

Clariant International AG
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News Release

Clariant Posts Positive Results For First Nine Months

- Sales up 1% in both Swiss franc and local currency terms
- Net income rises 37% to CHF 222 million, from CHF 162 million
- Price increases continuing across nearly all businesses
- Transformation Program delivering strong cost reductions
- Operating cash flow up strongly in Q3, to CHF 195 million

Key Financial Group Figures

Nine Months	2005	% of sales	2004	2004 ²	% of sales	% Change vs. like-for-like	
<i>in CHF million</i>			(reported)	(like-for-like)		CHF	LC
Sales	6'094	100.0%	6'550	6'039	100.0%	1%	1%
Gross profit	1'831	30.0%	2'106	1'959	32.4%	-7%	-7%
EBITDA*	558	9.2%	746	692	11.5%	-19%	-19%
EBITDA before exceptional items*	638	10.5%	760	701	11.6%	-9%	-9%
Operating income before exceptional items and amortization of goodwill*	427	7.0%	517	494	8.2%	-14%	-13%
Operating income	332	5.4%	469	445	7.4%	-25%	-25%
Net income/ loss (including minorities)	222	3.6%	176	162	2.7%		
Operating cash flow ¹	195		535				
	30.9.2005		31.12.2004		30.9.2004		
Net debt ¹	1'432		1'331		1'577		
Equity (including minorities) ¹	2'570		2'279		2'322		
Gearing	56%		58%		68%		
Number of employees	23'592		24'769		25'082		
Third Quarter	2005	% of sales	2004	2004 ²	% of sales	% Change vs. like-for-like	
<i>in CHF million</i>			(reported)	(like-for-like)		CHF	LC
Sales	2'007	100.0%	2'131	1'950	100.0%	3%	0%
Gross profit	579	28.8%	647	617	31.6%	-6%	-9%
EBITDA*	181	9.0%	245	233	11.9%	-22%	-24%
EBITDA before exceptional items*	215	10.7%	215	198	10.2%	9%	6%
Operating income before exceptional items and amortization of goodwill*	145	7.2%	130	136	7.0%	7%	4%
Operating income	109	5.4%	152	153	7.8%	-29%	-31%
Net income/ loss (including minorities)	76	3.8%	45	50	2.6%		
Operating cash flow ¹	223		248				

¹ 30.09.2004 restated: Net debt includes ABS adjustment, Equity restated to include minority interests, Cash Flow restated (see note 4).

² The numbers for 2004 are like-for-like to account for the disposals of business activities in 2004 and 2005. Disposals in 2004: Electronic Materials and Lancaster Synthesis Ltd, UK and USA (both of the Life Science Chemicals Division), and Clariant Polymers, Japan, (of the Textile, Leather & Paper Chemicals Division). All activities were sold effective as per the end of 2004. Disposal in 2005: Clariant Acetyl Building Blocks, Germany, (of the Life Science Chemicals Division) was sold effective per end of July 2005.

* See Definitions of Terms of Financial Measurements on page 13.

MUTTENZ, Switzerland – November 8, 2005 – Clariant posted positive results for the first nine months of the year, including a modest rise in sales, higher net income and a substantial increase in operating cash flow in the Third Quarter.

Gross profit, meanwhile, declined to CHF 1.831 billion, from CHF 1.959 billion during the same period in 2004, on a like-for-like basis, leading to a decline in operating income before exceptional items and amortization of goodwill to CHF 427 million, compared with CHF 494 million.

“We are pleased with the good results achieved in the areas of cash flow, net income and the improvement in margins in the Third Quarter,” said Chief Executive Roland Loesser. “Nevertheless market conditions were difficult over the last three months of the period, with negative effects felt from the continued high levels of raw material prices. In addition, the impact of hurricane damage in the U.S. created a sluggish business climate overall.”

Sales on a like-for-like basis were CHF 6.094 billion during the period, up 1% in both Swiss franc and local currency terms. Net income rose 37% to CHF 222 million, from CHF 162 million. Operating cash flow increased to CHF 195 million, compared with a negative CHF 43 million after the first six months of the year.

Prices were on average 1% to 2% higher during the period compared to a year earlier. “We are confident that customers understand that our increased costs mean prices need to be raised further and we expect that further increases will be put through over the coming months,” Mr. Loesser said.

Significant Costs Savings From Performance Improvements

The Clariant Transformation Program progressed well during the period. The program, launched two years ago, includes a wide-ranging series of performance improvements as well as a strategic shift toward businesses where Clariant has a competitive advantage in service and innovation. Approximately CHF 100 million in cost savings were delivered during the Third Quarter as underlined by the improvement in the operating margin before exceptional items and the amortization of goodwill, which rose to 7.2% from 7.0% a year earlier. These savings were achieved despite significantly higher costs in raw materials, energy and transportation.

Clariant Announces Key Leadership Appointments

As announced last week, the Board of Directors made three key leadership appointments, including designating Mr. Loesser as new chairman and Jan Secher as new chief executive. Mr. Loesser will assume his new role following the Annual General Meeting (AGM) on April 7, 2006, taking over from the current chairman, Robert Raeber, who will reach the statutory retirement age at that time. Mr. Secher will join Clariant’s Management Board on January 1, 2006 and become chief executive after the AGM.

Furthermore, Professor Dieter Seebach will retire as Member of the Board of Directors. The Board will propose Dr. Peter Chen, chemistry professor at the Swiss Federal Institute of Technology (ETH) in Zurich to replace Professor Seebach.

Commenting on the appointment of the new CEO-designate, Mr. Loesser said: "I very much look forward to working with Jan Secher. I am certain that he and the strong management team already in place will successfully complete the Transformation Program and ensure that we achieve our goal of making Clariant a leading company in the specialty chemicals sector."

Full-Year Outlook

The uncertain business climate - overshadowed by hurricane damage in the U.S. and sustained increases in the cost of raw materials, energy and transportation - is expected to continue affecting the short-term outlook. Nevertheless, higher costs will compel Clariant to raise prices to its customers over the coming months. As a result, Clariant should post modest full-year growth in sales in local currency terms and stable operating margins before exceptional items, around last year's levels.

Clariant expects to reduce its cost base by some CHF 300 million this year compared to 2004. All factors considered, the company anticipates higher net income in 2005.

"Despite a challenging climate, we will continue making excellent progress in creating a significantly more efficient company." Mr. Loesser said.

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Financial Review

Financial Discussion Third Quarter

All statements and comparisons were done on continuing operations for the Third Quarter where possible; when this is not the case, it is noted.

Economic Environment

Economic growth continued the pattern seen in the Third Quarter of 2004, albeit at reduced levels, which dampened market conditions worldwide. Recovery in continental Europe continued, but at a slower pace. The Chinese economy, however, continued its strong growth. Geopolitical risks remained high, with natural disasters in particular putting pressure on commodity prices. Compared to the Third Quarter 2004, raw material prices on average were higher in the Third Quarter 2005, when oil and gas prices reached an all-time peak.

Compared to the average exchange rates of the first nine months 2004, major currencies such as the U.S. dollar, British pound, and the Japanese yen depreciated against the Swiss franc, whereas the Euro remained stable (details on page 27). In the third quarter, however, the currency valuations changed fundamentally: Compared to the average exchange rates of the Third Quarter 2004 nearly all currencies including the Euro, US Dollar and Japanese Yen appreciated against the Swiss franc.

