

Clariant – The Way Forward

Nine Month Results

Conference Call – November 7, 2006



Exactly your chemistry.



Exactly your chemistry.

Content

Key Factors – Nine Month Results 2006

Financial Review

Business Review

Outlook

Nine Months 2006 – Key factors

- Strong demand boosts organic growth by 5%
- Selling prices stable across most businesses, with positive momentum in Q3
- Gross margin increased to 31.2%
- Raw material (+2%) and energy costs (+15%) still at high levels
- Progress in Supply Chain Management
- EBIT margin before exceptionals rises year-on-year to 7.5%
- Operating cash flow stabilizing, but lagging behind last year
- Custom Manufacturing (CM) to be sold
- One-time charges recorded in CM and Leather, totalling CHF 179 million

Good business performance overall, with positive momentum in Third Quarter

* before exceptionals, continuing operations



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Third Quarter 2006 – Business achievements

- Functional Chemicals achieved strong growth, supported by strong volumes and higher selling prices
- Masterbatches continued to build on strong First Half, with robust growth in packaging and consumer goods
- High performance applications and special additives boosted margins in Pigments & Additives
- Paper & Leather performed well. Positive momentum in optical brighteners continued. Challenging environment in the U.S. weighed on Textile Business
- Custom Manufacturing declined further due to the depressed agrochemical environment

➡ Strong performance across most businesses

➡ Stable pricing trend benefits most divisions

Specialty Fine Chemicals Review

- All options studied with view to maximizing value
- Custom Manufacturing (CM) to be sold
- Impairment charge of CHF 79 million taken for CM
- Speciality Intermediates Business (Silicone and glyoxylic acid-derivative products) has good long-term prospects:
 - Unique technology
 - Strong market position
 - Good growth potential in fast growing market such as China
- Speciality Intermediates to be integrated into Functional Chemicals, creating synergies

Enables sharper focus on core strengths

Impairment in Leather Business

- Reassessment of medium-term growth prospects carried out
- Goodwill written down by CHF 100 million due to over-valuation
- Positive trend continued in Third Quarter
- Strongest growth in wet-end chemicals and dyes; finishing products stable
- Sales in Europe well above last year's level
- Sales expansion in South America and Asia especially encouraging
- Stable pricing in a highly competitive market

Business performance of Leather is satisfactory



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- Key Factors
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- Financial Review**
- Business Review
- Outlook

Nine Months 2006 – Key financial group figures

| | Nine Months | | | |
|---|---------------|-------------------|---------------|-------------------|
| | 2006 | | 2005** | |
| | <i>CHF mn</i> | <i>% of sales</i> | <i>CHF mn</i> | <i>% of sales</i> |
| Continuing operations: | | | | |
| Sales | 6,090 | 100% | 5,770 | 100% |
| Local currency growth (LC) | +3% | | | |
| - Organic growth | +5% | | | |
| - Acquisitions/Divestitures* | -2% | | | |
| Currencies | +3% | | | |
| Gross profit | 1,901 | 31.2% | 1,779 | 30.8% |
| EBITDA before exceptionals | 653 | 10.7% | 624 | 10.8% |
| EBITDA | 616 | 10.1% | 554 | 9.6% |
| Operating income before exceptionals | 458 | 7.5% | 428 | 7.4% |
| Operating income | 273 | 4.5% | 343 | 5.9% |
| Net income/loss from continuing operations | 108 | 1.8% | 246 | 4.3% |
| Operating cash flow (total operations) | 141 | | 195 | |
| Discontinued operations | | | | |
| Sales | 270 | | 324 | |
| Net loss from discontinued operations | -185 | 68.5% | -24 | 7.4% |

* Divestments included Clariant Acetyl Building Blocks, Germany, of the Life Science Chemicals Division, sold July 2005
 ** 2005 is restated to exclude the discontinued operations of the Pharmaceutical Fine Chemical Business, sold in June 2006, and to also exclude the Custom Manufacturing Business



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Third Quarter 2006 – Key financial group figures

| | Third Quarter | | | |
|---|---------------|-------------------|---------------|-------------------|
| | 2006 | | 2005** | |
| | <i>CHF mn</i> | <i>% of sales</i> | <i>CHF mn</i> | <i>% of sales</i> |
| Continuing operations: | | | | |
| Sales | 2,009 | 100% | 1,906 | 100% |
| Local currency growth (LC) | +6% | | | |
| - Organic growth | +7% | | | |
| - Acquisitions/Divestitures* | -1% | | | |
| Currencies | -1% | | | |
| Gross profit | 616 | 30.7% | 570 | 29.9% |
| EBITDA before exceptionals | 227 | 11.3% | 214 | 11.2% |
| EBITDA | 219 | 10.9% | 190 | 10.0% |
| Operating income before exceptionals | 160 | 8.0% | 149 | 7.8% |
| Operating income | 48 | 2.4% | 123 | 6.5% |
| Net income from continuing operations | -14 | 0.7% | 110 | 5.8% |
| Operating cash flow (total operations) | 88 | | 223 | |
| Discontinued operations | | | | |
| Sales | 44 | | 101 | |
| Net loss from discontinued operations | -78 | - | -34 | 33.7% |

* Divestments included Clariant Acetyl Building Blocks, Germany, of the Life Science Chemicals Division, sold July 2005

** 2005 is restated to exclude the discontinued operations of the Pharmaceutical Fine Chemical Business, sold in June 2006, and to also exclude the Custom Manufacturing Business



