



# Full Year 2010 Results

**ALTANA AG Press Conference 2011**  
Wesel, March 22, 2011

# Agenda

## **Welcome Address**

Achim Struchholz, Head of Corporate Communications

## **ALTANA 2010 – Overview**

Dr. Matthias L. Wolfgruber, CEO

## **ALTANA 2010 – Financials**

Martin Babilas, CFO

## **ALTANA 2011 ff. – Outlook**

Dr. Matthias L. Wolfgruber, CEO

# Disclaimer

This presentation contains forward-looking statements, i.e. current estimates or expectations of future events or future results. The 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.

# ALTANA 2010 – Overview

Presented by

**Dr. Matthias L. Wolfgruber**

**CEO**

# 2010: Outstanding Business Year for ALTANA

- Sales and earnings significantly surpass pre-crisis level
  - Research and development expenditures reach historic highs
  - Successful integration of ACTEGA WIT, acquisitions at ELANTAS and ACTEGA, divestment at BYK
  - ALTANA's stock exchange listing ended after 33 years
- **ALTANA has returned to its former growth path with renewed strength**

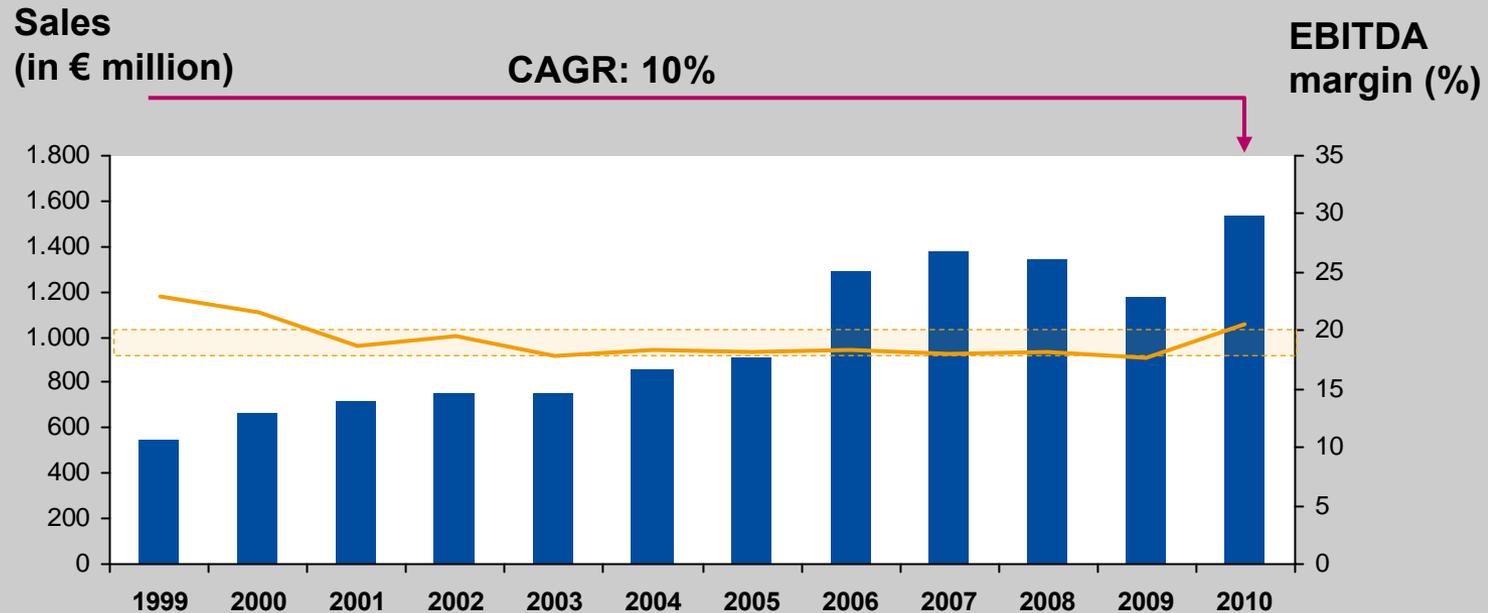
