

# Media Release

## **Clariant to focus on its core high value specialty businesses**

- **Due to the current market conditions, Clariant and SABIC decided to temporarily suspend the negotiations regarding the intended formation of the Business Area High Performance Materials**
- **The decision was taken to safeguard the best interests of the respective shareholders of both companies**
- **Clariant will focus on its existing core Business Areas Care Chemicals, Catalysis and Natural Resources and will continue to concentrate on providing best customer experience and fast, reliable customer fulfillment**
- **Divestment of Pigments is unaffected and will continue as previously announced**
- **Clariant decided to also dispose of the entire Masterbatches business to maximize value creation potential**

Muttenz, July 25, 2019 - Clariant and SABIC have agreed to temporarily suspend the discussions on the intended business combination High Performance Materials (HPM), consisting of Clariant's Additives and high value Masterbatches and parts of SABIC's Specialties business.

Given the current market conditions, both parties have decided that temporarily suspending the negotiations is in the best interests of the respective shareholders of both companies.

As part of the portfolio upgrade announced in September 2018, Clariant will continue with the divestment of the Pigments business and has decided to also divest the entire Masterbatches business including both, standard and high value Masterbatches. These divestments are expected to be concluded unchanged by end 2020.

The proceeds from the divestments will be used to invest in innovations and technological applications within the core Business Areas, to strengthen Clariant's balance sheet and to return capital to shareholders.

The new Clariant will benefit from a stronger focus on differentiated, customer-specific products and offerings with attractive growth prospects and above average value potential. With this more streamlined portfolio structure Clariant will be better able to

intensify the focus on customer experience and fast, reliable customer fulfillment, as well as on the development of innovative and sustainable products and applications. This will generate a competitive advantage for customers and hence enable Clariant to realize above-market growth, higher profitability and stronger cash generation.

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Clariant is a focused and innovative specialty chemical company, based in Muttenz near Basel/Switzerland. On 31 December 2018, the company employed a total workforce of 17 901. In the financial year 2018, Clariant recorded sales of CHF 4.404 billion for its continuing businesses. The company reports in three business areas: Care Chemicals, Catalysis and Natural Resources. Clariant's corporate strategy is based on five pillars: focus on innovation and R&D, add value with sustainability, reposition portfolio, intensify growth, and increase profitability.