CLARIANT

Financial Review
FIRST HALF-YEAR

27 July 2017

CLARIANT INTERNATIONAL LTD

Rothausstrasse 61
4132 Muttenz
Switzerland

what is precious to you?

CLARIANT

Key Financial Group Figures

				First Half
		2017		*2016*
	CHF m	*% of sales*	*CHF m*	*% of sales*
Sales	3 132	100.0	2 899	100.0
Local currency growth (LC):	9%			
Organic growth [1]	*5%*			
Acquisitions/divestitures	*4%*			
Currencies	–1%			
Gross profit	953	30.4	918	31.7
EBITDA before exceptional items*	482	15.4	444	15.3
EBITDA*	412	13.2	395	13.6
Operating income before exceptional items*	344	11.0	316	10.9
Operating income	274	8.7	267	9.2
Net income total	153	4.9	128	4.4
Basic earnings per share (CHF/share)	0.44		0.38	
Adjusted earnings per share (CHF/share)*	0.66		0.55	
Operating cash flow	116		208	
Other key figures total Group:		***30.06.2017***		*31.12.2016*
Net debt	1 584		1 540	
Equity (including non-controlling interests)	2 647		2 546	
Gearing	60%		60%	
Number of employees	18 180		17 442	

1 Throughout this statement the term “organic growth” is used to mean volume and price effects excluding the impacts of changes in FX rates and acquisitions/divestitures.
* See Definition of Terms of Financial Measurements on pages 4 and 5.

FINANCIAL DISCUSSION – FIRST HALF-YEAR

Sales and Net Results First Half 2017

Sales increased 9 % in local currency, of which 5 % organic growth. In Swiss francs sales increased by 8 %, compared to the previous year.

The **gross margin** for the first half of 2017 was 30.4 % of sales compared to 31.7 % recorded in the prior-year period.*

Selling, general and administrative costs remained at 20.0 % of sales, which for 2017 includes the SG&A of the acquired companies Kel-Tech Inc. and X-Chem LLC.*

Research and development costs remained with CHF 104 million in the first half of 2017 at a comparable level to the previous year at CHF 106 million.*

Income from associates and joint ventures of CHF 49 million in the first half of 2017 was above the level of the previous year (CHF 34 million) driven by the CHF 10 million asset step-up effect related to the consolidation of the Süd-Chemie India Pvt Ltd. joint venture.

The **net financial result** was CHF -69 million for the first half of 2017. Before foreign currency impacts, the financial result improved to CHF -40 million in the first half of 2017 from CHF -54 million in the first half of 2016. Changes in the debt profile, including the repayment of a EUR 500 million Eurobond in January 2017, were the main drivers for the decrease in financial expenses.

Tax expense of CHF 52 million was recorded in the first half of 2017 compared to CHF 50 million tax expense recorded in the prior-year period. The effective tax rate is lower than in the prior-year period due in part to increased profitability in lower tax jurisdictions.

Net income amounted to CHF 153 million in the half year of 2017, which was above the CHF 128 million net income reported in the same period of 2016.

* Includes restructuring, impairment and transaction-related costs and gain/loss from the disposal of activities not qualifying as discontinued operations. See details on page 4.

Balance Sheet Key Figures – June 2017

Total assets decreased to CHF 7.721 billion as of 30 June 2017 from CHF 8.365 billion at the end of 2016 mainly due to the decrease in current assets driven by lower cash after repaying the bond issued in 2012 in the amount of EUR 500 million.

Investments in associates and joint ventures decreased to CHF 433 million from CHF 516 million mainly due to the change of the scope of consolidation of Süd-Chemie India Pvt Ltd. (SCIL) and dividends received from Infraserv companies in Germany. As per 1 April 2017 SCIL is a fully consolidated company (see details in Note 5).

Near cash assets decreased to CHF 40 million from CHF 277 million. They include short-term deposits with an original maturity between 90 and 365 days.

Current financial debts decreased to CHF 309 million at the end of June 2017 from CHF 957 million at the end of December 2016. A bond issued in 2012 in the amount of EUR 500 million and a bond issued in 2011 in the amount of CHF 100 million reached maturity and were repaid.

