

Clariant Annual General Meeting

April 10, 2008

Roland Lösser
Chairman of the Board of Directors

Check against delivery.

Fellow shareholders, ladies and gentlemen,

For Clariant, 2007 was marked by both positive and negative developments. We reached some significant objectives, but by the same token, one of our most important indicators, our operating margin, remained below expectations.

However, before I deal with our own business performance for 2007, I would like to take a brief look at the specialty chemicals sector, in which our company is active, and how we are adjusting to its conditions and its change processes.

Perhaps the most important positive trend for our industry is the growing middle classes in the BRIC countries; Brazil, Russia, India and China. Economic experts believe that the middle classes in these countries will outnumber those in Europe, Japan and the United States put together by 2015. These middle classes are the basis for the projected growth in our customer industries – and are thus also key to the growth of our industry.

Our customers are increasingly relocating their production facilities to these new consumer countries in order to benefit further from these growth opportunities. It is only logical for specialty chemicals to increasingly follow its customers. Since 2000, 60% of global investments in production capacity by the chemicals industry have been made in China and India.

Despite the growing importance of the emerging markets, Europe and the United States remain the largest chemicals markets in the world. It is therefore key to Clariant's success that we carefully balance our resources and investments between the traditional industrial nations and the emerging nations.

Consolidation is another trend which is taking place in many of our customer industries. This consolidation increases our customers' purchasing power. On the other hand, our industry has overcapacity in many business areas, a trend which is increasing due to new competition, particularly from Asia.

One consequence of these developments for Clariant is that we are gaining a leading market position in these business areas with regard to technology and market share, but that we are not in the position to implement price increases quickly enough, or to set trends in technology. The result is that consolidation is also necessary in those business areas in which we want to be actively involved.

In business areas with a commoditized profile, where the price determines the customer's purchase decision, we need to be one of the lowest-cost suppliers. In other words, cost management is the highest priority.

In contrast, other business areas, where our customers are prepared to pay a premium for service, innovations and technology, offer excellent opportunities for growth and returns by linking service with product benefits. These types of transaction follow different rules and must therefore be managed differently to pure product-related transactions. Investments in marketing, sales and innovations are essential conditions here for creating added value, and thus for success.

Fellow shareholders, ladies and gentlemen,

Allow me now to give you an overview of our company's business performance last year. Mr. Secher will speak again in more detail about the course of business after my speech.

We have achieved healthy growth in a stable global economic environment and significantly increased our operating cash flow. We have made good progress in lowering our sales, general and administrative costs and continued our restructuring as planned. Our focus on price increases yielded its first successes.

However, these price increases were not sufficient to compensate for the rise in raw material and energy costs. Our operating margin therefore declined significantly, which also had a negative impact on ROIC.

The Group's net income increased from CHF -78 million in 2006 to CHF 5 million.

A solid balance sheet is the basis for successful business. Clariant remains on a firm financial footing with a healthy balance sheet. The equity ratio stood at 32.6% and net debt was approximately CHF 1.4 billion. The gearing, which expresses net debt as a percentage of equity, was at 57%.

Ladies and gentlemen,

Our share price fell sharply during the course of 2007. At its highest level during the year, it reached CHF 22, while at its lowest, it was just CHF 10. Since then, the share price has fallen further as a result of the global financial crisis, but has recovered in recent weeks and yesterday evening stood at CHF 9.22.

The negative performance of our share price can be attributed to the disappointing development in our operating income, and also to general caution on the part of investors with regard to shares in specialty chemicals. The real estate crisis in the United States and the resulting insecurity on the financial markets concerning the effects on the global economy have also had a negative impact.

Fellow shareholders,

Following the introduction this year of a new transparency regulation on compensations paid to members of the Board of Directors and the Management Board of Swiss companies, I would now like to deal with a few aspects of this topic. You can find detailed figures in the Notes to the Annual

Report on pages 160-161. The text of the compensation report is presented in detail in Chapter 5 of the Annual Report on pages 82-85.

The total amount of compensations paid for members of the Board of Management is towards the lower average for a Swiss SMI-listed company, with major components linked to the success of the company. As the Group's results did not meet our objectives or expectations for 2007, the variable remuneration for members of the Management Board was reduced to an average of 43% of the total target amounts. 50% of these compensations are paid in Clariant shares, which can only be redeemed after a blocking period of three years. Part of management remuneration is therefore determined by the share price.

Fellow shareholders,

To conclude, allow me to focus on the macroeconomic environment we are facing in 2008.

You are all aware that economic experts are currently extremely cautious in their forecasts as it remains uncertain how the financial crisis in the United States will impact the performance of global production output.

We have been monitoring economic trends in our markets and have not detected any signs of a general weakening in our industry so far.

We continue to have a generally positive view of performance in Asia, where we believe there will be steady economic growth.

Overall, we believe that the climate in 2008 will continue to offer good growth prospects for Clariant. We must also systematically implement the measures introduced in 2007 to improve our operating productivity and keep to this course in the years to come, which will lead to an improvement in our cost

structure. We also need to use the opportunities for consolidation which I mentioned to sharpen the focus of our company.

Fellow shareholders,

As you know, this is the last Annual General Meeting which I will chair, as I am stepping down from the Clariant Board of Directors for personal reasons. I would therefore like to say a few personal words.

Firstly, I would like to thank all of our employees who are so committed to our company and who prove their value to Clariant on a daily basis through their achievements, their ideas and above all their hard work.

I would also like to thank my colleagues on the Management Board and the Board of Directors, who have always given me outstanding personal support in my role.

However, my particular thanks go to you, the shareholders, for remaining loyal to us. We are all fully aware that the performance of our share price last year was anything but cause for celebration. It therefore gives me all the more pleasure to see that you still believe in the future of our company.

Thank you!