

Financial SUMMARY

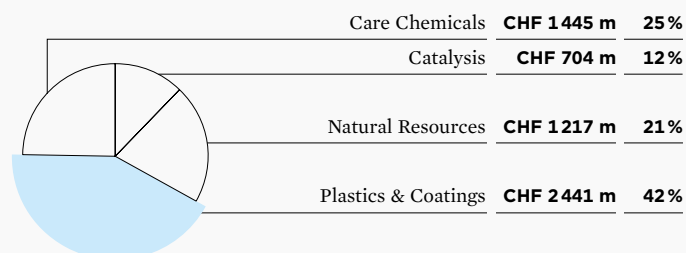
KEY FIGURES in CHF m

	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

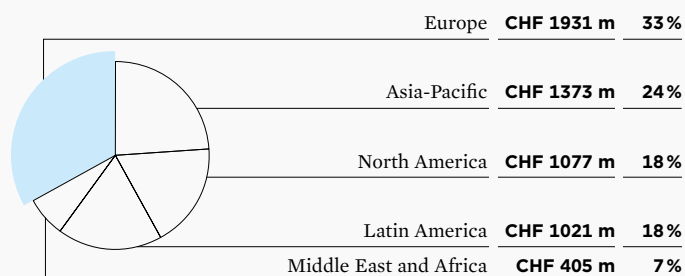
SALES BY BUSINESS AREA

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

PAGE 65

»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

PAGE 81

»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

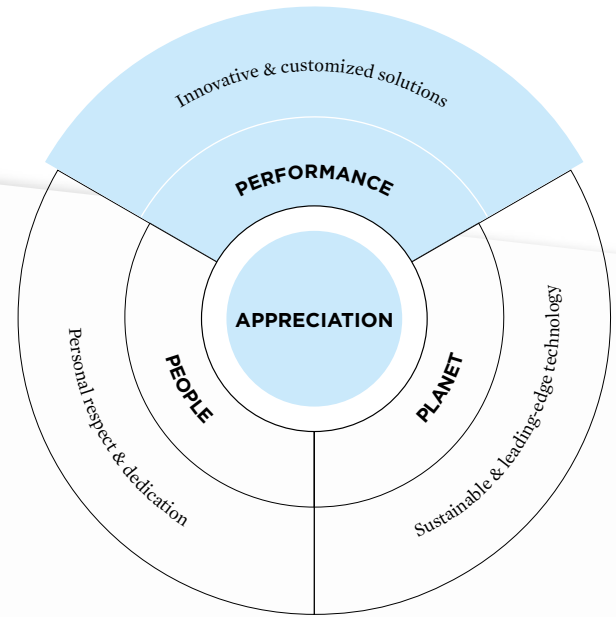
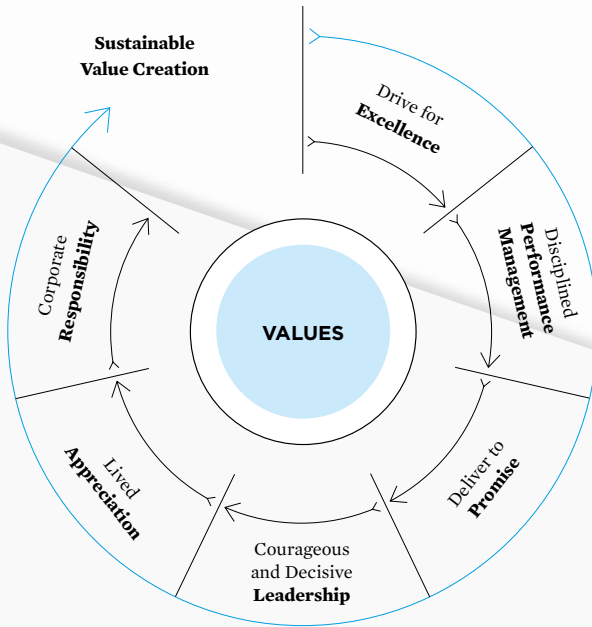
Head of Global Technical Marketing Coatings

BRAND VALUES

and the core of the brand

CORPORATE VALUES

as a foundation for sustainable value creation



PAGE 73

»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 |
|---------------------------------|-------------------------------|--|------------------------------------|---------------------------|

Index

ANNUAL REPORT 2015

2	<u>»We will create additional value«</u>	110	<u>Corporate Governance</u>
2	Interview with Rudolf Wehrli and Hariolf Kottmann	130	<u>Compensation Report</u>
7	<u>One Clariant</u>	146	<u>Financial Report</u>
7	A success story from America		
37	<u>The Clariant Story</u>		
37	Value creation through appreciation		Consolidated Financial Statements of the Clariant Group
39	A value system focussing on performance, people, and planet	148	Consolidated balance sheets
44	The Five-Pillar Strategy	149	Consolidated income statements
		150	Consolidated statements of comprehensive income
		151	Consolidated statements of changes in equity
		152	Consolidated statements of cash flows
		153	Notes to the consolidated financial statements
		212	Report of the statutory auditor
60	<u>Discover Value in the Four Business Areas</u>		
62	Care Chemicals		Review of trends
70	Catalysis	213	Five-year Group overview 2011 – 2015
78	Natural Resources		
86	Plastics & Coatings		Financial Statements of Clariant Ltd, Muttenz
		214	Clariant Ltd balance sheets
		215	Clariant Ltd income statements
		216	Notes to the financial statements of Clariant Ltd
		225	Appropriation of available earnings
		226	Report of the statutory auditor
		227	Forward-looking statements
94	<u>Financial Review</u>	228	<u>Financial Calendar 2016</u>
95	Business performance in 2015		
95	Business operations		
96	General conditions		
96	Profit and financial situation		
99	Business Area analysis		
102	Summary of financial statements		
106	Clariant stock		
109	Clariant outlook 2016		

»We will create ADDITIONAL VALUE«

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

—
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?

—
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?

—
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?

—
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.

—
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.



—
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.

—
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?

—

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.

—

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.

—

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?

—
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?

—
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.

—
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.

—
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



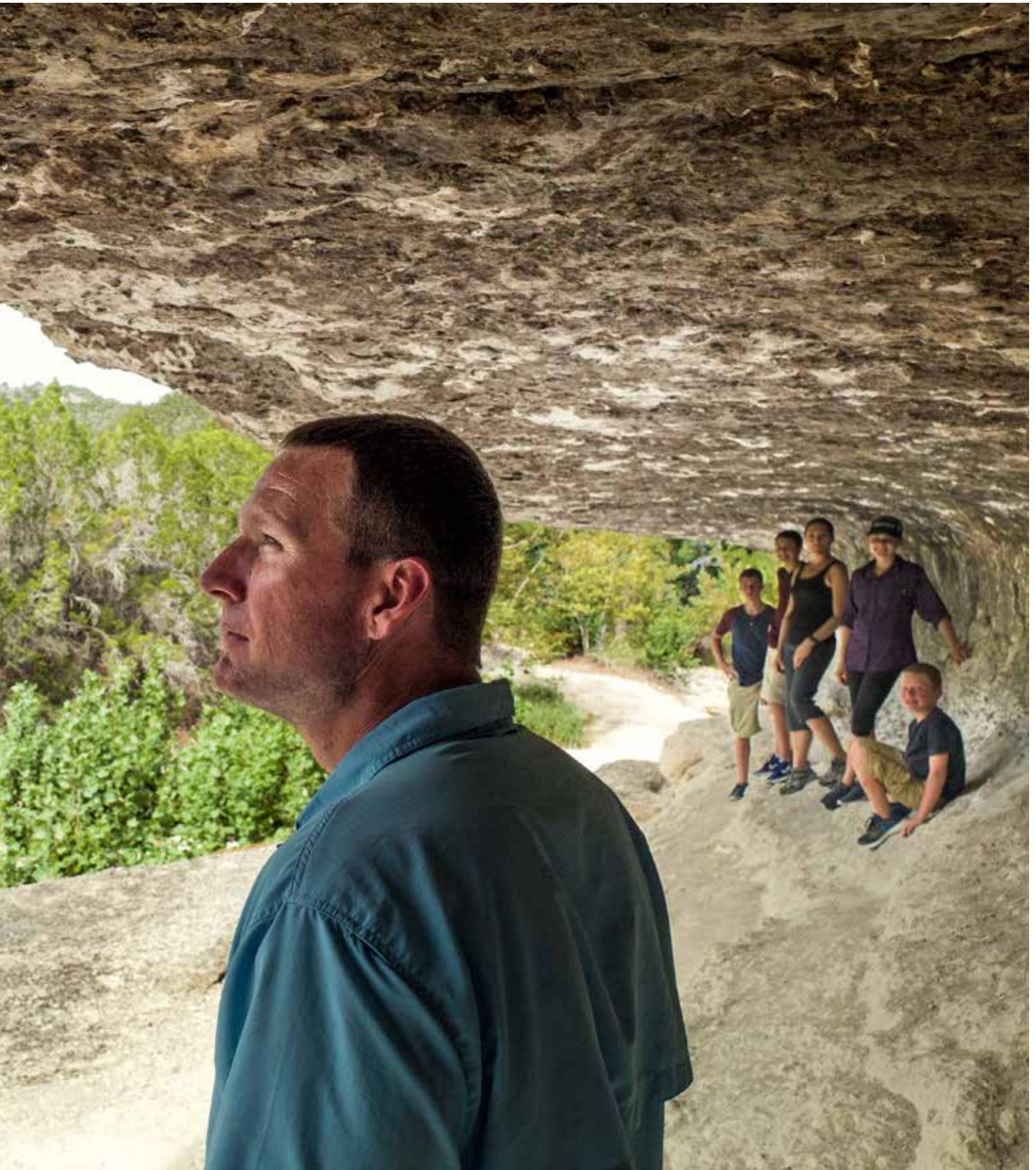
One CLARIANT

—
JAMES BEGEAL
Pleasanton, USA

A success story from America. First the championship football team at a college in Oklahoma, now an Oil & Mining Services team in South Texas with more than 40 teammates and a family with four children near San Antonio. District Manager James Begeal likes teams, and teams like James Begeal. This is evident in the special story of a leader who sees himself as a servant.