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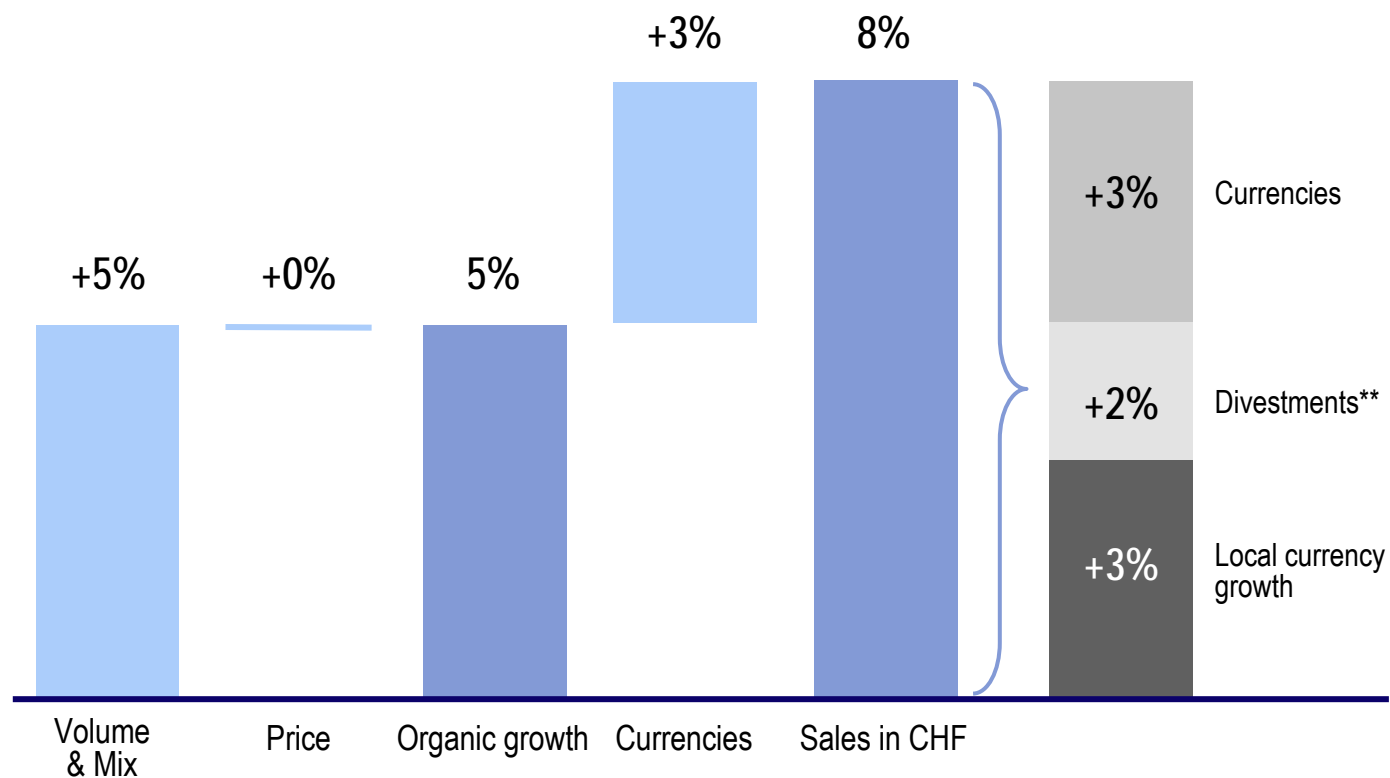
Outlook

Nine Months 2006

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Sales growth driven by strong volume

