

Ciba Specialty Chemicals Holding Inc.



To the shareholders of Ciba Specialty Chemicals Holding Inc.

Invitation to the Annual Shareholder Meeting

March 2, 2006, at 10.30 a.m. in the Congress Center, Messe Basel

Please take note of the new meeting location.

Agenda

1. Approval of the Annual Report, the Annual Financial Statements, the Consolidated Statements for 2005; acknowledgement of the Reports of the Auditors and the independent Group Auditors
2. Allocation of profit
3. Discharge of the Board of Directors and the management from liability
4. Re-creation of authorized capital for two years
5. Election of a new member of the Board of Directors
6. Re-election of members of the Board of Directors
7. Re-election of Auditors and Group Auditors
8. Re-election of Special Auditors

A buffet lunch will be served in the Congress Center Basel after the Meeting.

Agenda, motions and explanations

(Translation: the German text is legally binding)

1. Approval of the Annual Report, the Annual Financial Statements, the Consolidated Statements for 2005; acknowledgement of the Reports of the Auditors and the independent Group Auditors

Motion

The Board of Directors proposes to approve the Annual Report, the Annual Financial Statements and the Consolidated Statements for 2005.

2. Allocation of profit

Motion

The Board of Directors proposes to pay a dividend of CHF 3.00 gross (CHF 1.95 net) per share and to carry forward the remaining amount of CHF 497,852,332.

Explanations

The performance of the business allows for the payment of a dividend of CHF 3 per share.

As the retained earnings amount to CHF 590,023,389 and the profit for 2005 to CHF 107,201,149, a total amount of CHF 697,224,538 is available for a payout. The Board of Directors proposes to pay CHF 199,372,206 as dividends (66,457,402 shares times CHF 3) while carrying forward the balance amount of CHF 497,852,332.

If approved by the shareholders, the dividend will be paid on March 8, 2006.

3. Discharge of the Board of Directors and the management from liability

Motion

The Board of Directors proposes to discharge the Board of Directors and the management from liability for their activities in 2005.

4. Re-creation of authorized capital of CHF 4 million (amendment of article 4 paragraph 3 of the Articles of Association)

Motion

The Board of Directors proposes the re-creation of an authorized capital of CHF 4 million by an amendment of article 4 paragraph 3 of the Articles of Association as follows (*changes underlined*):

“Until March 2, 2008 the Board of Directors is authorized to increase the share capital by the issue of a maximum of 4 million fully paid up registered shares of CHF 1 nominal value each, amounting to a maximum of CHF 4 million. Staggered increases are permitted. The exercise of preferential subscription rights acquired by contract as well as the purchase of newly issued registered shares are subject to the transfer restrictions according to article 5 of the Articles of Association. The issue price, the date of the entitlement to the dividend and the details of a contribution in kind, if applicable, will be determined by the Board of Directors.”

(The second subparagraph remains unchanged)

Explanations

The 2004 Annual Shareholder Meeting authorized the Board of Directors to increase the Company's share capital within a period of two years. This authorization will expire on February 26, 2006. The Company would like to retain the financial flexibility for another two years.

5. Election of a new member of the Board of Directors

Motion

The Board of Directors proposes to elect

- Dr Beat Hess for a period of four years

as member of the Board of Directors.

Explanations

Beat Hess is Group Legal Director of Royal Dutch Shell plc. since 2003. Before, he served as General Counsel of ABB for more than 15 years. Beat Hess studied law in Switzerland and in the United States and has completed his studies with a doctorate. With his exceptionally broad knowledge and his international experience of many years, in particular in the area of corporate governance, Beat Hess will be an outstanding addition to the Board of Directors.

6. Re-election of two Board Members

Motions

The Board of Directors proposes to re-elect

- Prof. Dr Jean-Marie Pierre Lehn for a period of three years and
- Prof. Dr Peter Littmann for a period of four years

as members of the Board of Directors.

Explanations

The terms of office of Mr Lehn and Mr Littmann expire at the Annual Shareholder Meeting 2006. Both are members of the Board of Directors since 1997 and have accepted to stand for re-election. Due to reasons of age, Mr Lehn is only proposed for a term of office of three years. Detailed curricula are available on the Company's website at www.cibasc.com/agm. The re-elections will be held on an individual basis.

7. Re-election of Auditors and Group Auditors

Motion

The Board of Directors proposes to re-elect Ernst & Young AG, Zurich, as Auditors and Group Auditors for a further period of one year until the 2007 Annual Shareholder Meeting.

Explanations

Upon a proposal made by the Company's Audit Committee to the Board of Directors, Ernst & Young are proposed for re-election.

8. Re-election of Special Auditors

Motion

The Board of Directors proposes to re-elect OBT AG, Zurich, as Special Auditors in accordance with article 28 paragraph 2 of the Articles of Association for a further period of two years until the 2008 Annual Shareholder Meeting.

Explanations

U.S. American law requires that audit opinions in connection with capital increases be given by auditors other than the Company's regular auditors.

Basel, February 1, 2006

For the Board of Directors



Dr Armin Meyer
Chairman of the Board

Organizational Remarks

Agenda Items

As at January 1, 2006, Ciba Specialty Chemicals has not received any requests for agenda items or any motions.

Available Documents

The Business Report (Annual Financial Statements and Consolidated Statements), including the Auditors' Report for 2005 are available for inspection at the Company's Headquarters (Secretary to the Board of Directors, Klybeckstrasse 141, P.O. Box, CH-4002 Basel) from February 1, 2006. A shareholder may also request that these documents be mailed to her/him. These documents can be downloaded from www.cibasc.com/agm; printed copies of the Reports will also be available at the Meeting.

Admission Cards

After returning the enclosed application form to the share register, the shareholders will receive the admission card and the voting material which will be issued according to the registration in the share register as of February 24, 2006. An early return will ease the preparatory work for the Meeting.

Sale of Shares

In the case of a sale of shares mentioned on the admission card, the shareholder is no longer entitled to vote for these shares. The admission card and the voting material will have to be corrected; please contact the office of the share register on the day of the Meeting.

Proxies

According to the Articles of Association of the Company, a shareholder may give proxy for the Annual Shareholder Meeting to

- her/his legal representative
- another shareholder who is entitled to vote
- the Company (Ciba Specialty Chemicals Holding Inc.)
- a depositary
- the independent proxy, Mr Fred M. Wagner, Attorney-at-Law, Steinenvorstadt 51, CH-4051 Basel

Please make use of the proxy form (application form or reverse side of the admission card). Without instructions to the contrary, the voting rights will be exercised in accordance with the proposals by the Board of Directors.

Depositaries

Banks and professional asset managers are requested to indicate to the share register (fax +41 44 809 58 59) the number of shares they represent as early as possible, at the latest on the day preceding the Meeting.

Early Departure

To allow the correct counting of the number of shares and persons present, the shareholders leaving before the end of the Meeting are requested to show their unused voting materials at the exit.

Buffet Lunch

Shareholders are invited to a buffet lunch to be served in the Conference Center, Messe Basel, after the Meeting.

Transportation

The ticket sent together with the admission card entitles shareholders to a free ride within the network of Basler Verkehrsbetriebe (BVB) and Baselland Transport (BLT) to and from Messe Basel. The ticket has to be presented upon request. Car parking is available in the parking Messe Basel. At the Meeting access gates, we offer to exchange the parking ticket for a free exit ticket.