Concept and photography by Jo Röttger
Text by Bertram Job













»Look at that! These are all samples of the same substance, but each of them has a slightly different color. Very light, gold, almost black... Yes, Sir! And the viscosity—always different. Isn't it fascinating?»

James Begeal welcomes his guests on company grounds on this bone-dry afternoon. Not far from the small table by the side door, on which a number of glass containers are placed, are fresh oil samples from various sources, several thousand meters deep, which will later be analyzed in the in-house laboratory. The introduction into his profession couldn't be more vivid. Here, in South Texas, beyond San Antonio, pretty much all activities revolve around constant oil production.

The sign next to the entrance states »Clariant Oil Services. Future Home and Laboratory«. For most, it may just be one of the many inconspicuous business buildings that stretch along State Highway 281 towards the small town of Pleasanton. Yet for the tall, athletic mid-30 year old standing in the blazing sun among tanks and barrels, it is the fulfillment of a personal dream.

James Begeal has always wanted to build his own team in order to be successful on a larger scale—a team made up of engaged individuals whom he trusts without reservation, and manages with a contemporary leadership style. According to him, he wanted to »form a culture« where there is left and right but no top and bottom: »Even though the team looks at me as their boss, I'm just like them. And what they say is important. As an individual, you never know more than half of the group.«

Now he has this team, of more than 40 engineers, all skilled workers and drivers hailing from Texas, Mississippi, Egypt and China. As District Manager for Oil & Mining Services, it is Begeal's job to make sure his team in Southern Texas establishes relationships with large oil and gas producers. These businesses will always require chemicals for the right consistency of crude oil as well as a variety of services and consulting.

»What they get from us is a business partner; they get service, they get solutions,« Begeal eloquently explains. »Sometimes even before they realize their problems themselves. We listen and we respond to the needs of the producers. That's what sets us apart.«

There must be something to that, as evidenced by the results. Several days later, during the monthly »All Hands« meeting on Friday, the district manager has the pleasure of presenting a positive interim status report to his team. The targeted annual revenue for 2015 has already been achieved by mid-October. By year end, it will have been significantly exceeded. This puts them »years ahead« of the internal schedule. For the leader who doesn't want to be a boss, this is a welcome opportunity to confidently take a bow.

»This would not have been possible without your strong commitment,« he says, as he looks proudly through the ranks. »Thank you all! It is a great pleasure to work with this team and I think it is the best team I've ever been on.« The office conference room is filled with applause. The coffee pots, fajitas, rice and salad are then brought in for the celebration.

With the oil and the men who work hard to draw it from the earth, no other industry sector has so markedly characterized South Texas over such a long period of time. The 100-meter-high spout of the first well at Spindletop near Beaumont initiated the first oil boom in the Gulf of Mexico in 1901. As far back as the thirties more oil came out of Texas than in any other US state. Around 1970, »Peak Oil« was reached – the critical point where production reached its highest level.

Contrary to most predictions, however, the downturn has recently come to an end. New technologies such as horizontal drilling and fracturing, which are heatedly debated in Europe, have allowed access to deposits that were unreachable 20 years ago. This is especially true for »Eagle Ford« – a huge slate formation which extends several thousand meters deep from the north of Houston into Mexico. Through these discoveries, a new oil boom started a few years ago in low profile areas like Pleasanton in Atascosa, despite declining oil prices.

Drilling rigs and »Horsehead Pumps« (beam pumps) set the scene in this barren landscape. Interim equipment storage facilities and petrochemical plants appear every few miles. Massive tankers and trucks move quickly along the roads bordered by farm land and prairies. In their cloud of dust, James Begeal covers the 50 miles from his home on the edge of San Antonio to his office at the crack of dawn. He is almost always in a great mood, since every new day means a new promising experience. »Today is gonna be a wonderful day,« is his favorite way to greet people when he stops by the gas station for coffee.

And which work environment could be more exciting? Where James would embark on his professional journey one day was already a topic of discussion when he was growing up in Sundown, 15 miles west of Houston. In the energy capital of the world, several parents of friends were working in the oil and gas business. The tall company office towers at the city center can be seen all the way from the suburbs. »This has always been a part of me,« says Begeal, »I had just not yet had the opportunity to enter the business.« The opportunity came at a later stage when a friend took him along to his weekend job: delivering materials to the oil fields by truck.

»The people there are always dirty, rough and tough,« he explains. »Some yell at each other, others are more cordial. But they are also smart and very determined to reach their goal. And there is lots of camaraderie among them...«

»Hard work always pays off.« That's what grandpa Walter preached, who spent a lot of time with his grandson. Grandpa Walter was an old-school entrepreneur who made millions with a transportation company in Brazil but always remained extremely frugal. As was James' father, a former Green Beret who later on as a police officer tracked organized crime in Houston. His son James, the only one of three children who stayed with his father after the divorce, had to take care of all the household chores. But he doesn't regret the abrupt end to his childhood: »I enjoyed being responsible. I have a passion for it.«

Attending college would hardly have been possible under these circumstances. But due to his accomplishments in American football, the young man was given a scholarship to Northwestern Oklahoma State University (NWOSU) in Alva, a small town with 5 000 residents. This was the initial manifestation of his family's work ethic. James won the coveted defensive lineman position not based on his natural talent, but because of his ambition and lots of training. The same ambition inspired him while attending law school.

Today, it is without a doubt that he wants those around him to succeed – first and foremost, his teammates. He wants to be a »Servant Leader« to them, not a classic manager – on par with Robert K. Greenleaf, the founder of the theory of the selfless leader. He strives to be the kind of leader who puts the development of his teammates above everything else, putting into practice what he learned in school. And there is one more difference: »Managers demand respect. Leaders earn respect.«

Almost everything is permitted at the facility – except for these three phrases: »We can't,« »We try,« and »This is not my job.« The leader enforced this from the beginning. He is convinced that every person has unlimited potential and simply has to be placed in the right position to develop it. With this approach, he is always buddy and coach at the same time. Begeal notes, »I want people on my team to accomplish things that no one has done before, and it is my responsibility to support them.«

On this glorious morning, the day starts with the coffee machine in the kitchen. Begeal turns it on as soon as he gets to the office. For a long time, this first task of the day has symbolized Begeal's understanding of what it is to be a servant of his team – through his willingness to perform a simple service that is traditionally reserved for the team assistant or somebody else, but not for the boss.

Perhaps it's because James Allen Begeal, born in 1980, has always been happiest in a community – like in Sundown, when he played street basketball with boys from the neighborhood, or when they built huts from tree branches at the nearby canal. And in Alva, on the NWOSU Rangers football team, it was the same.

They played in the national college championship two years in a row. They won the first year (1999), and Begeal was voted into the All-Conference Team in 2001 – the team made up of the best players in the division. Overall, they probably didn't have the strongest team. »But we went undefeated,« reminisces James. »We had the best winning culture, the best atmosphere. And once a positive culture is in place, the sky is the limit.«

This experience was more than just about sports. It demonstrated what is possible when everyone serves a common goal. He is convinced that »You can be a good team member and work very hard and rise to your potential. Or you can be a bad teammate and not work hard, and the team suffers. But either way, you have a decision to make, and your decision affects other people around you.«

Begeal certainly made his decision. Wherever he led a team after obtaining his law degree, it soon became more successful: the shipping and logistics department of a company in Houston, three different departments of the same company in Oklahoma, in Sugar Land, Texas, and again in Houston. His formula is always the same and sounds almost too simple: »Help people achieve their goals and they're going to help you achieve your goals. But the people come first.«

There are plenty of leaders who know how to hide their cynicism behind phrases that sound good but don't really mean anything in practice. If you accompany Begeal throughout his days and weeks, however, you will find no gap in his performance. He is always available, from early morning to evening, to help team members reach an agreement with business partners or prospects. He constantly changes his language when speaking with men on the oil fields, engineers and decision makers, but he always sends the same message: I am interested in what you have to say, and if it makes sense, we can work together.





















After all, business in Texas is conducted »casually.« In a barbecue shack in Nixon, a one-horse town in the county of Gonzalez, Begeal and two teammates, together with two representatives of a large energy company, enjoy a meal of smoked meat before getting down to business. It almost appears incidental when he pulls his laptop out of his backpack with freshly cleaned fingers in order to present a new, cost-reducing solution for an old production problem. The interest in it is obviously great, and if a business transaction develops from the meeting, it will involve several million dollars.

Maybe at some point, attorneys in elegant offices will finish up sealing this new deal later on. But the decisive factor is whether the two representatives, Casey and Kenny, trust James and his guys, and whether they can make their mark in their own organization with what they were shown on the computer – almost as if it had been their own idea. For their counterpart, who is already in his pick-up truck again, that is slightest problem. As Begeal reflects, »If it would be just about the credit, I'd be just like everybody else. My goal is to make Clariant as much money as I can by being responsible to my team and my business partners.«

In the late afternoon, James Begeal is already with the next group, the next shift. He is still wearing his jeans made of fireproof material when he interacts with the newest football recruits on the high school grounds in Schertz. He arrived 30 minutes early at the training site with his eight-year-old son Tyler to practice throws and catches. That is part of their plan, because what is the mantra so often repeated from father to son? »To beat the best, you have to work harder than the best.«

It is already getting dark when the two high-five each other at the end of practice and drive home in the Silverado. Home for them is in Turning Stone, in a small cul-de-sac in an expansive development of new homes. All the homes built here appear to be constructed from the same earth-colored bricks with basketball hoops in the driveways and perfectly trimmed lawns. Those who live here primarily want to be safe. They don't necessarily want to be unique or different from their neighbors.

