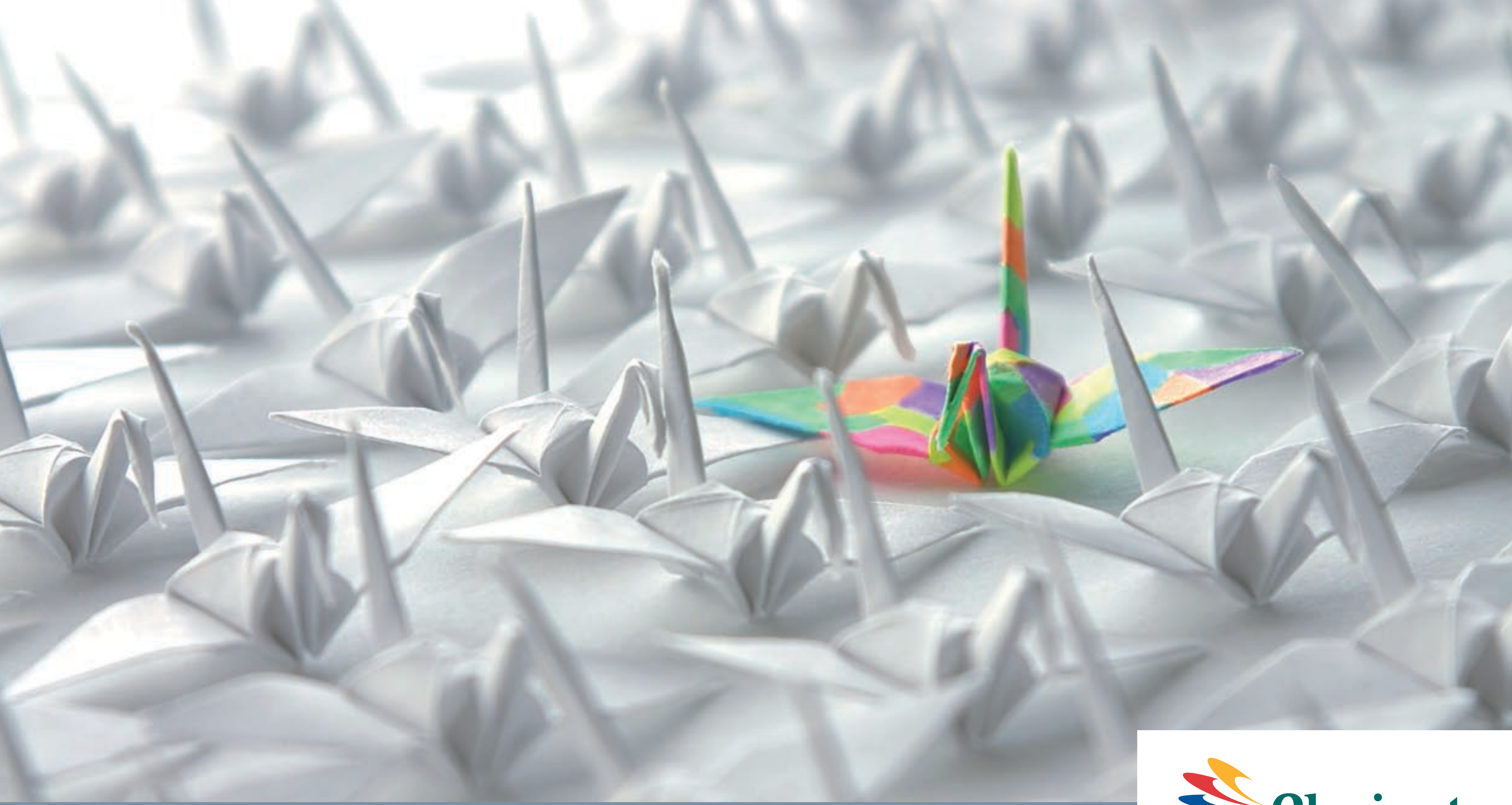

Clariant

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Financial Review

First Quarter
6 May 2009

www.clariant.com

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

Key Financial Group Figures

	First Quarter			
	2009		2008	
	CHF mn	% of sales	CHF mn	% of sales
Sales	1 604	100.0	2 112	100.0
Local currency growth (LC):	–19%			
Organic growth [1]	*–19%*			
Acquisitions/Divestitures	*0%*			
Currencies	–5%			
Gross profit	379	23.6	645	30.5
EBITDA before exceptionals*	43	2.7	230	10.9
EBITDA*	–8	0.5	207	9.8
Operating loss / income before exceptionals*	–13	0.8	167	7.9
Operating loss / income	–68	4.2	140	6.6
Net loss / income	–91	5.7	41	1.9
Operating cash flow	156		–6	