Sales and Operating Result

Sales of the Group in the Third Quarter of 2005 were 1% higher in Swiss franc terms and 3% lower in local currency terms. The exchange rate development of major currencies against the Swiss franc positively impacted group sales continuing operations in the Third Quarter compared to the same period a year ago. This was a solid performance compared to a strong quarter in 2004, despite weaker economic conditions. The pricing climate continued to show improvements and with a few exceptions, all businesses were able to achieve price increases; Functional Chemicals and Masterbatches increased their prices above group average.

The Third Quarter of 2005 saw a decrease in the **gross margin** compared to the same period a year ago. Higher sales prices and improved benefits of the Performance Improvement Program (CPIP) could not offset approximately 7% higher raw material costs. The negative trend of higher raw material prices continued in this quarter.

Selling, general and administrative costs on a continuing basis were reduced both in absolute terms and by percentage of sales (19.5% from 21.0%). This improvement was also due to the ongoing implementation of the CPIP Program. This year some divisional sales costs previously reported under Administration and General Overhead Costs are shown as Marketing and Distribution Costs.

Research and development costs from continuing operations declined by CHF 3 million compared with the Third Quarter 2004. The combination of the Textile Dyes and Textile Chemical activities generated synergies in R&D activities, which could be exploited.

Restructuring expenses and impairments of CHF 64 million in the Third Quarter of 2005 included restructuring activities in Germany, France, UK and the U.S.

The book gain on disposals in the Third Quarter of CHF 28 million refers mainly to a gain related to the sale of the Clariant Acetyl Building Blocks (CABB) business from the Division Life Science Chemicals.

Financial expenses in the first nine months of 2005 were significantly reduced by CHF 126 million compared with the same period last year, to CHF 47 million. Exchange rate gains, mainly due to the strong US Dollar versus the Swiss Franc and related hedging activities were the main drivers for the reduction. Additionally the increased average liquidity as well as lower interest expenses resulting from the ongoing financial debt reduction further improved the financial result. Average gross financial debt was cut substantially to CHF 2.7 billion in the first nine months of 2005 from CHF 3.4 billion on September 30, 2004.

Tax expenses in the Third Quarter were positively influenced by a reduced proportion of profits generated in high-tax countries. Furthermore, foreign currency gains in low-tax countries contributed to a reduction of the tax rate. Stable operating performances combined with reduced losses helped significantly reduce tax expenses in the Third Quarter by 47% compared to a year ago.

Net income attributable to equity holders for the Third Quarter 2005 climbed by 68% to a level of CHF 74 million compared to CHF 44 million a year ago.

Balance Sheet Key Figures

The 2004 balance sheet was restated to reflect the changes from IFRS, which took effect January 1, 2005. Details of the resulting adjustments to the balance sheet and income statement are given in the notes to the condensed financial statements. All developments commented hereafter refer to the restated balance sheet.

Total assets decreased slightly from CHF 8.037 billion in December 2004 to CHF 8.029 billion at the end of September 2005 (CHF 8.355 billion on 30 June) as a result of contrary effects. There was a moderate increase in net working capital, which was influenced by seasonal effects, higher raw material prices and the weakening of the Swiss franc compared to most currencies in the reporting period. These effects were offset by the payback of financial debt.

Cash, cash equivalents and short-term financial liabilities decreased as the result of the repayment of a bond in the amount of CHF 201 million in March, a loan denominated in Japanese yen in the amount of CHF 78 million in June and another loan denominated in US dollars in the amount of CHF 286 million in July.

Equity was affected positively by currency trends during the reporting period, as the exchange rate differences recognized in equity amounted to CHF 140 million. This was the result of the Swiss franc weakening against most currencies in the first nine months of 2005. The increase in equity was offset in part by the repayment of the nominal value of share capital in the amount of CHF 58 million in June. As approved at the Annual General Meeting, instead of the payment of a cash dividend, a repayment of the nominal value of CHF 0.25 of each registered share by a nominal value reduction from CHF 5.00 to CHF 4.75 was made. Equity rose from CHF 2.279 billion at the end of 2004 to CHF 2.570 billion at the end of June 2005.

Net debt on September 30 rose to CHF 1.432 billion from CHF 1.331 billion on December 31, 2004, partly as a result of currency fluctuations, since financial debt denominated in the U.S. dollar, the Euro and the Japanese yen also reflects the strengthening of these currencies. On June 30, net debt stood at CHF 1.632 billion.

Gearing, which reflects net financial debt in relation to equity including minorities, decreased minimally to 56% from 58% at the end of December 2004, mainly as a result of the appreciation of major currencies against the Swiss franc. On June 30, gearing was still at 65%.

Cash Flow

Cash flow from operating activities before changes in working capital was CHF 118 million for the Third Quarter of 2005 compared with CHF 107 million for the Second Quarter and CHF 116 million for the same period in 2004. The operating cash flow before changes in working capital of the first nine months of 2005 was CHF 353 million compared to CHF 448 million for the first nine months of 2004. Lower growth, a bigger share of non-cash items in the net result and higher restructuring cash outflows contributed to this trend.

Working capital decreased by CHF 105 million during the Third Quarter of 2005, compared to a decrease of CHF 132 million for the same period of 2004. In the first nine months of 2005, working capital increased by CHF 158 million compared to a decrease of CHF 87 million for the same period of 2004. This development reflected the seasonal pattern and higher raw material prices.

Cash flow from operating activities was at CHF 223 million in the Third Quarter of 2005, compared with CHF 248 million for the same period a year earlier. For the first nine months of 2005, cash flow from operating activities was CHF 195 million compared to CHF 535 million for the same period a year earlier.

Capital expenditure decreased slightly to CHF 87 million for the Third Quarter compared to CHF 93 million reported a year before. For the first nine months of 2005, capital expenditure amounted to CHF 238 million compared to CHF 204 million for the first nine months of 2004.

Financing activities were highlighted by the repayment of a bond in the amount of CHF 201 million, a loan denominated in Japanese yen in the amount of CHF 78 million and a loan denominated in US Dollars in the amount of CHF 286 million. Additionally, CHF 58 million was paid to the shareholders in the form of a share capital reduction.

Business Discussion

The divisional information given below refers to continuing operations only. On September 30, 2004, Clariant sold the Business Unit Electronic Materials of the Life Science Chemicals Division. As a result, Electronic Materials is disclosed as discontinuing operations for 2004.

In 2004, the businesses of Lancaster Synthesis, part of the Life Science Chemicals Division as well as Clariant Polymers K.K., part of the Textile, Leather & Paper Division, were sold. In 2005, Clariant Acetyl Building Blocks (CABB), part of the Life Science Chemicals Division, was sold. Under IFRS, the aforementioned businesses did not qualify for reporting as discontinuing operations.

Textile, Leather & Paper Chemicals**Nine Months**

<i>in CHF millions</i>	2005	% of sales	2004	% of sales	Change in %	
					in CHF	in LC
Sales	1'621		1'672		-3%	-3%
EBITDA before exceptional items	179	11.0%	185	11.1%	-3%	-4%
Op. income bef. restructuring, disposals and amort. of goodwill	126	7.8%	131	7.8%	-4%	-5%
Operating income	115	7.1%	44	2.6%	-	-

Third Quarter

<i>in CHF millions</i>	2005	% of sales	2004	% of sales	Change in %	
					in CHF	in LC
Sales	560		549		2%	-2%
EBITDA before exceptional items	68	12.1%	61	11.1%	11%	9%
Op. income bef. restructuring, disposals and amort. of goodwill	51	9.1%	41	7.5%	24%	20%
Operating income	47	8.4%	-6	-1.1%	-	-

See Definitions of Terms of Financial Measurements on page 13.

