

Press release

ALTANA AG

P.O. Box 1244
61282 Bad Homburg v.d.H.
Herbert-Quandt-Haus
Corporate Communications
Am Pilgerrain 15
61352 Bad Homburg v.d.H.
Germany
P +49 (0) 6172 1712-160
F +49 (0) 6172 1712-158
pr@altana.de
www.altana.com

ALTANA 2006: Eleventh record year in succession with strong growth in sales and earnings

- **Sales +18%; EBT +14%**
- **Dividend for 2006: €1.30 (+18%); special dividend from the sale of ALTANA Pharma: €3.00; bonus dividend: €0.50**
- **Successful completion of strategic realignment and positive outlook for 2007**

Bad Homburg, March 15, 2007 – ALTANA AG (NYSE: AAA, FSE: ALT) concluded the business year 2006 in its former Group structure with double-digit growth in sales and earnings. “The last business year of Altana in the constellation with two divisions was the most successful one in the Group’s 30-year history. However, even after the Group’s restructuring, Altana will remain on its profitable and sustained growth and success course,” stated Dr. Nikolaus Schweickart, President and CEO of ALTANA AG, at the press conference.

ALTANA AG – former Group structure

In 2006, consolidated sales rose by 18% to €3.9 billion. Adjusted for exchange rate as well as divestment and acquisition effects operating sales growth was 9%. At €3.3 billion international business accounts for 84% of total sales.

ALTANA was also able to considerably increase earnings again in 2006: Earnings before taxes (EBT) rose by 14% to €779 million. With 20%, the return on sales (EBT) was only slightly below the prior year’s level despite special burdens due to Group restructuring. Without these special expenses and other one-time effects amounting to €51 million in the context of Group realignment, the earnings volume (EBT) rose by 21% to €830 million.

With €188 million, capital expenditure in 2006 was 24% down on the prior year, primarily due to lower investments in intangible assets. Nearly €500 million was invested in Research & Development, 6% more than in the prior year.

Until completion of the sale of the Pharmaceuticals business to Nycomed, ALTANA AG employed 13,404 people as of December 31, 2006, 1% more than in the prior year. Of the total workforce, 6,378 people were employed in Germany and 7,026 abroad.

ALTANA Pharma: Again record figures with high profitability

ALTANA Pharma AG, Constance, achieved sales of €2.57 billion in 2006, which corresponds to an increase of 9%. Adjusted for exchange rate effects the increase was 8%. Earnings before taxes (EBT) after assigned expenses of €19 million for Group realignment rose by 13% to €686 million. At €754 million, operating earnings (EBITDA) were up 9% on the prior year. With return on sales of 26.7% and an operating margin measured in terms of EBITDA of 29.3%, ALTANA Pharma once again achieved record figures.

Sales in Germany, ALTANA Pharma's domestic market, fell by 14% to €380 million due to price decreases of Pantoprazole resulting from reference price reductions and the fact that panel doctors favored prescriptions of generic proton pump inhibitors. Foreign business, on the other hand, could be expanded by 14% to almost €2.2 billion. With +22%, business in North America displayed the most dynamic growth to €936 million. International business accounted for 85% of total sales (2005: 81%).

In its core business, Therapeutics, ALTANA Pharma increased sales by 9% to €2.2 billion. The proton pump inhibitor Pantoprazole (Pantozol[®] / Protonix[®]) for the treatment of acid-induced gastrointestinal diseases again was ALTANA Pharma's main sales driver. In 2006, the company increased worldwide market sales, all sales partners included, by 4% to €2.88 billion. In the U.S. market, which accounts for about half of worldwide sales of Pantoprazole, ALTANA Pharma's marketing partner Wyeth increased sales by 5% to €1.43 billion. ALTANA Pharma's own sales of Pantoprazole climbed to €1.55 billion in 2006, up 14%. Consequently, Pantoprazole contributed 69% to Therapeutic's sales and 60% to ALTANA Pharma's total sales. In the business year 2006, ALTANA Pharma achieved a total sales volume €83 million with respiratory drugs. Alvesco[®] achieved a sales volume of €18 million in 2006.

In the Imaging business unit ALTANA Pharma achieved sales of €108 million with contrast media, which is almost equivalent to the prior year level. The OTC business reported a sales increase of 14% to €149 million.