# Business Development 2010

Dynamic business development in each quarter and in all divisions and regions

- Group sales: €1,535.4 million (+30%; 24% in operating terms)
- Significant sales increases in all divisions, nominal growth rates rise between 26% and 38%
- EBITDA: €314.1 million (+51%)
- EBITDA margin: at 20.5 % (prior year: 17,6%) at a very healthy level
- At €218.2 million, EBT up strongly; prior year affected by impairments at ECKART
- At €152.3 million, EAT also increased considerably

# Long-term Growth Path Intact

## EBITDA margin rises above average



Up to and including 2006 figures refer to the specialty chemicals business only.

# Key Figures 2010

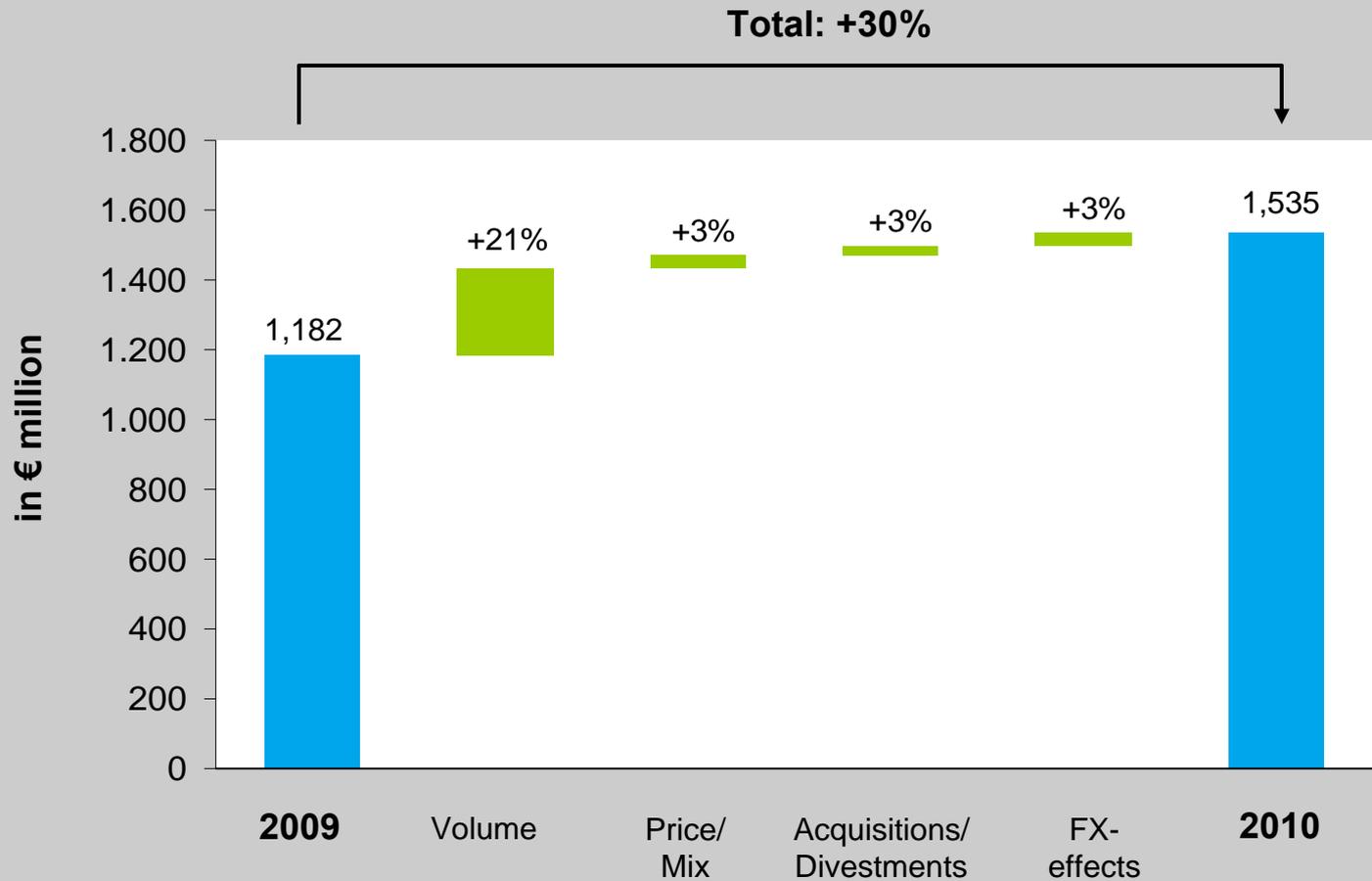
(in € million)	2010	2009 <sup>(a)</sup>	Δ %	Δ % operat. <sup>(b)</sup>
Sales	1,535.4	1,181.7	30	24
EBITDA	314.1	208.4	51	40
<i>EBITDA margin</i>	<i>20.5%</i>	<i>17.6%</i>		
EBIT	230.2	53.5	>100	
<i>EBIT margin</i>	<i>15.0%</i>	<i>4.5%</i>		
EBT	218.2	39.0	>100	
<i>EBT margin</i>	<i>14.2%</i>	<i>3.3%</i>		
EAT	152.3	11.0	>100	
Capital expenditure	73.8	54.0	37	
Headcount (Dec. 31)	4,937	4,789	3	