Nine Months 2006 versus Nine Months 2005*

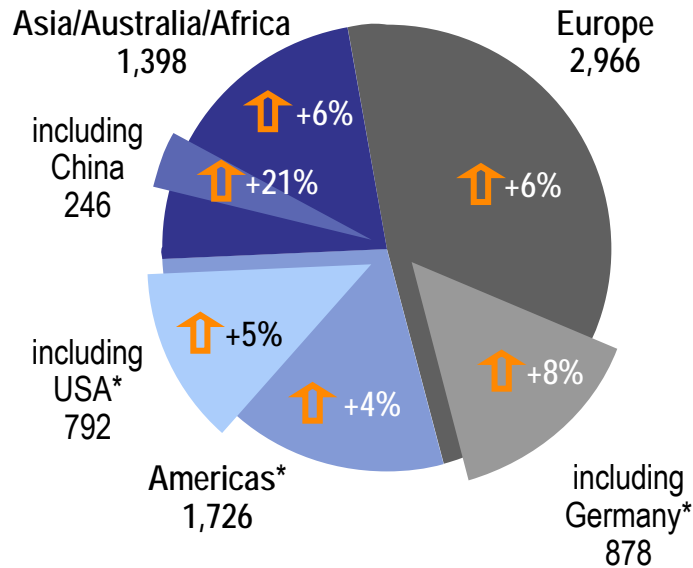


* Continued operations

**Divestments included Clariant Acetyl Building Blocks, Germany, of the Life Science Chemicals Division, sold July 2005

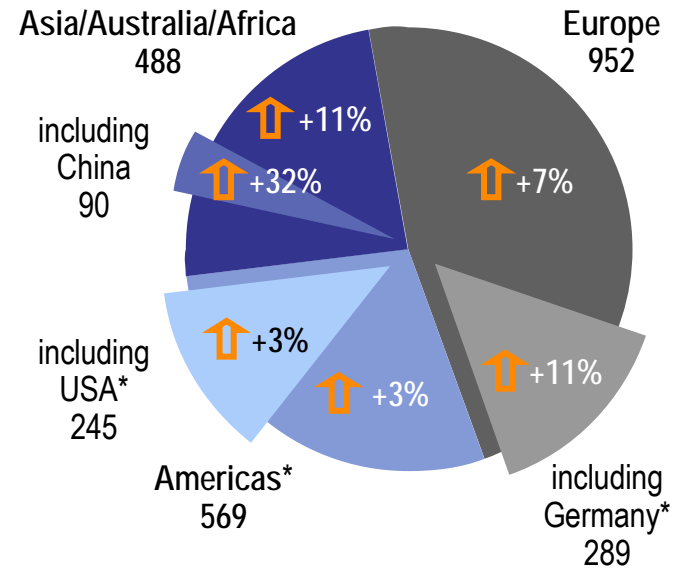
Regional sales Nine Months 2006

Nine Months 2006



Total Sales: 6,090 ↑ +5%

Third Quarter 2006



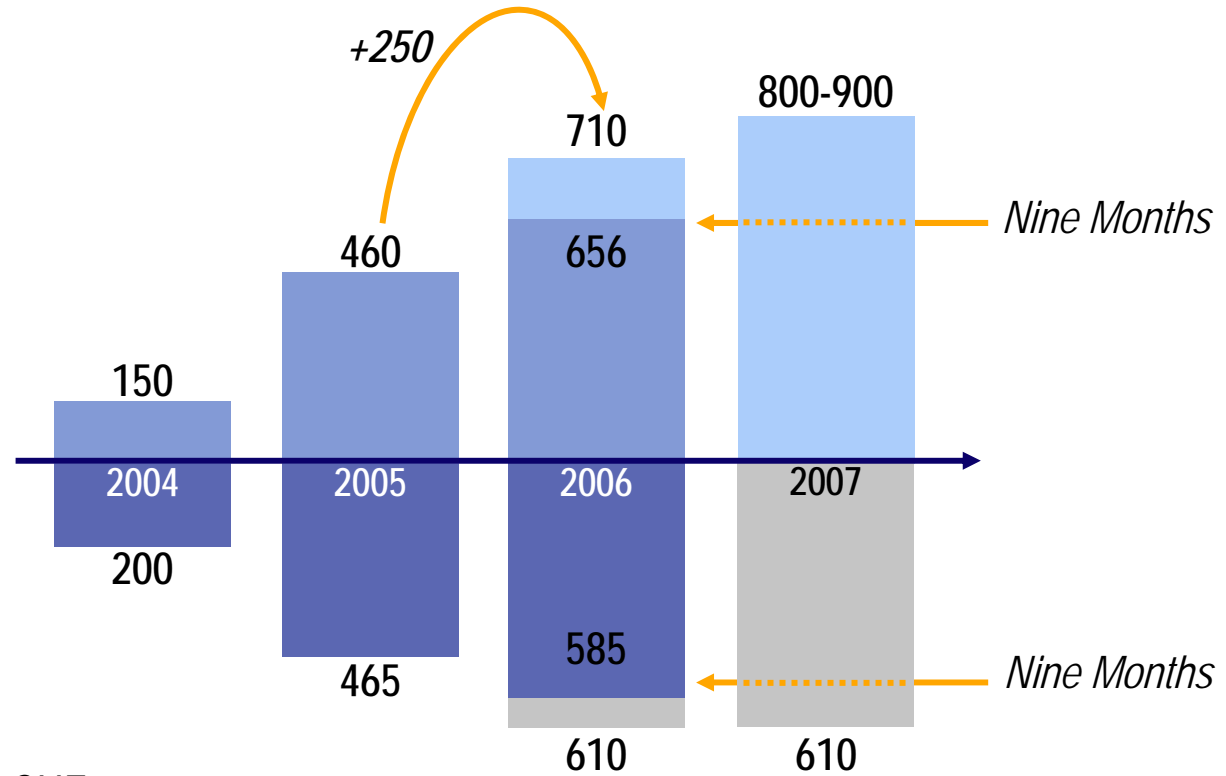
Total Sales: 2,009 ↑ +7%

Sales in CHF mn, ↑ Organic growth in %

* excluding divestments of Clariant Acetyl Building Blocks (Germany) of the Life Science Chemicals Division, sold July 2005

Performance improvements to deliver

EBIT impact of measures*



in mn CHF

- performance improvement measures
- performance improvement costs, restructuring costs, other CPIP costs

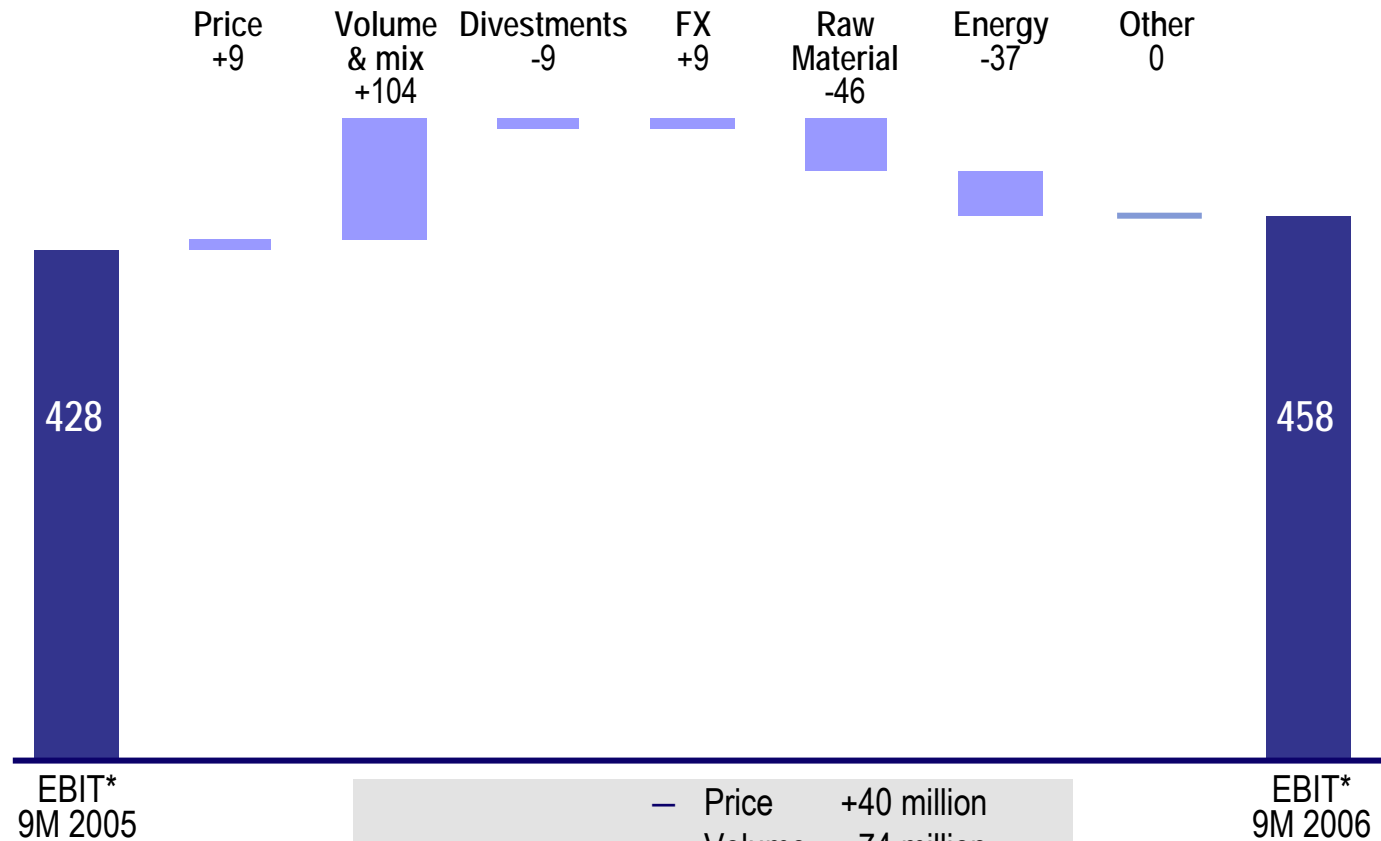
* before price erosion, FX, raw material impact and others, all figures cumulative



