



Nomura Global Chemical Industry Leaders Conference 2012

Rome, 23 March

Patrick Jany, CFO



Exactly your chemistry.

This presentation contains certain statements that are neither reported financial results nor other historical information. This presentation also includes forward-looking statements.

Because these forward-looking statements are subject to risks and uncertainties, actual future results may differ materially from those expressed in or implied by the statements. Many of these risks and uncertainties relate to factors that are beyond Clariant's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behavior of other market participants, the actions of governmental regulators and other risk factors such as: the timing and strength of new product offerings; pricing strategies of competitors; the Company's ability to continue to receive adequate products from its vendors 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.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. Clariant does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of these materials.

Highlights full-year 2011

Business performance

Innovation

Outlook

Highlights full-year 2011

Higher sales and EBITDA margin

	FY2011*	FY 2010	in CHF	in LC
Sales in CHF mn	7 370	7 120	+4%	+16%
EBITDA before exceptionals in CHF mn	975	901	+8%	+25%
- margin in % of sales	13.2%	12.7%		

* including Süd-Chemie figures

Best performance of the last 10 years in a demanding business environment

- Local currency sales growth of 16% year-on-year, +4% in Swiss francs
- Strength of the Swiss franc with a negative impact of CHF 892 million** on top-line
- EBITDA margin before exceptional items rose to 13.2% from 12.7% in 2010

** excluding Süd-Chemie

Dividend reinstated for full-year 2011

	FY2011*	FY 2010	in CHF
Net income in CHF mn	251	191	+31%
Dividend** in CHF	0.30	-	

* including Süd-Chemie figures

** payout by reduction of nominal value

Net income rose – higher operational profitability and lower restructuring costs

- Net income of CHF 251 million compared to CHF 191 million (+31%)

Dividend reinstated – proposed payment of CHF 0.30 per share for 2011

- Clariant's operating performance at a sustainably higher level than three years ago
- Return to a dividend policy of 25-35% of net recurring income
- 20% increase from last dividend paid for fiscal year 2007 (CHF 0.25/share)

Clariant performing at a sustainably higher level

Sustainably higher performance level achieved in most parts of the portfolio

- Non-cyclical growth businesses performing well – double-digit sales growth in Industrial & Consumer Specialties, Oil & Mining Services and Additives
- Profitability in the cyclical Business Units Pigments and Masterbatches at high levels despite substantially lower volumes in the second half-year

Reduced exposure to economic cycles after Süd-Chemie acquisition

- Accelerated growth in the former Süd-Chemie Business Units Catalysis & Energy and Functional Materials – higher growth than budgeted in 2011
- Süd-Chemie 100% owned since Dec 1 – Clariant operating model implemented
- Smooth integration advancing as planned – all work streams on track

Balance sheet strengthened with several capital market transactions

- Robust financial position with bond maturities extended into 2019

Business performance

Solid operating performance in non-cyclical growth businesses

Full-year 2011							
	Sales	Change		EBITDA* margin		EBIT* margin	
Business Unit / Reporting Segment:	CHF mn	% CHF	% LC	FY/11	FY/10	FY/11	FY/10
BU Industrial & Consumer Specialties	1 473	-3	+10	17.0	15.9	14.6	13.5
BU Masterbatches	1 124	-11	+2	11.5	12.0	9.1	9.5
BU Pigments	973	-17	-6	21.6	20.2	18.9	17.3
BU Textile Chemicals	675	-18	-6	5.0	8.4	1.9	5.6
BU Oil & Mining Services	620	+3	+17	11.6	12.6	10.8	11.9
BU Leather Services	265	-19	-6	9.8	13.2	8.3	11.7
Performance Chemicals**	1 293	-9	+4	13.7	14.2	10.9	11.4
BU Functional Materials***	456	-	-	12.9	-	7.0	-
BU Catalysis & Energy***	491	-	-	21.8	-	13.6	-
Group total	7 370	+4	+16	13.2	12.7	9.7	9.8

* before exceptional items ** the Performance Chemicals segment includes the four Business Units: Additives; Emulsions; Detergents & Intermediates; and Paper Specialties

*** Business Units Functional Materials, Catalysis & Energy consolidated for eight months

Non-cyclical growth businesses – resilient Q4 2011 (approx. 60% of EBITDA*)

Industrial & Consumer Specialties

- Demand in Personal Care exceptionally strong, over-compensating weak de-icing business
- Significant increase of EBITDA margin due to mix effect, higher sales prices and improved costs structure
- Continued focus on innovative products and value added business, acquisition of OTC to gain additional expertise in Personal Care



Oil & Mining Services

- Strong growth particularly in Middle East and North America
- Growth driven by new contracts and successful launch of new products and technologies
- Oil & Mining Services expects strong growth pattern to continue



Additives

- Continuing strong demand in the non-halogenated flame retardants business, demand will be addressed by doubling capacity in Q3 2012