Other key figures:	***31.03.2009***	*31.12.2008*
Net debt	1 136	1 209
Equity (including minorities)	1 965	1 987
Gearing	58%	61%
Number of employees	19 558	20 102

1 The term "organic growth" is used throughout this statement and refers to volume and price effects excluding the impact of changes in FX rates and acquisitions/divestitures.
* See Definitions of Terms of Financial Measurement on page 4.

FINANCIAL DISCUSSION FIRST QUARTER

Economic Environment

Global economic activity has dramatically declined during the last few months. In the first quarter of 2009 a further slowdown in global economic growth has been observed, heavily affecting the chemical industry. Both private consumption and business investment spending are at multi-year lows. While demand for chemicals in Europe and North America remained extremely weak, there have been initial signs of stabilisation in some countries in Asia and Latin America. Overall demand for chemicals is not deteriorating further, but is also not expected to recover in the short- and mid-term to those levels prior to the crisis.

Compared to year-end 2008, commodity prices decreased significantly. Volatility has come down substantially. As long as there is no pick-up in economic activity raw material costs are expected to remain at current levels.

The US dollar appreciated against major currencies during the first quarter. On a year-on-year basis, the average exchange rate of the US dollar was stronger against the Swiss franc while the euro was weaker.

Sales and Operating Results

Consolidated sales from continuing operations decreased by 24% in Swiss francs and by 19% in local currency terms. All divisions and businesses showed positive sales price effects in comparison to the same period a year earlier.

The gross margin decreased to 23.6% in the first quarter compared with 30.5% in the same period the previous year. The gross margin was affected by costs related to lower capacity utilisations and the devaluation of inventories. A 2% reduction in raw material costs and higher average sales prices helped to mitigate these effects.

Marketing, distribution, administration, and general overhead costs accounted for 22.2% of sales compared to 20.7% recorded in the first quarter of 2008. The unfavourable development in percentage of sales was entirely the consequence of lower sales volume. In absolute terms, SG&A costs were CHF 80 million lower in a year-on-year comparison. This was mainly the result of cost reduction measures implemented since the first quarter 2008.

Research and development costs of CHF 39 million in the first quarter of 2009 are below the CHF 47 million recorded in the same quarter of the previous year.

Income from associates decreased to CHF 4 million in the first quarter of 2009. This compares to CHF 6 million in the corresponding period a year earlier.

Restructuring and impairment costs in the amount of CHF 55 million reflect mainly the programme for a sustainable cost reduction ("Project Clariant") and impairment charges in connection to the previously announced shutdown of the Horsforth Site in Great Britain.

Net financial expenses in the first quarter of 2009 fell to CHF –8 million, an improvement of CHF 54 million compared with the first quarter of previous year. This was entirely due to foreign exchange gains of CHF 14 million in the first quarter of 2009 compared with exchange rate losses of CHF 44 million in the previous year. The big swing in foreign currency is almost entirely due to the strengthening of all major currencies against the CHF in the first quarter of 2009. The net financial result before the foreign currency impact is almost the same in both periods. Lower interest income in the first three months of 2009 is mainly due to lower average time-weighted year-on-year liquidity in the first quarter compared with the previous year and lower average interest rates globally.

Tax expenses in the first quarter of 2009 were negatively influenced by expenses related to idle facilities, restructuring and impairment costs that were only partly tax deductible or not tax deductible at all. Also there was a loss for which no deferred tax asset could be capitalised. In turn, untaxed foreign exchange gains had a positive effect on the tax rate.

Net loss amounted to CHF 91 million in the first quarter of 2009. This compares with a profit of CHF 41 million reported in the same period of 2008. The main reasons for this variance are the unfavourable operating income development and the higher restructuring and impairment charges.

Balance Sheet Key Figures

Total assets decreased to CHF 5.856 billion as of 31 March 2009, from CHF 5.946 billion at the end of 2008. The most important event contributing to this effect was the reduction of net working capital.

