

Press release

ALTANA AG

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ALTANA AG: Excellent business year 2006

- **Eleventh record year in old Group structure**
- **Double-digit growth in sales and earnings**
- **Strong dividend increase planned**

(Note: All figures mentioned in this press release are provisional and unaudited.)

Bad Homburg, January 26, 2007 – ALTANA AG (NYSE: AAA; FSE: ALT) has significantly increased consolidated sales by 18% to almost €3.9 billion in the business year 2006 – the last one in its former Group structure. Adjusted for exchange rate, divestment and acquisition effects, ALTANA achieved an operating sales growth of 9%. This growth was mainly driven by foreign business (operating growth: +12%), while operating domestic sales were 8% down on the prior year due to the reduction of reference prices in the pharmaceuticals division. As a result, the share of international business increased to 84%.

ALTANA Pharma AG, Konstanz, which was sold to the Danish Nycomed group as per the end of 2006, achieved sales of almost €2.6 billion, corresponding to an increase of 9%. With +22%, business in North America developed especially dynamic, while sales in Germany fell by 14%, due to decreed price reductions of Pantoprazole. However, on account of the excellent development in foreign business, the main sales driver Pantoprazole was able to post another double-digit growth in ALTANA's own sales and achieved a sales volume of €1.55 billion, up 14% on the prior year's figure. Pantoprazole's worldwide market sales, all sales partners included, reached a new record value of €2.88 billion, which translates as an increase in euros of 4%.

ALTANA Chemie AG, Wesel, whose operations will be continued under the name ALTANA, was able to increase sales by 43% to almost €1.3 billion in 2006. On the one hand, this strong growth is due to the acquisition of the ECKART group. On the other hand, the very good operating performance of all divisions contributed to this excellent development. Adjusted for divestment and acquisition as well as exchange rate effects, ALTANA Chemie achieved a double-digit operating sales growth of 10%.

At €223 million, domestic sales were up 57% on the prior year. At €1,071 million, foreign business was up 40%. As a result, international business accounts for 83% of total sales. Due to acquisitions, the American region reported the strongest growth of 61% to €331 million. Thanks to the strong revival in demand in China, business in Asia was up by 39% to €297 million. Sales in Europe excluding Germany exceeded the 2005 figure by 29%, amounting to €404 million.

All four divisions of ALTANA Chemie contributed to the good business performance with a significant growth in sales. Sales in the largest division, Additives & Instruments, climbed by 13% to €409 million. Effect Pigments (ECKART), the new division which has been consolidated since October 1, 2005, contributed

€339 million to sales in 2006. This is equivalent to an increase of 13% in a pro forma comparison to the prior year. At €325 million, sales in the Electrical Insulation division were up 11% on the prior year. The Coatings & Sealants division reported a mainly acquisition-driven increase of 26% to €221 million.

At €190 million, ALTANA Group's capital expenditure (in its former structure) remained 23% below the prior year, mainly due to lower investments in intangible assets. Research expenses increased by 6% to almost €500 million, of which €427 million were attributable to the pharmaceuticals division and €67 million to the chemicals division. At 13,404 the number of employees remained relatively stable compared to the prior year (+1%); ALTANA Pharma employed 8,920 people (prior year: 8,832).

Significant growth in earnings and dividend increase

The Group's operating earnings increased significantly thanks to double-digit growth rates in both divisions. We anticipate an earnings volume (EBT) – before one-time special expenses for the Group's restructuring – of slightly more than €800 million (prior year: €684 million). This is corresponding to an operating growth in earnings of almost 20%. Considering the special effects related to the restructuring of the Group at an amount of approximately €50 million, a double-digit increase in EBT in the previous Group structure to a level of about €750 million should still be possible, corresponding to a growth rate of between 10% and 12%. At about 20%, the expected return on sales (EBT) of the Group should again be significantly higher than the market-average despite the special expenses. This holds also true for the operating return figures (EBITDA) of both divisions: For ALTANA Pharma we expect an operating return of about 30% and for ALTANA Chemie of about 18%.

After the sale of ALTANA Pharma AG to the Danish company Nycomed as of December 31, 2006, ALTANA AG now focuses on the specialty chemicals business of ALTANA Chemie. As already announced at the Extraordinary General Meeting on December 19, 2006, a special dividend of about €32 per dividend-bearing share (136 million shares) can be expected based on the presently determined net proceeds of the transaction. The special dividend will be distributed with the dividend for the financial year 2006 on May 4.

