Media Release

FULL-YEAR RESULTS 2013
19 February 2014

Clariant continues on profitable growth path in 2013

- **Focus on growth businesses leads to further progress in 2013**
- **Full-year 2013 sales growth from continuing operations at 4% in local currencies, to CHF 6.08 billion from CHF 6.04 billion in full-year 2012**
- **EBITDA margin before exceptional items reaches 14.1% compared to 13.5%**
- **Net result from continuing operations of CHF 323 million, up from CHF 203 million**
- **Dividend increase to CHF 0.36 per share proposed**
- **For full-year 2014, Clariant expects low to mid single-digit sales growth in local currency and an EBITDA margin before exceptional items above full-year 2013**

"Clariant has made good progress in 2013. The unfolding operational strength of the company became visible in a challenging economic environment. After the divestment of several businesses, Clariant is now a more profitable, less cyclical and well-balanced specialty chemicals player," said CEO Hariolf Kottmann. "2014 will be a year of organic growth in the four Business Areas. This will bring us closer to our mid-term target to position Clariant in the top-tier of the specialty chemicals industry, characterized by an EBITDA margin before exceptionals between 16% and 19% in 2015 and beyond."

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Key Financial Data

Continuing operations:	Fourth quarter				Full-year			
in CHF million	2013	2012	% CHF	% LC	2013	2012	% CHF	% LC
Sales	1 563	1 509	4	8	6 076	6 038	1	4
EBITDA before exceptional items[1]	235	228	3	8	858	817	5	9
- margin	15.0%	15.1%			14.1%	13.5%		
EBIT before exceptional items[1]	157	155	1	7	574	546	5	10
- margin	10.0%	10.3%			9.4%	9.0%		
EBIT[1]	93	103	-10	-1	470	411	14	20
Net result from continuing operations	**85**	**85**			**323**	**203**		
Net income[2]	80	96			5	228		
Operating cash flow[2]	261	284			301	468		
Number of employees[2]					18 099	21 202		
Discontinued operations								
Sales	142	427			1 457	1 744		
Net result from discontinued operations	-5	11			-318	25		

[1] Fourth quarter 2012 and full-year 2012 restated for IAS 19 (employee benefits)
[2] Total group including discontinued operations

Full-Year 2013 – Improved Performance, Targets Achieved

Muttenz, 19 February, 2014 - Clariant, a world leader in specialty chemicals, today announced 2013 full-year sales from continuing operations of CHF 6.076 billion compared to CHF 6.038 billion in full-year 2012, an increase of 4% in local currencies and 1% in Swiss francs. The 4% organic sales growth was almost entirely driven by higher volumes.

The regional sales performance in local currencies was predominantly positive but heavily shaped by unfavorable currency effects in 2013, mainly from depreciating emerging market currencies against the Swiss franc.

Clariant posted strong growth of 16% in local currencies in Latin America. Sales in Asia increased 3% in local currencies on the back of a 10% sales growth in the key China market. In North America a recovery of industrial demand and favorable weather conditions led to 6% higher sales in local currencies. In Europe, a stable performance in Germany, double-digit growth in Eastern Europe and a slight recovery in the southern European countries resulted in 2% higher sales in local currencies. Sales in the Middle East & Africa region were 14% lower year-on-year in local currencies, mainly due to a softer Catalysts business and lower sales in the Water Treatment and Oil & Mining Services businesses.

In an overall challenging business climate, all Business Areas, with the exception of Catalysis & Energy, achieved sales growth in the low to high single-digit range. In Care Chemicals both Consumer Care and Industrial Applications posted solid growth. The sales improvement in Natural Resources was chiefly based on strength in Oil Services and Refinery Services. Sales growth in the Plastics & Coatings Business Area was led by a mid single-digit increase in the Pigments business, while the other businesses, Additives and Masterbatches, grew at a more moderate pace. Catalysis & Energy was 2% lower due to a softer change-out cycle in the Petrochemicals industry and some project delays in Asia.

