



First Half / Second Quarter 2008 Results

July 29, 2008



Exactly your chemistry.

Agenda



Exactly your chemistry.

Highlights & financial results first half 2008

Financial results second quarter

Business review

Outlook

First half 2008 – highlights



- Price increases of 5% fully compensate for an 11% increase in raw material costs
- Implementation of strategic action plans in the divisions delivering results
- Acquisition of Rite Systems/Ricon Colors strengthens Masterbatches
- Closure of TLP site in Horsforth, UK, announced
- Reduction of 750 jobs, bringing total to about 1,800 of 2,200 planned
- Full-year outlook unchanged

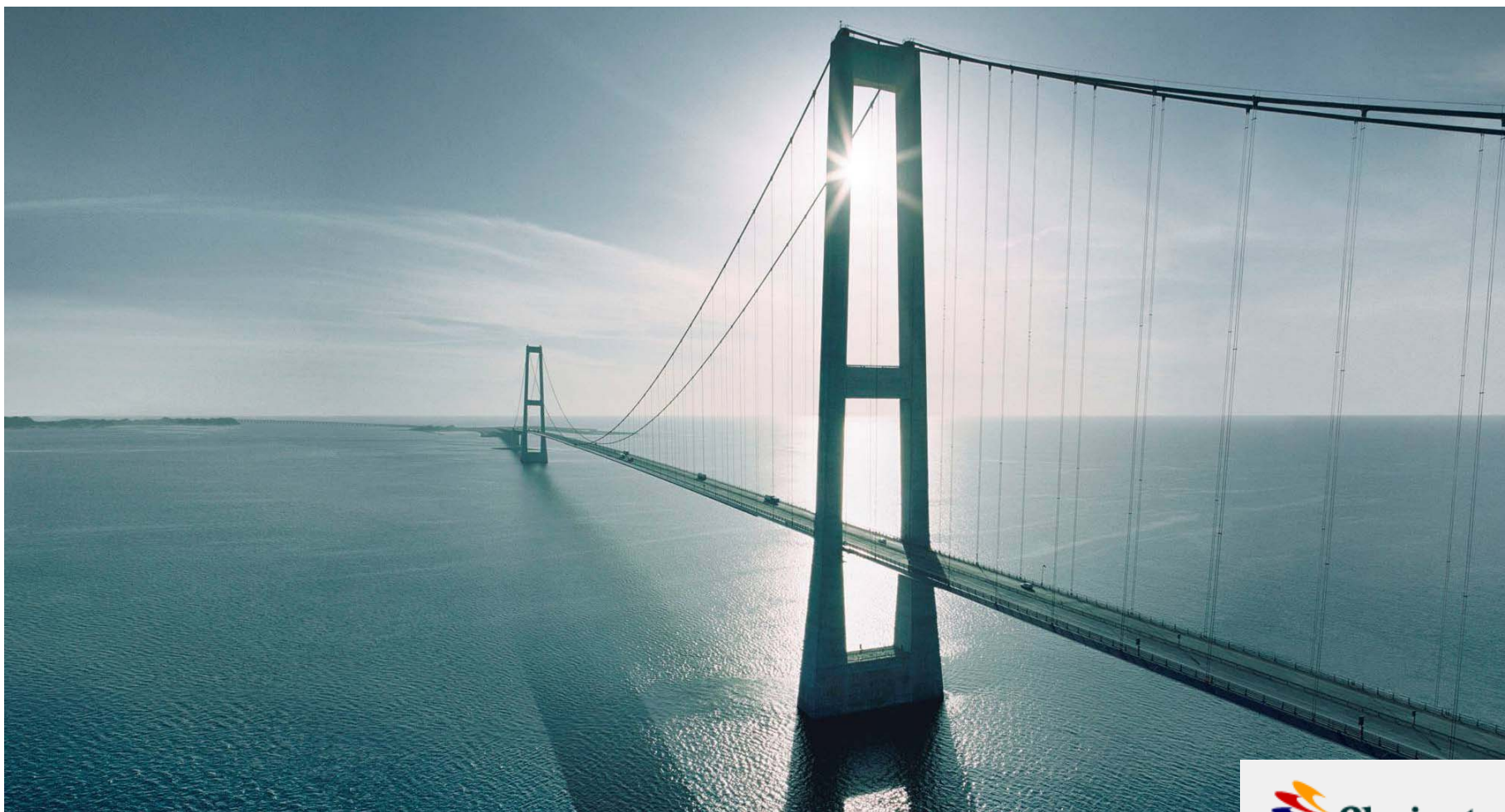
Committed to achieving our targets

First half 2008 financials



Exactly your chemistry.

	H1/08	H1/07
Sales in CHF million	4,233	4,336
Sales growth in local currencies	+4%	+5%
Gross margin	29.7%	29.9%
EBIT margin before exceptionals	7.3%	6.8%
Operating cash flow in CHF million	27	54
Net income in CHF million	92	73



Financial Results Second Quarter



Exactly your chemistry.

Second quarter 2008 financials



Exactly your chemistry.

	Q2/08	Q2/07
Sales in CHF million	2,121	2,180
Sales growth in local currencies	+5%	+4%
Gross margin	28.9%	28.7%
EBIT margin before exceptionals	6.7%	6.5%
Operating cash flow in CHF million	33	17
Net income in CHF million	51	-11

Strong sales growth in Asia



Exactly your chemistry.

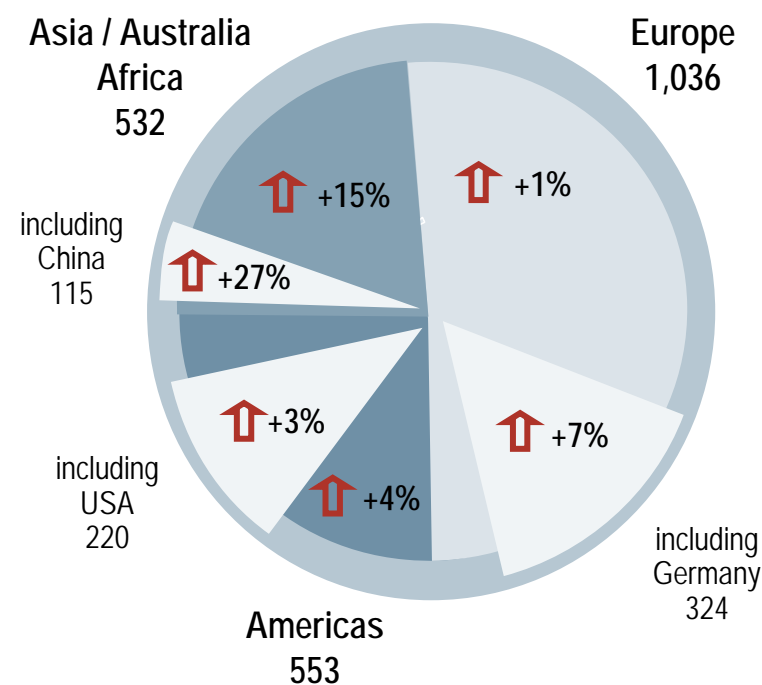
Sales growth in local currencies

Q2/08 Q2/07

+5%

+4%

- Sales CHF 2.121 billion, +5% in local currencies
- Prices up 6%, volume down 1%
- Currency impact equivalent to 8% of sales mainly from weak USD

