Clariant – The Way Forward

Full Year Results 2005

Analyst Conference – Zurich, February 28, 2006

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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.

Agenda

Key Factors – Full Year 2005

Financial Review

Business Review

Performance Improvements

Outlook

Clariant

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Key Factors
Full Year 2005
Roland Lösser, CEO

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Key Factors Full Year 2005

Delivering as promised

- ✓ Transformation Program fully on track
- ✓ Performance improvements fully on track
  - More than 2,000 jobs eliminated
  - CHF 460 million cost base reduction achieved so far
- ✓ Investment grade credit rating awarded
- ✓ Headquarters concentrated into Switzerland
- ✓ Asset sales program delivered

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Key Factors Full Year 2005

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Positive results for Full Year 2005

- Sales up 1% in local currency terms to CHF 8.181 billion compared to a strong FY 2004*, prices 1% higher
- High raw material and energy costs reduced margins
- Further restructuring initiatives taken in the Fourth Quarter
- Transformation Program delivered CHF 310 million of cost reductions
- EBIT margin before exceptionals declined from 7.6% to 6.3%*
- Net income up 29% to CHF 192 million, from CHF 149 million*
- Proposed payout of CHF 0.25 per share through a reduction in nominal value
- Positive outlook for 2006, with additional CHF 250 million cost reductions on track

*on a comparable basis

Financial Review
Patrick Jany, CFO

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Key financial group figures – Full Year 2005

Full Year 2005 in mn CHF	2005	% of Sales	2004* like-for-like	% of Sales	Change in % CHF	Change in % LC
Sales	8,181		7,973		+3	+1
Gross profit	2,416	29.5%	2,540	31.9%	-5	-6
EBITDA	710	8.7%	864	10.8%	-18	-19
EBITDA before exceptionals	799	9.8%	898	11.3%	-11	-12
Operating income before exceptionals	516	6.3%	609	7.6%	-15	-16
Operating income	368	4.5%	511	6.4%	-28	-29
Net income (loss)	192	2.3%	149	1.9%		

as per	Dec 05	Dec 04
Net debt	1,508	1,331
Equity	2,591	2,314

* 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). Electronic Materials was sold on September 30, 2004. All other 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.

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Key financial group figures – Fourth Quarter 2005

4th Quarter 2005 in mn CHF	2005	% of Sales	2004* like-for-like	% of Sales	Change in % CHF	Change in % LC
Sales	2,087		1,934		+8	+2
Gross profit	585	28.0%	581	30.0%	+1	-4
EBITDA	152	7.3%	172	8.9%	-12	-16
EBITDA before exceptionals	161	7.7%	197	10.2%	-18	-23
Operating income before exceptionals	89	4.3%	115	5.9%	-23	-27
Operating income	36	1.7%	66	3.4%	-45	-52
Net income (loss)	-30	1.4%	-13	0.7%		

* 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). Electronic Materials was sold on September 30, 2004. All other 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.

Key factors in Fourth Quarter 2005

- Raw materials rose by 6% year-on-year
- Approximately CHF 25 million in one-time costs, including implementation of a new supply chain management system
- Early debt retirement incurred CHF 30 million in one-time costs
- Pharma business impaired by CHF 55 million

Key Factors
Full Year 2005

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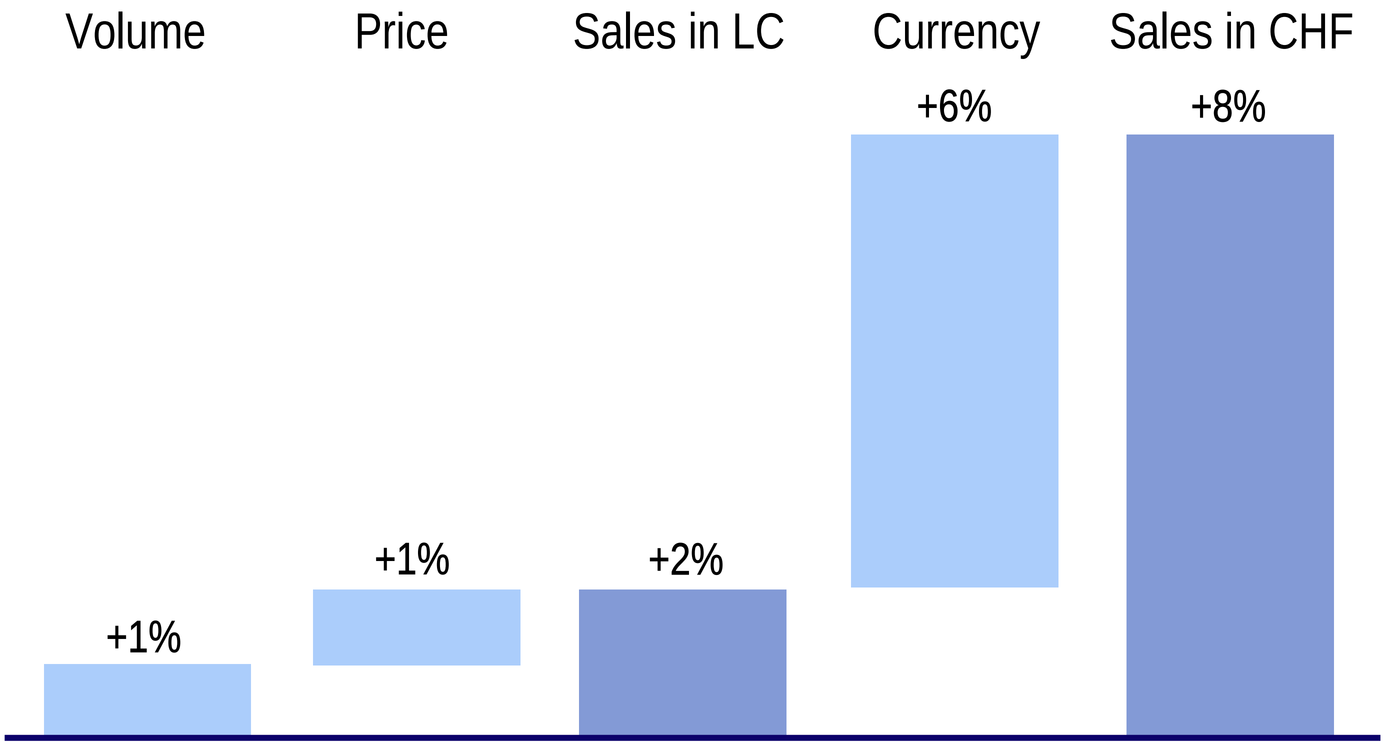
Solid growth in Fourth Quarter 2005

