

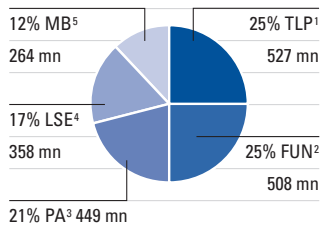
1st Quarter Results

May 7, 2003

The 1st Quarter 2003 in Summary

Sales by Divisions

Total Q1 2003: CHF 2 106 mn



¹ Textile, Leather & Paper Chemicals

² Functional Chemicals

³ Pigments & Additives

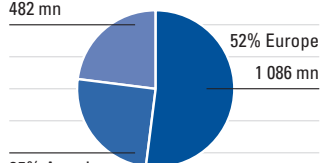
⁴ Life Science & Electronic Chemicals

⁵ Masterbatches

Sales by Regions

23% Asia/Africa/Australia

482 mn



25% Americas

538 mn

1 st quarter CHF mn	2003	2003 excluding provision in division FUN	2002 reported	2002 continuing operations (restated)*	Change in %	
					CHF	LC
					2003 reported com- pared with 2002 restated	2003 reported com- pared with 2002 restated
Sales	2 106	2 106	2 398	2 278	- 8	+ 4
Gross profit	712	712	801	763	- 7	+ 1
EBITDA	212	250	329	310	- 32	- 26
EBIT	113	151	194	180	- 37	- 31
Net income	2	40	88	—	—	—
As per	Mar. 2003		Dec. 2002			
Net debt	3 665		3 476			
Equity	947		914			

* The numbers for 2002 were restated to account for the disposals of business activities in 2002.

Disposals in 2002:

Emulsion Business of Division Textile, Leather & Paper
Hydrosulfite North America of Division Textile, Leather & Paper
Emulsion Business Portugal of Division Textile, Leather & Paper
All activities were sold effective as per the end of 2002.

Sales up 4% in local currencies, all divisions contribute positively with the exception of LSE; 8% drop in Swiss francs due to strong currency effect

Clariant succeeded in maintaining prices in a very competitive environment

EBIT impacted by CHF 38 mn provision in Functional Chemicals for further delay of US plant start-up and weak operating result from Life Science business

Net income affected by tax rate and mostly non-cash exchange rate losses

Improved sales and EBITDA in 1st quarter compared to 4th quarter of 2002

Operational performance of the 2nd quarter developing at around the level of the 1st quarter 2003

Solid sales growth in a difficult market environment

In the first quarter of 2003 Clariant reported sales growth of CHF 4% in local currencies. All divisions except LSE contributed to this growth with higher volumes and an optimized product mix, while prices were kept stable despite the tough competitive environment. Sales in Swiss francs fell by 8% to CHF 2 106 mn owing to the strong appreciation of the Swiss franc against most of the major currencies.

Gross profit increased slightly to CHF 712 mn (+1%). The decline in operating profit (EBIT) to CHF 113 mn is due in large measure to the provision of about CHF 38 mn made by the FUN division owing to the further delay in starting up production at a new plant in the US. Furthermore, the weak operating result at LSE had an adverse impact on Group EBIT.

High tax rates and mostly non-cash currency losses were negative factors impacting the financial result in the first quarter. Net income came to CHF 2 mn, though it would have been CHF 40 mn without the special effect mentioned above.

Debt increased slightly following seasonal patterns, coming to CHF 3 665 mn as per March 31 compared with CHF 3 476 mn at the end of 2002. By contrast, equity increased slightly to CHF 947 mn compared with CHF 914 mn at the end of last year.

Despite the difficult environment, Clariant is maintaining expenditures for research and development – the engine driving the company's innovativeness and sustainable growth – at the high level of 3.7% of sales.

With the economic situation remaining unstable, it is not possible at the present time to make reliable statements for fiscal 2003. For the second quarter, Clariant expects its operating performance to be on a par with that in the first quarter, if the special effect is factored out.

Overview

Economic trends

Difficult market conditions continued during the first quarter of 2003, with underlying economic conditions and geopolitical developments causing market uncertainties. Many of Clariant's key end user markets were impacted – with continued economic weakness in Europe and Japan and slower than expected growth in the US economy.

Most of the currencies of Clariant's major markets were weak against the strong Swiss franc. All currency movements taken together had a negative impact on sales (-12%) compared to the first quarter 2002; the movement was also negative compared to the average rates of the last quarter 2002. For currency impact of individual markets please see the table of regional sales development in this report.

