

5th Sal. Oppenheim Chemicals Conference Zürich, May 16, 2008

Patrick Jany, CFO



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Agenda



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Highlights first quarter 2008

Financial results

Business review

Strategy update

Outlook

First Quarter 2008 – Highlights



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- 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

Committed to achieving our targets



Financial results

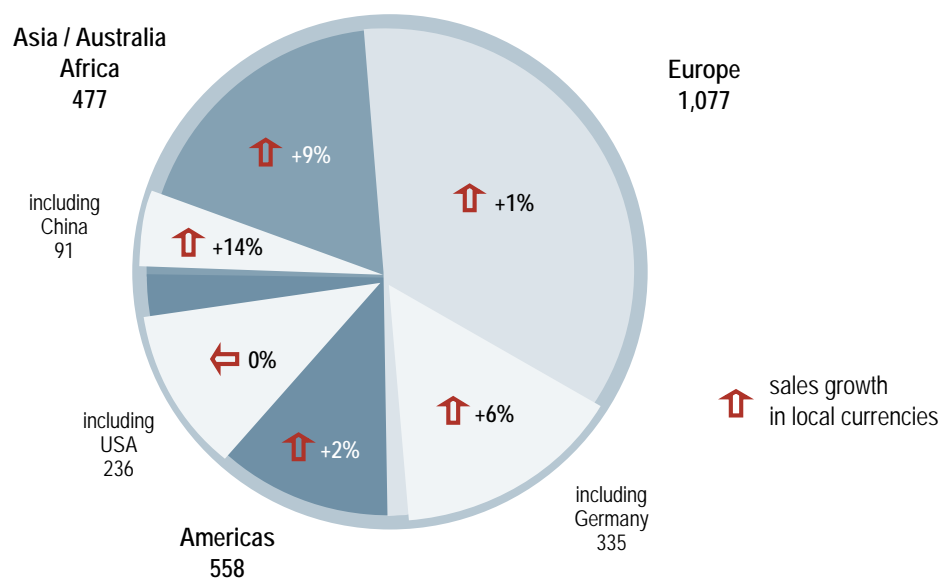


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Solid sales growth with strength in Asia

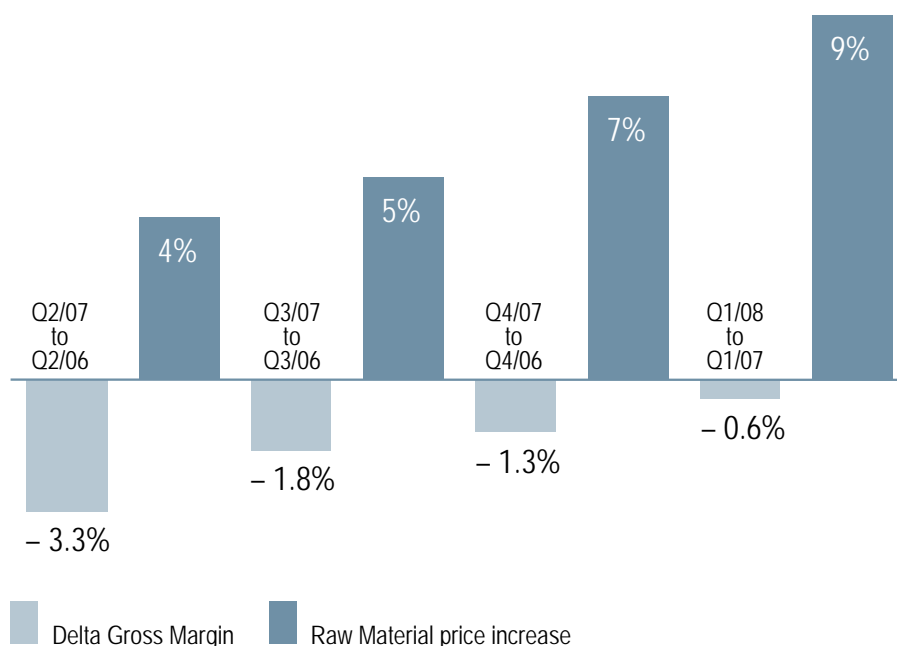


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Sales first quarter 2008 CHF 2.112 billion, +3% in local currencies

Gross margin development and raw material inflation



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Operating income margin significantly improved



- Price increases of 4% compensate for a 9% increase in raw material costs
- Gross margin recovered to 30.5% from 27.8% in Q4/2007
- Sales, General and Administration costs declined to 20.7% from 21.8% in Q1/2007
- Operating income margin before exceptionals rises to 7.9% from 7.1% in Q1/2007
- Currency related impact on operating income of CHF 36 million

