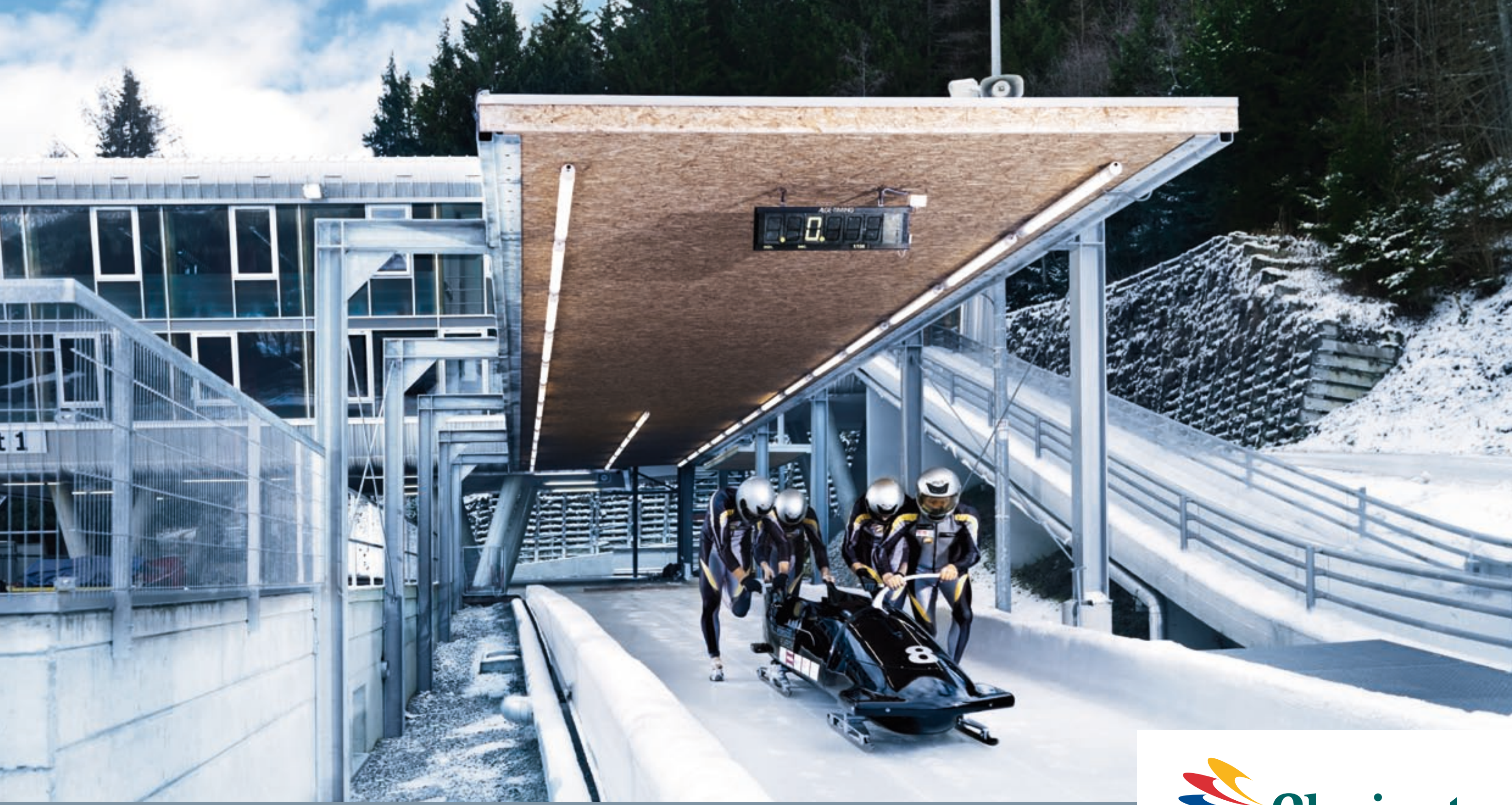

Clariant

Exactly your chemistry.

Quarterly Report
April 30, 2008

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www.clariant.com

Clariant International Ltd
Rothausstrasse 61
CH-4132 Muttenz 1, Switzerland

CLARIANT REPORTS IMPROVED OPERATING MARGIN IN THE FIRST QUARTER 2008

› **Sales up 3% in local currency and down 2% in CHF due to currency effects**

› **Price increases of 4% fully compensate for a 9% increase in raw material costs**

› **Operating margin before exceptionals rises to 7.9% from 7.1% in Q1/2007**

› **Cash Flow from operations of CHF -6 million due to seasonal effects**

› **Full Year outlook unchanged**

CEO Jan Secher commented:

"The measures we have initiated to improve operational performance have started to show a positive impact. In particular our focus on increased pricing and strict cost control has contributed to the improved operating margin. While our top line growth in local currency has been satisfying in the first quarter, we closely follow the economy and are prepared to take further actions if changes should occur. Against this backdrop we stay committed to an improved operating margin and a continued strong cash flow from operations by the end of the year."