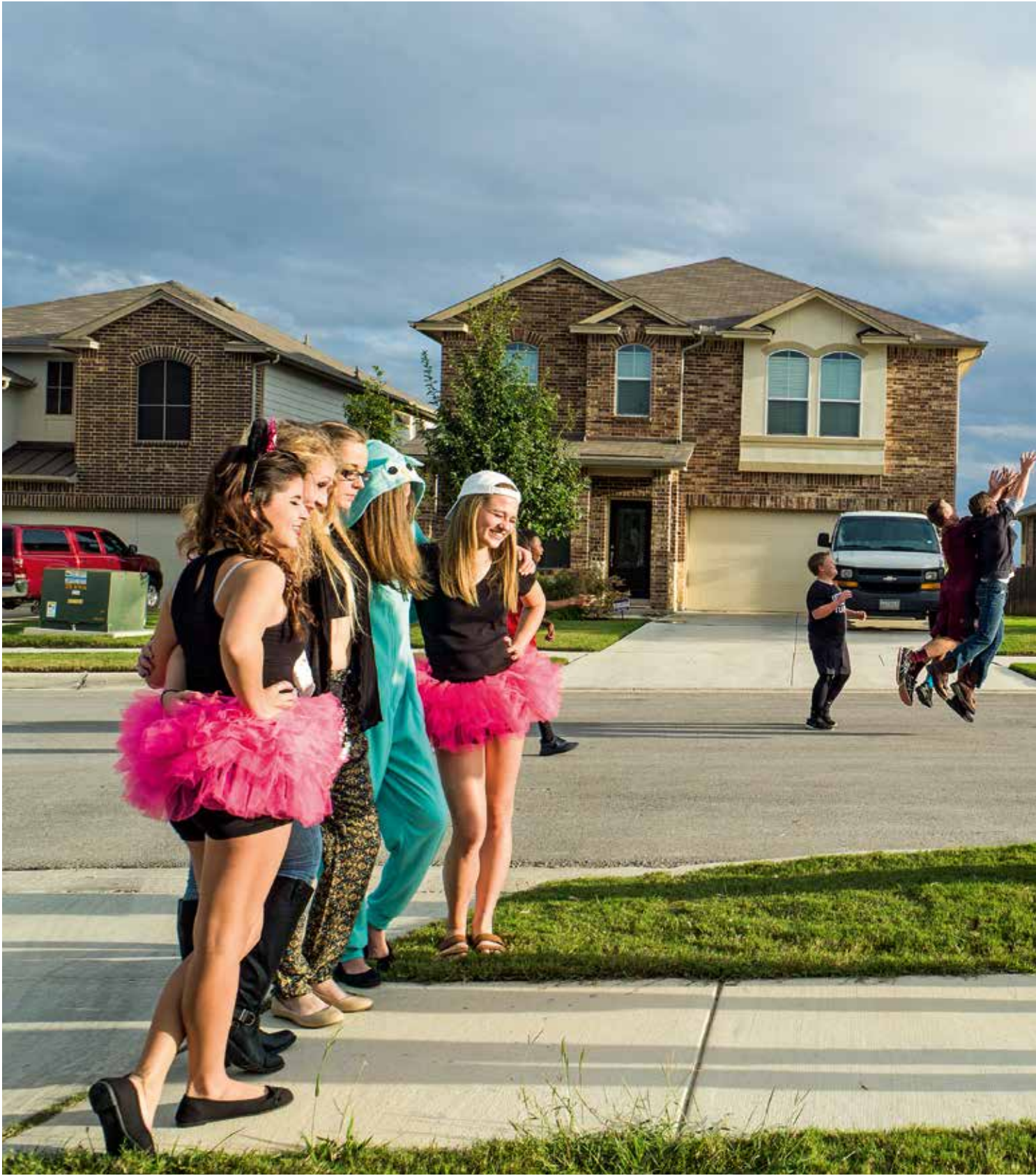
The Begeals were the first ones to move into their home. James' second wife, Kelly, an energetic woman with chestnut-brown eyes, remembers the move-in as being a little scary at first. They each brought two children into the marriage, and each child needs to be driven to sports activities at least twice a week. Kamille, also known as »Kammy,« the oldest, goes to wrestling. Coulton, also known as »Cole,« goes to karate. And then there are Wyatt, or »Wy,« and Tyler also known as »Ty,« the two football players. Plus, there are four dogs of various sizes, a lawn behind the house, and a terrace, where Kelly's husband likes to grill steaks for fajitas.

Begeal never would have needed this much space and comfort for himself. »I'm happy in a box,« he says. But this is really all about his second attempt to establish a trusting team that sticks together. That's why they hike together through the state parks, pray together before meals and attend worship service on Sundays at a »Church for Everyday People.« James believes that some divine power gave him the strength to make it through the difficult phase of being a single parent working full time. »There was no way I could do that on my own,« he remembers. Since then he has become a faithful Christian.

There is an open kitchen between these walls, but no television screen and no junk food. There is a lockable cabinet with pistols and rifles – self-defense Texas style – and an aphorism on the wall behind the dining table below a row of crosses that reads: »God bless this house with love and laughter.«

James hopes to stay here for the next several years, especially to take advantage of the high-quality schools in the area for the children. Furthermore, there are still lots of reserves in the so-called »Eagle Ford.« This solidifies the future in this key sector as well as for James Begeal. For now, he can continue to live his life and focus his attention in Turning Stone as well as around Pleasanton. He muses, »I like the freedom of being outside. This is a great mix of business and cowboy.«















One Clariant AROUND THE WORLD

2015

»Help people achieve their goals and they're going to help you achieve your goals. But the people come first.«

JAMES BEGEAL

*South Texas District Manager –
BU Oil & Mining Services
Pleasanton, USA*



www.clariant.com/OneClariant/AnAmericanStory

2014

»If you respect people's dignity, teamwork becomes incredibly finely tuned.«

MINI NAIR

*Global Topic Expert & Sales Manager –
BU Masterbatches
Navi Mumbai, India*



www.clariant.com/OneClariant/MinisMomentum

2013

»We are an innovative and at the same time democratic company, have transparent procedures when selecting staff, and promote a variety of talents.«

MARCIA REGINA DA SILVA RIOS

*Head of Industrial Application LATAM –
BU Industrial & Consumer Specialties
São Paulo, Brazil*



www.clariant.com/OneClariant/OneWomansPath

2012

»Consensus is important. I always try to reach it in dialog with my employees, for as we say in China: three individuals together equal one genius.«

QINGLIN ZHENG

*General Manager –
BU Industrial & Consumer Specialties
Zhenjiang, China*



www.clariant.com/OneClariant/QinglinsJourney

—
»ONE CLARIANT«

is an artistic undertaking, presenting the life and work of Clariant employees from all over the world in the Annual Reports from 2012. Discover more.

The Clariant Story

CREATING VALUE FOR THE NEXT LEVEL OF PROFITABILITY

Clariant has set ambitious goals for itself with regard to profitability: Mid-term, the EBITDA margin before exceptional items should improve to a target range of 16 % to 19 %. After a period of extensive restructuring and a far-reaching portfolio reorganization in the past few years, the company is showing clear signs of growth and additional gains in efficiency. In order to create additional value, continuous change in the company is necessary.

The topics of cash flow, cost reduction and complexity reduction were the focus of the 2009 – 2010 restructuring. Numerous locations had to close, and more than 4 500 employees left the company. As a result, the financial foundation was created in order to be able to actively shape the company's portfolio again. This happened in 2012 after the acquisition of Süd-Chemie in 2011 and the subsequent separation of less profitable and slower-growth businesses. Clariant introduced a new value system in order to renew the corporate culture. A reflection of the changes in the Group are the definition of a corporate vision and mission and a new brand identity.

Value creation through appreciation

Clariant's vision is to become the globally leading company for specialty chemicals, and to stand out through above-average value creation for all stakeholders. The path to this point is guided by a clearly-defined mission, which is based on building leading positions in the businesses the company is active in, and in adopting functional excellence as part of the corporate culture.

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

Value creation through continuous change

Our era is characterized by dramatic shifts in economic power blocs as a result of unstoppable globalization. New markets have emerged that have become growth drivers and, as in the case of China, the global economic engine. However, 2015 has shown that successful companies should not focus on these markets alone because there are also times of consolidation and reorientation. Companies such as Clariant must be able to react more flexibly and quickly to the resulting changes. The most important thing is therefore a lean structure, the ability to address all stakeholder groups equally with their specific wishes and needs.

»We must exploit all of today's change processes to build momentum and reshape Clariant for the future.«

CHRISTIAN KOHLPAINTNER

Member of the Executive Committee

Accelerate change - discover value

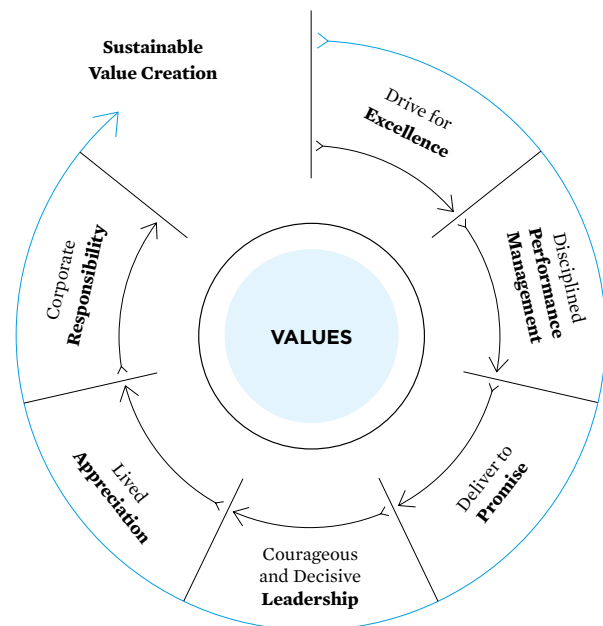
The change in mindset according to the corporate culture is just as important as the restructuring of the Group and its operational structures. In the last few years, Clariant has consistently positioned its business portfolio on above-average profitable businesses in markets with high growth potential and good pricing power. In order to generate additional value, the company has to accelerate the change process. A new quality of change is needed, a change in mindset and behavior, a cultural change coming from deep within the organization. This bottom-up movement starts with each employee. Each day, they need to ask the question: What does my customer want? Where is the added value for them? What does this mean for me and my company? »Discover Value« is the company's attitude to accelerate change. It's a mandate for all employees and it's an invitation to explore Clariant's activities.