Cash and cash equivalents increased to CHF 438 million as of 31 March 2009, from CHF 356 million at the end of 2008. This was mainly the result of a net working capital reduction and the resulting positive cash flow.

Current and non-current financial debts remained almost unchanged during the reporting period at CHF 261 million and CHF 1.313 billion.

Equity decreased slightly to CHF 1.965 billion as of 31 March 2009, from CHF 1.987 billion at the end of 2008. This was due to the net loss of CHF 91 million incurred during the reporting period which was partially compensated by the positive impact of the foreign exchange rate movements. In particular the Brazilian real, the pound sterling and the Chinese renmimbi contributed to this effect.

Net debt further decreased to CHF 1.136 billion as of 31 March 2009 from CHF 1.209 billion at the end of 2008.

Gearing, which reflects net financial debt in relation to equity including minorities, decreased to 58% as of 31 March 2009, from 61% at the end of 2008.

Cash Flow

Cash flow from operating activities before changes in working capital was a CHF -54 million for the first quarter of 2009. This compares to CHF 172 million for the first quarter of the previous year.

Working capital decreased by CHF 210 million during the first quarter of 2009 mainly driven by lower inventories and trade receivables. This compares to an increase of net working capital of CHF 178 million for the first quarter of the previous year.

Cash flow from operating activities was CHF 156 million for the first quarter of 2009, compared to CHF –6 million for the first quarter of 2008.

Capital expenditure (PPE) was CHF 41 million for the first quarter of 2009 compared to CHF 47 million for the first quarter of 2008.

Investments in associates of CHF 6 million and investments in other intangible assets of CHF 15 million were mainly related to a joint venture in China.

DEFINITION OF TERMS OF FINANCIAL MEASUREMENTS (UNAUDITED)

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

	First Quarter	
CHF mn	***2009***	*2008*
Operating income	–68	140
+ Depreciation of PPE	54	61
+ Impairment of PPE / Goodwill	4	4
+ Amortization of other intangibles	2	2
EBITDA	**–8**	**207**

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

	First Quarter	
CHF mn	***2009***	*2008*
EBITDA	–8	207
+ Restructuring and impairment	55	27
– Impairment of PPE / Goodwill (reported under Restructuring and impairment)	–4	–4
– Gain on disposals of subsidiaries and associates	–	–
EBITDA before exceptionals	**43**	**230**

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

Operating income before exceptionals

	First Quarter	
CHF mn	***2009***	*2008*
Operating income	–68	140
+ Restructuring and Impairment	55	27
– Gain on disposals of subsidiaries and associates	–	–
Operating income before exceptionals	**–13**	**167**

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	***31.03.2009***	*31.12.2008*
Non-current financial debt	1 313	1 297
+ Current financial debt	261	268
– Cash and cash equivalents	–438	–356
– Current deposits 90 to 365 days	–	–
Net Debt	**1 136**	**1 209**

CONDENSED FINANCIAL STATEMENTS OF THE CLARIANT GROUP

Consolidated statements of financial position (unaudited)

ASSETS	***31.03.2009*** CHF mn	%	*31.12.2008* CHF mn	%
Non-current assets				
Property, plant and equipment	2 052		2 010	
Intangible assets	300		283	
Investments in associates	273		275	
Financial assets	21		21	
Prepaid pension assets	124		119	
Deferred income tax assets	75		67	
Total non-current assets	**2 845**	48.6	**2 775**	46.7
Current assets				
Inventories	1 171		1 373	
Trade receivables	1 090		1 110	
Other current assets	264		300	
Cash and cash equivalents	438		356	
Current income tax receivables	48		32	
Total current assets	**3 011**	51.4	**3 171**	53.3
Total assets	**5 856**	100.0	**5 946**	100.0

