ALTANA

Consolidated Financial Statements 2017

Consolidated Financial Statements

Management Board Responsibility Statement

The consolidated financial statements of the annual report have been prepared by the Management Board of ALTANA AG, which is responsible for the completeness and accuracy of the information contained therein.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as endorsed by the EU and in accordance with the requirements of German commercial law pursuant to section 315e of the German Commercial Code (HGB).

The information contained in the consolidated financial statements and the Group Management Report is based on the information reported, in accordance with consistent guidelines in force throughout the Group by the companies included in the consolidated financial statements. The integrity of the reporting process is safeguarded by effective internal control systems established at these companies under the direction of the Management Board. This assures a true and fair view of the performance and results of the Group and enables the Management Board to recognize potential investment risks and negative developments at an early stage and take appropriate countermeasures.

By resolution of the Annual General Meeting, the Chairman of the Audit Committee of the Supervisory Board appointed PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft as independent auditor of the consolidated financial statements. The auditors' report is reproduced on the following page. The consolidated financial statements, the Group Management Report and the auditors' report have been made available to the Supervisory Board for detailed discussion. The report of the Supervisory Board is contained on pages 14 -17 of the Corporate Report 2017.

To the best of our knowledge and in accordance with the applicable reporting principles the consolidated financial statements give a true and fair view of the net assets, financial position, and results of operations of the Group and the Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Wesel, Germany, February 26, 2018

ALTANA AG
The Management Board

Martin Babilas   Stefan Genten   Dr. Christoph Schlünken

Independent Auditors' Report

To ALTANA Aktiengesellschaft, Wesel

Audit Opinions

We have audited the consolidated financial statements of ALTANA Aktiengesellschaft, Wesel, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2017, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the financial year from January 1 to December 31, 2017 and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of ALTANA for the financial year from January 1 to December 31, 2017. We have not audited the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

– the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at December 31, 2017, and of its financial performance for the financial year from January 1 to December 31, 2017, and
– the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Other Information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the group management report:

– the declaration of corporate governance pursuant to § 289f Abs. 4 HGB included in section "Innovation and Employees" of the group management report
– the corporate governance report.

The other information comprises further the remaining parts of the Corporate Report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

– is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
– otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

– identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
– obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
– evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
– conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
– evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Cologne, Germany, February 28, 2018

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Jörg Sechser	ppa. Carsten Manthei
German Public Auditor	German Public Auditor

ALTANA Group Consolidated Income Statement

	Notes	2016	2017
in € thousand			
Net sales	4	**2,075,309**	**2,246,956**
Cost of sales	5	(1,236,993)	(1,371,573)
Gross profit		**838,316**	**875,383**
Selling and distribution expenses	6	(271,341)	(288,653)
Research and development expenses		(129,328)	(142,484)
General administration expenses		(115,657)	(118,466)
Other operating income	7	14,062	23,498
Other operating expenses	8	(7,359)	(13,359)
Operating income (EBIT)		**328,693**	**335,919**
Financial income	9	7,741	7,092
Financial expenses	10	(16,367)	(15,684)
Financial result		**(8,626)**	**(8,592)**
Income from at equity accounted investments		(20,307)	(21,301)
Income before income taxes (EBT)		**299,760**	**306,026**
Income taxes	11	(89,669)	(71,382)
Net income (EAT)		**210,091**	**234,644**
thereof attributable to non-controlling interests		1,800	1,829
thereof attributable to the shareholder of ALTANA AG		208,291	232,815

ALTANA Group Consolidated Statement of Comprehensive Income

	2016	2017
in € thousand		
Net income (EAT)	**210,091**	**234,644**
Remeasurement of the net defined employee benefit obligation	(30,369)	11,237
Income taxes	8,850	(4,449)
Items that will not be reclassified subsequently to profit or loss	**(21,519)**	**6,788**
Translation adjustments	16,448	(113,190)
thereof attributable to non-controlling interests	104	(659)
Gains and losses from financial assets available-for-sale	0	(17)
Gains and losses from derivative financial instruments	4,865	61
Change in fair value of financial assets available-for-sale	88	24
Change in fair value of derivative financial instruments	(2,740)	6,460
Income taxes	(551)	(2,629)
Items that may be reclassified subsequently to profit or loss	**18,110**	**(109,291)**
Other comprehensive income	**(3,409)**	**(102,503)**
Comprehensive income	**206,682**	**132,141**
thereof attributable to non-controlling interests	1,902	1,181
thereof attributable to the shareholder of ALTANA AG	204,780	130,960

ALTANA Group Consolidated Statement of Financial Position

Assets	Notes	Dec. 31, 2016	**Dec. 31, 2017**
in € thousand			
Intangible assets	13	922,793	1,056,943
Property, plant and equipment	14	781,068	774,405
Long-term investments	15	9,564	63,227
Investments in at equity accounted companies	16	83,388	96,705
Income tax refunds		0	169
Deferred tax assets	11	22,101	18,645
Other non-current assets	21	12,118	11,479
Total non-current assets		**1,831,032**	**2,021,573**
Inventories	17	294,572	330,170
Trade accounts receivable	18	347,602	371,911
Income tax refunds		11,768	8,671
Other current assets	21	83,546	118,113
Marketable securities	19	15,987	18,730
Short-term financial assets	20	92,890	2,074
Cash and cash equivalents		375,606	275,671
Assets held for sale		853	797
Total current assets		**1,222,824**	**1,126,137**
Total assets		**3,053,856**	**3,147,710**

Liabilities, provisions and shareholders' equity	Notes	Dec. 31, 2016	Dec. 31, 2017
in € thousand			
Share capital[1]		136,098	136,098
Additional paid-in capital		151,276	151,276
Retained earnings		1,625,205	1,864,798
Accumulated other comprehensive income		160,597	51,963
Equity attributable to the shareholder of ALTANA AG		**2,073,176**	**2,204,135**
Non-controlling interests		9,005	10,065
Shareholders' equity	22	**2,082,181**	**2,214,200**
Non-current debt	24	192,765	134,973
Employee benefit obligations	25	229,930	224,230
Other non-current provisions	26	20,574	18,366
Deferred tax liabilities	11	96,860	84,252
Other non-current liabilities	27	24,062	24,787
Total non-current liabilities		**564,191**	**486,608**
Current debt	24	36,136	69,269
Trade accounts payable		171,813	192,016
Current accrued income taxes		38,977	33,915
Other current provisions	26	111,866	104,237
Other current liabilities	27	48,691	47,465
Total current liabilities		**407,483**	**446,902**
Total liabilities, provisions and shareholders' equity		**3,053,856**	**3,147,710**

[1] Share capital consists of 136,097,896 no-par value shares.

ALTANA Group Consolidated Statement of Changes in Shareholders' Equity

	Share capital issued			Retained earnings	
	Number of shares	Share capital	Additional paid-in capital	Retained earnings	Remeasurement of the net defined employee benefit obligation
in € thousand					
Balance at Jan. 1, 2016	**136,097,896**	**136,098**	**151,276**	**1,588,340**	**(89,923)**
Gains and losses directly recognized in equity				0	(21,503)
Net income (EAT)				208,291	
Comprehensive income				**208,291**	**(21,503)**
Dividends paid				(60,000)	
Change in reporting entities					
Balance at Dec. 31, 2016	**136,097,896**	**136,098**	**151,276**	**1,736,631**	**(111,426)**
Gains and losses directly recognized in equity				0	6,779
Net income (EAT)				232,815	
Comprehensive income				**232,815**	**6,779**
Dividends paid				0	
Change in reporting entities				(1)	
Balance at Dec. 31, 2017	**136,097,896**	**136,098**	**151,276**	**1,969,445**	**(104,647)**

Accumulated other comprehensive income				Non-controlling interests		
Financial assets available-for-sale	Derivative financial instruments	Translation adjustments	Equity attributable to the shareholder of ALTANA AG	Shareholders' equity	Translation adjustments	Shareholders' equity
116	**(2,924)**	**145,413**	**1,928,396**	**9,274**	**(2,041)**	**1,935,629**
41	1,487	16,464	(3,511)	(16)	118	(3,409)
			208,291	1,800		210,091
41	**1,487**	**16,464**	**204,780**	**1,784**	**118**	**206,682**
			(60,000)	(130)		(60,130)
			0			0
157	**(1,437)**	**161,877**	**2,073,176**	**10,928**	**(1,923)**	**2,082,181**
5	4,565	(113,204)	(101,855)	9	(657)	(102,503)
			232,815	1,829		234,644
5	**4,565**	**(113,204)**	**130,960**	**1,838**	**(657)**	**132,141**
			0	(121)		(121)
			(1)			(1)
162	**3,128**	**48,673**	**2,204,135**	**12,645**	**(2,580)**	**2,214,200**

ALTANA Group Consolidated Statement of Cash Flows

	Notes	2016	**2017**
in € thousand			
Net income (EAT)		**210,091**	**234,644**
Depreciation and amortization of intangible assets and property, plant and equipment	13, 14	124,327	133,637
Impairment of intangible assets, property, plant and equipment and assets held for sale	13, 14	0	451
Net result from the disposal of intangible assets and property, plant and equipment	7, 8	818	316
Net result from the disposal of subsidiaries		(82)	0
Net result from the disposal of long-term investments and marketable securities	9	0	(17)
Change in inventories	17	(5,410)	(40,673)
Change in trade accounts receivable	18	(13,359)	(32,521)
Change in income taxes	11	(3,241)	(29,746)
Change in provisions	25, 26	24,385	(528)
Change in trade accounts payable		19,925	24,702
Change in other assets and other liabilities	21, 27	(460)	(8,951)
Other		19,668	20,951
Cash flow from operating activities		**376,662**	**302,265**
Capital expenditure on intangible assets and property, plant and equipment	13, 14	(122,071)	(187,964)
Proceeds from the disposal of intangible assets and property, plant and equipment	13, 14	1,052	1,085
Acquisitions, net of cash acquired	3	(14,647)	(140,695)
Proceeds from the disposal of subsidiaries, net of cash		18,281	0
Purchase of long-term investment and investments in at equity accounted companies	15, 16	(18,353)	(30,454)
Proceeds from the disposal of long-term investments	15	82	43
Payments on long term loans		0	(54,000)
Proceeds from long term loans			98
Purchase of marketable securities	19	(19,859)	(32,456)
Proceeds from the disposal of marketable securities	9, 10	13,761	28,575
Change in short-term financial assets		(92,542)	90,652
Cash flow from investing activities		**(234,296)**	**(325,116)**

in € thousand	Notes	2016	**2017**
Dividends paid		(60,130)	(121)
Repayment of long-term debt	24	(61,247)	(1,892)
Net increase / decrease in short-term debt	24	(64,023)	(65,422)
Cash flow from financing activities		**(185,400)**	**(67,435)**
Effect of exchange rate changes		(3,466)	(9,649)
Change in cash and cash equivalents		**(46,500)**	**(99,935)**
Cash and cash equivalents as of January 1	2	422,106	375,606
Cash and cash equivalents as of December 31	2	**375,606**	**275,671**
Additional information on cash flows included in the cash flows from operating activities			
Income taxes paid		(103,373)	(114,219)
Interest paid		(5,983)	(8,260)
Income taxes received		13,386	4,500
Interest received		5,263	4,754
Dividends received		952	1,061

Notes to Consolidated Financial Statements

1. Basis of Presentation

The consolidated financial statements of ALTANA AG and its subsidiaries (the "Company" or "ALTANA") are prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) as endorsed by the EU, and in accordance with section 315e of the German Commercial Code (HGB). The consolidated financial statements were authorized for issue by the Management Board on February 26, 2018 and should be approved by the Supervisory Board in the Supervisory Board meeting on March 15, 2018.