4th Quarter 2005 versus 4th Quarter 2004, like-for-like*



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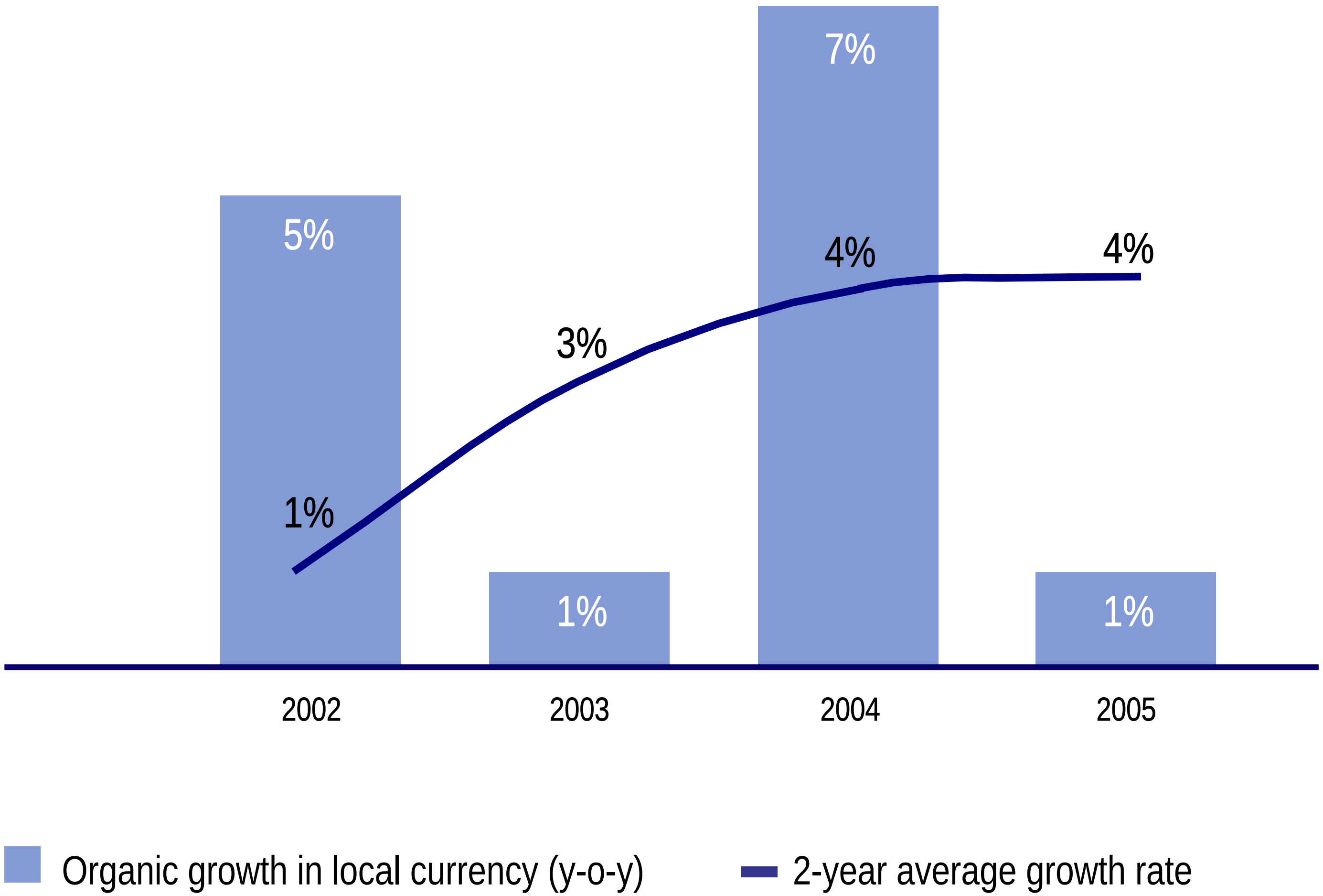
Growth pattern since 2002



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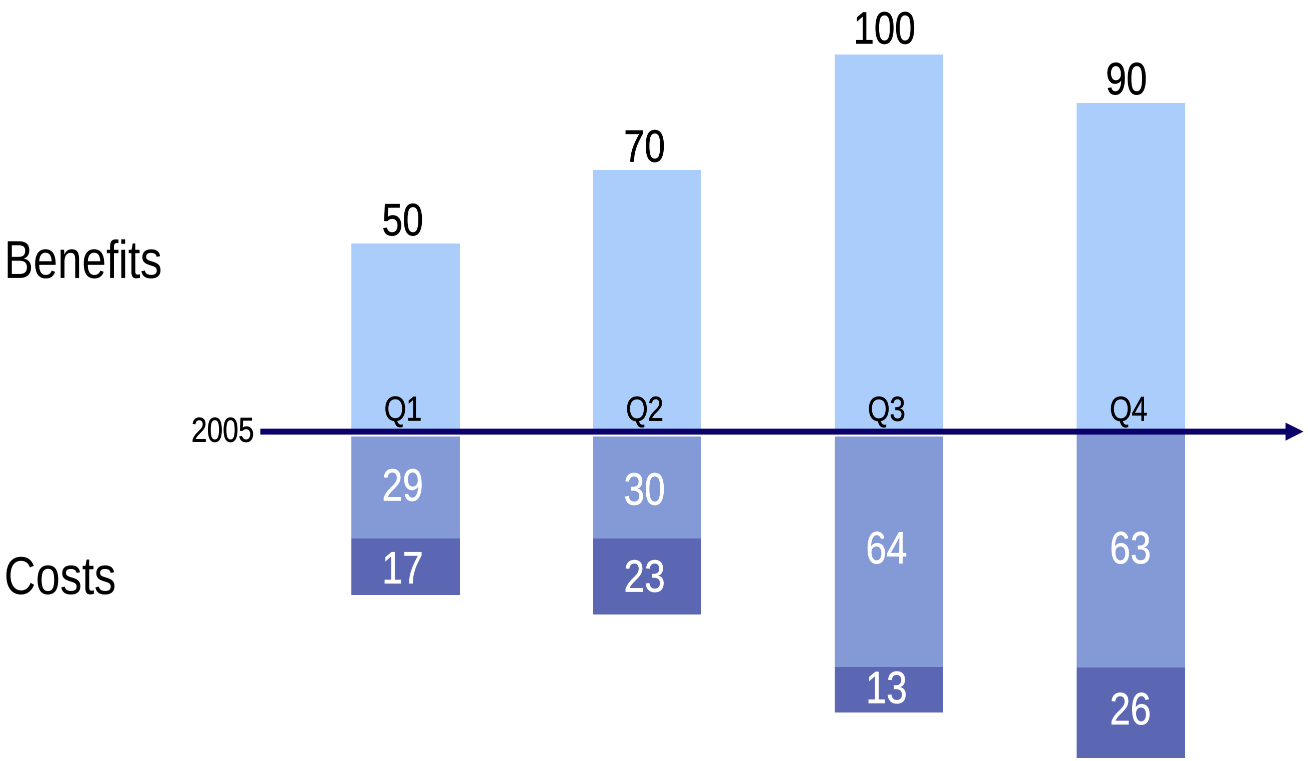
Transformation Program costs & benefits



in mn CHF

Performance improvement impact* Other Transformation Program costs** Restructuring & impairment

*before price erosion, FX, raw material impact and others **non-exceptional CPIP costs

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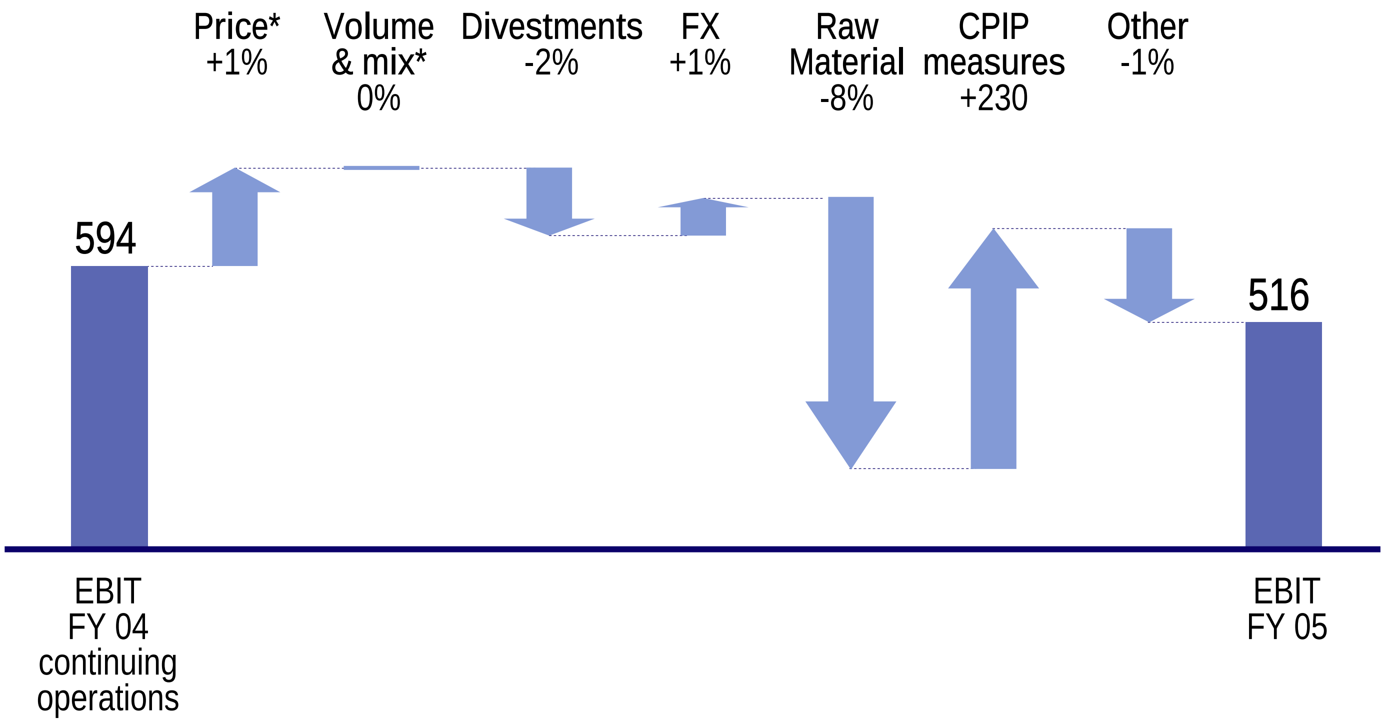
Key drivers of operating income before exceptionals in Full Year 2005



