

Disclaimer

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.



Clariant
The way forward

1st Quarter Results 2004

Conference Call
May 4, 2004

Clariant
The way forward

1st Quarter Results 2004

François Note, CFO

Clariant
The way forward

1st Quarter Results 2004

Agenda

- Key factors
- Financial review
- Transformation Program update
- Summary & Outlook

1st Quarter 2004

Key Factors 2003

Financial Review

Transformation
Program

Capital Increase

Summary

- Sales up 6% in local currency terms, to CHF 2.206 bn
- Net profit CHF 72 mn, from a loss of CHF 8 mn in Q1 2003
- Operating margin up substantially, to 7.6%, from 5.1% last year
- Cost reductions and asset sales proceeding well
- Growth particularly strong in U.S. and Asia
- Market outlook cautiously positive; European recovery inconclusive
- Debt reduction target lowered to below CHF 1.5 bn from CHF 2.5 bn

Strong growth in 1st Quarter 2004

The way forward

Key Factors 2003

Financial Review

Transformation
Program

Capital Increase

Summary

■ **Asset sales**

- Electronic Materials well advanced
- Other sales processes initiated

■ **Performance measures progressing well**

- Closure of two plants in Divisions TLP and P&A
- Significant streamlining of internal organization and processes

■ **Successful capital increase**

- Creates a solid financial basis for the Group
- Facilitates the implementation of performance improvements
- Flexibility to maximize proceeds of asset sales

Transformation Program well on track

Income statement - Comparable figures

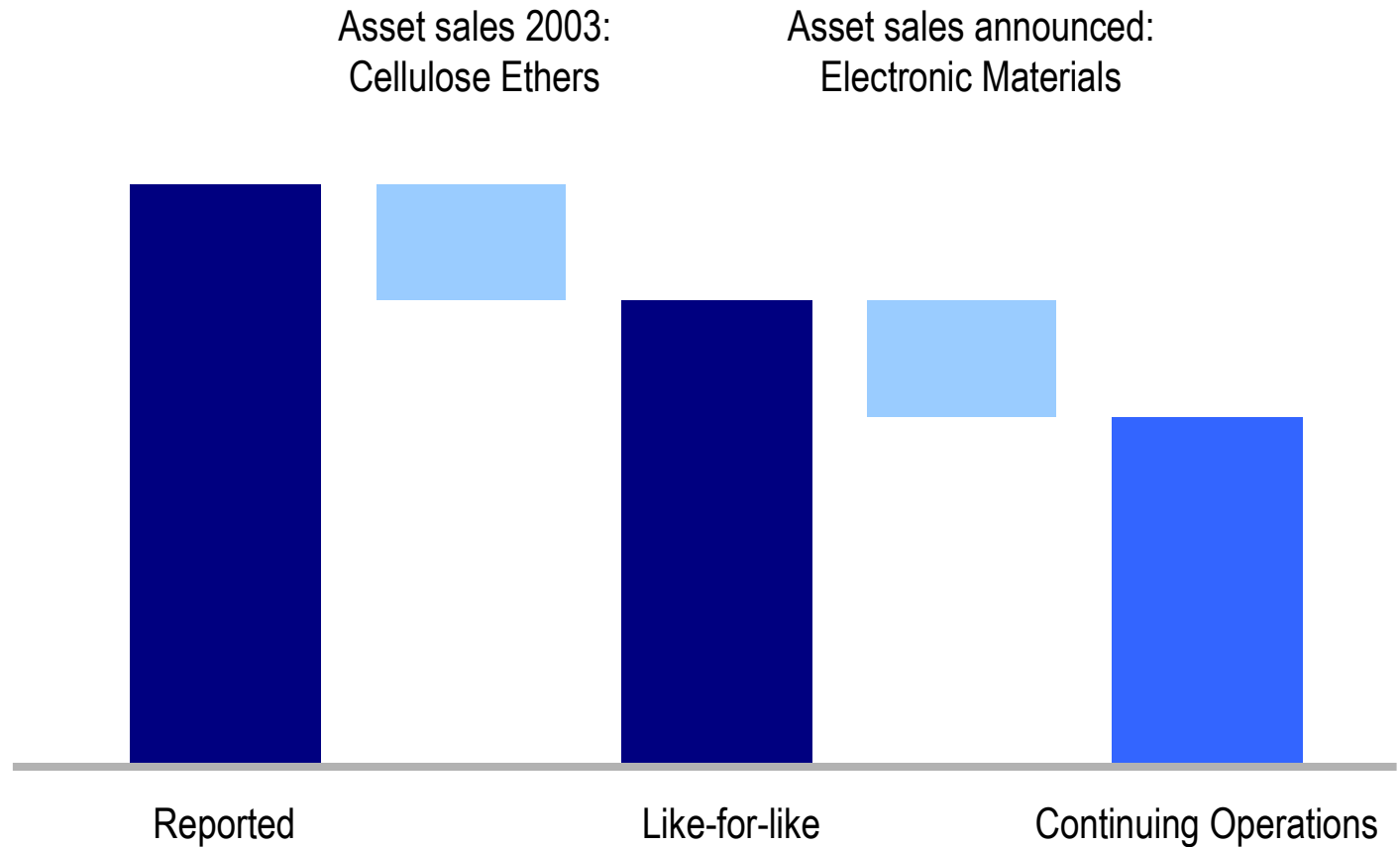
Key Factors 2003

Financial Review

Transformation Program

Capital Increase

Summary



- According to the requirements of the International Financial Reporting Standards (IFRS), an enterprise that has announced the intention to dispose business activities shall report these businesses as discontinued operations.

Key financial group figures 1st Quarter 2004

Key Factors 2003

Financial Review

Transformation
Program

Capital Increase

Summary

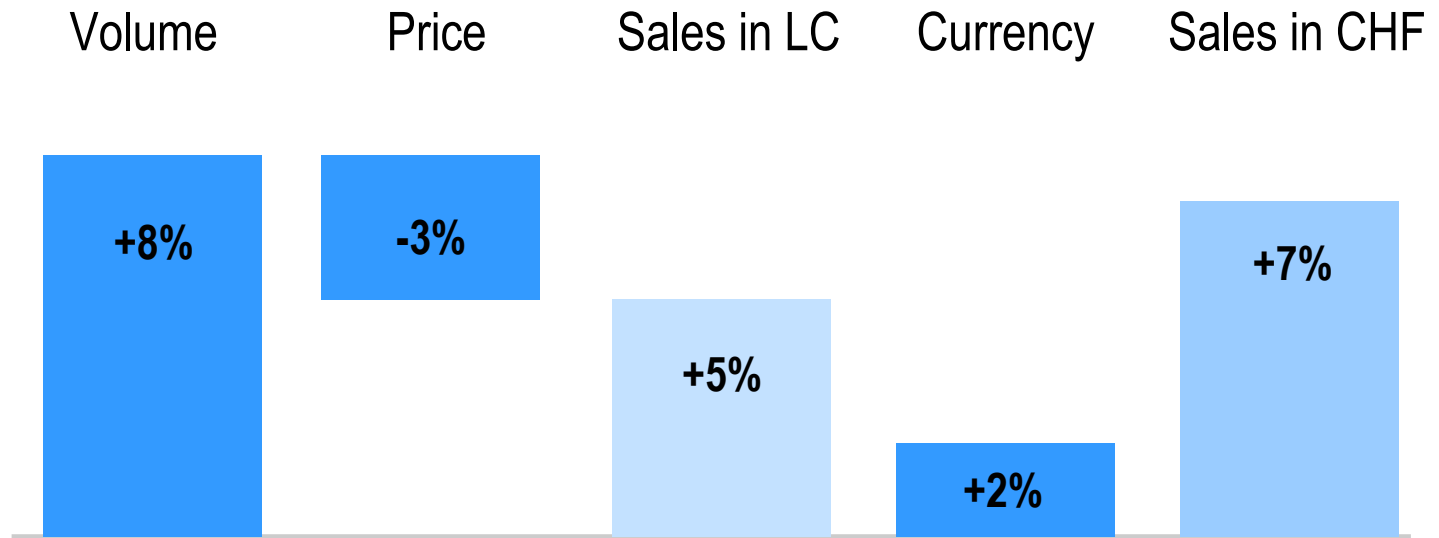
1 st Quarter in mn CHF	2004		2003 like-for-like		Change in %	
	% of Sales		% of Sales		CHF	LC
Sales	2,206		2,035		+8	+6
Gross profit	730	33.1%	691	34.0%	+6	+3
EBITDA	263	11.9%	198	9.7%	+33	+33
EBIT bef. restructuring, impairment, disposals and amortization of goodwill	199	9.1%	111	5.5%	+79	+81
EBIT	167	7.6%	103	5.1%	+62	+60
Net income (loss)	72		-8			

as per	March 04	Dec 03	March 03
Net debt	2,901	2,905	3,665
Equity	1,293	1,176	947

* The numbers for 2003 were like-for-like to account for the disposals of business activities in 2003. Disposals in 2003: Cellulose Ethers of the Division Functional Chemical and AP Chemicals, UK, of the Division Life Science & Electronic Chemicals. All activities were sold effective as per the end of 2003.