ALTANA AG is incorporated as a stock corporation ("Aktiengesellschaft") under the laws of the Federal Republic of Germany. The Company is registered in the Commercial Register of the district court in Duisburg under HRB 19496 and has its headquarters at Abelstraße 43 in 46483 Wesel, Germany.

All amounts are reported in thousands of Euro if not stated otherwise.

2. Significant Accounting Policies

Consolidation

The consolidated financial statements of the Company include 22 (prior year: 19) subsidiaries in Germany and 45 (prior year: 46) subsidiaries abroad, over which ALTANA either directly or indirectly exercises control.

In 2017, the BYK division acquired one U.S. company and two German companies through share deals. Furthermore four U.S. subsidiaries and two subsidiaries in the Netherlands were merged. The ELANTAS division acquired one U.S. company through a share deal. In the ACTEGA division one U.S. subsidiary was founded and two subsidiaries in Brazil were merged. Furthermore, one existing non operational subsidiary in Germany was initially consolidated. The holding division founded one new subsidiary.

ALTANA holds 75 % of the listed company ELANTAS Beck India Ltd. (Beck India), Pune (IND). The remaining shares are free float.

The following three investments are accounted for by applying the equity method of accounting (see note 16): 39 % interest in Aldoro Indústria de Pós e Pigmentos Metálicos Ltda. (Aldoro), São Paulo (BRA), 33 % interest in Landa Corp. (Landa), Rehovt (ISR), and 44% interest in dp polar GmbH (dp polar), Eggenstein-Leopoldshafen, held by ALTANA since August 24, 2017.

All intercompany balances and transactions are eliminated in consolidation. The financial statements of the consolidated subsidiaries are prepared in accordance with the Company's accounting policies.

The list of all consolidated companies and ALTANA's full ownership in accordance with section 313 (2) of the German Commercial Code (HGB) is part of the audited consolidated financial statements published in the electronic Federal Gazette (Bundesanzeiger). This list is also available on the internet at www.altana.com.

New Accounting Pronouncements Endorsed by the EU

Only the Standards and Interpretations that have an effect on ALTANA's consolidated financial statements are described below:

In May 2014, the IASB issued IFRS 15, "Revenue from Contracts with Customers" which was endorsed by the EU in 2016. The clarification to IFRS 15 issued by the IASB in 2016 was endorsed by the EU on November 9, 2017. The Standard is effective for annual periods beginning on or after January 1, 2018. IFRS 15 applies a five-step model to determine when to recognize revenue, and at what amount. The Standard also contains qualitative and quantitative disclosure requirements. For initial application of IFRS 15 ALTANA applies the modified retrospective method, which allows recognition of the cumulative transition effect as of January 1, 2018 in retained earnings as an adjustment to the opening balance. Comparative periods presented are not adjusted and are reported in accordance with IAS 18 "Revenues". An analysis of all relevant divisions resulted in insignificant effects on ALTANA's consolidated statement of financial position, consolidated income statement and consolidated statement of cash flows. The necessary adjustments relate to the future accounting for sales reductions. In the future, potential sales reductions due to subsequent price reductions need to be accounted for as a refund liability reflecting the amount expected with reasonable certainty at the time the performance obligation is fulfilled. The resulting effect on January 1, 2018 excluding deferred taxes is expected to amount to a low single digit million amount. This will result in a balance sheet extension by the amount recognized in liabilities. Additional disclosure in respect of revenues will be made for the financial year 2018.

In July 2014, the IASB issued IFRS 9, "Financial Instruments" which was endorsed by the EU in 2016 and is effective for annual periods beginning on or after January 1, 2018. IFRS 9 contains guidelines regarding the classification and measurement of financial assets, financial liabilities, impairment of financial assets and the accounting of hedging relationships. Based on the current status of an internal analysis of the impact of the new regulations ALTANA expects that the initial adoption of the new Standard will have an effect on the classification and measurement of financial assets but no effect on the classification and measurement of the Company's financial liabilities. Equity Instruments, which are currently measured at acquisition cost under IAS 39 will now be measured at fair value (either through profit or loss or other comprehensive income). The fair value option through other compressive income will not be applied for the currently held equity instruments. Available for sale financial instruments which are currently measured at fair value or acquisition cost will now be measured at fair value through profit or loss. Furthermore, the regulations of IFRS 9 require the recognition of expected losses for trade accounts receivable and other financial assets. Based on the good credit-worthiness of its contractual partners ALTANA expects a low probability of default. ALTANA expects that all existing hedging relationships also qualify for hedge accounting under IFRS 9. The option to recognize the hedging cost related to a hedging relationship initially in other comprehensive income is expected to be applied. ALTANA will apply the retrospective method and will recognize the cumulative transition effect of the initial application of IFRS 9 as of January 1, 2018 in retained earnings as an adjustment to the opening balance in retained earnings. The adjustment is expected to amount to a low single digit million amount. Comparative amounts are not restated, the amounts recognized are in accordance with the current regulations of IAS 39 "Financial Instruments: Recognition and measurement".

In January 2016, the IASB issued IFRS 16, "Leases," effective for annual periods beginning on or after January 1, 2019. The standard was endorsed by the EU on November 6, 2017. ALTANA will adopt the Standard beginning on January 1, 2019 and will not early adopt it together with the adoption of IFRS 15 and IFRS 9. IFRS 16 mainly specifies the lease accounting by the lessee. Generally, all lease transactions will be accounted for in accordance with the so-called "right of use approach." For lessors, the classifications of leases in operating and financial lease in accordance with IAS 17 remains unchanged under IFRS 16. Furthermore, ALTANA will use the option to not apply the lessees accounting model to leases for low value assets so called "small-ticket leases" and "short-term lease" contracts and therefore will not recognize these in its financial statements. ALTANA is expected to apply the modified retrospective approached provided for in the transition requirements. ALTANA will use a software-based tool to collect, analyze and evaluate the existing leases. Upon initial adoption of the standard, ALTANA expects a moderate increase in lease obligations and a corresponding increase in property, plant and equipment as a result of the recognition of the rights of use. In the consolidated income statement depreciation and interest expense will be recognized instead of lease expense. This will lead to an improvement of EBITDA but will have an insignificant effect on net income.

Foreign Currency

The consolidated financial statements of ALTANA are expressed in Euro.

Financial statements of subsidiaries where the functional currency is a currency other than the Euro are translated using the functional currency principle. For these entities, assets and liabilities are translated using the middle rate at year end, while revenues and expenses are translated using the average exchange rates prevailing during the year. Equity is translated at historical exchange rates. Adjustments for cumulative foreign currency translation fluctuations are excluded from profit or loss and are reported in other comprehensive income.

Transactions realized in foreign currencies are translated to the local currency using the exchange rate prevailing at the transaction dates. Transaction gains and losses that arise from exchange-rate fluctuations on transactions denominated in a currency other than the functional currency are generally included in other operating income or other operating expenses and, if that they relate to the translation of financial assets or liabilities, in financial income or expenses.

The following table provides the exchange rates for ALTANA’s most important currencies to the Euro:

			Spot rate		Average rate for the years ended Dec. 31
		Dec. 31, 2016	**Dec. 31, 2017**	2016	**2017**
1 Euro					
Brazil	BRL	3.43	3.97	3.86	3.61
China	CNY	7.32	7.80	7.35	7.63
India	INR	71.59	76.61	74.37	73.53
Japan	JPY	123.40	135.01	120.20	126.71
Switzerland	CHF	1.07	1.17	1.09	1.11
U.S.	USD	1.05	1.20	1.11	1.13

Revenue Recognition

ALTANA develops, produces and markets high-quality, innovative products in the area of specialty chemicals for coating manufacturers, paint and plastics processors, the printing and packaging industries, the cosmetics sector and the electrical and electronics industry. Revenue is recognized when it can be measured reliably, it is probable that the economic benefits of the transaction will flow to the Company and all related costs can be measured reliably. As such, ALTANA recognizes revenue from product sales when the significant risks and rewards of ownership of the goods are transferred to the customer. Provisions for discounts and rebates to customers and for returns of goods are recognized in the same period in which the related revenue is recognized and are based on management's best estimate.

Research and Development Expenses

In accordance with IAS 38, "Intangible Assets," research costs, defined as costs of original and planned research performed to gain new scientific or technical knowledge and understanding, are expensed as incurred. Development costs are defined as costs incurred to achieve technical and commercial feasibility. When the recognition criteria of IAS 38 are fulfilled, the directly attributable development costs are recognized as intangible assets. In the majority of the cases, the recognition criteria are not completely fulfilled due to the uncertainties regarding the commercialization of products inherent to the development of ALTANA's products.

Personnel and Interest Expense

The net interest expense from employee benefit obligations is reported under interest expense and not under personnel expense or functional cost.

Income Taxes

Income taxes include current and deferred income taxes. Current income taxes relate to all taxes levied on taxable income of the consolidated companies. Other taxes such as property taxes or excise taxes (power supply, energy) are classified as functional costs.
Under IAS 12, "Income Taxes," deferred tax assets and liabilities are recognized in the consolidated financial statements for all temporary differences between the carrying amounts of assets and liabilities and their tax bases, for tax credits and operating loss carry-forwards.

For purposes of calculating deferred tax assets and liabilities, the Company applies the tax rates that have been enacted or substantively enacted at the reporting date. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period the legislation is substantively adopted. Deferred tax assets are recognized only to the extent that it is probable that future taxable income will be available against which the tax credits and tax loss carry-forwards can be used.

Fair Value

IFRS 13, "Fair Value Measurement," applies to IFRS that require or permit fair value measurement or disclosure and provides a single IFRS framework for measuring fair value and requires disclosures about fair value measurement. The fair value is the price that would be received to sell an asset or paid to transfer a liability. The three-level fair value hierarchy in accordance with IFRS 13 is applied. Fair value hierarchy level 1 is assigned to financial assets or liabilities for which quoted market prices for identical assets or liabilities in active markets exist. The allocation to fair value hierarchy level 2 is applied when valuation models are used or prices are derived from similar transactions. Financial assets and liabilities are measured at fair value hierarchy level 3 if unobservable input factors are applied to determine fair value. When measuring assets and liabilities the effect of non-performance risk is also reflected in the fair value.

Intangible Assets

Intangible assets, including software, are accounted for in accordance with IAS 38, and are recognized if (a) the intangible asset is identifiable (i.e., it is separable or arises from contractual or other legal rights), (b) it is probable that the expected future economic benefits (e.g., cash or other benefits such as cost savings) that are attributable to the asset will flow to the entity, and (c) the cost of the intangible asset can be measured reliably.

Intangible assets with definite useful lives are measured at cost less accumulated amortization. Borrowing costs that are directly attributable to qualifying assets are capitalized.

Intangible assets are amortized straight-line over the shorter of their contractual term or their estimated useful lives.

The following useful lives are applied:

	Years
Patents, licenses and similar rights	5 to 25
Other intangible assets	1 to 25

Amortization expense relates to intangible assets with definite useful lives and is recorded based on its function in cost of sales, selling and distribution expenses, research and development expenses or general administration expenses.

Intangible assets with indefinite useful lives as well as goodwill are not amortized but tested for impairment regularly. Impairment losses on these assets are recorded in other operating expenses (see "Impairments of Intangible Assets and Property, Plant and Equipment").