Values for a performance culture

Sustainable value creation for all its stakeholders and for Clariant as a whole requires the alignment of all business on central factors that are inextricably linked and built upon each other: Driving for excellence, disciplined performance management, delivering to promise, courageous and decisive leadership, lived appreciation, and corporate responsibility.

CORPORATE VALUES

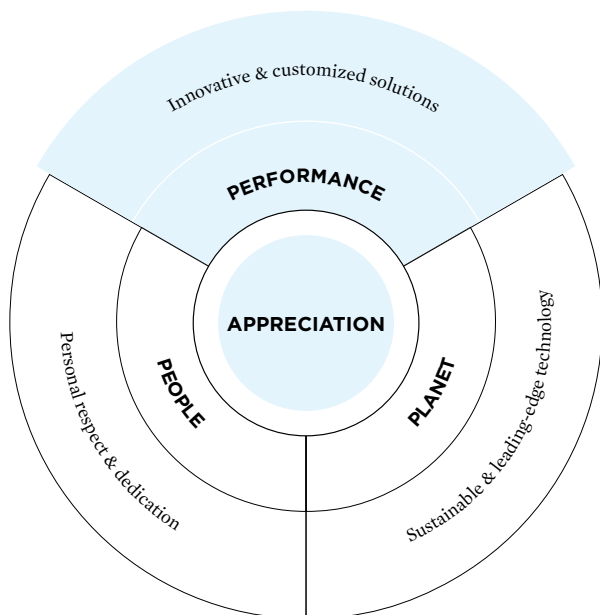
as a foundation for sustainable value creation



A value system focussing on performance, people, and planet

Sustainable company successes and value generation can only be realized in a corporate culture that is embraced by everyone involved, and which achieves a balance between business performance, social interests, and environmental targets.

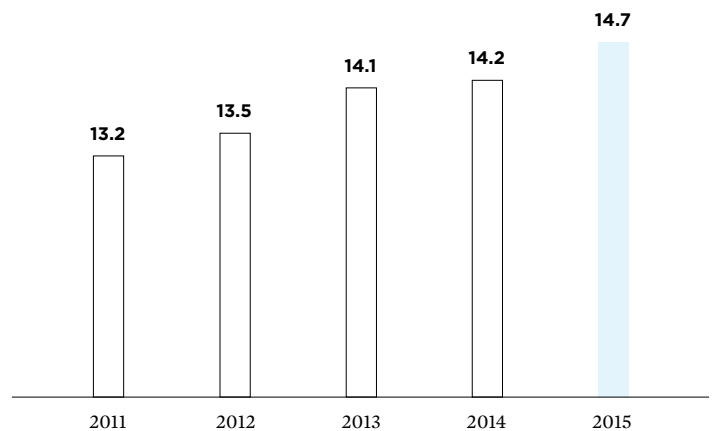
BRAND VALUES and the core of the brand



Performance: Progress in profitability

Despite a challenging economic environment and unfavorable currency developments, Clariant was able to achieve the financial targets for the business year 2015. Sales in local currencies improved by 3%. The EBITDA margin before exceptional items, the key performance indicator for the Group's profitability, increased by 50 basis points to 14.7%. Additionally, the cash flow from operating activities reached CHF 502 million, 50% above the previous year's level.

EBITDA¹ MARGIN in %



¹ before exceptional items

These are successes that all employees in the Group can be proud of. For the future, the company has set a goal for further sustainable improvement in performance by which Clariant can be measured.

»Clariant aspires to be one of the leading specialty chemicals companies in the world by means of continued improvement in profitability and cash flow generation.«

PATRICK JANY
Chief Financial Officer

Confidence for 2016 and the mid-term outlook

Clariant expects another challenging environment for the business year 2016. Nevertheless, the company is confident to be able to post further sales growth in local currencies as well as further improvements of the EBITDA margin before exceptional items and the operating cash flow. Based on these assumptions Clariant is well on track to reach its mid-term targets of an organic sales growth above global GDP growth, an EBITDA margin range between 16 % and 19 % before exceptional items, as well as a return on invested capital (ROIC) above the peer group average.

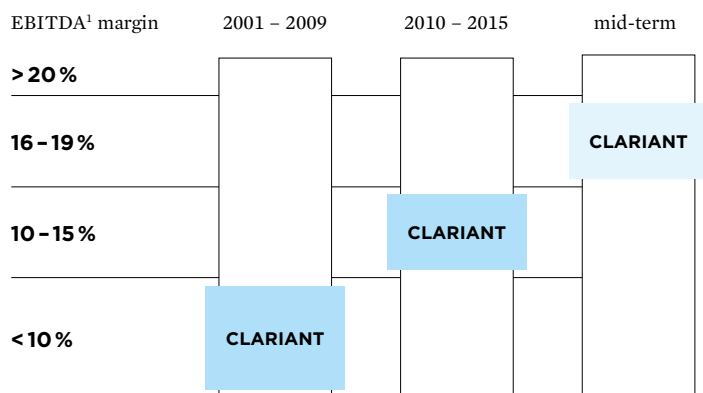
People: focus on the best in the industry

The employees enjoy the highest priority at Clariant and the company wants to be perceived as a preferred employer by the best in the industry.

Clariant communicates to current and future employees the values and objectives of the Group, fosters respect for colleagues and creates a working environment that is pleasant, stimulating and challenging. Clariant also provides options for its employees to develop their careers themselves through continuing education, training courses and support programs, in addition to targeted monetary motivations such as bonuses and other incentives. In 2015, Clariant also has further developed the onboarding process in this regard, which means implementing efficient and targeted training and integration of new employees in their first 100 days at the company.

Clariant wants to motivate its performance-oriented employees to make a long-term commitment to the company.

FROM AVERAGE TO THE TOP - ADVANCING INTO THE TOP TIER IN SPECIALTY CHEMICALS



Number of employees increased slightly in 2015 - Diversity in the workforce

After completion of the extensive portfolio changes in 2011 to 2014, the focus in the year under review was on the development of growth sectors and regions. This led to a slight increase in the Group's workforce by 210 employees to 17 213. 130 new employees were added due to acquisitions, however, roughly the same number of employees left the Group due to the divestments.

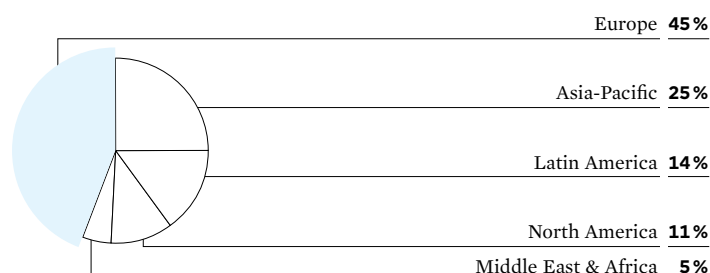
¹before exceptional items

THE STRUCTURE OF THE CLARIANT WORKFORCE IN 2015		
Information based on full-time equivalents (FTE)	2015	2014
Headcount	17 213	17 003
Male	13 457	13 362
Female	3 756	3 641
Employment relationship		
Permanent employees	16 713	16 707
Male	13 106	13 164
Female	3 607	3 543
Temporary employees	500	296
Male	351	198
Female	149	98
Full-time	16 881	16 683
Male	13 394	13 303
Female	3 487	3 380
Part-time	332	320
Male	63	59
Female	269	261
Type of employment		
Employees	9 803	9 862
Male	6 651	6 764
Female	3 152	3 097
Workers	7 410	7 142
Male	6 806	6 598
Female	604	544

Employees in emerging markets at 44 %

The workforce in the European region still has the largest proportion with 45%, followed by Asia-Pacific with 25%. In Latin America, Clariant employs 14%, in North America 11%, and Middle East & Africa has 5%. The increasing importance of the East Asia region is shown in the high number of employees in Greater China with 1566. In the emerging markets, which are characterized by the highest economic growth, the percentage of employees of the total number of Group employees is 44%.

EMPLOYEES BY REGION IN 2015



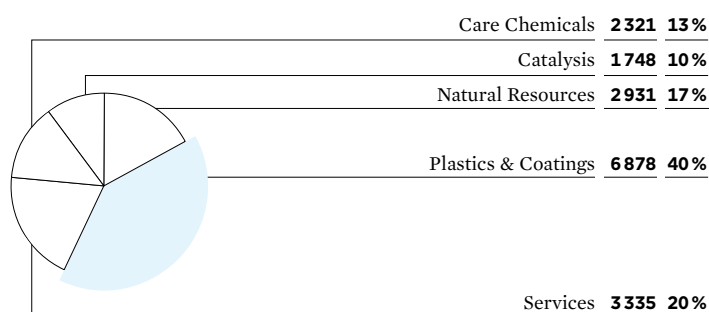
Among the Business Areas, Plastics & Coatings is the largest area from a personnel perspective with 6 878 employees (40% of the total workforce) followed by Natural Resources with 2 931 employees (17%). Care Chemicals has 2 321 or 13% of all employees and Catalysis has 1 748 or 10%.