Positive volume development in 1st Quarter 2004

1st Quarter 2004 versus 1st Quarter 2003, continuing*



* Continuing Operations: On August 5, 2003, Clariant announced that the Business Unit Electronic Materials pertaining to the Division LSE would be sold. As a consequence, Electronic Materials is now disclosed as Discontinuing Operations for both 2004 and 2003. In 2003, the Business Unit Cellulose Ethers pertaining to the Division FUN was sold.

Divisional sales and margins

*1st Quarter 2004 vs. 2003, continuing**

Key Factors 2003

Financial Review

Transformation
Program

Capital Increase

Summary

1 st Quarter in mn CHF	Q1	Change	EBITDA Margin in %**	
	2004 Sales	2004 vs 2003 LC in %	2004	2003
Textile, Leather & Paper Chemicals	553	+4	11.4	9.7
Pigments & Additives	474	+4	16.0	15.1
Masterbatches	286	+6	12.9	12.2
Functional Chemicals	520	+12	14.0	2.9***
Life Science & Electronic Chemicals	253	-5	6.7	6.9
Total continuing operations	2,086	+5	12.8	9.6

* Continuing Operations: On August 5, 2003, Clariant announced that the Business Unit Electronic Materials pertaining to the Division LSE would be sold. As a consequence, Electronic Materials is now disclosed as Discontinuing Operations for both 2004 and 2003. In 2003, the Business Unit Cellulose Ethers pertaining to the Division FUN was sold.

** EBIDTA before restructuring and disposals, the numbers for 2003 were like-for-like to account for the disposals of business activities in 2003. Disposals in 2003: Cellulose Ethers of Division Functional Chemical and AP Chemicals, UK, of Division Life Science & Electronic Chemicals. All activities were sold effective as per the end of 2003.

***Including provision of CHF 38 mn for the delay of a large-scale bleach activator plant in the U.S.

EBITDA analysis 1st Quarter 2004

Key Factors 2003

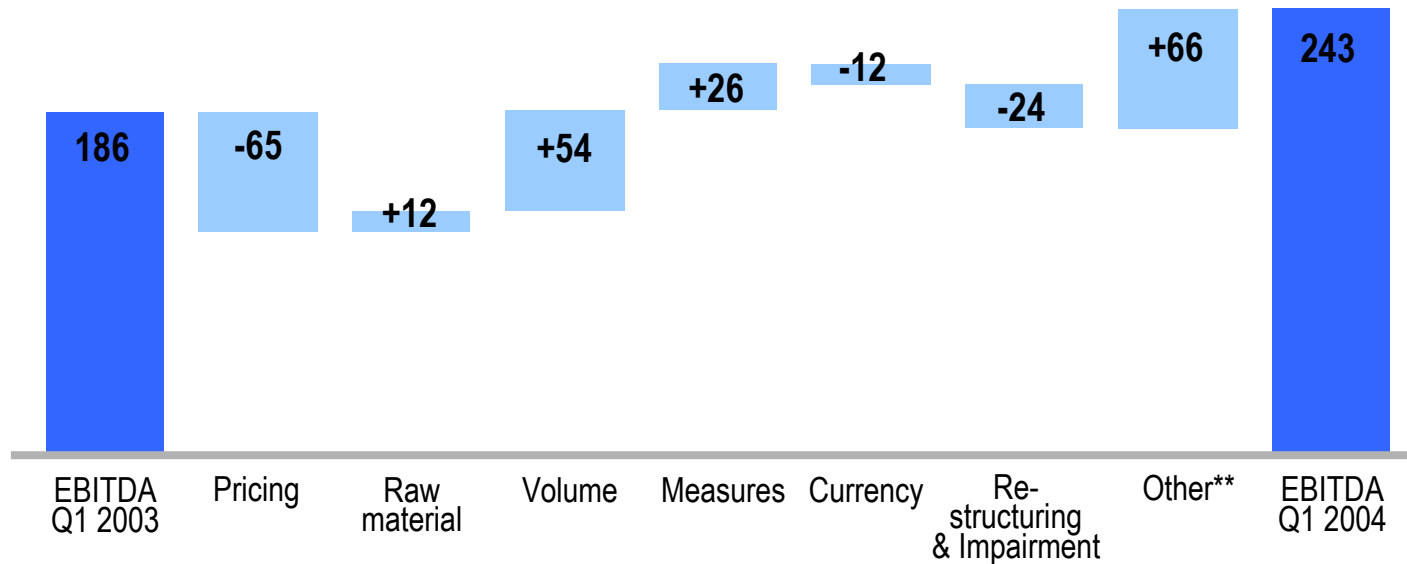
Financial Review

Transformation Program

Capital Increase

Summary

1st Quarter 2004 versus 1st Quarter 2003 – continuing*



in mn CHF

* Continuing Operations: On August 5, 2003, Clariant announced that the Business Unit Electronic Materials pertaining to the Division LSE would be sold. As a consequence, Electronic Materials now disclosed as Discontinuing Operations for both 2004 and 2003. In 2003, the Business Unit Cellulose Ethers pertaining to the Division FUN was sold.

** Including provision of CHF 38 mn for the delay of a large-scale bleach activator plant in the U.S.

Divisional sales overview

Key Factors 2003

Financial Review

Transformation
Program

Capital Increase

Summary

■ **Textile, Leather & Paper Chemicals**

- Healthy volume growth offset price pressure
- Strong textile chemical business offset ongoing structural developments in commodity textile business
- Positive EBIT development due to better sales, but margin affected by plant closure in leather business

■ **Pigments & Additives**

- Good volume development offset price decline
- Specific coatings showed a strong rebound
- Margin trend improved mainly due to better capacity utilization, but reduced by plant closure in Germany

■ **Masterbatches**

- Strong growth in the group, above market rates
- Strong regional growth in core regions Asia Pacific, as well as positive signs from US markets
- Margins stable as price pressure was offset by stronger volumes

Divisional sales overview

Key Factors 2003

Financial Review

Transformation
Program

Capital Increase

Summary

■ **Functional Chemicals**

- Strong volume growth across all business segments
- Improving economic conditions in the Americas
- Healthy volume growth offset price pressure in most segments
- Margins increased

■ **Life Science & Electronic Chemicals**

- Ongoing difficult market conditions with mixed sales development across all businesses
- Sales stabilized around 2003 levels
- Margins mixed across all businesses

Cash flow improved in 1st Quarter 2004

Key Factors 2003

Financial Review

Transformation
Program

Capital Increase

Summary

in mn CHF	Q1 2004	Q1 2003
Net result	72	2
Depreciation & amortization	97	99
Other	100	102
Operating cash flow before working capital	269	203
Change in working capital	-165	-355
Operating cash flow	104	-152
Capital expenditure	-53	-60
Dividends/etc.	22	17
Cash flow before financing	73	-195

