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News Release

Ciba Specialty Chemicals India and Virchow Group, Hyderabad, sign Joint Venture agreement to manufacture Triclosan

- New Joint Venture company will produce high quality Triclosan to meet the growing needs in India and other Asian cosmetics markets
- Products based on strict quality standards with purity equivalent to United States Pharmacopoeia (USP) specifications

Ciba Specialty Chemicals (India) Ltd. has signed a Joint Venture (JV) agreement with the Virchow Group, Hyderabad, for the production of high quality Triclosan, a highly efficacious, long-lasting antimicrobial ingredient. Used in a variety of products including toothpaste, soap, deodorants and non-cosmetic articles such as shower curtains and technical textiles, Triclosan helps to prevent the occurrence of oral infections, germ transfer, body odour, and material decay.

Jimmy Bilimoria, Vice Chairman and Managing Director of Ciba Specialty Chemicals (India) Ltd, said "We are pleased to announce the JV agreement with the Virchow Group. Under this agreement, Ciba Specialty Chemicals becomes a majority owner with 51% stake in the new JV company, which will produce Triclosan for the domestic as well as other Asian markets".

Dr Mahesh A. Kotnis, Vice President for Business Development in the company, added "This JV will provide us with a cost-effective and quality supply point in Asia, in addition to our existing Triclosan manufacturing sites. We look to India not just as a market to sell but to develop and manufacture our products, and also to buy key raw materials and intermediates".

With this Joint Venture, Ciba Specialty Chemicals aims to further expand its share of the growing cosmetics market in Asia and improve its position in the region. Together, Ciba and Virchow will safeguard that the Asian cosmetics category is served only with high purity ingredients, to guarantee consistent product quality, and to meet international environmental standards. Using technology from Ciba Specialty Chemicals, the production facility at Hyderabad will be fully enabled to

make Triclosan with purity equivalent to United States Pharmacopoeia (USP) specifications.

M. Narayana Reddy, co-promoter of the Virchow Group, added "We are excited about the JV with Ciba Specialty Chemicals (India) Ltd. Ours is a 25-year old group with interests mainly in the Active Pharmaceutical Ingredient and the bio-pharmaceutical industry. This is the first JV for the Virchow Group and is a part of our diversification strategy."

According to Leonardo Harsch, Global Head of Ciba Specialty Chemicals' Detergent & Hygiene Business Line, "This cooperation allows Ciba Specialty Chemicals to increase its position by offering quality antimicrobial products in Asia where Ciba has a well established presence. The high quality production facility of Virchow and Ciba's leading position in the quality Triclosan business clearly fit together very well."

About Ciba Specialty Chemicals (India) Limited

Ciba Specialty Chemicals (India) Limited, headquartered in Mumbai, is engaged in the business of manufacturing, trading and marketing of a wide range of specialty chemicals. The company has state-of-the-art manufacturing facilities at Goa and Ankleshwar, and is an international supply point for several Ciba products.

About Virchow Group

The Virchow Group which is privately owned, is based at Hyderabad, and has six different companies under the group umbrella with a combined annual turnover of about USD 80 Mio from sales of mainly pharmaceutical products.

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