Equity increased to CHF 2.647 billion at the end of June 2017 from CHF 2.546 billion at the end of 2016. This was mainly due to the net profit for the period amounting to CHF 153 million, to treasury shares transactions amounting to CHF 86 million, to the increase in non-controlling interest amounting to CHF 98 million resulting from the change of scope of consolidation of SCIL (see details in Note 5) and the combined effect of actuarial losses on retirement benefit obligations and a positive return on pension plan assets amounting to a positive CHF 19 million, net of deferred tax and effects.
The positive effects on equity as of end of June 2017 were partially offset by a distribution from capital contribution reserves of CHF 148 million, by CHF 4 million dividends paid to non-controlling interests and by the effect of employee services amounting to CHF 8 million. In addition, there were the negative currency translation differences amounting to CHF 98 million and the effect of a cash flow hedge amounting to CHF 1 million.

Net debt increased to CHF 1.584 billion at the end of June 2017, from CHF 1.540 billion at the end of 2016. This figure includes current and non-current financial debts, cash and cash equivalents, near cash assets and financial instruments with positive fair values reported under other current assets.

Gearing, which reflects net financial debt in relation to equity including non-controlling interests remained at the same level of 60% as at the end of June 2017 and December 2016.

Cash Flow

Cash flow from operating activities before changes in working capital and provisions for the first half of 2017 was CHF 339 million compared to CHF 389 million for the first half of 2016.

Working capital increased by CHF 223 million in the first half of 2017, compared with an increase of CHF 181 million in the first half of 2016.

Cash flow from operating activities was a positive CHF 116 million for the first half-year of 2017 compared to a positive CHF 208 million for the first half-year of 2016.

Investments in PPE were CHF 85 million for the first half-year of 2017 compared to CHF 129 million for the first half-year of 2016.

Transactions with non-controlling interests for the first-half year of 2017 relate to the change of the scope of consolidation of SCIL (see details in Note 5).

Financing activities mainly include the sale and purchase of treasury shares, distributions to the shareholders of Clariant and to non-controlling interests, proceeds from and repayments of financial debt, and the related interests paid and received.

DEFINITION OF TERMS OF FINANCIAL MEASUREMENTS (UNAUDITED)

The following financial measurements are supplementary financial indicators. They should be considered in addition to, not as a substitute for, operating income, net income, operating cash flow and other measures of financial performance and liquidity reported in accordance with International Financial Reporting Standards (IFRS).

EBITDA

– (Earnings Before Interest, Taxes, Depreciation and Amortization) is calculated as operating income plus depreciation of PPE, plus impairment and amortization of intangible assets, and can be reconciled from the Condensed Financial Statements as follows:

EBITDA

	First Half	
CHF m	***2017***	*2016*
Operating income	274	267
+ Depreciation of PPE	108	101
+ Impairment	–	–
+ Amortization of intangible assets	30	27
EBITDA	**412**	**395**

EBITDA before exceptional items

– is calculated as EBITDA plus expenses for restructuring, impairment and transaction related costs less impairment and gain/ loss on disposals.

EBITDA before exceptional items

	First Half	
CHF m	***2017***	*2016*
EBITDA	412	395
+ Restructuring, impairment and transaction related costs*	70	49
– Impairment (reported under Restructuring, impairment and transaction related costs)	–	–
– Gain from the disposal of activities not qualifying as discontinued operations	–	–
EBITDA before exceptional items	**482**	**444**

Operating income before exceptional items

– is calculated as operating income plus restructuring, impairment and transaction related costs and gain/loss on disposals.

Operating income before exceptional items

	First Half	
CHF m	***2017***	*2016*
Operating income	274	267
+ Restructuring, impairment and transaction related costs*	70	49
– Gain from the disposal of activities not qualifying as discontinued operations	–	–
Operating income before exceptional items	**344**	**316**

* Restructuring, impairment and transaction related costs 2017: CHF 70 million (2016: CHF 49 million), of which: Cost of goods sold CHF 4 million (2016: CHF 9 million); Selling, general and administrative costs CHF 59 million (2016: CHF 31 million); Research and development expenses CHF 7 million (2015: CHF 9 million).

