

Ciba Specialty Chemicals

Results Q1'2006

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Q1'06 Supplemental Information
for Conference Call
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Results first quarter 2006

MCHF	Q1 2006	% of Sales	Incl. restr. / impair.	$\Delta\%$ ⁽¹⁾ CHF	$\Delta\%$ ⁽¹⁾ I.c.
Sales	1 645			+ 11	+ 5
EBIT	109	6.6	83	- 14	
EBITDA ⁽²⁾	201	12.2		-8	
Net income	64	3.9	37	-12	
EPS ⁽³⁾	0.97		0.55	- 12	

- sales up 11% in Swiss francs
- volumes up 5%, stable sales prices
- higher utility costs and temporarily lower capacity utilization
- initiatives launched to improve margins and cost structure

Strong volume growth, profitability hit by higher costs

(1) compared to Q1 2005; (2) adjusted EBITDA, excluding restructuring, impairment and other charges
(3) basic and diluted, in CHF

Segment sales Q1'2006

MCHF	Q1'06 CHF	$\Delta\%$ ⁽¹⁾ CHF	$\Delta\%$ ⁽¹⁾ I.c.	Curr.	Vol.	Price
Plastic Additives	536	+16	+10	+6%	+9%	+1%
Coating Effects	485	+10	+5	+5%	+7%	-2%
Water & Paper	624	+7	+1	+6%	-1%	+2%
Group ⁽²⁾	1 645	+11	+5	+6%	+5%	0%

Strong growth in Plastic Additives and Coating Effects

(1) compared to Q1'2005
(2) continued operations



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Segment EBIT Q1'2006

	EBIT ⁽¹⁾ Q1'06	EBIT ⁽¹⁾ Q1'05	EBITDA ^(1,2) Q1'06
Plastic Additives	13.9%	14.2%	18.5%
Coating Effects	10.9%	13.6%	16.5%
Water & Paper Treatment	1.9%	4.7%	7.9%
Group ⁽³⁾	6.6%	8.6%	12.2%

Strong Plastic Additives margin

(1) in % of sales, excluding restructuring, impairment and other charges
(2) adjusted EBITDA, excluding restructuring, impairment and other charges
(3) continued operations



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Outlook 2006

- Assumption: Business conditions remain similar to those of 2005
- Utility and raw material costs at high levels and industry demand mixed

Outlook 2006

- Sales in local currencies above last year's level
- EBIT above last year, margin around last year's level
- Net income⁽¹⁾ above last year's level
- Strong improvement of free cash flow

Operational measures to improve performance

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



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.

Q1'06 Performance: EBIT, EBITDA per segment

EBIT ⁽¹⁾	EBIT Q1 06	EBIT Q1 05	EBIT Margin ⁽²⁾	EBIT Margin ⁽²⁾
	MCHF	MCHF	Q1 06	Q1 05
Plastic Additives	75	65	13.9%	14.2%
Coating Effects	53	60	10.9%	13.6%
Water & Paper T.	12	27	1.9%	4.7%
Corporate	-31	-24		
Group ⁽³⁾	109	128	6.6%	8.6%

EBITDA ⁽⁴⁾	EBITDA Q1 06	EBITDA Q1 05	EBITDA Margin ⁽²⁾	EBITDA Margin ⁽²⁾
	MCHF	MCHF	Q1 06	Q1 05
Plastic Additives	99	88	18.5%	18.9%
Coating Effects	80	86	16.5%	19.5%
Water & Paper T.	50	67	7.9%	11.5%
Corporate	-28	-24		
Group ⁽³⁾	201	217	12.2%	14.6%

(1) before restructuring, impairment and other charges

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

(3) continued operations

(4) adjusted EBITDA, before restructuring, impairment and other charges

Q1'06 Performance: Sales per segment

Sales

%Change Q1'05	Total		Vol./	
	in CHF	Curr.	Mix	Price
Plastic Additives	16%	6%	9%	1%
Coating Effects ⁽¹⁾	10%	5%	7%	-2%
Water & Paper T.	7%	6%	-1%	2%
Group ⁽²⁾	11%	6%	5%	0%

(1) Coating Effects Vol./Mix including 1% acquisition effect
(2) continued operations