Property, Plant and Equipment

Property, plant and equipment are measured at acquisition or manufacturing cost less accumulated depreciation. Cost includes certain costs that are capitalized during construction, including material, payroll and direct overhead costs. Borrowing costs that are directly attributable to qualifying assets are capitalized. Government grants are deducted from the acquisition or manufacturing costs.

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets:

	Years
Buildings and leasehold	2 to 75
Plant and machinery	2 to 30
Equipment	2 to 30

Maintenance and repairs are expensed as incurred while replacements and improvements are capitalized, if the item qualifies for recognition as an asset, as well as asset retirement obligations. Gains or losses resulting from the sale or retirement of assets are recognized in other operating income or expenses.

Depreciation expense of property, plant and equipment is recorded based on its function in cost of sales, selling and distribution expenses, research and development expenses or general administration expenses.

Investment property comprises land and buildings not used in the production or for administrative purposes and is measured at amortized cost.

Impairment of Intangible Assets and Property, Plant and Equipment

Irrespective of whether there is any indication of impairment, the Company tests goodwill acquired in a business combination and intangible assets with an indefinite useful life for impairment at least annually. For the purpose of testing goodwill for impairment, such goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the business combination. In accordance with IAS 36, "Impairment of Assets," an impairment loss is recognized when the carrying amount of the cash-generating unit, to which goodwill was allocated, exceeds the higher of its fair value less costs to sell or its value in use.

In the event that facts and circumstances indicate that the Company's property, plant and equipment or intangible assets including goodwill, may be impaired, an impairment test is performed. This is the case regardless of whether they are to be held and used or to be disposed of. An impairment loss is recognized when an asset's carrying amount exceeds the higher of its fair value less costs to sell and its value in use. Value in use is based on the discounted cash flows expected to arise from the continued use of the asset or from its eventual disposal.

Any impairment loss resulting from this test is reported in other operating expenses.

If there is any indication that the considerations which led to an impairment of property, plant and equipment or intangible assets no longer exist, the Company considers the need to reverse all or a portion of the impairment loss except for goodwill.

Government Grants

Taxable and non-taxable government grants for the acquisition of certain non-current assets are recognized as a reduction of the cost basis of the acquired or constructed assets. Non-refundable reimbursement of cost is recorded as other operating income or as a deduction from the related expenses if all the conditions stipulated are met.

Long-term Investments and Marketable Securities

In accordance with IAS 39, "Financial Instruments: Recognition and Measurement," the Company classifies all marketable securities and certain long-term investments (see note 15) as available-for-sale. At the reporting date these financial instruments are carried at fair value or amortized cost, with unrealized gains and losses recorded in the item "Financial assets available-for-sale" in other comprehensive income, net of income tax.

Long-term investments and marketable securities are recognized on the settlement date. The Company derecognizes these assets when the contractual right to the cash flows expires or the assets are transferred and the Company retains no contractual rights to receive cash and assumes no obligations to pay cash from the assets.

Impairment losses on marketable securities are recognized in the financial result if the decrease in value is material or permanent in nature at the reporting date.

Investments accounted for at Equity

Associated companies are companies in which ALTANA can exercise significant influence, which is generally the case when it holds from 20 % up to 50 % of the voting power of the investee.

Joint ventures are joint arrangements of which two or more parties have joint control, meaning that decisions about the relevant activities require unanimous consent. No party has directly or indirectly sole control. Investments in joint ventures are measured by applying the equity method of accounting as this is for associated companies.

Investments in associated companies and joint ventures are accounted for by applying the equity method in accordance with IAS 28, "Investments in Associates and Joint Ventures." The respective investment is initially recognized at cost and the carrying amount is increased or decreased to recognize ALTANA's share of changes in the investee's equity after the acquisition. ALTANA's share of profit or loss of the investee is recognized in the Company's income statement while changes in the investee's other comprehensive income are recognized in the Company's other comprehensive income. An impairment test is performed for investments in associated companies and joint ventures if there is an indication of impairment. Goodwill included in such investments is not tested for impairment separately. Instead, the entire carrying amount of the investment is tested for impairment. Therefore, impairment losses recognized are not allocated to goodwill but included in the investment and as a result may be reversed completely in subsequent reporting periods.

Inventories

Inventories are measured at the lower of acquisition or manufacturing costs or net realizable value at the reporting date. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated selling expense. Acquisition and manufacturing costs are determined on the basis of weighted average costs. Manufacturing costs comprise material, payroll and directly attributable overhead costs, including depreciation and amortization.

Trade Accounts Receivable

Trade accounts receivable are initially recognized at their fair values. Subsequently, accounts receivable are measured at amortized cost. The Company estimates an allowance for doubtful accounts for individual trade receivables based on historical collection experience.

Cash and Cash Equivalents

ALTANA considers cash on hand and in banks and highly liquid investments with maturities of three months or less from the date of acquisition as cash and cash equivalents. The components of cash and cash equivalents are consistent with the financial resource fund in the cash flow statement.

Assets Held for Sale

An asset is classified as an asset held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Assets held for sale are measured at the lower of the carrying amount and fair value less costs to sell and are presented in the statement of financial position as current assets. Depreciation and amortization on such assets is ceased. A gain or loss recognized on the sale of the assets is reported in other operating income or other operating expense.

Financial Instruments

In accordance with IAS 39, the Company recognizes all financial assets and liabilities, as well as all derivative financial instruments, as assets or liabilities in the statement of financial position and measures all at fair value apart from some exceptions (e.g., loans and receivables). Derivative financial instruments are initially recognized on their trade date, all other financial instruments on their settlement date. For financial instruments measured at fair value the following rules apply: The fair value of marketable securities corresponds to prices quoted for identical financial assets in active markets (hierarchy level 1). The fair value of derivative financial instruments and debts, allocated to other non-interest bearing non-derivative financial liabilities, is determined by applying valuation techniques for which inputs are based on observable market data (hierarchy level 2) or on unobservable input factors (hierarchy level 3).

Changes in the fair value of derivative financial instruments qualifying for hedge accounting are recognized in profit or loss or in other comprehensive income depending on whether the derivative is designated as a fair value or a cash flow hedge. For derivatives designated as fair value hedges, changes in the fair value of the hedged item and the derivative financial instrument are recognized in profit or loss. For derivative financial instruments designated as a cash flow hedge, changes in the fair value of the effective portion of the hedging instrument are recognized in other comprehensive income until the hedged item is recognized in profit or loss. The ineffective portion of derivative financial instruments designated as cash flow hedges and fair value changes of derivative financial instruments which do not qualify for hedge accounting are recognized in profit or loss immediately. This is also applicable to components excluded from hedging instruments qualifying as cash flow hedges. At the inception of the hedge ALTANA documents the hedging relationship between the hedged item and the hedging instrument. Additionally, at the inception of the hedge and on an ongoing basis, the Company documents its assessment on whether the hedging instrument actually compensates the change in the fair value of the hedged item (assessing hedge effectiveness).

Share-Like Employee Incentive Plans

In line with long-term incentive programs, ALTANA has issued instruments similar to shares to employees and accounts for them in accordance with IFRS 2, "Share-based Payment."

These instruments are therefore measured at fair value at the grant date, taking into account the vesting conditions upon which those instruments were granted. The cost of employee compensation is expensed over the required service period. Until settlement of the instruments in cash, the liability is remeasured at its fair value at each reporting date as well as at the exercise date. Changes in the fair value are recognized in profit or loss.

Employee Benefit Obligations

The accounting for pension liabilities is based on the projected unit credit method in accordance with IAS 19, "Employee Benefits," and the liabilities are measured based on actuarial valuations. Remeasurement gains or losses are fully recognized in other comprehensive income in the period they occur (see Consolidated Statement of Comprehensive Income). The provisions therefore generally equal the fair value of the obligations at the respective reporting dates.

Other Provisions

In accordance with IAS 37, "Provisions, Contingent Liabilities and Contingent Assets," the Company recognizes other provisions when it has a present legal or constructive obligation as a result of a past event, it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The warranty provision is estimated based on the average warranty expenses of the last two to three years, depending on the division they relate to. Based on this experience, the Company calculates a warranty percentage, applies it to net product sales and recognizes the estimated obligation in the warranty provision. The provision is adjusted to reflect changes in estimates. Other provisions include personnel related obligations measured in accordance with IAS 19.

Leases

In accordance with IAS 17, "Leases," lease agreements in which ALTANA, as the lessee, assumes substantially all the risks and rewards are classified as finance leases. All other lease agreements are classified as operating leases and lease payments are expensed as incurred.

Use of Estimates and Assumptions

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the amounts of assets, liabilities and disclosure of contingent assets and liabilities reported at the end of any given period and the amounts of revenues and expenses for that reported period. Actual results may differ from these estimates.

At the reporting date, management mainly made the following key assumptions concerning the future and identified key sources of estimation uncertainty that might pose a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Employee Benefit Obligations: The measurement of the pension plans is based on the projected unit credit method applying current parameters as of the reporting date, including the expected discount rate, the rate of compensation and pension increase, and the return on plan assets as of the reporting date. A significant change in the underlying parameters could have a material impact on the defined benefit obligations (see note 25).

Impairments: Impairment testing for goodwill, other intangible assets and property, plant and equipment is generally based on discounted estimated future cash flows generated from the continuing use and ultimate disposal of the assets. Factors such as lower than anticipated operating income (EBIT) and resulting reduced net cash flows as well as changes in the discount rates used could lead to impairments. For information on the carrying amounts of goodwill, other intangible assets and property, plant and equipment see notes 13 and 14.

3. Business Combinations and Disposals

In accordance with IFRS 3, "Business Combinations," the Company accounts for business combinations by applying the acquisition method as of the date when control over the financial and operating policies is effectively obtained. Any excess of the consideration transferred over the fair value of the net assets acquired is recorded as goodwill, which is allocated to those cash-generating units that are expected to benefit from the business combination. The results of operations of the acquired businesses are included in the Company's consolidated financial statements from the respective dates of acquisition until the dates of sale. Fair value measurement of assets acquired and liabilities assumed in a business combination is performed in the course of the allocation of the consideration transferred by using standard discounted cash flow methods based on input factors of fair value hierarchy level 3.

Acquisitions in 2017

On December 23, 2016, ALTANA signed an agreement with the U.S. Cytec Industries Inc., a subsidiary of the Belgian chemical group Solvay, regarding the acquisition of all shares in the U.S. Cytec Olean Inc., Olean, NY (USA). Closing was effected on June 1, 2017. The acquired company, which will be integrated into the ELANTAS division, develops and manufactures insulating resins used in numerous applications in the electrical industry and as special adhesives. Of the purchase price of €48.3 million an amount of €40.6 million was paid in cash. The remaining amount which is subject to achieving a certain net sales threshold over a five year period since the acquisition, is recognized in debt until it is due for payment (see note 24). The recognized liability is based on the current net sales plan and reflects the expected earn-out payments, which are limited to a maximum amount of USD 22.6 million.

The following table provides an overview of the provisional allocation of the consideration transferred to the assets acquired and liabilities assumed by ALTANA at the acquisition date. The final allocation of the consideration transferred will be performed when all necessary information is available.

in € million	
Goodwill	26.7
Other intangible assets	20.6
Property, plant and equipment	6.8
Inventories	2.5
Other assets	0.1
Deferred tax liabilities	(8.4)
Consideration transferred	**48.3**

Based on the provisional allocation of the consideration transferred goodwill in the amount of €26.7 million was recognized. Since the acquisition the business has contributed €9.0 million to consolidated net sales and €0.6 million to consolidated net income. Had the company been acquired on January 1, 2017, their business would have contributed €16.6 million to consolidated net sales and €1.2 million to consolidated net income.

