Clariant improves profitability, reinstates dividend

- **Full-year sales increased by 16% in local currency and 4% in CHF**
- **EBITDA margin before exceptional items rose to 13.2% from 12.7% in 2010**
- **Net income improved to CHF 251 million from CHF 191 million in 2010**
- **Dividend payment resumed at CHF 0.30 per share through reduction of par value**
- **Outlook: Clariant expects further sales growth in local currencies and sustained profitability in 2012 as the global economy is expected to progressively strengthen in the course of the year.**

CEO Hariolf Kottmann commented: "In 2011, we started to transform Clariant into a highly profitable specialty chemicals company, based on a strong technology base and a solid financial position. The acquisition of Süd-Chemie marked a milestone in this process. In addition, Clariant continued to invest in its growth businesses and supported the mature businesses in improving their profitability. This is reflected in a better performance despite challenging and volatile business conditions. In 2012, we will intensify the efforts to sustainably increase the quality and performance of the portfolio."

Key Financial Data

	Fourth quarter				Full Year [a]			
in CHF million	**2011** [b]	**2010**	**% CHF**	**% LC**	**2011**	**2010**	**% CHF**	**% LC**
Sales	1 918	1 700	13	21	7 370	7 120	4	16
EBITDA before exceptional items [c]	241	170	42	54	975	901	8	25
- margin	12.6%	10.0%			13.2%	12.7%		
EBIT before exceptional items [c]	165	120	38	50	717	696	3	20
- margin	8.6%	7.1%			9.7%	9.8%		
EBIT	33	31	6	29	507	366	39	66
Net income	10	47			251	191		
Operating cash flow	185	277			206	642		
Number of employees					22 149[1]	16 176[2]		

[a] 2011 includes Süd-Chemie figures consolidated for eight months (May-Dec) [b] including Süd-Chemie

[c] 2011 including additional charge of CHF 54 mn (FY 2011) and CHF 43 mn (Q4 2011) as a result of the sale of Süd-Chemie inventories revalued to fair value less cost to sell

[1] as of 31 December 2011 [2] as of 31 December 2010

Clariant Full Year 2011 Performance

<u>Muttenz, 15 February, 2012</u> – Clariant, a world leader in specialty chemicals, today announced full-year 2011 sales of CHF 7.370 billion, compared to CHF 7.120 billion in 2010. Sales grew 16% in local currencies and 4% in Swiss francs. The lower growth in Swiss francs was a result of the significant appreciation of the Swiss franc against most major currencies on a year-on-year basis.

Due to the acquisition of Süd-Chemie and the strength of the Business Unit Catalysis & Energy in the third and fourth quarters, sales were higher in the second half-year than in the first six months, despite a significant slowdown in some businesses towards year-end. In addition to Catalysis & Energy, which had another record-year, the non-cyclical Business Units Additives, Functional Materials, Industrial & Consumer Specialties, and Oil & Mining Services contributed significantly to the sales increase in 2011. Those non-cyclical businesses account for more than 50% of Group sales. In contrast, the cyclical Business Units Pigments and Masterbatches suffered from a slow-down in industrial production that started at the beginning of the second half-year and resulted in destocking activities along the value chain. All regions grew at a double-digit rate in local currencies.

The double-digit increase in sales was driven by year-on-year sales price increases of 7% and by acquisitions, which contributed 14% to sales growth. Volumes were 5% lower, reflecting the lower demand in the second half-year and the deliberate loss of sales that did not meet Clariant's profitability targets.

The gross margin decreased to 26.7% from 27.9% in full-year 2010. Lower volumes, negative currency effects, and a one-time charge were the main drivers of the slightly lower margin, and were only partly offset by successful sales price management. Excluding the one-time charge of CHF 54 million as a result of the sale of Süd-Chemie inventories revalued to fair value less costs to sell, the gross margin was 27.4%. Despite the global economic slow-down, commodity prices remained at high levels. Raw material costs increased 14% compared to the previous year. Sales price increases of 7% fully compensated the higher raw material costs, leading to a slightly positive contribution to the gross margin.