(a) Prior-year figures adjusted due to changed reporting of interest expenses from employee benefit obligations

(b) Adjusted for exchange rate as well as acquisition and divestment effects

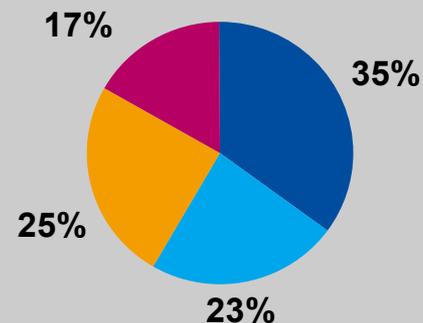
# Sales Reconciliation

## Growth momentum mainly volume-driven



# Sales by Division 2010

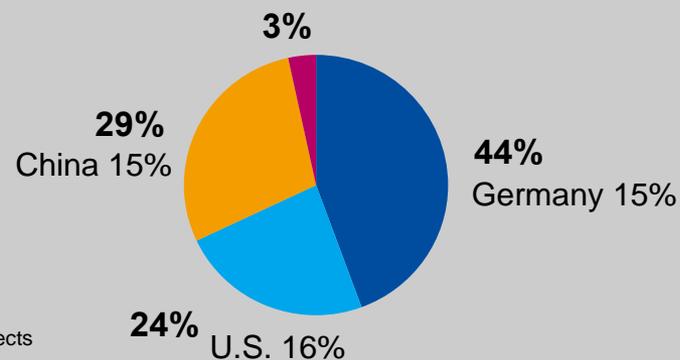
(in € million)	2010	2009	Δ %	Δ % operat. <sup>(a)</sup>
 <b>BYK</b> Additives & Instruments	541	420	29	27
 <b>ECKART</b> Effect Pigments	357	282	26	24
 <b>ELANTAS</b> Electrical Insulation	377	273	38	30
 <b>ACTEGA</b> Coatings & Sealants	260	207	26	12
 <b>ALTANA</b>	<b>1,535</b>	<b>1,182</b>	<b>30</b>	<b>24</b>



