

The Depository Trust Company

IMPORTANT

B#: 1618

DATE: March 14, 2001

TO: All participants

CATEGORY: Dividends

FROM: Mario Zaccardi, Supervisor, Dividend Department

ATTENTION: Operations, Reorg & Dividend Managers, Partners & Cashiers

SUBJECT: TaxRelief - Country: Switzerland
Ciba Specialty Chemicals' Rule 144A CUSIP 17162W107
Record Date: 03/20/2001 Payable Date: 04/27/2001
EDS Cut-Off Date: 03/26/2001

DTC has been notified by Citibank N.A., the depository bank for the above issue, that Ciba Specialty Chemicals Rule 144A has declared a cash dividend. This cash dividend is subject to Swiss withholding tax of **15%** (favorable) for qualified U.S. individuals, **15%** (favorable) for qualified U.S. Corporations, **15%** (favorable) for qualified U.S. other entities, and **0%** (tax exempt) for qualified U.S. pensions. All others are subject to Swiss withholding tax of **35%** (unfavorable).

Participants can use DTC's Elective Dividends System (EDS) function under **Foreign Securities** over the Participant Terminal System (PTS) to certify all or a portion of their position entitled to the applicable tax rates.

Note: THE DEADLINE FOR CERTIFYING OVER EDS IS MARCH 26, 2001.

-Over-

B#

1618

By certifying for the applicable favorable rate, the participant is certifying that the criteria listed below have been met:

FAVORABLE 15%

The beneficial owner of the shares to be paid at the favorable rate is **not** engaged in a trade or business in Switzerland through a permanent establishment situated in Switzerland.

1. If an INDIVIDUAL:

Is a resident of the United States and is **not** a citizen of Switzerland (or, if a citizen of Switzerland, is also a citizen of the United States)

2. If a CORPORATION:

Is a corporation created or organized under the laws of the United States or a state or territory thereof.

3. If ANOTHER ENTITY:

Is an entity other than an individual, corporation or pension plan created or organized under the laws of the United States or a state or territory thereof.

PARTICIPANTS MUST ENSURE THEY SELECT THE APPROPRIATE FAVORABLE RATE CATEGORY FROM THE ABOVE OPTIONS.

EXEMPT 0%

4. If a PENSION PLAN:

Is a pension plan exempt in the United States and at least fifty percent (50%) of the beneficial owners of the pension plan must be residents of the United States. Types of pension plans entitled are company sponsored, governmental sponsored, 401k's, and profit sharing plans.

UNFAVORABLE 35%

5. UNQUALIFIED:

If participants do not qualify for the favorable rate or the tax exempt rate, they will receive the dividend with **35%** withheld.

If participants do not certify through EDS for the favorable rate or tax exempt rate, they will receive the dividend with 35% withheld.

ADR holders making incorrect declarations will be responsible for claiming or refunding any withholding tax through Citibank N.A. to the Swiss Tax Authorities; participants will also be liable for any foreign exchange fluctuations impacting the amount of their refund or claim with the Swiss Tax Authorities. The ADRs/Shares supporting this tax reclaim are based upon ordinary shares which were held by the Depository, or its custodian, on the record date and were not acquired from any entity that has represented to Citibank, N.A. that the share position is not eligible for any tax reclaim.

For non-US beneficial owners, contact Citibank N.A./Globe Tax Services, 90 Broad Street, New York, NY 10004, Attn: Brett Lewis, for tax forms and/or treaty rates.

For DTC participants who filed incorrectly via the DTC EDS process and wish to amend their filing, please call Citibank N.A./Globe Tax Services at 800-628-4646. Late filings are subject to a minimum service charge of \$25.00 withheld by the ADR Depository. A schedule of the applicable service charge is available upon request.

Eligibility rules and all other legal conditions with respect to the use of EDS are contained in DTC's **TAXINFO** (TAXI) function over the Participant Terminal System (PTS).

Participants who fail to meet the EDS deadline or have other beneficial holders that are not eligible for the EDS process for whom they wish to file a reclaim may also use DTC's **TaxReclaim**sm form preparation service, available by using the Tax Reclaim System (TAXR) function over PTS. **TaxReclaim**sm is DTC's proprietary withholding tax form preparation service that calculates reclaim entitlements and prepares the standard tax reclamation form for filing with the foreign taxing authorities or other designated agent. To enroll in **TaxReclaim**sm, please contact your Relationship Manager.

Questions regarding this Important Notice may be directed to Mr. Steve McDonough of DTC's Dividend Department, or myself at (212) 855-4524/4540 respectively.