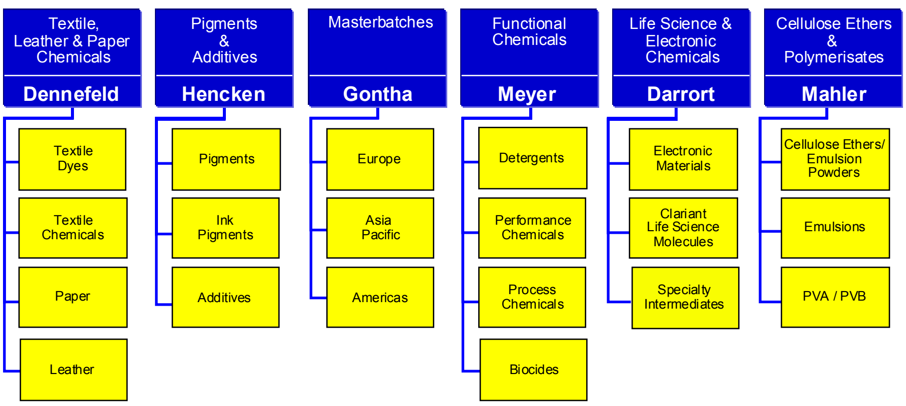
Dr Reinhard Handte
Chief Executive Officer

Results First Half Year 2001

August 15th, 2001

Business structure



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Group key figures – pre special effects[1]

in CHF mio	First half 2001	First half 2000	Change in %
Sales[2]	5 197	5 295	– 2
Gross profit	1 693	1 874	– 10
EBITDA	701	877	– 20
Operating income before goodwill amortization	451	615	– 27
Income before minority interests	143	286	– 50

[1] Unaudited
[2] Sales grew +2% year-on-year in local currencies

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Results First Half Year 2001

Divisional performance overview

Sales first half[1]			Change in %	
in CHF mio	2001	2000	in CHF	in LC
Textile, Leather & Paper Chemicals[2]	1 254	1 298	– 3	+ 1
Pigments & Additives	1 003	1 088	– 8	– 5
Masterbatches	556	597	– 7	– 4
Functional Chemicals[2]	967	941	+ 3	+ 6
Life Science & Electronic Chemicals[2]	858	786	+ 9	+ 12
Cellulose Ethers & Polymerisates	559	585	– 4	0
Total	**5 197**	**5 295**	**– 2**	**+ 2**

[1] Unaudited
[2] As per division the following acquisition effects resulted in the first half of 2001
TLP: CHF 30 mio BTP for January-February
FUN: CHF 19 mio BTP for January-February
CHF 13 mio Christianson for January until May
CHF –4 mio Clariant Tokuyama for January until June
LSE: CHF 77 mio BTP for January-February

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Divisional EBITDA[1]

in CHF mio	EBITDA First half 2001[2]	% O.S.[2]	% O.S.[3]	First half 2000	% O.S.
Textile, Leather & Paper Chemicals	130	10.4	13.6	221	17.0
Pigments & Additives	139	13.9	18.5	238	21.9
Masterbatches	60	10.8	12.1	81	13.6
Functional Chemicals	81	8.4	11.7	140	14.9
Life Science & Electronic Chemicals	13	1.5	11.2	141	17.9
Cellulose Ethers & Polymerisates	57	10.2	12.0	88	15.0
Total Divisions	**480**	**9.2**	**13.5**	**909**	**17.2**
Corporate[4]	**93**	**–**	**–**	**– 32**	**–**
Total Group	**573**	**11.0**	**15.3**	**877**	**16.6**

[1] Unaudited
[2] After cash restructuring expense
[3] Before cash restructuring expense
[4] H1/01 includes an exceptional write off of CHF 94 mio for a not realized project of the FUN division

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Operating income pre GWA[1]