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Cash flow and financial result



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Operating cash flow in CHF million

Q1/08 Q1/07

-6

37

Financial result in CHF million

-62

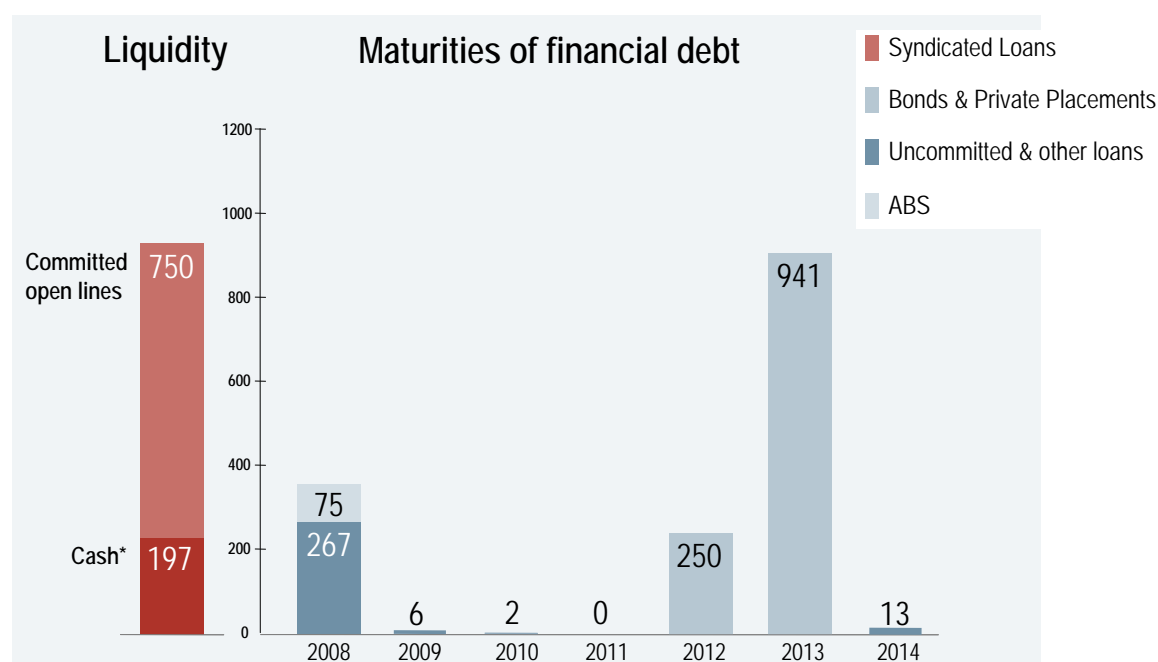
-20

- Lower cash flow from operations:
 - Seasonally higher inventories
 - Reduced trade payables
- CHF 384 million bond repaid
- Net debt unchanged
- Financial result impacted by foreign exchange losses of CHF 44 million
- Net interest result improved by CHF 7 million – optimized mix of net debt positions

Debt maturity profile on March 31, 2008



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in CHF million

* including short term deposits (90-365 days)



Business review



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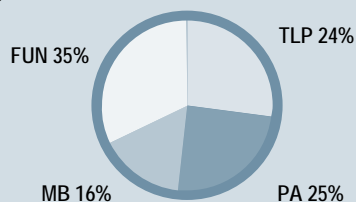
Sales and EBITDA margins by divisions – first quarter 2008



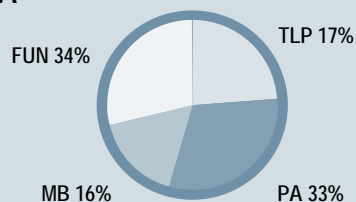
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	First quarter			
	Sales		EBITDA Margin in %*	
	CHF million	% LC	2008	2007
Textile, Leather & Paper Chemicals	516	-6%	8.3	9.0
Pigments & Additives	527	+6%	15.6	15.1
Masterbatches	341	0%	11.4	11.4
Functional Chemicals	728	+9%	11.8	11.0
Total Group	2,112	+3%	10.9	10.2

Sales



EBITDA*

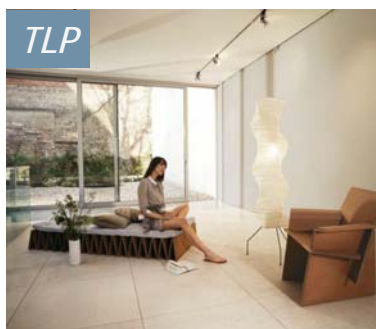


* before exceptional items

Divisions Textile, Leather & Paper / Pigments & Additives



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- Weak end-user demand for textiles in the US weighed on worldwide textile markets
- High impact of raw material costs on Paper business
- Robust demand for chemicals for leather finishing
- „Low-cost focus“ strategy implemented
- Substantial price increases achieved
- Selby production plant closure proceeding as planned