(a) Adjusted for exchange rate as well as acquisition and divestment effects

# Sales by Region 2010

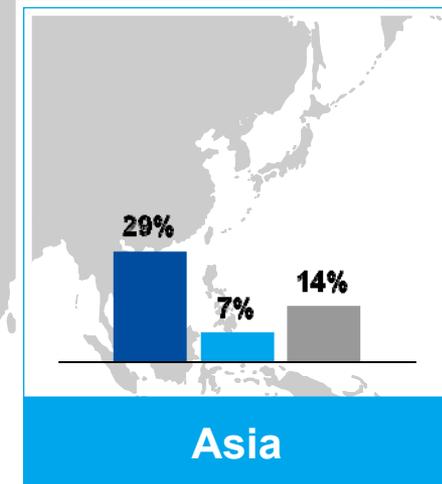
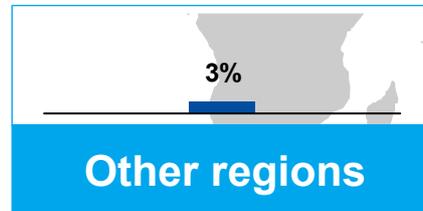
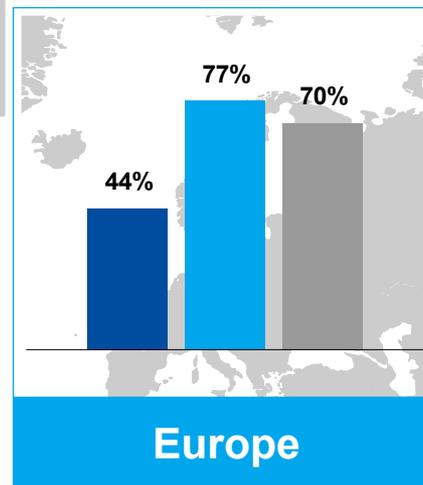
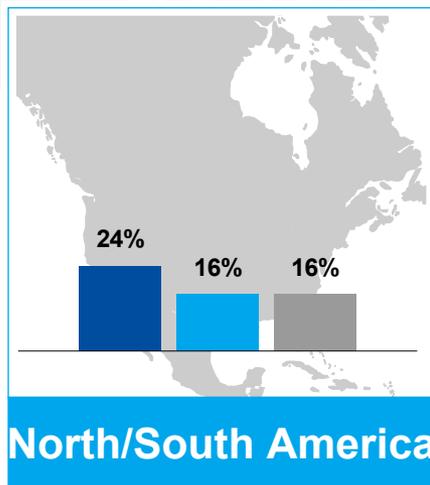
(in € million)	2010	2009	Δ %	Δ % operat. <sup>(a)</sup>
Europe	684	555	23	22
<i>thereof Germany</i>	235	188	25	24
Americas	361	268	35	21
<i>thereof U.S.</i>	242	178	36	19
Asia	439	318	38	31
<i>thereof China</i>	224	164	36	31
Other regions	51	41	25	25
<b>ALTANA Group</b>	<b>1,535</b>	<b>1,182</b>	<b>30</b>	<b>24</b>



(a) Adjusted for exchange rate as well as acquisition and divestment effects

# Global Footprint

■ Sales 2010   ■ Assets (per Dec. 31, 2010)   ■ Employees (per Dec. 31, 2010)