At 28.7%, the gross margin was slightly down from the 28.9% recorded in the year before. A favorable volume/mix development was more than offset by a negative currency impact and slightly higher costs for the underutilization of production capacities. 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 5%, reaching CHF 858 million, up from CHF 817 million one year ago. The corresponding EBITDA margin improved to 14.1%, compared to 13.5% in full-year 2012, unfolding step-by-step the inherent earnings potential of the company.

Exceptional items including restructuring, impairment and transaction related costs decreased to CHF 104 million versus CHF 135 million in the previous year. Those charges in 2013 were mostly related to the disposal of the Water Treatment business, ongoing minor site closures and the finalization of the integration of Süd-Chemie. The net result from continuing operations improved by 59% to CHF 323 million compared to CHF 203 million in the previous year. This increase was driven by a better operating result and lower interest costs after the redemption and conversion of two bonds in the first half-year.

Full-year operating cash flow reached CHF 301 million compared to CHF 468 million in 2012. As expected, a strong cash flow generation in the second half-year reversed the cash outflow recorded in the first six months of 2013.

Net debt was reduced to CHF 1.500 billion and was therefore lower compared to the CHF 1.789 billion recorded at year-end 2012. The reduction was less than targeted due to lower proceeds and late payments in connection to the disposal of some businesses. However, the gearing, reflecting net financial debt in relation to equity, improved to 54% from 67% at the end of 2012.

Fourth Quarter 2013 – Dynamic Sales Growth in All Business Areas

In the fourth quarter of 2013, Clariant reported 8% sales growth in local currencies. This was mainly due to 7% higher volumes while sales prices added 1% and raw materials remained at the previous year's level. In Swiss francs, sales were 4% higher, at CHF 1.563 billion, compared to CHF 1.509 billion a year ago. All Business Areas recorded strong sales growth in the fourth quarter, led by Catalysis & Energy with an increase of 12%. Natural Resources and Plastics & Coatings each achieved sales growth of 9%, Care Chemicals was equally strong, adding 7% in sales. The Catalysts business experienced the usual seasonal strength and benefitted from the partial realization of projects in Asia that had been postponed in the third quarter. Consumer Care and Natural Resources continued on their growth path of the earlier quarters in 2013 while Plastics & Coatings recovered substantially from the low levels recorded in the prior-year period. At the regional level, Asia/Pacific, Latin America and North America achieved double-digit growth in local currencies. EMEA was flat with sales in Europe recovering from the trough levels observed in the year-ago period, offset by ongoing weakness in Middle East & Africa.

The gross margin was lower year-on-year, at 28.2% compared to 29.3% in the previous-year period. This was mainly due to unfavorable currency effects in the emerging markets and Japan as well as slightly higher costs for the underutilization of production assets. The EBITDA margin before exceptional items was nearly unchanged at 15.0% compared to 15.1% in the fourth quarter of 2012.

Operating cash flow amounted to CHF 261 million compared to CHF 284 million in the fourth quarter 2012, reflecting the usual seasonal pattern with a strong cash flow generation in the second half-year.

Changes in reporting structure and restatements effective 1 January 2013

Effective 1 January 2013, Clariant has regrouped its seven Business Units for reporting purposes into four Business Areas: Care Chemicals (BU ICS), Catalysis & Energy (BU Catalysts, Energy Storage), Natural Resources (BU Oil & Mining Services, BU Functional Minerals), and Plastics & Coatings (BU Additives, BU Masterbatches, BU Pigments). In addition, the Medical Specialties business has been reallocated from BU Functional Minerals to BU Masterbatches. Restatements for 2012 have been made accordingly.

At Group level the introduction of IAS 19 (revised) Employee Benefits as of 1 January 2013 is reflected in restated figures for 2012. For the fourth quarter of 2012 including discontinued operations, IAS 19 had a positive impact of CHF 4 million on EBITDA and EBIT, while net income decreased by CHF 3 million. For the full-year 2012, the positive impact of IAS 19 on EBITDA and EBIT was CHF 18 million, while net income declined by CHF 10 million.