Price increases combined with lower volumes in the **Textile, Leather & Paper Chemicals Division** led to declining sales in local currency terms compared to the same period a year earlier. The EBITDA margin before exceptionals picked up, helped by one-time effects. Significant raw material price increases were partially passed on to customers and wide-ranging restructuring measures taken in recent months began showing positive results.

In the **Textile business**, sales in local currency were above previous years. An active replacement of commodity business by functional textiles supported the new strategic direction. New products in the area of dyeing auxiliaries, specialty dyes and finishing were launched successfully. The businesses with finishing products saw particularly strong demand. Asia, Latin America and emerging markets improved whereas Europe and North America saw declining sales, however in a lesser degree compared to previous quarters.

The overall global market for the **Leather business** was weaker compared to a strong 2004 but showed some positive trend in the Third Quarter. Compared to the same period last year volumes were still lower but it was possible to raise prices above last year's levels. The furniture upholstery market paused due to saturation. Nevertheless, first signs of recovery coming from Asia were in evidence.

Strong volumes for **Paper Chemicals** resulted in sales above last year's levels in all regions in the Third Quarter. Performance was particularly strong in Special Markets, North America and Asia. From an application point of view, the demand for optical brighteners experienced the strongest growth.

Pigments & Additives**Nine Months**

<i>in CHF millions</i>	2005	% of sales	2004	% of sales	Change in %	
					in CHF	in LC
Sales	1'423		1'406		1%	2%
EBITDA before exceptional items	202	14.2%	230	16.4%	-12%	-13%
Op. income bef. restructuring, disposals and amort. of goodwill	149	10.5%	178	12.7%	-16%	-16%
Operating income	122	8.6%	138	9.8%	-12%	-12%

Third Quarter

<i>in CHF millions</i>	2005	% of sales	2004	% of sales	Change in %	
					in CHF	in LC
Sales	468		450		4%	2%
EBITDA before exceptional items	69	14.7%	71	15.8%	-3%	-5%
Op. income bef. restructuring, disposals and amort. of goodwill	51	10.9%	55	12.2%	-7%	-9%
Operating income	39	8.3%	47	10.4%	-17%	-21%

See Definitions of Terms of Financial Measurements on page 13.

The **Pigments & Additives Division** showed improved sales in local currency terms and in Swiss francs compared to a strong Third Quarter a year earlier. In a stable but challenging business environment the demand for colorants slowed down, whereas the demand for additives remained strong. The main cause of the lower margin was the effect of higher raw material prices, which could not be offset entirely by better volumes or price increases.

A difficult business environment, in particular in the automotive industry, led to weaker sales for the **Coatings business** compared with the same period a year ago. Continuously higher raw material costs forced the Division to raise prices for all products used for paints.

An increased demand in the Third Quarter for products for the **Plastics Industry** led to growth especially driven by additives. Price increases were limited across most of the business as price pressure on pigments from Chinese sources continued. The recently launched DPP Red Pigment showed successful first results in the market.

Printing Industry businesses lost volumes compared to 2004. Price pressure from Chinese competitors especially in packaging and special inks is expected to continue. Markets for Non-Impact Printing were stable.

The **Specialties Business** grew strongly compared to the same period a year earlier. The entire business was stable for the whole segment with good growth pattern for road construction and intermediates. Sales of the new flame retardant range Exolit® showed increasingly positive results.

Masterbatches**Nine Months**

<i>in CHF millions</i>	2005	% of sales	2004	% of sales	Change in %	
					in CHF	in LC
Sales	866		852		2%	1%
EBITDA before exceptional items	90	10.4%	107	12.6%	-16%	-17%
Op. income bef. restructuring, disposals and amort. of goodwill	67	7.7%	86	10.1%	-22%	-23%
Operating income	60	6.9%	77	9.0%	-22%	-23%

Third Quarter

<i>in CHF millions</i>	2005	% of sales	2004	% of sales	Change in %	
					in CHF	in LC
Sales	296		282		5%	2%
EBITDA before exceptional items	32	10.8%	34	12.1%	-6%	-11%
Op. income bef. restructuring, disposals and amort. of goodwill	25	8.4%	27	9.6%	-7%	-10%
Operating income	22	7.4%	23	8.2%	-4%	-7%

See Definitions of Terms of Financial Measurements on page 13.

The **Masterbatches Division** showed sequential growth momentum in the Third Quarter resulting from improved demand for plastic products combined with higher finished goods prices. Overall, the division achieved sales growth in local currencies despite facing difficult market conditions in the automotive and synthetic fiber industries. For the nine months, growth continued across all **regions** with the exception of Latin America. Europe showed good growth overall with particularly strong results in the Eastern part of the continent. North America remained strong but growth was adversely impacted by a slowdown in the automotive industry and hurricane-related supply disruptions. Asia Pacific showed mixed results as various countries struggled to adjust to changing growth and currency situations. And finally, Latin America began growing again in the Third Quarter.

Raw material costs continued an upward trend and rising feedstock costs translated into higher plastic resin costs for the division and our customers. Pricing initiatives did not fully offset the raw material cost increases. The entire plastics industry value chain continues to be impacted by the volatility of petroleum-derived raw materials. This led to a lower operating margin because favorable cost and productivity improvement measures were unable to offset the higher input costs.

Functional Chemicals**Nine Months**

<i>in CHF millions</i>	2005	% of sales	2004	% of sales	Change in %	
					in CHF	in LC
Sales	1'513		1'464		3%	3%
EBITDA before exceptional items	181	12.0%	197	13.5%	-8%	-9%
Op. income bef. restructuring, disposals and amort. of goodwill	144	9.5%	159	10.9%	-9%	-10%
Operating income	122	8.1%	171	11.7%	-29%	-30%

Third Quarter

<i>in CHF millions</i>	2005	% of sales	2004	% of sales	Change in %	
					in CHF	in LC
Sales	487		476		2%	-2%
EBITDA before exceptional items	54	11.1%	68	14.3%	-21%	-23%
Op. income bef. restructuring, disposals and amort. of goodwill	41	8.4%	55	11.6%	-25%	-26%
Operating income	24	4.9%	55	11.6%	-56%	-58%

See Definitions of Terms of Financial Measurements on page 13.

Price levels were maintained, but lower demand for products of the **Functional Chemicals Division** resulted in a decline in sales in local currency terms. The lower margin was due to higher raw material costs, only some of which could be passed on to the customers by better pricing of Clariant's products.

Further price increases for raw materials in the **Detergents business** were only partially passed on to the customer. Good demand and higher price levels for detergents on the global market resulted in solid growth. Further progress with major key accounts to develop Texcare® additives and low-temperature bleach was achieved.

The demand for **Performance Chemicals** compared with the same period a year ago continued at a high level. The strongest business growth was in evidence in Latin America, Europe and Asia due to increasing demand for Personal Care raw materials and Construction Chemicals. In the crop protection area business was somewhat weaker.