Key Financial Group Figures

				First Quarter
Continuing operations:		**2008**		2007
	CHF mn	% of sales	CHF mn	% of sales
Sales	2 112	100.0	2 156	100.0
Local currency growth (LC):	3%			
Organic growth [1]	*3%*			
Acquisitions/Divestitures	–			
Currencies	–5%			
Gross profit	645	30.5	671	31.1
EBITDA before exceptionals*	230	10.9	219	10.2
EBITDA*	207	9.8	210	9.7
Operating income before exceptionals*	167	7.9	152	7.1
Operating income	140	6.6	139	6.4
Net income from continuing operations	41	1.9	86	4.0
Operating cash flow (total operations)	–6		37	
Discontinued operations:				
Sales	–		46	
Net loss from discontinued operations	–		–2	
Other key figures:		**31.03.2008**		31.12.2007
Net debt	1 357		1 361	
Equity (including minorities)	2 249		2 372	
Gearing	60%		57%	
Number of employees	20 530		20 931	

[1] Throughout this statement the term "organic growth" is being used. It means volume and price effects excluding the impacts of changes in FX rates and acquisitions/divestitures.

* See Definitions of Terms of Financial Measurement on page 9.

Muttenz, April 30, 2008 – Clariant, a world leader in specialty chemicals, posted a 3% sales growth in local currency for the first quarter 2008. Adverse currency effects resulted in a negative sales growth of 2% in CHF. Total sales amounted to CHF 2.112 billion.

Clariant increased prices by 4% and was able to fully offset a 9% increase in raw material costs. The gross margin declined slightly to 30.5% from 31.1% in the strong first quarter of 2007. Compared to the full year 2007 the gross margin improved 1.3 percentage points. The gross margin year-on-year has improved for three quarters in a row despite a steep increase of raw material costs in the same period.

Clariant reduced the number of jobs by 400 in the first quarter as part of the ongoing restructuring measures. Sales, General and Administration (SG&A) costs declined to 20.7% from 21.8% in the first quarter of 2007.

The operating margin before exceptionals improved to 7.9% from last year's 7.1%. This translates into an increased operating income before exceptionals of CHF 167 million compared to CHF 152 in the first quarter of 2007. The net income from continuing operations declined to CHF 41 million from CHF 86 million as a result of higher restructuring costs and unfavorable currency effects. In the first quarter foreign exchange effects had a negative impact on the operating income of CHF 36 million and another CHF 44 million on the net result.

Cash flow from operations declined to CHF -6 million from CHF 37 million in the previous year as inventories have been built up before Easter holiday and trade payables have been reduced.

Improved pricing across the divisions

All four divisions achieved higher prices in the first quarter as a result of the company's focus on price increases and the corresponding measures that have been initiated in the previous year. Following Clariant's price over volume approach, the divisions have tackled customers with unsatisfying profitability by price increases, utilization of alternative low cost distribution channels or giving up on unprofitable business. These measures had a slightly negative effect on volumes but without having materially impacted capacity utilization.

Outlook for 2008 unchanged

Against a backdrop of an increasingly uncertain global macro-economic outlook, Clariant's focus during the remainder of the year will be on the continuing implementation of price increases and cost leadership which will help offset expected further increases in raw material and energy costs.

With the benefits of the operational performance improvements already underway, Clariant expects an improved operating margin before exceptional items and continuing strong cash flow from operations in 2008.

Going forward, the company will focus on businesses where it will be able to leverage strong market positions in attractive markets, and thus proactively manage its portfolio.

FINANCIAL REVIEW
FINANCIAL DISCUSSION FIRST QUARTER

Economic Environment

Since the second quarter of 2007 there have been signs of an economic slowdown in the United States. In Europe economic growth is stable but with pronounced regional growth patterns. While Germany held up well, the economies of some Southern European countries are showing signs of lower growth rates. Brazil, Russia, India and China are also affected by the slowdown of the US economy, but their GDP growth rates are still high. While exports are weakening, domestic demand in these countries remains strong.

Raw material prices continue to rise, fuelled by a strong demand in the emerging markets and a growing interest for financial investments into commodities. Prices for crude oil and many other commodities are reaching record levels.

The ongoing weakness of the USD influenced the overall currency pattern. Compared to the average exchange rate of the first quarter 2007, Euro, Japanese Yen and British Pound were weaker against the Swiss Franc.

Sales and Operating Results

Consolidated sales from continuing operations increased by 3% in local currency terms and decreased by 2% in Swiss Franc terms compared to the first quarter of the previous year. All divisions and businesses recorded price increases during this quarter.

The **gross margin** decreased to 30.5% in the quarter compared with 31.1% in the same period a year earlier. Price increases counterbalanced a 9% rise in raw material costs and higher energy costs. Unfavorable foreign exchange rate developments had a negative impact on the gross margin.

Marketing, distribution, administration, and general overhead costs accounted for 20.7% of sales in the first quarter of 2008 compared to 21.8% recorded in the first quarter of 2007. This reduction is the result of a consistent implementation of cost optimization efforts.

Research and development costs of CHF 47 million in the first quarter of 2008 is below the level recorded in the same quarter of the previous year (CHF 53 million).

Income from associates increased to CHF 6 million in the first quarter of 2008. This compares to CHF 5 million in the corresponding period of the previous year.