Adjusted earnings per share
– is the earnings per share adjusted for the impact of exceptional items, assuming an adjusted income tax rate of 26% for the period (2016: 28%).

Adjusted earnings per share

		First Half
CHF m	***2017***	*2016*
Operating income before exceptional items	344	316
+ Amortization of intangible assets	30	27
+ Finance income	9	4
– Finance costs	–78	–93
Adjusted income before taxes	305	254
– Adjusted income taxes	–79	–71
Adjusted net result	226	183
Thereof attributable to non-controlling interests	9	5
Thereof attributable to shareholders of Clariant Ltd.	217	178
Weighted average number of shares outstanding	327 476 876	323 819 880
Adjusted earnings per share attributable to shareholders of Clariant Ltd (CHF/share)	**0.66**	**0.55**

Net debt
– is the sum of current and non-current financial debt less cash and cash equivalents, near cash assets and financial instruments with positive fair values.

Net debt

CHF m	***30.06.2017***	*31.12.2016*
Non-current financial debt	1 912	1 908
+ Current financial debt	309	957
– Cash and cash equivalents	–591	–1 043
– Near cash assets	–40	–277
– Financial instruments with positive fair values	–6	–5
Net debt	**1 584**	**1 540**

CLARIANT

CONDENSED FINANCIAL STATEMENTS OF THE CLARIANT GROUP

Consolidated balance sheets

ASSETS		30.06.2017		31.12.2016
	CHF m	%	CHF m	%
Non-current assets				
Property, plant and equipment	2 151		2 205	
Intangible assets	1 737		1 700	
Investments in associates and joint ventures	433		516	
Financial assets	48		71	
Prepaid pension assets	9		36	
Deferred income tax assets	286		298	
Total non-current assets	**4 664**	**60.4**	**4 826**	**57.7**
Current assets				
Inventories	913		816	
Trade receivables	1 060		1 011	
Other current assets	399		344	
Current income tax receivables	48		41	
Near cash assets	40		277	
Cash and cash equivalents	591		1 043	
Total current assets	**3 051**	**39.5**	**3 532**	**42.2**
Assets held for sale	6	0.1	7	0.1
Total assets	**7 721**	**100.0**	**8 365**	**100.0**

EQUITY AND LIABILITIES		30.06.2017		31.12.2016
	CHF m	%	CHF m	%
Equity				
Share capital	1 228		1 228	
Treasury shares (par value)	– 11		– 29	
Other reserves	– 8		229	
Retained earnings	1 256		1 033	
Total capital and reserves attributable to Clariant shareholders	**2 465**		**2 461**	
Non-controlling interests	182		85	
Total equity	**2 647**	**34.3**	**2 546**	**30.4**
Liabilities				
Non-current liabilities				
Financial debts	1 912		1 908	
Deferred income tax liabilities	33		33	
Retirement benefit obligations	867		918	
Provision for non-current liabilities	179		157	
Total non-current liabilities	**2 991**	**38.7**	**3 016**	**36.1**
Current liabilities				
Trade and other payables	1 204		1 228	
Financial debts	309		957	
Current income tax liabilities	308		305	
Provision for current liabilities	262		313	
Total current liabilities	**2 083**	**27.0**	**2 803**	**33.5**
Liabilities directly associated with assets held for sale	–	–	–	–
Total liabilities	**5 074**	**65.7**	**5 819**	**69.6**
Total equity and liabilities	**7 721**	**100.0**	**8 365**	**100.0**