Process Chemicals sales were above last year's level, mainly due to strong demand in the Oilfield Chemicals business and Functional Fluids. The Metal Working and the Mining businesses developed well. On the negative side, weaker demand for ethylene glycol-based products was notified. An initial negative impact from the hurricanes in the U.S. to business towards the end of the Third Quarter was in evidence.

Life Science Chemicals**Nine Months**

<i>in CHF millions</i>	2005	% of sales	2004	% of sales	Change in %	
					in CHF	in LC
Sales	671		768		-13%	-12%
EBITDA before exceptional items	45	6.7%	35	4.6%	29%	30%
Op. income bef. restructuring, disposals and amort. of goodwill	17	2.5%	-7	-0.9%	-	-
Operating income	24	3.6%	85	11.1%	-72%	-72%

Third Quarter

<i>in CHF millions</i>	2005	% of sales	2004	% of sales	Change in %	
					in CHF	in LC
Sales	196		240		-18%	-20%
EBITDA before exceptional items	4	2.0%	-7	-2.9%	-	-
Op. income bef. restructuring, disposals and amort. of goodwill	-5	-2.6%	-25	-10.4%	-	-
Operating income	13	6.6%	65	27.1%	-80%	-80%

See Definitions of Terms of Financial Measurements on page 13.

The two main businesses of the **Life Science Chemicals Division** performed similarly to the two prior quarters. The divisional result was lower due to the disposal of the CABB business on July 31 not qualifying as discontinuing operations under IFRS. Approximately CHF 30 million of the CHF 44 million sales losses were attributed to this distortion effect. Higher prices were not able to offset the loss in volume, resulting in declining sales in local currency terms. Higher raw material prices were passed on to customers only to a limited extent. Recent restructuring efforts started to show a positive impact, resulting in an improved operating margin before exceptionals.

Volumes were still affected by a product loss from 2004 leading to depressed sales in the **Pharmaceutical Fine Chemicals** business. New developments have been progressing well. Increasing signs of customers outsourcing their requirements and considering Clariant as a key partner were in evidence.

Good growth driven by a solid demand and higher prices for products was achieved in **Specialty Fine Chemicals**. Key products such as glyoxal, glyoxylic acid and side-chain chlorination products as precursors for agrochemicals performed well. Pressure on raw material costs eased somewhat for selected materials, while others were still in short supply at high cost. The agriculture market remained strong.

Regional Developments

Nine Months	2005	% of sales	2004	% of sales	% Change	
					CHF	LC
<i>in CHF millions</i>						
Europe	3'100	50.9%	3'146	51.1%	-1%	0%
of which Germany	951		934		2%	2%
Americas	1'654	27.1%	1'659	26.9%	0%	-2%
of which USA	789		853		-8%	-5%
Asia / Australia / Africa	1'340	22.0%	1'357	22.0%	-1%	1%
Total continuing operations	6'094	100%	6'162	100.0%	-1%	-1%
Discontinuing operations	0		388			
Total Group	6'094		6'550			

Third Quarter	2005	% of sales	2004	% of sales	% Change	
					CHF	LC
<i>in CHF millions</i>						
Europe	961	47.9%	974	48.8%	-1%	0%
of which Germany	294		301		-2%	0%
Americas	584	29.1%	562	28.1%	4%	-3%
of which USA	266		273		-3%	-4%
Asia / Australia / Africa	462	23.0%	461	23.1%	0%	1%
Total continuing operations	2'007	100.0%	1'997	100.0%	1%	-3%
Discontinuing operations	0		134			
Total Group	2'007		2'131			

Europe

In the Third Quarter of 2005, European sales accounted for 48% of total group turnover. Sales decreased by 1% in Swiss franc terms and remained flat in local currency terms.

In Germany sales decreased by 2% in local currency and remained flat in Swiss francs, whereas sales development in Eastern Europe remained positive.

Americas

Group companies' sales in the Americas contributed 29% of group turnover for the Third Quarter of 2005. Sales increased by 4% in Swiss franc terms and decreased by 3% in local currency terms. In the U.S., sales decreased by 3% in Swiss franc terms and by 4% in local currency terms, mainly due to adverse developments in the pharma and textile dyes sectors and also influenced by the negative impact of recent hurricane damages. Within Latin America, sales in Mexico increased strongly both in local currency and in Swiss franc terms, whereas Brazil showed a negative development mainly due to the stronger Brazilian real leading to increased competition from Asia.

Asia, Africa, Australia

In the Third Quarter of 2005, group companies' sales in Asia, Australia and Africa contributed 23% of group sales. Sales increased by 1% local currency and remained flat in Swiss franc terms. A positive sales development was noticeable particular in China, India, Pakistan and Indonesia.

Definition of Terms of Financial Measurements

The following financial measurements are supplementary financial indicators. They should be considered in addition to, not as a substitute for, operating income, net income, operating cash flow and other measures of financial performance and liquidity reported in accordance with International Financial Reporting Standards (IFRS).

EBITDA – (Earnings Before Interest, Taxes, Depreciation and Amortization) is calculated as operating income plus depreciation on fixed assets and amortization of goodwill and intangibles and can be reconciled from the Condensed Financial Statements as follows:

EBITDA <i>in CHF millions</i>	Nine Months		Third Quarter	
	2005	2004	2005	2004
Operating income	332	469	109	152
+ Depreciation of fixed assets	202	235	68	82
+ Impairment of goodwill and fixed assets	15	33	2	7
+ Amortization of intangibles	9	9	2	4
EBITDA	558	746	181	245

EBITDA before exceptional items – is calculated as EBITDA plus expenses for restructuring and impairment and gain/ loss on disposals

EBITDA before exceptional items <i>in CHF millions</i>	Nine Months		Third Quarter	
	2005	2004	2005	2004
EBITDA	558	746	181	245
+ Restructuring and Impairment	123	87	64	22
- Impairment of fixed assets (reported under Restructuring and impairment)	-15	-12	-2	-1
+/- Gain/ Loss on Disposals	-28	-61	-28	-51
EBITDA before exceptional items	638	760	215	215

Operating income before exceptional items and amortization of goodwill – is calculated as operating income before restructuring and disposals plus amortization of goodwill and can be reconciled from the Condensed Financial Statements as follows:

Operating income before exceptional items and amortization of goodwill <i>in CHF millions</i>	Nine Months		Third Quarter	
	2005	2004	2005	2004
Operating income	332	469	109	152
+ Restructuring and Impairment	123	87	64	22
+/- Gain/ Loss on Disposals	-28	-61	-28	-51
+ Amortization of Goodwill	0	22	0	7
Operating income before exceptional items and amortization of goodwill	427	517	145	130

EBITDA margin – is EBITDA expressed as a percentage of Third party sales

Operating margin – is operating income expressed as percentage of Third party sales.

Net debt – is the sum of current and non-current financial debt less cash and cash equivalents and short-term deposits (CHF 20 million at September 30, 2005 and CHF 400 million the year before) reported in other current assets.