Additionally, on November 1, 2017, one smaller wire enamel business was acquired in the form of an asset deal by the ELANTAS division from Changzhou Hongbo Paint Co. Ltd., Changzhou (CHN). In 2016, net sales amounted to approximately €16 million. Of the purchase price of €5.8 million an amount of €1.5 million was paid in cash. The remaining purchase price which is subject to the occurrence of non-financial events, is recognized in debt until it is due for payment (see note 24). Goodwill in the amount of €49 thousand was recognized.

On March 1, 2017, ALTANA acquired all shares in the U.S. PolyAd Services LLC, Earth City (USA), the German PolyAd Holdings Germany GmbH, Lampertheim and the PolyAd Services GmbH, Bensheim (in the following altogether PolyAd) through a share deal. The additive solutions business for the global plastic market will be integrated into the BYK division. The purchase price of €99.0 million was paid in cash.

The following table provides an overview of the provisional allocation of the consideration transferred to the assets acquired and liabilities assumed by ALTANA at the acquisition date. The final allocation of the consideration transferred will be performed when all necessary information is available.

in € million	
Goodwill	41.1
Other intangible assets	84.4
Property, plant and equipment	4.2
Inventories	9.5
Trade accounts receivable	8.4
Other assets	0.8
Cash and cash equivalents	0.3
Debt	(31.4)
Provisions	(1.3)
Trade accounts payable	(2.9)
Deferred tax liabilities	(10.7)
Other liabilities	(3.4)
Consideration transferred	**99.0**

Based on the provisional allocation of the consideration transferred goodwill in the amount of €41.1 million was recognized. Of this amount €36.5 million is tax deductible. Since the acquisition the business has contributed €42.8 million to consolidated net sales and €3.0 million to consolidated net income. Had the company been acquired on January 1, 2017, their business would have contributed €51.8 million to consolidated net sales and €3.8 million to consolidated net income.

The expected synergies from the utilization of the worldwide distribution network of ALTANA, new technologies and the utilization of joint research activities mainly contribute to the goodwill resulting from these acquisitions.

Acquisitions in 2016

On July 1, 2016, ALTANA acquired Addcomp Holland B.V., Nijverdal (NLD), and Addcomp North America Inc., Rochester (USA), through share deals. The acquired companies develop and manufacture innovative plastic additives solutions and will be integrated into the BYK Additives & Instruments division. In 2015, net sales of the acquired companies were €15 million. The purchase price of €13.9 million was paid in cash. Goodwill of €2.1 million was recognized.

The expected synergies from the utilization of the worldwide distribution network of ALTANA, new technologies and the utilization of joint research activities mainly contribute to the goodwill resulting from these acquisitions.

Disposals in 2016

In the ACTEGA division the ACTEGA Colorchemie group was sold through a share deal. The sales price of €20.8 million was paid in cash. Assets of €26.3 million and liabilities of €5.6 million were derecognized due to the sale.

4. Net Sales

Net sales are allocated to the divisions of ALTANA as follows:

	2016	**2017**
BYK	909,133	1,030,355
ECKART	361,924	385,286
ELANTAS	452,096	488,732
ACTEGA	352,156	342,583
	2,075,309	**2,246,956**

5. Cost of Sales

Cost of sales includes the following items:

	2016	**2017**
Material expenses	823,241	932,182
Production expenses		
Personnel expenses	202,627	216,503
Depreciation and amortization	81,707	83,837
Energy expenses	35,594	35,348
Maintenance and repair expenses	29,910	33,817
Other	63,914	69,886
	1,236,993	**1,371,573**

6. Selling and Distribution Expenses

Selling and distribution expenses are as follows:

	2016	**2017**
Personnel expenses	103,412	110,173
Shipping, duties, insurance	60,440	65,865
Commissions	22,468	22,574
Depreciation and amortization	23,853	27,103
Other	61,169	62,938
	271,341	**288,653**

Selling and distribution expenses reflect the worldwide activities of the distribution network, with specific emphasis on customer, product, and application consulting by own employees, delegates and agents. Selling and distribution expenses also include expenses for the participation in international trade fairs, the preparation of multilingual product information, customer trainings and sample distributions.

7. Other Operating Income

	2016	**2017**
Reversal of allowance for doubtful accounts	995	622
Gains on disposal of property, plant and equipment	385	381
Government grants	1,143	1,059
Foreign exchange gains / (losses), net	2,094	0
Insurance reimbursements	899	2,972
Other	8,546	18,464
	14,062	**23,498**

In 2017, the item Other includes € 10.8 million income relating to prior periods.

Foreign exchange gains and losses are as follows:

	2016	2017
Foreign exchange gains	9,733	8,236
Foreign exchange (losses)	(7,639)	(15,200)
Net gain / net (loss)	**2,094**	**(6,964)**

8. Other Operating Expenses

	2016	2017
Bad debt expense	1,841	1,022
Losses from disposal of property, plant and equipment	1,203	697
Foreign exchange gains / (losses), net	0	6,964
Exceptional expenses	1,069	1,004
Charitable donations	304	355
Other	2,941	3,317
	7,359	**13,359**

Exceptional expenses relate to the following:

	Notes	2016	2017
Impairment loss on property, plant and equipment	14	0	451
Impairment loss on inventories		0	553
Restructuring expenses		1,069	0
		1,069	**1,004**

Regarding the impairment loss on property plant and equipment see note 14. The ECKART division recognized an impairment loss on inventory as a result of an event of damage.

In 2016, €0.9 million of total restructuring expenses related to the production facility in Hamburg of the ELANTAS division.

9. Financial Income

	2016	2017
Interest income	6,808	5,127
Gains on disposal of marketable securities	0	28
Income from fund-based financial instruments	604	724
Dividends received	278	305
Other financial income	51	908
	7,741	**7,092**

In 2017 and 2016, interest income included interest of €0.7 million and €5.2 million, respectively, associated with tax refunds.

10. Financial Expenses

	2016	2017
Interest expenses	13,459	10,772
Losses on disposal of marketable securities	0	11
Other financial expenses	2,908	4,901
	16,367	**15,684**

In 2017 and 2016, respectively, foreign exchange losses of €4.2 million and €1.2 million are included in other financial expenses.

11. Income Taxes

Income tax expense is as follows:

	2016	2017
Current taxes	96,190	99,320
Deferred taxes	(6,521)	(27,938)
Income taxes	**89,669**	**71,382**

As in 2016, the combined income tax rate, derived from the local subsidiaries, is 29 % and consists of the corporate tax rate of 15 %, the solidarity surcharge on corporate tax of 5.5 % and the trade tax of about 13 %. The trade tax rate is based on the weighted average of the collection rate of all German municipalities in which ALTANA operates business premises.

The following table provides the reconciliation between the expected and the effective income tax rate:

	2016	2017
Income before income taxes (EBT)	**299,760**	**306,026**
Income from at equity accounted investments	(20,307)	(21,301)
Income before income taxes - adjusted (EBT adjusted)	**320,067**	**327,327**
Tax expense applying the expected average income tax rate of 29%	92,819	94,925
Non-deductible expenses	3,125	3,272
Tax rate differential	(3,087)	(22,864)
Tax free income	(2,058)	(1,838)
Tax related to prior years	(4,920)	409
Other	3,790	(2,522)
Income taxes	**89,669**	**71,382**
Effective income tax rate[1]	28.0%	21.8%

[1]Based on the income before income taxes adjusted for the income from at equity accounted investments.

In 2017, the tax rate differential includes the effects of the U.S. tax reform.

In 2017 and 2016, the effective income tax rate based on income before income taxes was 23.3% and 29.9%, respectively.

Deferred tax assets and liabilities related to the following items in the statement of financial position:

	Dec. 31, 2016		Dec. 31, 2017	
	Assets	Liabilities and provisions	Assets	Liabilities and provisions
Intangible assets	3,052	(95,277)	2,774	(87,671)
Property, plant and equipment	4,980	(51,706)	5,071	(40,068)
Long-term investments	495	(2,765)	212	(2,235)
Inventories	18,168	(175)	14,644	(225)
Receivables and other assets	634	(2,638)	8,061	(6,969)
Marketable securities	0	(40)	0	(38)
Employee benefit obligations	45,892	(981)	43,185	(961)
Other provisions	8,547	(1,384)	5,365	(1,451)
Liabilities	4,729	(36)	2,778	(371)
Tax loss carry-forwards	3,304	0	2,888	0
Allowance for deferred tax assets	(4,107)	0	(3,527)	11
Outside bases differences	0	(5,451)	0	(7,080)
Netting	(63,593)	63,593	(62,806)	62,806
Deferred taxes, net	**22,101**	**(96,860)**	**18,645**	**(84,252)**

The periods in which the tax loss carry-forwards may be used are as follows:

	2016	2017
Tax loss carry-forwards	**39,270**	**37,579**
unlimited	18,770	20,326
will expire through 2022 (prior year: 2021)	13,784	16,386
will expire after 2022 (prior year: 2021)	6,716	867

Deferred tax assets on tax loss carry-forwards of €28.9 million and €29.4 million were not recognized as of December 31, 2017 and 2016, respectively, since the future utilization against taxable income is not probable. Tax loss carry-forwards for which no deferred tax assets were recognized amounting to €12.4 million have unlimited carry-forward periods, €15.6 million will expire through 2022, and €0.9 million will expire after 2022.

As of December 31, 2017 and 2016, deferred tax liabilities in the amount of €31.7 million and €33.1 million, respectively, representing the temporary differences between the undistributed earnings of certain investments in subsidiaries and its tax bases, were not recorded, as the timing of their reversal can be controlled and is not probable in the foreseeable future.

12. Other Information on the Income Statement

Personnel Expenses

Personnel expenses consist of the following items:

	2016	2017
Wages and salaries	365,391	386,274
Social security contributions	66,877	70,484
Expenses for pensions and other post-retirement benefits	20,695	21,933
	452,963	**478,691**

Personnel expenses include expenses for employee incentive plans (see note 23). In 2017 and 2016, €5.0 million and €5.9 million, respectively, relate to the compensation plan for key members of the management, "ALTANA Equity Performance (AEP)," and €2.5 million and €2.1 million, respectively, to the compensation plan for employees, "ALTANA Profit Participation." In 2016, restructuring expenses (see note 8) include severance compensation of €0.9 million.

Personnel expenses were incurred for the following average number of employees:

	2016	2017
Number of employees by division		
BYK	2,011	2,160
ECKART	1,764	1,723
ELANTAS	970	1,028
ACTEGA	1,138	1,091
Holding	106	113
	5,989	**6,115**

Amortization, Depreciation and Impairment Loss

Amortization, depreciation and impairment charges for intangible assets and property, plant and equipment are as follows:

	2016	2017
Amortization of intangible assets	46,351	52,837
Depreciation of property, plant and equipment	77,976	80,800
Impairment loss on property, plant and equipment	0	451
	124,327	**134,088**

For information on the impairment loss recognized on property, plant and equipment see note 14.