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Key drivers of operating income before exceptionals in Nine Months 2006



CPIP benefits on:

- Price +40 million
- Volume +74 million
- Raw Mat. +21 million
- Other +61 million

in CHF mn
* Continuing operations

Financial result Nine Months 2006

| | Nine Months | |
|-------------------------------------|-----------------------|------------------------|
| | 2006 <i>CHF mn</i> | 2005* <i>CHF mn</i> |
| Interest expense | -86 | -104 |
| Other financial expenses | -15 | -22 |
| Financial income | +26 | +36 |
| Currency result, net | -5 | +44 |
| Other financial income and expenses | +6 | +58 |
| Total financial result | -80 | -46 |

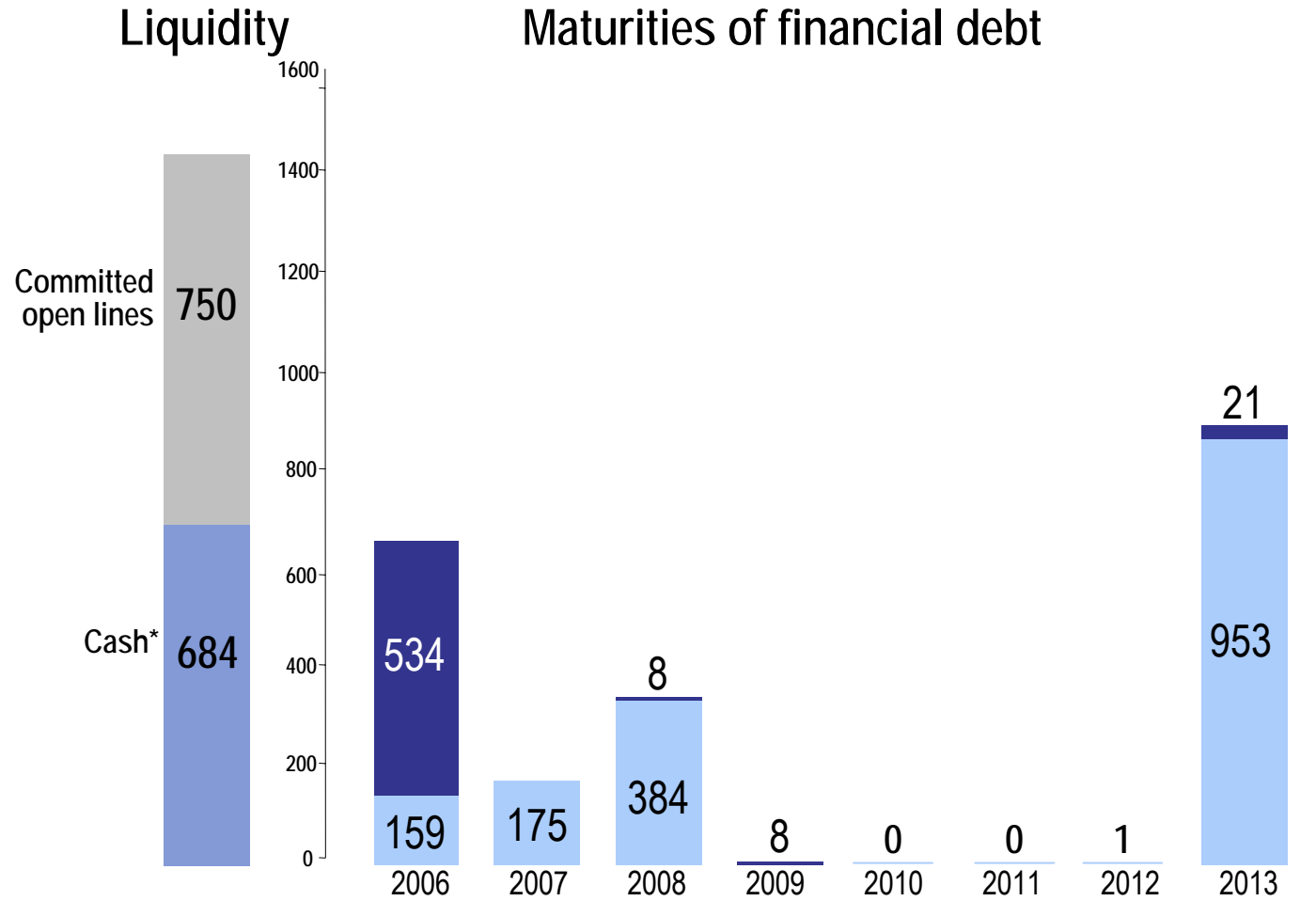
- Lower interest charges
- Negative currency result