	First half 2001 in CHF mio[2]	First half 2001 ROS in %[2]	First half 2001 ROS in %[3]	First half 2000 in CHF mio	First half 2000 ROS in %
Textile, Leather & Paper Chemicals	77	6.1	11	165	12.7
Pigments & Additives	59	5.9	14.3	200	18.4
Masterbatches	44	7.9	9.4	68	11.4
Functional Chemicals	47	4.9	8.4	97	10.3
Life Science & Electronic Chemicals	– 95	– 11.1	3.2	65	8.3
Cellulose Ethers & Polymerisates	33	5.9	7.7	67	11.5
Total of divisions	**165**	**3.2**	**9.3**	**662**	**12.5**
Corporate	**– 61**	**–**	**–**	**– 47**	**–**
Total Group	**104**	**2.0**	**8.7**	**615**	**11.6**

[1] Unaudited
[2] After restructuring expense
[3] Before restructuring expense

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Raw materials and energy

CHF 120 mio increase in raw materials bill put pressure on the group result

- TLP: price increase 2-3% seems to have leveled out. Sourcing further optimized with combined software platform
- PA: overall price increase of 2-3%. Peak reached in H1/01
- MB: stabilization compared to H2/00. Y-o-y slightly higher prices
- FUN: raw material price increase is slowing. Substantially higher energy prices (i.e. gas prices +30%)
- LSE: increase by 5%. Energy prices in the US increased by over 20%, which affected mainly the Electronic Materials business unit
- CEP: higher prices compared to group overall, especially VAM, cellulose, wood pulp and caustic soda

Please note all amounts are estimated, year-on-year comparisons

Raw materials outlook

- Price increase seems to have leveled out, this is underlined by the development of spot prices and contracts
- Integrated ERP platform due to bundling of procurement and SAP platform roll-out
- Reduction of raw material dependency by slimming down the divisional portfolio
  - PVA/PVB sale reduced VAM dependency

Textile, Leather & Paper Chemicals I

Sales	CHF 1 254 mio, –3% in CHF, +1% in LC
EBIT margin	11.0% (Previous year: 12.7%)
EBITDA margin	13.6% (Previous year: 17.0%)

- Overall volumes and market position quite stable but sales adversely affected by product mix changes, price decreases and competitive action
- Strong portfolio of specialty services and products in all segments
- Global key account management successful in all segments
- Downturn of US textile industry
- Sluggish sales in the US automotive sector
- Positive impact from BTP leather business confirmed

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Textile, Leather & Paper Chemicals II

- Sales in Asia initially satisfactory, were hit by the effects of reduced demand from the US and weak consumption in Japan
- Procurement bundling and efficient supply systems allowed stabilization of margins despite 2-3% year-on-year increase in raw material prices
- Very strong performance in South America particularly Brazil
- Good business trend in Italy and Spain

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Outlook 2001/2002

Textile, Leather & Paper Chemicals 2001/02

2001

- TLP market mostly influenced by the economic cycle development in the US and Europe
- Currency depreciation in Asia could stay unchanged

2002

- Expected recovery of GDP growth in 2002 will have positive influence from mid 2002 onwards
- Clariant expects profitable growth in all business units based on:
  - Strong global presence in textiles and leather
  - Superior product ranges
  - New products
  - Cost management

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Outlook 2001/2002

Textile, Leather & Paper Chemicals 2002

2002

- Measures underway to meet the challenge:
  - Restructuring and shutdown mainly of production sites
  - Restrictive investments
  - Reduction in working capital due to new innovative logistic concepts and software programs for higher inventory turnover
  - High volume products will be further replaced by individualized products
  - Focus on the Asian market in textiles → more growth potential
  - Margins will improve in North America's hydrosulphite business, and dye sales should increase
  - Strong growth in dye & optical brightener business in Asia-Pacific

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Results First Half Year 2001

Pigments & Additives I

Sales	CHF 1 003 mio, :–8% in CHF, –5% in LC
EBIT margin	14.3% (Previous year: 18.4%)
EBITDA margin	18.5% (Previous year: 21.9%)