Restructuring costs and impairments in the amount of CHF 27 million include provisions for restructuring initiatives at the Headquarters in Switzerland. Further restructuring measures took place in USA, Spain, France, Australia and Germany.

Net financial expenses in the first quarter of 2008 increased to CHF -62 million, an increase of CHF 42 million compared with the prior-year period. This was entirely due to foreign exchange losses of CHF 44 million in the first quarter of 2008 compared with exchange rate gains of CHF 5 million in the previous year. The big swing in foreign currency is almost entirely due to the weakening of all major currencies against the CHF in the first quarter of 2008. This has led to substantial valuation differences of intra group financing positions; most of them are unrealized losses. The net interest result improved by CHF 7 million year-on-year despite higher interest rates globally. This improvement is attributable to an optimized mix of net debt position throughout the last two quarters in 2007 and the first quarter of 2008.

Tax expenses in the first quarter of 2008 were negatively influenced by a high proportion of profits being generated in high-tax countries, foreign exchange losses without tax effect and restructuring and impairment costs that were only partly tax effective.

Net income from continuing operations amounted to CHF 41 million in the first quarter of 2008. This compares with the income of CHF 86 million reported in the same period of 2007. The main reason for this variance lies in the negative foreign exchange result as well as in the higher restructuring and impairment costs recorded during the first quarter of 2008.

No activities were reported under **discontinued operations** during the first quarter of 2008.

Balance Sheet Key Figures

Total assets decreased to CHF 6.523 billion as of March 31, 2008, from CHF 7.285 billion at the end of 2007. In addition to the repayment of the CHF 384 million bond in March, the revaluation of the Swiss Franc against most other currencies has contributed to lower total assets.

Cash and cash equivalents decreased to CHF 197 million as of March 31, 2008, from CHF 509 million at the end of 2007. This was mainly the result of the CHF 384 million bond repayment. For the purpose of this repayment other current assets were also reduced by CHF 163 million to CHF 372 million from CHF 535 million as per the end of 2007.

Accordingly, **current financial debt** decreased to CHF 341 million as of March 31, 2008, from CHF 728 million at the end of 2007, whereas non-current financial debt decreased to CHF 1.213 billion as of March 31, 2008, from CHF 1.267 billion at the end of 2007. This was mostly the result of currency fluctuations.

Equity decreased to CHF 2.249 billion as of March 31, 2008, from CHF 2.372 billion at the end of 2007. This was due to the net profit of CHF 41 million incurred during the reporting period and the negative impact of the foreign exchange rate movements. In particular the Euro, the Brazilian Real and the British Pound contributed to this effect.

Net debt stood nearly unchanged at CHF 1.357 billion as of 31 March 2008 compared to CHF 1.361 billion at the end of 2007.

Gearing, which reflects net financial debt in relation to equity including minorities, increased to 60% as of 31 March 2008, from 57% at the end of 2007.

Cash Flow

Cash flow from operating activities before changes in working capital was CHF 192 million for the first quarter of 2008. This compares to CHF 191 million for the first quarter of the previous year.

Working capital increased by CHF 198 million during the first quarter of 2008, mainly driven by higher inventories and lower trade payables, but also by a substantial payment into the pension plan in the UK, which resulted in an increase of pension plan assets. This compares to an increase of CHF 154 million for the first quarter of the previous year.

Cash flow from operating activities was a negative CHF 6 million for the first quarter of 2008, compared to a positive CHF 37 million for the first quarter of 2007.

Capital expenditure (PPE) was CHF 47 million for the first quarter of 2008, compared to CHF 57 million for the first quarter of 2007.

Another important **investing activity** in 2008 was the expiry of fixed-term deposits of CHF 125 million, which IFRS require to be reported as an investing activity. The amount invested in these notes was subsequently used to repay part of a Swiss Franc bond in the amount of CHF 384 million that expired in March. The remainder of the repayment was made out of cash and cash equivalents.

BUSINESS DISCUSSION FIRST QUARTER

Textile, Leather & Paper Chemicals

	First Quarter					
	2008		2007		Change	
	CHF mn	% of sales	CHF mn	% of sales	% CHF	% LC
Sales	516		580		–11	–6
EBITDA before exceptionals	43	8.3	52	9.0	–17	–15
Operating income before exceptionals	27	5.2	34	5.9	–21	–19
Operating income	17	3.3	33	5.7	–48	–50

See Definitions of Terms of Financial Measurements on page 9.

Volumes and margins affected by structural weakness

Sales in the Textile, Leather & Paper division fell 6% in local currency terms and 11% in Swiss Francs. The performance of the division was impacted by difficult although different market environments for all three businesses. The main two patterns seen in the first quarter have been the volume decline in the Textile business and the strong increase in raw material costs for optical brighteners in the Paper business. Significant price increases were not sufficient to compensate for the lower volumes and higher raw material costs. As a result, the gross margin declined compared to the first quarter of 2007.