Catalysis & Energy

- Very strong Q4 2011 due to seasonal peak for the Catalyst business
- Particularly strong demand for environmental catalysts
- Battery Materials will contribute to business expansion in 2012



Functional Materials

- Continued strong demand in Diagnostic and Pharmaceuticals packaging and for Food and Feed Additives
- EBITDA margin declined due higher raw material prices that could not be compensated by higher sales prices



* in percentage of Group EBITDA, before exceptional items, full-year 2011

Cyclical growth BUs impacted by softening demand (34% of EBITDA*)

Pigments

- Sales declined due to destocking. Volumes were also impacted by the increased focus on high value – low volume applications
- Most business lines were impacted by the softening demand, particularly Plastics where customers postponed orders
- In Coatings there was good demand in automotive whereas decorative markets are still weak
- Profitability impacted by a one-time gain from the sale of land



Masterbatches

- Strong growth in Middle East and growth in Asia/Pacific and North America could not fully compensate very weak demand from Europe in general and from Southern Europe in particular
- BU will continue to focus on growth opportunities in personal care and medical packaging and on growth in the Emerging Markets



Leather Services

- Sales were negatively impacted by destocking activities and continuously high raw hide prices
- Demand from the luxury goods and automotive industry remained robust, whereas in the upholstery sector the negative trend towards alternative materials instead of leather continued
- Leather Services expects a sequential improvement of results during 2012 as destocking will finish



* in percentage of Group EBITDA, before exceptional items, full-year 2011

Structurally challenged BUs with a mixed performance (approx. 10% of EBITDA*)

Textile Chemicals

- Demand for technical textiles remained robust; there was weak demand from the apparel sector as retailers reduced supply chains
- Relocation of production to China and India will be accomplished in mid-2012; this will reduce costs and exposure to the Swiss franc
- All 500 key products of Textile Chemicals are ready for production in Asia and are already qualified by their customers



Paper

- Paper Specialties sales were below the previous-year's levels due to lower paper consumption
- Production has already been successfully relocated from Switzerland to Spain and the United States
- Profitability was affected by adverse currency effects and by higher idle facility cost due to closure of production in Switzerland



ED&I*

The Business Units Emulsions and Detergents & Intermediates have been combined to the BU ED&I, effective February 1, 2012

- Emulsions: Strong sales growth driven by strong demand in Latin America and by successful introduction of a new products
- Detergents & Intermediates: Demand continued to be good in the Intermediates business for Agrochemicals and Pharmaceuticals, compensating for a weaker business in Household and Cleaning



* in percentage of Group EBITDA, before exceptional items, full-year 2011

Innovation

Innovation – one of the engines for profitable growth

2.4% of sales
product innovation 67% and process innovation 33%

5 R&D Centers for
Chemical Technologies

1,100 People in
Research & Development

1 R&D Center for
Biotechnology

65 Technical Application Centers
around the world

3 R&D Centers for
Process Technologies

3 R&D Centers
for Catalysis

9,500 Patents

>140 Scientific
collaborations

Going beyond – systematically identifying and developing the products of tomorrow

Exolit® – reactive halogen-free flame retardants

- new class of reactive flame retardants for printed wiring boards
- reactive flame retardants for incorporation in matrices like epoxy resins open new market segment for printed wiring boards
- superior performance: excellent FR properties at low concentration demonstrated



Life Power® – an outstanding battery material

- Lithium Iron Phosphate (LFP) - latest generation of cathode material in Li-Ion accumulators for electric traction and regenerative energy storage
- largest LFP serial production of 2500 t/a started end of 2011 - EUR 60 mn Investment in Candiac, Canada
- cooperation with leading battery/vehicle manufacturers/suppliers



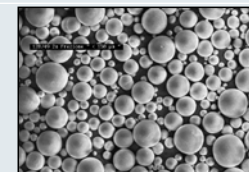
Industrial Biotechnology – second generation bioethanol

- integrated technology package for production of cellulosic ethanol from lignocellulose
- provide alternative production routes and feedstock opportunities to sustainable green chemicals
- demonstration plant in Straubing/Munich



