

## Press Release

### Economic crisis burdens growth course of ALTANA in 2008

- **Sales and earnings declined slightly**
- **Fourth quarter overshadows full year results**
- **Dividend proposal: 10 cent per share**

**Wesel, March 19, 2009.** The specialty chemicals Group ALTANA recorded a slight decline in sales and earnings for the business year 2008. "As of the fourth quarter of 2008, the far-reaching economic crisis has also had a significantly negative impact on our business," stated Dr. Matthias L. Wolfgruber, CEO of ALTANA AG, at the company's press conference in Wesel. Despite its robust business model, which covers many industries, customers, and regions, Wolfgruber continued, ALTANA, too, had been caught in the maelstrom of the worldwide economic crisis. "In the new business year, we focus on margins and cash flow, and at the same time continue to invest in future-related and innovation projects. Thus, during this crisis, we are preparing the prerequisites for profitable growth for when the economic climate improves."

#### **Sales and earnings below prior year**

In the business year 2008, ALTANA achieved sales of €1,341.7 million, which is about 3% or €38 million less than in 2007. Adjusted for negative exchange rate effects as well as minor positive acquisition and divestment effects, the operating sales decrease was 2%. Sales diminished in all regions. With sales at €664.8 million, corresponding to nearly half of the company's total sales, Europe reported a decrease of 2%. In the Americas sales were down by 7%; adjusted for exchange rate effects, however, the decrease was only 3%, with sales at €305.9 million. At €325.7 million, corresponding to a decrease of 1%, sales in Asia almost reached the prior-year level: the development in this region was burdened by the higher than average sales decrease in China (- 6%), primarily in the fourth quarter of 2008.

Earnings before interest, taxes, depreciation and amortization (EBITDA) diminished by 2% from €248.5 million to €242.9 million. Despite the decrease in sales and EBITDA, the EBITDA margin was 18.1% and thus within the medium-term target range of 18% to 20%. At €170.3 million, the operating income (EBIT) was slightly increased on the prior year (plus 2%) due to lower depreciation and amortization. At €158.7 million, earnings before taxes were significantly down on the prior-year level (€214.3 million). The 2007 figure, however, was influenced by the income from the investment of the sales price for ALTANA Pharma (€55 million).

As of December 31, 2008, the ALTANA Group employed 4,791 people; in 2007 the number of employees was 4,646. This increase includes 33 employees from the acquisition of Dick Peters on December 30, 2008. At €107.9 million, investments in 2008 were significantly higher than in 2007 (€91.4 million). This increase is mainly due to the new distribution center of BYK-Chemie in Wesel, the opening of new sites in China, new production facilities at ECKART's main plant in Güntersthal, as well as the construction of the new headquarters in Wesel. Group-wide research and development expenditure comprised 5.4% of sales (prior year: 4.9%), which is significantly more than the average for the chemical industry of about 2% to 3%. Around 16% of ALTANA's employees work in research and development.

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## Press Release

### **Economic crisis affects all divisions**

The BYK Additives & Instruments division was able to increase sales in 2008 by 1% from €445.1 million to €450.5 million. EBITDA amounted to €127.6 million, which is a decrease of 4% compared to the prior year (€132.6 million). The EBITDA margin was 28.3%, following 29.8% in 2007.

At ECKART Effect Pigments sales fell by 3% to €350.7 million. In the previous year sales had been €362.9 million. EBITDA went down to €67.2 million (previous year: €79.7 million); this corresponds to an EBITDA margin of 19.2% after 22.0% in 2007.

Sales of ELANTAS Electrical Insulation dropped 7%, from €350.8 million in 2007 to €326.5 million in 2008. EBITDA decreased by 6% to €49.7 million following €53.1 million in the prior year. At 15.2%, the EBITDA margin increased slightly on the prior-year level (15.1%).

The ACTEGA Coatings & Sealants division achieved sales of €214.0 million in 2008, corresponding to a decrease of 3% on the prior year (€221.6 million). EBITDA went down by 8%, from €26.7 million to €24.5 million. The EBITDA margin diminished from 12.0% to 11.4% in 2008.

### **Dividend proposal considers difficult economic environment**

Against the background of the economic crisis the dividend proposal is oriented not only to giving shareholders an appropriate share in the company's development, but also to the overall economic environment. For this reason, the Management and Supervisory Boards will propose to the Annual General Meeting on May 12 in Duisburg to distribute a dividend of 10 cent per share. At 13%, the payout ratio would be significantly lower than that of the previous year (33%), but the company would strengthen its financial stability.

### **The Management and Supervisory Boards conclude to retire treasury shares**

With the approval of the Supervisory Board, the Management Board retired the company's 4,302,104 treasury shares, representing a proportionate amount of the share capital of €1 per share, on March 17, 2009. ALTANA's share capital was decreased accordingly. The shares had originally been acquired to be used within the framework of employee incentive programs. SKion GmbH thus now holds more than 91% of the share capital and the voting rights in ALTANA AG.

### **Concrete outlook for 2009 not possible**

ALTANA expects a difficult market environment for the current business year. The company had already prepared itself for this situation in the late summer of 2008 with a set of measures to improve efficiency and cut costs. The first weeks of the business year 2009 confirm the negative trend. However, the company still foresees good growth prospects for its markets in the medium and long term. Against the background of the continuing uncertainty on the worldwide markets, however, ALTANA cannot provide a concrete outlook for the current business year.

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ALTANA Group (in € million)	2008	2007 <sup>1</sup>	Change in %
<b>Sales – total</b>	1,341.7	1,380.4	-3
<b>Sales by division</b>			
Additives & Instruments	450.5	445.1	1
Effect Pigments	350.7	362.9	-3
Electrical Insulation	326.5	350.8	-7
Coatings & Sealants	214.0	221.6	-3
<b>Sales by region</b>			
Europe	664.8	678.0	-2
<i>thereof Germany</i>	231.0	239.6	-4
Americas	305.9	330.6	-7
<i>thereof U.S.</i>	203.7	222.5	-8
Asia	325.7	329.7	-1
<i>thereof China</i>	141.0	149.8	-6
Other regions	45.3	42.1	7
<b>EBITDA</b>	242.9	248.5	-2
<b>EBIT</b>	170.3	166.6	2
<b>EBT</b>	158.7	214.3	-26
<b>EAT</b>	103.4	138.4	-25
<b>Headcount</b> (Dec. 31)	4,791	4,646	3

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

The Management Board will report in detail on ALTANA AG's annual financial statements at the press conference today at 11 a.m. (local time, CET) in the headquarters of ALTANA in Wesel. The press conference will be webcasted at [www.altana.com](http://www.altana.com).

### Date:

The Annual General Meeting of ALTANA AG will take place on **May 12, 2009**, at the Mercatorhalle in the Duisburg CityPalais.

The press release is also available on [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.

### 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.

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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.