- Higher prices fully offset increased raw materials costs
- Operating income margin considerably improved on lower SG&A
- Demand for Coatings products high: Brazil, China and India
- Good growth in volumes and prices in Plastics, Publication Inks and Specialities, but at different levels
- JV with Chinese partner Zhejiang Baihe to strengthen market position

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Divisions Masterbatches / Functional Chemicals



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- Restrained demand in the first quarter
 - Sales in the US declined particularly in the housing and automotive industry
 - Sales in Europe developed slightly negative
 - Good sales growth in Asia and Latin America
- Selective price increases enforced to offset rise in raw material costs



- Price increases compensated for higher raw material costs
- Differentiated pricing strategies implemented
- Strong improvement in profitability
- Further market share gains in the US
- Detergents & Intermediates recovered from low level
- De-icing profited from favorable weather conditions
- Strong demand for Crop Protection products

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Strategy update



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How to get there – strategy defined in 2006



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Operational Excellence

- Target underperforming businesses
- Target cost base: reduction in employees, SG&A, NWC, products, sites
- Price increases

Business Structure

- Product-driven businesses: focus on increased efficiency and cost structure
- Service-driven businesses: apply active sales and marketing strategies and product leadership

Portfolio Reshaping

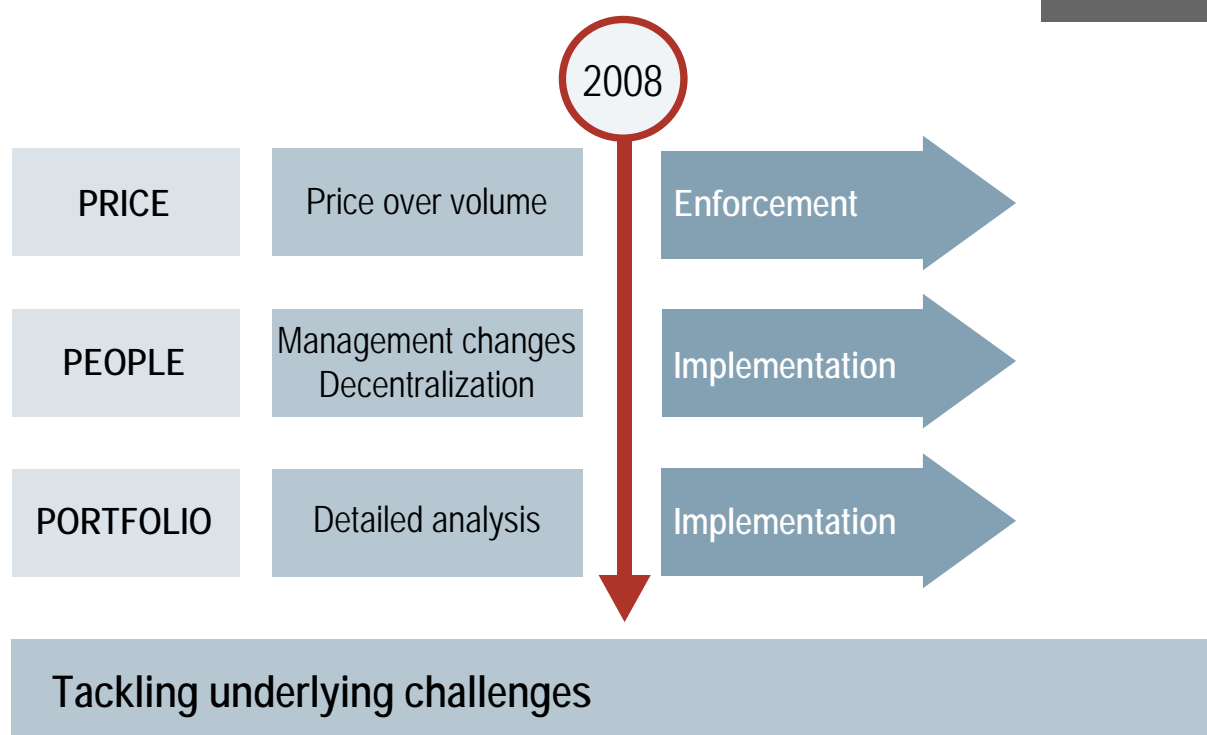
- Divestment of unattractively positioned businesses
- Active consolidation strategy in core business areas

Deliver above average ROIC by 2010

Implementing change – action plan for 2008



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Implementing change – achievements in the first quarter 2008



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Example of new structure – Division Functional Chemicals



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Functional Chemicals old

- Detergents & Intermediates
- Performance Chemicals
- Process Chemicals

Business types:
 – product-driven
 – application-driven
 – solution-driven



Functional Chemicals new

- Regional Business Units, e.g. Detergents & Intermediates

product-driven

- Industrial & Consumer Care

application-driven

- Chemical Management Solutions

solution-driven

- Personal Care
- Industrial & Home Care
- Crop Protection
- ...

