

Madrid, November 13th 2008

Bestinver has decided to sell all the Ciba shares held by its Funds and Sicavs at CHF49.5/sh. On September 15, 2008 we announced that we would not be subscribing to Basf's offer priced at CHF50 as this was below our valuation of the company. Our valuation was to an extent "confirmed" by the projections of Ciba's own management team, whose fairness opinion on the bid put the fair value in the range of CHF80-87. Despite this the board recommended accepting the offer.

Although it is highly possible that the shares might have reached our target price in the course of 2009-2010, we took the view that the adverse conditions in the financial markets would rule this out in the short term. Also, October brought a further severe correction to equity markets, which means we will now be able to reinvest the proceeds of the sale at yet more attractive prices (the MSCI has fallen by 20.3% since then and the Swiss franc has gained 6.5%, equating to 26.8% outperformance).

We considered that reinvesting the capital from divesting of Ciba could generate further gains in the target value of the funds. In the Bestinver Internacional fund, for instance, the target price will rise by around €3.5 per unit, to €47.5, an increase of 8% and the biggest in any single month this year (the fund is currently trading at €11.56).

This transaction is therefore in line with our usual strategy of switching from stocks with low upside to those with substantially greater upside (by selling Ciba we are swapping upside potential of approximately 100% for other shares that in some cases offer as much as 300% upside).

We expect these upside potentials, which continue to increase despite our downgrading the target prices of many stocks in light of reduced forecasts for economic growth, to be reflected soon in the prices of our share positions.