EBIT & CPIP measures: in mn CHF
*after CPIP measures

Financial result helped by FX

in mn CHF	Full Year 2005	Full Year 2004
Financial Income	50	27
Interest Expenses	-132	-154
Other	-71	-31
Financial expenses	-203	-185
Currency result, net	55	-75
Total	-98	-233

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2005 Cash flow evolution as expected

in mn CHF	Full Year 2005	Full Year 2004*
Net result	192	159
Depreciation & amortization	342	385
Other	-261	-75
Operating cash flow before working capital	273	469
Change in working capital	-64	350
Operating cash flow	209	819
Capital expenditure	-348	-289
Disposals and other	+98	+417
Cash flow before financing	-41	947

*restated

Key Factors
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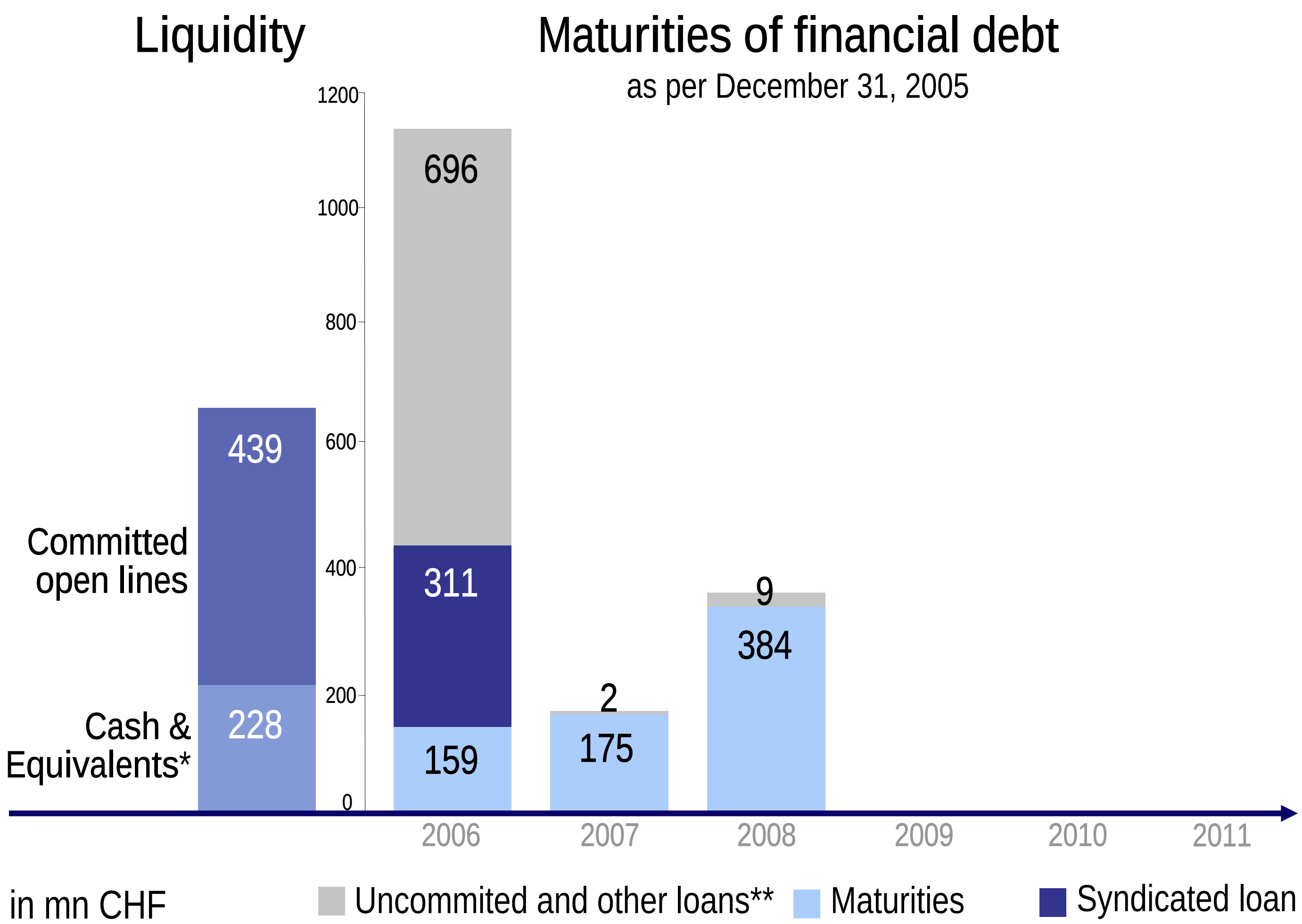
Scope to reduce financing costs



* including current deposits (90-365 days)
** including ABS

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Business Review
Roland Lösser, CEO

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Divisional sales and margins – Full Year 2005 (continuing operations)*

Full Year 2005 in mn CHF	2005 Sales	Change 2005 vs 2004 LC in %	EBITDA Margin in %** 2005	2004
Textile, Leather & Paper Chemicals	2,192	-2	11.1	10.6
Pigments & Additives	1,879	+2	13.0	15.2
Masterbatches	1,144	+2	10.3	11.8
Functional Chemicals	2,083	+4	12.4	13.8
Life Science Chemicals	883	-15	6.0	7.5
Total continuing operations	8,181	-1	9.8	10.9

* Continuing Operations: 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.
** EBITDA margins before exceptional items

Key Factors Full Year 2005

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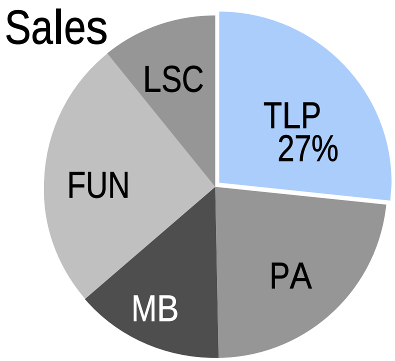
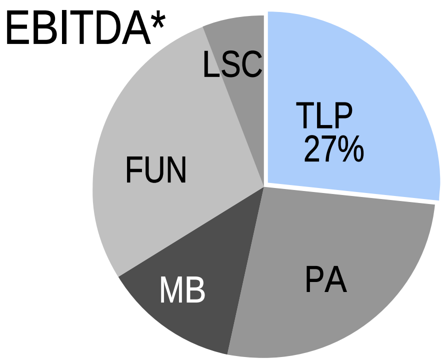
Textile, Leather & Paper Chemicals

- Improving business environment towards year end
- Pressure from higher raw material costs easing
- Wide-ranging restructuring measures showing good results
- Active shrinking and portfolio focusing of textile dyes fully on track
- Good growth in paper, especially driven by optical brighteners
- Signs of recovery for leather products after period of weak demand
- New products launched for dyeing auxiliaries, specialty dyes and finishing



Full Year 2005



* before exceptional items

Key Factors
Full Year 2005

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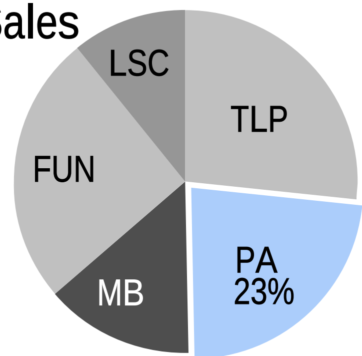
Pigments & Additives

