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First Half 2007

Ciba with further operational improvements

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Q2'07 Supplemental Information for Conference Call
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Results Q2 2007(1)

MCHF	Q2 2007	Q2 2006	Δ% CHF	Δ% l.c.	Incl. restructuring(3) Q2 2007	Incl. restructuring(3) Q2 2006	Incl. restructuring(3) Δ% CHF
Sales	**1 649**	**1 617**	+ 2	0			
Operating income (EBIT)	**139**	**152**	- 8		**77**	**145**	- 47
as % of sales	8.4	9.3			4.7	8.9	
Income	**76**	**65**	+ 17		**33**	**60**	- 45
as % of sales	4.6	4.0			2.0	3.7	
EPS(2)	**1.14**	**0.99**					

EBIT: 11 MCHF additional costs (mainly IT)

(1) continuing operations
(2) basic and diluted, in CHF
(3) restructuring including impairment and other charges

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Segment sales Q2'2007

MCHF	Q2'07 CHF	Δ%[1] CHF	Δ%[1] l.c.	Curr.	Vol.	Price
Plastic Additives	529	-2	-3	+1%	-1%	-2%
Coating Effects	471	0	-2	+2%	0%	-2%
Water & Paper T.	649	+7	+4	+3%	+4%	0%
Group[2]	1 649	+2	0	+2%	+1%	-1%

Strong growth in WPT

(1) compared to Q2 2006
(2) Sales in MCHF, continuing operations

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Segment EBIT[1] Q2'2007

MCHF	2007	2006	Δ%
Plastic Additives	**74**	**78**	- 7
as % of sales	13.9	14.7	
Coating Effects	**64**	**71**	- 10
as % of sales	13.6	15.1	
Water & Paper Treatment	**31**	**23**	+ 32
as % of sales	4.7	3.8	
Corporate	**-30**	**-20**	
Group	**139**	**152**	- 8
as % of sales	8.4	9.3	

Improved EBIT in WPT, PA and CE below last year

(1) continuing operations, excluding restructuring

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PA: Sales & EBIT maintained at high levels

Sales(1)	**1'082 MCHF**	**1%/1%**	**EBIT(2)**	**161 MCHF**	**+4%**	**14.8% margin**
Currency		**0%**	**R&D**			**4.5% of sales**
Volume/Mix		**2%**				
Price		**-1%**				

- Strong double digit sales increase in China and the Middle East
- US: ongoing weakness in automotive & construction markets
- Strong growth of UV absorbers for sun screen, FDA approval process on track
- Good sales to the plastic converting industry
- Innovation: Calisha™, new effects for Personal Care
- Flame retardants continued strong
- Continued growth in light stabilizers with HALS/UVA, but esp. NOR-HALS
- Singapore project on track, production start targeted for Q1 2008
- Higher raw material prices more than compensated by yield and productivity improvement
- Loss of low margin Atmer product line reducing sales growth

Profitability by innovation and productivity improvement

(1) H1'07 figures; sales in CHF / currency adjusted; changes compared to H1'06
(2) EBIT before restructuring, impairment and other changes; as percentage of sales; changes compared to H1'06

CE: Weak Nafta – Strong Europe/Asia

Sales(1)	**940 MCHF**	**1%/1%**	**EBIT(2)**	**125 MCHF**	**+1%**	**13.3% margin**
Currency		**0%**	**R&D**			**5.3% of sales**
Volume/Mix		**3%**				
Price		**-2%**				

- Diverse geographical development: Weak Nafta, good performance in South America, Asia (esp. China) and Europe (esp. Germany)
- Coatings: Good Industrial & Deco in Asia and Europe, weak performance in Nafta, ongoing success with Japanese transplants in the US
- Plastics: Strong performance in Agro (from low base)
- Electronic Materials: Lower growth in Displays (LCD) – base effect of last year's World Cup, weak OIS
- More mature products such as Classical Pigments under pressure across all markets, ongoing product pruning across all ranges
- I&I: Very strong performance in Digital & Photo