Pigments

- Volume growth areas were Asia and Latin America, but the positive variation was offset by currency devaluation in those countries, leaving a flat consolidated impact
- As market share has been maintained overall, the decrease in volumes reflects sluggish demand
- Due to lower sales volume and inventory reduction, capacity utilization was reduced, with a negative impact on EBIT

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Results First Half Year 2001

Pigments & Additives II

- Paints markets weak due to general weakness of end-user demand
- Strong competitive pressure in the plastics market, but a positive trend for the 2nd quarter due to new product developments like Driz Pearls and successfully introduced new products aimed to counter the competition
- Despite a difficult environment, it was possible to increase sales in Ink Pigments in LC, which shows the competitiveness of products & pricing in the market place. More Asian business could be realized
- Lower margin in additives than in 2000 due to pricing and a changed product mix. US/Japan weak

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Pigments & Additives 2001

2001

- Pigments with cautious outlook but strong cost cutting steps
- Non Impact Printing (BU Pigments) should continue to grow strongly
- Additives and Ink Pigments should grow with success of marketing efforts and new launches
- Sales and margin increase in the Additives business unit in the second half 2001

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Pigments & Additives 2002

2002

- Significantly more flexibility in cost base through the sale of the Cassella/Offenbach site
- 2002 newly expanded capacity in Tianjin in Ink Pigments. Sales are expected to grow from mid 2002 onwards
- The successful introduction of new products in 2001 will continue in 2002 and contribute to increase market share and margins (Ink Pigments)
- For 2002 stronger growth with Polymer Additives, Flame Retardants and Coatings Additives

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Results First Half Year 2001

Masterbatches I

Sales	CHF 556 mio, –7% in CHF, –4% in LC	
EBIT margin	9.4%	(Previous year: 11.4%)
EBITDA margin	12.1%	(Previous year: 13.6%)
Capital turnover	2.27	(Previous year: 2.16)

- Europe
  - Slowing economic growth and weak fiber market in the Benelux
  - Growing PET bottle business and good car business development

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Results First Half Year 2001

Masterbatches II

- Americas
  - Consumer confidence in the US weighs on businesses
  - Downward plastics market
  - Masterbatches for packaging, medical applications and construction were solid
  - Various measures taken in early 2001, i.e. shutdown of one plant and rationalization
- Asia-Pacific
  - Good sales development despite increasing negative impact from US/Japan slowdown
  - Big success with color systems, special effects and functional additives used for example in coatings for fungicides

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Masterbatches Global Outlook

- Europe
  - Slower sales in the US affects Europe. Strict capacity management implemented with targeted protection of return on net assets
  - Color management systems and expansion of additive MB business will lead to positive earnings contribution
- Americas
  - Cautious outlook for remainder of 2001
  - 2002 earnings improvement by rationalization underway
- Asia-Pacific
  - Slowdown of demand in H2/01. But positive impact from Clariant's measures such as technical improvements in production

Functional Chemicals I

Sales	CHF 967 mio, +3% in CHF, +6% in LC
EBIT margin	8.4% (Previous year: 10.3%)
EBITDA margin	11.7% (Previous year: 14.9%)

Detergents

- High energy and raw material costs, negative FX effects due to USD sourcing, pricing pressure and restructuring costs all weighed on result
- Product portfolio streamlining through phase out in detergents to continue until year end
- Volumes in most important market Europe down
- Streamlining of projects continued

Results First Half Year 2001

Functional Chemicals II

Performance Chemicals

- Strong sales increase and good earnings
- New business gained in functional fluids
- New applications developed in cooperation with the TLP division for paper treatment
- Crop protection application business below expectations due to weak agro markets

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Results First Half Year 2001

Functional Chemicals III

Process Chemicals

- Good sales in oilfield chemicals and mining
- High raw material costs a burden, but dependence reduced through optimized sourcing and product mix improvement
- Various reorganizations, portfolio streamlinings and acquisitions accomplished
- Marketing across business lines: new applications for fertilizer industry with products for mining chemicals developed