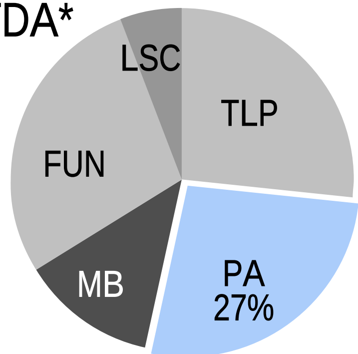
- Solid growth across most of the businesses
- Stable prices in challenging market conditions
- Continued pressure from higher raw material costs
- Weaker demand for colorants but strong demand for additives
- Difficult environment for automotives but plastics recovering
- Successful market introduction of Licocene® and Exolit® product range

Sales



Full Year 2005

EBITDA*



* before exceptional items

Functional Chemicals

Key Factors
Full Year 2005

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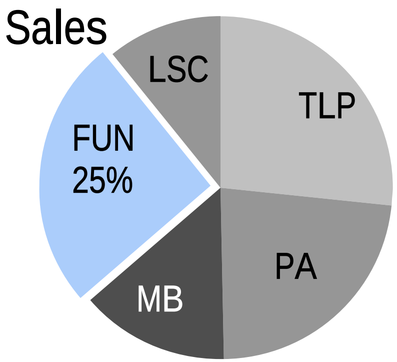
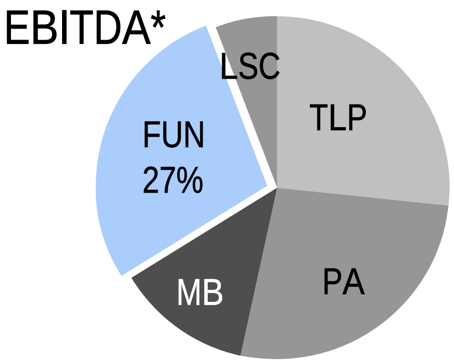
- Higher prices but continued pressure from higher raw material costs
- Increased demand for personal care and construction chemicals
- Business for crop protection remained at a high level
- Strong demand for functional fluids and oilfield chemicals
- Further progress with color care product range Texcare®
  and other laundry additives



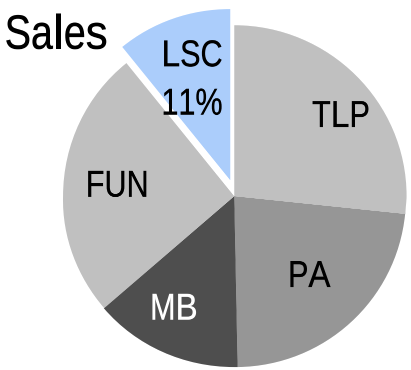
Full Year 2005



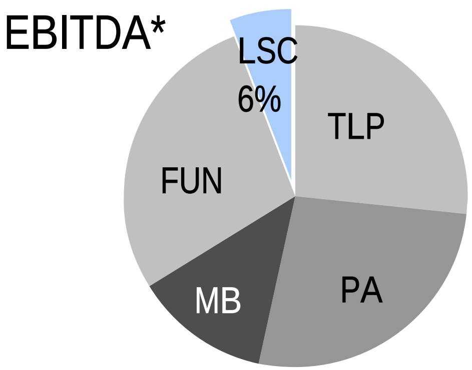
* before exceptional items

Life Science Chemicals

- Solid demand for products in Speciality Fine Chemicals, e.g. glyoxal and agrochemicals
- Pharma continued lower volumes, but new products successfully launched
- Charge of CHF 55 million impairment taken in Pharma business
- Margin declined despite successful restructuring efforts
- CABB business sold as per July 31, 2005



Full Year 2005



* before exceptional items

Key Factors
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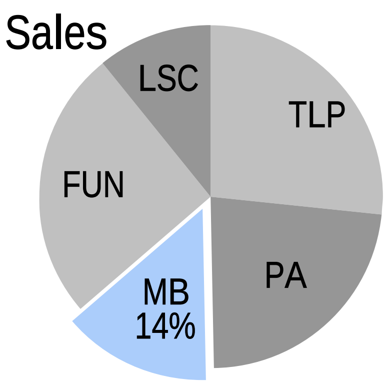
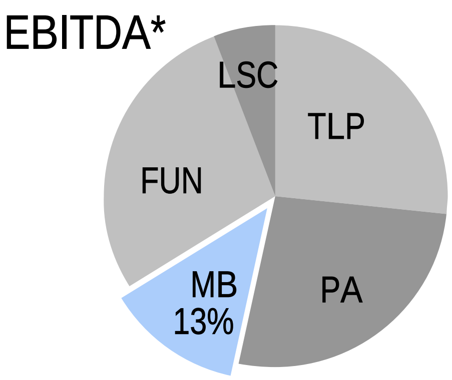
Outlook

Masterbatches

- Price increases achieved in challenging market conditions
- Continued pressure from higher raw material costs
- Good growth in Europe and North America
- Recovery in Asia and Latin America
- Plastics continued to substitute other materials
- Expanding roll out of ColorWorks™ design centers globally



Full Year 2005



* before exceptional items

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Outlook

Meeting customer needs with innovation strength

- Textile, Leather & Paper Chemicals
  - New environmentally friendly polymer dispersions for paper and textiles
- Pigments & Additives
  - Blue Laser Recording – functional dyes for the next generation DVDs and pigments for color filters in flat panel displays
- Functional Chemicals
  - New range of "green" demulsifiers and de-oilers developed to reduce the environmental impact of offshore production
- Life Science Chemicals
  - New catalysts for enantioselective synthesis of pharma building blocks
- Masterbatches
  - New antistatic Masterbatches to reduce dust build up in cars

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Performance Improvements
Roland Lösser, CEO

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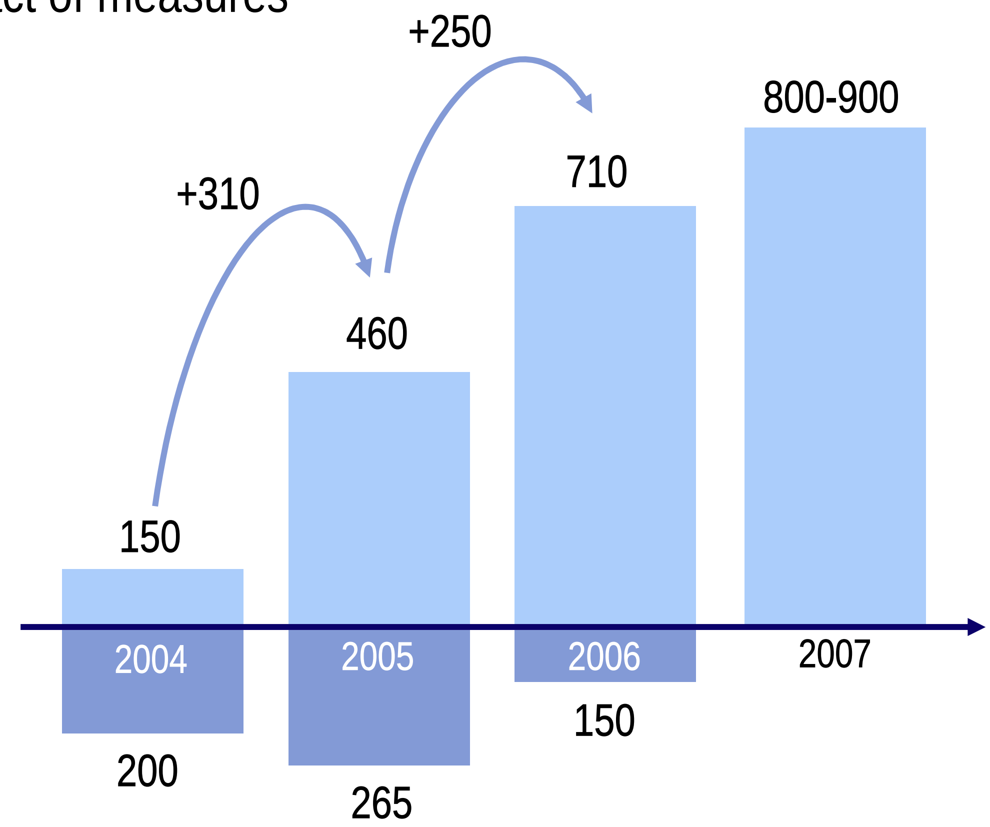
Clariant – Delivering as promised