EQUITY AND LIABILITIES	***31.03.2009*** CHF mn	%	*31.12.2008* CHF mn	%
Equity				
Share capital	921		921	
Treasury shares (par value)	–16		–15	
Other reserves	429		364	
Retained earnings	577		667	
Total capital and reserves attributable to Clariant Shareholders	**1 911**		**1 937**	
Non-controlling interests	54		50	
Total equity	**1 965**	33.6	**1 987**	33.4
Liabilities				
Non-current liabilities				
Financial debts	1 313		1 297	
Deferred income tax liabilities	132		134	
Retirement benefit obligations	496		478	
Provision for non-current liabilities	199		191	
Total non-current liabilities	**2 140**	36.5	**2 100**	35.3
Current liabilities				
Trade payables	882		1 011	
Financial debts	261		268	
Current income tax liabilities	243		243	
Provision for current liabilities	365		337	
Total current liabilities	**1 751**	29.9	**1 859**	31.3
Total liabilities	**3 891**	66.4	**3 959**	66.6
Total equity and liabilities	**5 856**	100.0	**5 946**	100.0

Consolidated income statements (unaudited)

	First Quarter			
	2009		2008	
	CHF mn	%	CHF mn	%
Sales	1 604	100.0	2 112	100.0
Costs of goods sold	–1 225	76.4	–1 467	69.5
Gross profit	**379**	23.6	**645**	30.5
Marketing and distribution	–252	15.7	–311	14.7
Administration and general overhead costs	–105	6.5	–126	6.0
Research and development	–39	2.4	–47	2.2
Income from associates	4	0.2	6	0.3
Restructuring and impairment	–55	3.4	–27	1.3
Operating loss / income	**–68**	4.2	**140**	6.6
Finance income	2	0.1	6	0.3
Finance costs [1]	–10	0.6	–68	3.2
Loss / income before taxes	**–76**	4.7	**78**	3.7
Taxes	–15	1.0	–37	1.8
Net loss / income	**–91**	5.7	**41**	1.9
Attributable to:				
Shareholders of Clariant Ltd	–93		39	
Non-controlling interests	2		2	
Net loss / income	**–91**	5.7	**41**	1.9
Basic earnings per share attributable to the shareholders of Clariant Ltd (CHF/share)	**–0.41**		**0.17**	
Diluted earnings per share attributable to the shareholders of Clariant Ltd (CHF/share)	**–0.41**		**0.17**	

[1] Currency impact YTD 2009 of CHF +14 mn vs YTD Mar 2008 of CHF –44 mn

Consolidated statements of other comprehensive income (unaudited)

	First Quarter	
	2009 *CHF mn*	*2008* *CHF mn*
Net loss / income	**–91**	**41**
Other comprehensive income:		
Net investment hedge	–15	52
Currency translation differences	83	–217
Other comprehensive income for the year, net of tax	**68**	**–165**
Total comprehensive income for the year	**–23**	**–124**
Attributable to:		
Shareholders of Clariant Ltd	–28	–120
Non-controlling interests	5	–4
	–23	**–124**

Consolidated statements of cash flows (unaudited)

				First Quarter
CHF mn		***2009***		*2008 (Restated)**
Net loss / income		**–91**		**41**
Adjustment for:				
Depreciation of property, plant and equipment (PPE)	54		61	
Impairment and reversal of impairment	4		4	
Amortization of intangible assets	2		2	
Impairment of working capital	22		17	
Income from associates	–4		–6	
Tax expense	15		37	
Net financial income and costs	22		18	
Other non-cash items	–12		49	
Total reversal of non-cash items		103		182
Dividends received from associates		17		21
Interest paid		–5		–19
Interest received		2		6
Income taxes paid		–43		–39
Payments for restructuring*		–37		–20
Cash flow before changes in working capital and provisions		**–54**		**172**
Changes in inventories		233		–98
Changes in trade receivables		56		–85
Changes in trade payables		–149		–58
Changes in other current assets and liabilities		16		45
Changes in provisions (excluding payments for restructuring) *		54		18
Cash flow from operating activities		**156**		**–6**
Investments in PPE	–41		–47	
Investments in financial assets and associates	–6		–2	
Investments in other intangible assets	–15		–	
Changes in current financial assets	2		119	
Sale of PPE and intangible assets	4		3	
Acquisition of companies, businesses and participations	–		–3	
Payments for the disposal of discontinued operations	–3		–9	
Proceeds from the disposal of subsidiaries and associates	1		–	
Cash flow from investing activities		**–58**		**61**
Treasury share transactions	–3		–	
Proceeds from financial debts	31		68	
Repayments of financial debts	–49		–418	
Dividends paid to minority shareholders	–1		–1	
Cash flow from financing activities		**–22**		**–351**
Currency translation effect on cash and cash equivalents		6		–16
Net change in cash and cash equivalents		**82**		**–312**
Cash and cash equivalents at the beginning of the period		**356**		**509**
Cash and cash equivalents at the end of the period		**438**		**197**

