁾	6 352	+5	+4	+1%	+5%	-1%

Strong growth in Plastic Additives and Coating Effects

(1) compared to FY 2005

(2) Sales in MCHF, continuing operations



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Segment EBIT⁽¹⁾ 2006

MCHF	2006	2005
Plastic Additives as % of sales	312 14.9	260 13.4
Coating Effects as % of sales	244 13.6	226 13.2
Water & Paper Treatment as % of sales	81 3.3	128 5.4
Corporate	- 106	- 105
Group as % of sales	531 8.4	509 8.4

Water & Paper Treatment: Lowest point reached

(1) continuing operations, excluding restructuring, impairment and other charges



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Outlook 2007

Assumptions:

- Business conditions to remain similar to those in 2006
- Utility and raw material costs at high levels
- No currency deterioration

Outlook 2007:

- Sales in local currencies expected to be higher than 2006
- EBIT margin⁽¹⁾: + 1% compared to 2006 levels
- Net income⁽¹⁾ in CHF above previous year
- Free cash flow⁽¹⁾ above previous year

Improving performance further in 2007

(1) excluding restructuring, impairment and other charges



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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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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.

Q4'06 Performance: Sales & EBIT per segment

Sales

%Change Q4'05	Total		Vol./	
	in CHF	Curr.	Mix	Price
Plastic Additives	0%	-2%	2%	0%
Coating Effects	-2%	-1%	2%	-3%
Water & Paper T.	2%	0%	3%	-1%
Group ⁽¹⁾	0%	-1%	2%	-1%

EBIT⁽²⁾

	EBIT Q4'06	EBIT Q4'05	EBIT Margin ⁽³⁾	EBIT Margin ⁽³⁾
	MCHF	MCHF	Q4'06	Q4'05
Plastic Additives	80	69	15.7	13.8
Coating Effects	52	45	12.3	10.4
Water & Paper T.	22	30	3.6	4.9
Corporate	(37)	(27)		
Group ⁽¹⁾	117	117	7.6	7.5

(1) continuing operations

(2) EBIT before restructuring, impairment and other charges

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



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FY'06 Performance: Sales & EBIT per segment

Sales

%Change FY'05	Total		Vol./	
	in CHF	Curr.	Mix	Price
Plastic Additives	8%	1%	7%	0%
Coating Effects	6%	1%	8%	-3%
Water & Paper T.	3%	2%	1%	0%
Group ⁽¹⁾	5%	1%	5%	-1%

EBIT⁽²⁾

	EBIT FY'06	EBIT FY'05	EBIT Margin ⁽³⁾	EBIT Margin ⁽³⁾
	MCHF	MCHF	FY'06	FY'05
Plastic Additives	312	260	14.9	13.4
Coating Effects	244	226	13.6	13.2
Water & Paper T.	81	128	3.3	5.4
Corporate	(106)	(105)		
Group ⁽¹⁾	531	509	8.4	8.4

(1) continuing operations

(2) EBIT before restructuring, impairment and other charges

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



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