Biocides

- Reorganized and integrated in all aspects
- Ready to exploit Clariant network in order to grow sales and earnings
- Next year 25% growth expected

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Outlook 2001/2002

Functional Chemicals Outlook I

Detergents

- Volume growth and price increases for H2/01
- Raw material prices will level out
- Concentration of sites and new projects to be implemented
- For 2002 higher capacity utilization

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Outlook 2001/2002

Functional Chemicals Outlook II

Performance Chemicals

- Cautious development of good business expected in H2/01
- Outlook for 2002 is very good due to much improved portfolio and better cost structure

Process Chemicals

- Stable business in H2/01 expected
- For 2002 expectation of strong growth in sales and earnings
- Gain of market shares

Biocides

- No change expected in H2/01
- Significant growth to start in 2002

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Results First Half Year 2001

Life Science & Electronic Chemicals I

Sales	CHF 858 mio, +9% in CHF, +12% in LC
EBIT margin	3.2% (Previous year: 8.3%)
EBITDA margin	11.2% (Previous year: 17.9%)

Electronic Materials

- Significant slowdown of semiconductor industry since Q2/01 which represents 60% of sales
- Japan now also affected by downswing
- Consequence: volumes down, capacities underutilized at customers and inventory reductions combined with pressure on margins
- Volumes in the flat panel business - which represents approximately 30% of the BU's sales - are up +20%. Gain of market share, but price reduction of 10-15%
- The set-up of new products and intensified customer service (due to new product evaluation) leads to higher costs. But both measures represent an investment in margins for an upswing in the future

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Results First Half Year 2001

Life Science & Electronic Chemicals II

Agro

- End markets slow due to low grain prices, weather problems and zero growth
- Strong competition from India and China in intermediates in addition to selective pricing pressure
- Customer registration of important key product at the EPA still pending
- Product price increases could be implemented
- Evaluation of several active compounds
- Traditional lower sales in H1/01 than in H2

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Life Science & Electronic Chemicals III

Pharma

- Good results with multicustomer-active ingredients
- Multicustomer-intermediates business is very competitive
- Delays and approval problems with three major projects/products in custom manufacturing lead to idle facility costs and inventory build up
- Good business in Japan opened up new markets for Clariant

Specialty Intermediates

- Restructuring pushed forward
- Sale of Cassella-Offenbach site and three plants in Frankfurt-Griesheim to third party

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Life Science & Electronic Chemicals Outlook I

Electronic Materials

- Cyclical downswing to level out until about mid 2002
- Upswing will lead to quick growth and good earnings in flat panels and in photoresists
- Portfolio with new products (i.e. Light Management Films, applications for Ferro Liquid Crystal Displays, Anti Reflective Coatings) will contribute to market share gain

Life Science Molecules

Agro

- New product introductions in H2/01
- Strong product pipeline of more than 30 projects will drive above-average growth until end 2002
- Restructuring efforts in plants will increase earnings levels
- Start up of 3 new intermediates with sales increase in H2/01

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Life Science & Electronic Chemicals Outlook II

Pharma

- Targeted growth from 58 projects in pipeline
- H2/01 will remain difficult with no earnings improvement
- Streamlined production, strict cost management, broader customer base, better project management, product pipeline and more focused project selection in 2002
- Revitalization of outsourcing trends will quickly support business

Specialty Intermediates

- Various underutilized capacities in industry intermediates such as diketene derivatives and pigment intermediates
- Optimization and restructuring will continue

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Cellulose Ethers & Polymerisates I

Sales	CHF 559 mio, –4% in CHF, 0% in LC
EBIT margin	7.7% (Previous year: 11.5%)
EBITDA margin	12.0% (Previous year: 15.0%)

Cellulose Ethers / Emulsion Powders (CE&EP)