Cash flow Nine Months 2006

| | Nine Months | |
|--|-----------------------|-----------------------|
| | 2006 <i>CHF mn</i> | 2005 <i>CHF mn</i> |
| Net result | -77 | 222 |
| Depreciation & amortization | 434 | 226 |
| Other | 124 | -95 |
| Operating cash flow before working capital | 481 | 353 |
| Change in working capital | -340 | -158 |
| Operating cash flow | 141 | 195 |
| Capital expenditure | -260 | -243 |
| Acquisitions, disposals and other | 102 | 79 |
| Cash flow before financing | -17 | 31 |

- Improving operating cash flow before working capital
- Net working capital still at high level due to introduction of new supply chain system - stabilization occurred in the Third Quarter

Debt maturity profile on Sep 30, 2006



in CHF mn

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

■ maturities ■ uncommitted & other loans**

Divisional sales and margins – Third Quarter 2006

| | Third Quarter | | | | |
|------------------------------------|---------------|-------------------------------|-----------|----------------------|-------------|
| | CHF mn | Sales % Organic Growth* | % LC | EBITDA Margin in %** | |
| | | | | 2006 | 2005*** |
| Textile, Leather & Paper Chemicals | 578 | +4 | +4 | 10.7 | 12.1 |
| Pigments & Additives | 498 | +7 | +7 | 15.9 | 14.7 |
| Masterbatches | 315 | +7 | +7 | 12.7 | 10.8 |
| Functional Chemicals | 550 | +13 | +13 | 12.7 | 11.1 |
| Life Science Chemicals | 68 | -9 | -29 | 10.3 | 5.3 |
| Total Group | 2,009 | +7 | +6 | 11.3 | 11.2 |

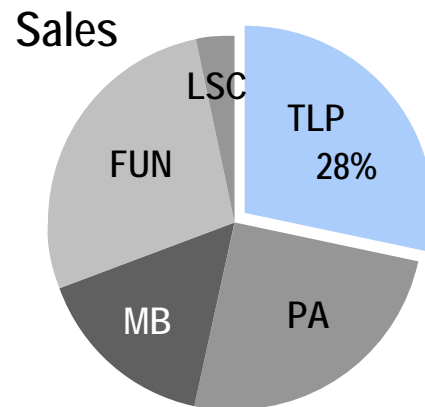
* Divestments included Clariant Acetyl Building Blocks, Germany, of the Life Science Chemicals Division, sold July 2005

** EBITDA-Margin before exceptionals

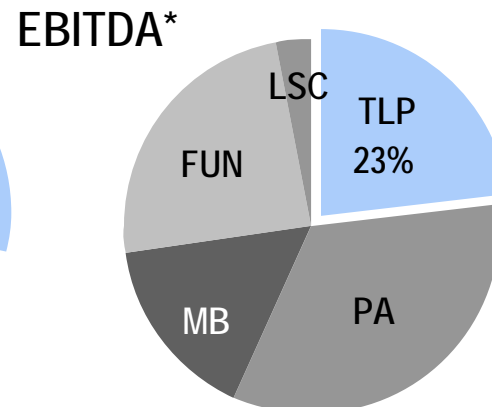
*** 2005 is restated to exclude the discontinued operations of the Pharmaceutical Fine Chemical Business, sold in June 2006, and to also exclude Custom Manufacturing Business

Textile, Leather & Paper Chemicals

- Performance driven by solid volume growth
- Challenging environment for textiles in North America and South-east Asia weighed on Textile business
- Paper showed continued improvement trend; stable pricing
- Leather met satisfactory demand



Nine Months 2006

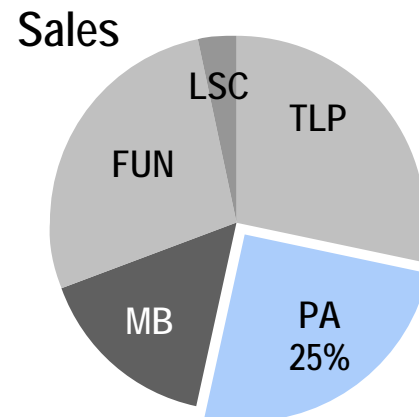


* before exceptionals

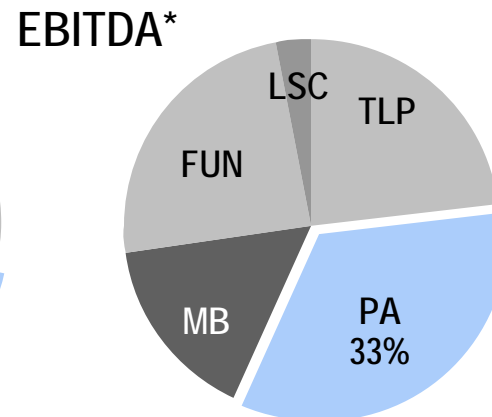


Pigments & Additives

- Coating, Plastics and Specialties continued their strong performance
- Margins supported by economies of scale and efficiency improvements
- Printing ink pigments remained resilient
- Increased demand for innovative flame retardant and wax products
- Pigment JV in China on-stream; further co-operation in Asia expected