Clariant has meanwhile stringently executed the announced divestments of the five businesses Textile Chemicals, Paper Specialties, Emulsions, Detergents & Intermediates and Leather Services. With the closing on 30 September 2013, Clariant sold its Textile Chemicals, Paper Specialties and Emulsions businesses to SK Capital, a US-based investment firm. On 15 October 2013, the disposal of Detergents & Intermediates to International Chemical Investors Group (ICIG), a privately owned industrial holding company focusing on mid-sized chemicals and pharmaceutical businesses, was announced and closed effective as of 1 January 2014. The divestment of the Leather Services business to Stahl was announced on 30 October 2013 and is expected to close in the next few months, subject to regulatory approval. Clariant will hold a 23% stake in the combined entity. Hence, all five businesses have been reported as "discontinued operations".

In the fourth quarter of 2013, discontinued operations generated sales of CHF 142 million compared to CHF 427 million in the fourth quarter of 2012, and a net result of CHF –5 million compared to an income of CHF 11 million in the fourth quarter of 2012. The net result from discontinued operations in 2013 includes book losses, project and separation costs, and currency translation adjustments related to the divestment of all five businesses.

Outlook 2014 – Focus on Performance, Growth and Innovation

The solid results allow the Board of Directors to propose to the AGM an increased dividend of CHF 0.36 per share compared to CHF 0.33 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.

For 2014, Clariant expects an ongoing challenging business environment, characterized by a heterogeneous global economic development and volatile currency markets, especially in the emerging markets. The economic environment in the emerging markets is expected to remain favorable but volatile while moderate growth should continue in the advanced economies, in particular in the United States. In this scenario, Clariant will focus on profitably growing the four Business Areas and on cost efficiency.

For full-year 2014, Clariant expects low to mid single-digit sales growth in local currency and an EBITDA margin before exceptional items above full-year 2013.

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.

Business Discussion Fourth Quarter

Care Chemicals Business Area

	Fourth quarter				Full-year			
in CHF million	**2013**	**2012**	**% CHF**	**% LC**	**2013**	**2012**	**% CHF**	**% LC**
Sales	393	385	2	7	1 561	1 487	5	8
EBITDA before exceptional items	71	73	-3	2	263	245	7	10
- margin	18.1%	19.0%			16.8%	16.5%		
EBIT before exceptional items	60	61	-2	4	219	201	9	12
- margin	15.3%	15.8%			14.0%	13.5%		
EBIT	58	61	-5	1	233	200	17	21

In the fourth quarter of 2013, sales in the Care Chemicals Business Area increased by 7% in local currencies and 2% in Swiss francs compared to the same period one year ago. On a comparable basis, adjusted for sales of the non-consolidated amines business transferred into the joint venture with Wilmar as of early July 2013, local currency growth was 9%.

All regions except Europe achieved strong local currency sales growth well above the previous year. Latin America, North America and Middle East & Africa grew by double-digit, followed by Asia/Pacific with mid single-digit growth. Europe was slightly weaker in a year-on-year comparison.

Strong growth has been achieved in both Consumer Care and Industrial Applications. In Consumer Care, sales growth in Personal Care and Crop Solutions was driven by the introduction of new products as well as by market share gains. Growth in Industrial Applications was driven by the Paints & Construction business. The aviation business was mixed: while weather conditions in North America were favorable for the business, demand in Europe was soft due to mild weather conditions throughout the fourth quarter.

The EBITDA margin before exceptional items of 18.1% was marginally lower due to an unfavorable mix effect. A positive contribution from higher volumes was more than offset by the weather-related negative impact of the European de-icing business.

For 2014, Care Chemicals expects growth to continue as innovations and new products will drive growth, particularly in Personal Care and Crop Solutions. However, in the first quarter of 2014 the Business Area will compete against high figures as de-icing achieved a record quarter in the prior-year period due to very favorable weather conditions.

Catalysis & Energy Business Area

	Fourth quarter				Full-year			
in CHF million	**2013**	**2012**	**% CHF**	**% LC**	**2013**	**2012**	**% CHF**	**% LC**
Sales	245	226	8	12	713	751	-5	-2
EBITDA before exceptional items	61	61	0	4	159	162	-2	5
- margin	24.9%	27.0%			22.3%	21.6%		
EBIT before exceptional items	44	44	0	4	91	94	-3	8
- margin	18.0%	19.5%			12.8%	12.5%		
EBIT	33	43	-23	-20	81	84	-4	2

Sales in the fourth quarter of 2013 in the Catalysis & Energy Business Area increased 12% in local currencies and 8% in Swiss francs. The seasonal peak in the fourth quarter was even more pronounced than usual as the business benefitted from deliveries that had been postponed from the third to the fourth quarter.