New ALTANA AG – Specialty Chemicals business

Due to the sale of ALTANA Pharma as of December 31, 2006, ALTANA AG became a pure Specialty Chemicals company. For ALTANA Chemie the business year 2006 was an excellent one, which exceeded the company's own expectations.

ALTANA Chemie AG, Wesel, reported a strongly acquisition-driven increase in sales of 43% on the prior year to approximately €1.3 billion. Adjusted for divestment and acquisition effects (+33%) as well as minor exchange rate effects, operating growth was 10%.

At €223 million, domestic sales were up 57% on the prior year. International business in 2006 accounted for 83% of total sales and was up by 40% to €1.07 billion. Due to acquisitions (ECKART, Kelstar, Rad-Cure, ALTANA Isolantes Eléctricos do Brasil), North and South America reported the strongest growth of 61% to €331 million. On account of the strong business in China (+40%) sales in Asia were up 39% to €297 million.

Business volume could be expanded without diluting profitability. Proportionate to the sales development, earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to €237 million, up by 45% on the prior-year figure. At 18.3%, the EBITDA margin lies within the medium to long-term target return range of 18% to 20%. At €147 million in 2006, earnings before taxes (EBT) were up by 42% on the prior year.

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 13% to €409 million. This is the highest operating sales growth on the prior year, which is primarily due to a higher sales volume. EBITDA climbed by 15% (€118 million), at a slightly higher rate than sales.

In its first full business year with ALTANA Chemie, the new division Effect Pigments (ECKART) contributed €339 million to sales in 2006. This is equivalent to an increase of 13% in a pro forma comparison to the prior year. EBITDA increased, also in a pro forma comparison, by 5% to €67 million.

At €325 million, sales in the Electrical Insulation division were up by 11% on the prior year. Due to the implementation of comprehensive measures to improve profitability, operating earnings (EBITDA) rose slightly more moderate by 9%, totalling €44 million.

The Coatings & Sealants division reported a mainly acquisition-driven sales increase of 26% to €221 million. Operating sales growth was 3%. The adjustments of the business portfolio carried out over the last few years is beginning to bear fruits; EBITDA improved by 67% to €24 million.

In 2006, ALTANA Chemie strongly stepped up its investment activities. Capital expenditure on property, plant and equipment as well as on intangible assets totaled €75 million. This is equivalent to an increase of 67% on the prior year, mainly due to acquisitions. Research & Development expenses amounted to €68 million. At 5.2%, ALTANA Chemie's research ratio is slightly higher than in the prior year despite the high sales growth; it is significantly higher than the industry average.

"Due to our consistent strategic focussing on global growth markets and leading positions in all target markets, the chemicals business is characterized by a dynamic growth with sustained high profitability. It's low susceptibility to raw materials prices, currency relations, or local developments that provides for a low risk profile and a sustained high value creation," said Dr. Matthias Wolfgruber, President and CEO of ALTANA Chemie AG.

New ALTANA AG – continuing operations

The "continuing operations" comprise the Specialty Chemicals business, headquartered in Wesel, and the ALTANA holding company in Bad Homburg. Special expenses totalling €51 million were used in the Group for Group restructuring. €19 million of the special expenses were assigned to the Pharmaceuticals business; €32 million to the continuing operations. In 2006 operating earnings measured in terms of EBITDA amounted to €186 million, pre-tax earnings (EBT) totaled €93 million. Until the middle of 2007, ALTANA will maintain the dual holding organization. Then the headquarters of the holding company in Bad Homburg will be closed down.

Special dividend, regular dividend and bonus dividend

The final total price received for the Pharmaceuticals business amounts to €4.705 billion; it is composed of the basis price of €4.215 billion and the purchase price adjustment of around €500 million calculated at the end of 2006. The net gain of the transaction calculated based on the German trade regulations (German Commercial Code, HGB) at an amount of about €4.5 billion are to be distributed to ALTANA's shareholders after the company's Annual General Meeting (May 3, 2007) in the form of a special dividend amounting to €33.00.

The regular dividend for the business year 2006 will be increased by 18%. This will be the eleventh double-digit increase in succession. "Thanks to the excellent business year 2006, we will propose to the Annual General Meeting a strong dividend increase from €1.10 per share to €1.30 per share. With our earnings-oriented dividend policy we have been able to distribute a total dividend of almost €1 billion from operating income to our shareholders in the last ten years," said Dr. Nikolaus Schweickart.