Condensed Financial Statement of the Clariant Group at September 30, 2005

unaudited, all amounts in CHF millions

Condensed Income Statements

<i>in CHF millions</i>	Nine Months				Third Quarter			
	2005	% of sales	2004	% of sales	2005	% of sales	2004	% of sales
Sales	6'094	100.0%	6'550	100.0%	2'007	100.0%	2'131	100.0%
Costs of goods sold	-4'263	70.0%	-4'444	67.8%	-1'428	71.2%	-1'484	69.6%
Gross profit	1'831	30.0%	2'106	32.2%	579	28.8%	647	30.4%
Marketing and distribution	-970	15.9%	-960	14.7%	-322	16.0%	-316	14.8%
Administration & general overhead cost	-296	4.9%	-431	6.6%	-70	3.5%	-133	6.2%
Research and development	-159	2.6%	-215	3.3%	-53	2.6%	-70	3.3%
Income from associated companies	21	0.3%	17	0.3%	11	0.5%	2	0.1%
Gain/ Loss on Disposal	28	0.5%	61	0.9%	28	1.4%	51	2.4%
Restructuring and impairment	-123	2.0%	-87	1.3%	-64	3.2%	-22	1.0%
Amortization of goodwill			-22	0.3%			-7	0.3%
Operating income	332	5.4%	469	7.2%	109	5.4%	152	7.1%
Finance costs - net ¹	-47	0.8%	-173	2.6%	-16	0.8%	-75	3.5%
Income before taxes and minority interests	285	4.7%	296	4.5%	93	4.6%	77	3.6%
Taxes	-63	1.0%	-120	1.8%	-17	0.8%	-32	1.5%
Net income	222		176		76		45	
Attributable to:								
Equity holders of the company	216		170		74		44	
Minority interests	6		6		2		1	
Net income	222	3.6%	176	2.7%	76	3.8%	45	2.1%
Earnings per share for profit attributable to the equity holders of the company for the period:								
Basic earnings per share (in CHF) ²	0.95		0.83		0.33		0.18	
Diluted earnings per share (in CHF) ²	0.95		0.83		0.33		0.18	

¹ currency impact YTD 2005 of CHF +47 mn vs YTD Sept 2004 of CHF -43 mn.² calculated with average numbers of shares outstanding (prior year figures adjusted for capital increase with adjustment factor 1.15)

Condensed Divisional Figures**Sales of Divisions to 3rd parties**

	Nine Months				Third Quarter			
	2005	2004	Change in %		2005	2004	Change in %	
<i>in CHF millions</i>			in CHF	in LC			in CHF	in LC
Textile, Leather, Paper	1'621	1'672	-3%	-3%	560	549	2%	-2%
Pigments & Additives	1'423	1'406	1%	2%	468	450	4%	2%
Masterbatches	866	852	2%	1%	296	282	5%	2%
Functional Chemicals	1'513	1'464	3%	3%	487	476	2%	-2%
Life Science Chemicals	671	768	-13%	-12%	196	240	-18%	-20%
Divisions Total	6'094	6'162			2'007	1'997		
Corporate	0	0			0	0		
Total continuing	6'094	6'162	-1%	-1%	2'007	1'997	1%	-3%
Discontinuing operations	0	388			0	134		
Total	6'094	6'550			2'007	2'131		

EBITDA*

	Nine Months				Third Quarter			
	2005	2004	Change in %		2005	2004	Change in %	
<i>in CHF millions</i>			in CHF	in LC			in CHF	in LC
Textile, Leather, Paper	168	114	47%	46%	64	19	-	-
Pigments & Additives	181	203	-11%	-11%	57	68	-16%	-19%
Masterbatches	82	101	-19%	-19%	28	30	-7%	-7%
Functional Chemicals	161	209	-23%	-24%	39	68	-43%	-46%
Life Science Chemicals	59	129	-54%	-54%	23	81	-72%	-73%
Divisions Total	651	756			211	266		
Corporate	-93	-73			-30	-40		
Total continuing	558	683	-18%	-18%	181	226	-20%	-22%
Discontinuing operations	0	63			0	19		
Total	558	746			181	245		

Operating income*

	Nine Months				Third Quarter			
	2005	2004	Change in %		2005	2004	Change in %	
<i>in CHF millions</i>			in CHF	in LC			in CHF	in LC
Textile, Leather, Paper	115	44	-	-	47	-6	-	-
Pigments & Additives	122	138	-12%	-12%	39	47	-17%	-21%
Masterbatches	60	77	-22%	-23%	22	23	-4%	-7%
Functional Chemicals	122	171	-29%	-30%	24	55	-56%	-58%
Life Science Chemicals	24	85	-72%	-72%	13	65	-80%	-80%
Divisions Total	443	515			145	184		
Corporate	-111	-88			-36	-43		
Total continuing	332	427	-22%	-22%	109	141	-23%	-25%
Discontinuing operations	0	42			0	11		
Total	332	469			109	152		

On September 30, 2004, Clariant sold the business unit Electronic Materials, belonging to the LSC division, to The Carlyle Group. As a consequence, Electronic Materials is disclosed as Discontinuing Operations for 2004.

* See Definitions of Terms of Financial Measurements on page 13.

Condensed Divisional Figures

EBITDA margin*	Nine Months				Third Quarter			
	2005	% of sales	2004	% of sales	2005	% of sales	2004	% of sales
<i>in CHF millions</i>								
Textile, Leather, Paper	168	10.4%	114	6.8%	64	11.4%	19	3.5%
Pigments & Additives	181	12.7%	203	14.4%	57	12.2%	68	15.1%
Masterbatches	82	9.5%	101	11.9%	28	9.5%	30	10.6%
Functional Chemicals	161	10.6%	209	14.3%	39	8.0%	68	14.3%
Life Science Chemicals	59	8.8%	129	16.8%	23	11.7%	81	33.8%
Divisions Total	651		756		211		266	
Corporate	-93		-73		-30		-40	
Total continuing	558	9.2%	683	11.1%	181	9.0%	226	11.3%
Discontinuing operations	0		63		0		19	
Total	558		746		181		245	

Operating income margin*	Nine Months				Third Quarter			
	2005	% of sales	2004	% of sales	2005	% of sales	2004	% of sales
<i>in CHF millions</i>								
Textile, Leather, Paper	115	7.1%	44	2.6%	47	8.4%	-6	-1.1%
Pigments & Additives	122	8.6%	138	9.8%	39	8.3%	47	10.4%
Masterbatches	60	6.9%	77	9.0%	22	7.4%	23	8.2%
Functional Chemicals	122	8.1%	171	11.7%	24	4.9%	55	11.6%
Life Science Chemicals	24	3.6%	85	11.1%	13	6.6%	65	27.1%
Divisions Total	443		515		145		184	
Corporate	-111		-88		-36		-43	
Total continuing	332	5.4%	427	6.9%	109	5.4%	141	7.1%
Discontinuing operations	0		42		0		11	
Total	332		469		109		152	

On September 30, 2004, Clariant sold the business unit Electronic Materials, belonging to the LSC division, to The Carlyle Group. As a consequence, Electronic Materials is disclosed as Discontinuing Operations for 2004.

* See Definitions of Terms of Financial Measurements on page 13.