Asset sales making progress

Key Factors 2003

Financial Review

Transformation
Program

Capital Increase

Summary

Electronic Materials

- Well advanced

Project 3 & Project 4

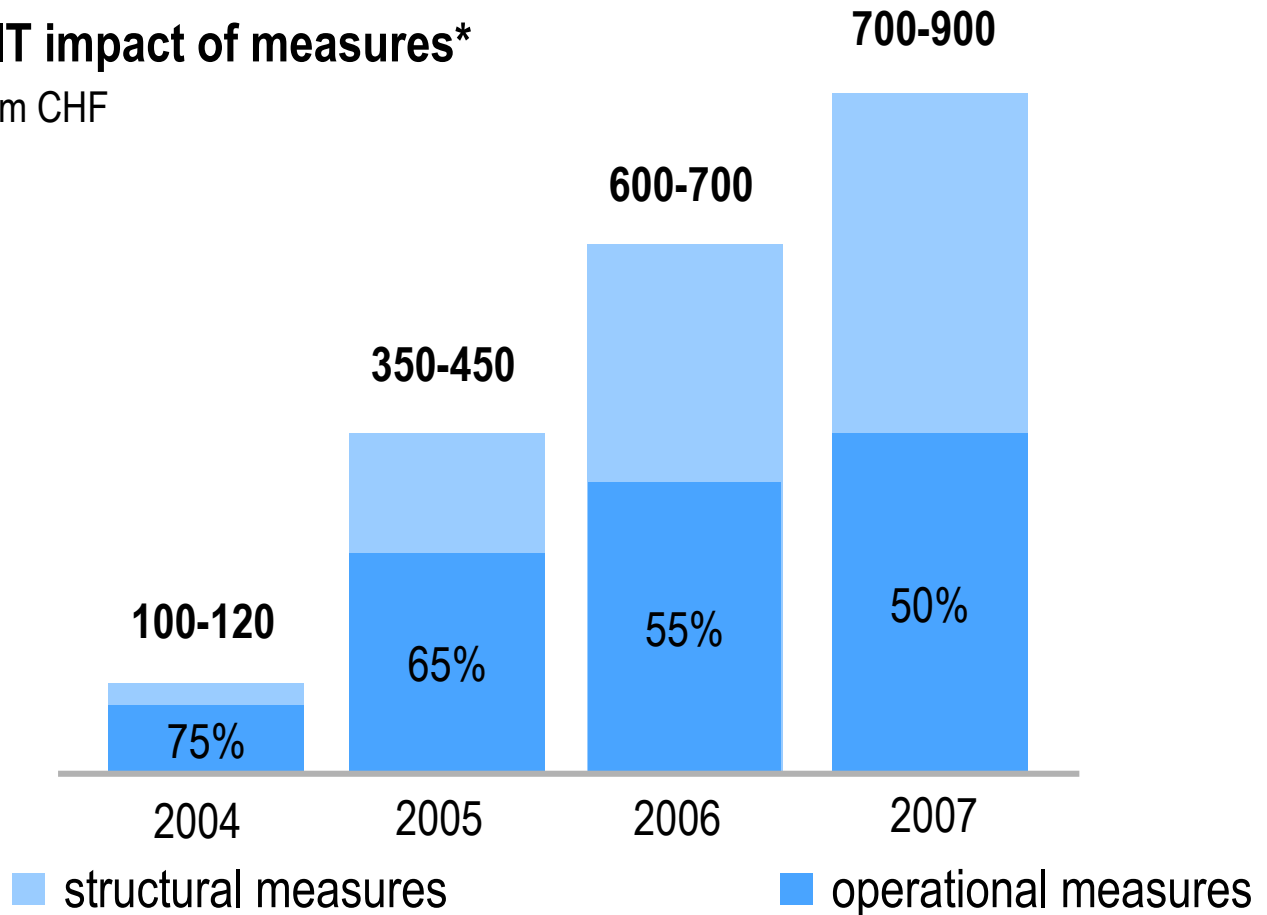
- Ready for sale
- Total sales of approx. CHF 400 mn

Others

- As planned

Performance improvement measures over time

EBIT impact of measures*
in mm CHF



*before business risks & price erosion

Distribution of new funding

Key Factors 2003

Financial Review

Transformation Program

Capital Increase

Summary

Sources

- Rights issue proceeds
- Asset sales proceeds
- Free cashflow from operations

Uses

- Financing of performance improvements
- Debt reduction / balance sheet strengthening
 - investment-grade rating to be sought next year
- Growth financing
 - Development of service-driven businesses, in line with strategy

Capital increase to fund performance measures and significantly reduce debt

Financial profile

Pre- and post capital increase

Key Factors 2003

Financial Review

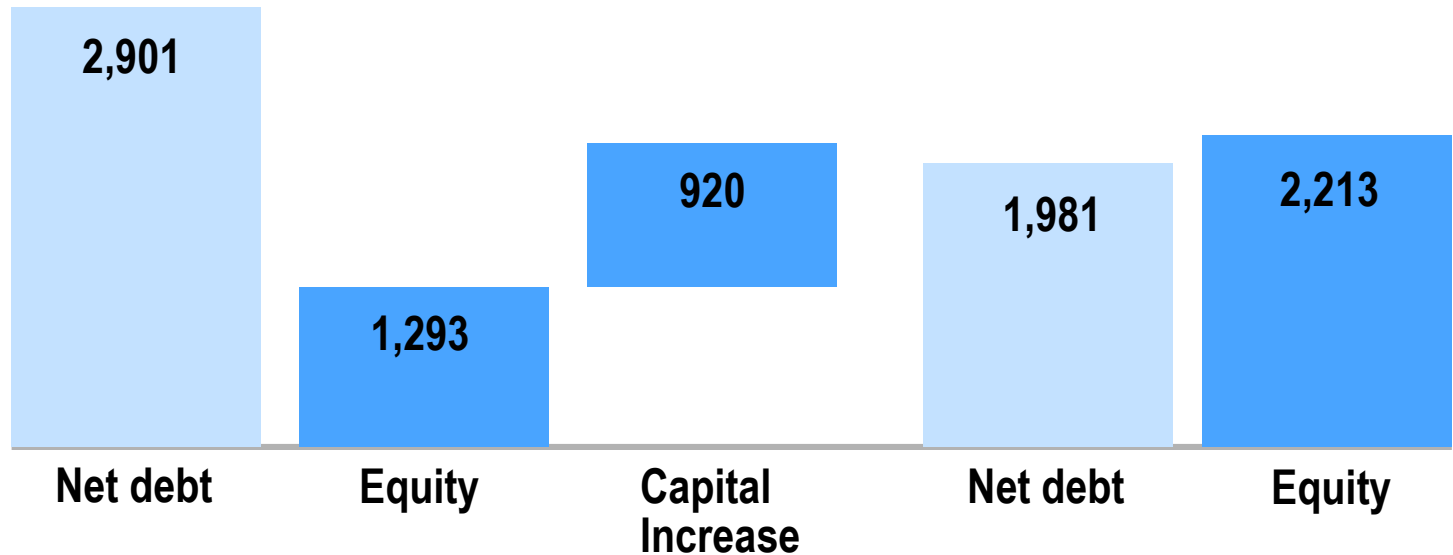
Transformation Program

Capital Increase

Summary

March 31, 2004

pro forma



in mn CHF

Balanced risk distribution

Outlook

- Cautiously positive outlook for 2004
- Improved operating margin
- Continued progress on asset sales
- Clariant targets for 2004
 - Net debt below CHF 1.5 bn
 - Cost base reduction of CHF 100 mn

**2004 – Restored financial strength
Increased profitability momentum**

Calendar of upcoming corporate events

August 5, 2004

Second Quarter 2004 Results

November 9, 2004

Third Quarter 2004 Results

March 8, 2005

Full-year 2004 Results

April 7, 2005

Annual General Meeting

April 12, 2005

Ex Dividend Date

Your Investor Relations contacts

Holger Schimanke
Head Investor
Relations



holger.schimanke@clariant.com
Phone +41 61 469 67 45
Mobile +41 79 343 59 83

Daniel Leuthardt



daniel.leuthardt@clariant.com
Phone +41 61 469 67 49
Mobile +41 79 763 93 80

To be added to the mailing list of Clariant and
for other administrative matters, please contact