13. Intangible Assets

	Patents, licenses and similar rights	Goodwill	Software and others	Total
Cost				
Balance at Jan. 1, 2016	688,967	608,469	100,878	1,398,314
Additions	4,052	0	11,623	15,675
Disposals	(1,526)	0	(920)	(2,446)
Transfers	(346)	0	167	(179)
Translation adjustments	5,668	16,119	695	22,482
Change in reporting entities	(11,387)	(522)	(102)	(12,011)
Balance at Dec. 31, 2016	**685,428**	**624,066**	**112,341**	**1,421,835**
Additions	81,630	0	9,932	91,562
Disposals	0	0	(5,554)	(5,554)
Transfers	0	0	266	266
Translation adjustments	(43,584)	(59,649)	(2,274)	(105,507)
Change in reporting entities	110,486	67,879	206	178,571
Balance at Dec. 31, 2017	**833,960**	**632,296**	**114,917**	**1,581,173**
Accumulated amortization				
Balance at Jan. 1, 2016	337,189	51,017	75,561	463,767
Additions	34,382	0	11,969	46,351
Disposals	(1,526)	0	(728)	(2,254)
Impairment	0	0	0	0
Transfers	(346)	0	0	(346)
Translation adjustments	4,225	575	373	5,173
Change in reporting entities	(13,564)	0	(85)	(13,649)
Balance at Dec. 31, 2016	**360,360**	**51,592**	**87,090**	**499,042**
Additions	43,195	0	9,642	52,837
Disposals	0	0	(5,535)	(5,535)
Impairment	0	0	0	0
Transfers	0	0	(114)	(114)
Translation adjustments	(18,399)	(2,251)	(1,350)	(22,000)
Change in reporting entities	0	0	0	0
Balance at Dec. 31, 2017	**385,156**	**49,341**	**89,733**	**524,230**
Carrying amount				
Dec. 31, 2016	325,068	572,474	25,251	922,793
Dec. 31, 2017	**448,804**	**582,955**	**25,184**	**1,056,943**

In 2017, the ACTEGA division acquired from the Israeli Landa Labs (Landa Labs), Rehovot (ISR), the Nano-metallography-technology used for the application of metallic effects on different substrates for €80.0 million, of which €0.6 million relate to property, plant and equipment. Simultaneously a milestone payment depending on achieving a certain sales threshold and an earn-out-payment due at the latest in 2025 were agreed. At the date of payment this will result in additional acquisition cost which will be capitalized. The earn-out-payment is determined as a multiple of gross profit. Furthermore, a technology portfolio was acquired for €1.3 million from the U.S. NuLabel Technologies Inc., East Providence (USA). Of this amount €0.1 million relate to property, plant and equipment. Simultaneously an earn-out-payment was agreed based on achieved net sales and gross profit thresholds. At the date of payment (at the latest in 2025) this will result in additional acquisition cost which will be capitalized. REACH expenses amounting to € 2.1 million, which are mainly attributable to the BYK division were recognized in patents, licenses and similar rights.

The change in reporting entities relates to the acquisition of PolyAd in the BYK division (€ 125.5 million) and to the acquisitions of Cytec Olean (€ 47.3 million) and of Changzhou Hongbo (€ 5.8 million) in the ELANTAS division (see note 3).

In 2016, additions to patents, licenses and similar rights of € 2.4 million related to payments for non-competition rights in China in the ELANTAS division and additions of € 1.5 million related to REACH expenses mainly in the BYK division. Additions of € 5.7 million related to SAP projects, carried out in the BYK division, the ECKART division, and the ACTEGA division. Additions of € 3.5 million related to software licenses acquired by the ALTANA Holding. Of the total change in reporting entities, an amount of € 7.4 million related to the acquisition of Addcomp in the BYK division; an amount of € 5.8 million related to the sale of the ACTEGA Colorchemie group in the ACTEGA division (see note 3).

The following table presents expected amortization expense related to patents, licenses and similar rights as well as software for each of the following periods. The actual amortization expense may differ from the expected amortization expense:

2018	50,866
2019	47,413
2020	45,549
2021	45,828
2022	43,232
Thereafter	211,651

As of December 31, 2017 and 2016, patents, licenses and similar rights include brand names with indefinite useful lives of € 24.4 million and € 19.4 million, respectively. The increase results from the acquisitions in the amount of € 3.1 million in the ELANTAS division and in the amount of € 1.9 million in the BYK division.

The following table presents the carrying amount of goodwill by cash-generating unit:

	Dec. 31, 2016	**Dec. 31, 2017**
BYK	337,045	336,784
ECKART	85,488	80,511
ELANTAS	78,385	99,733
ACTEGA	71,556	65,927
	572,474	**582,955**

Impairment Test for Goodwill

The Company performed impairment tests on goodwill. Impairment tests are performed at least once a year in the fourth quarter based on long-term planning. The recently performed tests were based on the financial budgets for the years 2018 to 2022. These budgets were based on historical experience and represent management's best estimates about future developments. The weighted average growth rates used in the budgets were derived from corresponding industry forecasts. In order to perform impairment tests, the Company estimated cash flow projections beyond the budgets by extrapolating the projections using a steady growth rate for subsequent years. The Company then calculated the fair value less costs to sell for each cash-generating unit by applying the discounted cash flow method based on input factors of fair value hierarchy level 3. The following parameters were applied: discount rate after income taxes of 7.5 %; growth rates: BYK 2.0 %; ECKART, ELANTAS and ACTEGA 1.5 %. The fair value calculated was then compared to the carrying amount of the cash-generating unit.

The impairment tests were performed based on fair values less costs to sell. Furthermore, to support the results of these impairment tests, the Company calculated the value in use for each cash-generating unit.

In 2017, no impairment loss on goodwill was recognized. Sensitivity analyses indicated that even a reasonably likely change in the significant underlying parameters would not result in an impairment loss in any division.

In the period since the performance of the impairment test until December 31, 2017, no impairment indicators were identified.

Impairment Test for Intangible Assets other than Goodwill

In 2017 and 2016, no impairment losses on intangible assets with an indefinite useful life were recognized.

14. Property, Plant and Equipment

	Land, leasehold and buildings	Plant and machinery	Equipment	Advances / construction in progress	Total
Cost					
Balance at Jan. 1, 2016	560,885	687,359	206,712	35,822	1,490,778
Additions	24,350	24,775	14,432	42,838	106,396
Disposals	(2,027)	(4,907)	(5,111)	(3)	(12,049)
Transfers	5,631	18,979	2,154	(26,585)	179
Translation adjustments	2,238	3,315	1,427	(18)	6,962
Change in reporting entities	(3,835)	(761)	(1,847)	(120)	(6,563)
Balance at Dec. 31, 2016	**587,242**	**728,760**	**217,767**	**51,934**	**1,585,703**
Additions	9,623	15,684	15,560	55,535	96,402
Disposals	(521)	(6,336)	(9,025)	(499)	(16,381)
Transfers	5,635	13,595	9,260	(28,756)	(266)
Translation adjustments	(17,723)	(28,851)	(6,796)	(2,236)	(55,606)
Change in reporting entities	2,663	7,854	339	166	11,022
Balance at Dec. 31, 2017	**586,919**	**730,706**	**227,105**	**76,144**	**1,620,874**
Accumulated depreciation					
Balance at Jan. 1, 2016	206,050	396,960	135,859	563	739,432
Additions	18,827	45,142	14,007	0	77,976
Disposals	(1,041)	(3,900)	(4,608)	0	(9,549)
Impairment	0	0	0	0	0
Transfers	364	64	115	(197)	346
Translation adjustments	672	2,236	733	(21)	3,620
Change in reporting entities	(2,532)	(3,200)	(1,458)	0	(7,190)
Balance at Dec. 31, 2016	**222,340**	**437,302**	**144,648**	**345**	**804,635**
Additions	19,631	45,050	16,119	0	80,800
Disposals	(230)	(5,944)	(8,826)	0	(15,000)
Impairment	449	0	2	0	451
Transfers	3,377	(3,466)	203	0	114
Translation adjustments	(5,438)	(15,420)	(3,651)	(22)	(24,531)
Change in reporting entities	0	0	0	0	0
Balance at Dec. 31, 2017	**240,129**	**457,522**	**148,495**	**323**	**846,469**
Carrying amount					
Dec. 31, 2016	364,902	291,458	73,119	51,589	781,068
Dec. 31, 2017	**346,790**	**273,184**	**78,610**	**75,821**	**774,405**

In 2017, additions of €34.2 million relate to European facilities and €14.5 million to U.S. facilities, both in the BYK division. An additional €4.5 million were invested into the Shanghai facility. Additions of €11.1 million in the ECKART division relate to its European facilities and additions of €3.7 million relate to several U.S. facilities. For the expansion of its production and laboratory capacities, the ELANTAS division invested €6.8 million in Germany and Italy and €2.1 million in India. To expand its research capacities the ACTEGA division invested €9.6 million in the German locations and €2.8 million in its U.S. locations.

In connection with investments ALTANA recognized directly attributable borrowing costs of €0.4 million. The calculation was based on an interest rate of 2.2%.

Of the change in reporting entities an amount of €4.2 million relates to the acquisition of PolyAd in the BYK division and an amount of €6.8 million relates to the acquisition of Cytec Olean in the ELANTAS division (see note 3).

In 2016, additions of €27.1 million in the BYK division related to its European facilities and additions of €10.2 million related to its U.S. facilities. For the expansion of its Chinese activities a piece of land was acquired at the Shanghai location for €7.2 million. Additions of €11.1 million in the ECKART division related to its European facilities and of €3.4 million to its U.S. facilities. For the expansion of its production and laboratory capacities, the ELANTAS division invested €8.1 million in Germany and Italy and €15.5 million in its Chinese location in Tongling. To expand its research capacities the ACTEGA division invested €4.5 million in a new laboratory building in Grevenbroich, for which directly attributable borrowing costs of €0.1 million were recognized. The calculation was based on an interest rate of 2.3%. Additionally, €6.2 million were invested in other European facilities.

Of the total change in reporting entities an amount of €7.2 million related to the acquisition of Addcomp in the BYK division and of €6.6 million to the sale of the ACTEGA Colorchemie group in die ACTEGA division (see note 3).

In both years reported, land and buildings with a book value of €0.4 related to investment property. In 2017 and 2016, respectively, the fair value of these investments amounted to €2.3 million and €2.4 million. The fair value is measured using the discounted cash flow method or external expert appraisals, by applying input factors for comparable assets not traded on active markets (fair value hierarchy level 2). No contractual obligations or disposal restrictions exist for land and buildings held as investment property.

The Company did not receive any significant taxable or non-taxable government grants in 2017 and 2016.

In 2017, the ECKART division recognized an impairment loss for an administration building in one European location due to a planned construction of a new building and for a damaged warehouse located in the U.S. In 2016, no impairment loss was recognized.

In the years reported, no land or other assets served as security for debts to banks.

15. Long-term Investments

	Other investments	Other long-term financial assets	Total
Cost			
Balance at Jan. 1, 2016	5,483	574	6,057
Additions	4,434	78	4,512
Disposals	0	(82)	(82)
Translation adjustments	72	3	75
Change in reporting entities	0	(137)	(137)
Balance at Dec. 31, 2016	**9,989**	**436**	**10,425**
Additions	0	54,008	54,008
Disposals	0	(141)	(141)
Translation adjustments	(276)	(5)	(281)
Change in reporting entities	0	(26)	(26)
Balance at Dec. 31, 2017	**9,713**	**54,272**	**63,985**
Accumulated impairment			
Balance at Jan. 1, 2016	834	0	834
Impairment	0	0	0
Disposals	0	0	0
Translation adjustments	27	0	27
Change in reporting entities	0	0	0
Balance at Dec. 31, 2016	**861**	**0**	**861**
Impairment	0	0	0
Disposals	0	0	0
Translation adjustments	(103)	0	(103)
Change in reporting entities	0	0	0
Balance at Dec. 31, 2017	**758**	**0**	**758**
Carrying amount			
Dec. 31, 2016	9,128	436	9,564
Dec. 31, 2017	**8,955**	**54,272**	**63,227**

In 2017, ALTANA granted a long-term loan of €70.0 million to Israeli Landa Labs. As of December 31, 2017 an amount of €54.0 million was drawn. The loan is fully secured by shares in Landa and Landa Labs.