Sales and operating result

Sales for the Group on a comparable basis increased in the first quarter by 4% over last year measured in local currencies and decreased by 8% in Swiss francs. This represents a strong achievement in an economic environment, which continues to be extremely challenging. All divisions except for LSE increased sales in local currencies significantly compared to the first quarter of last year. Growth in volume and product mix amounted to 4% as Clariant succeeded in maintaining prices in a very competitive environment.

On a comparable basis **costs of goods sold** in percent of sales declined slightly from 66.6% in 2002 to 66.2% in 2003. The capacity reduction program initiated in 2001 resulted in lower depreciations. In addition, higher sales volumes led to better capacity utilization. These two positive effects over-compensated some increases in raw material costs.

Variable costs in **marketing and distribution** remained stable as a percentage of sales, whereas the fixed cost ratio increased mainly due to higher insurance costs.

Administration and general overheads were to a significant extent influenced by several one-time items. The most important of these was a provision of 38 mn Swiss francs for further delay in US plant start-up in division Functional Chemicals, which does not lead to an increase in the contingent liability.

Due to the debt reduction in 2002 the underlying **net interest expenses** were reduced by 10 mn Swiss francs. The **financial result** was impacted by exchange rate losses which arose on financial debts denominated in foreign currencies with no cash impact.

Tax expenses continue to be impacted by the high proportion of profits generated in countries with high tax rates, such as Germany, Italy and Japan. However, in the first quarter the situation was aggravated by the previously mentioned provision for the division Functional Chemicals, where at present no tax benefit can be obtained. These effects led to the current unfavorable tax rate before amortization of goodwill of 80%, which will go down in the following quarters to around 50%.

Balance Sheet Key Figures

Net debt as at March 31, 2003 went up by 189 mn Swiss francs compared to December 31, 2002. This was mainly due to an expected seasonal build up in net working capital and the pre-payments of insurance premiums. These effects are expected to reverse in the next quarter.

Compared to December 2002 **equity** increased slightly because of favorable developments in exchange rates and the closing of swap positions.

Divisions

Textile, Leather & Paper Chemicals

1 st quarter	2003	2002*	Change in %	
			CHF	LC
Sales (CHF mn)	527	581	- 9	+ 6
EBITDA (CHF mn)	51	64	- 20	- 10
EBITDA margin in %	9.7	11.0	-	-

* restated

The **Textile, Leather & Paper Chemicals division** achieved a healthy sales growth in local currencies despite the difficult environment. The operational performance was impacted by weak demand in the classical clothing as well as in the leather industry. In addition the raw material prices were less favorable.

Textile dyes stagnated, as growth in the US did not match weak demand in Asia and Europe. Strong growth in volume for **textile chemicals** in the main markets was supported by the successful introduction of new optical brighteners and surface treatment agents.

Strong volume growth in **leather** was weighed down by weaker prices in the wet-end chemicals segment. The Asian business was unsettled late in the quarter by SARS developments, which will also impact the next quarter.

Paper showed a mixed picture in Europe, with stagnant volumes and lower prices, whilst other regions delivered satisfactory performance.

Pigments & Additives

1 st quarter	2003	2002*	Change in %	
			CHF	LC
Sales (CHF mn)	449	465	- 3	+ 8
EBITDA (CHF mn)	67	72	- 7	+ 4
EBITDA margin in %	14.9	15.5	-	-

* restated

Sales in local currencies grew strongly in the **Pigments & Additives division**. Even though price reductions were better than in the previous year and than the market, operating margins declined slightly.

The demand for **coatings** was muted early in the quarter in Europe and the US, but Asia and South America showed good growth. A sluggish demand for automotive and industrial paints was offset by good growth in decorative paints as well as wood coatings.

The market for **printing** products continued to be affected by pricing pressure that dragged down margins despite satisfactory volume gains. Products for **plastics** and **specialized industries** performed well.

Masterbatches

1 st quarter	2003	2002*	Change in %	
			CHF	LC
Sales (CHF mn)	264	267	- 1	+ 9
EBITDA (CHF mn)	33	40	- 18	- 9
EBITDA margin in %	12.5	15.0	-	-

* restated

The **Masterbatches division** raised its sales in local currencies by more than 9%, even though sales weakened in March due to global political uncertainties. Rapid increases in resin prices could not be absorbed entirely at the selling price level.

The business in the **regions** showed a mixed but positive picture: Europe with the exception of the UK, Benelux and Germany performed well, North and Latin America were steady, Asia maintained a strong performance.