Karine Huttenschmitt
karine.huttenschmitt@clariant.com

Phone +41 61 469 67 48
Fax +41 61 469 67 67
Mobile +41 79 456 63 48

Clariant International Ltd
Rothausstrasse 61
4132 Muttenz
Switzerland

investor-relations@clariant.com

Clariant
The way forward

Backup Information

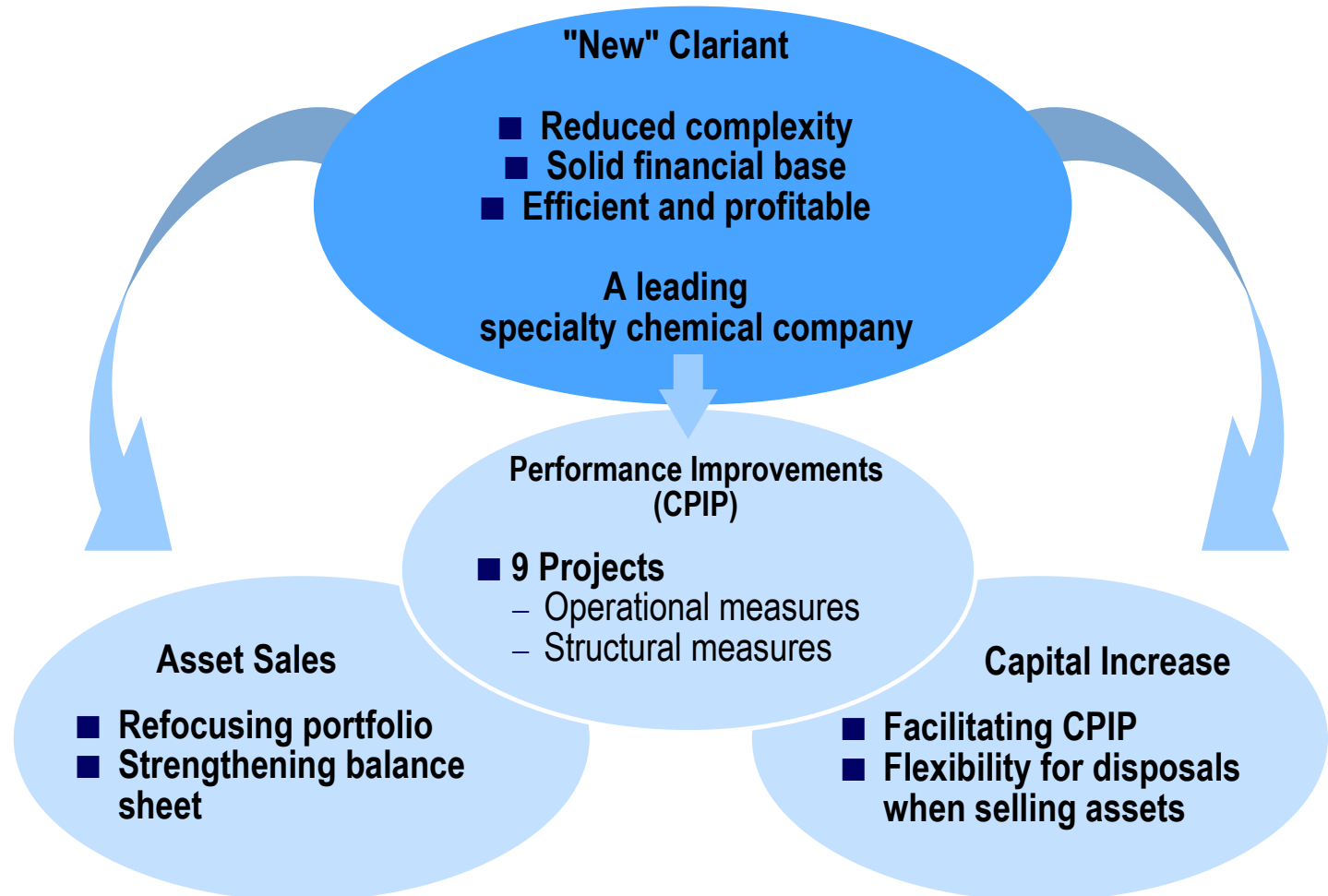
Group & Strategy

**Performance
Improvement Program**

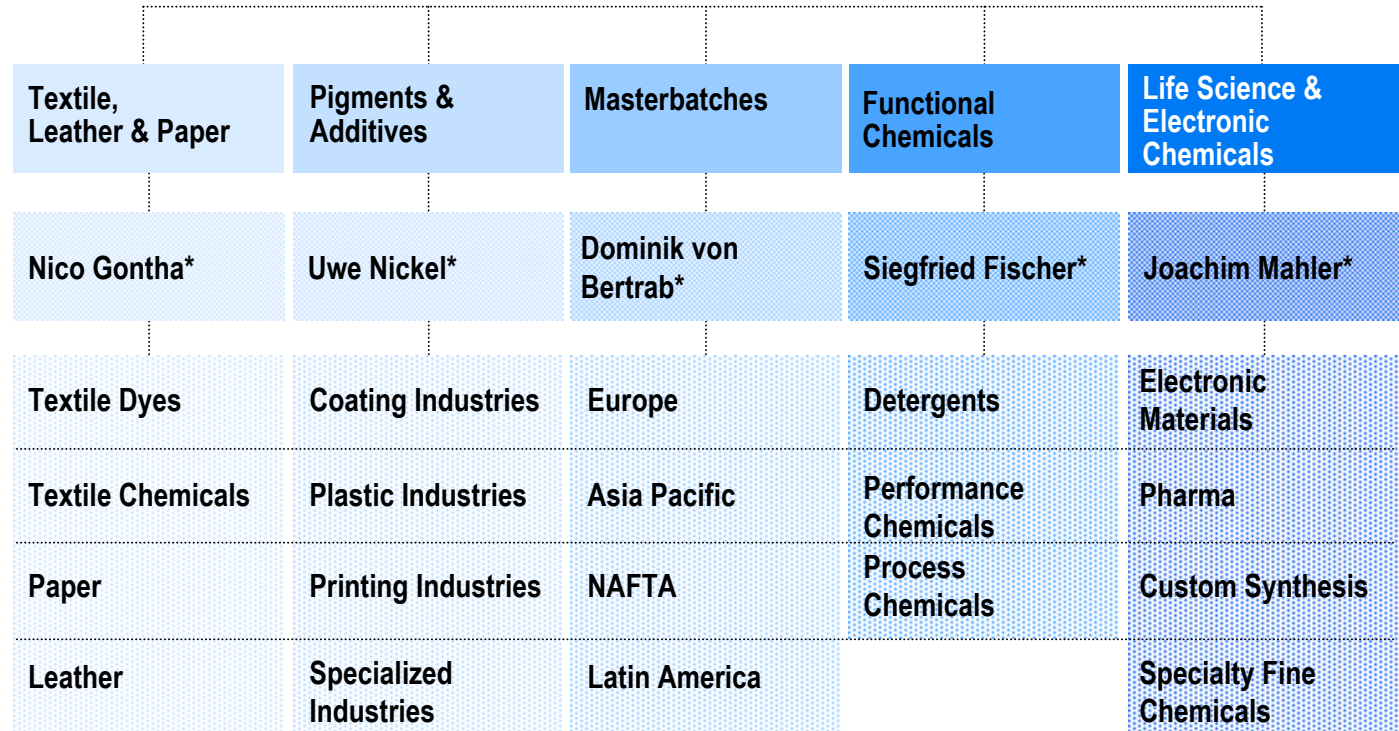
Business

The way forward

Transformation Program
wide-reaching series of actions

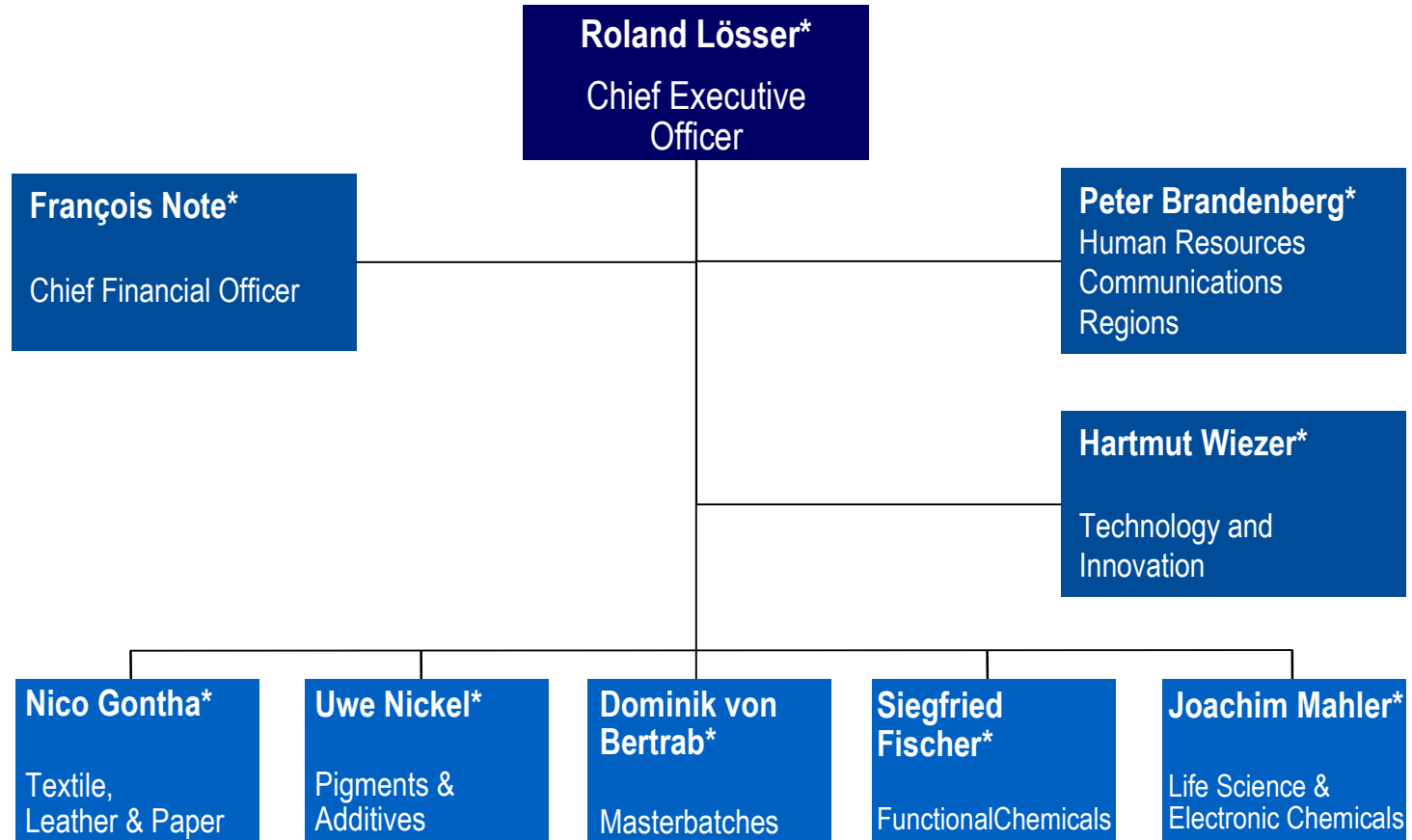


Business structure as of January 1, 2004



*Member of the Board of Management

Strengthened management team



*Member of the Board of Management

The way forward

Strategic focus

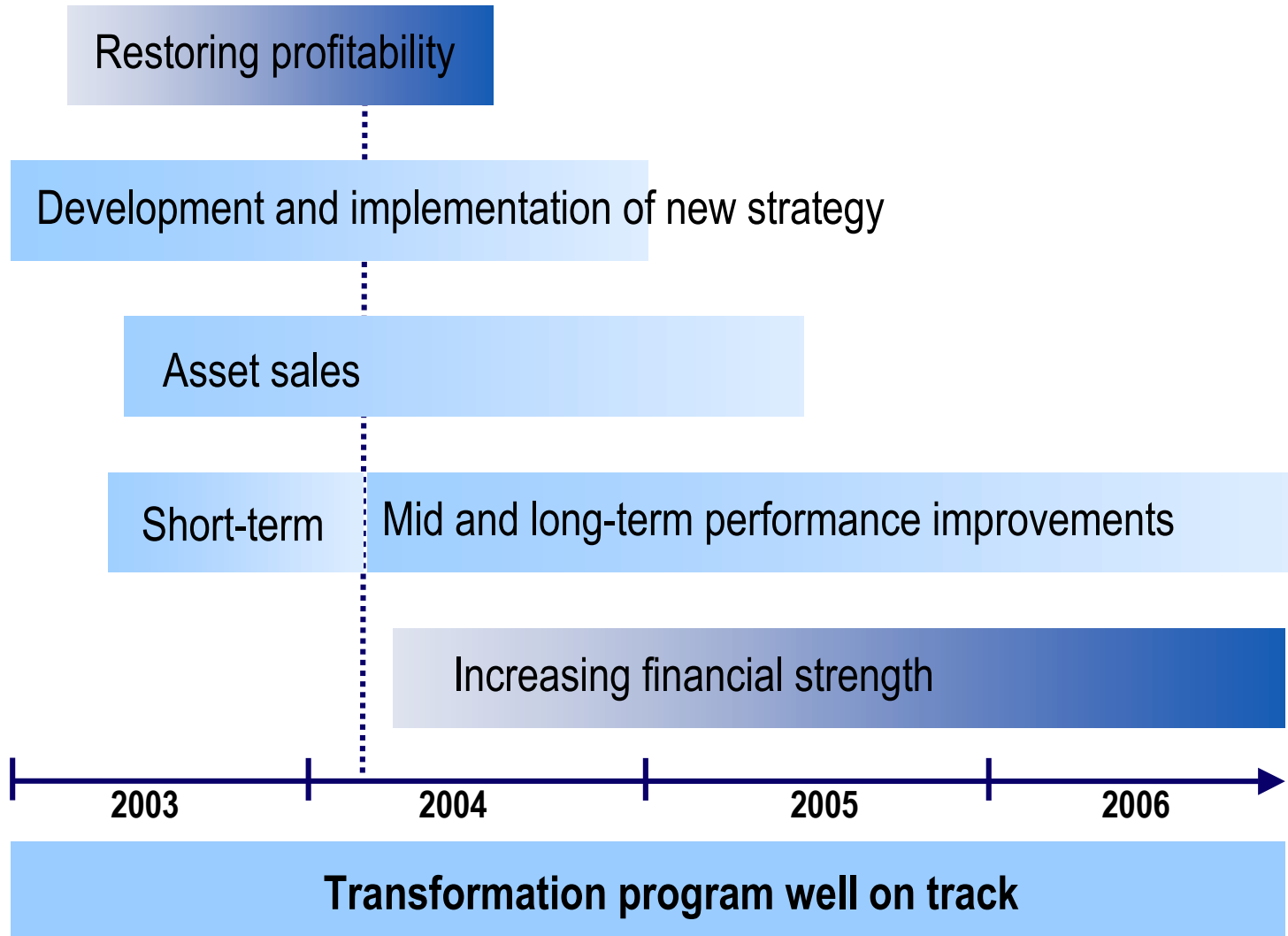
- Recognized as a service-driven specialty chemicals group
 - World-class customer service skills
 - Superior innovation and applications capabilities
 - Leading-edge technologies in synthesis, color and surface effects
- Defend and further improve leading market positions
- Focus on profitability and cash flow generation

The way forward

Clariant portfolio	% of Sales*	Market attractiveness	Competitive position	Examples	Clariant strategy
Service-driven businesses	60 - 70%	High	Strong	<ul style="list-style-type: none"> ▪ Masterbatches ▪ Performance and Process Chemicals ▪ Textile Chem. ▪ Coatings 	Expand