In the years reported, no impairment losses were recognized.

As of December 31, 2017 and 2016, respectively, an amount of €0.1 million and €0.2 million of other long-term financial assets related to employee loans bearing a weighted average interest rate of 4.3 % and 4.4 %.

16. Investments in at Equity Accounted Companies

	Investments in at equity accounted companies
Balance at Jan. 1, 2016	90,416
Additions	13,841
Result from at equity accounted companies	(20,306)
Dividends	(674)
Translation adjustments	111
Balance at Dec. 31, 2016	**83,388**
Additions	30,446
Result from at equity accounted companies	(21,301)
Dividends	(756)
Translation adjustments	4,928
Balance at Dec. 31, 2017	**96,705**

Investments in associated companies are accounted for by applying the equity method.

Upon initial recognition in 2005, ALTANA's share in the net assets relating to its 39% investment in Aldoro amounted to €2.8 million, which resulted in the recognition of goodwill of €4.4 million. In Brazil Aldoro produces metallic effect pigments and distributes them worldwide. The main emphasis of the business lies in the South American region.

At the time of acquisition of ALTANA's 33 % investment in Landa its share in the net assets amounted to €28.9 million. An amount of €80.5 million was allocated to development cost and no goodwill was identified. In 2017 and 2016, ALTANA participated in the capital increases of Landa in an amount of €40.7 million. Landa develops printing presses and consumables for the new nanography technology for water based digital printing. With the delivery of the first beta machines the launch was further advanced.

Investments in joint ventures are measured by applying the equity method of accounting.

On August 24, 2017, ALTANA acquired a 44% interest in dp polar. At the acquisition date, its share of equity amounted to €1.5 million. An amount of €2.0 million was allocated to development cost and no goodwill was recognized.

The following financial information relates to all associated companies and represents 100 % and not the respective proportionate share in the companies:

	Dec. 31, 2016	**Dec. 31, 2017**
Financial statement		
Non-current assets	39,684	41,994
Current assets	19,117	27,766
Total assets	**58,801**	**69,760**
Non-current liabilities	52	10,262
Current liabilities	25,679	17,328
Total liabilities and provisions	**25,731**	**27,590**
Net assets	**33,070**	**42,170**
Income statement		
Net sales	13,541	14,551
Net income (EAT)	(61,317)	(63,841)
Other comprehensive income	-	-
Comprehensive income	(61,317)	(63,841)

The following table reconciles the carrying amount of the investments in associated companies to ALTANA’s share in the net assets:

	Dec. 31, 2016	**Dec. 31, 2017**
Net assets (100%)	**33,070**	**42,170**
The Company's share in net assets	11,779	14,717
Remaining adjustment from allocation of consideration transferred	77,387	76,925
Other	(5,778)	1,563
Carrying amount	**83,388**	**93,205**

17. Inventories

	Dec. 31, 2016	Dec. 31, 2017
Raw materials and supplies	102,317	115,686
Work in progress	26,599	30,483
Finished products and goods	165,243	183,359
Prepayments	413	642
	294,572	**330,170**

In 2017 and 2016, inventories are stated net of write-downs of €21.4 million and €27.0 million, respectively.

18. Trade Accounts Receivable

	Dec. 31, 2016	Dec. 31, 2017
Trade accounts receivable	352,054	376,104
thereof long-term	200	0
Allowance for doubtful accounts	(4,452)	(4,193)
	347,602	**371,911**

Additions to the allowances for doubtful accounts are recorded in other operating expenses. The following table presents the roll-forward of the allowance for doubtful accounts:

	2016	2017
Allowance at the beginning of the year	5,239	4,452
Translation adjustments	138	(190)
Additions	1,841	1,022
Reversal	(995)	(622)
Utilization	(1,319)	(469)
Change in reporting entities	(452)	0
Total allowance	**4,452**	**4,193**

The exposure to credit risk as of December 31, 2017 and 2016 was as follows:

Trade accounts receivable (including long-term portion)	Carrying amount	Of which neither impaired nor past due at the reporting date	Of which not impaired at the reporting date and past due in the following periods				Impairment (net)
			up to 30 days	between 31 and 60 days	between 61 and 90 days	more than 90 days	
Dec. 31, 2016	347,602	312,260	24,854	5,294	1,523	3,236	435
Dec. 31, 2017	**371,911**	**327,041**	**30,062**	**8,539**	**2,674**	**3,072**	**523**

As of December 31, 2017 and 2016, respectively, there was no indication that trade accounts receivable which were neither written-down nor past due could not be collected.

19. Marketable Securities

In accordance with IAS 39, available-for-sale marketable securities are measured at their fair value. If a fair value cannot be determined, marketable securities are measured at cost. Amortized cost, fair value and unrealized holding gains and losses per category of the marketable securities, which are recorded in shareholders' equity, net of income tax, were as follows:

	Amortized cost	Fair value	Unrealized gains	Unrealized losses
Dec. 31, 2016				
Money market funds	15,279	15,382	117	14
Share and equity funds	605	605	0	0
	15,884	**15,987**	**117**	**14**

	Amortized cost	Fair value	Unrealized gains	Unrealized losses
Dec. 31, 2017				
Money market funds	18,000	18,104	110	6
Share and equity funds	626	626	0	0
	18,626	**18,730**	**110**	**6**

20. Short-term Financial Assets

Due to the interest rate development, ALTANA invested in cash equivalents with a remaining maturity of more than three months but less than one year for the first time in 2016. As of December 31, 2017 and 2016, €2.1 million and €92.9 million, respectively, were invested.

21. Other Assets

	Dec. 31, 2016		**Dec. 31, 2017**	
	Other non-current assets	Other current assets	Other non-current assets	Other current assets
Balances due from employees	33	329	32	457
Cash surrender value of life insurance	1,978	0	1,978	0
Balances due from fiscal authorities	744	16,602	327	24,021
Prepayments	3	2,122	3	3,810
Receivables from related parties	0	7	0	7
Prepaid expenses	680	5,523	667	5,019
Derivative financial instruments	531	2,330	858	19,215
Notes receivable	0	50,257	0	56,833
Other	8,149	6,375	7,614	8,751
	12,118	**83,546**	**11,479**	**118,113**

22. Shareholders' Equity

Issued Share Capital

The share capital was €136,097,896, represented by 136,097,896 no-par value shares representing €1 per share. The share capital is fully paid in.

Additional Paid-in Capital

The additional paid-in capital contains excess amounts over the calculated value resulting from the issuance of shares of ALTANA AG and from equity-settled share-based payment transactions of previous years. Cash-inflows from the sale of shares to non-controlling interests are also included.

Accumulated Other Comprehensive Income

In accordance with IAS 39, accumulated unrealized gains and losses resulting from changes in fair values of available-for-sale financial instruments net of income taxes are recorded in the item "Financial assets available-for-sale" unless an impairment loss is recognized.

Changes in the fair value of derivative financial instruments qualifying as cash flow hedges are recognized, net of income taxes, in the item "Derivative financial instruments" if all hedge accounting criteria under IAS 39 are met.

Notes on Other Comprehensive Income

The following table shows the income and expenses recognized in other comprehensive income and the income tax effects thereon:

	2016			2017		
	Before income taxes	Income taxes	Net of income taxes	Before income taxes	Income taxes	Net of income taxes
Remeasurement of the net defined employee benefit obligation	(30,369)	8,850	(21,519)	11,237	(4,449)	6,788
Items that will not be reclassified subsequently to profit or loss	**(30,369)**	**8,850**	**(21,519)**	**11,237**	**(4,449)**	**6,788**
Translation adjustments (including non-controlling interests)	16,448	120	16,568	(113,190)	(673)	(113,863)
Gains and losses from financial assets available-for-sale	0	0	0	(17)	7	(10)
Gains and losses from derivative financial instruments	4,865	(1,460)	3,405	61	(18)	43
Change in fair value of financial assets available-for-sale	88	(33)	55	24	(7)	17
Change in fair value of derivative financial instruments	(2,740)	822	(1,918)	6,460	(1,938)	4,522
Items that may be reclassified subsequently to profit or loss	**18,661**	**(551)**	**18,110**	**(106,662)**	**(2,629)**	**(109,291)**
Other comprehensive income	**(11,708)**	**8,299**	**(3,409)**	**(95,425)**	**(7,078)**	**(102,503)**

Additional Disclosures on Capital Management

The capital management of ALTANA comprises the management of cash and cash equivalents, long-term investments, short-term financial assets and marketable securities, shareholders' equity and debt. The main objective is to ensure the availability of financial funds within the Group. The majority of ALTANA's operations are financed by the Company's operating cash flows. Excess funds required are financed by borrowings. In 2017, ALTANA's shareholders' equity increased by €132.0 million to €2,214.2 million. The debt to asset ratio was at 30%. Long-term and short-term debt represented 16% and 14% of total liabilities and equity.

Of the promissory note loans issued in prior periods totaling €350 million, €32 million were further repaid in 2017 resulting in a balance of €192 million. The loans have a minimum term until 2018. In addition, a syndicated credit line of €250 million with a minimum term until 2022 is available to ALTANA.

The Company aims for a balance between equity and liabilities, which allows for further growth either through operational growth or acquisitions. Currently, the Company is not externally rated by a rating agency. The existing and the aspired financing structure – including bolt-on acquisitions – should be adequate for the requirements of an investment grade rating.

Foreign exchange restrictions exist for subsidiaries located in Brazil, India and China.

Non-Controlling Interests

The following table provides financial information for the subsidiary Beck India. The amounts reported refer to 100 % and not to the share of 75 % held by ALTANA:

	Dec. 31, 2016	Dec. 31, 2017
Assets	47,565	51,424
Non-current assets	12,744	13,729
Current assets	34,821	37,695
Liabilities	11,544	11,163
Non-current liabilities	2,948	3,032
Current liabilities	8,595	8,130
Net sales	48,994	51,766
Net income (EAT)	7,201	7,317

In each of the years reported, net income of €1.8 million related to non-controlling interests and dividends of €0.1 million were distributed to them. On December 31, 2017 and 2016, non-controlling interests held 25 % of the shares.

23. Employee Incentive Plans

ALTANA Equity Performance (AEP)

Since 2010, ALTANA has offered a long-term incentive plan for key members of the management every year. Each of these programs begins on January 1 and has a term of four years. The incentive plans provide for the issuance of so-called ALTANA Equity Performance Awards (AEP rights). ALTANA AG issues these debt instruments; their value develops similar to the virtual value of ALTANA's shareholders' equity. At the beginning of each incentive plan, a preliminary number of AEP rights, so-called AEP Awards, is granted to the key management members. The number of AEP Awards finally granted at the end of the plan depends on the development of the target value of the AEP rights up to the end of the plan's term. The maximum number is limited to 150 % of preliminarily granted AEP Awards. The awards will be settled at the determined value at the end of the particular plan's term. Payment is limited to a maximum of 250 % of the value of the preliminary awards granted. The precondition for participating in the incentive plans is a personal investment in AEP rights, which is determined based on the key management category to which the beneficiary belongs. The participant must hold the personal investments for the entire duration of the plan. These AEP rights are subject to the same performance as the AEP Awards, however their increase in value is limited to a maximum of 20% per year.