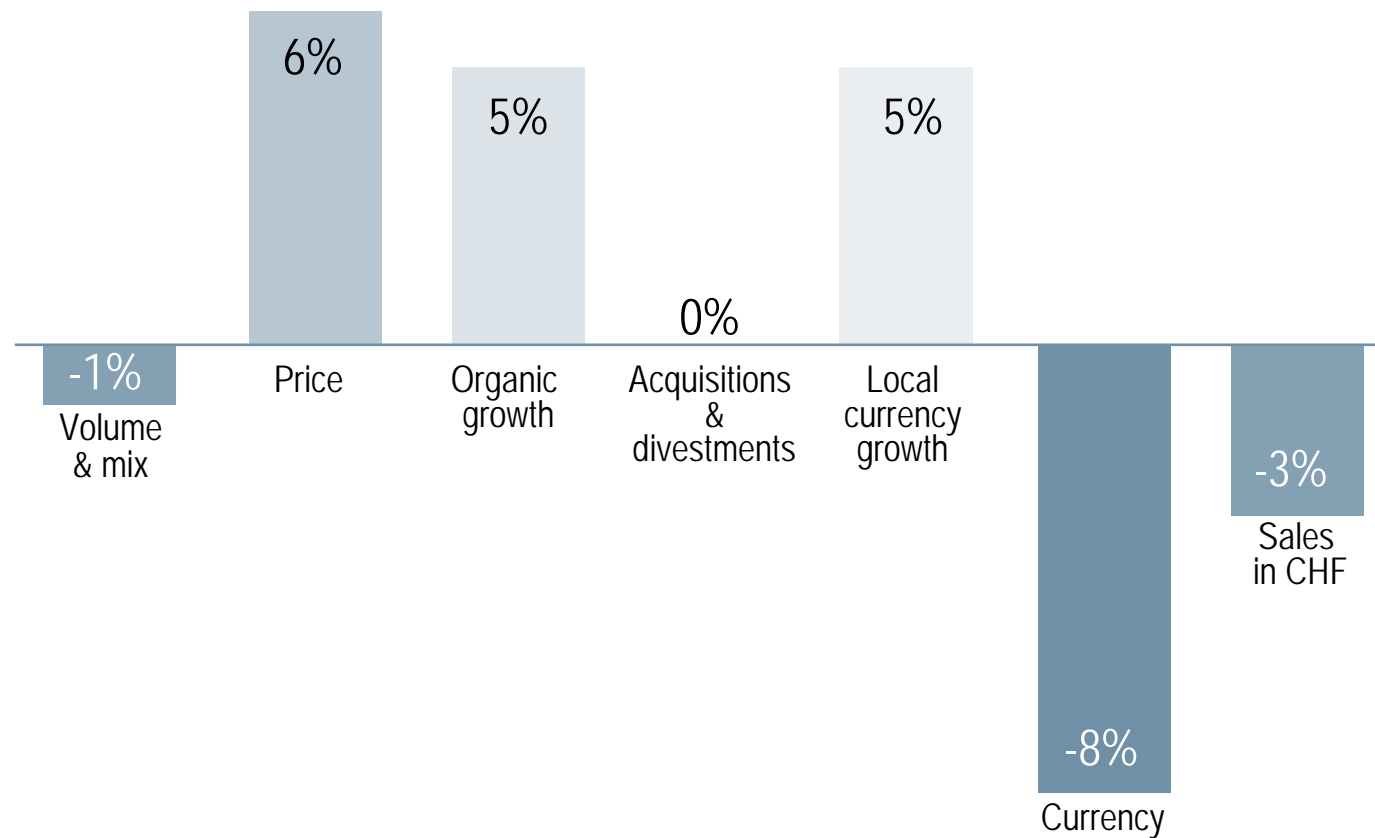


↑ sales growth in local currencies

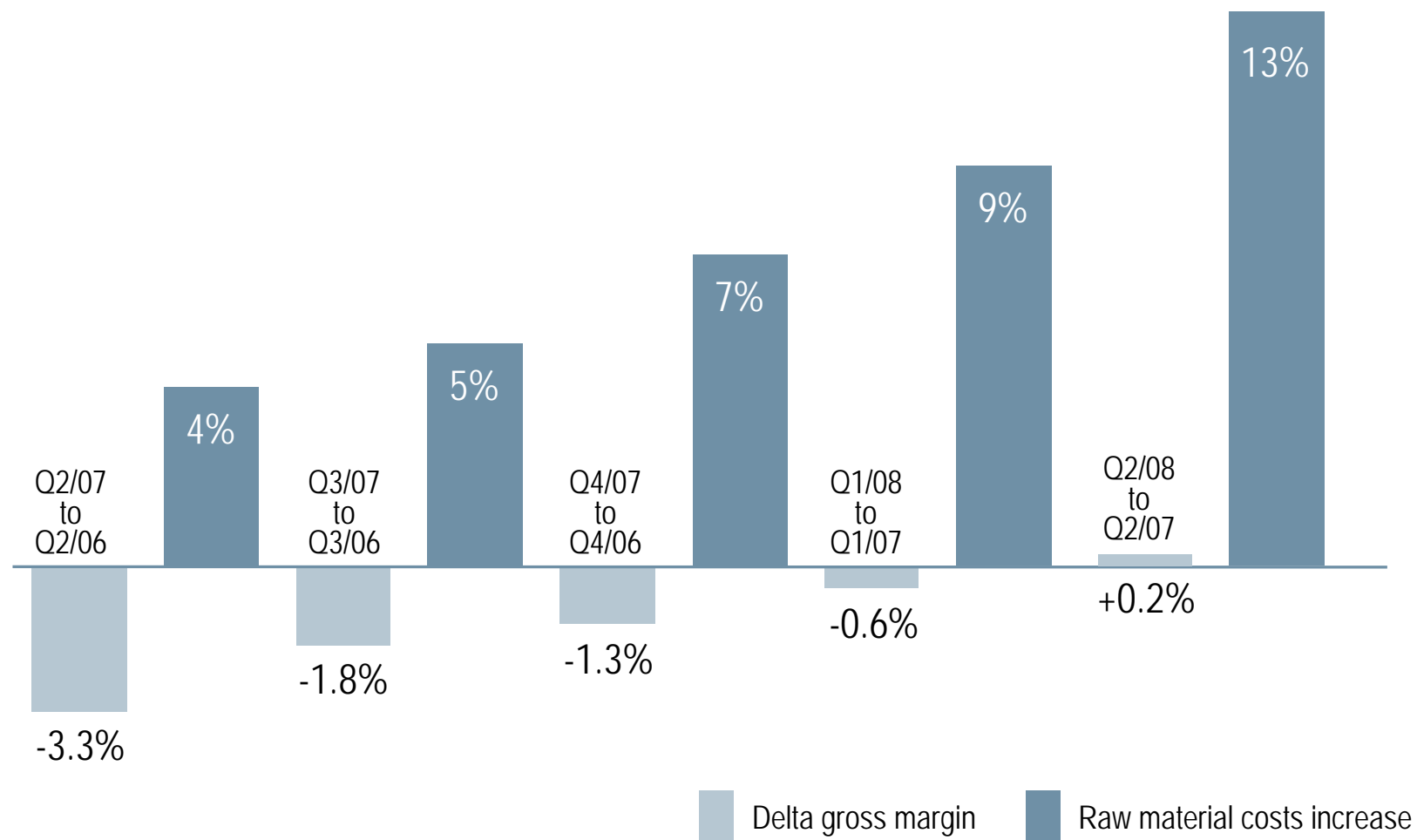
Strong pricing generating positive sales growth



