

ELANTAS strengthens its activities in technologies of the future

- **Two acquisitions in India and the U.S.**
- **Focus on market segment “Electronic & Engineering Materials”**
- **Major importance of Research & Development further stressed**

**Wesel / Munich, November 10, 2009.** ELANTAS Electrical Insulation, a leading manufacturer of insulating materials for the electrical and electronics industry, further expands its position in the market segment “Electronic & Engineering Materials”. ELANTAS, a division of the specialty chemicals Group ALTANA, announced today, at the “productronica 2009” trade fair in Munich, that it had made two acquisitions in this market segment in the preceding weeks. In the future, ELANTAS is going to strongly focus its research activities in this area, which offers an excellent growth potential due to the increasing electronization and automation of all areas of life. “Electronic & Engineering Materials” refer to applications that embed or encapsulate electrical components, such as complete circuits or circuit boards, with insulating resins to protect them from all kinds of environmental influences.

In September 2009, ELANTAS acquired the business of Epoxy and Polyurethane Systems for Casting, Potting & Encapsulating from the Indian company “Shimo Resins Private Limited.” This company achieved in 2008 sales of about €2.0 million and has been active in regional markets of India & South Asia. A few days ago, ELANTAS acquired certain assets of the Formulated Products business of “Quadrant Chemical Corp.”, an American business. The acquired business posted sales of U.S. \$4.7 million in 2008. The Formulated Products business of Quadrant Chemical supplies OEM companies in the automotive, aerospace, electrical / electronics, and transportation markets around the globe with emphasis on the NAFTA and European markets.

“Through these acquisitions, which we will integrate into our existing activities by way of asset deals, we are expanding our strategic positioning”, stated Dr. Wolfgang Schütt, President Division ELANTAS. “Alongside our traditional business lines Primary and Secondary Insulation, we will increasingly turn our attention to the market segment Electronic & Engineering Materials, since this segment still holds a significant growth potential. In this respect, the two acquisitions make an important contribution; they improve our global market position and will be smoothly integrated into our existing activities.”

Schütt emphasized that the area of Research and Development at ELANTAS was going to be given increased importance and influence in the future. “Only innovative strong companies are able to offer future-oriented solutions to their customers in the traditional, but, above all, also in the new business fields.” As an example, Schütt referred to the area of Printed Electronics, these are printed circuits that could be used, among others, for RFID tags in the future.

Already since the beginning of 2008, Research and Development in the 10 worldwide laboratories at ELANTAS is controlled and coordinated by a Chief Technology Officer. Like this, research processes run highly efficiently and close to the customer base, and – what is more – at the same time industrial trends of the future are identified and corresponding solutions are developed. In total, more than 100 employees work in Research and Development at ELANTAS. “Our strong

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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

ELANTAS GmbH  
Abelstraße 43  
46483 Wesel  
Germany  
Tel +49 281 670-8  
Fax +49 281 670-1077  
www.elantas.com

innovative ability will be the key to further strengthen and expand our outstanding position in technologically ever more demanding markets," said Schütt, adding that the company's organic growth was going to be supplemented through acquisitions particularly in the field of "Electronic & Engineering Materials" to further enhance the worldwide market position of ELANTAS.

This press release contains forward-looking statements, i.e. current estimates or expectations of future events or future results. The forward-looking statements appearing in this press release include sales and earnings projections for the ALTANA Group. These statements are based on beliefs of ALTANA 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 its financial position, sales and earnings to be materially different from those that may be expressed or implied by such forward-looking statements. These factors include ALTANA's ability to develop and launch new and innovative chemical products, ALTANA's ability to maintain close ties with its customers, the business cycles experienced by ALTANA's customers, and the prices of the raw materials used by 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 35 production facilities and 47 service and research laboratories worldwide. Throughout the group 4,600 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.

#### About ELANTAS:

ELANTAS Electrical Insulation produces insulating materials for the electrical and electronics industry. They are found in electric motors, household appliances, cars, generators, transformers, capacitors, wind mills, computers, lamps, circuit boards and sensors, and help to ensure that design engineers can construct ever-smaller and more powerful electronic devices, thus saving materials and energy. Owing to consistent research and development, continual development of insulating materials and processes, and the fact that ELANTAS has production facilities around the world, the company has established a leading international position for itself and is the world's leading manufacturer of wire enamels and impregnating resins. This makes the division the preferred supplier for the electrical insulation industry and the main supplier to large international customers.

The division serves the markets through three business lines: "Primary Insulation" supplies the enameled wire industry; "Secondary Insulation" supplies applications in which the enameled wire winding is insulated and stabilized mechanically, and "Electronic & Engineering Materials" mainly supplies applications that embed or completely encapsulate electrical components. The division, which is managed by a holding company headquartered in Wesel/Germany, has nine independent manufacturing companies in all major regions worldwide. In 2008, ELANTAS employed a total workforce of 920 people and achieved sales of €327 million.