Technology-driven / niche businesses	10%	High but volatile	Strong in certain areas	<ul style="list-style-type: none"> ▪ Pharma ▪ Specialty Fine Chemicals 	Selectively develop
Cost-driven businesses	20 - 30%	Low	Weak to Medium	<ul style="list-style-type: none"> ▪ Custom Synthesis ▪ Textile Dyes 	Restructure

*Excluding assets to be sold

The way forward



Asset sales continue to make progress

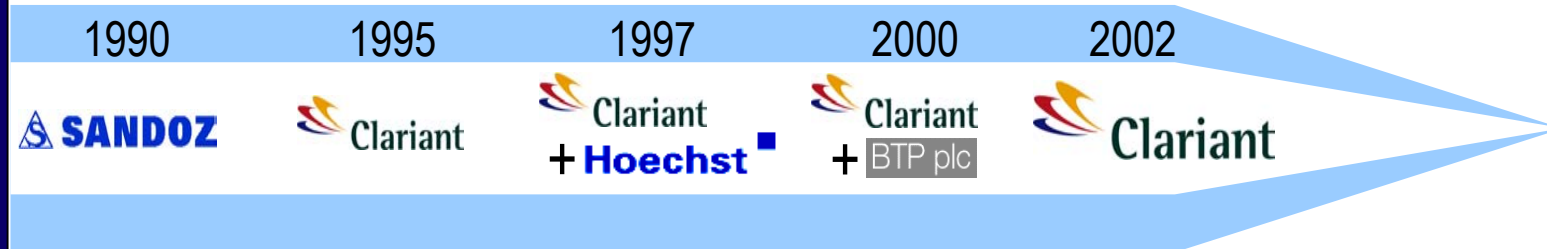
Sale of units that:

**... do not focus on service, and/or
... require high investments, and/or
... cannot achieve leading market positions**

- Priority on maximizing value from disposals
- Targeted total gross proceeds of CHF 1.5 bn
- Cellulose Ethers successfully sold
- Book gains on disposals to further strengthen equity base

Asset sale equivalent to 15-20% of total turnover

History of Clariant



- The young company has grown out of the Sandoz Chemicals Division, which was spun off in the summer of 1995, and the Hoechst specialty chemicals business, which was integrated in the summer of 1997
- Through the acquisition of the British fine chemicals producer BTP in early 2000 Clariant became a leading manufacturer of intermediates and active ingredients for the pharmaceutical and agrochemical industries

