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Media Release

Clariant delivers strong growth and improves its operating margins in an adverse environment in 2014

- **Full-year sales growth from continuing operations at 5% in local currencies, to CHF 6.12 billion from CHF 6.08 billion**
- **EBITDA margin before exceptional items reaches 14.2% compared to 14.1% in 2013**
- **Net result from continuing operations at CHF 235 million compared to CHF 323 million, mainly due to favorable one-time tax benefit in 2013**
- **Dividend increase to CHF 0.40 per share proposed**
- **For 2015, Clariant expects low to mid-single digit sales growth in local currency, an increased cash flow generation and an EBITDA margin before exceptional items above 2014**

"In 2014 Clariant grew above average once more, even though the economic environment was challenging and characterized by a continued lack of growth in Europe. Clariant increased its sales particularly in attractive high-margin markets, and was again able to improve its profitability, though some parts of the progress were masked by a negative currency effect," said CEO Hariolf Kottmann.

"In 2015, we will continue on our successful path to transform our company into a leading specialty chemical company. We will improve operational efficiency by implementing a lean service organization and continue to focus on customers and innovation. For 2015 we expect continued sales growth, further progress of our EBITDA margin and an improved cash flow, despite an increasingly volatile economic environment."

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Key Financial Data

Continuing operations:	Fourth quarter				Full Year			
in CHF million	**2014**	**2013**	**% CHF**	**% LC**	**2014**	**2013**	**% CHF**	**% LC**
Sales	1'586	1'563	1	2	6'116	6'076	1	5
EBITDA before exceptional items	232	235	-1	0	867	858	1	6
- margin	14.6%	15.0%			14.2%	14.1%		
EBIT before exceptional items	159	157	1	3	585	574	2	8
- margin	10.0%	10.0%			9.6%	9.4%		
EBIT	234	93	152	164	525	470	12	22
Net result from continuing operations	**133**	**85**			**235**	**323**		
Net income[1]	132	80			217	5		
Operating cash flow[1]	321	261			334	301		
Number of employees[1]					17'003	18'099		
Discontinued operations								
Sales	0	142			98	1'457		
Net result from discontinued operations	-1	-5			-18	-318		

[1] Total group including discontinued operations

Full-Year 2014 – Improved Performance, Targets Achieved

Muttenz, 18 February 2015 - Clariant, a world leader in specialty chemicals, today announced 2014 full-year sales from continuing operations of CHF 6.116 billion compared to CHF 6.076 billion in full-year 2013, an increase of 5% in local currencies, mainly driven by higher volumes (+4%). In Swiss francs sales increased by 1%.

The regional sales performance in local currencies was mostly positive. Clariant posted strong growth of 18% in local currencies in Latin America despite a slow-down in growth in Brazil. Sales in Asia increased 9% in local currencies driven by strong demand from Southeast Asia and India, the latter growing 24% in local currencies. Sales in North America increased by 3% as a slower start at the beginning of the year was compensated by a recovery of industrial demand during the year. Sales in Europe decreased by 2% given a slow business environment and a reduction of exposure to lower margin products. Sales in Middle East & Africa increased by 7% in local currencies.

In an overall challenging business climate, three out of four Business Areas achieved good sales growth in local currencies in a range of 6% to 8%. Care Chemicals recorded an underlying growth of 3% given the strength in Personal Care and Crop Solutions, despite a weak de-icing business. Reported growth was 1% given the pruning of low-margin base products business. Catalysis & Energy posted good growth fueled by all major businesses and a good change-out cycle in the Petrochemical business. The sales improvement in Natural Resources was largely based on strength in Oil Services and Mining Services. In Plastics & Coatings all businesses contributed with mid-single digit growth, with Pigments contributing most to year-on-year progression.

At 29.0%, the gross margin was slightly up from the 28.7% recorded in the previous year. A favorable volume mix development and an improved operational efficiency offset the negative currency impact. Year-on-year, sales prices were marginally higher while raw material costs were slightly lower.

The EBITDA before exceptional items from continuing operations increased by 6% in local currencies, reaching CHF 867 million, up from CHF 858 million in the previous year (+1% in Swiss francs). The corresponding EBITDA margin improved to 14.2%, compared to 14.1% for the full-year 2013.

Exceptional items decreased to CHF 60 million versus CHF 104 million in the previous year. Exceptional items included a gain from a land sale in India, impairments linked to the divestment of the ASK Participation and the planned sale of Energy Storage as well as costs for implementing a lean service organization.