The acquisition of the Canadian Masterbatch company Quality Colors in the first quarter strengthened Clariant's leading position in the Northwest Pacific area.

Functional Chemicals

1 st quarter	2003	2002*	Change in %	
			CHF	LC
Sales (CHF mn)	508	532	- 5	+ 7
EBITDA (CHF mn)	27	72	- 63	- 68
EBITDA margin in %	5.3	13.5	-	-
EBITDA margin in % excluding provision	12.8	13.5	-	-

* restated

The sales in the **Functional Chemicals division** rose by 7% in local currencies as all businesses showed a solid performance. The operating result was weighed down by CHF 38 mn provision for penalties due to a further delay in the start-up of a US bleach activator plant in the **detergent** business, which will reach well into 2004.

A strong demand for **performance chemicals** as functional fluids was supported by a favorable winter season for de-icing products especially in the NAFTA market. The overall performance of **process chemicals** matched last year's performance despite developments affecting the Venezuelan oil service industry.

Cellulose ethers grew well above the market and strong capacity utilization pushed up operating margins.

Life Science & Electronic Chemicals

1 st quarter	2003	2002*	Change in %	
			CHF	LC
Sales (CHF mn)	358	433	- 17	- 10
EBITDA (CHF mn)	30	59	- 49	- 45
EBITDA margin in %	8.4	13.6	-	-

* restated

Sales in the **Life Science & Electronic Chemicals division** during the first quarter of 2003 fell well short of levels achieved during the same period last year. The decline was due to a significant volume decrease compared to a strong first quarter 2002. Continuing insourcing by customers and ongoing price pressure led to contract losses resulting in lower capacity utilization and negative operating margins in the **pharma** and in the **custom synthesis business unit**.

Specialty Fine Chemicals achieved a good first quarter based on a solid demand for the three major product lines.

The business for **electronic materials** showed good sales growth in local currencies in particular in the flat panel business with a promising increase in operating margins.

Regional Developments

Europe

In the 1st quarter of 2003, the European Group companies contributed 52% of Group turnover. Their sales were hampered by the depressed economical situation across the continent and decreased by 2% in Swiss francs but grew by 1% in local currencies.

Americas

Group companies in the Americas contributed 25% of the 1st quarter 2003 Group turnover. Their sales increased by 6% in local currencies, but declined by 20% in Swiss francs. As, compared to the 1st quarter 2002, the devaluation of some currencies in this region has been considerable (Brazil -44%, Mexico -31% and US -18% against the Swiss franc).

Asia, Africa, Australia

In the 1st quarter of 2003 Group companies in Asia, Australia and Africa contributed 23% of Group sales. In local currencies sales grew by 8% and decreased by 5% in Swiss franc due to the weak currency development in Hong Kong (-19%), India (-17%) Korea (-11%) and Japan (-10%) compared to the Swiss franc.

Associated companies

Clariant made at the end of the quarter an open offer for an additional 20% of outstanding shares of its 50% Indian affiliate Colour Chem Ltd. at an approximate total price of CHF 20 mn.

Research and Development

R&D expenditures were maintained at a high level of 3.7% of sales according to Clariant's ongoing efforts to focus on innovative solutions for customers in business areas offering attractive value-based growth opportunities.

Outlook 2003

Even though the general economic outlook and trading conditions in Clariant's end markets remains uncertain, operational performance for the second quarter is expected to be around the level of the first quarter of 2003 if the special effect is factored out. Notwithstanding that it is still too early to draw conclusions for the entire year 2003, the company reiterates its goal to reduce net debt to below CHF 2.5 billion at year end assuming successful completion of disposal projects.

Consolidated Financial Statements of the Clariant Group at March 31, 2003

unaudited, all amounts in CHF mn

Income Statements

Income Statements of the Group 1 st quarter	2003		2002	
	CHF mn	%	CHF mn	%
Sales	2 106	100.0	2 398	100.0
Cost of goods sold	- 1 394	66.2	- 1 597	66.6
Gross profit	712	33.8	801	33.4
Marketing and distribution	- 323	15.3	- 350	14.6
Research and development	- 78	3.7	- 86	3.6
Income from affiliated companies	8	0.4	10	0.4
Administration and general overhead cost	- 198	9.4	- 161	6.7
Restructuring expense	—	—	—	—
Operating income before amortization of goodwill	121	5.7	214	8.9
Amortization of goodwill	- 8		- 20	
Operating income after amortization of goodwill	113	5.4	194	8.1
Financial result ¹⁾	- 59		- 49	
Income before taxes and minority interests	54	2.6	145	6.0
Taxes	- 50		- 54	
Income before minority interests	4	0.2	91	3.8
Minority interests	- 2		- 3	
Net income/loss of the Group	2	0.1	88	3.7
Earnings per share (CHF) ²⁾	0.01		0.59	
Diluted earnings per share (CHF) ³⁾	0.01		0.59	