- Mining Services
- Oil Services



Outlook



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Outlook for 2008



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Environment

- Increasingly uncertain economic outlook
- Further increases in raw material and energy costs

Clariant

- Improving operating margin before exceptional items compared to 2007
- Continuing strong cash flow generation
- Period of active portfolio reshaping

Calendar of upcoming corporate events



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

IR contacts



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Backup slides



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First quarter 2008 financials – overview



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	Q1/08	Q1/07
Sales in CHF million	2,112	2,156
Sales growth in local currencies	+3%	+6%
EBIT before exceptionals in CHF million	167	152
EBIT margin before exceptionals	7.9%	7.1%
Operating cash flow in CHF million	-6	37
Net income from continuing ops. in CHF million	41	86

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First quarter 2008 – Key financial group figures



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	First quarter			
	2008		2007	
	CHF million	% of sales	CHF million	% of sales
Sales	2,112	100%	2,156	100%
Local currency growth (LC)	3%			
- Organic growth rate*	3%			
- Acquisitions/Divestitures	0%			
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	0		46	
Net loss from discontinued operations	0		-2	

* organic growth: volume and price effects excluding the impact of changes in foreign currency exchange rates and acquisitions/divestitures

** the presentation of the cash flow statement was changed to provide additional relevant information. Comparative information was reclassified accordingly.

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Cash flow first quarter 2008



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	First quarter	
	2008	2007*
	CHF million	CHF million
Net income	41	84
Depreciation & amortization	67	75
Other	84	32
Operating cash flow before working capital	192	191
Changes in working capital and provisions	-198	-154
Operating cash flow	-6	37
Capital expenditure	72	4
<i>Property, Plant & Equipment</i>	-47	-57
<i>Changes in current financial assets</i>	119	61
Acquisitions, disposals and other	-11	10
Cash flow before financing	55	51

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Financial result first quarter 2008



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	First quarter	
	2008	2007
	CHF million	CHF million
Interest income	6	5
Interest expenses	-21	-25
Other financial income & expenses	-3	-5
Net interest result	-18	-25
Currency result, net	-44	5
Total financial result	-62	-20

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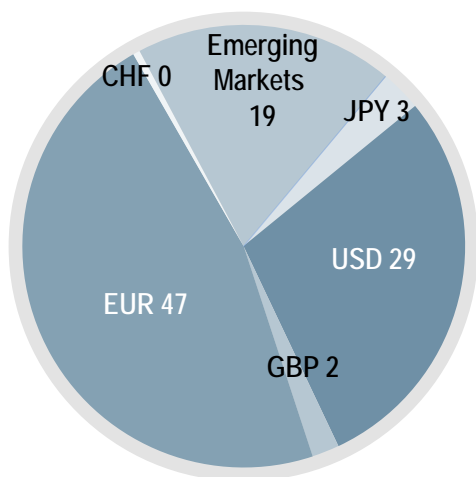
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Sales and cost structure year end 2007

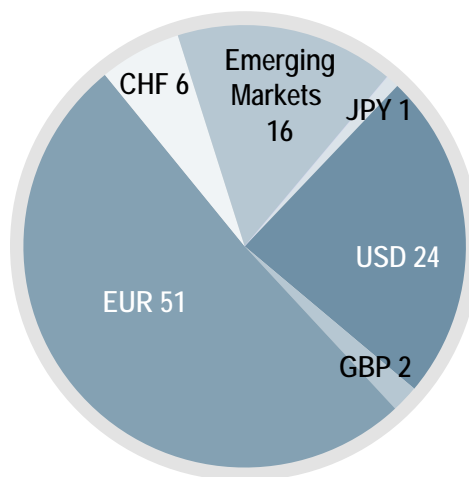


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Global sales distribution in %