Sales growth was double-digit in local currencies in Asia, Latin America, North America and Europe. Middle East & Africa was below the record levels of 2012 as the change-out cycle in the Petrochemicals industry softened as expected in 2013.

Sales in Specialty Catalysts, Syngas and Petrochemicals picked-up significantly in the fourth quarter. Particularly strong demand was observed for Houdry dehydrogenation catalysts, which are used for on-purpose olefins/butadiene production with efficient energy consumption. The Houdry technology, which produces on-purpose propylene, is growing significantly in the United States, driven by the rise of shale gas production. A large number of new projects are also under construction in China for both C3 and C4 olefin production where the world's largest propane dehydrogenation unit (PDH) just recently started production. The 600 kta unit located in Tianjin that uses Houdry CATOFIN® technology and Clariant's catalyst is the first PDH unit in China. Several new production units based on the CATOFIN®-technology will go into operation in China in the next 12-18 months.

Sales in the start-up business Energy Storage were above previous year's level with demand primarily coming from China driven by subsidies for electric vehicles.

The EBITDA margin of the Business Area declined to 24.9% but remained at a high level. This was mainly due to negative mix effects and the dilutive impact from the Energy Storage business which over-compensated integration savings and the benefit from higher volumes.

Going forward, the Business Area expects to return to a growth path for 2014 based on a recovery of activity in the Middle East and increased production rate of customers in the United States, as well as new projects based on shale gas. Further growth will be secured by several new cooperation contracts such as the long-term cooperation agreement with CB&I's Lummus Novolen Technology business, capacity extensions and materials to enable meeting more stringent emission standards. The Energy Storage business will focus in 2014/15 on achieving break-even.

Natural Resources Business Area

	Fourth quarter				Full-year			
in CHF million	**2013**	**2012**	**% CHF**	**% LC**	**2013**	**2012**	**% CHF**	**% LC**
Sales	344	338	2	9	1 281	1 276	0	5
EBITDA before exceptional items	72	49	47	57	195	171	14	21
- margin	20.9%	14.5%			15.2%	13.4%		
EBIT before exceptional items	60	36	67	73	151	127	19	27
- margin	17.4%	10.7%			11.8%	10.0%		
EBIT	24	36	-33	-28	106	116	-9	0

In the fourth quarter of 2013 sales in the Natural Resources Business Area grew 9% in local currencies and 2% in Swiss francs year-on-year, mainly driven by strength in the Oil Services business.

Oil & Mining Services (OMS) returned to double-digit sales growth in the fourth quarter. The Oil Services business was supported by strong demand in Latin America and Asia, with an improving position in North America. The Mining Services business achieved good growth on the back of strength in Latin America. Refinery was slightly below last year as mild weather conditions in Europe impacted its cold-flow additives business for middle distillates.

Functional Minerals achieved higher sales in local currencies due to growth in North America, Latin America and in Europe whereas Asia/Pacific and Middle East & Africa were slightly below last year's level. The Adsorbents business grew in the high single-digit percentage range whereas solid demand from the automotive industry supported the Foundry Additives business. Weakness in Water Treatment persisted. Clariant has announced the divestment of the South African Water Treatment business to South African AECI on February 11, 2014.

The EBITDA margin before exceptional items of Natural Resources increased to 20.9%. Higher volumes, a better mix as well as a higher contribution from Refinery Services and the ASK Joint Venture with Ashland positively impacted the margin, more than offsetting the negative currency effect. Additionally, the finalization of the integration of the Süd-Chemie businesses into Clariant and the implementation of efficiency measures contributed to the margin improvement.

