

Annual Report **2015**

Financial SUMMARY

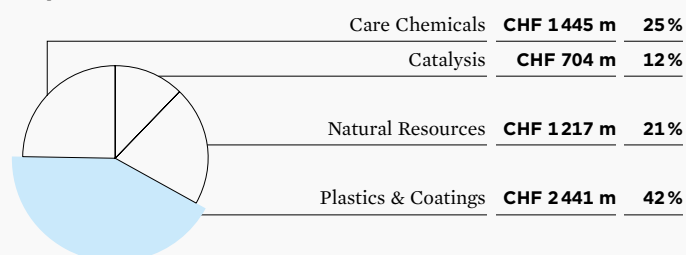
KEY FIGURES in CHF m

	2015	2014
Sales ¹	5 807	6 116
EBITDA before exceptionals ¹	853	867
EBITDA margin before exceptionals ¹ (%)	14.7	14.2
EBIT before exceptionals ¹	596	585
Net income ¹	227	235
Basic earnings per share ¹ (in CHF)	0.67	0.55
Adjusted earnings per share ¹ (in CHF)	1.01	1.12
Operating cash flow	502	334
Investment in property, plant and equipment	374	310
Research & Development expenditures ¹	204	213
Total assets	7 461	7 915
Equity	2 494	2 733
Equity ratio (%)	33.4	34.5
Net debt	1 312	1 263
Gearing ratio (%)	53	46
Employees	17 213	17 003

¹ Continuing operations

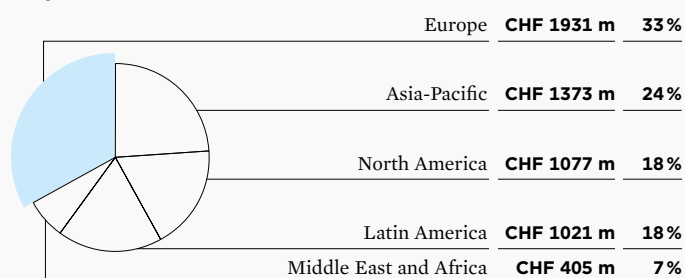
SALES BY BUSINESS AREA

Group sales: CHF 5 807 m



SALES BY REGION

Group sales: CHF 5 807 m



We create value through appreciating the needs of:

- our customers by providing competitive and innovative solutions
- our employees by adhering to our corporate values
- our shareholders by achieving above-average returns
- our environment by acting sustainably

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»GlucoTain® is unique in improving essential product characteristics e.g. for shampoos and provides high sustainability standards.«

KATARZYNA KITA

Global Application Development Manager
Personal Care

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»With Ecosil®LE, Clariant provides the option to reduce harmful emissions in the foundry industry by up to 80%.«

THOMAS ENGELHARDT

Lab Head Application Development EMEA
and inventor of the LE Technology

DISCOVER CLARIANT	Group-Sales in CHF m	Sales growth in LC ² in %	EBITDA ¹ margin in %	Operating cash flow in CHF m
	5 807	+ 3	14.7	502
DISCOVER VALUE in the four Business Areas	Care Chemicals	Catalysis	Natural Resources	Plastics & Coatings
Sales in CHF m	1 445	704	1 217	2 441
EBITDA ¹ margin in %	18.8	25.1	16.9	12.8

¹before exceptional items, ²local currencies

»With Easy Dispersible Pigments you save time, money and energy in the manufacturing of paints.«