- Downswing in construction industry in Germany leads to volume decrease
- Stable prices, unfavorable FX rates and far higher raw material prices contributed to the margin reduction
- Good business with hydroxyethylcellulose for premium emulsions in the paint industry

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Results First Half Year 2001

Cellulose Ethers & Polymerisates II

Emulsions

- Slowdown in Europe and bad weather influenced construction industry
- Pricing pressure from global trend to low priced paints
- Raw material price increase - mainly VAM - squeezed margins
- Price increases implemented, but time lag and reduced ability to roll them over to customers due to heavy competition in the industry
- 50% Joint Venture with Harlow Chemical Company sold to Yule Catto in August

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Results First Half Year 2001

Cellulose Ethers & Polymerisates III

PVA/PVB

- Generally good growth, especially in PVA
- Growth despite slowdown in customer industries, i.e. paper and construction
- Strategy to globalize resulted in first successes
- Pricing stable to positive, but VAM raw material impact hindered margin increase
- Business has been sold to Kuraray:
  - Kuraray already has backward integration
  - Clariant does not want to invest into backward or forward integration
  - Good sale price could be realized now

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Cellulose Ethers & Polymerisates

- Expected deconsolidation of PVA/PVB in H2/01
- Capacity reductions in CE & EP will stabilize earnings, but upswing in H2/01 is not on the agenda
- Emulsion will improve margins gradually due to cost-cutting measures taken and price increases that started in 2000
- Brighter outlook for 2002 both for sales and margin recovery

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German restructuring projects

- Operating and site responsibilities transferred to divisions
- Flexible and efficient structures
- Reduction of complexity and streamlining of portfolio
- Concentration on specialties and reduction/elimination of semispecialty activities
- Cost reduction of at least DEM 100–150 mio
- Headcount reduction of 800
- Lowering the break-even sustainably

To be finalized by mid 2002 → accounting effects in 2002/03

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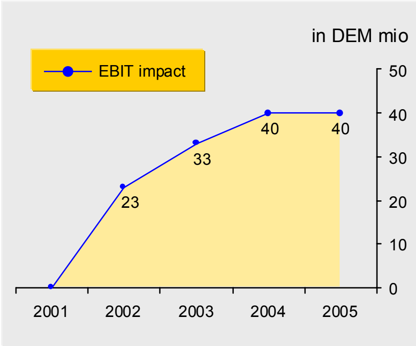
Results First Half Year 2001

Allessa: Positive EBIT impact for Clariant

- Sale of Clariant's second biggest site to Allessa Chemie
- Reduces the headcount by ~ 1 500
- Guaranteed off-take with time limit
- Exit from low margin commodity production (sales p.a. ~ CHF 80 mio)



Please note all amounts are estimated

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Results First Half Year 2001

Restructuring program measures

Plan I – decided and implemented
Costs [CHF 347 mio in H1/01 (~ 35% non cash)
Head count reduction: 1 000

Plan II – preparation in progress
Costs [> CHF 350 mio in H2/01 (~ 60% non cash)
Head count reduction: 1 000

E-procurement in technical sourcing

Meaning easier adaptation to market fluctuations, lower break even and higher base capacity utilization rates

Cost basis reduction: CHF –300 mio within 2 years

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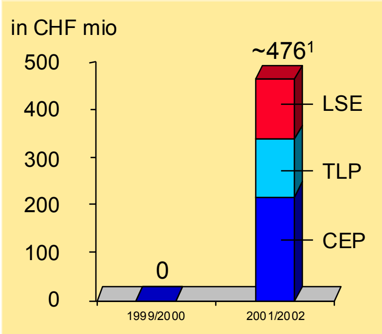
Divestitures successfully completed

- Three of five planned disposals have already been successfully completed during 2001
- Sale of Cassella-Offenbach
- Sale of PVA/PVB business unit to Kuraray
- Sale of 50% joint-venture stake in Harlow Chemicals Company to Yule Catto
- Two more disposals in the fields of paper chemicals and specialty intermediates are planed to be completed by year end
- Gross cash-inflows of about 1.5 times sales
- After-tax net result impact of ~ CHF 450 mio to be accounted for in H2/01