For 2014, the Natural Resources Business Area expects growth to continue. Based on current order patterns, Functional Minerals projects solid growth in its core markets. OMS will continue to benefit from new products and services as just presented at the Offshore Technology Conference in Rio de Janeiro, Brazil. Oil Services showcased its chemical solutions' portfolio for production in low temperature, deep- and ultra-deep-water, and heavy crude fields, as well as for drilling in hostile environments containing carbon dioxide and hydrogen sulfide.

Plastics & Coatings Business Area

	Fourth quarter				Full-year			
in CHF million	2013	2012	% CHF	% LC	2013	2012	% CHF	% LC
Sales	581	560	4	9	2 521	2 524	0	2
EBITDA before exceptional items	73	71	3	8	356	386	-8	-7
- margin	12.6%	12.7%			14.1%	15.3%		
EBIT before exceptional items	51	49	4	10	273	306	-11	-9
- margin	8.8%	8.8%			10.8%	12.1%		
EBIT	52	45	16	20	256	293	-13	-11

In the fourth quarter of 2013, sales in the Plastics & Coatings Business Area increased 9% in local currencies and 4% in Swiss francs compared to the prior-year period. All three businesses Pigments, Masterbatches and Additives contributed to growth.

Pigments achieved strong sales growth in local currencies in all regions with double-digit sales increases in Asia/Pacific and Latin America. India and China developed particularly well. Additional sales were recorded from the Jiangsu Multicolor acquisition in China, closed in late September 2013. The Coatings, Plastics and Special Applications businesses experienced rapid growth compared to a low sales base recorded in the previous-year quarter. Printing increased sales, mainly due to market share gains which outweighed the negative development in the global demand for printing inks.

Masterbatches sales in local currencies increased in all regions with the exception of North America. Major contributors to growth were Latin America, Greater China and India. The business environment in Europe slightly improved during the quarter as the region recovered on the back of somewhat better demand in Southern Europe.

Additives registered strong growth in all regions, with Latin America and Asia/Pacific outpacing the other regions. Sales in the Flame Retardants business recovered on a stabilization in demand from the Asian electronics industry and ongoing strong business in intumescent coatings. Polymer Additives showed strong growth in Europe while Waxes developed very well in Asia/Pacific.

The EBITDA margin before exceptionals of 12.6% was slightly below the previous-year period. Substantially higher volumes and an improved mix effect could not compensate for unfavorable currency developments. Going forward Plastics & Coatings expects slightly improving demand especially from Europe after a weak 2013. The Business Area will continue to improve efficiency and adapt its cost base to the lower underlying demand in Europe and will shift resources to high growth regions and markets.

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Discontinued Operations – Emulsions, Detergents & Intermediates, Leather Services, Paper Specialties, and Textile Chemicals Business Units

	Fourth quarter		Full-year	
in CHF million	**2013**	**2012**	**2013**	**2012**
Sales	142	427	1 457	1 744
EBITDA before exceptional items	-4	40	100	135
- margin	-2.8%	9.4%	6.9%	7.7%
EBIT before exceptional items	-4	30	100	91
- margin	-2.8%	7.0%	6.9%	5.2%
EBIT	1	26	-305	76

After the closing of the divestments of Textile Chemicals, Paper Specialties and Emulsions to SK Capital on 30 September 2013, the figures reported for the fourth quarter reflect the results from the remaining two discontinued operations Leather Services and Detergents & Intermediates.

Sales in those two businesses reached CHF 142 million with an EBITDA margin before exceptional items of -2.8% in the fourth quarter of 2013.

The closing of the sale of the Detergents & Intermediates business to International Chemical Investors Group (ICIG) with effect as of 1 January 2014 was announced on 7 January 2014. Effective with the first quarter of 2014 results, discontinued operations will therefore only report Leather Services under discontinued operations until the closing of the sale to Stahl, which was announced on 31 October 2013.

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Clariant is a globally leading specialty chemicals company, based in Muttenz near Basel/Switzerland. On December 31, 2013 the company employed a total workforce of 18,099. In the financial year 2013, Clariant recorded sales of CHF 6.076 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 four pillars: managing businesses for profitability, research & development and innovation, growth in emerging markets, and repositioning of the portfolio.