»Our goal is to be perceived as an attractive employer by the best in the industry.«

CLAUS HEFNER

Head of Corporate Human Resources

EMPLOYEES BY BUSINESS AREA 2015 in FTE¹



¹FTE: Full-time equivalent

In the 2015 financial year, the Clariant Group spent CHF 1 345 million (2014: CHF 1 435 million) for salaries, social welfare contributions and extraordinary personnel costs of its own employees. When adding in the cost of external staff, the Group's total personnel expenses in 2015 were CHF 1 391 million. The comparable figure for the previous year was CHF 1 485 million.

The issue of occupational safety shows, for example, how closely performance and people are connected with one another. The LTAR (Lost Time Accident Rate), which reflects the number of occupational accidents with at least one day of work lost in relation to 200 000 hours of work, has substantially improved as a result of training measures and investments in plant safety. This ratio has declined from 0.92 in 2007 to 0.17 in 2015 (2014: 0.23): Less work days lost also means better performance. Lost work days (LWD) saved in the past eight years corresponding to the performance of close to 60 employees during the same period.

Planet: responsible use of resources

Appreciation is also reflected in a responsible use of resources and the environment, especially as the environmental sustainability of products has become a central decision criterion for consumers. Clariant aims to set new standards in specialty chemicals with the use of leading technologies and the development of innovative solutions to improve environmental standards. The company can be measured in terms of clearly defined environmental goals.

Sustainability saves costs

The responsible use of resources and the environment in the production process at Clariant includes numerous individual measures that also have a positive impact on the cost structure, meaning the brand values Performance and Planet fit together perfectly.

The knowledge and ideas of every single employee contribute to Clariant's success. That is why Clariant motivates employees to submit recommendations for improvements in the areas of health protection, workplace safety, process safety and optimization, and environmental protection with the company suggestion scheme. For example, a total of 1 700 individual suggestions were submitted at the Frankfurt-Höchst site, Germany, in 2015, which is equal to a rate of 0.82 suggestions per employee. The savings achieved this way totaled approximately CHF 185 000 for that location in the year under review, whereby the greatest savings were distributed amongst seven major projects to optimize energy consumption.

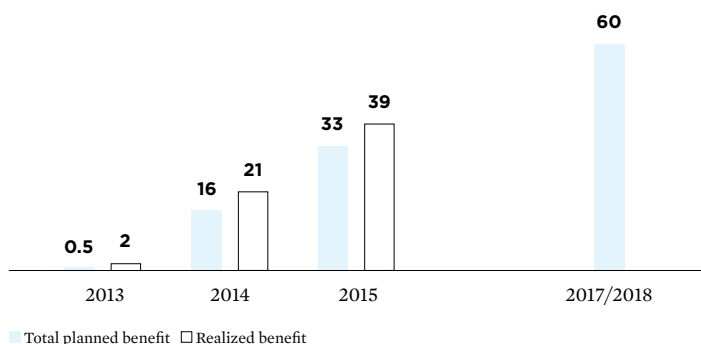
The Clariant Production System YEE (Yield, Energy, Environment) was established in 2013 as part of the Clariant Excellence efficiency improvement initiative (page 45). This focuses on cost savings and benefits related to raw materials, energy and the environment. As a result, CHF 39 million were realized over the period from 2013 to the end of 2015. The planned target is approximately CHF 60 million by 2017/2018.

COST OPTIMIZATION IN PRODUCTION

~ CHF 39 m

realized in three years through Clariant Excellence

NET BENEFIT BY CLARIANT PRODUCTION SYSTEM YEE in CHF m

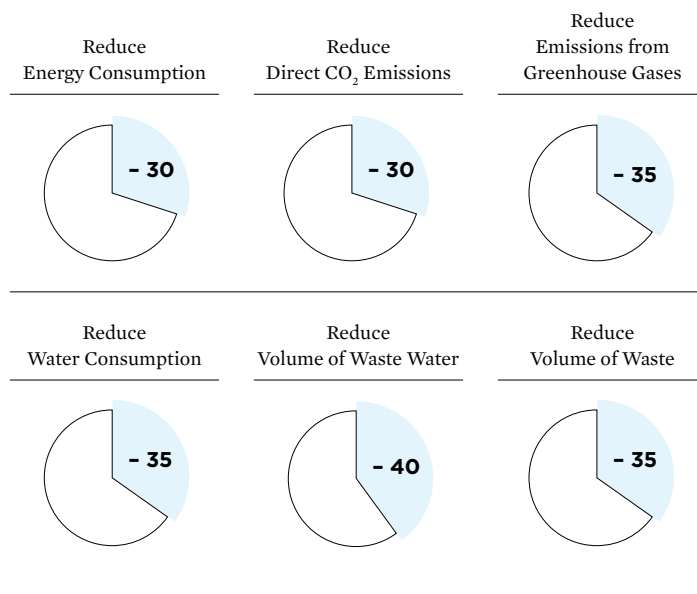


In addition, Clariant has had considerable success on the topic of energy efficiency and saves CHF 6 million every year solely from the in-house eWatch program thanks to targeted investments in the optimization of production facilities and the training of its employees. eWatch covers the entire life cycle of a plant or a production process. Outstanding examples of projects in this context include the increase in energy efficiency in the catalysis laboratory in Heufeld, Germany, where significant savings in natural gas and electricity consumption could be achieved through limited investments in the 2015 year under review. Long-term savings in steam consumption have been achieved at the Gendorf location, Germany, thanks to new exhaust steam energy recovery.

New environmental targets by 2025

Clariant first set specific environmental goals for itself in 2011, focusing on six key criteria based on emission levels of the Group. These were very clearly exceeded in relation to the reference year of 2005. Upon conclusion of the completed portfolio restructuring, Clariant has decided to define new environmental targets at the beginning of 2015 by which the Group can be measured. These relate to the reference values in the financial year 2013.

ENVIRONMENTAL TARGETS 2025 in % (per t produced goods)

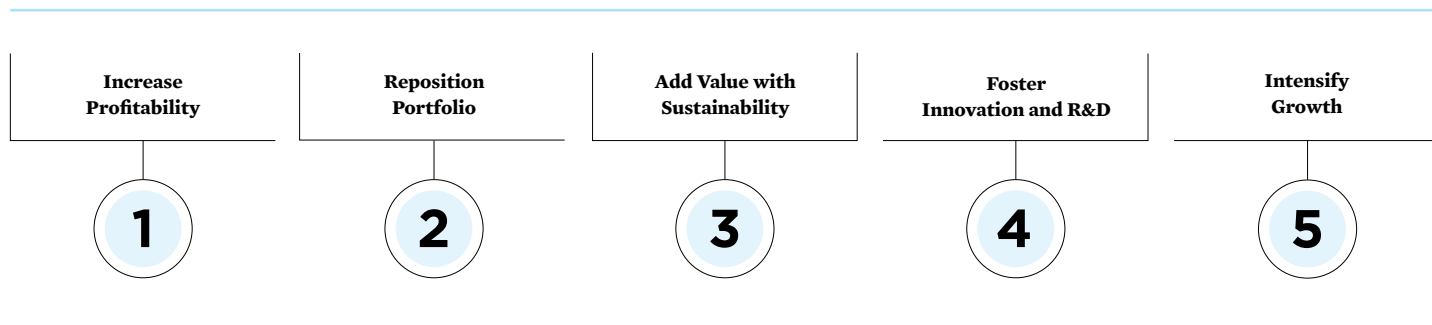


The clear commitment of the management to transparency manifests itself in the area of environmental protection. The ambitious goals can only be achieved in the future through ongoing optimization of production systems and staff training.

The Five-Pillar Strategy

In light of the challenging conditions of a dynamically changing world, an EBITDA margin before exceptional items of 14.7% for the year under review should be considered a success and represents a further improvement over the previous year. However, the gap to the target range of 16% to 19% cannot be closed without additional value generation, which will take place by using the company's established five-pillar strategy: increasing profitability, repositioning of the portfolio, adding value through sustainability, fostering innovation and R&D as well as intensifying growth.

THE FIVE-PILLAR STRATEGY to increase performance



»A globally positioned company requires a streamlined service organization that is flexible and available around the clock.«

HANS BOHNEN

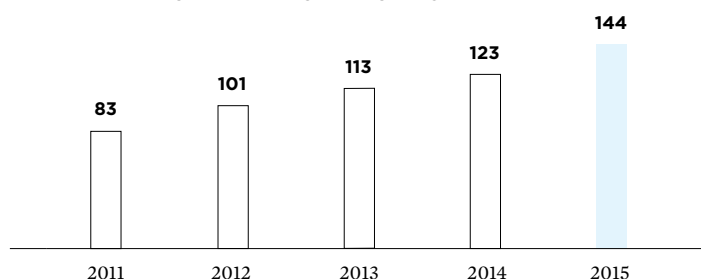
Head of Global Business Services

CLARIANT EXCELLENCE

CHF 564 m

cumulated net benefit within five years (2011 – 2015)