[1] Net book value

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Innovation at Clariant

Market launches will lead to high growth, sales and earnings

- Committed to success through innovation
- Our R& D efforts are application and customer driven
- Shift of portfolio quality to specialties
- Large high quality portfolio pipeline of short-, medium- and long-term projects
- Specialty and growth products in the introduction phase
- Well positioned in businesses growing faster than GDP

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François Note

Chief Financial Officer

Results First Half Year 2001

August 15th, 2001

First half 2001 results at a glance I

- Sales up 2% in LC and down 2% in CHF
- Sales stable in Europe, NAFTA slowdown but helped by US dollar, Latin America and Asia stable despite weaker currencies and downswing in Japan
- Decreased operating profit mainly due to raw materials and idle facilities
- Gross margin reduction of 2.8% from H1/00 to 32.6% in H1/01

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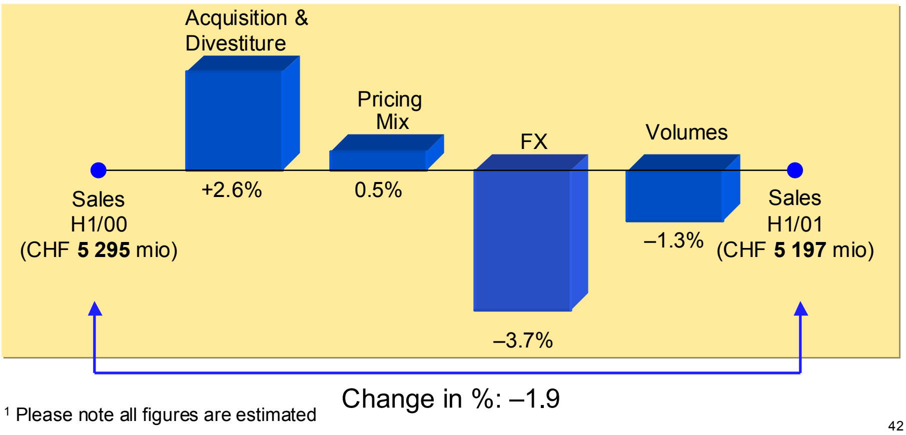
First half 2001 results at a glance II

- Goodwill impairment of CHF 1.2 bn
- One-off restructuring measures of CHF 347 mio
- Financial results improved
- Taxes influenced by special effects with the underlying 2001 tax rate unchanged around 32% of cash earnings before tax and goodwill amortization
- Book loss reduces equity base to CHF 2 bn

Analysis of sales development[1]

First half 2001 versus first half 2000



[1] Please note all figures are estimated

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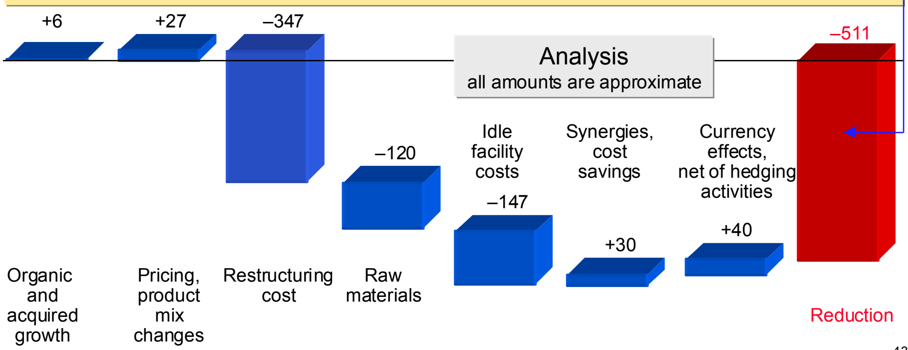
Development of operating profit in the first half