The net result from continuing operations decreased to CHF 235 million compared to CHF 323 million in the previous year. This was driven by higher tax expenditures compared to a lower base in 2013 which was positively impacted by divestment linked one-time effects.

Full-year operating cash flow increased to CHF 334 million compared to CHF 301 million in 2013. As expected, a strong cash flow generation in the second half-year reversed the cash outflow recorded in the first six months of 2014.

Net debt was reduced to CHF 1.263 billion from CHF 1.500 billion recorded at year-end 2013 and therefore below the targeted CHF 1.300 billion. The gearing, reflecting net financial debt in relation to equity, improved to 46% from 54% at the end of 2013.

The solid result allows the board of directors to propose to the Annual General Meeting an increased dividend of CHF 0.40 per share compared to CHF 0.36 per share in the previous year. The distribution is proposed to be made from the capital contribution reserve that is exempt from Swiss withholding tax.

Fourth quarter 2014 – Good underlying sales growth

In the fourth quarter of 2014, Clariant increased sales to CHF 1.586 billion up from the strong fourth quarter 2013 with CHF 1.563 billion. This corresponds to a growth of 2% in local currencies, driven by price increases. Despite some portfolio pruning, volumes matched the high base of the previous year period. In Swiss francs, growth reached 1%, as currency developments still had a slight adverse impact of 1 percentage point on sales.

Care Chemicals reported 1% higher sales in local currencies. On a like-for-like basis Care Chemicals grew 6% in local currencies, reflecting strong growth in Consumer Care, predominantly in Crop Solutions and Personal Care. Catalysis & Energy sales were flat in local currencies and decreased by 3% in Swiss francs compared to the high base of the same period in 2013, which was due to a rebalancing of orders between the third and fourth quarter of 2014. Sales in the Natural Resources Business Area grew 3% in local currencies and 1% in Swiss francs in the fourth quarter 2014. Sales in Plastics & Coatings increased 4% in local currencies and 5% in Swiss francs with all three businesses, Pigments, Masterbatches, and Additives, contributing to growth in local currencies.

At the regional level, Latin America achieved double-digit growth in local currencies. Asia/Pacific and North America increased sales, whereas Europe and the Middle East & Africa were below the levels observed one year ago.

The gross margin was slightly higher year-on-year, at 28.8% compared to 28.2% in the previous-year period. This was due to improved operational efficiency and a tempering negative currency effect. The EBITDA margin before exceptional items was at 14.6%, compared to 15.0% in the fourth quarter of 2013. This decline was due to a base effect in Natural Resources, mostly attributable to a positive contribution from the ASK Joint Venture in the fourth quarter of 2013. All other Business Areas experienced flat or higher EBITDA margins compared to the same period of the previous year.

Operating cash flow amounted to CHF 321 million, compared to CHF 261 million in the fourth quarter of 2013, reflecting the usual seasonal pattern with a strong cash flow generation in the second half-year.

Outlook 2015 – Focus on Performance, Growth and Innovation

Clariant expects an ongoing challenging environment characterized by an increased volatility in commodity prices and currencies. In emerging markets, the economic environment is expected to remain favorable but at a lower level and with increased volatility. Moderate growth should continue in the United States. However, growth in Europe is expected to remain weak. The combined effect of the appreciation of the Swiss franc with the weakening of the euro will impact Clariant's sales and profitability in absolute terms but will be fairly neutral in terms of relative margins.

In 2015 Clariant will improve its operational efficiency by implementing a lean service organization; it will further improve its marketing excellence and will continue to launch innovations that generate value for its customers.

For 2015 Clariant expects low to mid-single digit sales growth in local currencies. In light of the volatile economic conditions, Clariant currently does not anticipate achieving its mid-term EBITDA margin target in 2015. However, the company will further increase its EBITDA margin before exceptional items above full-year 2014 and increase cash flow generation.

Clariant confirms its mid-term target to achieve a position in the top tier of the specialty chemicals industry. This corresponds to an EBITDA margin before exceptional items range of 16% to 19% and a return on invested capital (ROIC) above peer group average in 2015 and beyond.