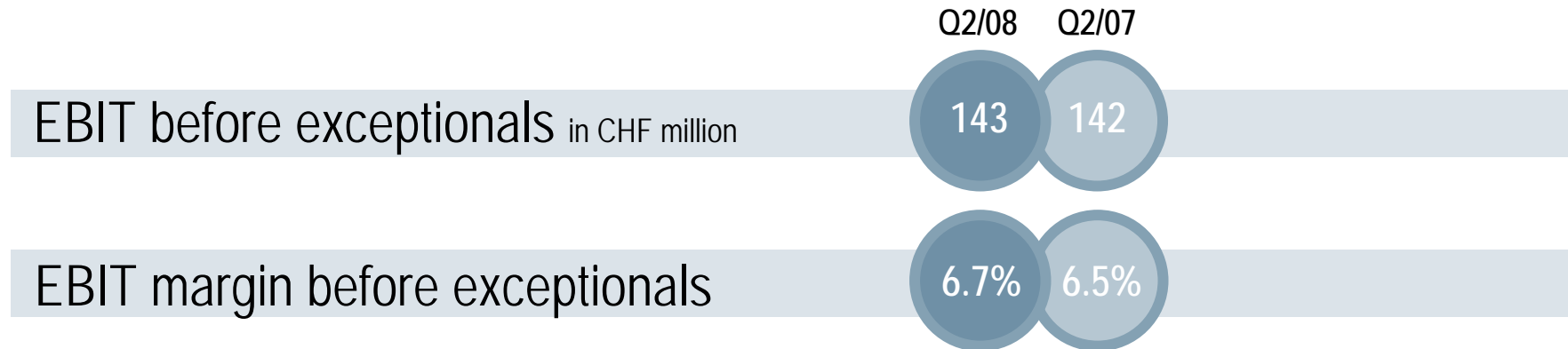
Second quarter 2008 versus Second quarter 2007



Gross margin improving



Operating income margin rises



- Price increases of 6% compensate for a 13% increase in raw material costs
- Gross margin improves to 28.9% from 28.7% in Q2/07
- Sales, general and administration costs rise to 20.5% from 20.0% in Q2/07
- Operating income margin before exceptionals rises to 6.7% from 6.5% in Q2/07
- Currency-related negative impact on operating income of CHF 23 million

Cash flow and financial result

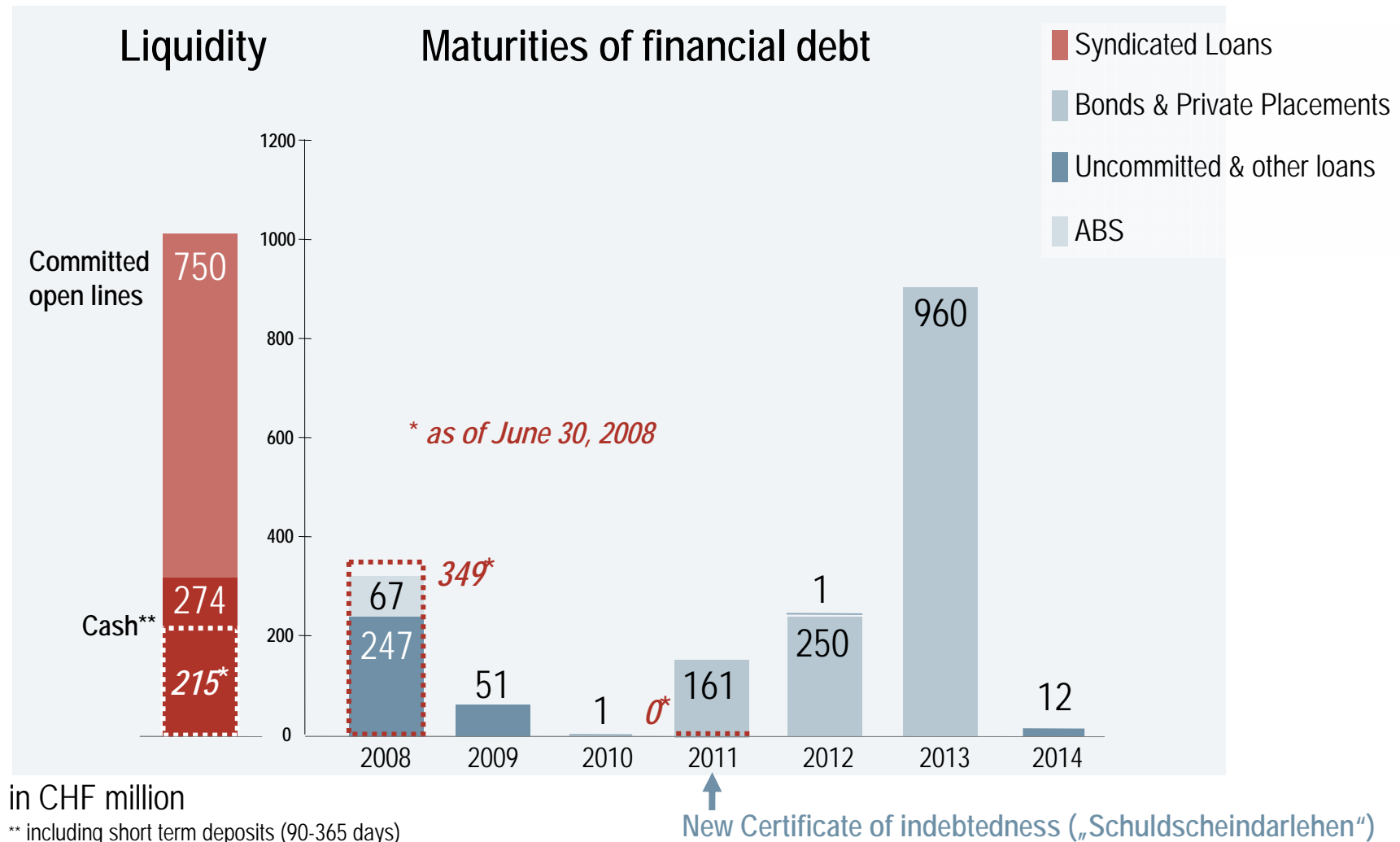


- Cash flow impacted by inventories build-up, driven by tight supply markets



- Financial result influenced by FX losses of CHF 4 million vs. gain of CHF 25 million in Q2/07
- Net debt increases to CHF 1,476 million from CHF 1,357 million by the end of Q1/08 due to higher working capital financing needs
- July 17: Certificate of Indebtedness ("Schuldscheindarlehen") launched:
Euro 100 million, refinancing short-term borrowings with a tenor of 3.25 years on favorable terms despite difficult credit market conditions: spread of 125 bps over mid-swap (fixed rate tranche) / Euribor (floating rate tranche)