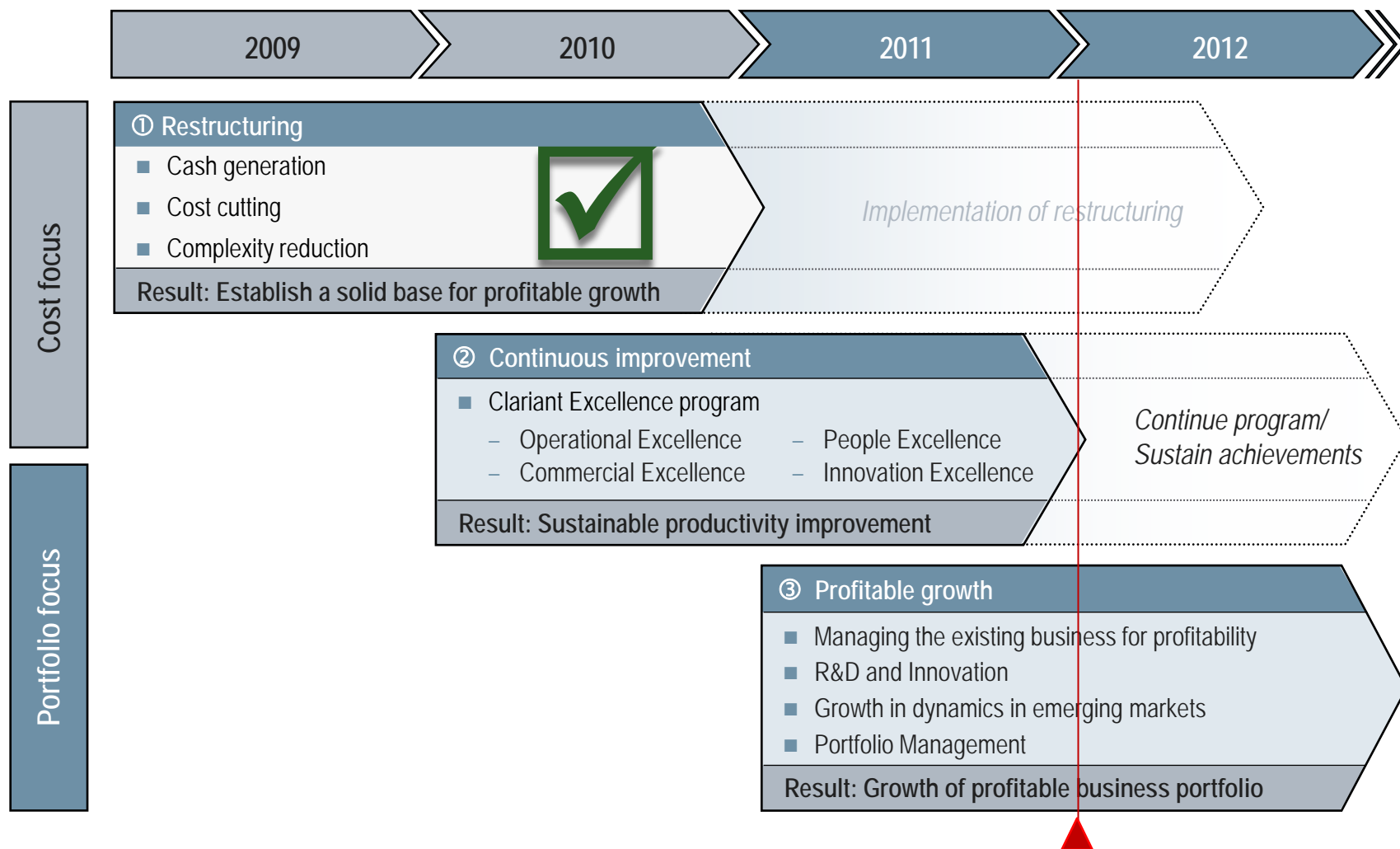
OleMax® 207 – selective hydrogenation catalyst

- next generation selective hydrogenation catalyst for tail-end feeds
- commercial operation: average 35% improvement in ethylene selectivity, now in use by four of the top ten ethylene producers
- 2011 ICIS Innovation Award Nominee Short List



Outlook

Clariant roadmap – sustainable, profitable growth on a solid base



Portfolio considerably strengthened through acquisitions in 2011

Transformational M&A

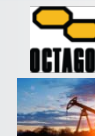
- Süd-Chemie



Strengthen existing BUs via bolt-on M&A

New regions

- Octagon
- Prairie Petro-Chem



New technology

- Oberhausen Technology Center



New segments

- Italtinto



2012 – further steps to increase quality, growth potential and profitability of portfolio

Focusing on...

- markets with high future perspectives
- markets with strong growth rates
- businesses with competitive positions
- businesses with strong pricing power



... results in

- Evaluation of strategic options for Business Units Emulsions Detergents & Intermediates, Paper Specialties and Textile Chemicals to be implemented in the mid- to long-term
- Bolt-on acquisitions to strengthen Business Units with above average growth potential and a high profitability

Environment

- An accurate forecast for 2012 is difficult given the high level of economic uncertainty
- Base case scenario assumptions:
 - after a weak start into 2012, the global economy will progressively strengthen in the course of the year
 - Raw material costs are expected to rise in the mid single-digit range
 - Exchange rates should remain stable compared to the beginning of 2012

Clariant – guidance 2012

For the full-year 2012, Clariant expects further sales growth in local currency and a sustained profitability. Results for the first half-year are expected to be lower compared to the high base of the first half of 2011, with an improvement in the second half-year 2012.

Questions & Answers