

## Press Release

ALTANA increases sales and operating earnings

- Sales: up 1 percent (3 percent operating growth)
- EBITDA: up 11 percent
- Increasingly difficult business environment

**Wesel, Germany, November 6, 2008.** The specialty chemicals Group ALTANA AG increased sales and operating earnings in the first three quarters of 2008 compared to the same period last year. Sales grew by €13.7 million, or 1%, to €1,067.5 million. Adjusted for negative exchange rate effects of 3% and minor positive acquisition effects of 1%, the operating sales growth was 3%. Earnings before interest, taxes, depreciation and amortization (EBITDA) developed disproportionately, climbing from €192.1 million in the prior year's period to €213.1 million in the reporting period. This represents an increase of 11%. At 20.0%, the EBITDA margin is in the upper region of ALTANA's medium-term target range of 18% to 20%. In the previous year, the margin was 18.2%. It had been burdened, however, by the two-tier holding structure which was maintained until mid-2007. Earnings before taxes (EBT) in the period under review totaled €152.1 million, following €183.9 million in the prior year. In 2007, the EBT included the income from the investment of the purchase price for ALTANA Pharma (€55 million), which was distributed to the shareholders in May 2007.

### Development of the divisions

In the period under review, demand developed differently in ALTANA AG's divisions. The development in all divisions was influenced by negative exchange rate effects (in particular the U.S. Dollar).

Sales and earnings of the BYK Additives & Instruments division grew nominally as well as in operating terms. Sales grew by 6% (9% operating growth) to €361.5 million, following €340.4 million in the prior year. EBITDA rose by 4% from €102.4 million to €106.6 million.

Sales in the ECKART Effect Pigments division increased nominally by 2% (1% operating growth), with sales up from €274.9 million to €281.6 million. At €66.1 million, EBITDA remained unchanged.

Sales in the ELANTAS Electrical Insulation division decreased nominally by 3% to €258.8 million (prior year: €267.5 million). The operating growth was 1%. The division's EBITDA grew from €40.3 million to €41.0 million.

In operating terms, sales in the ACTEGA Coatings & Sealants division remained unchanged. Nominally, the division posted a decrease of 3% from €171.0 million to €165.6 Mio. €. The division's EBITDA was slightly down by €0.4 million to €19.6 million.

"Despite the overall solid development of our business in the first nine months of 2008, ALTANA has noticed the weakening general business environment over the last weeks," stated Dr. Matthias L. Wolfgruber, CEO of ALTANA AG. "We expect the negative business trend to continue in the next months. Over a short period of time, inventory effects and a slowdown in our value chain will, of course, have a significant impact. However, due to our concentration on the specialty chemicals

Date  
November 6, 2008

Page  
1/4

Contact  
Corporate Communications

Achim Struchholz  
Head of Corporate Communications  
Tel +49 281 670-2460

Sven Kremser  
Head of External and  
Internal Relations  
Tel +49 281 670-746

Heike Dimkos  
Corporate Communications  
Tel +49 281 670-792

Fax +49 281 670-1114  
press@altana.com  
www.altana.com/press

ALTANA AG  
Abelstraße 45  
46483 Wesel  
Germany  
Tel +49 281 670-8  
Fax +49 281 670-1114  
info@altana.com  
www.altana.com  
www.altana.com

## Press Release

business and our unchanged focus on innovation, we are confident that we will maintain our high profitability and continue to grow in the upcoming years.“

### **Outlook**

Due to the worldwide slowdown of the economy especially in the last few weeks, the economic outlook has become significantly weaker in the course of 2008. The ALTANA Group is therefore preparing itself for tougher times. From today's perspective, we expect a decrease in demand for our products in the remaining fourth quarter of 2008. Due to the current developments we have revised our exchange rate expectations and adjusted them to a U.S. Dollar rate of 1.47 per Euro on an annual average.

The high degree of uncertainty makes it difficult to give an outlook for the full business year 2008. From today's perspective, we expect Group sales for 2008 as a whole to finish at about the same level as in 2007 or slightly above. Due to the achieved margin level in the first nine months of the current business year, we strive to achieve full-year EBITDA in the area of about €260 million and therefore to still reach the lower end of our previously communicated target range. This is also supported by already implemented cost savings. As a result, we expect our EBITDA margin to remain in the target range of 18% to 20% again in 2008.

Earnings before taxes (EBT) for the current business year should be lower than in 2007. The reason for this decrease is the absence of the income from the investment of the purchase price for ALTANA Pharma which was recorded until the distribution to the shareholders in May 2007 (€55 million).

At present, we are not able to give a reliable outlook for the business year 2009. However, we are preparing ourselves very thoroughly for the coming year with a set of measures to reduce costs and optimize cash flow. Due to our above-average margins, the high share of variable costs and our strong balance sheet structure, we regard ourselves well positioned – as a financially independent company – to demonstrate a solid and profitable development of our business even in economically challenging times.

Press Release

**Key Figures January to September 2008**

ALTANA Group	January to September 2008	January to September 2007	Change
	in € million	in € million	in %
Sales	1,067.5	1,053.8	1
Earnings before interest, taxes, depreciation and amortization (EBITDA)	213.1	192.1	11
Operating income (EBIT)	159.5	129.3	23
Earnings before taxes (EBT)	152.1	183.9	- 17
Net income (EAT) <sup>1</sup>	101.8	117.7	- 13
Earnings per share (EPS) <sup>1</sup> in €	0.75	0.86	- 13
Research and development expenses	54.8	51.0	7
Capital expenditure on intangible assets and property, plant and equipment	70.3	48.4	45
Headcount (Sept. 30)	4,770	4,622	3

<sup>1</sup>The figures refer to the continuing operations.

A telephone press conference will take place today, **November 6, 2008, at 10:00 a.m. local time (CET).**

At **2:00 p.m. local time (CET)** there will be a conference call for analysts.

More information on the relevant audio webcasts, this press release, and this interim financial report is available at **[www.altana.com](http://www.altana.com)**.

**This press release is also available digitally at [www.altana.com/press](http://www.altana.com/press).**

This press release contains forward-looking statements, i.e. current estimates or expectations of future events or future results. These statements are based on beliefs of ALTANA as well as assumptions made by and information currently available to ALTANA. 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.

## Press Release

### About ALTANA:

ALTANA develops and produces high-quality innovative products in the specialty chemicals business. The ALTANA Group, with headquarters in Wesel/Germany, is a genuine "global player" with 83% of its sales generated by international activities. The ALTANA Group has four divisions: **BYK** Additives & Instruments, **ECKART** Effect Pigments, **ELANTAS** Electrical Insulation, and **ACTEGA** Coatings & Sealants. All of these divisions occupy a leading position in their target markets with respect to quality, product solution expertise, innovation and service.

ALTANA offers innovative, environmentally compatible solutions with the matching specialty products for coating manufactures, paint and plastic processors, the printing and cosmetic industries, and the electrical and electronic industry. The product range includes additives, special coatings and adhesives, effect pigments, sealants and compounds, impregnating resins & varnishes, and testing and measuring instruments.

At present, the ALTANA Group has 32 production facilities and 46 service and research laboratories worldwide. Throughout the group about 4,800 people work to ensure the success of ALTANA worldwide. In 2007, ALTANA achieved sales of about 1.4 billion euros. Its impressive earning power and high growth rate make ALTANA one of the most successful and innovative chemical groups worldwide.