Condensed Statement of Sales by Regions*Allocated by region of-party's sales destination*

Nine Months	2005	% of sales	2004	% of sales	% Change	
					CHF	LC
<i>in CHF millions</i>						
Europe	3'100	50.9%	3'146	51.1%	-1%	0%
<i>of which Germany</i>	951		934		2%	2%
Americas	1'654	27.1%	1'659	26.9%	0%	-2%
<i>of which USA</i>	789		853		-8%	-5%
Asia / Australia / Africa	1'340	22.0%	1'357	22.0%	-1%	1%
Total continuing operations	6'094	100%	6'162	100.0%	-1%	-1%
Discontinuing operations	0		388			
Total Group	6'094		6'550			

Third Quarter	2005	% of sales	2004	% of sales	% Change	
					CHF	LC
<i>in CHF millions</i>						
Europe	961	47.9%	974	48.8%	-1%	0%
<i>of which Germany</i>	294		301		-2%	0%
Americas	584	29.1%	562	28.1%	4%	-3%
<i>of which USA</i>	266		273		-3%	-4%
Asia / Australia / Africa	462	23.0%	461	23.1%	0%	1%
Total continuing operations	2'007	100.0%	1'997	100.0%	1%	-3%
Discontinuing operations	0		134			
Total Group	2'007		2'131			

On September 30, 2004, Clariant sold the business unit Electronic Materials, belonging to the LSC division, to The Carlyle Group. As a consequence, Electronic Materials is disclosed as Discontinuing Operations for 2004.

Condensed Balance Sheets (unaudited)

<i>in CHF millions</i>	30.9.2005	% of assets	31.12.2004 Restated	% of assets
Assets				
Non-current assets				
Tangible fixed assets	2'608		2'440	
Intangible assets	416		405	
Investments in associated companies	229		226	
Financial and other non-current assets	104		96	
Deferred tax assets	267		270	
Total Non-current assets	3'624	45.1%	3'437	42.8%
Current assets				
Inventories	1'581		1'325	
Trade accounts receivable	1'402		1'374	
Other current assets ¹	451		424	
Cash and cash equivalents	970		1'477	
Total Current assets	4'404	54.9%	4'600	57.2%
Non-current assets classified as held for sale	1	0.0%	0	0.0%
Total Assets	8'029	100.0%	8'037	100.0%
Equity & Liabilities				
Equity				
Share capital	1'093		1'151	
Treasury shares (par value)	-17		-16	
Reserves	659		529	
Retained earnings	781		559	
Minority interests	54		56	
Total Equity	2'570	32.0%	2'279	28.4%
Liabilities				
Non-current liabilities				
Financial debts	1'602		1'723	
Deferred tax liabilities	387		382	
Provisions for non-current liabilities	889		798	
Total Non-current liabilities	2'878	35.9%	2'903	36.1%
Current liabilities				
Trade and other accounts payable	1'217		1'165	
Financial debts	820		1'172	
Taxes payable	156		153	
Provisions for current liabilities	388		365	
Total Current liabilities	2'581	32.1%	2'855	35.5%
Liabilities directly associated with non-current assets classified as held for sale	0	0.0%	0	0.0%
Total Liabilities	5'459	68.0%	5'758	71.6%
Total Equity & Liabilities	8'029	100.0%	8'037	100.0%

¹ Thereof CHF 20 million in short-term deposits (2004 CHF 87 million)

Condensed Cash Flow Statements (unaudited)

<i>in CHF millions</i>	Nine Months		Third Quarter	
	2005	2004 Restated	2005	2004 Restated
Net income (including minorities)	222	176	76	45
Depreciation of fixed assets	202	235	68	82
Impairment of goodwill and fixed assets	15	33	2	7
Amortization of intangible assets	9	8	2	3
Changes in non-current liabilities	137	270	57	122
Interest paid	-88	-95	-33	-34
Income tax paid	-61	-96	-24	-35
Bookgain on disposals (bef. Recycled FX variances and taxes)	-28	-61	-28	-51
Other non cash items	-55	-22	-2	-23
Operating Cash Flow before changes in working capital	353	448	118	116
Change in inventories	-181	-48	-24	-25
Change in trade account receivables	39	-50	89	68
Change in trade account payables	-66	36	-38	32
Change in other current assets and liabilities ¹	50	149	78	57
Operating Cash Flow	195	535	223	248
Investments in tangible fixed assets	-238	-204	-87	-93
Investments in intangible assets	-3	-7	-1	-1
Investments in financial fixed assets	-2	0	-2	0
Sale of tangible and intangible assets	9	11	2	5
Acquisitions of companies, businesses and participations	-34	-24	-23	-24
Proceeds from the sale of discont. operations, subsidiaries, associated companies	52	418	47	408
Dividends received	24	31	2	2
Interest received ¹	28	17	9	9
Total Cash Flow from investing activities	-164	242	-53	306
Increase/decrease of share capital	-58	875	0	1
Treasury share transactions	-9	2	1	-3
Changes in current and non-current financial debt and current deposits	-482	-1434	-292	-552
Dividends paid to third parties	-4	-36	-2	-3
Total Cash Flow from financing activities	-553	-593	-293	-557
Currency translation effect on cash and cash equivalents	15	1	1	0
Net change in cash & cash equivalents	-507	185	-122	-3
Cash and cash equivalents at the beginning of the period	1477	929	1092	1117
Cash and cash equivalents at the end of period	970	1114	970	1114

¹ Restated for Second Quarter 2005; details in note 4

Condensed statement of changes in equity (unaudited) **

CHF mn

	Reserves								
	Total share capital	Treasury shares (par value)	Share premium reserves	Hedging reserves	Cumulative translation reserves	Total	Retained earnings	Minorities	Total equity
Balance 31 December 2003	767	-18	274	-8	-243	23	404	64	1'240
Correction of errors and changes in accounting policy						0	13		13
Restated balance 31 December 2003	767	-18	274	-8	-243	23	417	64	1'253
Net income recognized directly in equity					48	48	1	-6	43
Net Income						0	170	6	176
Total recognized income and expense for the period	0	0	0	0	48	48	171	0	219
Dividends to third parties						0	-30	-3	-33
Increase/decrease of share capital	384		491			491			875
Treasury share transactions and share based payments		-1				0	9		8
Balance 30 September 2004	1'151	-19	765	-8	-195	562	567	61	2'322
Balance 31 December 2004	1'151	-16	767	-5	-233	529	529	56	2'249
Changes in accounting policy						0	30		30
Restated balance 31 December 2004	1'151	-16	767	-5	-233	529	559	56	2'279
Net income recognized directly in equity	0	0	0	0	130	130	0	10	140
Net Income						0	216	6	222
Total recognized income and expense for the period	0	0	0	0	130	130	216	16	362
Dividends to third parties						0		-4	-4
Increase/decrease of share capital	-58					0	14	-14	-58
Treasury share transactions and share based payments		-1				0	-8		-9
Balance 30 September 2005	1'093	-17	767	-5	-103	659	781	54	2'570

Condensed Earnings Per Share Data

Nine Months	2005	2004
Number of shares outstanding at 30.09.05 and 30.09.04 respectively	230'160'000	230'160'000
Weighted average, number of shares outstanding	226'748'868	204'781'640 *
Weighted average, diluted number of shares outstanding	227'904'902	206'131'214 *
Basic earnings per share (in CHF)*	0.95	0.83
Diluted earnings per share (in CHF)*	0.95	0.83

* Restated for impact of capital increase in April 2004 (dilution factor is 1.15)

** Restated for Second Quarter 2005, details in the note 4

Condensed Financial Statements (unaudited)

1. Basis of preparation of financial statements

These financial statements are the interim condensed financial statements of Clariant Ltd (hereafter “the interim financial statements”), a company registered in Switzerland, and its subsidiaries for the nine-month period ended on 30 September, 2005 (hereafter “the Group”). They are prepared in accordance with the International Accounting Standard 34 (IAS 34 “Interim Financial Reporting”) and were approved on November 2, 2005 by the Board of Directors. These interim financial statements should be read in conjunction with the Consolidated Financial Statements for the year ended 31 December 2004 (hereafter “the annual financial statements”) as they provide an update of previously reported information.