* In this presentation, payments for restructuring are disclosed separately to increase the meaningfulness of "Cash flow before changes in working capital and provisions". Previously the payments for restructuring were included in the line "Changes in provisions". The prior period presentation has been restated as follows: "Changes in provisions" adjusted from CHF –2 mn to CHF 18 mn and due to the "Payments for restructuring" of CHF –20 mn, the "Cash flow before changes in working capital and provisions" has changed from CHF 192 mn down to CHF 172 mn.

Consolidated statement of changes in equity (unaudited)

									First Quarter
			Other reserves						
CHF mn	*Total share capital*	*Treasury shares (par value)*	*Share premium reserves*	*Cumulative translation reserves*	*Total other reserves*	*Retained earnings*	*Total attributable to equity holders*	*Non-controlling interests*	*Total equity*
Balance December 31, 2007	**978**	**–16**	**767**	**–125**	**642**	**709**	**2 313**	**59**	**2 372**
Total comprehensive income for the period				**–159**	**–159**	**39**	**–120**	**–4**	**–124**
Dividends to third parties					–		–	–1	–1
Employee share & option scheme:									
Effect of employee services					–	2	2		2
Treasury share transactions		1			–	–1	–		–
Balance March 31, 2008	**978**	**–15**	**767**	**–284**	**483**	**749**	**2 195**	**54**	**2 249**
Balance December 31, 2008	**921**	**–15**	**767**	**–403**	**364**	**667**	**1 937**	**50**	**1 987**
Total comprehensive income for the period				**65**	**65**	**–93**	**–28**	**5**	**–23**
Dividends to third parties					–		–	–1	–1
Employee share & option scheme:									
Effect of employee services					–	2	2		2
Treasury share transactions		–1			–	1	–		–
Balance March 31, 2009	**921**	**–16**	**767**	**–338**	**429**	**577**	**1 911**	**54**	**1 965**

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

1. Basis of preparation of financial statements

These financial statements are the interim condensed financial statements (hereafter "the interim financial statements") of Clariant Ltd, a company registered in Switzerland, and its subsidiaries for the three-month period ended on 31 March 2009 (hereafter "the Group"). They are prepared in accordance with the International Accounting Standard 34 (IAS 34 "Interim Financial Reporting") and were approved on 28 April 2009 by the Board of Directors. These interim financial statements should be read in conjunction with the Consolidated Financial Statements for the year ended 31 December 2008 (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 judgement 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. Change in presentation of financial statements

In order to comply with the IAS 1 (revised), presentation of financial statements has been changed. Accordingly, all non-owner changes in equity are presented in the statement of other comprehensive income. The statement of changes in equity, showing all owner changes, is now presented as a part of the financial statements. This was earlier included in the notes to the financial statements.

3. Seasonality of Operations

The Group operates in industries where significant seasonal or cyclical variations in total sales are not experienced during the financial year.

4. Restructuring and impairment

During the reporting period, the Clariant Group recorded restructuring expenses in the amount of CHF 51 million, which were mainly incurred in the Textile business in Switzerland and Japan, the Pigment & Additives division in Germany, the Masterbatches division in Germany, Italy, France, United States and Spain, and the Functional Chemicals division in Germany. Impairment charges amounted to CHF 4 million. They arose mainly because of the Paper business in Great Britain.

5. Divisional Figures

First Quarter	Sales to 3rd parties				EBITDA before exceptionals				EBITDA			
CHF mn	***2009***	*2008*	*% CHF*	*% LC*	***2009***	*2008*	*% CHF*	*% LC*	***2009***	*2008*	*% CHF*	*% LC*
Textile, Leather, Paper	379	516	–27	–20	–6	43	–	–	–20	33	–	–
Pigments & Additives	328	527	–38	–35	–10	82	–	–	–23	81	–	–
Masterbatches	260	341	–24	–19	15	39	–62	–56	5	39	–87	–83
Functional Chemicals	637	728	–13	–6	64	86	–26	–15	57	82	–30	–18
Divisions Total	**1 604**	2 112			**63**	250			**19**	235		
Corporate	–	–			–20	–20			–27	–28		
Total	**1 604**	2 112	–24	–19	**43**	230	–81	–73	**–8**	207	–	–