Furthermore, it is planned to distribute a bonus dividend of €0.50 per dividend-bearing share in order to create an equity and debt structure appropriate for a specialty chemicals company in the future balance sheet of the ALTANA Group. After the distribution of the dividend as well as the special and the bonus dividend in May 2007, ALTANA AG's balance sheet will show a net debt position usual in the industry in the range of €250 to €300 million. The strong equity ratio of about 60% will provide the potential for further growth, among other things through targeted acquisitions.

As a result, the total dividend will amount to altogether €4,732 million. This corresponds to €34.80 per dividend-bearing share (136 million).

Outlook 2007

For the current business year 2007, ALTANA expects an ongoing positive business environment and further increase in demand. Raw materials prices should stabilize at a high level. On this basis, from today's perspective we expect a mid-range single-digit growth in sales to a level of €1.34 to €1.39 billion in 2007 for our continuing operations and a strong double digit growth in EBITDA to a level of €210 and €240 million. These expectations are based on a presumed exchange rate of US\$1.32 per Euro on an annual average. Pre tax earnings (EBT) will be significantly influenced by the extraordinary interest yield from the investment of the purchase price for ALTANA Pharma (€50-60 million)

The medium-range growth target is set at an average 10% annually (thereof about 6% organic growth) with an above-average profitability of 18% to 20% EBITDA margin.

After the dividend distribution following the Annual General Meeting to be held on May 3, 2007, the ALTANA share will be a pure chemicals share. On the basis of the assumed market capitalization of approximately €2 billion, we expect ALTANA to be an attractive MDAX candidate.

Key figures 2006

| ALTANA Group (former Group structure) | 2006 in € million | 2005 in € million | Change in % |
|--|----------------------|----------------------|----------------|
| Sales | 3,867 | 3,272 | 18 |
| Earnings before interest, taxes, depreciation and amortization (EBITDA) | 940 | 815 | 15 |
| Earnings before interest and taxes (EBIT) | 745 | 676 | 10 |
| Earnings before taxes (EBT) before special expenses/Group restructuring | 830 | 684 | 21 |
| Earnings before taxes (EBT) incl. special expenses | 779 | 684 | 14 |
| Return on sales (EBT) | 20.1% | 20.9% | - |
| Capital expenditure | 188 | 246 | -24 |
| Research expenditure | 495 | 465 | 6 |
| Number of employees | 13,404 | 13,276 | 1 |

| ALTANA Group (new Group structure) | 2006 in € million | 2005 in € million | Change in % |
|------------------------------------|----------------------|----------------------|----------------|
| Sales | 1,294 | 907 | 43 |
| EBITDA | 186 | 124 | 50 |
| EBIT | 99 | 72 | 38 |
| EBT | 93 | 76 | 23 |
| Capital expenditure | 75 | 45 | 66 |
| Research & Development expenditure | 68 | 47 | 45 |
| Number of employees | 4,484 | 4,444 | 1 |

| Figures per ALTANA share in € | 2006 | 2005 | Change in % |
|--|--------------------|------|----------------|
| Dividend for the business year | 1.30 ¹ | 1.10 | 18 |
| Special dividend from the sale of ALTANA Pharma | 33.00 ¹ | - | - |
| Bonus dividend | 0.50 ¹ | - | - |

¹⁾ Management recommendation

At the **press conference** today at **10 a.m.** and the **analyst meeting** at **3 p.m.** in Bad Homburg, ALTANA's Management will explain the 2006 annual financial statements. Both meetings will be **webcasted**.

Dates

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

ALTANA AG's Annual General Meeting 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, i.e., current estimates or expectations of future events or future results. The forward-looking statements appearing in this press release include revenue and earnings projections for the year 2007, the dividends for the business year 2006 subject to the shareholders' consent at the Annual General Meeting, the assumed market capitalization after the dividend distribution and the expectations for a further profitable and continuing growth of ALTANA. 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, performance or achievements 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, the possibility of making appropriate acquisitions, 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 and the capital market's valuation of the ALTANA shares.

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.

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

For inquiries please contact:

Dr. Thomas Gauly
Head of Corporate Communications &
Investor Relations

Media Relations:

P +49 (0) 6172 1712-160
P +49 (0) 6172 1712-150
F +49 (0) 6172 1712-158

Investor Relations:

P +49 (0) 6172 1712-163
P +49 (0) 6172 1712-165
F +49 (0) 6172 1712-158

Investor Relations USA:

P +1 212 974-6192
F +1 212 974-61 90