

Press Release

Business year 2008: ALTANA achieves margin target despite sharp business decline in the fourth quarter

- **Sales: €1,342 million (-3%)**
- **EBITDA: €243 million (-2%)**
- **EBITDA margin: 18.1%**

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

Wesel, February 5, 2009. The specialty chemicals Group ALTANA AG achieved sales of €1,342 million in the business year 2008, which is about €38 million or 3% less than the prior year (€1,380 million). Adjusted for negative exchange rate effects as well as minor positive acquisition and divestment effects, the operating sales decrease was 2%. Due to the effects of the worldwide economic crisis, particularly in the fourth quarter, sales in all regions declined in comparison to the prior year. Asia reported a slight sales decline of 1% in 2008; in Europe the decline was 2%. Sales in North and South America fell by 7% in comparison to 2007, also due to exchange rate effects.

The ALTANA Group's number of employees as of December 31, 2008, was 4,791 (prior year: 4,646), including the 33 new employees from the acquisition of the Dutch wax additives manufacturer Dick Peters.

Development in the divisions

The BYK Additives & Instruments division achieved sales of €450 million in 2008, a slight increase on the reported €445 million in the prior year. Sales of the ECKART Effect Pigments division totaled €351 million, which is a decrease of about 3% or €12 million compared to the prior year. In the ELANTAS Electrical Insulation division sales dropped 7% from €351 million to €327 million. ACTEGA Coatings & Sealants achieved sales of €214 million, this is about 3% less than in 2007 (€222 million).

EBITDA margin within medium-term target corridor

The preliminary earnings before interest, taxes, depreciation and amortization (EBITDA) in the business year 2008 diminished slightly by 2% from €248 million to €243 million. In 2007, however, earnings were negatively influenced by the two-tier holding structure until the middle of that year. The EBITDA margin was 18.1%, following 18.0% in 2007, and was thus within the medium-term target range of 18% to 20%. The preliminary income before taxes (EBT) amounted to €159 million, compared to €214 million in the prior year. The 2007 figure, however, included the extraordinary income in the amount of €55 million from the sale of ALTANA Pharma until the distribution to the shareholders in May 2007.

Strong decline in demand in the fourth quarter

The financial and economic crisis has led to a severe downturn in the business development in the fourth quarter of 2008. Compared to 2007, sales declined Group-wide by 16% to €274 million. The operating decrease was even 20%. All divisions and regions were affected. Despite the comprehensively and immediately introduced countermeasures to reduce costs and increase efficiency, the fourth quarter EBITDA was only €30 million, following €56 million in the prior year period. Also in the first weeks of the new business year, order entries develop slowly.

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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 43
46483 Wesel
Germany
Tel +49 281 670-8
Fax +49 281 670 1114
info@altana.com
www.altana.com

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Therefore, we expect sales for the first quarter of 2009 also to be significantly lower than in the prior year period.

Difficult business year 2009 expected

“Despite our diversified portfolio and the connected robustness therewith, also ALTANA has not been able to remain untouched by the worldwide economic crisis, by which almost all sectors of the economy and regions, and therefore also our customers, have been affected at the latest since the fourth quarter of 2008,” stated Dr. Matthias L. Wolfgruber, CEO of ALTANA AG. “For 2009, we expect a very difficult market environment, for which we have prepared ourselves with a set of measures to reduce costs and to further increase efficiency. However, our core competences and key success factors – innovation as well as service and customer orientation – will not be neglected.” Because these, together with the global orientation of ALTANA and the company’s clear strategic focus on specialty chemicals, so Wolfgruber, constituted the basis on which to further strengthen and develop the position of the company, even and especially in a crisis.

ALTANA Group in €million	2008 ¹⁾	2007	Change in %
Sales – total	1,342	1,380	-3
Sales by division			
BYK Additives & Instruments	450	445	1
ECKART Effect Pigments	351	363	-3
ELANTAS Electrical Insulation	327	351	-7
ACTEGA Coatings & Sealants	214	222	-3
Sales by region			
Europe	665	678	-2
<i>thereof Germany</i>	231	240	-4
North and South America	306	331	-7
<i>thereof U.S.</i>	204	223	-8
Asia	326	330	-1
<i>thereof China</i>	141	150	-6
Other regions	45	42	7
EBITDA	243	248	-2
EBT	159	214	-26
Headcount (Dec. 31)			
BYK Additives & Instruments	1,214	1,140	6
ECKART Effect Pigments	1,943	1,893	3
ELANTAS Electrical Insulation	920	887	4
ACTEGA Coatings & Sealants	652	670	-3
Holding	62	56	11
ALTANA total	4,791	4,646	3

¹⁾ Preliminary data

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The press release is also available on 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.

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 33 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 2008, ALTANA achieved sales of about 1.3 billion euros. Its impressive earning power and high growth rate make ALTANA one of the most successful and innovative chemical groups worldwide.