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Business Discussion Fourth Quarter

Care Chemicals Business Area

	Fourth quarter				Full Year			
in CHF million	**2014**	**2013**	**%CHF**	**%LC**	**2014**	**2013**	**%CHF**	**%LC**
Sales	393	393	0	1	1'511	1'561	-3	1
EBITDA before exceptional items	80	71	13	15	259	263	-2	3
- margin	20.4%	18.1%			17.1%	16.8%		
EBIT before exceptional items	67	60	12	14	211	219	-4	1
- margin	17.0%	15.3%			14.0%	14.0%		
EBIT	67	58	16	17	209	233	-10	-6

In the fourth quarter of 2014, sales in the Care Chemicals Business Area increased by 1% in local currencies and were flat in Swiss francs compared to the fourth quarter of 2013. The subdued growth was exclusively due to a reduction of the exposure to lower margin products. Excluding this effect, underlying sales growth was 6% in local currencies. There was particularly strong sales growth in Latin America and the Middle East & Africa, while sales in North America, Asia/Pacific and Europe were slightly below last year's level.

As in the previous quarters growth was driven by double-digit growth in Crop Solutions and high single-digit growth in Personal Care. Most businesses in Industrial Applications experienced good growth with the exception of the seasonal de-icing business that was slightly below the level of the same period of the previous year.

The EBITDA margin before exceptional items increased to 20.4% from 18.1% in the previous year. The slightly adverse currency effect was more than compensated by a positive mix-effect attributable to a higher contribution from Personal Care and Crop Solutions businesses.

For 2015, Care Chemicals expects continued solid sales growth in Personal Care, Crop Solutions and Home Care that will be driven by new innovative products and sustainable solutions, like GlucoTain® that was launched at the »in-cosmetics« Asia trade fair, Bangkok in November 2014. GlucoTain® is an innovative new range of surfactants based on glucose and natural oils with pleasing sensorial effects and outstanding mildness without compromising cleaning performance for skin and hair. The innovation excellence has been rewarded by Clariant's customers as well: the business received the Unilever Partner to Win Award in the category Joint Value Creation for the second year in a row in September 2014.

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Catalysis & Energy Business Area

	Fourth quarter				Full Year			
in CHF million	**2014**	**2013**	**%CHF**	**%LC**	**2014**	**2013**	**%CHF**	**%LC**
Sales	238	245	-3	0	729	713	2	7
EBITDA before exceptional items	59	61	-3	0	171	159	8	13
- margin	24.8%	24.9%			23.5%	22.3%		
EBIT before exceptional items	45	44	2	7	113	91	24	33
- margin	18.9%	18.0%			15.5%	12.8%		
EBIT	15	33	-55	-50	83	81	2	13

Sales in the Catalysis & Energy Business Area were flat in local currencies and decreased by 3% in Swiss francs compared to the same period of 2013. This was due to a rebalancing of orders between the third and fourth quarter of 2014. For the full-year growth continued to be strong with 7% sales growth in local currencies, which is in line with Clariant's long-term growth projection for this business.

As in the previous quarters, the fundamental demand pattern remained favorable in Catalysis despite growth rates varying substantially from region to region due to timing and size of shipments. In the fourth quarter of 2014 there was growth in Specialty Catalysts, whereas Petrochemical and Syngas catalysts were below the high base of the year before.

On 29 October 2014, Clariant agreed to dispose of its Energy Storage activities pertaining to the Business Area Catalysis & Energy to UK-based Johnson Matthey. The transaction is expected to close in the first half of 2015. Thereafter, the Business Area will operate under the name Catalysis for 2015 onwards.

In the fourth quarter of 2014, the EBITDA margin development of the Business Area was almost flat at 24.8% (Q4 2013: 24.9%) as the negative impact from currencies was almost entirely compensated by a better product mix effect.

Growth in 2015 will be driven by several new projects in the United States, like on-purpose propane dehydrogenation (PDH) and gas-driven crackers that will come on stream in 2015 and 2016.

The business will continue to offer its customers value-adding innovations like the Heat Generating Material (HGM) concept, which was proven to significantly improve the efficiency of CATOFIN® on-purpose olefin production units. This innovation was awarded externally and mentioned in the »Best Process Innovation« category of the ICIS Innovation Awards 2014. The ICIS judges selected HGM for particular recognition because of its step-change contribution to feedstock utilization efficiency. The new concept increases the yield by several percent and reduces the carbon emissions of a typical CATOFIN® unit by several 10 000 tons of CO_2 per year.

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Natural Resources Business Area

	Fourth quarter				Full Year			
in CHF million	**2014**	**2013**	**%CHF**	**%LC**	**2014**	**2013**	**%CHF**	**%LC**
Sales	346	344	1	3	1 297	1 281	1	8
EBITDA before exceptional items	53	72	-26	-26	191	195	-2	5
- margin	15.3%	20.9%			14.7%	15.2%		
EBIT before exceptional items	45	60	-25	-27	154	151	2	10
- margin	13.0%	17.4%			11.9%	11.8%		
EBIT	43	24	79	75	63	106	-41	-28

Sales in the Natural Resources Business Area grew 3% in local currencies and 1% in Swiss francs in the fourth quarter of 2014. Taking the divestment of parts of the Water Treatment business into account, the underlying sales growth in Natural Resources was 6% in local currencies.