Global cost distribution in %



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

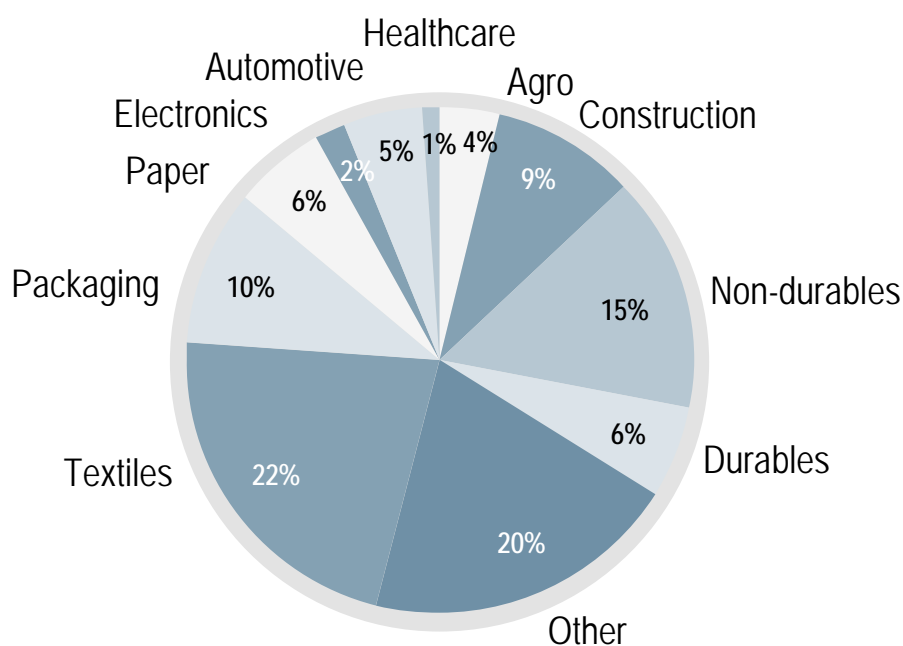
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Divisional sales Full-Year 2007 in end-user markets



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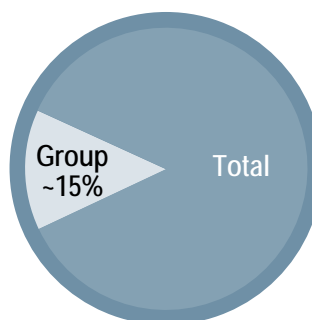
Continuing operations

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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



Businesses and market segments

Textile, Leather & Paper Chemicals

- Textile
- Leather
- Paper

Pigments & Additives

- Coating Business
- Plastic Business
- Specialties Business
- Base Products

Masterbatches

- Europe North
- Europe West
- Europe South
- Asia Pacific
- North America
- Latin America
- Special Markets

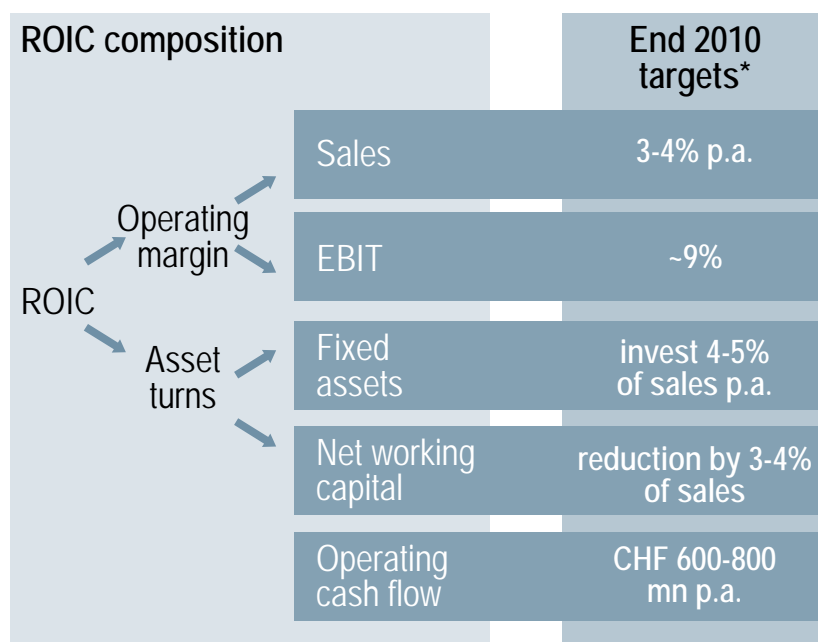
Functional Chemicals

- Regional Business Units, e.g. Detergents & Intermediates
- Industrial & Consumer Care
- Chemical Management Solutions

Key targets: to achieve above peer average ROIC by end of 2010



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ROIC calculated on after-tax basis

*Based on 2006 environment

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