Debt maturity profile on July 17, 2008 (pro forma)





Business Review



Exactly your chemistry.

Textile, Leather & Paper Chemicals



Exactly your chemistry.

	Second quarter 2008					
	2008		2007		Change	
	CHF million	% of sales	CHF million	% of sales	% CHF	% LC
Sales	554		618		-10%	-1%
EBITDA before exceptionals	55	9.9%	67	10.8%	-18%	-9%
Operating income before exceptionals	39	7.0%	49	7.9%	-21%	-10%
Operating income	34	6.1%	41	6.6%	-17%	-4%



Business trends:

- Difficult market conditions in all three segments
- Gross margin improved on sales price increases and restructuring measures
- Key textile markets India and Turkey started to recover
- Tight raw material supply situation in Paper business
- Closure of TLP site Horsforth/Leeds, UK, under negotiation

Pigments & Additives



Exactly your chemistry.

	Second quarter 2008					
	2008		2007		Change	
	CHF million	% of sales	CHF million	% of sales	% CHF	% LC
Sales	541		538		1%	8%
EBITDA before exceptionals	74	13.7%	59	11.0%	25%	35%
Operating income before exceptionals	55	10.2%	39	7.2%	41%	54%
Operating income	42	7.8%	38	7.1%	11%	24%



Business trends:

- Good sales growth in a challenging environment
- Gross margin improved due to rapid implementation of restructuring measures
- Good qualitative growth in Coatings and in Specialties
- Plastics business recovered in mature markets
- Base Products business unit contributing positively to operating result

Functional Chemicals



Exactly your chemistry.

	Second quarter 2008					
	2008		2007		Change	
	CHF million	% of sales	CHF million	% of sales	% CHF	% LC
Sales	685		661		4%	11%
EBITDA before exceptionals	66	9.6%	56	8.5%	18%	27%
Operating income before exceptionals	48	7.0%	39	5.9%	23%	36%
Operating income	46	6.7%	37	5.6%	24%	37%



Business trends:

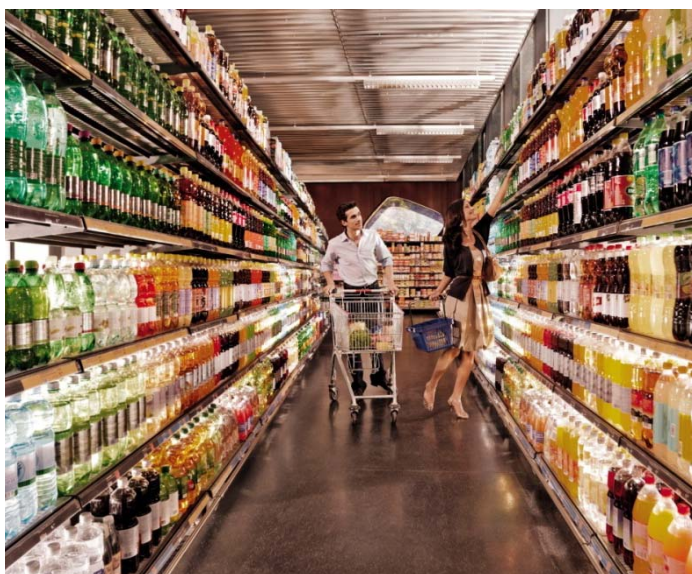
- Double-digit sales growth in local currencies
- Improved volumes and sales prices offset escalating raw material costs
- Turnaround in Detergents & Intermediates confirmed
- Construction benefiting from infrastructure projects in emerging markets
- Chemical Management Solutions business HQ opened in Houston, Texas

Masterbatches



Exactly your chemistry.

	Second quarter 2008					
	2008		2007		Change	
	CHF million	% of sales	CHF million	% of sales	% CHF	% LC
Sales	341		363		-6%	1%
EBITDA before exceptionals	38	11.1%	43	11.8%	-12%	-5%
Operating income before exceptionals	29	8.5%	35	9.6%	-17%	-7%
Operating income	29	8.5%	32	8.8%	-9%	-3%



Business trends:

- Sales in local currencies up in mature markets despite an economic slowdown
- Reasonable trading conditions in packaging and consumer goods, weak demand in textile and automotive
- Selective price increases offset higher raw material costs
- Currency developments a burden for European customers
- Acquisition of Rite Systems / Ricon Colors in the US to strengthen and leverage liquid masterbatches business

Rite Systems/Ricon Colors – competence in liquid colors

- Rite Systems/Ricon Colors – no. 2 US suppliers of liquid color masterbatches with annual sales of USD 50 million
- Liquid colors are masterbatches dispersed in a liquid carrier
- Market size liquid colors approx. 3% of the USD 10 billion masterbatches market
- Clariant can now offer liquid and solid masterbatches to both domestic and international markets
- Leverage new competence into other regions where Clariant enjoys strong market positions



WEST CHICAGO, ILL.



MOORESVILLE, N.C.