"Low cost focus" strategy implemented

To defend and ultimately improve profitability, the Textile, Leather & Paper division launched its low cost strategy. As a consequence of this new strategic direction, a revised organizational structure was introduced in late 2007 and is now fully operational. To focus on profitable customers, businesses and markets, the division continued to consistently implement price increases, product eliminations, cost structure optimization and a reduction of headcount. The closure of the Selby leather chemicals production plant in the UK is proceeding according to plan and will be completed by the end of 2008.

Textiles challenged by weaker demand

The Textile business was affected by weak demand in the US and in Europe – in particular in key markets like Italy, Spain and Turkey. Poor demand from the US consumer impacted the Textiles business in the Americas and in Asia. Customers in India and Turkey suffered from appreciating domestic currencies that negatively impacted their exports. On a positive note, sales in China developed well due to a strong domestic market. Indonesia, Bangladesh and Pakistan profited from the very high market dynamics in textile production, where producers move from one country to a lower production-cost country at a remarkable speed. Despite the challenging market situation the business realized exceptionally high price increases that fully compensated for the rise in raw material costs. The gross margin of the business was lower than in the first quarter 2007, but could be increased compared to the fourth quarter of last year.

Paper business pressured by raw material costs

Sales in the Paper Business Unit further declined after a high growth period that ended in the middle of last year. Whereas Europe held up well in terms of volumes, sales in North America and Asia declined strongly with different patterns on a country-by-country perspective. While Brazil and India saw strong growth, Argentina and China sustained substantial volume losses. Clariant's Paper business was strongly influenced by a developing shortage of supply of chemical feedstock for optical brighteners as well as by extreme price increases. As a result, the Paper business was unable to compensate for the rise in raw material costs through price increases. Given these circumstances, the profitability of the business still remained at a satisfactory level.

Leather finishing business in good shape

The leather market was basically stable. Sales of Clariant leather chemicals were lower than in the prior year period mainly due to the exit of the Australian market and the focus on profitable businesses. Certain key markets in Europe such as Germany and Italy developed positively. Sales growth in Asian markets was fine, with high growth rates in China, but lower sales notably in India and Bangladesh. On the other hand, Clariant did not perform very well in Leather in the Americas. The finishing business experienced good growth while the wet end chemicals business remained weak. In this environment, the Leather business has progressed well on addressing overcapacities and executing announced restructuring measures including the Selby production plant closure.

Pigments & Additives

	First Quarter					
	2008		2007		Change	
	CHF mn	% of sales	CHF mn	% of sales	% CHF	% LC
Sales	527		523		1	6
EBITDA before exceptionals	82	15.6	79	15.1	4	7
Operating income before exceptionals	63	12.0	59	11.3	7	10
Operating income	59	11.2	59	11.3	–	1

See Definitions of Terms of Financial Measurements on page 9.

Excellent performance in a difficult environment

Sales in the Pigments & Additives division rose 6% in local currency terms and 1% in Swiss Francs. This favorable development was mainly influenced by good demand but also partially the result of some inventory build-up by customers. At a regional level, demand in Asia and Latin America gained momentum, whilst sales in Europe were slightly lower. The weakness of the US market had only limited impact on the division's top line due to the relatively low exposure of Pigments & Additives to the United States. The division significantly improved profitability due to price increases and effective cost management, although the gross margin declined slightly on a year-on-year basis.

Raw materials increase fully compensated

Striving for profitable growth, the Pigments & Additives division managed to offset rising raw material costs with price increases for its products. The division was able to substantially improve its profitability by realigning its cost structure, tackling underperforming businesses and reducing the number of products offered. These effects positively impacted the operating margin and profitability compared with the first quarter 2007.

Launch of Pigment Expansion Project in China

The division has extended its joint venture with its Chinese partner Zhejiang Baihe. The joint venture will build a new plant for the production of Quinacridone high-performance organic pigments. The investment represents Clariant's strong focus on the emerging markets in Asia and in particular in mainland China, where the company already has nine facilities serving all four divisions.

Base Products Business Unit started successfully

The product-driven businesses Polymer Additives and Publication Inks have been combined in the newly created Business Unit Base Product. On a comparable basis, the new unit marginally increased sales volumes and prices, and made good progress in reshaping its overhead cost base significantly. Sales of Publication Inks rose strongly in the Americas and Asia in spite of challenging market conditions.

Coatings booming in Brazil, China and India

The Coatings business had an excellent quarter and was the main growth driver for the division. On a regional basis, Asia outperformed the rest, followed by Latin America and Europe. Sales were strong in the key Brazilian, Chinese and Indian markets. In Europe, Germany exceeded expectations by delivering good growth, while sales in the Benelux were softer than in other countries. In the United States, deteriorating consumer confidence led to declining demand for coatings, which are mainly used in automotive, decorative and industrial paints applications.

Plastics with good volume growth in Asia

In the Plastics business, fast-growing markets, such as China, Mexico and India, showed no signs of any weakness. On the other hand, Plastics felt first signs of slowing demand in the Western economies. Sales in highly industrialized countries such as Germany, Italy, France, US and Canada felt the first effects of slowing demand across a range of applications.

Specialty Industries successful in niche markets

Its presence in many fast-growing niche markets helped the Specialty Industries business to achieve excellent sales growth. Environmentally friendly products and tailor-made chemicals such as halogene-free flame retardants, metallocene-based polymers or various Phosphorous chemicals helped to drive growth, especially in Asian markets.