- Strong presence in growth regions
- Balanced geographical profile

# ALTANA 2010 – Financials

Presented by  
**Martin Babilas**  
CFO

# Income Statement 2010

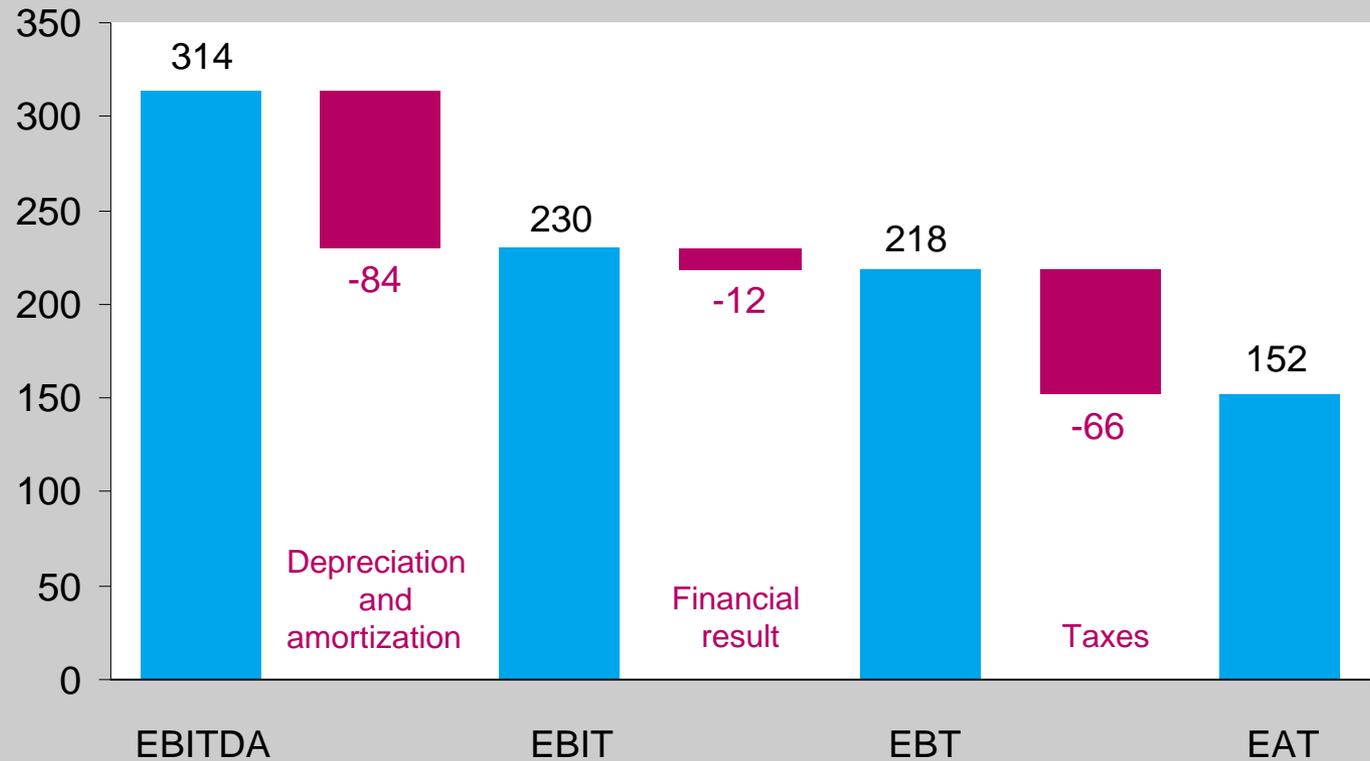
(in € million)	2010	% of sales	2009 <sup>(a)</sup>	% of sales	Δ %
<b>Sales</b>	<b>1,535.4</b>	<b>100.0</b>	<b>1,181.7</b>	<b>100.0</b>	<b>29.9</b>
Cost of sales	-937.7	-61.1	-741.2	-62.7	-26.5
<b>Gross profit</b>	<b>597.7</b>	<b>38.9</b>	<b>440.5</b>	<b>37.3</b>	<b>35.7</b>
Selling & distribution expenses	-199.3	-13.0	-160.7	-13.6	-24.0
Research & development expenses	-82.0	-5.3	-70.6	-6.0	-16.0
General administrative expenses	-88.1	-5.7	-75.7	-6.4	-16.3
Other operating income/expenses	1.9	0.1	-79.9	-6.8	>100
<b>Operating income (EBIT)</b>	<b>230.2</b>	<b>15.0</b>	<b>53.5</b>	<b>4.5</b>	<b>&gt;100</b>
Financial result	-13.1	-0.9	-15.3	-1.3	17.8
Income from associated companies	1.1	0.1	0.8	0.1	44.4
<b>Earnings before taxes (EBT)</b>	<b>218.2</b>	<b>14.2</b>	<b>39.0</b>	<b>3.3</b>	<b>&gt;100</b>
Income tax	-65.9	-30.2 <sup>(b)</sup>	-28.0	-71.8 <sup>(b)</sup>	<-100
<b>Net income (EAT)</b>	<b>152.3</b>	<b>9.9</b>	<b>11.0</b>	<b>0.9</b>	<b>&gt;100</b>