- ✓ Implementation of new strategy in place
  - Focus on service and innovation
  - Group targets defined by Return On Invested Capital
- ✓ Financial turnaround accomplished
  - Successful strengthening of balance sheet
  - Investment grade achieved
- ✓ Performance improvements fully on track
  - More than 50% of cost savings achieved so far
  - More than 50% jobs cuts made so far
- ✓ Asset sales program delivered
- ✓ Portfolio refocusing continues

Performance improvements to deliver strongly in 2006

EBIT impact of measures*



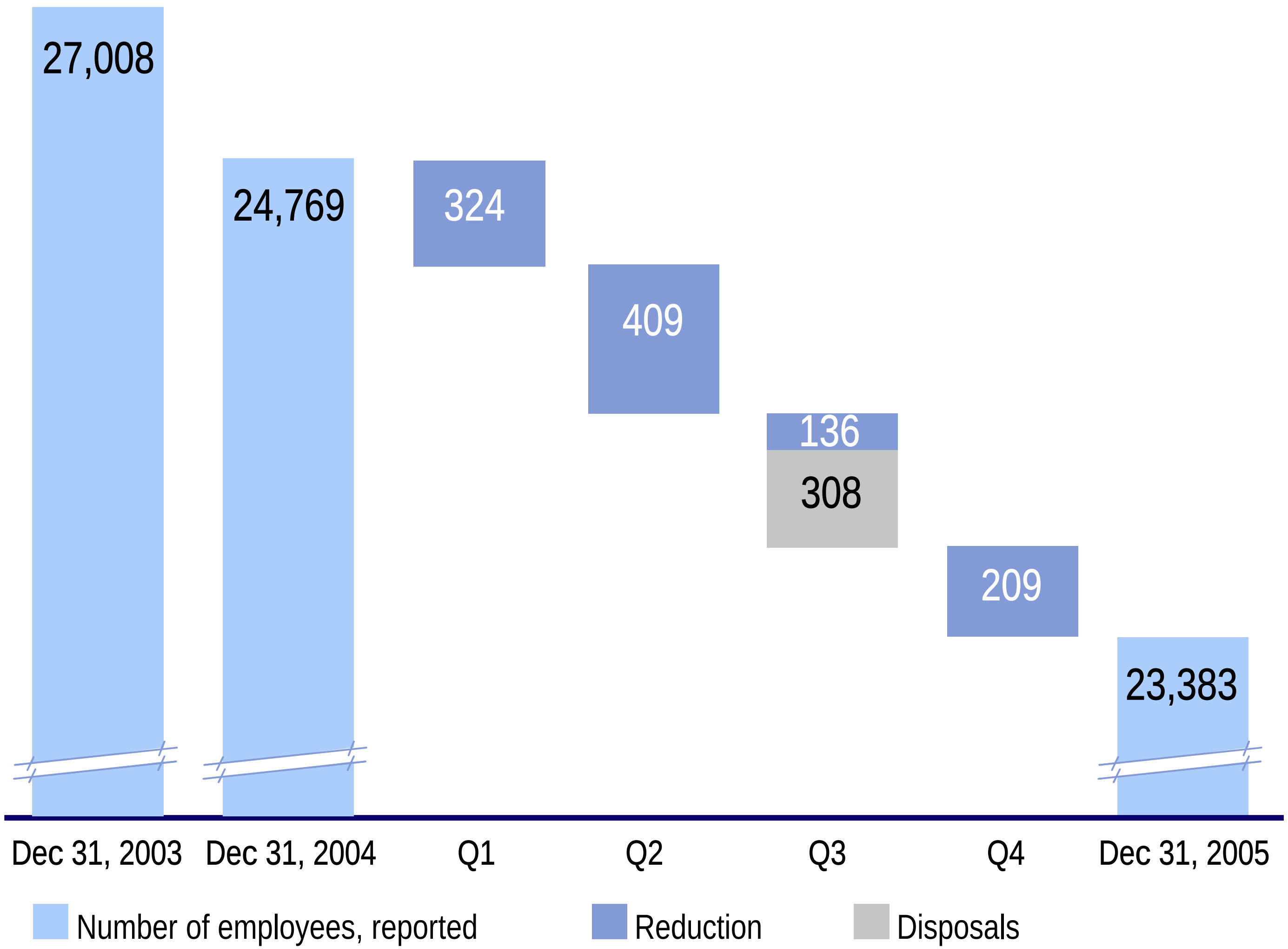
in mn CHF

performance improvement costs, restructuring costs, other CPIP costs, p.a.

performance improvement measures (accummulated)

*before price erosion, FX, raw material impact and others

Steady reduction in personnel



More than 1,000 job cuts in 2005

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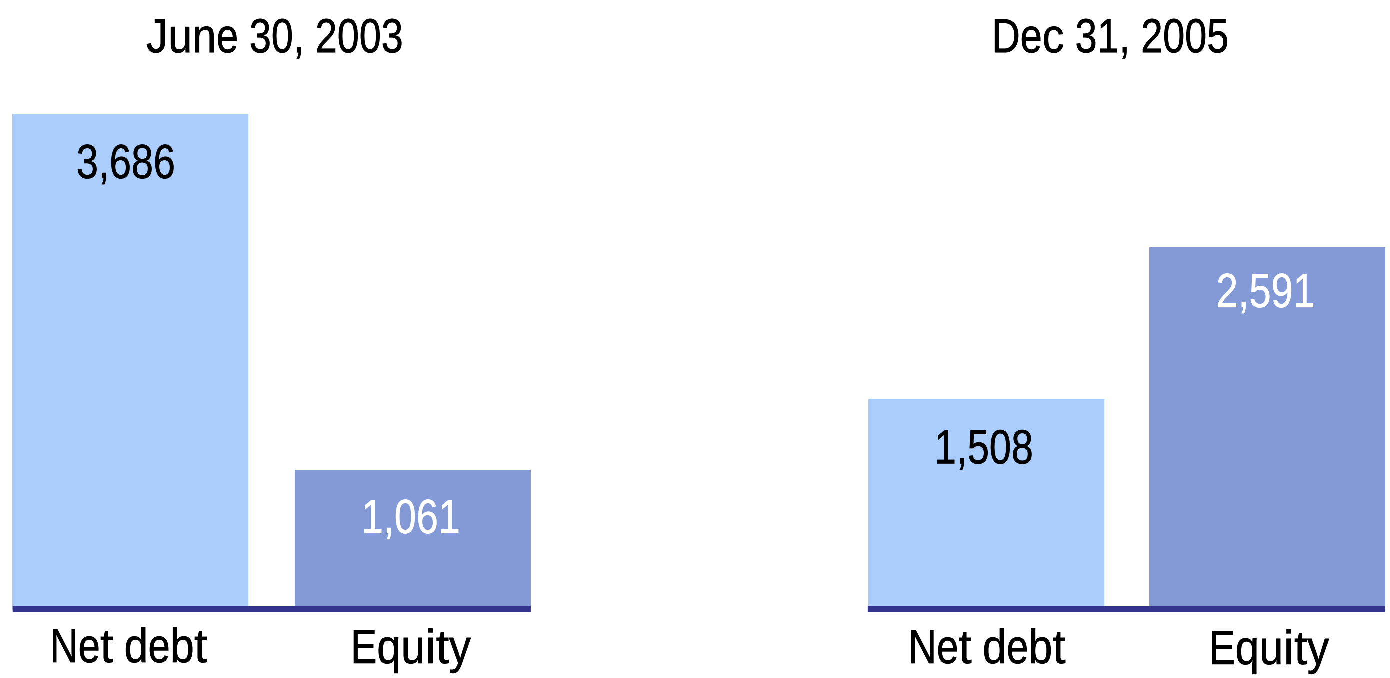
Strong financial base re-established



