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News Release

Public tender offer by BASF for Ciba

- ***Board of Directors of Ciba recommends shareholders accept offer***
- ***Industrial logic: Integration into BASF will strengthen Ciba's businesses through access to BASF's global research, production and marketing platform, raw materials and intermediates***
- ***Commitment to strategically important production sites in Switzerland and R&D site in Basel***
- ***Fair price for shareholders***

BASF [BAS, BFA, AN] has announced a public tender offer for all outstanding shares of Ciba Holding AG [SWX: CIBN] at CHF 50.00 per Ciba share. The offer equates to a premium of 64.3% over the volume-weighted average price of Ciba shares over the last 60 trading days and a premium of 32% over the closing share price on September 12, 2008. Ciba's Board of Directors has thoroughly examined the offer and additionally commissioned an independent fairness opinion. On this basis, the Board of Directors recommends that shareholders accept BASF's offer and tender their Ciba shares.

Ciba strengthens BASF's strategy and operations in the field of specialized chemical engineering through its leading innovation capabilities and application expertise in Plastics Additives, Coating Effects and Water & Paper Treatment. At the same time, Ciba benefits from BASF's global research, production and marketing platform, as well as the associated backward integration into important raw materials and intermediates. The two companies already maintain long-standing and extensive supplier and client relationships.

The Board of Directors of Ciba, together with its Executive Committee, is of the opinion that the offer is appropriate. The decision was taken in light of structural changes in the specialty chemical sector – in particular, increasing industry consolidation – as well as shifts in business development and their attendant risks. Perella Weinberg Partners UK LLP has provided an independent fairness opinion that the offer is fair, from a financial point of view, to Ciba shareholders.

A transaction agreement has been signed on September 14, 2008, that describes the conditions of the public tender offer and the respective obligations of BASF and Ciba. In addition to the agreed offer price, it includes several assurances made by BASF

referring to strategically important production sites of Ciba in Switzerland, the research and development site in Basel and the establishment of an operating division of BASF with global responsibilities in Basel.

Ciba has agreed to convene an extraordinary general meeting where Ciba shareholders will vote on the removal of restrictions to exercise voting rights and on the entry into the shareholder register ("restriction on transferability"). The extraordinary shareholders meeting will also propose the members recommended by BASF for election to the Board of Directors. BASF's offer is also subject to an acceptance rate of at least 66.6 percent of the voting rights.

The transaction further requires the approval of the responsible merger control authorities. The Board of Directors has been advised by Credit Suisse, Lazard and Homburger AG.

Dr. Armin Meyer, Chairman of the Board of Directors of Ciba comments: "Against the backdrop of increasingly challenging conditions within our industry, this is a transaction that combines a fair price with an industrially compelling solution for Ciba. By joining with BASF and gaining access to its research, production and marketing platform, we will significantly strengthen Ciba's businesses, especially in the areas of plastics, coatings and paper. BASF has been a Ciba customer and supplier for many years, and it is well acquainted with our people and our business. The acquisition of Ciba by BASF will provide a long-term perspective for profitable growth not only to our Basel site but to our business operations throughout the world."

"With the acquisition of Ciba, we are strengthening our portfolio and expanding our leading position in specialty chemicals with products and services for a variety of customer industries, in particular the plastics and coatings industries as well as water treatment, said Dr. Jürgen Hambrecht, Chairman of the Board of Executive Directors of BASF SE and added: "Our attractive cash offer gives Ciba shareholders the opportunity to realize the full value of their investment plus a high premium immediately. This transaction meets our acquisition criteria. We expect that it will make a positive contribution to earnings per share in the second year. We look forward to working with Ciba's highly committed executives and employees. We offer the company and its employees a new home with a long-term, viable perspective. Basel will remain an important site for parts of the combined business, in particular research."

Ciba (SWX: CIBN) is a leading global company dedicated to producing high-value effects for its customers' products. We strive to be the partner of choice for our customers, offering them innovative products and one-stop expert service. We create effects that improve the quality of life – adding performance, protection, color and strength to plastics, paper, automobiles, buildings, home and personal care products and much more. Ciba is active in more than 120 countries around the world and is committed to being a leader in its chosen markets. In 2007, the Company generated

sales of CHF 6.5 billion from continued operations and invested over CHF 260 million in R&D.

Virtual news kit: www.ciba.com/media

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