	Operating income before exceptionals				Operating Income				Systematic Depreciation of PPE	
CHF mn	***2009***	*2008*	*% CHF*	*% LC*	***2009***	*2008*	*% CHF*	*% LC*	***2009***	*2008*
Textile, Leather, Paper	–18	27	–	–	–37	17	–	–	12	16
Pigments & Additives	–27	63	–	–	–40	59	–	–	16	19
Masterbatches	7	32	–78	–74	–3	30	–	–	8	8
Functional Chemicals	48	70	–31	–18	42	65	–35	–23	15	16
Divisions Total	**10**	192			**–38**	171			**51**	59
Corporate	–23	–25			–30	–31			3	2
Total	**–13**	167	–	–	**–68**	140	–	–	**54**	61

6. Divisional Margins

First Quarter	Sales to 3rd parties		EBITDA before exceptionals		EBITDA	
in %	***2009***	*2008*	***2009***	*2008*	***2009***	*2008*
Textile, Leather, Paper	23.6	24.4	–1.6	8.3	–5.3	6.4
Pigments & Additives	20.5	25.0	–3.0	15.6	–7.0	15.4
Masterbatches	16.2	16.1	5.8	11.4	1.9	11.4
Functional Chemicals	39.7	34.5	10.0	11.8	8.9	11.3
Total	**100.0**	**100.0**	**2.7**	**10.9**	**–0.5**	**9.8**

	Operating income b. exceptionals		Operating Income	
in %	***2009***	*2008*	***2009***	*2008*
Textile, Leather, Paper	–4.7	5.2	–9.8	3.3
Pigments & Additives	–8.2	12.0	–12.2	11.2
Masterbatches	2.7	9.4	–1.2	8.8
Functional Chemicals	7.5	9.6	6.6	8.9
Total	**–0.8**	**7.9**	**–4.2**	**6.6**

7. Regional developments

Sales						First Quarter
CHF mn	***2009***	*% of sales*	*2008*	*% of sales*	*CHF %*	*LC %*
Europe	754	47.0	1 077	51.0	–30	–24
of which Germany	*227*		*335*		–32	–27
of which Switzerland	*24*		*42*		–43	–40
Americas	472	29.4	558	26.4	–15	–10
of which USA	*194*		*236*		–18	–23
of which Brazil	*115*		*142*		–19	–
Asia / Australia / Africa	378	23.6	477	22.6	–21	–19
of which China	*63*		*91*		–31	–37
Total	**1 604**	100.0	**2 112**	100.0	–24	–19

8. Condensed Earnings Per Share Data

	First Quarter	
CHF mn	***2009***	*2008*
Number of shares outstanding at 31.3.2009 and 31.3.2008 respectively	230 160 000	230 160 000
Weighted average, number of shares outstanding	226 361 602	226 485 163
Weighted average, diluted number of shares outstanding	227 543 291	227 666 852
Basic earnings per share attributable to the shareholders of Clariant Ltd (CHF/share)	**–0.41**	**0.17**
Diluted earnings per share attributable to the shareholders of Clariant Ltd (CHF/share)	**–0.41**	**0.17**

9. Foreign Exchange Rates

Rates used to translate the consolidated balance sheets (closing rate)	***31.03.2009***	*31.12.2008*	*Change %*
1 USD	1.14	1.06	8
1 EUR	1.52	1.49	2
1 GBP	1.63	1.53	7
100 JPY	1.16	1.17	–1

	First Quarter		
Average sales-weighted rates used to translate the income statements and consolidated statements of cash flows	***2009***	*2008*	*Change %*
1 USD	1.15	1.07	7
1 EUR	1.50	1.60	–6
1 GBP	1.65	2.11	–22
100 JPY	1.23	1.01	22

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 20,000 people. Headquartered in Muttenz near Basel, it generated sales of around CHF 8 billion in 2008.

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

Clariant is committed to sustainable growth arising from its own innovative strength. Clariant's innovative products play a key role in its customers' manufacturing and treatment processes or and 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

30 July 2009	First Half 2009 Results
4 November 2009	Nine Month 2009 Results
16 February 2010	Full Year 2009 Results
29 March 2010	Annual General Meeting, Basel

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