Nine Months 2006



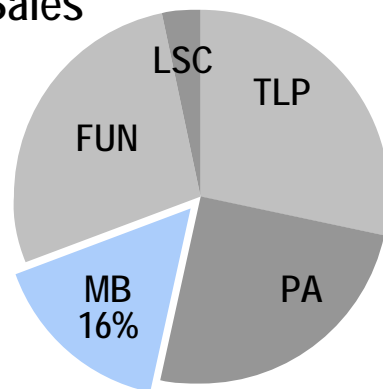
* before exceptionals



Masterbatches

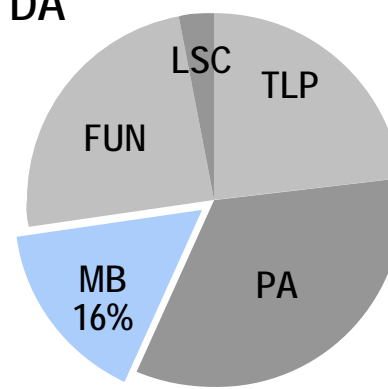
- Continued growth momentum in the Third Quarter
- Price increases more than offset rising raw material costs
- Continued focus on market segments with high differentiation potential such as packaging and consumer goods
- Acquisition of Ciba masterbatches business to strengthen global market leadership, in France, Saudi Arabia and Malaysia

Sales



Nine Months 2006

EBITDA*

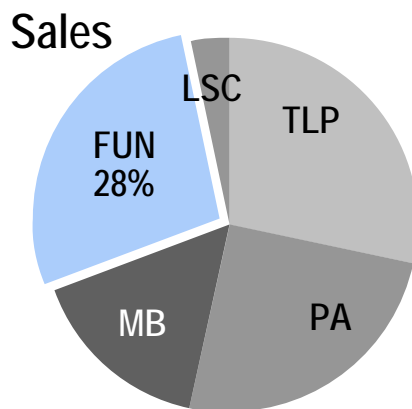


* before exceptionals

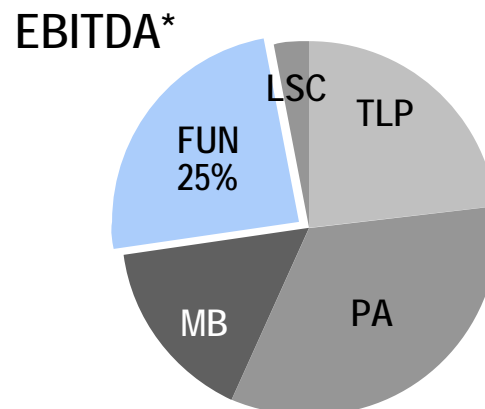


Functional Chemicals

- Increased demand in several businesses, notably Oil Service, Construction Chemical and Personal Care products
- Strong quarter for Detergents compensated for a weak First Half
- Margins strengthened by volume growth and higher prices; despite sharp increase in raw material costs
- Production unit in Mexico upgraded to accommodate demand in construction industry



Nine Months 2006

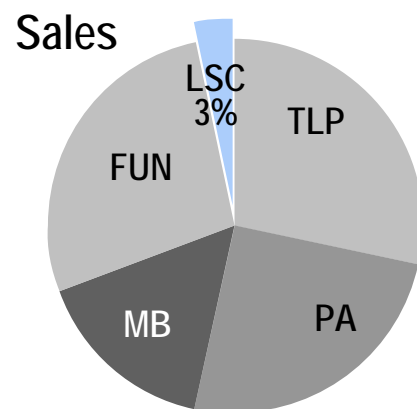


* before exceptionals

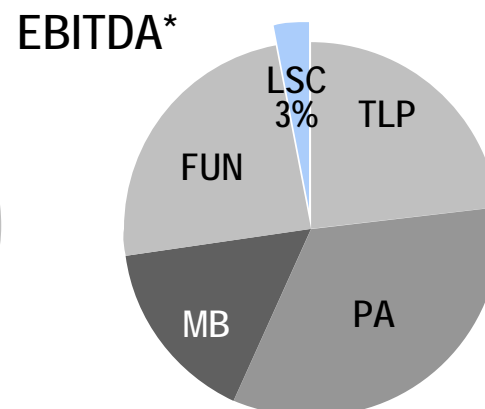


Life Science Chemicals

- Business environment remained competitive
- Silicone, Glyoxal and Glyoxylic acid derivative products were weaker
- Deterioration of Custom Manufacturing business accelerated in the Third Quarter amid depressed agrochemical environment



Nine Months 2006



* before exceptionals, continuing operations





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Outlook for 2006

- Robust sales growth in local currency terms above last year
- Raw material and energy prices to remain at high levels
- EBIT before exceptionals from continuing operations of approximately CHF 575 million for Full Year
- Results of strategic and operational reviews to be announced on November 14, 2006

Core businesses delivering improvements



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Calendar of upcoming corporate events

| | |
|----------------------|-----------------------------------|
| November 14-15, 2006 | "Clariant meets Investors," Basel |
| November 30, 2006 | Merrill Lynch Conference, London |
| January 18-20, 2007 | UBS Conference, Gstaad |
| February 20, 2007 | Full Year 2006 Results |
| April 2, 2007 | Annual General Meeting, Basel |
| May 8, 2007 | First Quarter 2007 Results |
| August 2, 2007 | Half Year 2007 Results |