Clariant
The way forward

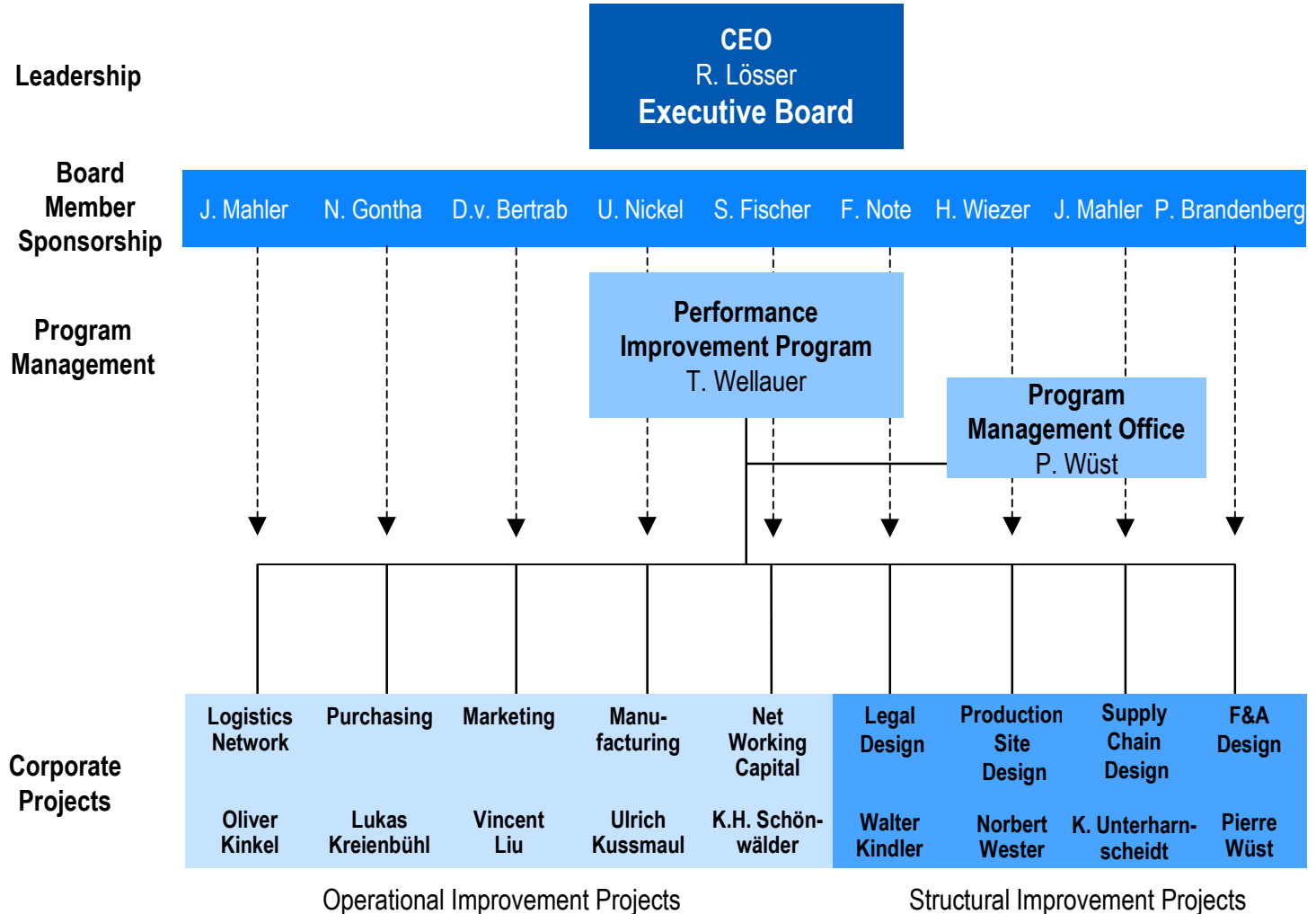
Backup Information

Group & Strategy

Performance
Improvement Program

Business

Performance improvement program (CPIP) organization



Implementation of CPIP

- Program overseen directly by CEO
- Managed by dedicated senior executive with relevant experience
- Teams of “internal champions” and external consultants with one senior project sponsor (Executive Board Member) directly responsible
- Program controlling reports to management on a monthly basis
- Strict controlling of all projects via Lotus Notes[®] based information system

CPIP Progress to date

Operational Projects

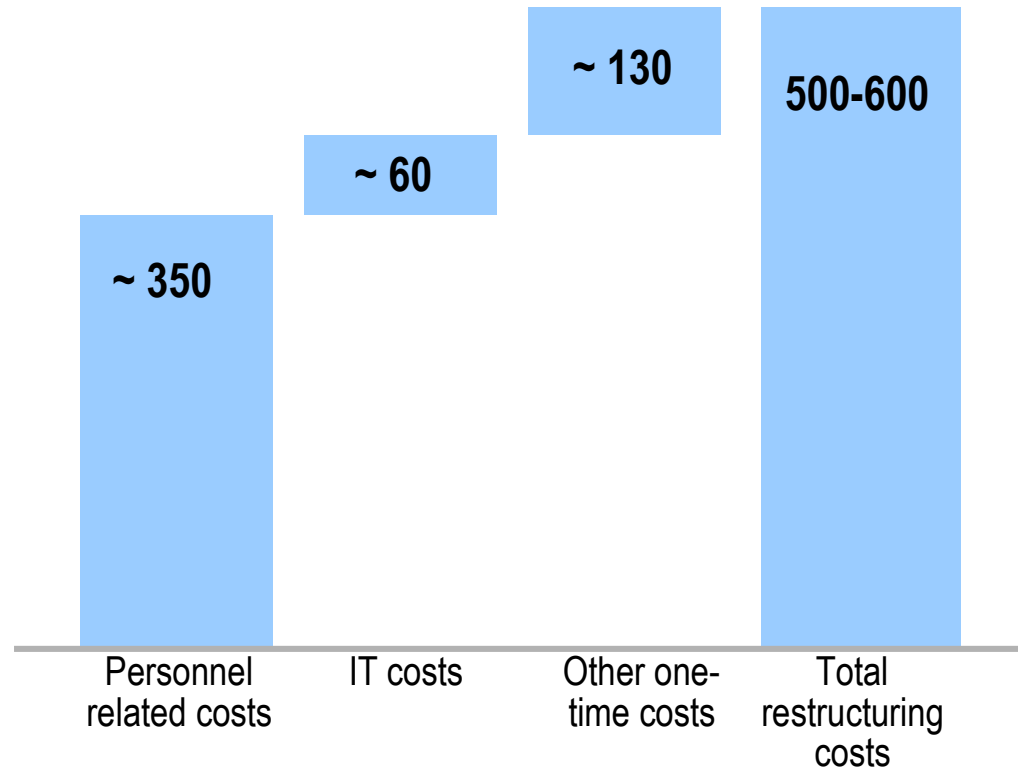
- Detailed Group-wide plan established
- 1st phase of projects completed, expected improvements confirmed
- 2nd phase of projects underway

Structural Projects

- Detailed human resource map
- Design phase completed, targets confirmed
- Specialist teams of “internal champions” and external consultants to start implementation immediately

Break-down of restructuring costs








in mn CHF



Expected timing

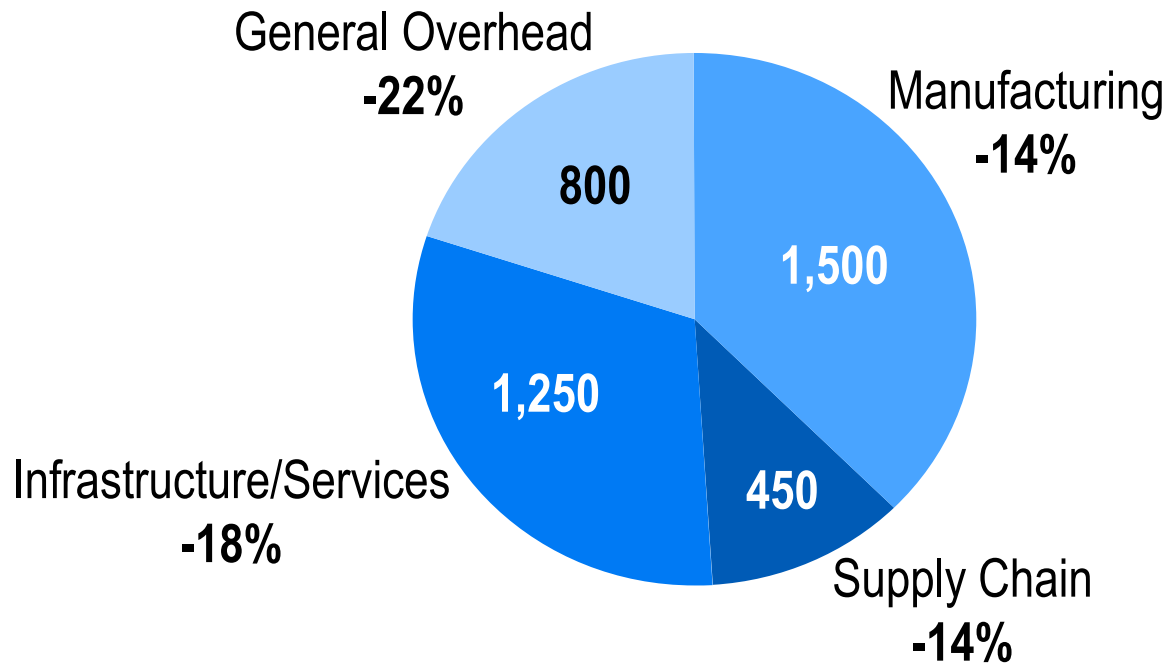
- ~ CHF 200 mn in 2004
- ~ CHF 300 mn in 2005
- Rest in 2006

Breakdown of performance improvement measures

Projects	<u>EBIT impact of measures*</u>	
	in mn CHF	
Purchasing 	200 - 250	-4 to 5% of total purchasing costs
Marketing 	120 - 170	+1.5 to 2% of sales
Logistics 	40 - 60	-4 to 6% of logistics costs
Manufacturing 	170 - 220	-4 to 5% of manufacturing costs
General Overhead 	150 - 210	-15 to 20% of overhead costs
Infrastructure/Services 		
Supply Chain 		
	680 - 910	