THOMAS METZ

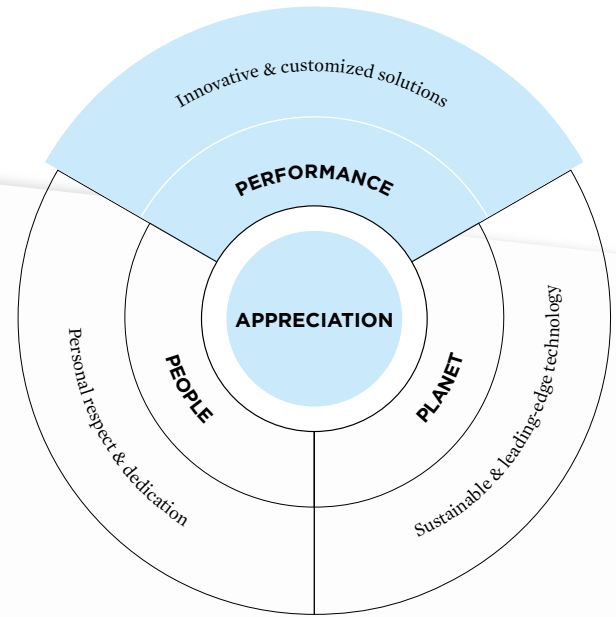
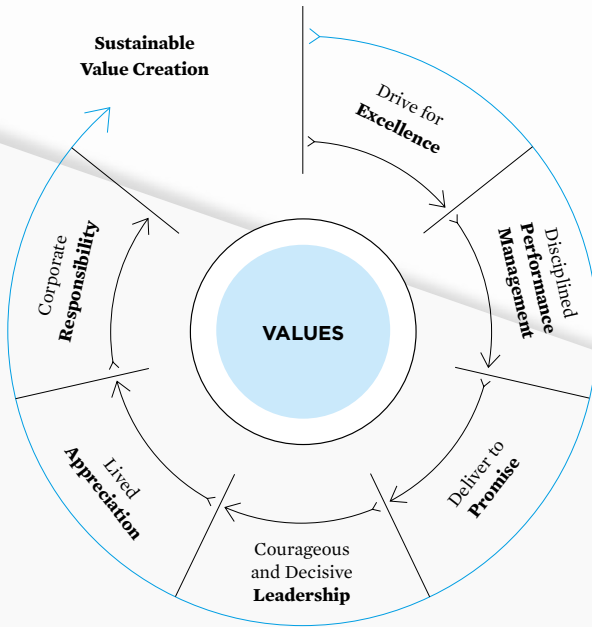
Head of Global Technical Marketing Coatings

BRAND VALUES

and the core of the brand

CORPORATE VALUES

as a foundation for sustainable value creation



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»By using AmoMax®-10 catalyst, significantly less energy is needed in fertilizer production.«

TAYLOR ARCHER

Global Director of Sales and Product Management – Ammonia and DRI Catalysts

THE FIVE-PILLAR STRATEGY

to increase performance

- | | | | | |
|---------------------------------|-------------------------------|--|------------------------------------|---------------------------|
| 1 Increase Profitability | 2 Reposition Portfolio | 3 Add Value with Sustainability | 4 Foster Innovation and R&D | 5 Intensify Growth |
|---------------------------------|-------------------------------|--|------------------------------------|---------------------------|

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»We will create ADDITIONAL VALUE«

Mr. Kottmann, Discover Value is the motto of this annual report. What is behind this theme?

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HARIOLF KOTTMANN Today our global markets are very dynamic and constantly changing. For this reason, a company that seeks long-term success must also embrace continuous transformation and evolution. Clariant has done this successfully in the past few years. But in order to reach our goals – such as the targeted EBITDA margin before exceptional items of 16% to 19% – we will need to create additional value beyond what has already been achieved. To do so, our corporate culture must also continue to change. To put it plainly and simply, everyone in the company from the managers to the employees should think like entrepreneurs. In other words, they must make it their personal business to generate additional value for the company, our customers and shareholders. That's why we have made »Accelerate Change – Discover Value« our guiding theme.

How did Clariant perform in 2015?

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RUDOLF WEHRLI We can be really proud of our achievements. All companies operating globally have faced changing conditions in the year 2015. There were major challenges to contend with in emerging markets. Growth in China was weaker than in the past, and Brazil was in a deep recession. However, economic activity in the USA progressed very positively. It is precisely these kinds of situations that show whether a company is well prepared and able to act with foresight, whether it has positioned its portfolio and structure to be flexible, whether it drives innovation and whether it is able to recognize future trends. Clariant grew strongly in Brazil in local currency in 2015 despite the local economic problems. Sales also increased in North America. Profitability has also increased substantially within the Group. This demonstrates the strength of our company. We are well positioned for different economic scenarios.

Does this mean that Clariant has achieved its targets for the year?

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HARIOLF KOTTMANN Yes, we achieved sales growth of 3% in local currencies. Our EBITDA margin before exceptional items improved from 14.2% to 14.7% – making this the seventh year in a row it has increased. This shows that we have the right strategy to focus on growth markets with above-average profitability. We are particularly pleased with operating cash flow. After the portfolio adjustments of the past few years, we have also demonstrated our strength in generating operating cash flow in 2015.

How would you like to use the funds?

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RUDOLF WEHRLI First of all, we would like to give our shareholders an appropriate share in the company's success. At the Annual General Meeting on April 21, the Board of Directors and the Executive Committee will propose to distribute an unchanged dividend of CHF 0.40 per share for the 2015 financial year.

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HARIOLF KOTTMANN We will also further invest in external growth. This may include smaller bolt-on acquisitions for certain technologies or interesting markets and regions. Of course, we would not rule out even larger, more transformational acquisitions, but they would need to make strategic sense and offer substantial value creation.