(a) Prior-year figures adjusted due to changed reporting of interest expenses from employee benefit obligations

(b) Tax rate

# Details on 2010 Earnings

in € million



# Cash Flow Statement

(in € million)	2010	2009
<b>Net income</b>	<b>152.3</b>	<b>11.0</b>
Amortization, depreciation and impairment on intangible and tangible assets	84.0	154.9
Change in net working capital	(17.4)	22.4
Change in provisions and other	19.8	36.3
<b>Cash flow from operating activities</b>	<b>238.6</b>	<b>224.6</b>
Investments in intangible and tangible assets	(73.8)	(54.0)
Other	5.9	0.9
<b>Cash flow from ordinary investing activities</b>	<b>(68.0)</b>	<b>(53.1)</b>
<b>Ordinary free cash flow</b>	<b>170.6</b>	<b>171.4</b>
Acquisitions	(10.5)	(42.6)
Payments from the sale of ALTANA Pharma	(12.2)	(63.9)
Change in marketable securities and long-term investments	(1.5)	(37.5)
<b>Free cash flow</b>	<b>146.4</b>	<b>27.5</b>

# Value Management

(in € million)	2010	2009 <sup>(a)</sup>
Operating capital (average)	1,544	1,530
Operating performance (after tax)	188	117
<b>Return on capital employed (ROCE)</b>	<b>12.2%</b>	<b>7.6%</b>
Cost of capital	8.0%	8.0%
ALTANA Value Added (%)	4.2%	-0.4%
<b>ALTANA Value Added (abs.)</b>	<b>64</b>	<b>-5</b>

(a) Adjusted for special factors at the Effect Pigments division

# ALTANA Group

## Balance Sheet as of December 31, 2010

Assets (in € million)		Shareholders' Equity and Liabilities (in € million)	
<b>Non-current Assets</b>		<b>Shareholders' Equity</b>	
• Intangible assets	472.8	• Shareholders' equity	1,360.2
• Property, plant and equipmt.	579.2	• Non-controlling interests	4.0
• Other non-current assets	31.1		<u>1,364.2</u>
	<u>1,083.1</u>	<b>Non-current Liabilities</b>	
<b>Current Assets</b>		• Non-current debt	132.8
• Inventories	210.4	• Employee benefit obligations	90.6
• Trade accounts receivable	254.5	• Deferred tax liabilities	48.2
• Other current assets	62.4	• Other non-current liab. and prov.	24.5
• Marketable securities	88.8		<u>296.1</u>
• Cash and cash equivalents	244.4	<b>Current Liabilities</b>	
	<u>860.5</u>	• Current debt	30.1
		• Trade accounts payable	107.0
		• Tax provisions	40.1
		• Other current provisions	79.2
		• Other current liabilities	27.0
			<u>283.4</u>
<b>Total Assets:</b>	<b>1,943.6</b>		

# Strong Balance Sheet Structure

- Equity ratio of 70%
- Net financial assets, including employee benefit obligations, of €80 million  
(prior year: net debt position of €55 million)
- Undrawn credit line of about €250 million

➤ **Financial scope for future growth**

# ALTANA 2011 ff. – Outlook

Presented by

**Dr. Matthias L. Wolfgruber**

CEO

# Outlook 2011

- Under the new ownership structure, the company is in an excellent position to continue on this course of profitable growth
- Additional momentum derived from strong position in regional and technological growth markets
- Increasing investment in HR, capital equipment and research
- However, negative impact of rising feedstock costs expected
- Possible consequences of natural disaster in Japan not foreseeable
- Sales increase expected in 2011

➤ **ALTANA is well equipped for future growth**

# Prospects

Shareholder commitment and strong financial position support our long-term oriented growth strategy based on:

- market penetration
- innovation
- acquisitions

➤ **ALTANA invests for the future**

Thank you very much for  
your attention.