CHINO, California



VIENNA, Austria

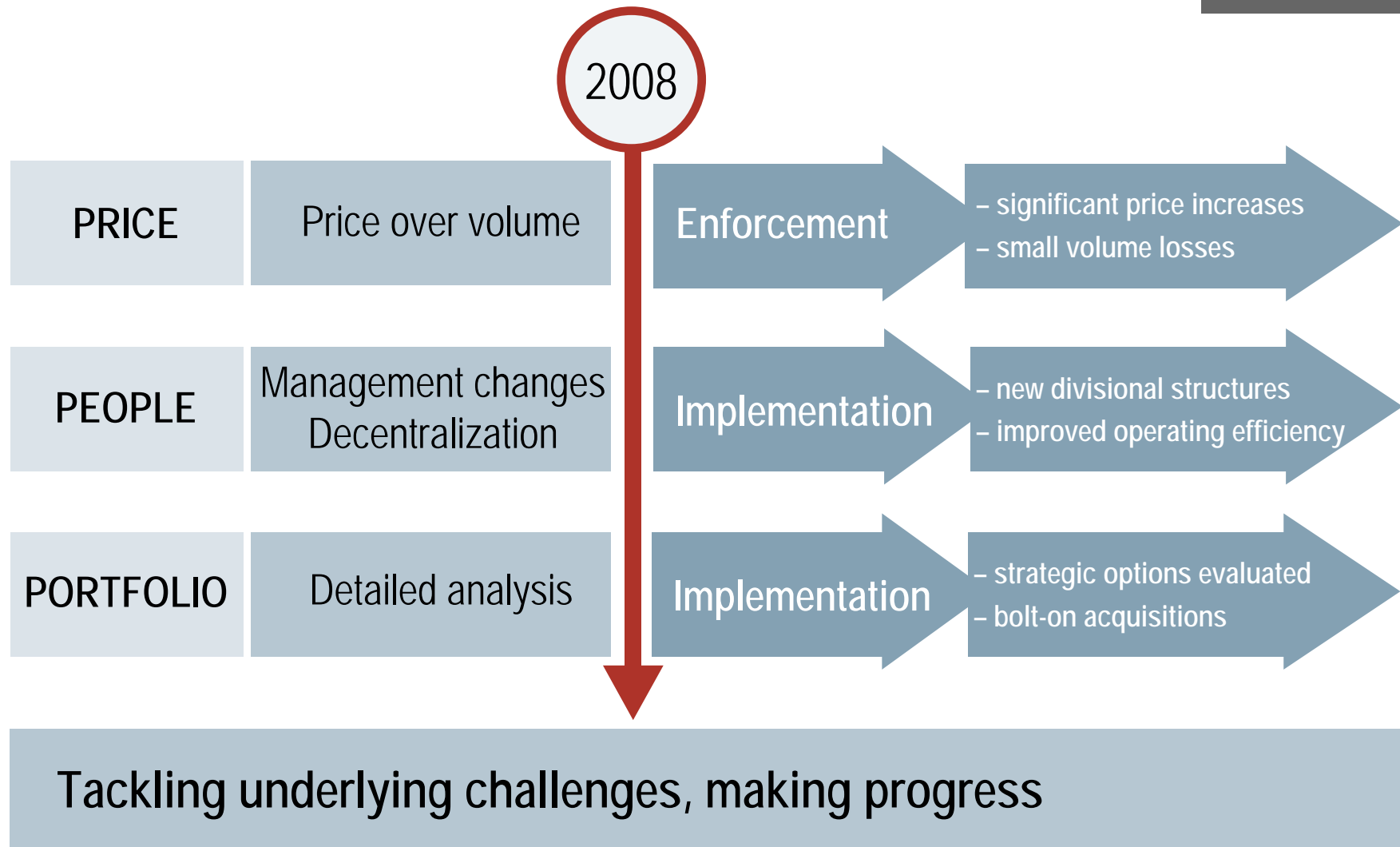


Outlook



Exactly your chemistry.

Implementing change – action plan for 2008



Outlook for 2008



Environment

- *Further* increasingly uncertain economic outlook
- *Continuing* 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



Exactly your chemistry.

November 4, 2008	Nine Months 2008 Results
------------------	--------------------------

February 17, 2009	Full-Year 2008 Results
-------------------	------------------------

April 2, 2009	Annual General Meeting, Basel
---------------	-------------------------------

May 6, 2009	First Quarter 2009 Results
-------------	----------------------------

July 30, 2009	Half Year 2009 Results
---------------	------------------------

November 4, 2009	Nine Months 2009 Results
------------------	--------------------------

IR contacts



Exactly your chemistry.

Dr. Ulrich Steiner Head of Investor Relations

Phone +41 (0) 61 469 67 45
Mobile +41 (0) 79 297 27 07
email ulrich.steiner@clariant.com

Jaideep Pandya Investor Relations Officer

Phone +41 (0) 61 469 67 49
Mobile +41 (0) 79 702 97 41
email jaideep.pandya@clariant.com

Edith Kahlmeier

Phone +41 (0) 61 469 67 48
Fax +41 (0) 61 469 67 67
email edith.kahlmeier@clariant.com

Mirjam Grieder

Phone +41 (0) 61 469 67 66
Fax +41 (0) 61 469 67 67
email mirjam.grieder@clariant.com



Clariant International Ltd ■ Rothausstrasse 61 ■ 4132 Muttenz ■ Switzerland ■ investor-relations@clariant.com



Backup Slides



Exactly your chemistry.

First half 2008 – Key financial group figures



Exactly your chemistry.

	First half 2008			
	2008		2007	
	CHF million	% of sales	CHF million	% of sales
Sales	4,233	100%	4,336	100%
Local currency growth (LC)	4%			
- Organic growth rate*	4%			
- Acquisitions/Divestitures	0%			
Currencies	-6%			
Gross profit	1,259	29.7%	1,297	29.9%
EBITDA before exceptionals	437	10.3%	430	9.9%
EBITDA	391	9.2%	406	9.4%
Operating income before exceptionals	310	7.3%	294	6.8%
Operating income	258	6.1%	266	6.1%
Net income from continuing operations	92	2.2%	174	4.0%
Operating cash flow (total operations)**	27		54	
Discontinued operations				
Sales	0		81	
Net loss from discontinued operations	0		-101	

* 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.

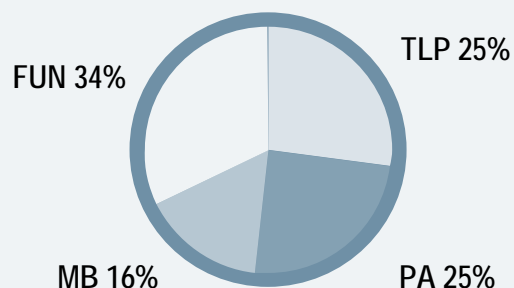
Sales and EBITDA margins by divisions – first half 2008



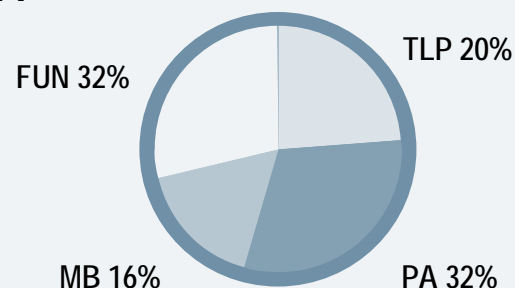
Exactly your chemistry.

	First half 2008			
	Sales		EBITDA Margin in %*	
	CHF million	% LC	2008	2007
Textile, Leather & Paper Chemicals	1,070	-3%	9.2	9.9
Pigments & Additives	1,068	+7%	14.6	13.0
Masterbatches	682	+1%	11.3	11.6
Functional Chemicals	1,413	+10%	10.7	9.7
Total Group	4,233	+4%	10.3	9.9

Sales



EBITDA*



* before exceptional items

Cash flow first half 2008



Exactly your chemistry.