The accounting policies used are consistent with those used in the annual financial statements. Where necessary, the comparatives have been reclassified or extended from the previously reported interim results to take into account any presentational changes made in the annual financial statements or in these interim financial statements.

The preparation of the interim financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent liabilities at the date of the interim financial statements. If in the future such estimates and assumptions, which are based on management’s best judgment at the date of the interim financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

2. Seasonality of Operations

The Group operates in industries where significant seasonal or cyclical variations in total sales are not experienced during the financial year.

3. Adoption of new and improved International Financial Reporting Standards

On 1 January 2005 a number of new and improved International Financial Reporting Standards became effective. This led to a number of reclassifications in the financial statement of the Group, the effects of which were the following on the balance sheet of 31 December 2004

IFRS 2, Share-based payment

The adoption of IFRS 2, Share-based payment has resulted in a change in the accounting policy for share-based payments. Until 31 December 2004 accruals for share-based payments were recorded as an expense in the income statement and a provision in the balance sheet. No expense was recognized for the provision of share options. The adoption of IFRS 2 led to the reclassification of CHF 39 million from provisions to equity and of CHF 9 million from deferred tax assets to equity, resulting in a total impact on equity of CHF 30 million as at 31 December 2004. Of this amount CHF 22 million refers to reporting periods up to 31 December 2003 and CHF 8 million to 2004. Of the latter amount CHF 6 million are reported in the condensed Statement of Changes in Equity for the First Nine Months 2004 on a pro rata basis.

The adoption of IFRS 2 had an impact on the income statement of less than CHF 1 million in the First Nine Months 2004 and an impact of approximately CHF 6 million in the First Nine Months 2005.

IFRS 3, Business Combinations

The adoption of IFRS 3, IAS 36 (revised) and IAS 38 (revised) resulted in a change in the accounting policy for goodwill. Until 31 December 2004 goodwill was:

- Amortized on a straight line basis over a period ranging from ten to 20 years; and
- Assessed for an indication of impairment at each balance sheet date.

In accordance with IFRS 3:

- The group ceased amortization of goodwill from 1 January 2005;
- Accumulated amortization as at 31 December 2004 has been eliminated with a corresponding decrease in the cost of goodwill;
- From the year ended 31 December 2005 onwards, goodwill is tested annually for impairment, as well as when there are indications of impairment.
- Amortization of goodwill amounted to CHF 22 million for the First Nine Months of 2004.

IAS 39, Financial Instruments (revised)

The modification of IAS 39 also comprised a clearer focus with regard to the criteria for de-recognition of financial instruments on the balance sheet. In view of the new guidance to this point it was decided that the recognition in the balance sheet of trade receivables securitized in the US and Germany in ABS programs would give a clearer picture of the financial situation of the Group. This led to an increase of trade receivables and short-term financial debts of CHF 241 million in the balance sheet as at 31 December 2004.

IAS 21, The Effects of Changes in Foreign Exchange Rates (revised)

IAS 21 (revised 2003), which became effective as of 1 January 2005 allows exchange rate differences arising on monetary items that form part of a reporting entity's net investment in a foreign operation to be recorded in equity only if resulting from transactions between the reporting entity and the foreign operation, and are denominated in the functional currency of either the reporting entity or the foreign operation. This represents a more stringent requirement than the one included in the prior version of IAS 21. In the June 2005 discussion of the IASB, it was decided to amend IAS 21 (revised 2003) to allow monetary items to be expressed in a third currency, as well as permit monetary items transacted with other members of the consolidated group to be also considered as being of an equity nature when meeting the requirements for classification as investment. This amendment is expected to be implemented prior to the end of 2005. The company has therefore not amended its financial statements to reflect the above-mentioned changes introduced by IAS 21 (revised 2003) in its interim financial statements, as any such amendment is likely to require reversal in the annual financial statements. The effect of any such change of policy would have been a reduction of the cumulative translation reserve (CTA) balance and a corresponding decrease in finance costs for the reporting period and the same period of the preceding year.

IAS 1, Presentation of Financial Statements (revised)

The revised IAS 1 requires that minority interests are included in equity. The adoption of this requirement resulted in the reclassification of CHF 56 million to equity in the balance sheet as at 31 December 2004.

In addition to this IAS 1 (revised) now requires that net income in the income statement comprise the minority shares in the net income as well. As a consequence of this the line Net Income in the cash flow statement now also includes the minority share of the net income.

4. IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors

During the Third Quarter of 2005 it became evident that a change in the Group structure had not been accounted for correctly from a tax point of view in 2002. A tax exemption which was considered to be of a permanent nature proved to be temporary only. As a result an additional CHF 9 million should have been reported as a deferred tax liability. In accordance with IAS 8 the correction was posted in the earliest period presented and as such is included in the correction of the opening amount of equity on 1 January 2004.

In June 2005 the Cash Flow Statement position "Interest received" was reported as CHF 15 million too high, the Cash Flow Statement position "Change in other short-term assets and

liabilities” was reported as CHF 15 million too low. The error is corrected in the Cash Flow Statement of the first nine months 2005.

5. Repayments of debt

During the reporting period a bond in the amount CHF 201 million, a bank loan denominated in Japanese yen in the amount of CHF 78 million and a bank loan in denominated in US dollars in the amount of CHF 286 million were paid back.

6. Non-current assets held for sale

On 1 January 2005 IFRS 5, Non-current Assets held for sale and Discontinued Operations became effective. The standard requires that non-current assets and associated liabilities are to be reported separately in the balance sheet, if it is Management’s intention to sell them and if a sale is probable in the next twelve months. In accordance with this requirement assets held in the UK in the amount of CHF 1 million are reported as held-for-sale in the balance sheet of 30 September 2005. In June 2005 additional assets in the amount of CHF 55 million and the directly related liabilities in the amount of CHF 28 million were reported as assets held-for-sale in the balance sheet. These assets have been sold in the meantime, resulting in a gain of CHF 28 million.

7. Restructuring and Impairment

During the reporting period, the Clariant Group recorded expenses for restructuring and impairment in the amount of CHF 123 million. This concerned a number of projects mainly in Switzerland, Germany, France and the UK where personnel levels are being further reduced and fixed assets that were made redundant were written off.

8. Nominal Value Reduction

On April 7, 2005 the ordinary General Meeting of shareholders approved the repayment of CHF 0.25 of the nominal value of each registered share, resulting in the reduction of the nominal value from CHF 5 to CHF 4.75 per registered share. The approved pay out took place on June 23, 2005 and reduced the share capital by CHF 57 540 000.