On December 31, 2016, at the end of the term of the AEP Tranche 2013, 14,859 AEP Awards were finally allocated which resulted in payments of €5.4 million to beneficiaries in 2017.

The following table provides the main parameters of the incentive plan:

	Initial fair value in € per award	Awards granted	End of term
Tranche AEP 2014	200.21	12,381	31.12.2017
Tranche AEP 2015	309.04	8,944	31.12.2018
Tranche AEP 2016	255.17	11,690	31.12.2019
Tranche AEP 2017	366.03	8,766	31.12.2020

Total expenses recognized for all plans amounted to € 5.0 million and € 5.9 million in 2017 and 2016, respectively. Provisions amounted to € 9.5 million and € 10.9 million, as of December 31, 2017 and 2016, respectively. Total personal investment, which is reported in other liabilities, was measured at € 5.9 million and € 5.2 million as of December 31, 2017 and 2016 (see note 27).

ALTANA Profit Participation (APP)
At the end of 2010 ALTANA initiated an incentive plan for employees not eligible for the AEP plan. This incentive plan allows for annual purchases of ALTANA Profit Participation Rights (APPR).

The APPRs are debt instruments issued by ALTANA AG with a minimum term of four years. A basic interest rate of 3 % per year of the debt instrument is granted as well as an additional bonus interest rate if applicable. This bonus interest represents 150 % of the relative ALTANA Value Added. The latter corresponds to the excess return on capital employed (ROCE) generated by ALTANA in the respective financial year over the average cost of capital. Additionally, subscribers of APPRs were granted a one-time earnings-related country-specific payment.

As of December 31, 2017 and 2016, € 26.8 million and € 22.2 million, respectively, were recognized in other liabilities for the APPRs issued in 2017 and previous years. In 2017 and 2016, the one-time payment and the interest incurred resulted in an expense of € 2.5 million and € 2.1 million, respectively, which was recognized in personnel expenses.

24. Debt

	Dec. 31, 2016		**Dec. 31, 2017**	
	Non-current debt	Current debt	Non-current debt	Current debt
Borrowings from banks	354	3,956	152	218
Promissory note loans (German Schuldscheine)	192,000	32,000	128,000	64,000
Lease obligations	411	180	229	204
Other	0	0	6,592	4,847
	192,765	**36,136**	**134,973**	**69,269**

For general corporate financing purposes ALTANA uses different financing instruments. Currently, ALTANA has outstanding promissory notes (German Schuldscheine) for a total of € 192 million; a syndicated credit line of € 250 million was issued by seven banks. As of December 31, 2017, the Company has not drawn on that credit line. Furthermore, as of December 31, 2017, largely unused lines of credit in the amount of € 7.3 million were available to ALTANA. The terms and conditions are based on market conditions and no collateral is provided.

As of December 31, 2017 and 2016, bank borrowings included € 0.2 million and € 3.3 million, respectively, denominated in foreign currencies. Of these borrowings, amounts of € 0.2 million and € 3.2 million were denominated in USD.

The item Other includes the earn-out liability from the acquisition of Cytec Olean and the unpaid purchase price of the acquisition of Changzhou Hongbo Paint (see Note 3).

The following table provides information about the change in financial liabilities considering cash and non-cash effects.

	Non-current debt	Current debt
Balance at Dec. 31, 2016	192,765	36,136
Changes in financial liabilities affecting cash flow	(1,892)	(65,422)
Acquisitions	6,997	36,414
Non-cash changes		
Translation adjustments	1,103	(1,858)
Changes in maturity	(64,000)	64,000
Balance at Dec. 31, 2017	**134,973**	**69,269**

As of December 31, 2017 and 2016, the aggregate amounts of indebtedness maturing during the next five years and thereafter were as follows:

	Dec. 31, 2016	**Dec. 31, 2017**
Due in 2018 (prior year: 2017)	35,956	69,065
Due in 2019 (prior year: 2018)	64,202	82,327
Due in 2020 (prior year: 2019)	80,030	49,462
Due in 2021 (prior year: 2020)	48,030	1,462
Due in 2022 (prior year: 2021)	30	1,462
Due thereafter	62	31
Total	**228,310**	**203,809**
Lease obligation (see note 29)	**591**	**433**
Total debt	**228,901**	**204,242**

25. Employee Benefit Obligations

Defined Benefit Plans

The defined benefit obligation comprises unfunded and funded plans. Of these plans approximately 94% relate to obligations in Germany, the Netherlands, and the U.S. as follows:

	Dec. 31, 2016	**Dec. 31, 2017**
Germany	273,987	279,109
The Netherlands	27,930	28,190
U.S.	19,620	17,996
Other	20,312	19,941
Defined benefit obligation	**341,849**	**345,236**

Domestic plans: Certain executives located in Germany are entitled to post-employment benefits ("Ruhegeldendbetrag"). The benefit is agreed individually and is paid out as a life-time pension upon reaching the age of 65, upon early retirement in accordance with statutory retirement provisions or in case of disability. The plan also covers surviving dependants' pension. All other German employees with an employment start date before January 1, 2010, participate in a post-employment benefit plan which also covers old age, disability and surviving dependants' pensions. The plan is basically based on a benchmark model considering length of service and salary with life-time pension payments beginning at the age of 65. Benefits granted from January 1, 1999 include a fixed annual increase of 1 % of the benefit; plans before that date grant compensation for inflation in accordance with section 16 of the German Company Pension Laws (BetrAVG). For ALTANA, the risk is mainly represented by the development of life expectancy and inflation since the obligations resulting from these plans represent life-time pension payments.

All employees with an employment start date after December 31, 2009 are in a plan which is based on a capital commitment (ALTANA Vorsorgekapital / AVK). ALTANA pays the employer's contributions into external investment funds until the benefits are paid out. ALTANA also offers an employee-funded plan that grants the employees the right to have part of their earnings paid into a company pension scheme (AltersvorsorgeAktiv mit ALTANA / AAA) which are increased by employer's contributions, as necessary. For this plan, too, the contributions are invested in external investment funds until pay-out (cf. AVK). The two post-employment benefit plans at ALTANA, AVK and AAA basically have the same features. ALTANA offers two models: a fixed income based model, where the Company guarantees a minimum interest yield on the contributions paid-in, corresponding to the interest rate of life insurance contracts of 1.25 % as of the reporting date, and an equity-based model, where ALTANA guarantees the payment contributions made, but without any additional interest guarantee. Obligations under the AVK and AAA plans are linked to the development of the fund assets, which results in a reduction of the overall business risk exposure. The remaining risk ALTANA is exposed to, is represented by the risk that the performance of the funds does not cover the guaranteed minimum interest yield or the capital commitment.

Foreign plans: In the Netherlands, two plans are offered. The amount of the benefits under these plans depends on the years of service and the salaries received during those years of service. Upon retirement, guaranteed pension payments are granted. Additionally, the plans also cover benefits in case of death or invalidity. The employer pays premiums to an insurance company to finance these plans. Pension increases to be made are covered, on the one hand by surpluses of the insurer and, on the other hand, by further employer contributions, insofar ALTANA bears the risk of additional funding obligations.

In the U.S., ALTANA basically offers two employee benefit plans which are financed by funds and one additional defined benefit plan for executive employees, which is unfunded. These plans provide for pension payments upon retirement. New employees cannot participate in these plans. Only one of the funded plans provides for additional benefits in future years of service. The two funded defined benefit plans are managed by trustees. These plans are subject to minimum funding requirements. The risks related to these plans are represented by the change in actuarial assumptions and life expectancy. For example, a lower interest rate will result in higher pension obligations due to lower discounting, which in turn could result in higher fund provisioning. For the two funded plans, shares account for a relatively large portion of plan assets, in which case a higher return may be expected in the long-term, but which also bears a volatility risk. If the interest yield is lower than planned, fund financing will decrease and higher contributions might be required.

The development of post-employment benefit obligations, similar obligations and pension liabilities are as follows:

			Dec. 31, 2016			**Dec. 31, 2017**
	Domestic	Foreign	Total	Domestic	Foreign	Total
Defined benefit obligation - funded	61,364	63,637	125,001	71,573	62,153	133,726
Fair value of plan assets	61,346	50,751	112,097	71,564	49,667	121,231
Funded status	**18**	**12,886**	**12,904**	**9**	**12,486**	**12,495**
Defined benefit obligation - unfunded	212,624	4,224	216,848	207,537	3,973	211,510
Net defined benefit obligation	**212,642**	**17,110**	**229,752**	**207,546**	**16,459**	**224,005**
Provision for other post-retirement benefits	**0**	**178**	**178**	**0**	**225**	**225**
Reported amount	**212,642**	**17,288**	**229,930**	**207,546**	**16,684**	**224,230**

	Present value of the defined benefit obligation	Fair value of plan assets	Total
Balance at Jan. 1, 2016	**285,272**	**(91,676)**	**193,596**
Service cost			
Current service cost	11,293	-	11,293
Past service cost	1,125	-	1,125
Interest expense / (income)	7,711	(2,700)	5,011
Administration cost	-	132	132
	20,129	**(2,568)**	**17,561**
Remeasurement			
Return on plan assets excluding amounts included in interest income	-	(3,072)	(3,072)
Gains / (losses) from changes in demographic assumptions	(379)	-	(379)
Gains / (losses) from changes in financial assumptions	40,350	-	40,350
Experience-based adjustments	213	-	213
	40,184	**(3,072)**	**37,112**
Translation adjustment	961	(729)	232
Contributions:			
Employer	-	(14,017)	(14,017)
Beneficiaries of the plan	3,161	(3,161)	0
Pension payments	(9,816)	5,446	(4,370)
Change in reporting entities	1,958	(2,320)	(362)
Balance at Dec. 31, 2016	**341,849**	**(112,097)**	**229,752**
Service cost			
Current service cost	13,390	-	13,390
Past service cost	121	-	121
Interest expense / (income)	6,781	(2,397)	4,384
Administration cost	-	252	252
	20,292	**(2,145)**	**18,147**
Remeasurement			
Return on plan assets excluding amounts included in interest income	-	(2,215)	(2,215)
Gains / (losses) from changes in demographic assumptions	504	-	504
Gains / (losses) from changes in financial assumptions	(8,076)	-	(8,076)
Experience-based adjustments	(1,520)	-	(1,520)
	(9,092)	**(2,215)**	**(11,307)**
Translation adjustment	(3,629)	2,725	(904)
Contributions:			
Employer	-	(7,192)	(7,192)
Beneficiaries of the plan	3,907	(3,907)	0
Pension payments	(7,565)	2,847	(4,718)
Change in reporting entities	227	0	227
Other	(753)	753	0
Balance at Dec. 31, 2017	**345,236**	**(121,231)**	**224,005**

The following table presents the significant actuarial assumptions of the pension plans:

			Dec. 31, 2016			**Dec. 31, 2017**
	German plans	Dutch plans	U.S. plans	German plans	Dutch plans	U.S. plans
Discount rate	1.9%	1.9%	3.9%	2.1%	2.1%	3.5%
Rate of pension increase	1.8%	0.5%		1.8%	0.5%	

As in the previous year, the discount rate for employee benefit and similar obligations was determined based on the "Mercer Yield Curve Approach."