EBITDA before exceptional items increased to CHF 975 million (margin 13.2%) from CHF 901 million (margin 12.7%) a year ago. A strong fourth quarter in Catalysis & Energy and a diminishing negative impact from currencies toward the end of the year pushed the margin higher. The operating profit (EBIT) before exceptional items rose to CHF 717 million (margin 9.7%) compared to CHF 696 million (margin 9.8%) in 2010. Lower restructuring costs led to an improvement in net income to CHF 251 million from CHF 191 million despite higher tax expenses.

The extreme volatility in the foreign exchange markets weighed on Clariant's profitability in 2011. Both EBITDA and EBIT before exceptional items were negatively impacted by approx. CHF 190 million (EBITDA), corresponding to a 0.9 percentage-point margin, respectively approx. CHF 170 million (EBIT), corresponding to a 1.0 percentage-point margin.

Cash flow from operations of CHF 206 million was below last year's CHF 642 million, which to a large extent had been obtained from the reduction in net working capital, but significantly above the CHF 21 million reported at the end of the third quarter 2011. As a percentage of annualized sales, net working capital reached 19.6%, below the targeted 20% of sales.

The acquisition of Süd-Chemie led to an increase in net debt to CHF 1.740 billion compared to CHF 126 million at year-end 2010. Net debt has been reduced from 1.812

billion at the end of the third quarter, leading to a gearing (net debt divided by equity) of 58% at year-end 2011. The cash position was strong with CHF 1.199 billion in cash and cash equivalents on 31 December 2011. The extension of the maturity profile has been successfully addressed with the issuance of bonds totaling CHF 300 million in the Swiss francs market since May 2011 and another EUR 365 million in certificates of indebtedness with terms of three years and four and a half years. After the reporting period, another EUR 500 million with maturity in 2017 have been raised in the Eurobond market.

Clariant Q4 2011 Performance

Clariant reported 21% sales growth in local currencies in the fourth quarter. In Swiss francs, sales were 13% higher, at CHF 1.918 billion compared to CHF 1.700 billion a year ago. Sales prices increased 9% year-on-year, while volumes were 12% lower and raw material costs rose 10%. Sequentially, sales prices rose slightly while raw material costs fell 1%. Catalysis & Energy had an excellent quarter, leading the good performance of the non-cyclical businesses. Masterbatches and Pigments were negatively affected by the softening demand from the plastics industry and the related destocking activities. The structurally challenged mature businesses Textile Chemicals, Leather Services, and Paper Specialties continued to suffer from the poor business conditions in their respective end-markets. Organic sales growth in North and Latin America was double-digit, while sales in Asia/Pacific decreased. Europe suffered from the debt crisis, with a double-digit decrease in sales. Including acquisitions, all regions showed double-digit sales growth.

The gross margin was lower year-on-year, at 23.8% compared to 26.0% in the previous-year period. This was exclusively due to a one-time charge of CHF 43 million as a result of the sale of Süd-Chemie inventories revalued to fair value less costs to sell. Excluding this charge, the gross margin reached the level of the previous-year quarter. The EBITDA margin before exceptional items climbed to 12.6% from 10.0% in the fourth quarter of 2010, driven by lower costs and helped by one-time effects, contributing 0.8 percentage points to the EBITDA margin. The operating income (EBIT) before exceptional items increased to CHF 165 million (margin 8.6%) from CHF 120 million (margin 7.1%).

Operating cash flow picked-up significantly compared to the first nine months (CHF 21 million) and rose to CHF 185 million, but was below the exceptionally high CHF 277 million of the previous year, which had been the result of the reduction of net working capital.