*before business risks & price erosion

Substantial job cuts to sharply reduce costs



Total job cuts: 4,000 by the end of 2005

Clariant
The way forward

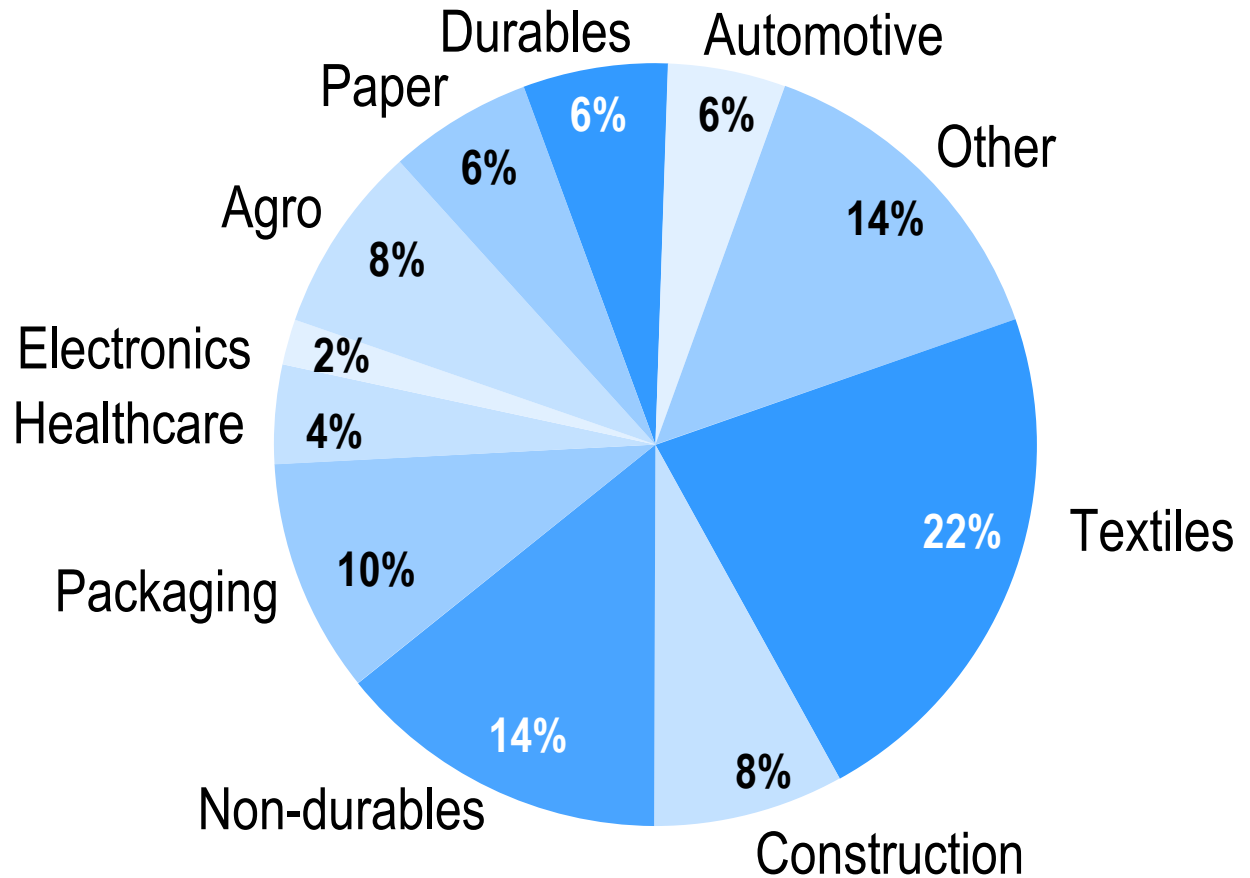
Backup Information

Group & Strategy

**Performance
Improvement Program**

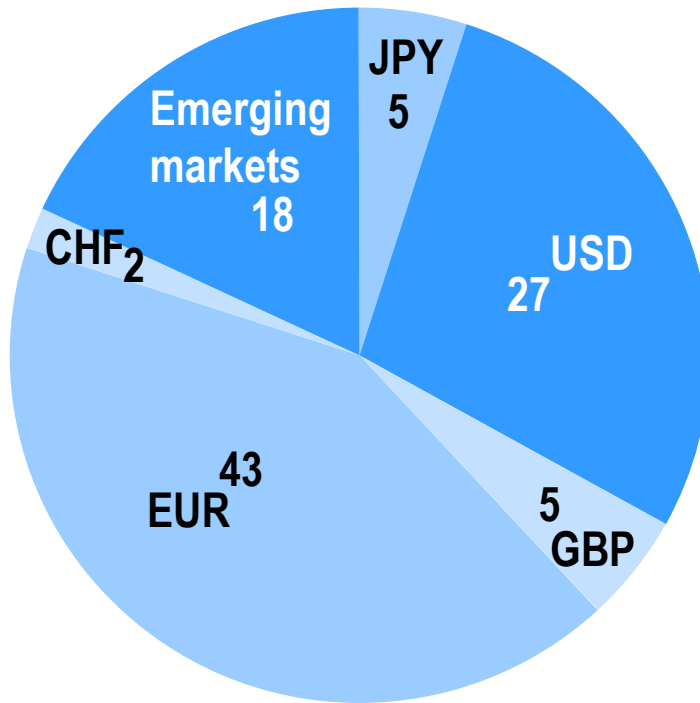
Business

*Divisional sales Full-year 2003 in end-user markets**

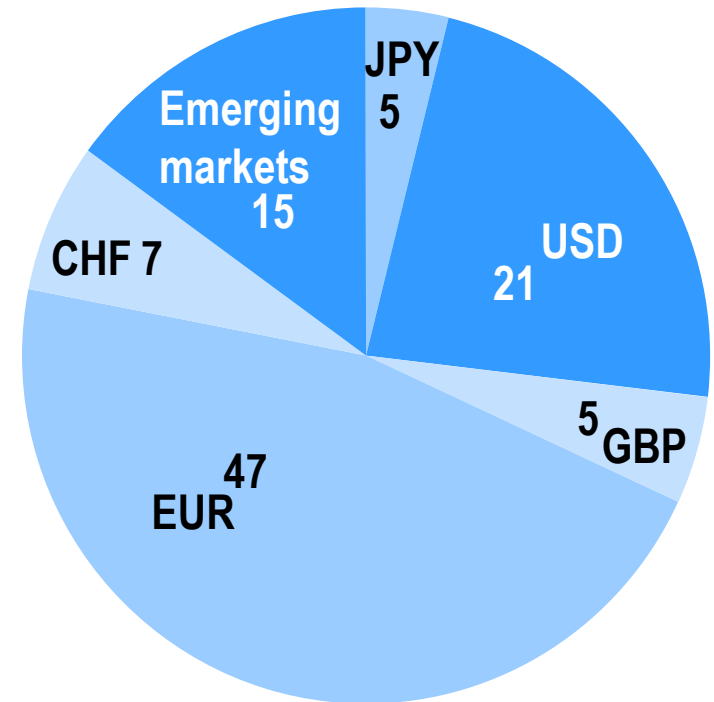


Sales and cost structure 1st Quarter 2004

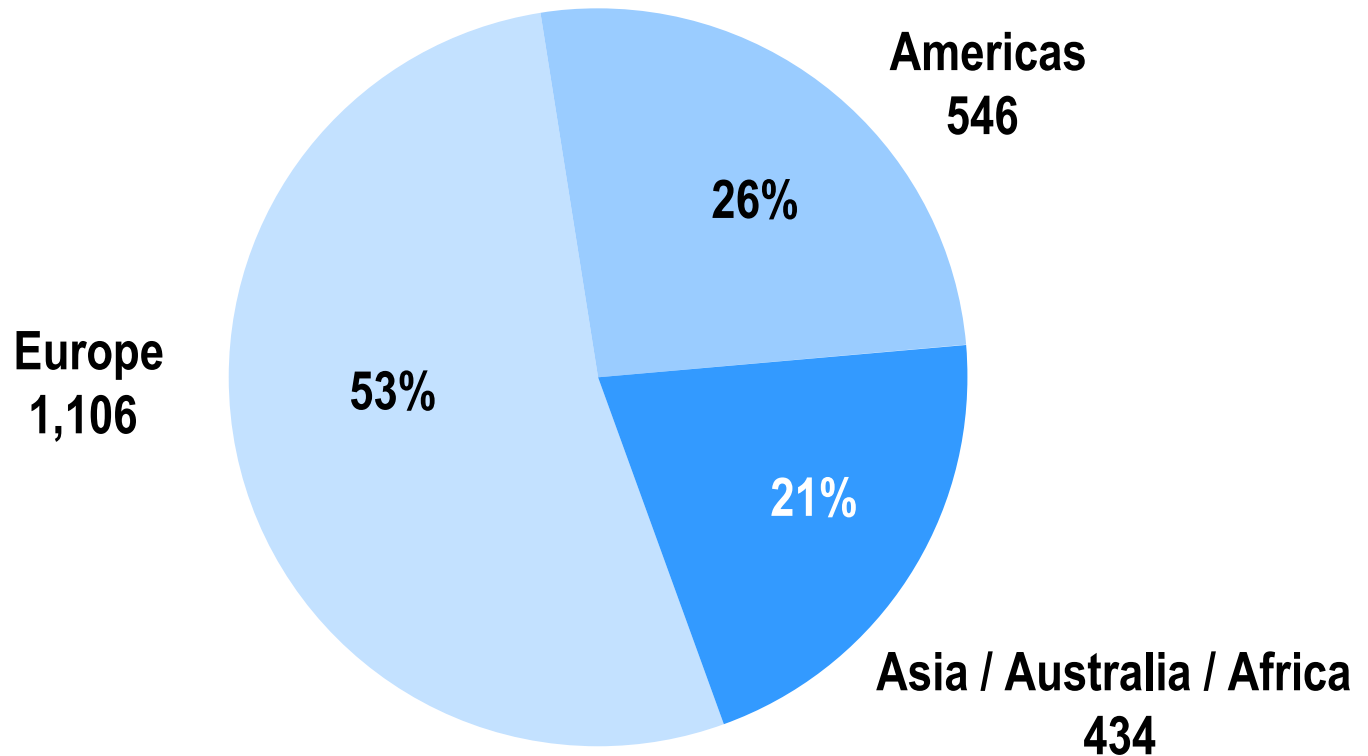
Global sales distribution in %



Global cost distribution in %



*Group sales 1st Quarter 2004 by region, continuing**



Sales 1st Quarter 2004 in mn CHF: 2,086

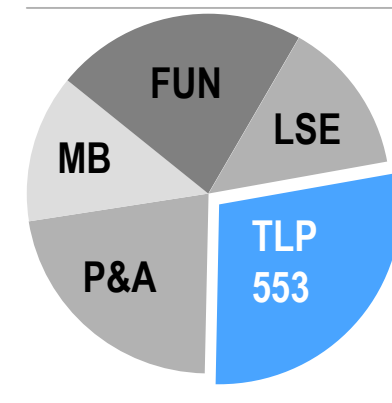
* Continuing Operations: On August 5, 2003, Clariant announced that the Business Unit Electronic Materials pertaining to the Division LSE would be sold. As a consequence, Electronic Materials is now disclosed as Discontinuing Operations for both 2004 and 2003. In 2003, the Business Unit Cellulose Ethers pertaining to the Division FUN was sold.

Textile, Leather & Paper Chemicals (continuing operations)

■ Clariant is worldwide

- No. 1 in textile and leather chemicals
- No. 2 in paper dyes
- No. 3 in textile dyes

■ Strong customer services through global tailor-made solutions



1st Quarter in mn CHF	2004		2003		Change in %	
	2004	% of Sales	2003	% of Sales	CHF	LC
Sales	553		527		+5	+4
EBITDA before restructuring and disposals	63	11.4	51	9.7	+24	+23
EBIT before restructuring and disposals	40	7.2	32	6.1	+25	+23
EBIT	26	4.7	32	6.1	-19	-19
Systematic depreciation	18	3.3	13	2.5	+38	+35

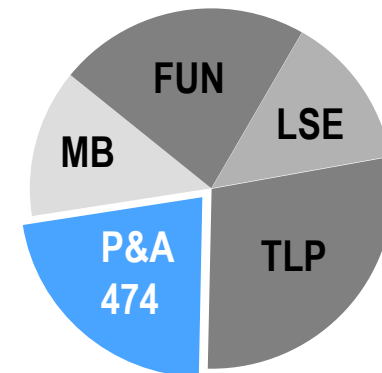
Pigments & Additives

(continuing operations)

■ Clariant is

- Worldwide No.1 in organic pigments
- No. 1 in coating pigments
- No. 2 in printing industries
- No. 3 in plastic industries

■ Leading edge surface technology

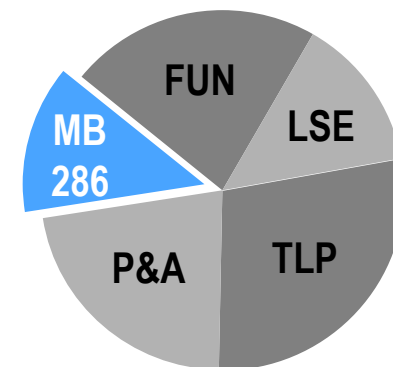


1st Quarter in mn CHF	2004		2003		Change in %	
	Value	% of Sales	Value	% of Sales	CHF	LC
Sales	474		449		+6	+4
EBITDA before restructuring and disposals	76	16.0	68	15.1	+12	+11
EBIT before restructuring and disposals	57	12.0	50	11.1	+14	+11
EBIT	30	6.3	50	11.1	-40	-40