Masterbatches

	First Quarter					
	2008		2007		Change	
	CHF mn	% of sales	CHF mn	% of sales	% CHF	% LC
Sales	341		359		–5	–
EBITDA before exceptionals	39	11.4	41	11.4	–5	1
Operating income before exceptionals	32	9.4	32	8.9	–	1
Operating income	30	8.8	17	4.7	76	89

See Definitions of Terms of Financial Measurements on page 9.

Slowing demand, but margin improved

The division Masterbatches experienced restrained demand in the first quarter. Sales in local currencies remained flat and declined in 5% in CHF due to unfavorable exchange-rate developments. Sales were also impacted by the divestment of the Masterbatches business in Australia and a good growth in Latin America and Asia. The gross margin of the division remained at the level of the previous year. The operating margin before exceptional items improved although raw material costs were higher again. The division was able to offset the rise in raw material costs with selective price increases.

Latin America remains strong

In Latin America the economies continued to benefit from an expanded consumption of plastic. To further increase efficiency in Latin America, the division concentrated its production activities in Colombia at a new site inaugurated in March. The operations of MasterAndino, a strong local supplier acquired in 2007, have been successfully integrated into the new production site. The investment confirms the division's growth strategy for the region emerging markets.

Developing markets favorable

Sales in all developing markets remained robust. In Asia, China continues to exhibit strong growth. In Special Markets, sales have benefited from the acquired business in Saudi Arabia. Building on its broad technological know-how, Clariant has clearly strengthened its presence in this growth market.

Sales in Europe slightly lower

Sales in Europe were slightly down in local currencies. While Germany held up well, business in Italy, France and Eastern Europe slowed substantially.

North America remains weak

North America remains challenged by slower economic growth and weakness in the automotive and construction industries which are impacted by difficult financial conditions. In other market segments such as packaging good opportunities remain.

Functional Chemicals

						First Quarter
	2008		2007		Change	
	CHF mn	% of sales	CHF mn	% of sales	% CHF	% LC
Sales	728		694		5	9
EBITDA before exceptionals	86	11.8	76	11.0	13	17
Operating income before exceptionals	70	9.6	59	8.5	19	22
Operating income	65	8.9	62	8.9	5	9

See Definitions of Terms of Financial Measurements on page 11.

Operating margin rising strongly

Sales in the Functional Chemicals division rose by 9% in local currencies. In Swiss Francs, sales rose 5% due to unfavorable foreign exchange rate movements. The gross margin remained stable compared to the first quarter of 2007, which represents a significant improvement compared to the second half of 2007. The operating margin, before exceptional items, was up strongly. Price increases and restructuring measures had a positive impact on profitability. In particular, the strategy of putting price before sales volume helped to deliver excellent results.

Price increases successfully implemented

The first quarter was characterized by healthy demand from most of the division's end-user markets, with price increases being realized in most of the Functional Chemicals businesses. Although raw material costs soared, the division was able to compensate for increases by passing on the higher raw material costs to its customers. Ethylene and ethylene oxide prices continued their upward trend. Prices of most natural oils were driven by a growing interest for investments into commodities.

New organizational structure operational

Starting in January 2008, the division adopted a new organizational structure to provide improved alignment with market conditions. The division is now managed according to three business types – "product-driven", "application-driven" and "solution-driven". The new organization focus has enabled the division to better accommodate market needs. This has enabled a more differentiated pricing strategy and has enhanced cost transparency. The savings identified should be translated into lower costs over the coming months.

Sales up in all regions

Sales in North America rose in the double-digit percentage range compared to the first quarter 2007 due to further market share gains in the United States. In Europe, the demand for Functional Chemicals products remained quite favorable, while Asia and Latin America stood out with several important markets growing clearly above average.

Expansion in China and the United States

The division's presence in China will be further strengthened with the construction of a multi-purpose plant in Zhenjiang. Construction work started in February and the plant is planned to go into production in 2009. Additional capacity in the United States has been installed and came on stream during the reporting period. This new capacity is required to serve growing demand in end-user markets such as Metal Working or Personal Care in North America.

New business models successfully introduced

In the Detergents & Intermediates business, both prices and volumes recovered from the depressed levels seen in the fourth quarter 2007 helped by the recently introduced "product-driven" model.

Crop Protection: higher demand for agricultural products

Within the 'application-driven' businesses, Crop Protection was strong due to an increased demand for agricultural products. Personal Care recovered from the weakness shown in the previous quarter. In the Construction business, higher selling prices more than offset the slightly declining volumes sold. De-icing had a notably good quarter as the business profited from favorable weather conditions in Europe and North America.

Oil Services and Mining Services still strong

Oil Services and Mining Services, both 'solution-driven' businesses, confirmed the strong trend towards increased use of innovative products and services in these industries. New solutions are needed to improve the productivity in crude oil production, refineries and the mining industry, thereby benefiting Clariant's business.