CLARIANT

Consolidated income statements

				First Half
		2017		2016
	CHF m	%	CHF m	%
Sales	3 132	100.0	2 899	100.0
Costs of goods sold*	–2 179	69.6	–1 981	68.3
Gross profit	**953**	**30.4**	**918**	**31.7**
Selling, general and administrative costs*	–624	20.0	–579	20.0
Research and development*	–104	3.3	–106	3.7
Income from associates and joint ventures	49	1.6	34	1.2
Operating income	**274**	**8.7**	**267**	**9.2**
Finance income	9	0.3	4	0.1
Finance costs	–78	2.5	–93	3.2
Income before taxes	**205**	**6.5**	**178**	**6.1**
Taxes	–52	1.6	–50	1.7
Net result	**153**	**4.9**	**128**	**4.4**
Attributable to:				
Shareholders of Clariant Ltd	144		123	
Non-controlling interests	9		5	
Basic earnings per share attributable to the shareholders of Clariant Ltd (CHF/share):	**0.44**		**0.38**	
Diluted earnings per share attributable to the shareholders of Clariant Ltd (CHF/share):	**0.44**		**0.38**	

* include Restructuring, impairment and transaction related costs and Gain from the disposal of activities not qualifying as discontinued operations. See details on page 5.

CLARIANT

Consolidated statements of comprehensive income

	First Half	
CHF m	***2017***	*2016*
Net income	**153**	**128**
Other comprehensive income:		
Remeasurements:		
Actuarial gain/loss on retirement benefit obligations	–22	–149
Return on retirement benefit plan assets, excluding amount included in interest expense	50	40
Total items that will not be reclassified subsequently to the income statement, gross	**28**	**–109**
Deferred tax on remeasurements	–9	16
Total items that will not be reclassified subsequently to the income statement, net	**19**	**–93**
Net investment hedge	4	–3
Cash flow hedges	–1	–
Currency translation differences	–98	–48
Effect of the reclassification of foreign exchange differences on previously held net investments in foreign entities	–	2
Total items that may be reclassified subsequently to profit and loss	**–95**	**–49**
Deferred tax effect	–	–
Total items that will be reclassified subsequently to the income statement, net	**–95**	**–49**
Other comprehensive income for the period, net of tax	**–76**	**–142**
Total comprehensive income for the period	**77**	**–14**
Attributable to:		
Shareholders of Clariant Ltd	74	–20
Non-controlling interests	3	6
Total comprehensive income for the period	**77**	**–14**

Consolidated statement of changes in equity

										First Half
			Other reserves							
CHF m	*Total share capital*	*Treasury shares (par value)*	*Share premium reserves*	*Hedging reserves*	*Cumulative translation reserves*	*Total other reserves*	*Retained earnings*	*Total attributable to equity holders*	*Non-controlling interests*	*Total equity*
Balance 31 December 2015	**1 228**	**–34**	**1 448**	**–**	**–1 066**	**382**	**841**	**2 417**	**77**	**2 494**
Net income						–	123	123	5	128
Net investment hedge					–3	–3		–3		–3
Remeasurements:										
Actuarial loss on retirement benefit obligations						–	–149	–149		–149
Return on retirement benefit plan assets, excluding amount included in interest expense						–	40	40		40
Deferred tax on remeasurements						–	16	16		16
Currency translation differences					–49	–49		–49	1	–48
Effect of the reclassification of foreign exchange differences on previously held net investments in foreign entities					2	2		2		2
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**–50**	**–50**	**30**	**–20**	**6**	**–14**
Distributions			–129			–129		–129		–129
Dividends to non-controlling interests						–		–	–2	–2
Employee share & option scheme:										
Effect of employee services						–	–11	–11		–11
Treasury share transactions		5				–	19	24		24
Balance 30 June 2016	**1 228**	**–29**	**1 319**	**–**	**–1 116**	**203**	**879**	**2 281**	**81**	**2 362**
Balance 31 December 2016	**1 228**	**–29**	**1 319**	**5**	**–1 095**	**229**	**1 033**	**2 461**	**85**	**2 546**
Net income						–	144	144	9	153
Cash flow hedge				–1		–1		–1		–1
Net investment hedge					4	4		4		4
Remeasurements:										
Actuarial loss retirement benefit obligations						–	–22	–22		–22
Return on retirement benefit plan assets, excluding amount included in interest expense						–	50	50		50
Deferred tax on remeasurements						–	–9	–9		–9
Currency translation differences					–92	–92		–92	–6	–98
Total comprehensive income for the period	**–**	**–**	**–**	**–1**	**–88**	**–89**	**163**	**74**	**3**	**77**
Distributions			–148			–148		–148		–148
Dividends to non-controlling interests						–		–	–4	–4
Transaction with non-controlling interests						–		–	98	98
Employee share & option scheme:										
Effect of employee services						–	–8	–8		–8
Treasury share transactions		18				–	68	86		86
Balance 30 June 2017	**1 228**	**–11**	**1 171**	**4**	**–1 183**	**–8**	**1 256**	**2 465**	**182**	**2 647**