Süd-Chemie meets high expectations, smooth integration ongoing

The two new Süd-Chemie Business Units – Catalysis & Energy and Functional Materials – have performed above target in the first eight months of consolidation. Catalysis & Energy reported an EBITDA before exceptionals of CHF 107 million (margin 21.8%), and Functional Materials CHF 59 million (margin 12.9%). Catalysis & Energy showed the expected strong development in the third and especially the fourth quarter.

After the extraordinary General Meeting held by Süd-Chemie AG on 22 November 2011, the transfer of all shares held by minority shareholders to Clariant was approved. The squeeze-out became effective 1 December 2011, with Süd-Chemie now being 100% owned by Clariant and organized according to the Clariant operating model.

The integration is progressing as planned with all project teams fully operational. Based on current insights and integration experience, the anticipated EUR 75-95 million EBITDA improvements by year-end 2013 are confirmed.

Outlook 2012

Clariant will continue to systematically implement the next steps in its transformation process with a focus on the integration of Süd-Chemie, on completing the restructuring measures initiated in 2009-2010, and on portfolio management. In this context, Clariant is evaluating strategic options for the Business Units Textile Chemicals, Paper Specialties, and Emulsions, Detergents & Intermediates, with the goal of realization in the mid- to long-term.

An accurate forecast for 2012 is difficult given the current level of economic uncertainty. Raw material costs are expected to rise in the mid-single-digit range while exchange rates should remain stable compared to the beginning of the year. In its base case scenario, Clariant expects that after a weak start to 2012, the global economy will progressively strengthen in the course of the year. Therefore, results for the first half-year are expected to be lower compared to the high base of the first half of 2011, with an improvement in the second half-year 2012. For full-year 2012, Clariant expects further sales growth in local currencies and sustained profitability.

In the last three years, the restructuring program as well as portfolio management measures have brought Clariant's operating performance to a sustainably higher level. The Board of Directors will therefore propose to the AGM a payout of CHF 0.30 per share through a reduction of the nominal value of the shares to CHF 3.70 from CHF 4.00.

Business Discussion - Fourth Quarter

BU Industrial & Consumer Specialties

	Fourth quarter				Full Year			
in CHF million	**2011**	**2010**	**% CHF**	**% LC**	**2011**	**2010**	**% CHF**	**% LC**
Sales	383	398	-4	5	1 473	1 526	-3	10
EBITDA before exceptional items	61	57	7	14	251	243	3	16
- margin	15.9%	14.3%			17.0%	15.9%		
EBIT before exceptional items	51	48	6	13	215	206	4	17
- margin	13.3%	12.1%			14.6%	13.5%		
EBIT	51	43	19	27	212	181	17	32

Sales in Industrial & Consumer Specialties (ICS) rose 5% in local currencies and declined 4% in Swiss francs versus the same period in 2010. Demand in Personal Care was exceptionally strong, more than compensating for a weak de-icing business due to mild weather conditions in the United States and Europe. Demand in most other business lines was good. All geographical regions except Europe contributed to growth, with particular strength in North and Latin America.

The Business Unit was able to significantly increase the EBITDA margin before exceptional items compared to the previous year's level despite a continuing substantial adverse currency effect. As in the previous quarters, the margin increase was the result of an improved mix effect with a higher sales contribution from Personal Care, an improved cost structure and better sales prices that fully compensated for higher raw material costs.

ICS will continue to focus on innovative solutions and high value-added businesses. Of particular interest is the Personal Care industry; in October 2011, ICS presented an array of personal care innovations at the SEPAWA Congress, Europe's biggest forum for the household and body care markets, including products that improve cost efficacy in cleaning, save on solvents, and have low temperature cleaning performance. Additionally, the BU acquired Oberhausen Technology Center (OTC) in Q4 2011 to gain technological expertise in new formulation and delivery systems for personal care and launched a new consumer care laboratory in India to support domestic customers in launching their products faster in the Indian market.