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 of PPE, plus impairment of PPE/goodwill and amortization of intangibles and can be reconciled from the Condensed Financial Statements as follows:

EBITDA (Continuing)

		First Quarter
CHF mn	***2008***	*2007*
Operating income	140	139
+ Depreciation of PPE	61	65
+ Impairment of PPE / Goodwill	4	4
+ Amortization of other intangibles	2	2
EBITDA	**207**	**210**

EBITDA before exceptional items
– is calculated as EBITDA plus expenses for restructuring and impairment less impairment of PPE/goodwill and gain/ loss on disposals.

EBITDA before exceptionals (Continuing)

		First Quarter
CHF mn	***2008***	*2007*
EBITDA	207	210
+ Restructuring and impairment	27	13
– Impairment of PPE / Goodwill (reported under Restructuring and impairment)	–4	–4
– Gain on disposals of subsidiaries and associates	–	–
EBITDA before exceptionals	**230**	**219**

Operating income before exceptional items
– is calculated as operating income plus restructuring and impairment and gain/loss on disposals

Operating income before exceptionals (Continuing)

		First Quarter
CHF mn	***2008***	*2007*
Operating income	140	139
+ Restructuring and impairment	27	13
– Gain on disposals of subsidiaries and associates	–	–
Operating income before exceptionals	**167**	**152**

Net debt
– is the sum of current and non-current financial debt less cash and cash equivalents and current deposits reported in other current assets.

Net Debt

CHF mn	***31.03.2008***	*31.12.2007*
Non-current financial debt	1 213	1 267
+ Current financial debt	341	728
– Cash and cash equivalents	–197	–509
– Current deposits 90 to 365 days	–	–125
Net Debt	**1 357**	**1 361**

CONDENSED FINANCIAL STATEMENTS OF THE CLARIANT GROUP

at March 31, 2008

Consolidated balance sheets (unaudited)

ASSETS	***31.03.2008***		*31.12.2007*	
	CHF mn	*%*	*CHF mn*	*%*
Non-current assets				
Property, plant and equipment	2 218		2 401	
Intangible assets	332		339	
Investments in associates	265		294	
Financial assets	16		17	
Prepaid pension assets	122		122	
Deferred income tax assets	100		113	
Total non-current assets	**3 053**	46.8	**3 286**	45.1
Current assets				
Inventories	1 443		1 477	
Trade receivables	1 408		1 449	
Other current assets [1]	372		535	
Cash and cash equivalents	197		509	
Current income tax receivables	50		29	
Total current assets	**3 470**	53.2	**3 999**	54.9
Total assets	**6 523**	100.0	**7 285**	100.0

EQUITY AND LIABLILITIES	***31.03.2008***		*31.12.2007*	
	CHF mn	*%*	*CHF mn*	*%*
Equity				
Share capital	978		978	
Treasury shares (par value)	–15		–16	
Other reserves	483		642	
Retained earnings	749		709	
Total capital and reserves attributable to Clariant Shareholders	**2 195**		**2 313**	
Minority interests	54		59	
Total equity	**2 249**	34.5	**2 372**	32.6
Liabilities				
Non-current liabilities				
Financial debts	1 213		1 267	
Deferred income tax liabilities	169		179	
Retirement benefit obligations	482		515	
Provision for non-current liabilities	212		231	
Total non-current liabilities	**2 076**	31.8	**2 192**	30.0
Current liabilities				
Trade payables	1 218		1 321	
Financial debts	341		728	
Current income tax liabilities	256		244	
Provision for current liabilities	383		428	
Total current liabilities	**2 198**	33.7	**2 721**	37.4
Total liabilities	**4 274**	65.5	**4 913**	67.4
Total equity and liabilities	**6 523**	100.0	**7 285**	100.0

[1] Includes short-term deposits of 0 (2007: CHF 125)

Consolidated income statements (unaudited)

	First Quarter			
	2008		2007	
	CHF mn	%	CHF mn	%
Sales	2 112	100.0	2 156	100.0
Costs of goods sold	–1 467	69.5	–1 485	68.9
Gross profit	**645**	30.5	**671**	31.1
Marketing and distribution	–311	14.7	–347	16.1
Administration and general overhead costs	–126	6.0	–124	5.7
Research and development	–47	2.2	–53	2.5
Income from associates	6	0.3	5	0.2
Restructuring and impairment	–27	1.3	–13	0.6
Operating income	**140**	6.6	**139**	6.4
Finance income	6	0.3	5	0.2
Finance costs [1]	–68	3.2	–25	1.1
Income before taxes	**78**	3.7	**119**	5.5
Taxes	–37	1.8	–33	1.5
Net income from continuing operations	**41**	1.9	**86**	4.0
Discontinued operations:				
Income from discontinued operations	–		–2	
Net income	**41**		**84**	
Attributable to:				
Shareholders of Clariant Ltd	39		81	
Minority interests	2		3	
Net income	**41**	1.9	**84**	3.9
Basic earnings per share attributable to the shareholders of Clariant Ltd (CHF/share):				
Continuing operations	0.17		0.36	
Discontinued operations	0.00		–0.01	
Total	**0.17**		**0.35**	
Diluted earnings per share attributable to the shareholders of Clariant Ltd (CHF/share):				
Continuing operations	0.17		0.36	
Discontinued operations	0.00		–0.01	
Total	**0.17**		**0.35**	