CLARIANT

Consolidated statements of cash flows

				First Half
CHF m		***2017***		*2016*
Net income		153		128
Adjustment for:				
Depreciation of property, plant and equipment (PPE)	108		101	
Amortization of intangible assets	30		27	
Impairment of working capital	7		13	
Income from associates and joint ventures	–49		–34	
Tax expense	52		50	
Net financial income and costs	40		54	
Other non-cash items	31		44	
Total reversal of non-cash items		**219**		**255**
Dividends received from associates and joint ventures		44		62
Income taxes paid		–52		–38
Payments for restructuring		–25		–18
Cash flow before changes in working capital and provisions		**339**		**389**
Changes in inventories		–101		–55
Changes in trade receivables		–61		–57
Changes in trade payables		7		–91
Changes in other current assets and liabilities		–73		15
Changes in provisions (excluding payments for restructuring)		5		7
Cash flow from operating activities		**116**		**208**
Investments in PPE	–85		–129	
Investments in financial assets, associates and joint ventures	–		–8	
Investments in intangible assets	–16		–18	
Changes in current financial assets and near cash assets	265		39	
Sale of PPE and intangible assets	5		1	
Acquisition of companies, businesses and participations	1		–50	
Proceeds from the disposal of activities not qualifying as discontinued operations	8		–3	
Cash flow from investing activities		**178**		**–168**
Purchase of treasury shares	–		–20	
Sale of treasury shares	76		27	
Distributions from the reserves to the shareholders of Clariant Ltd	–148		–129	
Dividends paid to non-controlling interest	–4		–2	
Transactions with non-controlling interests	58		–	
Proceeds from financial debts	41		448	
Repayments of financial debts	–695		–175	
Interest paid	–66		–65	
Interest received	9		4	
Cash flow from financing activities		**–729**		**88**
Currency translation effect on cash and cash equivalents		–17		–21
Net change in cash and cash equivalents		**–452**		**107**
Cash and cash equivalents at the beginning of the period		**1 043**		**789**
Cash and cash equivalents at the end of the period		**591**		**896**

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

1. Basis of preparation of financial statements

These financial statements are the interim condensed consolidated financial statements (hereafter "the interim consolidated financial statements") of Clariant Ltd, a company registered in Switzerland, and its subsidiaries (hereafter "the Group") for the six-month period ended on 30 June 2017. They are prepared in accordance with the International Accounting Standard 34 (IAS 34 "Interim Financial Reporting") and were approved on 26 July 2017 by the Board of Directors. These interim consolidated financial statements should be read in conjunction with the Consolidated Financial Statements for the year ended 31 December 2016 (hereafter "the annual financial statements") as they provide an update of previously reported information. The accounting policies applied are consistent with the ones applied at year-end 2016.

The preparation of the interim consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, and disclosure of contingent liabilities at the date of the interim consolidated financial statements. If, in the future, such estimates and assumptions, which are based on the Management's best judgment at the date of the interim consolidated financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

2. New accounting standards

IFRS 9, Financial Instruments, addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting and a new impairment model. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. The standard is effective for accounting periods beginning on or after 1 January 2018. The Group is in the process of assessing the full impact of IFRS 9 on its consolidated financial statements. Material financial assets were reviewed and a valuation method was determined. The most important impact identified was the valuation at fair value of certain participations which will be done by way of level 3 valuations. It is currently expected that a positive effect will result from these valuations.