High level innovation in a competitive environment

(1) H1'07 figures; sales in CHF / currency adjusted; changes compared to H1'06
(2) EBIT before restructuring, impairment and other changes; as percentage of sales; changes compared to H1'06

WPT: Sales and EBIT growth

Sales(1) **1'286 MCHF**		**+4%/+3%**
Currency		**1%**
Volume/Mix		**3%**
Price		**0%**

EBIT(2)	**46 MCHF**	**+31%**	**3.6% margin**
R&D			**1.6% of sales**

- Turnaround project on track: Reduction of headcount (~100) through rationalization of production sites (6) in Europe and Asia and restructuring of business activities: Project well launched, **but implementation needs time**
- New structure of the paper business implemented: BU Coatings (Latex, Starch, Coating Additives), Specialties (Barrier Effects, Imaging) & Papermaking Effects (Whiteners, Coloration, Retention Drainage etc.)
- Far reaching product range pruning to improve product mix and reduce costs
- Sales record of Water Treatment with strong growth driven by Asia (double digit), Europe and South America and esp. Extraction (ongoing success of Ciba® RHEOMAX™)
- Positive pricing in BU Coating (8% increase in LATEX announced) and Water Treatment, ongoing price pressure in Detergent & Hygiene
- Successful growth of patented Ciba ® Telioform™ technology strengthens leading position in Retention and Drainage. Launch of patented PERGAMARK™

Turnaround on Track

(1) H1'07 figures; sales in CHF / currency adjusted; changes compared to H1'06
(2) EBIT before restructuring, impairment and other changes; as percentage of sales; changes compared to H1'06

Outlook 2007

Assumptions

- Business conditions to remain similar to those in 2006
- Utility and raw material costs do not continue to rise as in H1
- No currency deterioration

Outlook 2007

- Sales in local currencies expected to be higher than 2006
- EBIT margin(1): About +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.

Q2'07 Performance: Sales & EBIT per segment

Sales %Change Q2'06	Total in CHF	Curr.	Vol./ Mix	Price	DA(4) Q2'07	DA(4) Q2'06
Plastic Additives	-2%	1%	-1%	-2%	22	26
Coating Effects	0%	2%	0%	-2%	26	26
Water & Paper T.	7%	3%	4%	0%	35	37
Group(1)	2%	2%	1%	-1%	89	89

EBIT(2)	EBIT Q2'07 MCHF	EBIT Q2'06 MCHF	EBIT Margin(3) Q2'07	EBIT Margin(3) Q2'06
Plastic Additives	74	78	13.9	14.7
Coating Effects	64	71	13.6	15.1
Water & Paper T.	31	23	4.7	3.8
Corporate	(30)	(20)		
Group(1)	139	152	8.4	9.3

(1) continuing operations
(2) EBIT before restructuring, impairment and other charges
(3) in % of sales, before restructuring, impairment and other charges
(4) Depreciation and Amortization in MCHF

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HY'07 Performance: Sales & EBIT per segment

Sales %Change HY'06	Total in CHF	Curr.	Vol./ Mix	Price	DA(4) HY'07	DA(4) HY'06
Plastic Additives	1%	0%	2%	-1%	45	50
Coating Effects	1%	0%	3%	-2%	52	53
Water & Paper T.	4%	1%	3%	0%	72	75
Group(1)	2%	1%	2%	-1%	176	180

EBIT(2)	EBIT HY'07 MCHF	EBIT HY'06 MCHF	EBIT Margin(3) HY'07	EBIT Margin(3) HY'06
Plastic Additives	161	153	14.8	14.3
Coating Effects	125	123	13.3	13.3
Water & Paper T.	46	35	3.6	2.8
Corporate	(59)	(51)		
Group(1)	273	260	8.2	8.0

(1) continuing operations
(2) EBIT before restructuring, impairment and other charges
(3) in % of sales, before restructuring, impairment and other charges
(4) Depreciation and Amortization in MCHF

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