NET BENEFIT BY CLARIANT EXCELLENCE in CHF m



Pillar 1: Increase profitability

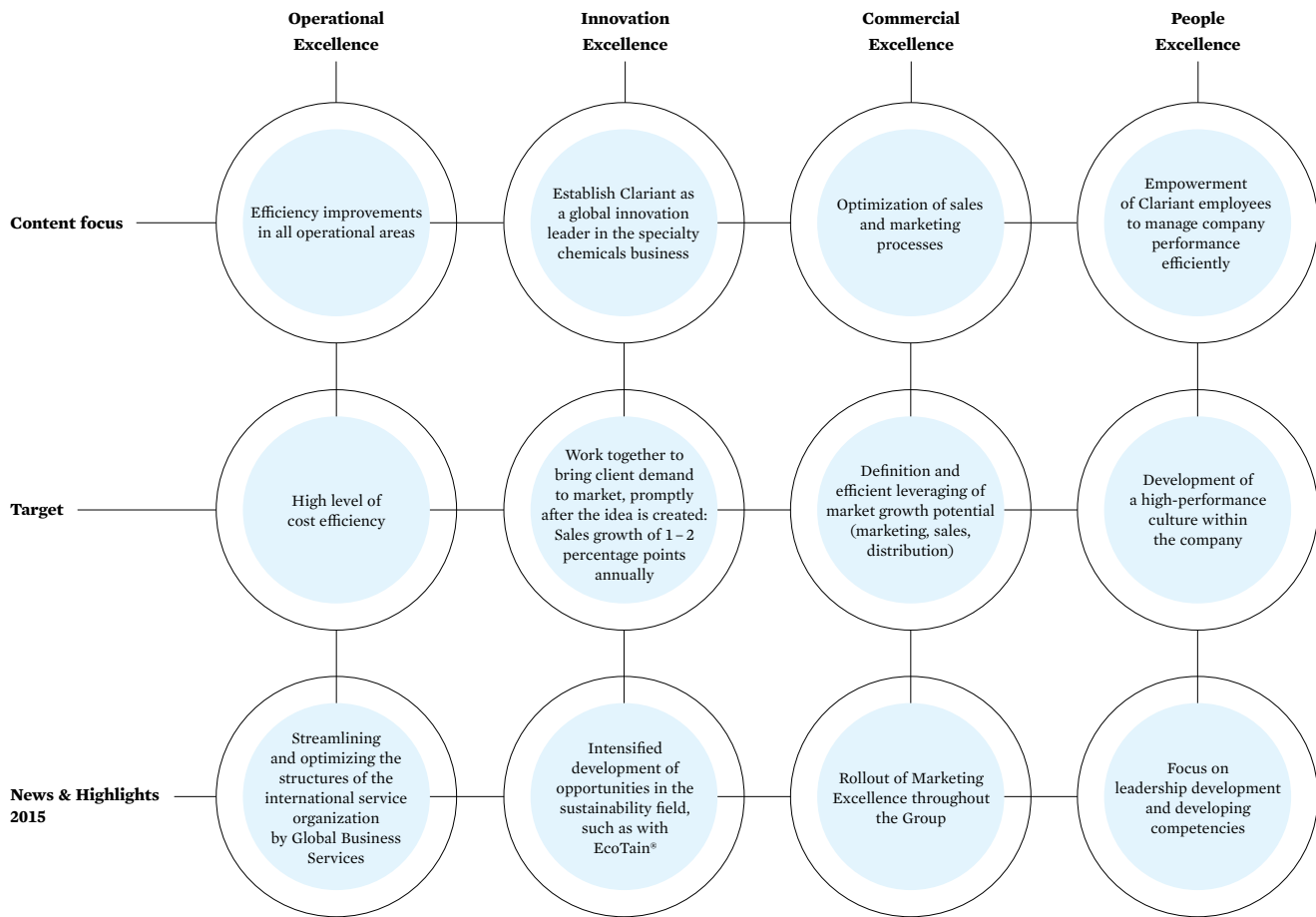
Discover Value through steady improvement in profitability

Cost efficiency and discipline are prerequisites for the improvement in the EBITDA margin before exceptional items. Return on earnings should thus be increased by 1 to 2 percentage points. Since 2008, the Group’s break-even point was reduced by more than CHF 200 million through a variety of measures to optimize cost structures. This took place as part of the Clariant Project, the Global Asset Network Optimization (GANO) and a change process in the course of adapting the corporate culture.

Similarly, Clariant Excellence (CLNX), an initiative in which continuous improvement and cultural change are the focus, was established more than five years ago. Starting with the LeanSigma approach – a method designed to improve efficiency and quality management – CLNX has the goal of optimizing competitiveness through efficiency gains and the creation of added value for customers. Entrepreneurial thinking is the central approach here.

The employees were again the focal point of this initiative. More than 4 750 or roughly 28% of the total workforce was trained using the Clariant Excellence Programs by the end of 2015. Full-scale active involvement of as many employees as possible as project managers or project employees (known as belts) who relay the optimization measures to all organizational areas was crucial to the success of the initiative. At the end of 2015, there were 90 Black Belts, around 970 Green Belts and close to 3 000 Yellow Belts. These employees were involved in about 1 000 CLNX projects during the year under review which resulted in additional net benefits of more than CHF 144 million. Over the past five years the positive effects from cost savings, additional revenues from efficiency improvements and optimization of net working capital have accumulated considerably to approximately CHF 564 million. And the project continues: In 2016, another CHF 100 million should be added.

CROSS-LINKING OF THE FOUR AREAS OF EXCELLENCE as a key to success



Implementation of Global Business Services

After the conclusion of the Lean Service Operations (LSO) project, the Clariant management decided to establish Global Business Services (GBS) to further enhance cost efficiency and effectiveness of the internal services processes. It is a logical outcome for a global company to make the corresponding back-office functions lean and efficient. The existing structures were changed using a shared service transition so that the entire service organization will

be coordinated via two service centers in Lodz, Poland, and Mumbai, India, which are supported by local service departments. This enables for instance the entire order and invoicing process, payment management and the corresponding documentation to be handled around the clock at a significantly lower cost. Overall, the project should save around CHF 20 million per year in the medium term.

Pillar 2: Reposition portfolio

Discover Value through continued repositioning of the portfolio

Almost as important for Clariant as organic growth is taking advantage of opportunities, discovering additional value potential – through external growth or active portfolio management. The major acquisition of Süd-Chemie in 2011 has heralded an extensive phase of transformation through 2015: moving away from more mature, cyclical activities and towards those that are future- and growth-oriented with above-average revenues, profitability and cash flow potential. In total, activities with a sales volume of around CHF 1.4 billion and an EBITDA margin before exceptional items of over 15 % have been purchased in the past five years. In contrast, Clariant parted with a portion of sales equal to approximately CHF 2 billion with a profitability of below 8 %. The acquired activities meaningfully complemented the core portfolio. They help to improve

market access in the emerging markets, for example, and expand value creation with the focus on important global megatrends such as environmental protection and energy efficiency.

Further expansion in emerging markets and growth areas

As announced, the final sale of the loss-generating Energy Storage business was completed at the end of February 2015, which resulted in one-off disposal of CHF 73 million. In early July, the remaining shares of Brazilian Companhia Brasileira de Bentonita, of which Clariant already held 50 %, were acquired. At the end of September, the company announced its intent to acquire portions of the Vivimed Labs Ltd Personal Care portfolio in India.

ACTIVE PORTFOLIO MANAGEMENT through acquisitions and divestments

Acquisitions



Divestments



Pillar 3: Add value with sustainability

Discover Value through sustainability at all levels

In 2015, the first Clariant Sustainability Dialog was held in Frankfurt at the Clariant Innovation Center. More than 150 participants from companies, the media, the capital market and politics held an intensive discussion on general trends and the increasing importance of sustainability for the chemical industry and its customers in the value chain worldwide. In connection with this, Clariant announced new, company-wide commitments. These included, for example, that palm oil should be obtained only from sustainable sources. Furthermore, regarding the procurement of raw materials, the company

commits to following a guideline helping to avoid deforestation, to ensure traceability along the entire value chain, and to meet the criteria for certification by the Roundtable on Sustainable Palm Oil (RSPO). Strategically, the cooperation along the value chain with customers, suppliers and other parties is proactively promoted to strengthen its own sustainability and that of the customers (see Sustainability Report 2015).

Alignment of the product portfolio with sustainability

Since 2012, the entire Clariant product portfolio goes through a systematic, detailed review process as part of the »Portfolio Value Program« (PVP). This applies 36 sustainability criteria in all three sustainability areas, considering all aspects of the product life cycle. In doing so, company-wide product groups are identified where there is need for change in terms of their sustainability – whether through innovation, replacement or phase-out. For instance, in the

THE 36 CRITERIA of the Clariant Portfolio Value Program

PEOPLE



Safe Use, Transparency and Information

- SVHC¹ profile
- CMR² substance profile
- Hazard classification level
- Level of solvents and VOCs³ in the use phase
- Available information on performance and impacts across the life cycle



Addressing Megatrends and Societal Needs

- Solutions meeting societal/ environmental needs or megatrends:
 - Food and nutrition
 - Health and safety of people
 - Environmental issues, societal challenges
 - Green and sustainable living
 - Climate change

PERFORMANCE



Integrated Sustainable Business

- Value chain collaboration
- Value-adding product-related services and product service systems



Performance Advantages

- Additional performance features and benefits for the customer
- Third-party certification of product

PLANET



Raw Materials and Sustainable Sourcing

- Material use efficiency in the production
- Material efficiency in the use phase
- Raw material scarcity
- Use of renewable raw materials
- Use of non-food competing renewable raw materials
- Sustainability certification of renewable raw materials
- Use of recycled material in the production
- Support of recycling opportunities in the value chain
- Impact on biodiversity



Environmental Protection

- Water footprint of raw material production
- Water consumption in the production
- Water consumption in the use phase
- Energy footprint of raw material production
- Energy consumption in production
- Energy consumption in the use phase
- GHG⁴ footprint of raw material production
- GHG⁴ emissions in production
- GHG⁴ emissions in the use phase
- Emissions in the use phase
- Hazardous waste classification in production
- Hazardous waste classification in the use phase
- Waste generation in production
- Waste generation in the use phase
- Biodegradability/compostability of product
- Effect on aquatic environment
- Waste water formation at use phase

¹SVHC: Substances of Very High Concern

²CMR: Carcinogenic, Mutagenic, Reprotoxic

³VOC: Volatile Organic Compound

⁴GHG: Greenhouse Gas

Source: Collaborating Centre on Sustainable Consumption and Production (CSCP): The Sustainability@Clariant Portfolio Value Program – Developing Tools for Sustainable Product Portfolio Management, 15.04.2015, p. 11

»We have anchored sustainability within our corporate strategy. This creates added value for Clariant, the society and the environment alike.«

JOACHIM KRÜGER

Head of Corporate Sustainability & Regulatory Affairs

near future, the phase-out of heavy-metal-based pigments in masterbatches and the replacement of Chromium(VI) catalysts will take place gradually. In this example, Clariant underscores the readiness to phase out products that have been identified as non-sustainable. All future innovations at Clariant will also be measured against these criteria. In order to make development projects comparable and assess their advantageousness, Clariant has also introduced the Corporate Sustainability Index for Research and Development Projects (CSIR&D).

