Vara Research
CREATING TRUST

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Clariant

Consensus Rating:* -0.55 (Reduce)

Previous rating	-0.50 (Reduce)
Stock price (in CHF)	11.11
High/Low (52 weeks)	19.45/7.12
Market cap (in CHF m)	2,557.1
ISIN	CH0012142631
Reuters	CLN.VX
Bloomberg	CLN VX
Exchange	VIRT-X
Sector	Chemicals
Internet	www.clariant.com
Coverage	12

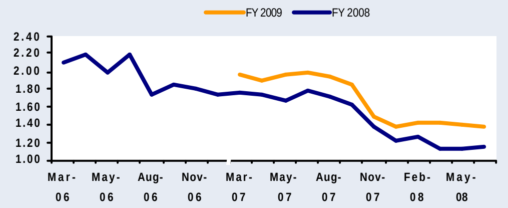
Summary

Outlook given by the company after Q1 2008 results:
Against a backdrop of an increasingly uncertain global macro economic outlook, Clariant's focus during the coming year will be on the continuing implementation of price increases and cost leadership which will help offset expected further increases in raw material and energy costs.

With benefits of the operational performance improvements already underway, Clariant expects to show an improved operating margin before exceptional items and continuing strong cash flow from operations in 2008.

Going forward, the company will focus on businesses where it will be able to leverage strong market positions in attractive markets and therefore actively manage its portfolio.

Clean EPS Estimates in CHF



Price Targets in CHF

	Current	Previous	Change	Up- / Downside
Current price	11.11			
Highest	13.50	15.00	-10.0%	21.5%
Consensus	10.85	11.64	-6.8%	-2.3%
Median	10.40	11.75	-11.5%	-6.4%
Lowest	9.00	9.00	0.0%	-19.0%

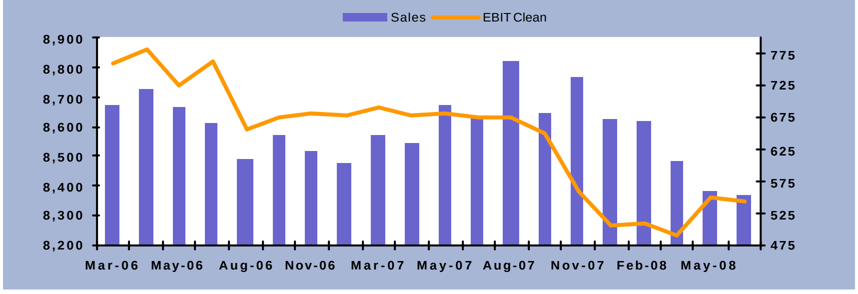
Change in Estimates (in Euro m)

	Q2 08E	Q2 07	Change
Sales	2,108	2,180	-3.3%
EBIT clean	141	142	-0.7%
EBIT	97	127	-23.5%
EPS clean	0.29	0.00	n.a.
EPS	0.15	-0.05	n.a.

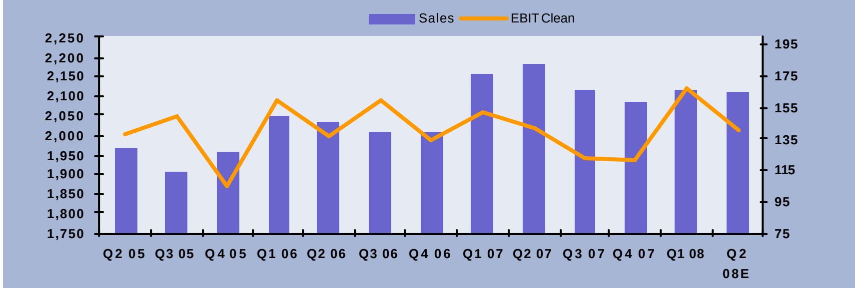
Consensus Valuation

	EPS Clean	EBIT Clean	P/E	EV / Sales	EV / EBITDA	Div. Yield
2005	1.36	533	14.21	0.77	7.50	1.4%
2006	1.19	592	15.18	0.70	6.67	1.4%
2007	1.25	539	8.90	0.49	5.19	2.3%
2008e	1.15	543	9.65	0.50	5.27	2.4%
2009e	1.39	556	8.02	0.50	5.14	2.7%

FY 2008 Consensus Estimates (in CHF m)



Quarterly Development (in CHF m)



*** Consensus Rating (CR):**
Classification:
Buy: 1.50 = CR < 2.00
Accumulate: 0.50 = CR < 1.50
Hold: -0.50 < CR < 0.50
Reduce: -1.50 = CR < -0.50
Sell -2.00 = CR < -1.50