"With the sale of ALTANA Pharma AG and the concentration on the specialty chemicals business, ALTANA's restructuring has now been completed. Thanks to the excellent business year 2006 we will propose to the Annual General Meeting, May 3, 2007, to significantly increase the dividend from €1.10 per share to probably €1.30 per share. So we say goodbye to our old Group structure with a record year – the eleventh in succession," said Dr. Nikolaus Schweickart, President and CEO of ALTANA AG.

Outlook 2007

Due to the excellent positioning and leading market positions of all four divisions, ALTANA AG expects its continued chemicals business to post an operating sales growth also in the business year 2007, which from today's perspective should be in the mid single-digit percent range. The medium-range growth target is set at an average sales growth of 10% annually (thereof about 6% organic growth) with an above-average profitability of 18 – 20% EBITDA margin.

Key figures 2006

ALTANA Group – former Group structure	2006 ¹⁾	2005	Change in %
Sales (in €million)	3,867	3,272	+18
Germany	603	581	+4
Abroad	3,264	2,691	+21
Pharmaceuticals	2,573	2,365	+9
Chemicals	1,294	907	+43
Number of employees (Dec. 31)	13,404	13,276	+1
Pharmaceuticals	8,920	8,832	+1
Chemicals	4,433	4,384	+1
Capital expenditure (property, plant, equipment and intangible assets, in €million)	190	246	-23
R&D expenses (in €million)	494	465	+6
ALTANA – continued operations (Specialty Chemicals)	2006 ¹⁾	2005	Change in %
Sales – total (in €million)	1,294	907	+43
Sales by division			
Additives & Instruments	409	364	+13
Effect Pigments (ECKART)	339	75	n.a.
Electrical Insulation	325	293	+11
Coatings & Sealants	221	175	+26
Sales by region (in €million)			
Europe	627	455	+38
<i>thereof Germany</i>	223	142	+57
America	331	205	+61
<i>thereof U.S.</i>	243	144	+69
Asia	297	214	+39
<i>thereof China</i>	127	91	+40
Other Regions	39	33	+17
Number of employees (Dec. 31)	4,484	4,444	+1
Germany	2,615	2,571	+2
Abroad	1,869	1,873	-
Capital expenditure (property, plant, equipment and intangible assets, in €million)	77	44	+72
thereof property, plant and equipment	67	38	+76
intangible assets	10	6	+48
R&D expenses (in €million)	67	47	+44

1) Provisional data

Dates

ALTANA will report in detail on the earnings development and the 2006 annual financial statements at the press conference and the analyst meeting on **March 15, 2007** in Bad Homburg.

The first quarter results will be published on **April 26, 2007**, combined with a conference call.

The Annual General Meeting of ALTANA AG will take place on **May 3, 2007**, at the Congress Center Messe Frankfurt.

The half-year report will be published on **August 8, 2007**, the report on Q3 on **November 5, 2007**, each one combined with a conference call.

This press release contains forward-looking statements. The forward-looking statements appearing in this press release include unaudited revenues and results for the year 2006 as well as projections for an increase in dividends for the business year and for a special dividend as well as for a continuing dynamic business trend. These statements are based on beliefs of ALTANA's management as well as assumptions made by and information currently available to ALTANA. Many factors that ALTANA is unable to predict with accuracy could cause ALTANA's actual results, including financial situation, revenues and results as well as the amount of the dividend for the business year 2006 and the special dividend to be materially different from those that may be expressed or implied by such forward-looking statements. These factors include the exchange rate of the Euro to foreign currencies, ALTANA's ability to develop and launch new and innovative chemicals products, ALTANA's ability to maintain close ties with its chemicals customers, the business cycles experienced by ALTANA's chemicals customers and the prices of the raw materials used in ALTANA's chemicals business. In addition, these factors include the actual total purchase price for the sold pharmaceuticals business, the actual amount of the net proceeds made from the sale, the final financial results of the business year 2006 and the decisions of ALTANA AG's 2007 Annual General Meeting.

Forward-looking statements speak only as of the date they are made. ALTANA does not intend, and does not assume any obligation, to update forward-looking statements to reflect facts, circumstances or events that have occurred or changed after such statements have been made.

The rules regarding discontinued operations in accordance with IFRS 5 were not applied in this press release due to representation reasons.

This press release is also available on the Internet at www.altana.com.

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