Your Investor Relations contacts



Dr. Holger Schimanke
Head Investor Relations

Phone
Mobile
email

+41 (0) 61 469 67 45
+41 (0) 79 343 59 83

holger.schimanke@clariant.com



Fabian Hildbrand, CIIA
Investor Relations Officer

Phone
Mobile
email

+41 (0) 61 469 67 49
+41 (0) 79 763 93 80

fabian.hildbrand@clariant.com



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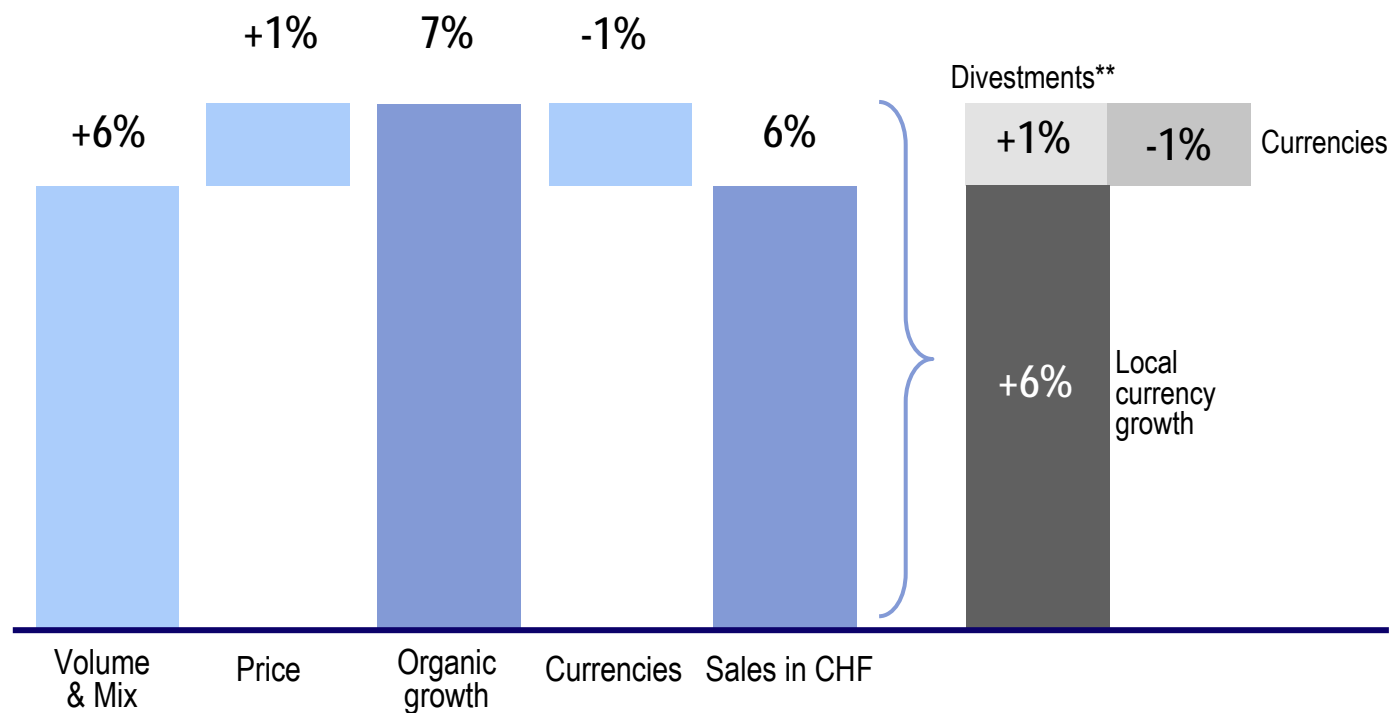
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High growth momentum in Third Quarter 2006

Third Quarter 2006 versus Third Quarter 2005*



* Continued operations

**Divestments included Clariant Acetyl Building Blocks, Germany, of the Life Science Chemicals Division, sold July 2005

Divisional sales and margins – Nine Months 2006

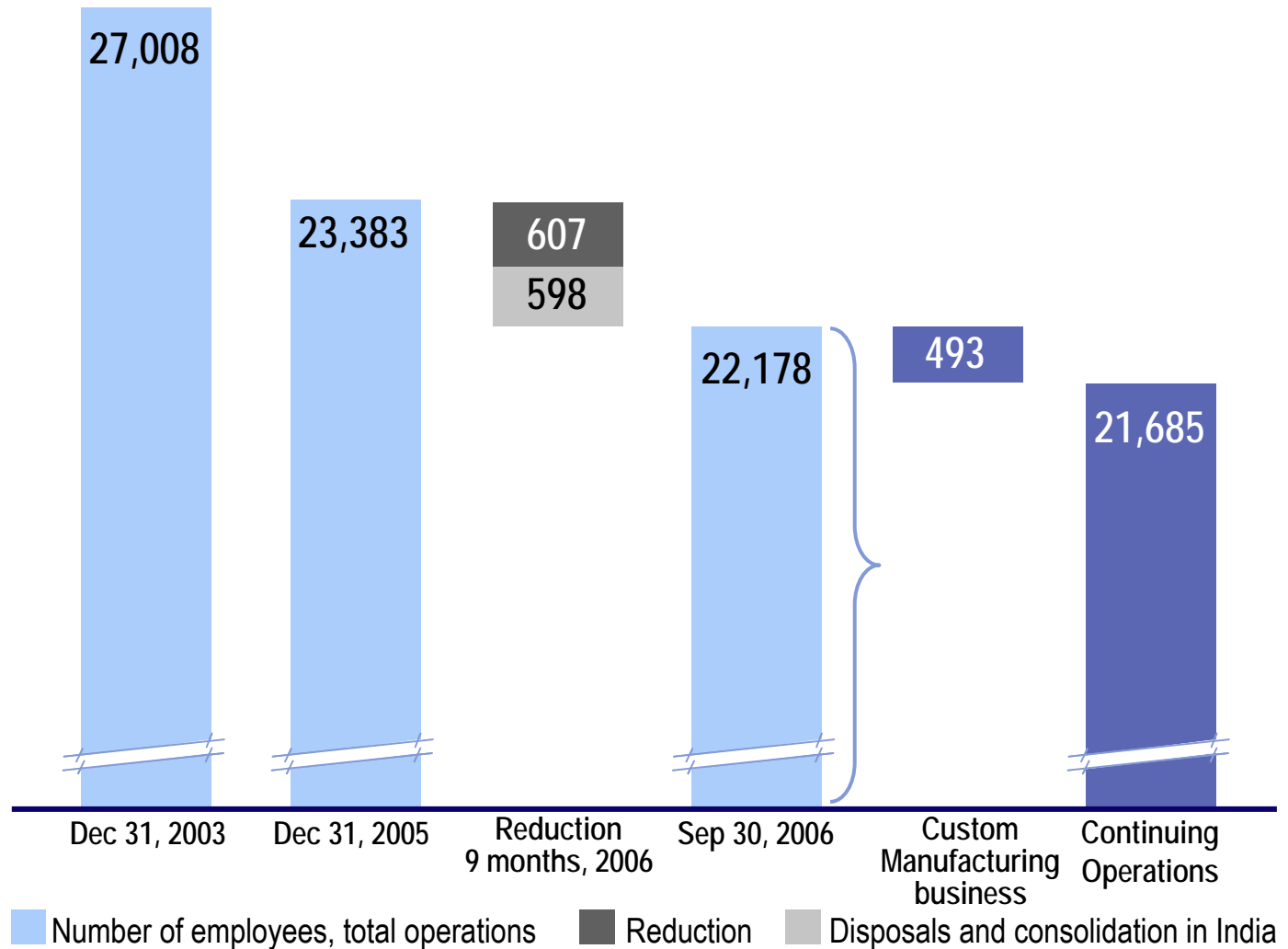
| | Nine Months | | | | |
|------------------------------------|--------------|-------------------------------|-----------|----------------------|-------------|
| | CHF mn | Sales % Organic Growth* | % LC | EBITDA Margin in %** | |
| | | | | 2006 | 2005*** |
| Textile, Leather & Paper Chemicals | 1,733 | +4 | +4 | 10.1 | 11.0 |
| Pigments & Additives | 1,514 | +5 | +5 | 16.6 | 14.2 |
| Masterbatches | 958 | +8 | +8 | 12.5 | 10.4 |
| Functional Chemicals | 1,677 | +8 | +8 | 11.0 | 12.0 |
| Life Science Chemicals | 208 | -11 | -42 | 11.1 | 9.2 |
| Total Group | 6,090 | +5 | +3 | 10.7 | 10.8 |