IFRS 15, Revenue from contracts with customers, deals with revenue recognition and establishes principles for disclosing useful information about revenue and cash flows arising from these contracts. This standard replaces IAS 18, Revenue, and IAS 11, Construction Contracts, and related interpretations. It is effective for accounting periods beginning on or after 1 January 2018. The Group is in the process of assessing the impact of IFRS 15 on its consolidated financial statements. In particular it was reviewed to what extent Clariant invoices goods and services that are distinct and would require a separate recognition. Furthermore, it was reviewed in intensive discussions with the Business if the timing of the revenue recognition is in line with requirements of the new standard with regard to the recognition over a period of time as opposed to the recognition at a point in time. Also, it was reviewed if there is a need to more accurately recognize the effect of volume discounts extended to customers and if the right of return had to be accounted for. As of now Clariant's conclusion is that distinct items of revenue are accounted for accordingly, that revenues are properly recognized either over time or at a point in time and that there are no significant rights of return granted. As a consequence it is estimated that the application of the recognition and valuation rules required will not have any material impact on the accounts of the Group.

3. Seasonality of operations

The Group operates in industries where significant seasonal or cyclical variations in total sales are not experienced during the financial year.

4. Fair value measurement

All derivative financial instruments held by the Group at the end of June 2017 are classified as "Level 2" as defined by IFRS 13 Fair Value Measurement.

On 1 October 2016 Clariant acquired from Arsenal Capital Partners 100 % of the shares of Kel-Tec Inc. for a total consideration of CHF 224 million, out of which CHF 203 million were paid in 2016 and CHF 21 million are considered as contingent consideration. If certain sales goals are met in 2017, an earn-out up to a maximum of CHF 35 million will become payable in 2018. The fair value of the contingent consideration was determined based on the business plans available at the year-end and it is currently unchanged.

5. Change in the scope of consolidation

As of 1 April, 2017 Clariant fully consolidated the Süd-Chemie India Pvt Ltd. (SCIL), which was until that time accounted for as a joint venture and as such was valued at equity. Clariant's share in SCIL is 50 %, while the other 50 % are owned by private investors in India.

In view of SCIL's significance for Clariant's Catalysis activities in Asia, management successfully renegotiated the joint venture contracts resulting in Clariant obtaining more influence in managerial decisions in a way that control was obtained in the sense of IFRS.

As no consideration was paid, nor any shares were purchased or sold, this transaction is treated as an acquisition without consideration. Prior to the full consolidation Clariant already owned 50 % of SCIL. In a first step this participation was revalued to fair value resulting in an income of CHF 10 million recognized in Income from associates and joint ventures in the income statement.

In a second step assets and liabilities of the company as per 1 April 2017 were included in the balance sheet, while the participation in the joint venture was derecognized. The co-owners' share in SCIL is recognized in non-controlling interests.

The table below shows the provisional allocation of the assets acquired and liabilities assumed:

CHF in million	
Non-current assets	101
Current assets	61
Cash and cash equivalents	58
Total assets	**220**
Interest-free liabilities	23
Interest-bearing liabilities	1
Non-controlling interests	**98**
Net assets acquired for no consideration	**98**

The preliminary goodwill of CHF 86 million (included in non-current assets) arising from the acquisition is attributable to a number of factors such as future growth potential in line with historical levels and cost synergies.

Had the change of scope of consolidation taken place on 1 January, 2017 Group sales would have been CHF 16 million higher and the Group operating result would have been CHF 3 million higher, while the net result available to Clariant shareholders would have remained unchanged.

6. Restructuring, impairment and transaction-related costs

During the first half-year of 2017, Clariant recorded restructuring expenses in the amount of CHF 30 million, mainly pertaining to projects in Europe, and transaction-related costs in the amount of CHF 40 million.

During the same period in the previous year, restructuring and transaction related costs amounted to CHF 49 million.

No impairment was recorded during first half-year of 2017 and 2016.