BU Masterbatches

	Fourth quarter				**Full Year**			
in CHF million	**2011**	**2010**	**% CHF**	**% LC**	**2011**	**2010**	**% CHF**	**% LC**
Sales	251	279	-10	-3	1 124	1 260	-11	2
EBITDA before exceptional items	23	26	-12	-6	129	151	-15	-2
- margin	9.2%	9.3%			11.5%	12.0%		
EBIT before exceptional items	16	18	-11	-10	102	120	-15	-2
- margin	6.4%	6.5%			9.1%	9.5%		
EBIT	16	9	78	84	98	104	-6	9

In the Masterbatches Business Unit, sales decreased 3% in local currencies and 10% in Swiss francs. In the fourth quarter, sales were impacted by very weak demand from Europe in general and from Southern Europe in particular. In addition, customers adjusted their inventories and postponed orders in anticipation of lower demand from their respective end-markets. With regard to other regions, sales growth was strong in the Middle East, in particular in Saudi Arabia. Asia/Pacific and North America contributed positively to the results while Latin America rebounded from low levels despite a still weak market environment in Brazil.

The EBITDA margin before exceptionals was basically flat compared to the same period of the previous year, as higher sales prices and an increase in productivity almost compensated for negative currency effects and higher idle facility costs.

The Business Unit will continue to focus on market opportunities in personal care and medical packaging and on growth in the Emerging Markets by, for example, significantly increasing production capacity in Saudi Arabia in 2012. Additionally, Masterbatches will continue to improve its industry-leading operating model and will carry on integrating Clariant Excellence to improve its performance.

For 2012, the BU expects that demand in the growth regions Middle East, North America, and Eastern Europe will continue to be strong, whereas demand in regions heavily impacted by the euro turbulences – mainly in Southern Europe – is expected to stabilize.

BU Pigments

	Fourth quarter				Full Year			
in CHF million	**2011**	**2010**	**% CHF**	**% LC**	**2011**	**2010**	**% CHF**	**% LC**
Sales	207	261	-21	-16	973	1 168	-17	-6
EBITDA before exceptional items	51	39	31	36	210	236	-11	-1
- margin	24.6%	14.9%			21.6%	20.2%		
EBIT before exceptional items	45	31	45	51	184	202	-9	1
- margin	21.7%	11.9%			18.9%	17.3%		
EBIT	35	8	338	317	162	140	16	28

Sales in Pigments were down 16% in local currencies and 21% lower in Swiss francs. The decline in sales was mainly due to destocking activities, as customers adjusted their supply chain to the expected lower demand. Volumes were also impacted by the increased focus on high value-added businesses. At the regional level, sales declined in all regions.

Most business lines were impacted by the softening of demand, particularly in the Plastics segment which experienced a significant pullback as customers postponed orders. In addition, in the Printing segment demand for publication inks applications remained weak as this segment of the industry continue to face difficult conditions. In the high value-added printing applications, such as non-impact printing, sales were stable and we expect growth to resume with the new year in part thanks to the launch of new products at several key customers. In the Coatings business there was continued good demand in automotive applications whereas demand in decorative markets remained weak in Europe but improved in Latin America.

In the fourth quarter, Pigments booked a one-time gain from the sale of land in South Korea which significantly improved the operating result. However after adjusting for this one-time effect, EBITDA and EBIT margins were still clearly above the prior-year period despite significantly lower volumes. This underlines the progress the BU has made in improving the cost position enabling it to maintain profitability during period of low demand. On a full-year basis, positive and negative contributions from all one-time items nearly balanced out leaving EBITDA and EBIT margins essentially at the levels reported.

Going forward the BU expects that end-user markets will progressively stabilize as inventory corrections are largely finished. Demand is expected to improve initially in North America and in most of the Emerging Markets. Pigments will continue to improve its cost structure and competitiveness by implementing efficiency improvements of its commercial and production processes with initiatives under the Clariant Excellence program.