	First half 2008	
	2008	2007*
	CHF million	CHF million
Net income	92	73
Depreciation, amortization & impairment	133	147
Other	66	118
Operating cash flow before working capital	291	338
Changes in working capital and provisions	-264	-284
Operating cash flow	27	54
Capital expenditure	18	-255
<i>Property, Plant & Equipment</i>	<i>-107</i>	<i>-132</i>
<i>Changes in current financial assets</i>	<i>125</i>	<i>-123</i>
Acquisitions, disposals and other	-32	2
Cash flow before financing	13	-199

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

Financial result first half 2008



Exactly your chemistry.

	First half 2008	
	2008	2007
	CHF million	CHF million
Interest income	8	11
Interest expenses	-40	-54
Other financial income & expenses	-6	-6
Net interest result	-38	-49
Currency result, net	-48	30
Total financial result	-86	-19

Textile, Leather & Paper Chemicals – first half results



	First half 2008					
	2008		2007		Change	
	CHF million	% of sales	CHF million	% of sales	% CHF	% LC
Sales	1,070		1,198		-11%	-3%
EBITDA before exceptionals	98	9.2%	119	9.9%	-18%	-12%
Operating income before exceptionals	66	6.2%	83	6.9%	-20%	-14%
Operating income	51	4.7%	74	6.2%	-31%	-25%



Business trends:

- Difficult market conditions in all three segments
- Gross margin improved on sales price increases and restructuring measures
- Key textile markets India and Turkey started to recover
- Tight raw material supply situation in Paper business
- Closure of TLP site Horsforth/Leeds, UK, under negotiation

Pigments & Additives – first half results



Exactly your chemistry.

	First half 2008					
	2008		2007		Change	
	CHF million	% of sales	CHF million	% of sales	% CHF	% LC
Sales	1,068		1,061		1%	7%
EBITDA before exceptionals	156	14.6%	138	13.0%	13%	19%
Operating income before exceptionals	118	11.0%	98	9.2%	20%	27%
Operating income	101	9.5%	97	9.1%	4%	10%



Business trends:

- Good sales growth in a challenging environment
- Gross margin improved due to rapid implementation of restructuring measures
- Good qualitative growth in Coatings and in Specialties
- Plastics business recovered in mature markets
- Base Products business unit contributing positively to operating result

Functional Chemicals – first half results



Exactly your chemistry.

	First half 2008					
	2008		2007		Change	
	CHF million	% of sales	CHF million	% of sales	% CHF	% LC
Sales	1,413		1,355		4%	10%
EBITDA before exceptionals	152	10.7%	132	9.7%	15%	22%
Operating income before exceptionals	118	8.4%	98	7.2%	20%	27%
Operating income	111	7.9%	99	7.3%	12%	19%



Business trends:

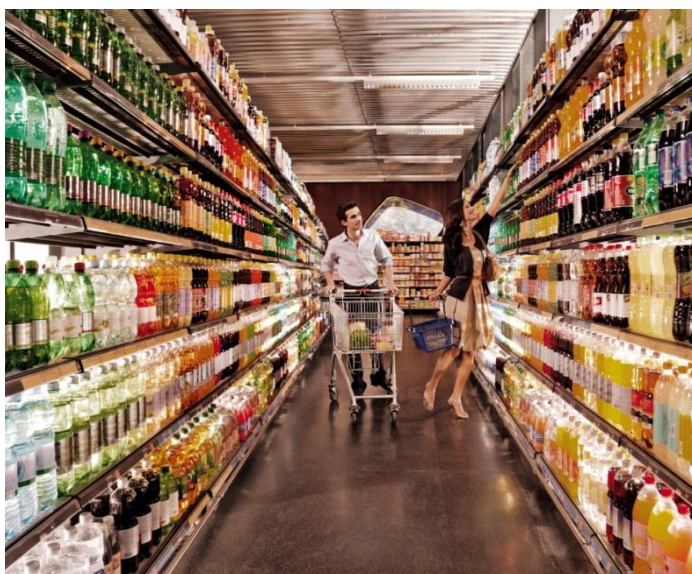
- Double-digit sales growth in local currencies
- Improved volumes and sales prices offset escalating raw material costs
- Turnaround in Detergents & Intermediates confirmed
- Construction benefiting from infrastructure projects in emerging markets
- Chemical Management Solutions business HQ opened in Houston, Texas

Masterbatches – first half results



Exactly your chemistry.

	First half 2008					
	2008		2007		Change	
	CHF million	% of sales	CHF million	% of sales	% CHF	% LC
Sales	682		722		-6%	1%
EBITDA before exceptionals	77	11.3%	84	11.6%	-8%	-2%
Operating income before exceptionals	61	9.0%	67	9.3%	-9%	-3%
Operating income	59	8.7%	49	6.8%	21%	28%



Business trends:

- Sales in local currencies up in mature markets despite an economic slowdown
- Reasonable trading conditions in packaging and consumer goods, weak demand in textile and automotive
- Selective price increases offset higher raw material costs
- Currency developments a burden for European customers
- Acquisition of Rite Systems / Ricon Colors in the US to strengthen and leverage liquid masterbatches business

Second quarter 2008 – Key financial group figures



Exactly your chemistry.

	Second quarter 2008			
	2008		2007	
	CHF million	% of sales	CHF million	% of sales
Sales	2,121	100%	2,180	100%
Local currency growth (LC)	5%			
- Organic growth rate*	5%			
- Acquisitions/Divestitures	0%			
Currencies	-8%			
Gross profit	614	28.9%	626	28.7%
EBITDA before exceptionals	207	9.8%	211	9.7%
EBITDA	184	8.7%	196	9.0%
Operating income before exceptionals	143	6.7%	142	6.5%
Operating income	118	5.6%	127	5.8%
Net income from continuing operations	51	2.4%	88	4.0%
Operating cash flow (total operations)**	33		17	
Discontinued operations				
Sales	0		35	
Net loss from discontinued operations	0		-99	

* 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.

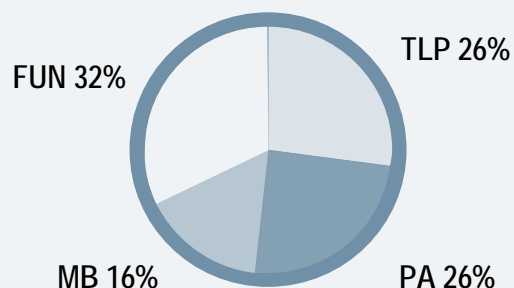
Sales and EBITDA margins by divisions – Second quarter 2008



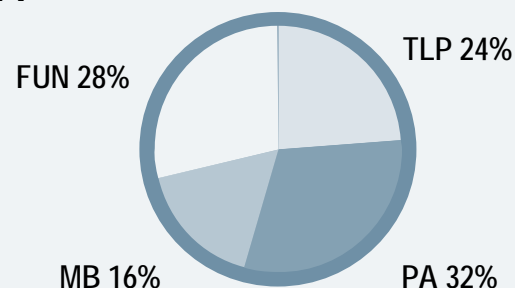
Exactly your chemistry.