326 %	Gearing	58 %
12.1 %	Equity ratio	35.5 %

in mn CHF

Strong financial base re-established

STANDARD & POOR'S

Moodys.com

- Independent confirmation of Clariant's solid finances
- "BBB" and "Baa2" investment grade ratings by Standard & Poor's and Moody's Investors Service with stable outlook
- Investment grade achieved
- Enhances the company's high level of transparency with investors

The Way Forward

Jan Secher, CEO-designate

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Key Factors
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Clariant - The Way Forward

- Strong commitment at all levels to the Transformation Program
- Culturally Clariant is clearly becoming one
- Portfolio and product mix is well-positioned for growth
- We’re half-way through – a lot more will be delivered
- Shifting to continuous improvement processes, away from one-time program

Complete buy-in to the transformation process

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Clariant - The Way Forward

- Very optimistic about long-term potential
- Strategy is right, people are excellent, priority on execution
- Further scope to reduce organizational complexity
- Sharpen focus on key changes to release additional energy
- Shift to “front-end” driven organization
  - Strengthen marketing capabilities
  - Increase customer orientation
- Opportunities to further develop value-added services

A strong company with a great future

Key Factors
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Clariant's financial targets

- Group targets defined by Return on Invested Capital
- Every business must earn *at least* cost of capital
- Target of *at least* 20% above cost of capital for the Group
- Targets to be achieved by improving asset management and EBIT performance
- Senior managers held fully accountable on targets

Long-term shareholder value is key driver

Outlook
Roland Lösser, CEO

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Key Factors
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Outlook for 2006

- Good sales growth in local currency terms above last year*
- No further negative effects from raw material costs expected
- Total cost base reduction of approx. CHF 250 million expected
- EBIT before exceptional items* improvement of at least CHF 120 million
- Tax rate approximately 30%
- Excellent growth in net income*

2006 – Higher profitability

*on a comparable basis

Calendar of upcoming corporate events

April 7, 2006	Annual General Meeting
May 9, 2006	First Quarter 2006 Results
August 2, 2006	First Half 2006 Results
November 7, 2006	Nine Month 2006 Results
February 20, 2007	Full Year 2006 Results

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Your Investor Relations contacts

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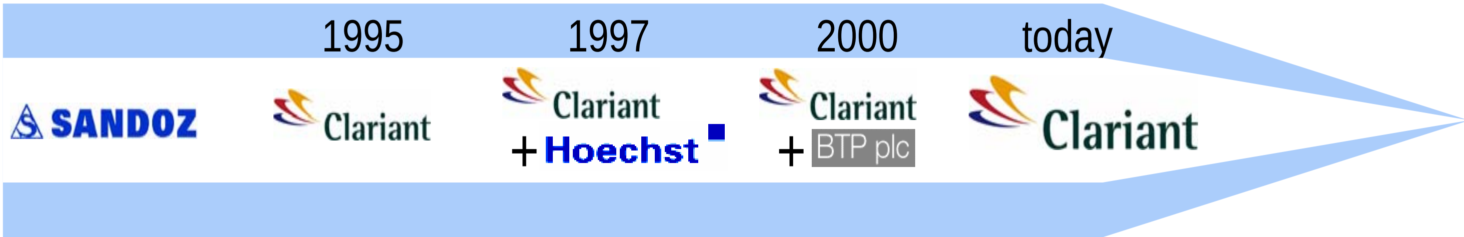
Backup Information

Group & Strategy

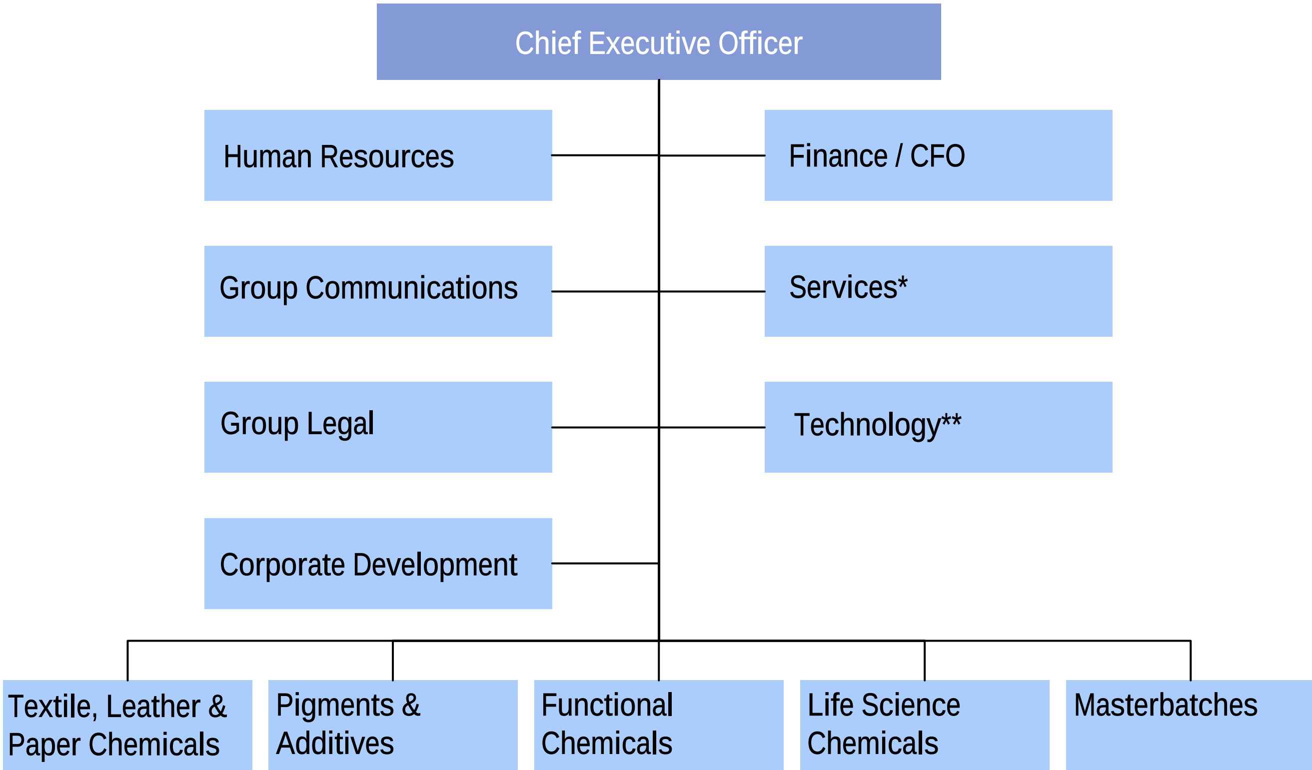
Business

History of Clariant



- IPO in the summer of 1995 out of the Sandoz Chemicals Division
- Integration of the Hoechst specialty chemicals business in the summer of 1997
- Acquisition of BTP plc in summer of 2000 to expand the Life Science business
- 2003: new management initiates new strategy and Transformation Program

Clariant organization



*SERVICES: Production Services, Supply Chain Management, Sourcing, ESHA, IT, International Coordination
**TECHNOLOGY: Intellectual Property, Innovation & Knowledge Management, New Business Development