As in the previous quarters of 2014, the Oil & Mining Services business achieved double-digit sales growth in local currencies on a year-on-year basis. Growth was driven by a strong demand in Latin America and particularly in North America. Europe experienced sales growth in local currencies, whereas growth in Asia/Pacific was slightly negative. Oil Services continued to benefit from strong demand in North America, particularly in Texas, while the Mining Services business achieved very strong growth on the back of continued strength in Latin America and in Asia/Pacific, particularly in Australia.

Sales in Functional Minerals were below the level of the previous year because of the aforementioned effect from the divestment of the Water Treatment business. However, underlying growth continued to be good and particular strength was recorded in Latin America and Asia. As in the previous quarters there was strong growth in the Purification business, while the Foundry Additives business was below the level of the previous year.

The EBITDA margin before exceptional items of Natural Resources decreased to 15.3% in the fourth quarter of 2014 from 20.9% in the same period of the previous year. The decline was due to a base effect, as the EBITDA in the fourth quarter of 2013 was positively impacted by one-time effects, mostly attributable to a positive contribution from the ASK Joint Venture. This business was sold in July 2014.

For 2015 and beyond, Natural Resources anticipates continued growth. Functional Minerals will focus on accompanying growth in emerging markets with selective investments in these regions, and by innovations such as TOXISORB®, a 100% natural way to detoxify livestock feedstuff, contributing to animal health and safer meat and dairy products. Oil & Mining Services expects continued sales growth in local currencies, although the decline in oil prices might somewhat impact short-term growth dynamics of the business.

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Plastics & Coatings Business Area

	Fourth quarter				Full Year			
in CHF million	**2014**	**2013**	**%CHF**	**%LC**	**2014**	**2013**	**%CHF**	**%LC**
Sales	609	581	5	4	2 579	2 521	2	6
EBITDA before exceptional items	77	73	5	6	360	356	1	5
- margin	12.6%	12.6%			14.0%	14.1%		
EBIT before exceptional items	55	51	8	8	275	273	1	5
- margin	9.0%	8.8%			10.7%	10.8%		
EBIT	46	52	-12	-13	265	256	4	8

Sales in the Plastics & Coatings Business Area increased 4% in local currencies and 5% in Swiss francs compared to the previous year. All three businesses Pigments, Masterbatches, and Additives, contributed to growth in local currencies. Demand was particularly strong in Latin America and Asia/Pacific, whereas demand in Europe was below the level of the previous year.

In the Pigments business, Coatings and Plastics & Special Applications contributed to growth, whereas the Printing business remained at the same level as in the previous year. Growth was driven by the Americas. Asia was mixed with good demand in India and Southeast Asia but with weaker demand in China. Europe was below the level of the previous year.

Masterbatches realized good sales growth despite a weak start at the beginning of the fourth quarter of 2014. Sales grew in Packaging and Automotive. Consumer Goods sales were flat due to a weak demand from Europe. Regional growth was most pronounced in Latin America and Asia. Underlying demand in North America was good with an accelerated regional shift of customers' production capacity from the U.S. to Mexico.

Additives achieved strong sales growth in Flame Retardants, as demand for halogen-free flame retardants for electrical applications and electronics continued to recover. Demand for fire-protective coatings was on a high level and is expected to rise as a result of more stringent regulatory but also application requirements. Waxes were slightly below the level of last year, whereas sales in Polymer Additives increased.

The EBITDA margin before exceptional items of 12.6% for Plastics & Coatings was flat compared to the previous year, as higher volumes and a slight positive currency effect could compensate for an unfavorable mix effect.

Going forward, Plastics & Coatings expects growth in most regions, particularly in North America. Pigments will continue to invest in high-growth projects in emerging markets and will leverage its high capacity utilization by selectively shifting to higher-margin products.

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Clariant is a globally leading specialty chemicals company, based in Muttenz near Basel/Switzerland. On December 31, 2014 the company employed a total workforce of 17 003. In the financial year 2014, Clariant recorded sales of CHF 6.116 billion for its continuing businesses. The company reports in four business areas: Care Chemicals, Catalysis & Energy, Natural Resources, and Plastics & Coatings. Clariant's corporate strategy is based on five pillars: increase profitability, reposition portfolio, add value with sustainability, foster innovation and R&D, and intensify growth.