7. Distribution from reserves

On 20 March 2017, the General Meeting approved a distribution of CHF 0.45 per registered share from capital contribution reserves. On 27 March 2017, a distribution totaling CHF 148 million was made to Clariant shareholders.

8. Repayments of financial liabilities

On 24 January, 2017 a bond issued in 2012 in the amount of EUR 500 million (CHF 537 million) reached maturity and was paid back.

On 9 June, 2017 a bond issued in 2011 in the amount of CHF 100 million reached maturity and was paid back.

8. Business Area figures

First Half	Sales to 3rd parties				EBITDA before exceptionals				EBITDA			
CHF m	***2017***	*2016*	*% CHF*	*% LC*	***2017***	*2016*	*% CHF*	*% LC*	***2017***	*2016*	*% CHF*	*% LC*
Care Chemicals	796	750	6	8	139	148	–6	–6	119	144	–17	–17
Catalysis	321	285	13	11	76	53	43	41	72	52	38	36
Natural Resources	669	557	20	19	98	91	8	5	94	87	8	6
Plastics & Coatings	1346	1307	3	4	221	209	6	6	220	196	12	13
Business Areas total	**3132**	**2899**			**534**	**501**			**505**	**479**		
Corporate	–	–			–52	–57			–93	–84		
Total	**3132**	**2899**	**8**	**9**	**482**	**444**	**9**	**9**	**412**	**395**	**4**	**4**

	Operating income before exceptionals				Operating income				Systematic depreciation of PPE	
CHF m	***2017***	*2016*	*% CHF*	*% LC*	***2017***	*2016*	*% CHF*	*% LC*	***2017***	*2016*
Care Chemicals	109	122	–11	–9	89	118	–25	–23	26	23
Catalysis	52	29	79	74	48	28	71	65	16	15
Natural Resources	70	74	–5	–7	66	70	–6	–9	17	12
Plastics & Coatings	184	170	8	8	183	157	17	17	33	34
Business Areas total	**415**	**395**			**386**	**373**			**92**	**84**
Corporate	–71	–79			–112	–106			16	17
Total	**344**	**316**	**9**	**9**	**274**	**267**	**3**	**3**	**108**	**101**

	Net working capital		Property, plant and equipment		Intangible assets	
CHF m	***30.06.2017***	*31.12.2016*	***30.06.2017***	*31.12.2016*	***30.06.2017***	*31.12.2016*
Care Chemicals	228	219	472	496	117	119
Catalysis	200	168	496	504	777	713
Natural Resources	273	248	326	343	533	555
Plastics & Coatings	567	504	509	527	259	265
Business Areas total	**1268**	**1139**	**1803**	**1870**	**1686**	**1652**
Corporate	–47	–52	348	335	51	48
Total	**1221**	**1087**	**2151**	**2205**	**1737**	**1700**

9. Business Area margins

First Half	Sales to 3rd parties		EBITDA before exceptionals		EBITDA	
in %	***2017***	*2016*	***2017***	*2016*	***2017***	*2016*
Care Chemicals	25.4	25.9	17.5	19.7	14.9	19.2
Catalysis	10.2	9.8	23.7	18.6	22.4	18.2
Natural Resources	21.4	19.2	14.6	16.3	14.1	15.6
Plastics & Coatings	43.0	45.1	16.4	16.0	16.3	15.0
Total	**100.0**	**100.0**	**15.4**	**15.3**	**13.2**	**13.6**

	Operating income b. exceptionals		Operating income	
in %	***2017***	*2016*	***2017***	*2016*
Care Chemicals	13.7	16.3	11.2	15.7
Catalysis	16.2	10.2	15.0	9.8
Natural Resources	10.5	13.3	9.9	12.6
Plastics & Coatings	13.7	13.0	13.6	12.0
Total	**11.0**	**10.9**	**8.7**	**9.2**