BU Textile Chemicals

	Fourth quarter				Full Year			
in CHF million	**2011**	**2010**	**% CHF**	**% LC**	**2011**	**2010**	**% CHF**	**% LC**
Sales	157	187	-16	-8	675	821	-18	-6
EBITDA before exceptional items	6	8	-25	-16	34	69	-51	-43
- margin	3.8%	4.3%			5.0%	8.4%		
EBIT before exceptional items	1	3	-67	-68	13	46	-72	-66
- margin	0.6%	1.6%			1.9%	5.6%		
EBIT	-2	-5	-	-	3	-32	-	-

Quarterly sales in Textile Chemicals were 8% below last year's level in local currencies. In Swiss francs, sales declined by 16%. Sales growth in local currencies was high in North America and solid in the MEA region, mainly in Turkey. All other regions reported negative sales growth with particular weakness in Latin America. While demand for technical textiles remained robust, orders from the apparel sector continued to be soft as retailers continued to reduce their supply chain despite some stabilization in demand towards the end of the quarter.

The EBITDA margin before exceptionals remained nearly unchanged compared to the year-ago period. Further cost reductions compensated for the negative impact of the strength of the Swiss franc and the decline in volumes. The BU will continue to focus on higher margin products and on products to help its customers to differentiate themselves from competitors, such as new more environmentally-friendly features.

Textile Chemicals has accelerated the relocation of its businesses to Asia to reduce costs and its exposure to the Swiss franc. After the transfer of the Business Unit headquarters to Singapore in August 2011, all global key management positions in Asia have now been filled. The relocation of production to Asia, mainly China and India will be accomplished by mid-2012. Today, all 500 key products of Textile Chemicals are ready for production in Asia and are already qualified by its customers. While the transfer of production to Asia will increase the competitiveness of Textile Chemicals substantially, the BU needs to absorb idle capacity costs in 2012 as the existing production plants in Switzerland is yet to be closed. The benefit of the relocation and the reduced production costs will be fully reflected in 2013.

BU Oil & Mining Services

	Fourth quarter				Full Year			
in CHF million	**2011**	**2010**	**% CHF**	**% LC**	**2011**	**2010**	**% CHF**	**% LC**
Sales	177	166	7	17	620	604	3	17
EBITDA before exceptional items	24	23	4	11	72	76	-5	7
- margin	13.6%	13.9%			11.6%	12.6%		
EBIT before exceptional items	22	22	0	8	67	72	-7	6
- margin	12.4%	13.3%			10.8%	11.9%		
EBIT	22	21	5	14	67	71	-6	7

In the Oil & Mining Services (OMS) Business Unit, sales grew by 17% in local currencies and by 7% in Swiss francs. Sales growth was strongest in the Middle East and North America, the latter supported by the acquisition of Prairie Petro-Chem and continued investments into unconventional oil and gas development projects. Latin America continued to rebound dynamically from some weakness in the second quarter and experienced double-digit sales growth. Strong demand from Brazil, where a new major contract has been won, helped OMS to strengthen its leading market position in this country.

Sales growth was driven by Oil Services as well as by Refining Services. Mining Services continued to invest for future growth and successfully launched new products and technologies in collaboration with mining companies.

The EBITDA margin was nearly unchanged compared to the same period of the previous year as higher volumes and higher sales prices were almost able to compensate for the adverse effects from currencies and from raw material costs that persisted at high levels.

For 2012, Oil & Mining Services expects the strong growth pattern to continue, driven by growing demand from North and Latin America and several new contract wins, particularly in Mining Services. Currency headwinds are expected to abate, but raw material costs are expected to rise, and the business will continue to increase sales prices in order to compensate for this effect.

BU Leather Services

	Fourth quarter				Full Year			
in CHF million	**2011**	**2010**	**% CHF**	**% LC**	**2011**	**2010**	**% CHF**	**% LC**
Sales	57	75	-24	-17	265	326	-19	-6
EBITDA before exceptional items	4	9	-56	-41	26	43	-40	-28
- margin	7.0%	12.0%			9.8%	13.2%		
EBIT before exceptional items	3	8	-63	-50	22	38	-42	-32
- margin	5.3%	10.7%			8.3%	11.7%		
EBIT	2	3	-33	-20	21	37	-43	-32

Sales in Leather Services declined 17% in local currencies and 24% in Swiss francs compared to the previous-year period. Sales were negatively impacted by destocking activities and continuously high raw hide prices. Therefore, customers postponed production in anticipation of lower input costs in 2012. Demand from the luxury goods and the automotive industries remained robust. However, in the upholstery sector the trend towards using alternative materials instead of leather continued.