EcoTain® label recognizes the most sustainable products

To date, Clariant has aligned more than 80 % of the portfolio with sustainability criteria. Of these, 76 % meet the definition of sustainability. More than 80 products from all Business Areas, including more than 30 products from the Business Area Care Chemicals alone, have been certified with the company's own EcoTain® label at the end of 2015. This label identifies products whose sustainability standards significantly exceed those of the market, that have excellent product characteristics and advance the overall sustainability efforts of the company and its customers. As an example, GlucoTain®, a Personal Care product, received the EcoTain® label in 2015. The sugar-based surfactant is used in shampoos, shower gels and shaving cream (see page 65).

Ethical and sustainable operational principles

Discover Value through sustainable management generates added value and benefits for all interest groups – economically, environmentally and socially. In addition to sales and earnings growth and adjustment of the product portfolio, the focus is also on the public

reputation of Clariant and its customers. The basic prerequisite for this is the commitment to an ethical and sustainable approach, be it in relation to the environment, social responsibility, governance criteria, health and safety, sustainability in the value chain, product responsibility or personnel development. These include, for example, the signing of the Responsible Care® Global Charter and the UN Global Compact, which act as central operational principles for sustainability worldwide. In 2014, Clariant joined the chemical industry's Together for Sustainability initiative for supplier management to work together to improve sustainability in the industry's supply chain. As part of this, supplier evaluations and audits are performed by independent experts, and all participating companies have access to their results. In addition, Clariant has self-imposed obligations under the Code of Conduct and the Code of Conduct for Suppliers – and thus a binding framework for business conduct for all employees and suppliers.

Sustainability is more than just environment protection

Clariant's commitment to sustainability goes far beyond the efficient use of resources and environmental protection. Charitable initiatives as part of the company's commitment to corporate responsibility and occupational safety issues are just as important as the high value placed on compliance. In this regard, employees worldwide are regularly trained on the compliance policy against corruption and bribery. A variety of training programs are held in the Clariant Academy in order to optimally prepare employees for their tasks. The company's proprietary product stewardship organization on its own part ensures that the entire product portfolio complies with international safety and environmental criteria such as REACH (Registration, Evaluation, Authorization of Chemicals) or the Global Product Strategy (International Council of Chemical Associations, ICCA).

MATERIALITY MATRIX by Clariant



All issues regarding sustainable action are reviewed regularly by the Clariant Sustainability Council and adjusted where necessary. The Materiality Matrix of the key areas of Clariant’s sustainability activities is developed based on this.

Clariant advanced to the top tier in DJSI

In 2015, Clariant was successful in advancing to the top tier of the most sustainable specialty chemicals companies worldwide in economic, environmental and social terms. This was confirmed by the

analysts of RobecoSAM, who ranked the company among the top four of the industry in one of the world’s most prestigious sustainability indexes, the Dow Jones Sustainability Index (DJSI). Clariant first achieved inclusion in one of the DJSI indices in 2013.

As a result of its track record in sustainability, Clariant was recognized with a Silver Class distinction in the RobecoSAM Sustainability Yearbook 2016, for the first time.

»Our experience shows that innovation is the result of a culture with open communication and a continuous exchange of ideas.«

MARTIN VOLLMER
Chief Technology Officer

RESEARCH & DEVELOPMENT

CHF 204 m

spent in 2015

Pillar 4: Foster innovation and R&D

Discover Value by focusing on innovation and R&D

Sales growth of 1 to 2 percentage points can be generated with the introduction of new, innovative products. The precondition for this is satisfied. Clariant’s innovation pipeline is well filled with more than 300 active projects from all business units. These include approximately 60 »Class 1 Projects« with double-digit million sales potential. The close collaboration among the Business Units, Clariant Innovation Excellence, and Group Technology & Innovation as the central research unit provides the basis for the greatest possible efficiency. Approximately 1100 employees in eight Centers for Research & Development and in about 50 Technical Application Centers work every day toward reaching established targets. In addition, Clariant participates in more than 130 scientific collaborative projects with universities, research institutes and external partners.

In 2015, CHF 204 million was spent on Research & Development. Since 2011, this has been about CHF 1 billion. In areas that are particularly research-intensive, such as Catalysis, the share of R&D spending is more than 7% of sales. Over 7 000 patents underscore the advanced technology expertise within the Group.

INNOVATION FIGURES

~ 1100

employees in R&D

3.5 %

of Group sales 2015 spent in R&D

50

Technical Application Centers

> 7 000

patents

8

global R&D Centers

> 130

scientific collaborations

Open Innovation Initiative – using global knowledge for innovation

Global trends and areas with the greatest growth potential, such as environmental protection, globalization, urbanization, as well as the efficient use of resources and energy, are Clariant’s central focus for R&D and the investments associated with it. In order to serve and develop future markets with above-average potential, such as functional packaging, Clariant launched the Open Innovation initiative on the Clariant website in 2015. The initiative was developed in partnership with the University of St. Gallen (Switzerland) and Stanford University (USA) and includes the active and strategic integration of knowledge outside of the company to foster innovation

potential. Outside innovators are invited to contribute ideas, needs and solutions to the Open Innovation Focus Fields with the goal of creating long-term partnerships in these areas. To motivate outside innovators such as universities, start-ups, or customers to participate, access to financing, markets, infrastructure and practical knowledge is offered.

Would you like to learn more about Open Innovation?



www.clariant.com/Open-Innovation

OPEN INNOVATION INITIATIVE offers benefits

FINANCING



We help start-ups and young companies overcome financial challenges.

EQUIPMENT/INFRASTRUCTURE



Finding suitable test and production equipment is a challenge for many innovators. We open our labs and facilities to foster innovation.

MARKET ACCESS



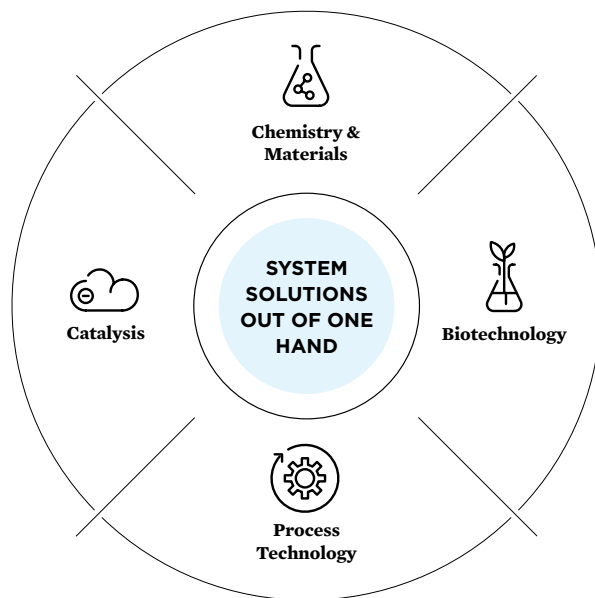
Our global network helps to bring new innovations into the world.

KNOWLEDGE/EXPERTISE



Our experts use their knowledge and expertise along the entire innovation chain.

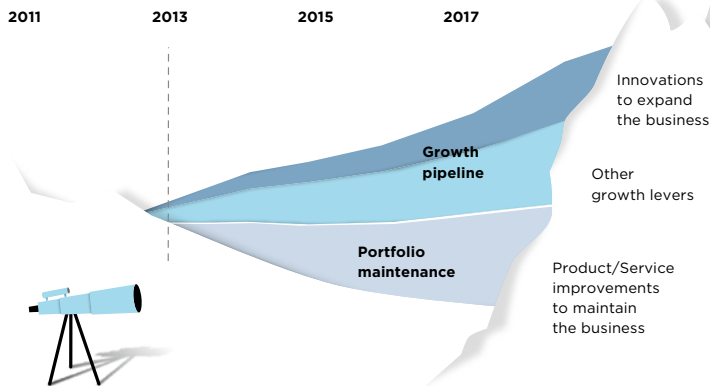
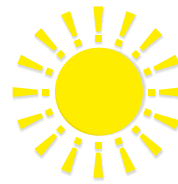
TECHNOLOGY PLATFORMS for tailor-made solutions



Technology platforms as a link to the market

Understanding the specific and individual needs and requirements of global markets and customers, combined with efficient innovation management, contributes sustainably to the transformation of these needs into value-adding products and solutions. In order to effectively take advantage of synergies across all Business Areas, Clariant’s research and development is based on four technology

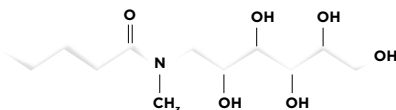
platforms: Chemistry & Materials, Biotechnology, Process Technology, and Catalysis. Here, the forward-looking chemical technologies are combined with custom-made and sustainable solutions based on renewable raw materials using microorganisms, optimized enzymes and catalysts developed from individual specifications. They are allowing for the efficient use of natural resources and emissions reduction by means of holistic and innovative process development.



SCOUT

Megatrends & Ideas

We reach out to analyze megatrends, market trends and consumer needs – and make this the foundation for innovation. Together with customers, we turn them into ideas.