9. Recurring Divisional Figures**Sales of Divisions to 3rd parties**

	Nine Months				Third Quarter			
	2005	2004	Change in %		2005	2004	Change in %	
<i>in CHF millions</i>			in CHF	in LC			in CHF	in LC
Textile, Leather, Paper	1'621	1'672	-3%	-3%	560	549	2%	-2%
Pigments & Additives	1'423	1'406	1%	2%	468	450	4%	2%
Masterbatches	866	852	2%	1%	296	282	5%	2%
Functional Chemicals	1'513	1'464	3%	3%	487	476	2%	-2%
Life Science Chemicals	671	768	-13%	-12%	196	240	-18%	-20%
Divisions Total	6'094	6'162			2'007	1'997		
Corporate	0	0			0	0		
Total continuing	6'094	6'162	-1%	-1%	2'007	1'997	1%	-3%
Discontinuing operations	0	388			0	134		
Total	6'094	6'550			2'007	2'131		

EBITDA before exceptionals

	2005				2004			
	Change in %		in CHF		Change in %		in CHF	
<i>in CHF millions</i>	2005	2004	in CHF	in LC	2005	2004	in CHF	in LC
Textile, Leather, Paper	179	185	-3%	-4%	68	61	11%	9%
Pigments & Additives	202	230	-12%	-13%	69	71	-3%	-5%
Masterbatches	90	107	-16%	-17%	32	34	-6%	-11%
Functional Chemicals	181	197	-8%	-9%	54	68	-21%	-23%
Life Science Chemicals	45	35	29%	30%	4	-7	-	-
Divisions Total	697	754			227	227		
Corporate	-59	-57			-12	-31		
Total continuing	638	697	-8%	-8%	215	196	10%	7%
Discontinuing operations	0	63			0	19		
Total	638	760			215	215		

Operating income before exceptionals

	2005				2004			
	Change in %		in CHF		Change in %		in CHF	
<i>in CHF millions</i>	2005	2004	in CHF	in LC	2005	2004	in CHF	in LC
Textile, Leather, Paper	126	131	-4%	-5%	51	41	24%	20%
Pigments & Additives	149	178	-16%	-16%	51	55	-7%	-9%
Masterbatches	67	86	-22%	-23%	25	27	-7%	-10%
Functional Chemicals	144	159	-9%	-10%	41	55	-25%	-26%
Life Science Chemicals	17	-7	-	-	-5	-25	-	-
Divisions Total	503	547			163	153		
Corporate	-76	-72			-18	-34		
Total continuing	427	475	-10%	-10%	145	119	22%	19%
Discontinuing operations	0	42			0	11		
Total	427	517			145	130		

10. Recurring Divisional Margins**Sales of Divisions to 3rd parties**

	Nine Months				Third Quarter			
	2005	%	2004	%	2005	% of sales	2004	% of sales
<i>in CHF millions</i>								
Textile, Leather, Paper	1'621	26.6%	1'672	27.1%	560	27.9%	549	27.5%
Pigments & Additives	1'423	23.4%	1'406	22.8%	468	23.3%	450	22.5%
Masterbatches	866	14.2%	852	13.8%	296	14.8%	282	14.1%
Functional Chemicals	1'513	24.8%	1'464	23.8%	487	24.3%	476	23.8%
Life Science Chemicals	671	11.0%	768	12.4%	196	9.8%	240	12.0%
Divisions Total	6'094	100.0%	6'162	100.0%	2'007	100.0%	1'997	100.0%
Corporate	0		0		0		0	
Total continuing	6'094		6'162		2'007		1'997	
Discontinuing operations	0		388		0		134	
Total	6'094		6'550		2'007		2'131	

EBITDA before exceptionals

	2005		2004		2005		2004	
		% of sales		% of sales		% of sales		% of sales
<i>in CHF millions</i>								
Textile, Leather, Paper	179	11.0%	185	11.1%	68	12.1%	61	11.1%
Pigments & Additives	202	14.2%	230	16.4%	69	14.7%	71	15.8%
Masterbatches	90	10.4%	107	12.6%	32	10.8%	34	12.1%
Functional Chemicals	181	12.0%	197	13.5%	54	11.1%	68	14.3%
Life Science Chemicals	45	6.7%	35	4.6%	4	2.0%	-7	-2.9%
Divisions Total	697		754		227		227	
Corporate	-59		-57		-12		-31	
Total continuing	638	10.5%	697	11.3%	215	10.7%	196	9.8%
Discontinuing operations	0		63		0		19	
Total	638		760		215		215	

Operating income before exceptionals

	2005		2004		2005		2004	
		% of sales		% of sales		% of sales		% of sales
<i>in CHF millions</i>								
Textile, Leather, Paper	126	7.8%	131	7.8%	51	9.1%	41	7.5%
Pigments & Additives	149	10.5%	178	12.7%	51	10.9%	55	12.2%
Masterbatches	67	7.7%	86	10.1%	25	8.4%	27	9.6%
Functional Chemicals	144	9.5%	159	10.9%	41	8.4%	55	11.6%
Life Science and Electronic Materials	17	2.5%	-7	-0.9%	-5	-2.6%	-25	-10.4%
Divisions Total	503		547		163		153	
Corporate	-76		-72		-18		-34	
Total continuing	427	7.0%	475	7.7%	145	7.2%	119	6.0%
Discontinuing operations	0		42		0		11	
Total	427		517		145		130	

Systematic depreciation on tangible fixed assets

	2005		2004		2005		2004	
		% of sales		% of sales		% of sales		% of sales
<i>in CHF millions</i>								
Textile, Leather, Paper	53	3.3%	54	3.2%	17	3.0%	20	3.6%
Pigments & Additives	53	3.7%	53	3.8%	18	3.8%	17	3.8%
Masterbatches	22	2.5%	21	2.5%	7	2.4%	8	2.8%
Functional Chemicals	36	2.4%	38	2.6%	12	2.5%	13	2.7%
Life Science and Electronic Materials	28	4.2%	41	5.3%	9	4.6%	17	7.1%
Divisions Total	192		207		63		75	
Corporate	10		9		5		1	
Total continuing	202	3.3%	216	3.5%	68	3.4%	76	3.8%

11. Rates

Rates used to translate the consolidated balance sheets (closing rate)	30.9.2005	31.12.2004	% Change
1 USD	1.29	1.13	14%
1 EUR	1.56	1.54	1%
1 GBP	2.28	2.18	5%
100 JPY	1.14	1.10	4%
Average sales-weighted rates used to translate the income statements and consolidated statements of cash flow	Nine months 2005	Nine months 2004	% Change
1 USD	1.23	1.26	-2%
1 EUR	1.55	1.55	0%
1 GBP	2.26	2.30	-2%
100 JPY	1.14	1.16	-2%

CALENDAR OF CORPORATE EVENTS

February 28, 2006

April 7, 2006

May 9, 2006

August 2, 2006

November 7, 2006

Full Year 2005 Results

Annual General Meeting

First Quarter 2006 Results

Half Year 2006 Results

Nine Month 2006 Results

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Clariant – Exactly your chemistry.

Clariant is a global leader in the field of specialty chemicals. Strong business relationships, commitment to outstanding service and wide-ranging application know-how make Clariant a preferred partner for its customers.

Clariant, which is represented on five continents with over 100 group companies, employs about 24,000 people. Headquartered in Muttenz near Basel, it generated sales of around CHF 8.5 billion in 2004.

Clariant's businesses are organized in five divisions: Textile, Leather & Paper Chemicals, Pigments & Additives, Functional Chemicals, Life Science Chemicals and Masterbatches.

Clariant is committed to sustainable growth springing from its own innovative strength. Clariant's innovative products play a key role in its customers' manufacturing and treatment processes or else add value to their end products. The company's success is based on the know-how of its people and their ability to identify new customer needs at an early stage and to work together with customers to develop innovative, efficient solutions.

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