	Second quarter 2008			
	Sales		EBITDA Margin in %*	
	CHF million	% LC	2008	2007
Textile, Leather & Paper Chemicals	554	-1%	9.9	10.8
Pigments & Additives	541	+8%	13.7	11.0
Masterbatches	341	+1%	11.1	11.8
Functional Chemicals	685	+11%	9.6	8.5
Total Group	2,121	+5%	9.8	9.7

Sales



EBITDA*



* before exceptional items

Cash flow second quarter 2008



Exactly your chemistry.

	Second quarter 2008	
	2008	2007*
	CHF million	CHF million
Net income	51	-11
Depreciation, amortization & impairment	66	72
Other	-18	86
Operating cash flow before working capital	99	147
Changes in working capital and provisions	-66	-130
Operating cash flow	33	17
Capital expenditure	-54	-259
<i>Property, Plant & Equipment</i>	<i>-60</i>	<i>-75</i>
<i>Changes in current financial assets</i>	<i>6</i>	<i>-184</i>
Acquisitions, disposals and other	-21	-8
Cash flow before financing	-42	-250

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

Financial result second quarter 2008



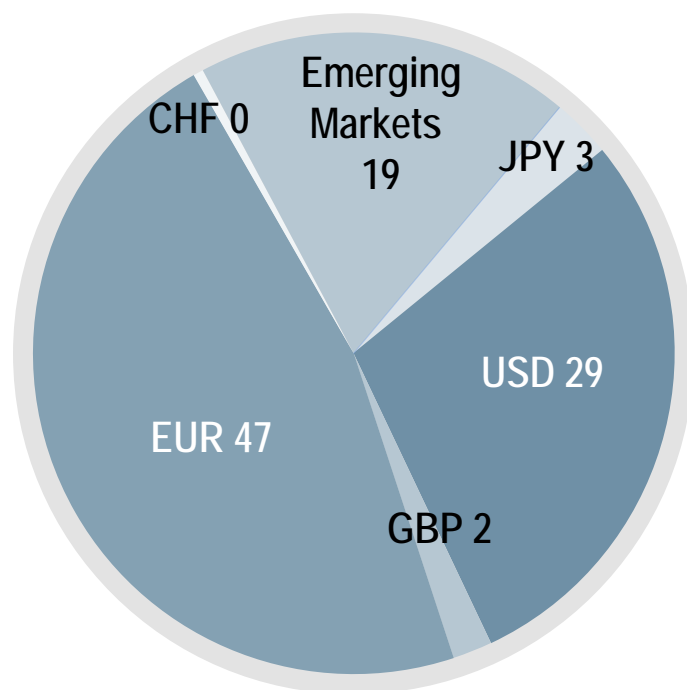
Exactly your chemistry.

	Second quarter 2008	
	2008	2007
	CHF million	CHF million
Interest income	2	6
Interest expenses	-19	-29
Other financial income & expenses	-3	-1
Net interest result	-20	-24
Currency result, net	-4	25
Total financial result	-24	1