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RUDOLF WEHRLI
Chairman of the Board of Directors

—
HARIOLF KOTTMANN
Chief Executive Officer



»We will give our shareholders an appropriate share in the company's success.«

RUDOLF WEHRLI

Chairman of the Board of Directors

Where are you planning to invest more?

—
HARIOLF KOTTMANN Like last year, it is all about increasing our competitiveness at all levels and making targeted investments in research and development and in the development of the most interesting markets for the long term. North America, currently the largest specialty chemicals market, and China, the future number one, remain in focus. I am convinced that China's economy will continue its positive growth after the ongoing, necessary consolidation. We have expanded our activities substantially in India and Indonesia – fast growing markets for specialty chemicals – and we will continue to do so in the future. The same applies for Latin America, especially Brazil, where we see considerable potential despite the current recession.

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RUDOLF WEHRLI And of course, we are also focusing efforts on our innovation pipeline, which must be filled on a continuous basis. We currently have more than 300 large, important innovation projects, including more than 60 with double-digit million sales potential.

On 1 January 2016, the Business Area with the biggest share of sales, Plastics & Coatings, was legally separated. Does this mean that you plan to sell these businesses?

—
HARIOLF KOTTMANN We have spun off businesses in Plastics & Coatings into legally independent subsidiaries in order to fully exploit its appreciation potential for the company. The Business Area makes important contributions to our cash flow but in order to maximize their value creation we have to manage these businesses differently. By creating separate subsidiaries, we also increased flexibility for the future.

»Despite the difficult economic environment, we look back on another year of increasing profitability and growth.«

HAROLF KOTTMANN
Chief Executive Officer



Has making the topic of sustainability one of the five strategic pillars of the Group paid off?

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RUDOLF WEHRLI As Chairman of the Board, I am impressed with how much Clariant has grown in just a few years from being a rather conservative company in terms of sustainability to becoming a role model. This is underscored by the fact that Clariant moved up to the top four of the chemical industry worldwide in the Dow Jones Sustainability Index in 2015. And just this January, RobecoSAM, an investment specialist focusing on sustainability investing, recognized us for the very first time with a Silver Class distinction for outstanding sustainability performance. The claim to being one of the top names in the industry, in terms of sustainability, also coincides with our corporate vision of becoming the global leader in specialty chemicals.

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HAROLF KOTTMANN Sustainability is not an image factor for us. Our business operations benefit from sustainability much more directly. An increasing number of customers and suppliers attach

great importance to sustainable economic activity and expect appropriate solutions from us. Our innovations help to meet these expectations. We have documented our claim to sustainability with our EcoTain® label, a seal of approval for products that are produced in a particularly sustainable manner. The EcoTain® label means that the products feature an excellent sustainability profile throughout their entire life cycle, from raw material to disposal. Clariant verifies and documents this based on 36 well-defined criteria. Besides additional positive revenue contribution, sustainably-manufactured products are also distinguished by significantly higher profitability. We also save money on the cost side through reduced use of resources and lower energy consumption.

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RUDOLF WEHRLI Sustainability therefore contributes to value enhancement in every respect – for the company, our customers and society – and thus again for the shareholders.

Give us an outlook. What can we expect from Clariant in 2016?

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HARIOLF KOTTMANN Despite a persistently difficult economic environment, characterized by increased volatility in commodity prices and currencies, we expect a further increase in sales and profitability. We want to continue to grow in local currencies, and come a step closer to our mid-term margin target of 16 % to 19 %. Our operating cash flow should substantially improve. We will consistently pursue our strategy with a focus on increasing profitability, on portfolio management, value creation through sustainability and innovation, and the expansion of business activities in markets with above-average growth potential.

Your shares have had a solid performance again in 2015. There also has been takeover speculations. Is there any truth to these rumors?

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RUDOLF WEHRLI Not only in 2015 but also in recent years, we have proven that we are able to create sustainable value for our stakeholders out of our own strength as a standalone company. This is also reflected in the chemical indices, in which we have significantly outperformed in recent years.

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HARIOLF KOTTMANN Being on the wish list of some companies indicates that we are doing something right. However we must not forget what the purpose of our business is: We will do whatever is necessary to bring the company forward and to further create value for our stakeholders.

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RUDOLF WEHRLI I would like to add another important point. We are convinced that we are an attractive investment case for long-term investors like our principal shareholders who stand by us. We have set the company on a profitable course for the long term. Today Clariant stands for sustainable value creation.

HARIOLF KOTTMANN

Born in 1955
Chief Executive Officer (CEO) since 1 October 2008
Member of the Board of Directors since 10 April 2008

RUDOLF WEHRLI

Born in 1949
Chairman of the Board of Directors since 27 March 2012
2008 – 2012 Vice Chairman
2007 – 2012 Member of the Board of Directors