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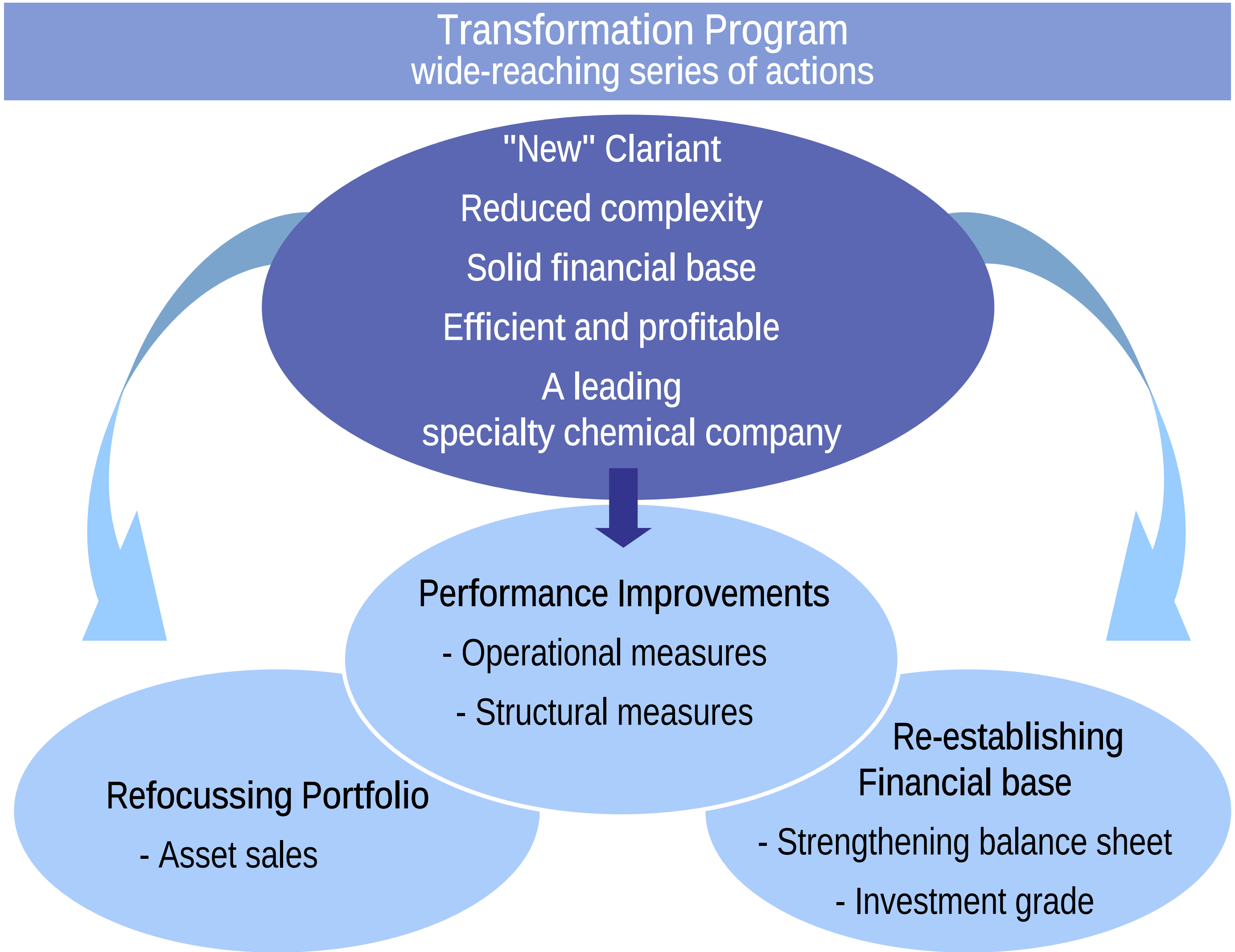
The Way Forward – our transformation continues



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Group & Strategy

Business

The Way Forward – refocusing portfolio

Clariant portfolio	% of Sales	Market attractiveness	Competitive position	Clariant strategy
Service-driven businesses	70%	High	Strong	Expand
Technology-driven / niche businesses	10%	High but volatile	Strong in certain areas	Selectively develop
Cost-driven businesses	20%	Low	Weak to Medium	Restructure

Divisional sales and margins – Fourth Quarter 2005 *(continuing operations*)*

Backup Information

Group & Strategy

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4th Quarter 2005 in mn CHF	2005 Sales	Change 2005 vs 2004 LC in %	EBITDA Margin in %** 2005	EBITDA Margin in %** 2004
Textile, Leather & Paper Chemicals	571	0	11.4	9.0
Pigments & Additives	456	+3	9.4	11.4
Masterbatches	278	+3	10.1	9.4
Functional Chemicals	570	+6	13.7	14.8
Life Science Chemicals	212	-22	3.8	16.2
Total continuing operations	2,087	-1	7.7	9.6

* Continuing Operations: 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.

** EBITDA margins before exceptional items

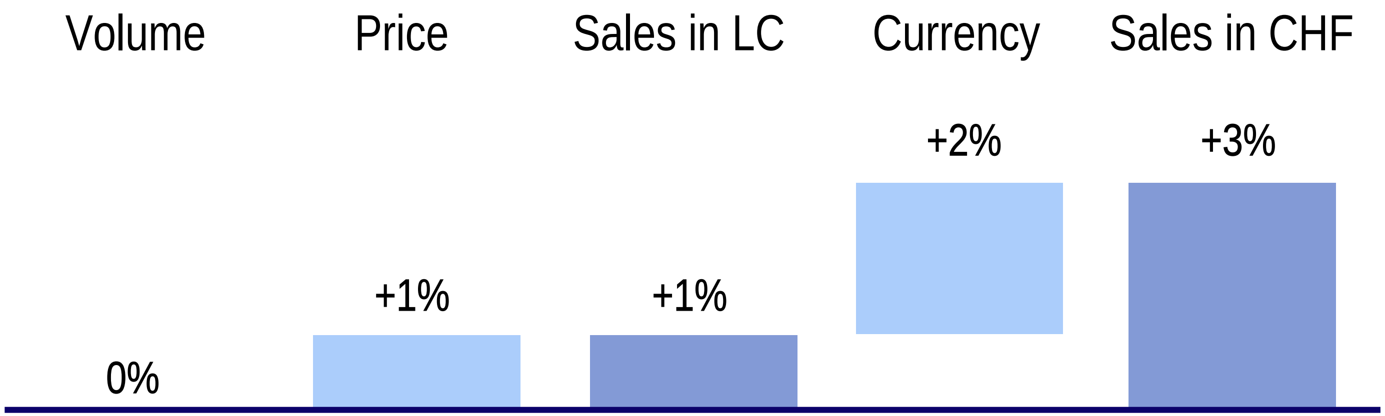
Growth with flat volume and higher prices

Backup Information

Group & Strategy

Business

Full Year 2005 versus Full Year 2004, like-for-like*



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Backup Information

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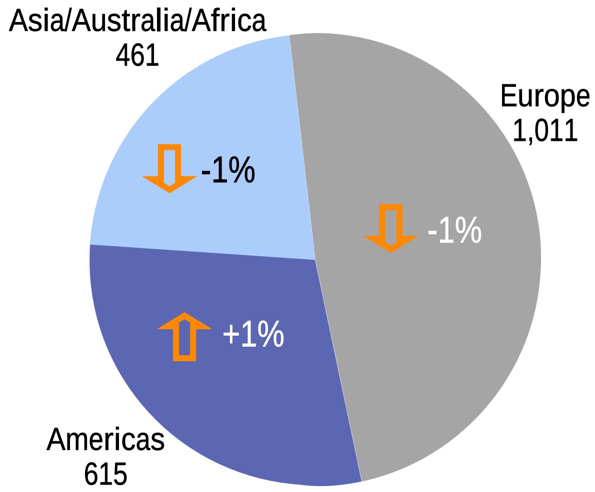
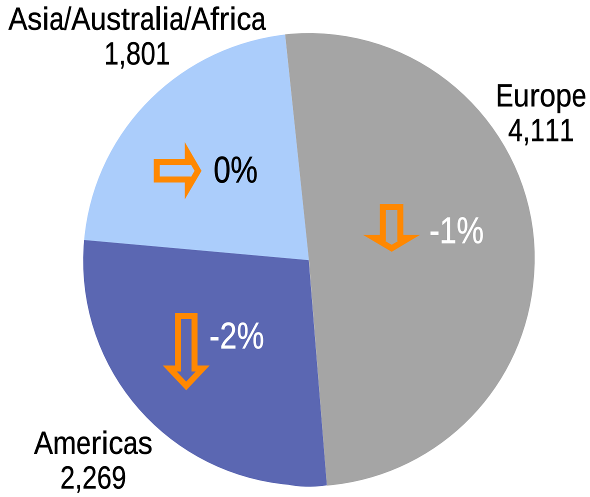
Regional sales in Full Year 2005

4th Quarter 2005



Sales: 2,087

Full Year 2005



Sales: 8,181

Sales in CHF mn, continuing operations*
Changes in LC ⇧

* Continuing Operations: 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.