¹⁾ of which currency losses in 2003 CHF 12 mn, currency losses in 2002 CHF 8 mn

²⁾ calculated with average, weighted number of shares outstanding

³⁾ calculated with average, weighted, diluted number of shares outstanding

Key Financial Income Statement Figures	Divisions Total		Corporate		Total Continuing Operations		Total Discontinuing Operations		Total	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
1st quarter CHF mn										
Sales	2 106	2 278	—	—	2 106	2 278	—	120	2 106	2 398
EBITDA	208	307	4	3	212	310	—	19	212	329
EBIT	123	193	- 10	- 13	113	180	—	14	113	194

Sales

1 st quarter CHF mn	2003	2002 Restated*	Change in %	
			in CHF	in LC
Textile, Leather & Paper Chemicals	527	581	- 9	+ 6
Pigments & Additives	449	465	- 3	+ 8
Masterbatches	264	267	- 1	+ 9
Functional Chemicals	508	532	- 5	+ 7
Life Science & Electronic Chemicals	358	433	- 17	- 10
Total continuing operations	2 106	2 278	- 8	+ 4
Discontinuing operations	–	120	–	–
Total Group	2 106	2 398	- 12	–

EBITDA

1 st quarter CHF mn	2003	2002 Restated*	Change in %	
			in CHF	in LC
Textile, Leather & Paper Chemicals	51	64	- 20	- 10
Pigments & Additives	67	72	- 7	+ 4
Masterbatches	33	40	- 18	- 9
Functional Chemicals	27	72	- 63	- 68
Life Science & Electronic Chemicals	30	59	- 49	- 45
Corporate	4	3	+ 33	–
Total continuing operations	212	310	- 32	- 26
Discontinuing operations	–	19	–	–
Total Group	212	329	- 36	–

EBIT

1 st quarter CHF mn	2003	2002 Restated*	Change in %	
			in CHF	in LC
Textile, Leather & Paper Chemicals	32	44	- 27	- 14
Pigments & Additives	50	52	- 4	+ 8
Masterbatches	26	32	- 19	- 13
Functional Chemicals	10	53	- 81	- 91
Life Science & Electronic Chemicals	5	12	- 58	- 61
Corporate	- 10	- 13	+ 23	–
Total continuing operations	113	180	- 37	- 31
Discontinuing operations	–	14	–	–
Total Group	113	194	- 42	–

* The numbers per division were restated to account for the disposals of business activities in 2002. The effects of the disposals are reported as discontinuing operations for 2002.

Disposals in 2002:
Emulsion Business of Division Textile, Leather & Paper
Hydrosulfite North America of Division Textile, Leather & Paper
Emulsion Business Portugal of Division Textile, Leather & Paper
All activities were sold effective as per the end of 2002.

EBITDA/EBIT Margin

EBITDA 1st quarter CHF mn	2003	% of sales	2002 restated*	% of sales
Textile, Leather & Paper Chemicals	51	9.7	64	11.0
Pigments & Additives	67	14.9	72	15.5
Masterbatches	33	12.5	40	15.0
Functional Chemicals	27	5.3	72	13.5
Life Science & Electronic Chemicals	30	8.4	59	13.6
Corporate	4		3	
Total continuing operations	212	10.1	310	13.6
Discontinuing operations	—	—	19	15.8
Total Group	212	10.1	329	13.7

EBIT 1st quarter CHF mn	2003	% of sales	2002 restated*	% of sales
Textile, Leather & Paper Chemicals	32	6.1	44	7.6
Pigments & Additives	50	11.1	52	11.2
Masterbatches	26	9.8	32	12.0
Functional Chemicals	10	2.0	53	10.0
Life Science & Electronic Chemicals	5	1.4	12	2.8
Corporate	- 10		- 13	
Total continuing operations	113	5.4	180	7.9
Discontinuing operations	—	—	14	11.7
Total Group	113	5.4	194	8.1

* The numbers for 2002 were restated to account for the disposals of business activities in 2002. The effects of the disposals are reported as discontinuing operations for 2002.