[1] Currency impact YTD 2008 of CHF –44 mn vs YTD Mar 2007 of CHF +5 mn

Consolidated statements of cash flows (unaudited)*

				First Quarter
CHF mn		***2008***		*2007*
Net income		41		84
Adjustment for:				
Depreciation of property, plant and equipment (PPE)	61		65	
Impairment	4		8	
Amortization of intangible assets	2		2	
Impairment of working capital	17		8	
Income from associates	–6		–5	
Tax expense	37		31	
Net financial income and costs	18		25	
Gain on disposal of discontinued operations	–		–13	
Other non-cash items	49		9	
Total reversal of non-cash items		**182**		**130**
Dividends received from associates		21		19
Interest paid		–19		–23
Interest received		6		13
Income taxes paid		–39		–32
Cash flow before changes in working capital and provisions		**192**		**191**
Changes in inventories		–98		–64
Changes in trade receivables		–85		–75
Changes in trade payables		–58		–6
Changes in other current assets and liabilities		45		11
Changes in provisions		–2		–20
Cash flow from operating activities		**–6**		**37**
Investments in PPE	–47		–57	
Investments in financial assets and associates	–2		–4	
Investments in other intangible assets	–		–1	
Changes in current financial assets	119		61	
Sale of PPE and intangible assets	3		2	
Acquisition of companies, businesses and participations	–3		–	
Proceeds from the disposal of discontinued operations	–9		13	
Cash flow from investing activities		**61**		**14**
Treasury share transactions	–		17	
Proceeds from financial debts	68		3	
Repayments of financial debts	–418		–36	
Dividends paid to minority shareholders	–1		–	
Cash flow from financing activities		**–351**		**–16**
Currency translation effect on cash and cash equivalents		–16		2
Net change in cash and cash equivalents		**–312**		**37**
Cash and cash equivalents at the beginning of the period		**509**		**443**
Cash and cash equivalents at the end of the period		**197**		**480**

* Presentation of this statement has been changed and the comparatives have been reclassified.

Consolidated statements of recognized income and expense (unaudited)

	First Quarter	
	2008 CHF mn	2007 CHF mn
Cash flow hedges: Transferred to net income		
Net investment hedge	52	–11
Currency translation differences	–217	41
Net income recognized directly in equity	**–165**	**30**
Profit for the period	41	84
Total recognized income and expense for the period	**–124**	**114**
Attributable to:		
Shareholders of Clariant Ltd	–120	110
Minority interests	–4	4

This statement shows only changes in equity other than those arising from capital transactions with owners and distributions to owners.
For a comprehensive presentation on equity, see note 8.

NOTES TO THE 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 three-month period ended on March 31 2008 (hereafter "the Group"). They are prepared in accordance with the International Accounting Standard 34 (IAS 34 "Interim Financial Reporting") and were approved on April 23 2008 by the Board of Directors. These interim financial statements should be read in conjunction with the Consolidated Financial Statements for the year ended December 31 2007 (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. Restructuring and Impairment

During the reporting period, the Clariant Group recorded restructuring expenses in the amount of CHF 23 million, which were mainly incurred in the Textile business in Switzerland, the Leather business in Spain, the Masterbatch division in France and the Detergents & Intermediates business (a part of the Functional Chemicals division) in Germany and France. Impairment charges amounted to CHF 4 million in Continuing Operations. These were related to the closure of a site for Pigments & Additives division in United States.

4. Nominal Value Reduction

On April 10, 2008 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 4.25 to 4.00 per registered share. The pay-out will reduce the share capital by CHF 57 540 000 and is expected to take place by the end of June 2008.

5. Divisional Figures

First Quarter	Sales to 3rd parties				EBITDA before exceptionals				EBITDA			
CHF mn	2008	2007	% CHF	% LC	2008	2007	% CHF	% LC	2008	2007	% CHF	% LC
Textile, Leather, Paper	516	580	–11	–6	43	52	–17	–15	33	51	–35	–34
Pigments & Additives	527	523	1	6	82	79	4	7	81	79	3	6
Masterbatches	341	359	–5	–	39	41	–5	1	39	29	34	39
Functional Chemicals	728	694	5	9	86	76	13	17	82	79	4	7
Divisions Total	**2 112**	2 156			**250**	248			**235**	238		
Corporate	–	–			–20	–29			–28	–28		
Total continuing	**2 112**	2 156	–2	3	**230**	219	5	8	**207**	210	–1	2

	Operating income before exceptionals				Operating Income				Systematic Depreciation of PPE	
CHF mn	2008	2007	% CHF	% LC	2008	2007	% CHF	% LC	2008	2007
Textile, Leather, Paper	27	34	–21	–19	17	33	–48	–50	16	18
Pigments & Additives	63	59	7	10	59	59	–	1	19	20
Masterbatches	32	32	–	1	30	17	76	89	8	8
Functional Chemicals	70	59	19	22	65	62	5	9	16	17
Divisions Total	**192**	184			**171**	171			**59**	63
Corporate	–25	–32			–31	–32			2	2
Total continuing	**167**	152	10	13	**140**	139	1	4	**61**	65