EXECUTE

Concept & Commerce

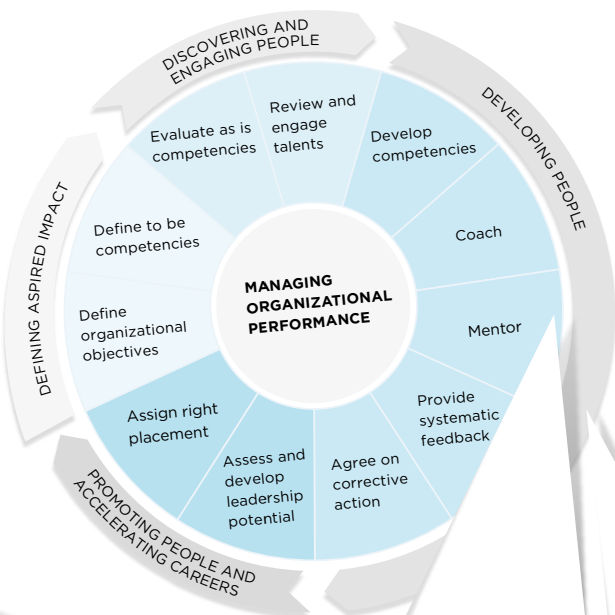
We develop an innovative concept based on scientific principles, to set up a supply chain, register the product, secure the supply of raw materials, create marketing material and train the sales force. Ultimately, we translate customer requirements into product features. We strive to accelerate »Time to Market«!



SCOPE

Cross-Functional Team & Customer Interaction

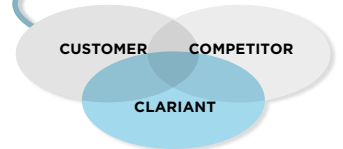
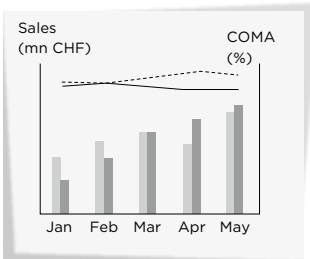
We talk to our customers and find out what problem they want to solve. Their needs are the basis for the design criteria of all our innovations, as laid out in the design scorecard.



	True need	Priority	Operational definition	Target value
1				
2				
3				
4				

ACCELERATE CHANGE

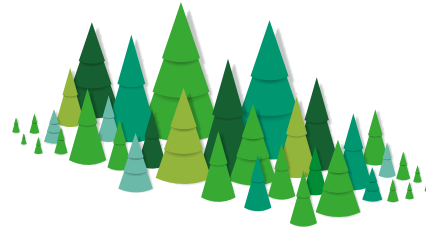
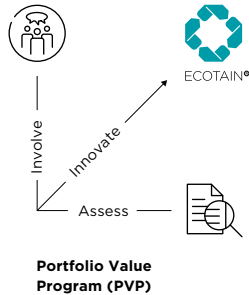
DISCOVER



COMMERCIALIZE

Adaptation & Development

We collect further insights from the customer. The commercial team incorporates this feedback and uses it to position and sell the product better. We monitor the success of its launch onto the market!



WIN

Value Proposition & Strategy

We define the value proposition of an offering at the intersection of customer needs, the competitor's offer and our offer. Then we set up the strategy with a growth plan and clear business targets.

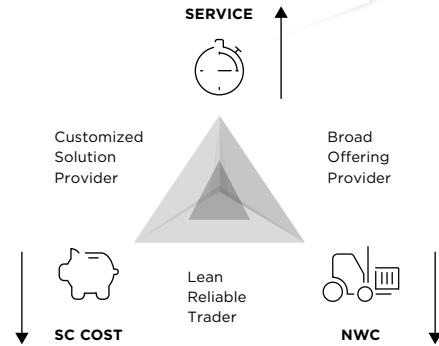
FIND

Identifying & Focusing

We use Value Chain Analysis, Customer Interviews and Market Modeling to gain clear market insights in order to identify the growth pockets we need to successfully place the offering on the market.



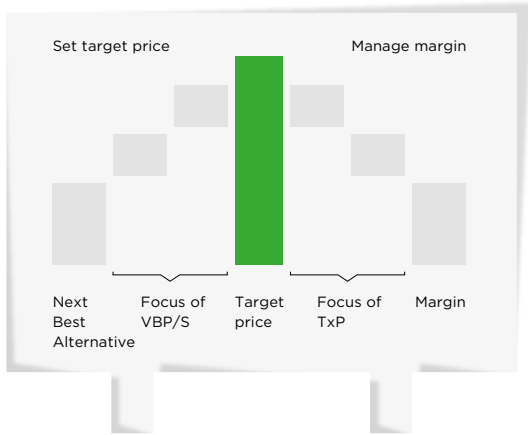
RENEWAL VALUE



PLAN

Balance Supply & Demand

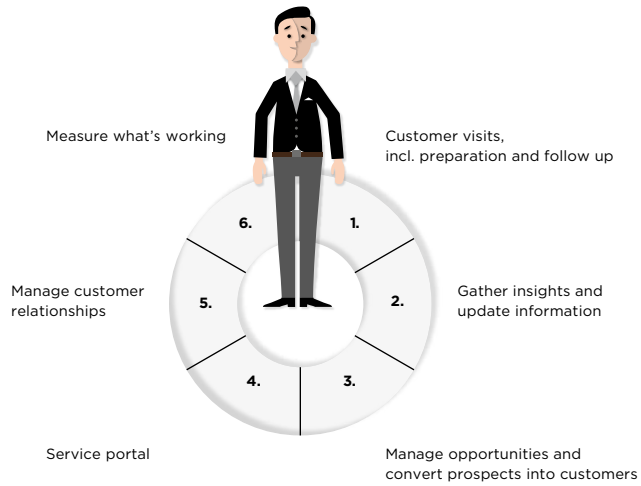
Accurate demand planning is the basis to connect Commercial with production. We focus on balancing service, costs and NWC and turning that into an integrated supply chain.



KEEP/GROW

Relationship & Selling

We continue to focus on the needs of the customer and also to create additional value for them throughout the sales process. We engage each sale based on value, and we constantly optimize our pricing.



Five-Year Group Overview

2011 - 2015

CHF m	2015	2014	2013	2012	2011
Group sales	5 807	6 116¹	6 076¹	6 038¹	7 370
Change relative to preceding year					
in Swiss francs (%)	- 5	1	1	8	4
in local currencies (%)	3	5	4	8	16
Operating income before exceptionals	596	585¹	574¹	546^{1,2}	717
Operating income	496	525¹	470¹	411^{1,2}	507
EBITDA before exceptionals	853	867¹	858¹	817^{1,2}	975
EBITDA	767	923¹	797¹	690^{1,2}	786
Net income	227	235¹	323¹	203^{1,2}	251
Basic earnings per share (in CHF)	0.67	0.55¹	0.98¹	0.68^{1,2}	0.86
Distribution per share (in CHF)	0.40	0.40	0.36	0.33	0.30
EBITDA margin before exceptionals (%)	14.7	14.2	14.1	13.5²	13.2
Return on invested capital (ROIC) (%)	9.7	9.4¹	9.5¹	9.4¹	13.1
Operating cash flow	502	334	301	468	206
Investment in property, plant and equipment	374	310	292	311	370
Research & Development expenditures	204	213¹	199¹	175¹	176
Depreciation and amortization	257	282	284	316	258
Net working capital	1 027	1 169¹	1 036¹	1 079¹	1 442
in % of sales	17.7	19.1 ¹	17.1 ¹	17.9 ¹	19.6
Total assets	7 461	7 915	8 174	9 467²	9 081
Equity (including non-controlling interests)	2 494	2 733	2 780	2 666²	3 026
Equity ratio (%)	33.4	34.5	34.0	28.2²	33.3
Net financial debt	1 312	1 263	1 500	1 789	1 740
Gearing ratio (%)	53	46	54	67²	58
Employees	17 213	17 003	18 099	21 202	22 149

¹ Continuing operations (see note 1.04 in the Financial Report of the 2012 Annual Report)

² Restated (see note 1.03 of the Financial Report of the 2013 Annual Report)

PAGE 2

»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.«

HARIOLF KOTTMANN

Chief Executive Officer

PAGE 38

»Change is an ongoing process and a high-performing culture never stops but keeps striving for the next level.«

CHRISTIAN KOHLPAINNER

Member of the Executive Committee

ANNUAL GROWTH POTENTIAL
in the four Business Areas

Care Chemicals

+ 4 - 5 %

Catalysis

+ 6 - 7 %

Natural Resources

+ 6 - 7 %

Plastics & Coatings

≙ global GDP

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

RUDOLF WEHRLI

Chairman of the Board of Directors

»Clariant aspires to be one of the leading specialty chemicals companies in the world by means of continued improvement in profitability and cash flow generation.«

PATRICK JANY

Chief Financial Officer

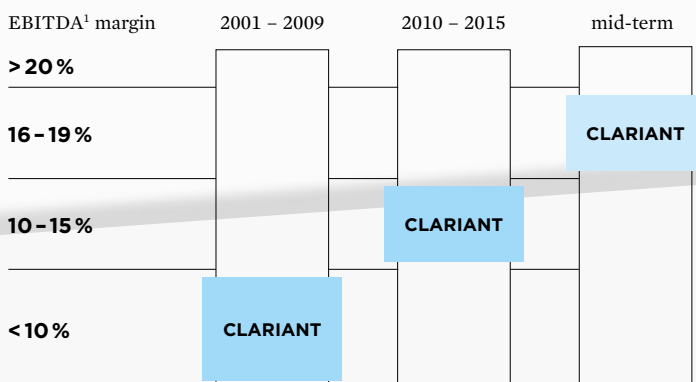
TARGETS FOR 2016

- Further sales growth in local currencies
- Progress in EBITDA¹ margin
- Progress in operating cash flow generation

MID-TERM TARGETS

- Organic sales² **> global GDP growth**
- EBITDA¹ margin **16 - 19%**
- ROIC³ **> peer group average**

FROM AVERAGE TO THE TOP - ADVANCING INTO THE TOP TIER IN SPECIALTY CHEMICALS



¹ before exceptional items, ² in local currencies, ³ Return on Invested Capital