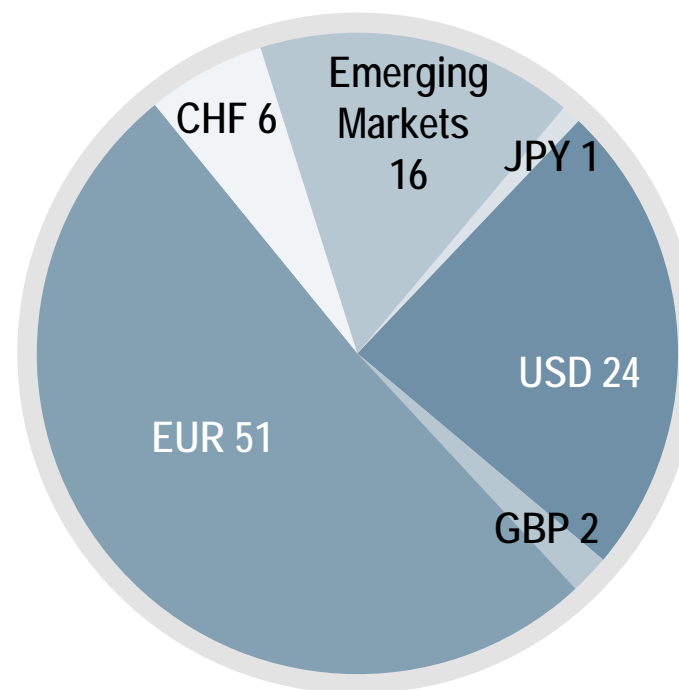
Sales and cost structure year end 2007



Global sales distribution in %

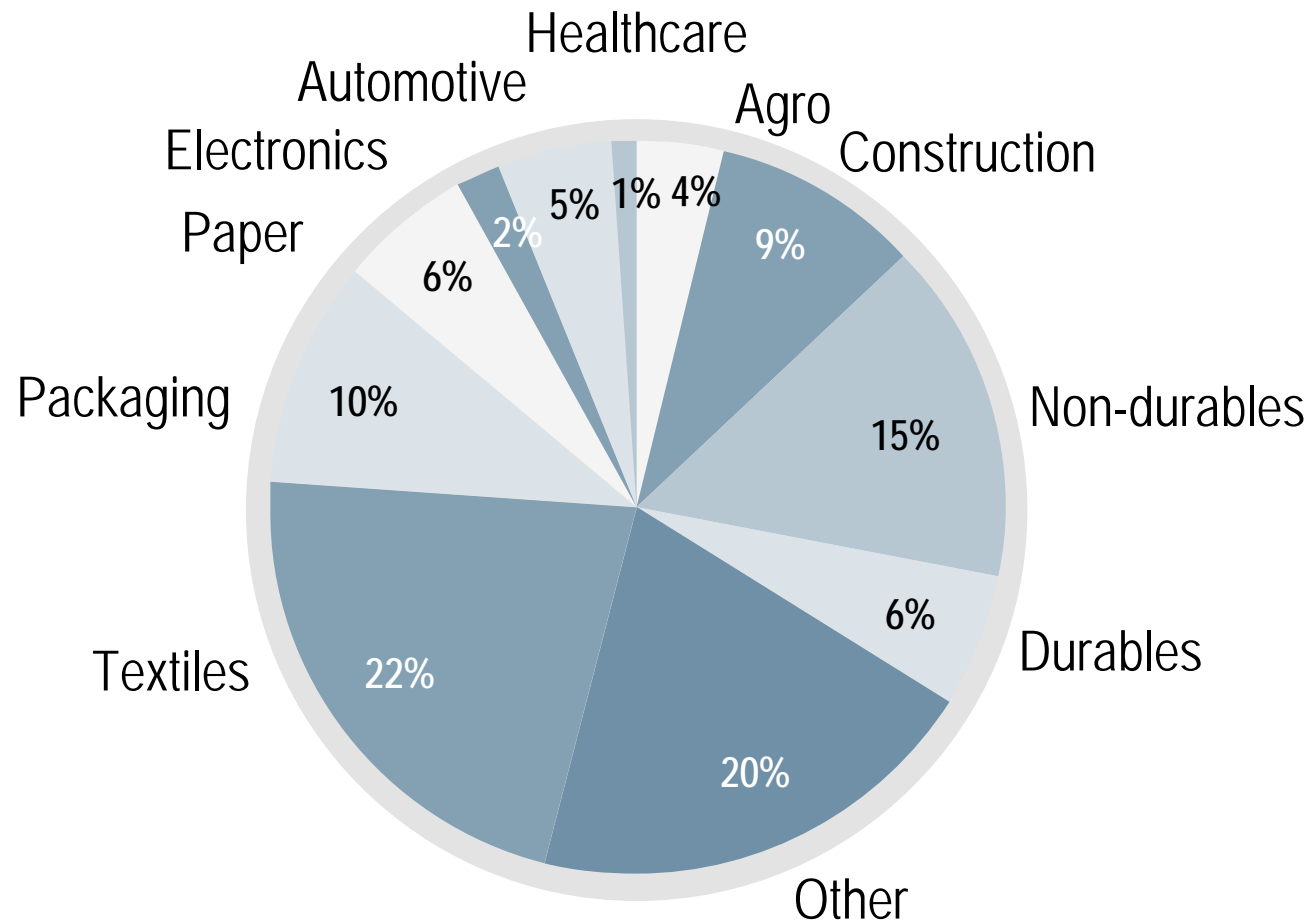


Global cost distribution in %



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

Divisional sales Full-Year 2007 in end-user markets



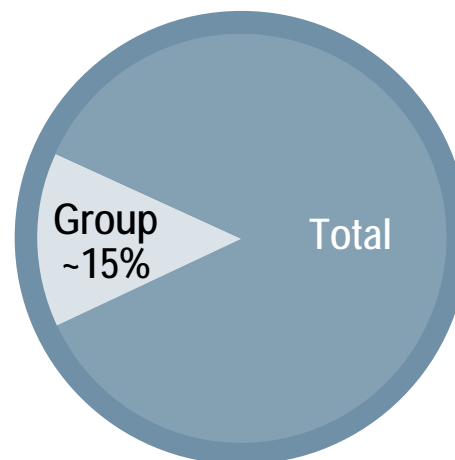
Continuing operations

First Half / Second Quarter 2008 Results

July 29, 2008 Slide 38

Top 5 products in percentage of total raw material costs

Ranking	Product
1	Ethylene & -Oxide
2	Polyethylene
3	Vinyl acetate
4	Acetic Acid
5	Acrylates



Businesses and market segments



Exactly your chemistry.

Textile, Leather & Paper Chemicals

- Textile
- Leather
- Paper

Pigments & Additives

- Business Unit Coatings
- Business Unit Plastics
- Business Unit Specialties
- Business Unit Base Products

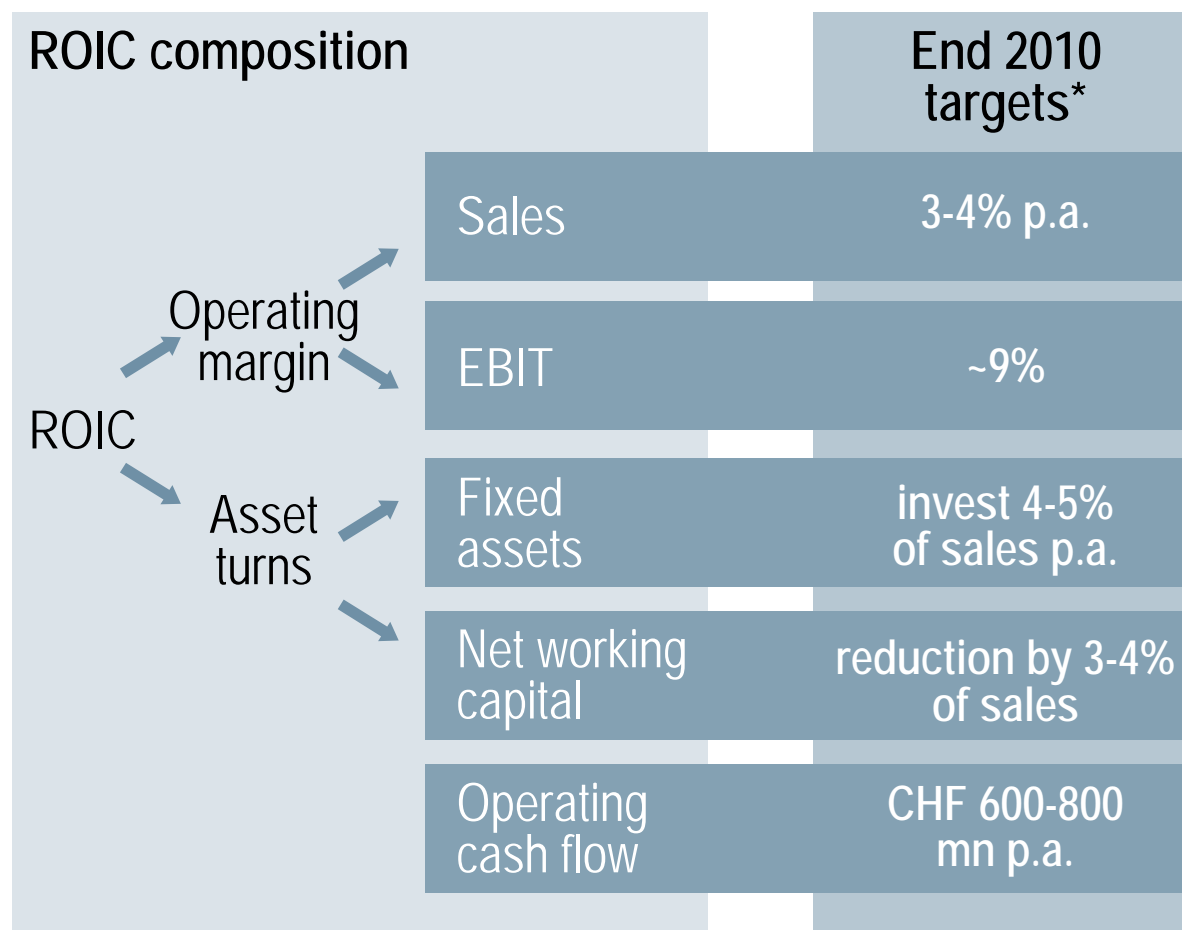
Masterbatches

- Packaging
- Consumer Goods
- Textiles
- Automotive
- Major Resin Producers

Functional Chemicals

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

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



ROIC calculated on after-tax basis

*Based on 2006 environment

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.