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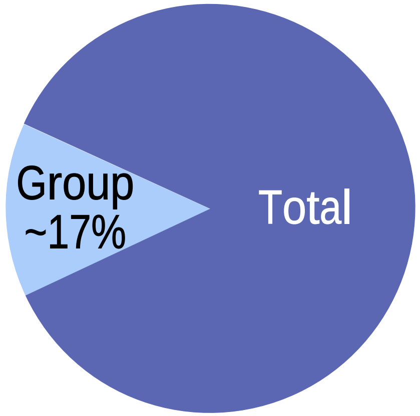
Top 5 products in percentage of total raw material costs

Ranking	Product
1	Ethylene & -Oxide
2	Vinylacetate
3	Polyethylene
4	Titanium Dioxide
5	Acrylates

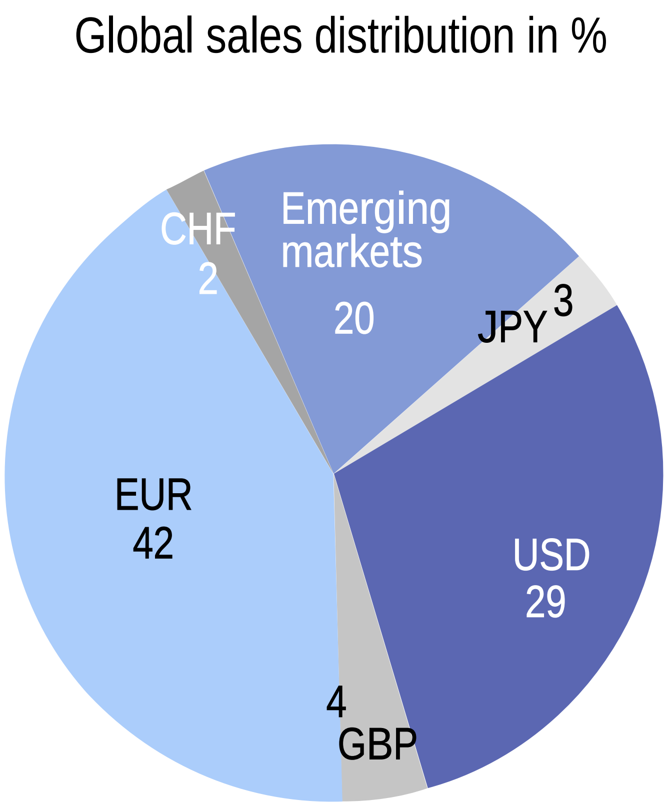


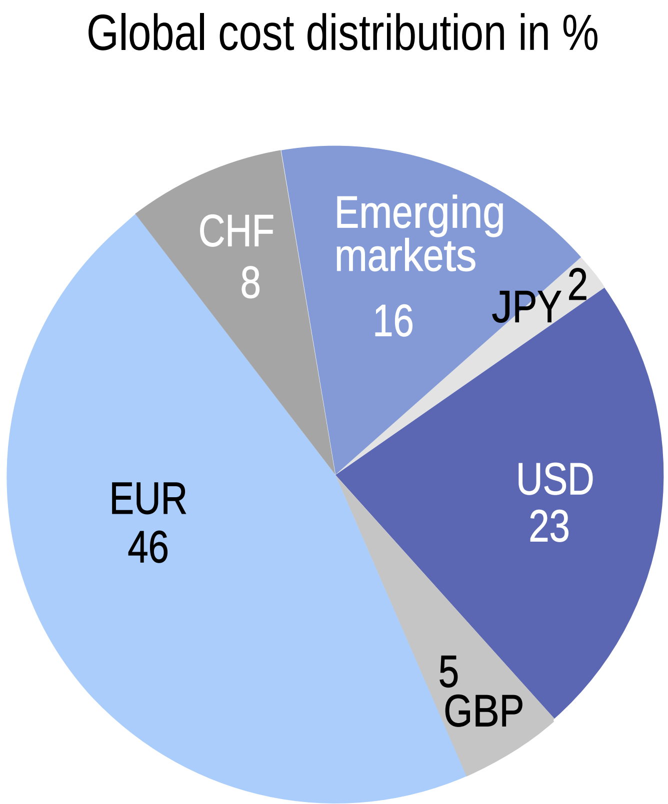
Backup Information

Group & Strategy

Business

Sales and cost structure – Full Year 2005





in mn CHF

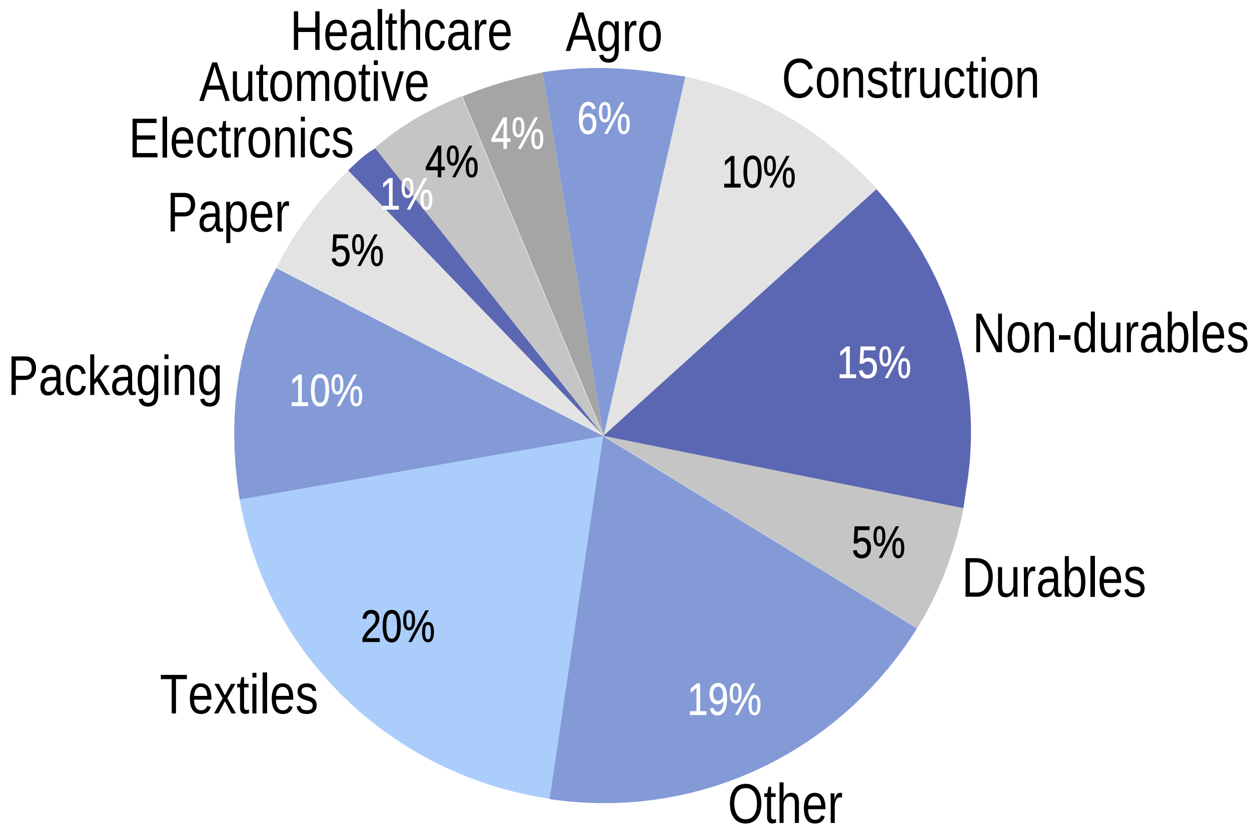
These distributions represent an approximation to total cash in- and outflows and are closely linked to transaction exposures.

Backup Information

Group & Strategy

Business

*Divisional sales Full Year 2005 in end-user markets**



* Continuing Operations: 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.