Systematic depreciation	18	3.8	16	3.6	+13	+13

Masterbatches

(continuing operations)

- No. 1 global supplier of color masterbatches
- Well-positioned key player in markets for additive preparations
- Strong customer services combined with leading color technology

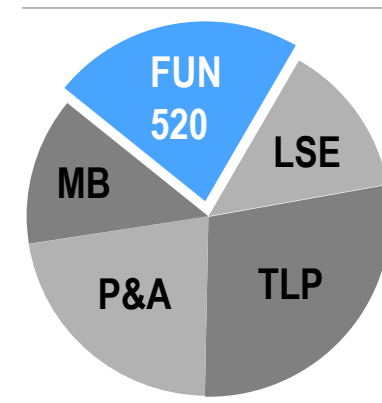


1st Quarter in mn CHF	2004		2003		Change in %	
	2004	% of Sales	2003	% of Sales	CHF	LC
Sales	286		263		+9	+6
EBITDA before restructuring and disposals	37	12.9	32	12.2	+16	+12
EBIT before restructuring and disposals	29	10.1	26	9.9	+12	+13
EBIT	28	9.8	26	9.9	+8	+9
Systematic depreciation	7	2.4	6	2.3	+17	+9

Functional Chemicals

(continuing operations)

- No. 2 for innovative detergent ingredients worldwide
- Leading partner with specialty chemicals for oil and gas production and the refining industry, personal care, de-icing, agro and biocide applications



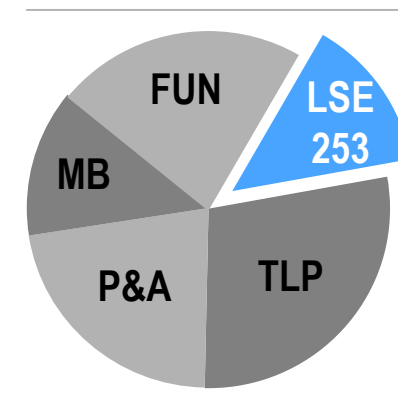
1 st Quarter in mn CHF	2004		2003		Change in %	
	in mn CHF	% of Sales	in mn CHF	% of Sales	CHF	LC
Sales	520		446		+17	+12
EBITDA before restructuring and disposals	73	14.0	51**	11.4	+43	+40
EBIT before restructuring and disposals	59	11.3	38**	8.5	+55	+50
EBIT	61	11.7	0	-	-	-
Systematic depreciation	14	2.7	13	2.9	+8	+9

* In 2003, the Business Unit Cellulose Ethers pertaining to the Division FUN was sold.

** Excluding provision of CHF 38 mn for the delay of a large-scale bleach activator plant in the U.S.

Life Science & Electronic Chemicals (continuing operations)

- Among top 5 pharma suppliers
- No. 1 in Agro business (Custom Synthesis)
- No. 3 with Electronic Materials
- No. 1 in specific Specialty Fine Chemicals areas



1 st Quarter in mn CHF	2004		2003		Change in %	
	2004	% of Sales	2003 restated*	% of Sales	CHF	LC
Sales	253		260		-3	-5
EBITDA before restructuring and disposals	17	6.7	18	6.9	-6	+30
EBIT before restructuring and disposals	3	1.2	0	-	-	-
EBIT	19	7.5	0	-	-	-
Systematic depreciation	14	5.5	19	7.3	-26	-24

* On August 5, 2003, Clariant announced that the Business Unit Electronic Materials pertaining to the Division LSE would be sold. As a consequence, Electronic Materials is now disclosed as Discontinuing Operations for both 2004 and 2003.