* Divestments included Clariant Acetyl Building Blocks, Germany, of the Life Science Chemicals Division, sold July 2005

** EBITDA-Margin before exceptionals

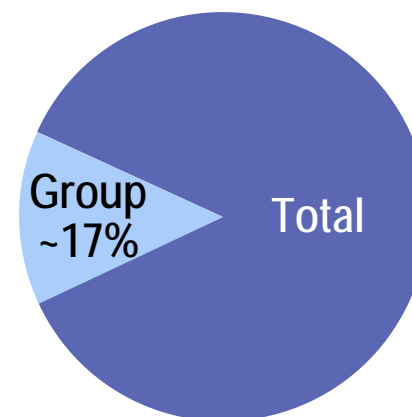
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Personnel reduction



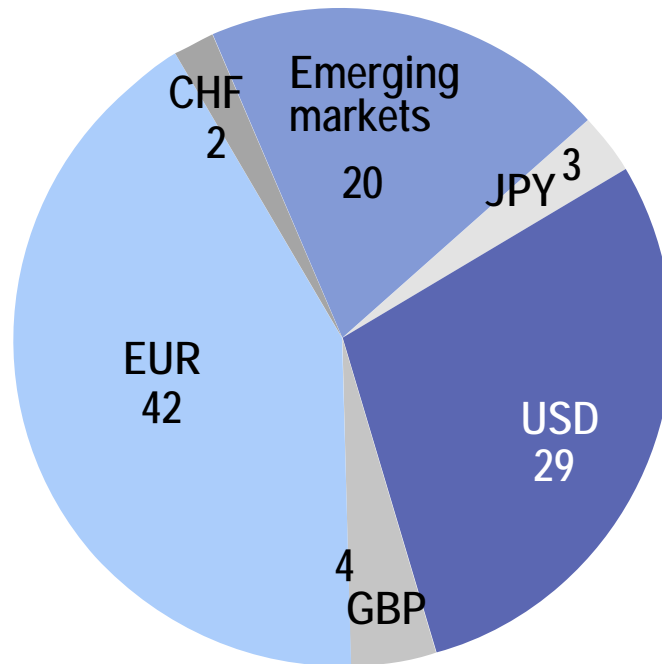
Top 5 products in percentage of total raw material costs

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

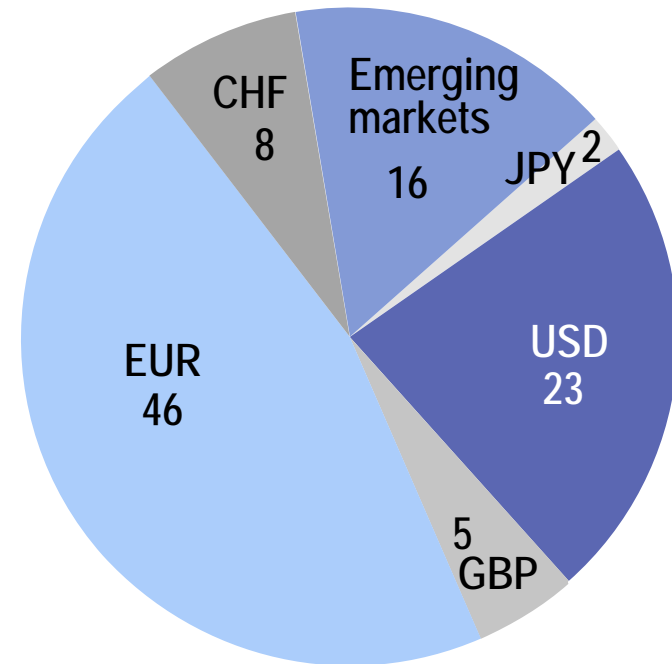


Sales and cost structure – Full Year 2005

Global sales distribution in %



Global cost distribution in %



in CHF mn

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

Divisional sales Full Year 2005 in end-user markets