From a regional standpoint, sales in local currencies were up in North America/Mexico. Asia Pacific and here particularly China was very weak. Europe was only slightly negative as the market environment for the automotive and luxury segments has proven to be resilient against the economic softening so far.

The EBITDA margin declined compared to the previous year as lower volumes over-compensated the benefits from an improved cost structure. The Business Unit was still affected by adverse currency effects, although to a lesser extent compared to the previous quarters. Leather Services continued to be successful in compensating rising raw material costs by increasing sales prices.

Leather Services expects a sequential improvement of results during 2012 as destocking will end. In addition, a continuing good demand from the luxury segment and from North America is expected to support the business. During the year, diminishing currency headwinds and stabilizing raw material costs will also lead to an improvement. As a leading producer of more environmentally friendly leather chemicals, Leather Services is receiving more and more requests for sustainable products from customers working for high-end sports brands. This supports the strategy of the BU. The business will continue to focus on innovation, high value segments, and the introduction of new services and value-added and eco-friendly products such as the new chromium-free tanning technology (Easy WhiteTan).

Performance Chemicals - includes the Business Units Additives; Emulsions, Detergents & Intermediates; and Paper Specialties

	Fourth quarter				Full Year			
in CHF million	**2011**	**2010**	**% CHF**	**% LC**	**2011**	**2010**	**% CHF**	**% LC**
Sales	311	334	-7	0	1 293	1 415	-9	4
EBITDA before exceptional items	33	41	-20	-18	177	201	-12	-1
- margin	10.6%	12.3%			13.7%	14.2%		
EBIT before exceptional items	23	32	-28	-25	141	161	-12	-1
- margin	7.4%	9.6%			10.9%	11.4%		
EBIT	26	32	-19	-14	144	146	-1	12

Local currency sales in Performance Chemicals were at the same level as in the previous-year period, but 7% lower in Swiss francs. Additives benefited from double-digit growth in local currencies in the non-halogenated flame retardants business, whereas demand in waxes and polymer additives was softer due to inventory destocking at customers. Emulsions experienced strong sales growth while Detergents & Intermediates (D&I) contributed single-digit sales growth. Paper Specialties' sales were below the previous-year's levels. All BUs have been successful in compensating rising raw material costs by higher sales prices. Profitability in all four BUs was impacted by currencies, although to a lesser extent than in the previous quarters.

Additives experienced strong growth in Asia, with exceptionally high demand for non-halogenated flame retardants coming particularly from China. Future demand for non-halogenated flame retardants will be addressed with a new production plant that will double the current capacity and go into operation in the third quarter 2012. D&I continued to experience good demand in the Intermediates business for Agrochemicals and Pharmaceuticals, compensating for a weaker business in Household and Cleaning. Demand in Paper Specialties was lower as customers have reduced their output due to weaker paper consumption. Profitability was affected by adverse currency effects as well as by higher idle facility costs in Switzerland. As part of the Global Asset Network Optimization program (GANO) production of Paper Specialties in Switzerland has been successfully moved to Spain and USA. Emulsions had a good quarter driven by strong demand from Latin America on the back of the peak of the season in painting and construction, and triggered by the successful introduction of a new Terpolymers generation with an excellent cost-benefits ratio in comparison to pure acrylics and styrene-acrylics.

Effective 1 February 2012, the BUs Emulsions and Detergents & Intermediates have been combined in one single BU: Emulsions, Detergents & Intermediates.