Disposals in 2002:
Emulsion Business of Division Textile, Leather & Paper
Hydrosulfite North America of Division Textile, Leather & Paper
Emulsion Business Portugal of Division Textile, Leather & Paper
All activities were sold effective as per the end of 2002.

CHF mn	1st quarter 2003	4th quarter 2002 restated*
Sales	2 106	2 097
EBITDA	212	** 209
EBIT	113	** - 702

* The numbers for 2002 were restated to account for the disposals of business activities in 2002.

Disposals in 2002:
Emulsion Business of Division Textile, Leather & Paper
Hydrosulfite North America of Division Textile, Leather & Paper
Emulsion Business Portugal of Division Textile, Leather & Paper
All activities were sold effective as per the end of 2002.

** before restructuring and disposals

Sales by Regions

1 st quarter	2003		2002		Change in %	
	CHF mn	%	CHF mn	%	CHF	LC
Europe	1 086	52	1 102	46	- 2	+ 1
<i>of which Germany</i>	<i>321</i>	<i>15</i>	<i>279</i>	<i>12</i>	–	–
Americas	538	25	669	28	- 20	+ 6
<i>of which USA</i>	<i>308</i>	<i>15</i>	<i>382</i>	<i>16</i>	–	–
Asia / Australia/ Africa	482	23	507	21	- 5	+ 8
Total continuing operations	2 106	–	2 278	–	- 8	+ 4
Discontinuing operations	–	–	120	5	–	–
Total Group	2 106	100	2 398	100	–	–

* The numbers for 2002 were restated to account for the disposals of business activities in 2002. The effects of the disposals are reported as discontinuing operations for 2002.

Disposals in 2002:
Emulsion Business of Division Textile, Leather & Paper
Hydrosulfite North America of Division Textile, Leather & Paper
Emulsion Business Portugal of Division Textile, Leather & Paper
All activities were sold effective as per the end of 2002.

Per Share Data

1 st quarter	2003	2002
Number of shares outstanding at 31.3.2003 resp. 31.3.2002	153 440 000	153 440 000
Average, weighted number of shares outstanding	149 720 966	151 027 137
Average, weighted, diluted number of shares outstanding	149 720 966	151 027 137
Earnings per share (in CHF) ¹⁾	0.01	0.59
Diluted earnings per share (in CHF) ²⁾	0.01	0.59

¹⁾ calculated with average, weighted number of shares outstanding

²⁾ calculated with average, weighted, diluted number of shares outstanding

Rates

Rates used to translate the consolidated balance sheets (closing rate)	31.3.2003	31.12.2002	Change %
1 USD	1.36	1.39	- 2
1 EUR	1.48	1.45	+ 2
1 GBP	2.14	2.23	- 4
100 JPY	1.14	1.17	- 3
Average sales-weighted rates used to translate the income statements and consolidated statements of cash flow	1 st quarter 2003	1 st quarter 2002	Change %
1 USD	1.37	1.68	- 18
1 EUR	1.47	1.47	0
1 GBP	2.19	2.40	- 9
100 JPY	1.15	1.27	- 9

Forward-looking statements

Forward-looking statements contained herein are qualified in their entirety as there are certain factors that could cause results to differ materially from those anticipated. Investors are cautioned that all forward-looking statements involve risks and uncertainty. In addition to the factors discussed above, among the factors that could cause actual results to differ materially are the following: 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.

Calendar of Corporate Events

August 5, 2003	Results 2 nd quarter
November 4, 2003	Results 3 rd quarter

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Clariant – Exactly your chemistry.

Based at Muttenz near Basel, Switzerland, Clariant is a global leader in the field of fine and specialty chemicals. Some 28 000 employees in more than 100 Group companies on five continents generate annual sales of over CHF 9 billion.

Clariant is divided into five Divisions: Textile, Leather & Paper Chemicals, Pigments & Additives, Masterbatches, Functional Chemicals, Life Science & Electronic Chemicals. The Divisions have operational autonomy within the overall Group strategy, and are entirely responsible for their own business success.

Clariant's innovative products play a decisive role in the customers' manufacturing and treatment processes or add value to their end-products. The company's success is based on the know-how of its staff, and on their ability to identify new customer needs at an early stage and to work together with customers to find innovative, efficient solutions. Clariant is committed to sustainable growth springing from its own innovative strength. Our objective is to achieve 30% of sales with products and services that are no more than five years old.

www.clariant.com