CLARIANT

10. Geographic information

Sales						**First Half**
CHF m	***2017***	*% of sales*	*2016*	*% of sales*	*CHF %*	*LC %*
EMEA	1 325	42.3	1 234	42.6	7	9
of which Europe	*1 102*		*1 030*		*7*	*8*
of which Germany	*365*		*345*		*6*	*7*
of which Switzerland	*19*		*21*		*– 10*	*– 10*
of which MEA	*223*		*204*		*9*	*12*
North America	623	19.9	541	18.7	15	14
of which USA	*576*		*492*		*17*	*16*
Latin America	412	13.2	427	14.7	– 4	– 3
of which Brazil	*170*		*154*		*10*	*– 5*
Asia / Pacific	772	24.6	697	24.0	11	11
of which China	*244*		*217*		*12*	*15*
of which India	*99*		*95*		*4*	*2*
Total	**3 132**	**100.0**	**2 899**	**100.0**	**8**	**9**

11. Condensed earnings per share data

		First Half
	2017	*2016*
Net income attributable to shareholders of Clariant Ltd (CHF m)	**144**	**123**
Shares		
Number of registered shares at 30.06.2017 and 30.06.2016 respectively	**331 939 199**	**331 939 199**
Weighted average number of shares outstanding	**327 476 876**	**323 819 880**
Adjustment for granted Clariant shares	1 267 185	1 126 188
Adjustment for dilutive share options	–	24 842
Weighted average diluted number of shares outstanding	**328 744 061**	**324 970 910**
Basic earnings per share attributable to shareholders of Clariant Ltd (CHF/share)	**0.44**	**0.38**
Diluted earnings per share attributable to shareholders of Clariant Ltd (CHF/share)	**0.44**	**0.38**

CLARIANT

12. Finance income and costs

Finance income		**First Half**
in CHF m	***2017***	*2016*
Interest income	7	4
Other financial income	2	–
Total finance income	**9**	**4**

Finance costs		
in CHF m	***2017***	*2016*
Interest costs	–43	–53
thereof effect of discounting of non-current provisions	*–1*	*–*
thereof interest component of pension provisions	*–10*	*–9*
Other financial expenses	–6	–5
Currency result, net	–29	–35
Total finance costs	**–78**	**–93**

13. Foreign exchange rates

Rates used to translate the consolidated balance sheets (closing rate)	***30.06.2017***	*31.12.2016*	*Change %*
1 USD	0.96	1.02	–6
1 EUR	1.09	1.07	2
1 BRL	0.30	0.31	–3
1 CNY	0.14	0.15	–7
100 INR	1.48	1.50	–1
100 JPY	0.86	0.87	–1

			First Half
Average sales-weighted rates used to translate the consolidated income statements and consolidated statements of cash flows	***2017***	*2016*	*Change %*
1 USD	0.98	0.98	–
1 EUR	1.08	1.10	–2
1 BRL	0.31	0.27	15
1 CNY	0.14	0.15	–7
100 INR	1.52	1.46	4
100 JPY	0.88	0.88	–

CLARIANT

CLARIANT – WHAT IS PRECIOUS TO YOU?

Clariant is a globally leading specialty chemicals company, based in Muttenz near Basel/Switzerland. On 31 December 2016, the company employed a total workforce of 17 442. In the financial year 2016, Clariant recorded sales of CHF 5.847 billion for its businesses.

The company reports in four Business Areas: Care Chemicals, Catalysis, Natural Resources, and Plastics & Coatings.

Clariant's corporate strategy is based on five pillars: focus on innovation through R&D, add value with sustainability, reposition the portfolio, intensify growth, and increase profitability.

www.clariant.com

Calendar of Corporate Events

31 October 2017	Nine Months 2017 Sales and EBITDA
14 February 2018	Full-Year 2017 Results
19 March 2018	Annual General Meeting
25 April 2018	First Quarter 2018 Sales and EBITDA

Your Clariant Contacts

Investor Relations	Fax +41 61 469 67 67
Anja Pomrehn	Tel. +41 61 469 63 73
Maria Ivek	Tel. +41 61 469 63 73
Media Relations	Fax +41 61 469 69 99
Jochen Dubiel	Tel. +41 61 469 63 63
Thijs Bouwens	Tel. +41 61 469 63 63