BU Catalysis & Energy

	Fourth quarter				Full Year*			
in CHF million	**2011**	**2010**	**% CHF**	**% LC**	**2011**	**2010**	**% CHF**	**% LC**
Sales	208	-	-	-	491	-	-	-
EBITDA before exceptional items	51	-	-	-	107	-	-	-
- margin	24.5%	-			21.8%	-		
EBIT before exceptional items	34	-	-	-	67	-	-	-
- margin	16.3%	-			13.6%	-		
EBIT	33	-	-	-	66	-	-	-

* Süd-Chemie figures consolidated for eight months (May-Dec)

The Business Unit Catalysis & Energy – the former Catalysts business of Süd-Chemie – comprises the business lines Catalytic Technologies and Energy & Environment. As of 1 July 2011, Catalysis & Energy has been reorganized into a mainly functional organization, comprising the business line Battery Materials and the three functions: Sales & Key Account Management, Operations and Research & Development.

Business discussion for the fourth quarter / full-year 2011

Catalysis & Energy sales in euro were up 17% in 2011 compared to the same period of the previous year; EBITDA in 2011 was up by 29%.

As usual the fourth quarter was the seasonal peak for the Catalyst business. Even compared to the strong comparable base of previous year the business was able to significantly improve sales. There was particularly strong demand for environmental catalysts, but demand for process catalysts was good as well. There was some weakness in demand from Japan which impacted the refinery business. However, this was compensated by the strong overall performance in the Petrochemical business.

Going into 2012, the BU expects sales growth to continue on strong order intake in the last months. Battery Materials will also contribute to business expansion. The new LFP (Lithium iron phosphate) plant in Candiac, Canada, has already produced initial LFP material and the first samples have been sent to customers for qualifying. To allow for even more accelerated market penetration, four sublicense agreements for the highly innovative cathode material LFP have been signed. Additionally, Süd-Chemie and LG Chem Ltd., Seoul/Korea, signed a Memorandum of Understanding in December 2011 to establish a joint venture for high volume production of LFP.

BU Functional Materials

	Fourth quarter				Full Year*			
in CHF million	**2011**	**2010**	**% CHF**	**% LC**	**2011**	**2010**	**% CHF**	**% LC**
Sales	167	-	-	-	456	-	-	-
EBITDA before exceptional items	16	-	-	-	59	-	-	-
- margin	9.6%	-			12.9%	-		
EBIT before exceptional items	5	-	-	-	32	-	-	-
- margin	3.0%	-			7.0%	-		
EBIT	4	-	-	-	31	-	-	-

* Süd-Chemie figures consolidated for eight months (May-Dec)

The Business Unit Functional Materials– the former Adsorbents and Additives business of Süd-Chemie – comprises the business lines Adsorbents and Additives, Foundry Products, Performance Packaging and Water Treatment. As of 1 July 2011, Functional Materials has been reorganized into the business lines Adsorbents, Performance Packaging, and Water Treatment.

Business discussion for the fourth quarter / full-year 2011

Functional Materials sales in euro were up 7% in 2011 compared to the same period of the previous year; EBITDA in 2011 was up by 14%.

The business line Performance Packaging increased sales and EBITDA in the fourth quarter, driven by continued strong demand in Diagnostic and Pharmaceuticals packaging. Adsorbents experienced particularly good demand for Food and Feed Additives. However, the EBITDA margin declined due to a weaker performance in the Plastic Additive business and as higher raw material prices and transportation costs could not be compensated by higher sales prices. In Water Treatment, sales in local currencies increased compared to the previous year's quarter but EBITDA declined due to an unfavorable mix effect and higher raw material costs.

Functional Materials will continue to increase sales prices, especially in the Adsorbents and Water Treatment businesses, to compensate for inflation in raw material and transportation costs. Going forward, Functional Material expects stable underlying demand for most of its business lines. The new management will apply Clariant Excellence to improve the BU's performance with a particular focus on compensating raw material and transportation costs by increasing sales prices.

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