

Ciba Specialty Chemicals

Ciba Specialty Chemicals reports progress in third quarter 2005

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Q3'2005 Supplemental Information
for Conference Call
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Results third quarter 2005

MCHF	Q3' 2005	% of Sales	Change ⁽¹⁾	
			CHF	I.c.
Sales	1 883		+ 1%	- 1%
EBIT ⁽²⁾	168	9.0%	- 8%	- 18%
EBITDA ⁽³⁾	274	14.6%	- 4%	
Restructuring	27			
Net income ⁽⁴⁾	92/74			
EPS ⁽⁴⁾ (CHF)	1.43/1.15			

EBIT lower than Q3'04, better than Q2'05

- (1) compared to Q3'2004
- (2) before restructuring
- (3) adjusted EBITDA before restructuring
- (4) before and after restructuring



Segment sales third quarter 2005

MCHF	Q3'2005	Change ⁽¹⁾	
		CHF	I.c.
Plastic Additives	497	+ 6%	+ 3%
Coating Effects	454	0%	- 2%
Water & Paper Treatment	616	- 1%	- 4%
Textile Effects	316	+ 2%	- 1%
Group	1883	+ 1%	-1%

Good performance of Plastic Additives

(1) compared to Q3'2004

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Segment EBITDA third quarter 2005

	EBITDA ⁽¹⁾ Q3'04	EBITDA ⁽¹⁾ Q3'05	EBITDA ⁽²⁾ MCHF
Plastic Additives	18.8%	18.7%	92
Coating Effects	23.8%	20.1%	91
Water & Paper Treatment	13.2%	13.2%	82
Textile Effects	8.8%	10.2%	32
Corporate			-23
Group	15.3%	14.6%	274

Sequential improvement to Q2'05

(1) in % of sales, before restructuring

(2) adjusted EBITDA, before restructuring

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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 at similar levels to 2004
- Net income in CHF⁽¹⁾ is expected to reach levels close to 2004
- Challenge to achieve Free cash flow⁽²⁾ target (300 - 350 MCHF)

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.

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Q3'05 Performance: Sales & EBIT per segment

Sales

%Change Q3'04	Total		Vol./	
	in CHF	Curr.	Mix	Price
Plastic Additives	6%	3%	-2%	5%
Coating Effects	0%	2%	-1%	-1%
Water & Paper T.	-1%	3%	-9%	5%
Textile Effects	2%	3%	-1%	0%
Group	1%	2%	-4%	3%

EBIT⁽¹⁾

	EBIT Q3 05	EBIT Q3 04	EBIT Margin ⁽²⁾	EBIT Margin
	MCHF	MCHF	Q3 05	Q3 04
Plastic Additives	70	66	13.9%	13.9%
Coating Effects	64	82	14.1%	18.0%
Water & Paper T.	41	47	6.7%	7.6%
Textile Effects	20	13	6.3%	4.4%
Corporate	-27	-25		
Group	168	183	9.0%	9.9%

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

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9m'05 Performance: Sales & EBIT per segment

Sales

%Change 9m'04	Total		Vol./	
	in CHF	Curr.	Mix ⁽¹⁾	Price
Plastic Additives	1%	0%	-4%	5%
Coating Effects	-4%	-1%	-2%	-1%
Water & Paper T.	25%	0%	20%	5%
Textile Effects	-4%	-1%	-2%	-1%
Group	5%	-1%	4%	2%

EBIT⁽²⁾

	EBIT 9m 05	EBIT 9m 04	EBIT Margin ⁽³⁾	EBIT Margin
	MCHF	MCHF	9m 05	9m 04
Plastic Additives	191	176	13.3%	12.3%
Coating Effects	185	243	13.7%	17.3%
Water & Paper T.	98	109	5.5%	7.6%
Textile Effects	45	58	4.7%	5.8%
Corporate	-79	-73		
Group	440	513	8.0%	9.8%

(1) Raisio effect estimated at 5% at group level

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