6. Divisional Margins

First Quarter	Sales to 3rd parties		EBITDA before exceptionals		EBITDA	
in %	2008	2007	2008	2007	2008	2007
Textile, Leather, Paper	24.4	26.9	8.3	9.0	6.4	8.8
Pigments & Additives	25.0	24.3	15.6	15.1	15.4	15.1
Masterbatches	16.1	16.7	11.4	11.4	11.4	8.1
Functional Chemicals	34.5	32.1	11.8	11.0	11.3	11.4
Total continuing	**100.0**	**100.0**	**10.9**	**10.2**	**9.8**	**9.7**

	Operating income b. exceptionals		Operating Income	
in %	2008	2007	2008	2007
Textile, Leather, Paper	5.2	5.9	3.3	5.7
Pigments & Additives	12.0	11.3	11.2	11.3
Masterbatches	9.4	8.9	8.8	4.7
Functional Chemicals	9.6	8.5	8.9	8.9
Total continuing	**7.9**	**7.1**	**6.6**	**6.4**

7. Regional developments

Sales						First Quarter
CHF mn	**2008**	% of sales	2007	% of sales	CHF %	LC %
Europe	1 077	51.0	1 088	50.5	–1	1
of which Germany	*335*		*321*		4	6
of which Switzerland	*42*		*38*		11	13
Americas	558	26.4	591	27.4	–6	2
of which USA	*236*		*272*		–13	–
of which Brazil	*142*		*133*		7	2
Asia / Australia / Africa	477	22.6	477	22.1	–	9
of which China	*91*		*88*		3	14
Total continuing operations	**2 112**	100.0	**2 156**	100.0	–2	3
Discontinued operations	–		46			

8. Consolidated statement of changes in equity

			Other reserves							First Quarter
CHF mn	Total share capital	Treasury shares (par value)	Share premium reserves	Hedging reserves	Cumulative translation reserves	Total other reserves	Retained earnings	Total attributable to equity holders	Minority interests	Total equity
Balance 31 December 2006	**1 035**	**–16**	**767**	**–**	**–119**	**648**	**706**	**2 373**	**60**	**2 433**
Total recognized income and expense for the period					**29**	**29**	**81**	**110**	**4**	**114**
Dividends to third parties										
Treasury share transactions and share-based payments		5					15	20		20
Balance 31 March 2007	**1 035**	**–11**	**767**	**–**	**–90**	**677**	**802**	**2 503**	**64**	**2 567**
Balance 31 December 2007	**978**	**–16**	**767**	**–**	**–125**	**642**	**709**	**2 313**	**59**	**2 372**
Total recognized income and expense for the period					**–159**	**–159**	**39**	**–120**	**–4**	**–124**
Dividends to third parties									–1	–1
Treasury share transactions and share-based payments		1				–	1	2	–	2
Balance 31 March 2008	**978**	**–15**	**767**	**–**	**–284**	**483**	**749**	**2 195**	**54**	**2 249**

9. Foreign Exchange Rates

Rates used to translate the consolidated balance sheets (closing rate)	***31.03.2008***	*31.12.2007*	*Change %*
1 USD	0.99	1.13	–12
1 EUR	1.57	1.66	–5
1 GBP	1.97	2.25	–12
100 JPY	1.00	1.01	–1

			First Quarter
Average sales-weighted rates used to translate the income statements and consolidated statements of cash flows	***2008***	*2007*	*Change %*
1 USD	1.07	1.23	–13
1 EUR	1.60	1.62	–1
1 GBP	2.11	2.41	–12
100 JPY	1.01	1.03	–2

10. Condensed Earnings Per Share Data

		First Quarter
CHF mn	***2008***	*2007*
Number of shares outstanding at 31.3.2008 and 31.3.2007 respectively	230 160 000	230 160 000
Weighted average, number of shares outstanding	226 485 163	227 636 593
Weighted average, diluted number of shares outstanding	227 666 852	228 763 451
Basic earnings per share attributable to the shareholders of Clariant Ltd (CHF/share):		
Continuing operations	0.17	0.36
Discontinued operations	–	–0.01
Total	**0.17**	**0.35**
Diluted earnings per share attributable to the shareholders of Clariant Ltd (CHF/share):		
Continuing operations	0.17	0.36
Discontinued operations	–	–0.01
Total	**0.17**	**0.35**

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 21,000 people. Headquartered in Muttenz near Basel, it generated sales of around CHF 8.5 billion in 2007.

Clariant's businesses are organized in four divisions: Textile, Leather & Paper Chemicals, Pigments & Additives, Functional 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.

www.clariant.com

Calendar of Corporate Events

July 29, 2008	First Half 2008 Results
November 4, 2008	Nine Month 2008 Results
February 17, 2009	Full Year 2008 Results
April 2, 2009	Annual General Meeting, Basel

Your Clariant Contacts

Investor Relations	Fax +41 61 469 67 67
Ulrich Steiner	Tel. +41 61 469 67 45
Jaideep Pandya	Tel. +41 61 469 67 49
Media Relations	Fax +41 61 469 69 99
Arnd Wagner	Tel. +41 61 469 61 58