

Ciba Specialty Chemicals

Results first half year 2005 Repositioning Textile Effects Adapted leadership structure

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Q2'2005 Supplemental Information
for Conference Call
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Results second quarter 2005

MCHF	Q2' 2005	% of Sales	Change ⁽¹⁾	
			CHF	I.c.
Sales	1 858		+ 7%	+ 8%
EBIT ⁽²⁾	142	7.6%	- 11%	-10%
EBITDA ⁽³⁾	247	13.3%	- 2%	
Restructuring	42			
Net income ⁽⁴⁾	109/79			
EPS ⁽⁴⁾ (CHF)	1.67/1.21			

EBIT lower than Q2'04, better than Q1'05

- (1) compared to Q2'2004
- (2) before restructuring
- (3) adjusted EBITDA before restructuring
- (4) before and after restructuring



Segment sales second quarter 2005

MCHF	Q2'2005	Change ⁽¹⁾	
		CHF	l.c.
Plastic Additives	475	- 1%	0%
Coating Effects	456	- 6%	- 5%
Water & Paper Treatment	586	+ 42%	+ 43%
Textile Effects	341	- 5%	- 4%
Group	1858	+ 7%	+ 8%

Price increase in Q2'05 by 3%

(1) compared to Q2'2004



Segment EBITDA second quarter 2005

	EBITDA ⁽¹⁾ Q2'04	EBITDA ⁽¹⁾ Q2'05	EBITDA ⁽²⁾ MCHF
Plastic Additives	15.8%	16.5%	78
Coating Effects	22.0%	19.3%	88
Water & Paper Treatment	13.8%	12.0%	70
Textile Effects	9.9%	10.7%	36
Corporate			- 25
Group	14.5%	13.3%	247

Sequential improvement to Q1'05

(1) in % of sales, before restructuring
 (2) adjusted EBITDA, before restructuring



Outlook 2005

- Business conditions remain mixed
- Currencies developing favorably
- Raw material costs expected to stabilize

Outlook 2005 under these conditions

- Sales in local currencies above last year's level
- Adjusted EBITDA in CHF slightly above previous year
- Net income in CHF⁽¹⁾ around level 2004
- Free cash flow⁽²⁾ target of 380 - 480 MCHF ambitious

Assumptions

- No worsening of currency levels
- At least same economic environment as in H1 2005

(1) on a comparable basis to 2004

(2) excluding dividends

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.

Project "Shape" - Acceleration

"Shape" (1)	2004	2005 (2)	2006	2007+	Total (3)
Costs after taxes	57	36/92	35		185 (125)
Headcount reduction	250	200/600	420		1270 (950)
Annual savings after taxes	-	14/40	40	45	125 (90)
Cash out	10	22/115	35	10	170 (105)

Project "Shape" well on track

(1) Project shape, projected costs / benefits, all figures in million CHF

(2) actual H12005 figures bold / 2005 forecast

(3) Forecast for total project; previous forecast in brackets

Q2'05 Performance: Sales & EBIT per segment

Sales

%Change Q2'04	Total		Vol./	
	in CHF	Curr.	Mix ⁽¹⁾	Price
Plastic Additives	-1%	-1%	-6%	6%
Coating Effects	-6%	-1%	-4%	-1%
Water & Paper T.	42%	-1%	36%	7%
Textile Effects	-5%	-1%	-2%	-2%
Group	7%	-1%	+5%	+3%

EBIT⁽²⁾

	EBIT Q2 05	EBIT Q2 04	EBIT Margin ⁽³⁾	EBIT Margin
	MCHF	MCHF	Q2 05	Q2 04
Plastic Additives	56	51	11.9%	10.7%
Coating Effects	61	80	13.4%	16.6%
Water & Paper T.	30	32	5.1%	7.7%
Textile Effects	23	22	6.7%	6.1%
Corporate	-28	-25		
Group	142	160	7.6%	9.2%

(1) Raisio effect estimated at 10% at group level

(2) before restructuring; (3) in % of sales, before restructuring

HY'05 Performance: Sales & EBIT per segment

Sales

%Change HY'04	Total		Vol./	
	in CHF	Curr.	Mix ⁽¹⁾	Price
Plastic Additives	-2%	-2%	-5%	5%
Coating Effects	-6%	-2%	-3%	-1%
Water & Paper T.	44%	-3%	42%	5%
Textile Effects	-7%	-3%	-2%	-2%
Group	7%	-2%	+7%	+2%

EBIT⁽²⁾

	EBIT HY 05	EBIT HY 04	EBIT Margin ⁽³⁾	EBIT Margin
	MCHF	MCHF	HY 05	HY 04
Plastic Additives	121	110	13.0%	11.5%
Coating Effects	121	161	13.5%	17.0%
Water & Paper T.	57	62	4.9%	7.6%
Textile Effects	25	45	3.8%	6.5%
Corporate	-52	-48		
Group	272	330	7.4%	9.7%

(1) Raisio effect estimated at 10% at group level

(2) before restructuring; (3) in % of sales, before restructuring