Comparison 2001 versus 2000 in CHF mio

Operating profit pre GWA 1st half 2001	104
Operating profit pre GWA 1st half 2000	615
Reduction	–511



Cash flow & net financial debt

Results

- Operating cash flow decreased to CHF 595 mio in H1/01 compared to CHF 700 mio in H1/00 mainly due to the decline in operating performance
- Higher inventories due to sluggish sales increased net current assets – despite active management – by CHF 175 mio over year-end 2000
- Investments in fixed assets increased in the first half 2001 by CHF 60 mio year-on-year due to new production facilities for exclusive customer projects
- Increased net debt to CHF 5.3 bn: gearing ~260%

Results First Half Year 2001

Net debt reduced by end 2001

- 2001 CAPEX budget cut: CHF 100 mio
- Net current assets will be reduced
- Asset disposal program will yield gross proceeds of ~ CHF 1 bn and streamline the portfolio
- Restructuring program will lower cost base by CHF 300 mio

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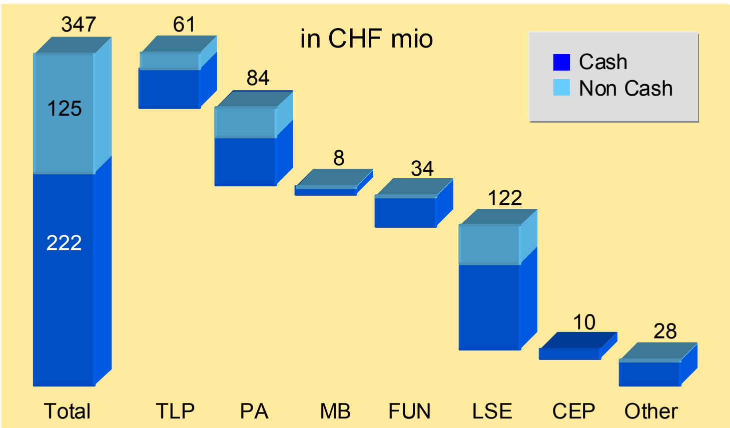
Results First Half Year 2001

Restructuring Costs – divisional breakdown



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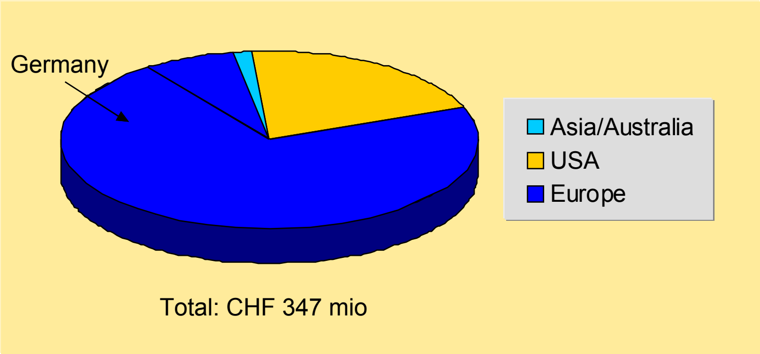
Regional breakdown of restructuring costs – Plan I



BTP goodwill impairment

- New evaluation of future cash flow generated through BTP
- More cautious assumptions taken:
  - Sustained difficulties in pharma and agro markets
  - Delayed approvals
  - Product failures

Consequence

- Goodwill of CHF 2.5 bn from BTP reduced by CHF 1.2 bn
- Future BTP goodwill amortization CHF 69 mio (previously CHF 135 mio)

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Results First Half Year 2001

Earnings to improve in 2002

- 2001 stable
  - Initial effects of restructuring
  - EU downturn impact
  - Operating margin for full year 2001 not to exceed margin of H1/01
- 2002 earnings to improve
  - Restructuring measures to cut costs by CHF 300 mio within next two years
  - Many newly launched products will gain established growth positions in markets
  - Potential upswing of major economies could start in H1/02

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