The life expectancy in Germany is based on the "Richttafeln 2005 G," which were developed by Prof. Dr. Klaus Heubeck. For the Netherlands, the most recent mortality table, "AG Prognosetafel 2016," is used, which is subject to age-related adjustments. The "RP-2014 Mortality Tables" are applied in the U.S. with appropriate updates and projections taken into account.

The following table shows the changes in the present value of the defined benefit obligation resulting from changes in the relevant actuarial assumptions with the other assumptions remaining unchanged. This means no possible correlation effects were considered. For the German plans an increase or decrease of life expectancy of one year is assumed for a person who is exactly 65 years old. For employees who are either younger or older than 65, a corresponding adjustment is made, i.e. the change in life expectancy of younger employees is more than one year and that of older employees is less than one year. For the plans in the Netherlands and the U.S. an age-independent shift in the employees' life expectancy is assumed as of the reporting date:

			Dec. 31, 2016		**Dec. 31, 2017**
		Effect on defined benefit obligation		Effect on defined benefit obligation	
	Change in actuarial assumption	Defined benefit obligation	Change	Defined benefit obligation	Change
		in € thousand	in %	in € thousand	in %
Present value of the defined benefit obligation[1]		321,537	-	325,295	-
Discount rate	Increase by 50 basis points	297,538	(7.5)	302,719	(6.9)
	Decrease by 50 basis points	349,058	8.6	351,188	8.0
Rate of pension increase	Increase by 50 basis points	334,152	3.9	336,781	3.5
	Decrease by 50 basis points	310,576	(3.4)	315,166	(3.1)
Life expectancy	Increase by 1 year	331,108	3.0	334,377	2.8
	Decrease by 1 year	311,939	(3.0)	316,059	(2.8)

[1] Present value of the German, Dutch and U.S. plans applying the actuarial assumptions as stated in the table above

The following table shows the fair values of the plan assets per category:

			Dec. 31, 2016			**Dec. 31, 2017**
	Price quotation in an active market	No price quotation in an active market	Total	Price quotation in an active market	No price quotation in an active market	Total
Bonds	16,926		16,926	21,017		21,017
Money market funds	6,378		6,378	5,679		5,679
Mixed funds	54,743		54,743	50,402		50,402
Shares	7,691		7,691	7,204		7,204
Insurances		25,496	25,496		36,095	36,095
Cash and cash equivalents	688		688	650		650
Other		175	175		184	184
Fair value of plan assets	**86,426**	**25,671**	**112,097**	**84,952**	**36,279**	**121,231**

The domestic plan assets mainly comprise money market funds and mixed funds, while the foreign plan assets mainly comprise shares, debt instruments and insurances.

ALTANA aims to hedge future payments under the pension obligation with long-term returns from the portfolio of the plan assets. Therefore, the composition of the plan assets is geared to the sustainability of the income generated by increases in market values of the assets as well as dividends and interest income.

The actual return on the plan assets amounted to €4.4 million and €5.6 million for 2017 and 2016, respectively.

Plan assets do not include financial instruments issued by ALTANA or other assets or property used by the Company itself.

In 2018, the Company expects to pay benefits of €10.7 million to retirees compared to €10.6 million in 2017 and expects payments from plan assets of €5.6 million, the same amount as in 2017. Contributions to plan assets by the employer are expected to be paid in an amount of €8.3 million in 2018 compared to €8.0 million in 2017. The expected expense for defined benefit plans for 2018 is estimated to amount to €17.9 million compared to €17.8 million in 2017 including net interest expenses.

As of December 31, 2017 and 2016, the weighted average duration of the German, Dutch and U.S. employee benefit obligation is 19 years and 20 years, respectively.

Defined contribution plans

Defined contribution plans mainly exist in non-German subsidiaries. Additionally, the Company pays contributions to domestic and foreign governmental and private pension insurance organizations in accordance with legal regulations. The contributions are recognized as expense based on their function in the respective year and amounted to €24.4 million and €23.6 million in 2017 and 2016, respectively. No further obligations exist besides the contributions paid.

26. Other Provisions

	Employees	Sales and marketing	Warranty	Other	Total
Balance at Jan. 1, 2017	**80,584**	**20,084**	**5,276**	**26,496**	**132,440**
Additions	62,546	18,451	1,456	9,325	91,778
Accretion	280	0	0	0	280
Utilization	(60,988)	(16,389)	(440)	(15,432)	(93,249)
Reversal	(824)	(1,678)	(1,310)	(1,757)	(5,569)
Transfers	0	487	0	(487)	0
Translation adjustments	(2,687)	(722)	(10)	(739)	(4,158)
Change in reporting entities	795	265	0	21	1,081
Balance at Dec. 31, 2017	**79,706**	**20,498**	**4,972**	**17,427**	**122,603**
Thereof non-current					
at Dec. 31, 2016	16,258	109	0	4,207	20,574
at Dec. 31, 2017	**16,952**	**124**	**0**	**1,290**	**18,366**

The employee-related provisions include provisions for employee incentive plans and bonuses. The non-current portion mainly relates to partial retirement (Altersteilzeit), anniversary benefits and employee incentive plans.

Provisions for sales and marketing pertain primarily to sales bonuses and commissions. Provisions for warranty cover commitments in connection with goods delivered and services rendered. ALTANA expects that the current portion of the provisions will be utilized during 2018.

The item Other includes litigation, legal cost and professional fees, provision for taxes other than income taxes and contributions.

27. Other Liabilities

Other liabilities consist of the following:

	Dec. 31, 2016		**Dec. 31, 2017**	
	Other non-current liabilities	Other current liabilities	Other non-current liabilities	Other current liabilities
Balances due to fiscal authorities (incl. payroll taxes)	43	11,922	13	12,058
Personnel-related liabilities	0	10,451	0	13,105
Social security contributions	409	2,571	0	2,940
Employee incentive plans	21,432	5,934	23,968	8,722
Credit notes to customers	0	1,064	0	1,154
Balances due to related parties	0	113	0	112
Derivative financial instruments	509	8,985	0	189
Deferred income	1,667	1,589	805	1,221
Other	1	6,063	1	7,964
	24,062	**48,691**	**24,787**	**47,465**

28. Additional Disclosures for Financial Instruments

Measurement of Financial Instruments Based on Categories

ALTANA employs different financial instruments. In accordance with accounting regulations for financial instruments, these financial instruments are classified based on their nature and function into several valuation categories. The following tables provide reconciliation from the items of the statement of financial position to the different categories of financial instruments, their carrying amounts and their fair values at December 31, 2017 and 2016.

The carrying amounts of cash and cash equivalents, short-term financial investments and trade accounts receivable approximate their fair values due to the short-term maturities of these instruments.

The carrying amounts of marketable securities and equity investments equal their fair values, provided that the fair values can be determined reliably. For marketable securities traded on the stock exchange the fair values correspond to the quotation on the stock exchange (hierarchy level 1) at the reporting date. Investments not traded on the stock exchange are measured at cost, because their future estimated cash flows cannot be determined reliably and no active market exists. A sale of these investments is currently not planned.

The carrying amounts of derivative financial assets and liabilities equal their fair values.

The fair values of interest bearing other non-derivative financial assets and liabilities measured at amortized cost and of lease obligations equal the present values of their future estimated cash flows. The present values are calculated taking the currency, interest rates and duration parameters at each reporting date into consideration.

Trade accounts payable and other non-interest bearing non-derivative liabilities allocated to other current liabilities, generally have a short-term remaining maturity; therefore, their carrying amount approximates their fair value. The fair value of debts allocated to other non-interest bearing non-derivative financial liabilities are largely assigned to hierarchy level 3.

The fair value of loan receivables, other financial assets and liabilities, bank debt, lease obligations, and derivative financial assets and liabilities is measured at the present value of the expected cash inflows or cash outflows of the related financial instruments and is therefore allocated to hierarchy level 2.

	Loans and receivables		Available-for-sale financial assets	Financial assets at fair value through profit or loss	Dec. 31, 2016 Carrying amount Hedging instruments (hedge accounting)	Dec. 31, 2016 Fair value
	at amortized cost	at cost	at fair value	at fair value	at fair value	
Cash and cash equivalents	**375,606**					**375,606**
thereof in						
Cash and cash equivalents	375,606					375,606
Short-term financial assets	**92,890**					**92,890**
thereof in						
Short-term financial assets	92,890					92,890
Trade accounts receivable	**348,124**					**348,124**
thereof in						
Trade accounts receivable	347,602					347,602
Other current assets	522					522
Other interest-bearing non-derivative financial assets	**279**					**289**
thereof in						
Long-term investments	279					289
Other current assets	0	0				0
Other non-interest-bearing non-derivative financial assets	**51,604**	**258**				**51,862**
thereof in						
Other non-current assets		258				258
Other current assets	51,604					51,604
Marketable securities and long-term investments		**9,890**	**15,382**			**25,272**
thereof in						
Long-term investments		9,285				9,285
Marketable securities		605	15,382			15,987
Derivative financial assets - hedge accounting					**827**	**827**
thereof in						
Other non-current assets					443	443
Other current assets					384	384
Derivative financial assets - without hedge accounting				**2,034**		**2,034**
thereof in						
Other non-current assets				88		88
Other current assets				1,946		1,946

	Loans and receivables at amortized cost	at cost	Available-for-sale financial assets at fair value	Financial assets at fair value through profit or loss at fair value	Hedging instruments (hedge accounting) at fair value	Dec. 31, 2017 Fair value
	Dec. 31, 2017 Carrying amount					
Cash and cash equivalents	**275,671**					**275,671**
thereof in						
Cash and cash equivalents	275,671					275,671
Short-term financial assets	**2,074**					**2,074**
thereof in						
Short-term financial assets	2,074					2,074
Trade accounts receivable	**372,788**					**372,788**
thereof in						
Trade accounts receivable	371,911					371,911
Other current assets	877					877
Other interest-bearing non-derivative financial assets	**55,635**					**55,429**
thereof in						
Long-term investments	54,140					53,934
Other current assets	1,495	0				1,495
Other non-interest-bearing non-derivative financial assets	**58,296**	**223**				**58,519**
thereof in						
Other non-current assets		223				223
Other current assets	58,296					58,296
Marketable securities and long-term investments		**9,713**	**18,104**			**27,817**
thereof in						
Long-term investments		9,087				9,087
Marketable securities		626	18,104			18,730
Derivative financial assets - hedge accounting					**4,907**	**4,907**
thereof in						
Other non-current assets					770	770
Other current assets					4,137	4,137
Derivative financial assets - without hedge accounting				**15,166**		**15,166**
thereof in						
Other non-current assets				88		88
Other current assets				15,078		15,078

				Dec. 31, 2016 Carrying amount	Dec. 31, 2016 Fair value
	Financial liabilities	Financial liabilities at fair value through profit or loss	Finance leases according to IAS 17	Hedging instruments (hedge accounting)	
	at amortized cost	at fair value	at amortized cost	at fair value	
Lease obligations			**591**		**591**
thereof in					
Non-current debt			411		411
Current debt			180		180
Trade accounts payable	**172,655**				**172,655**
thereof in					
Trade accounts payable	171,591				171,591
Other current liabilities	1,064				1,064
Other interest-bearing non-derivative financial liabilities	**228,471**				**237,576**
thereof in					
Non-current debt	192,354				201,272
Current debt	35,956				36,143
Other current liabilities	161				161
Other non-interest-bearing non-derivative financial liabilities	**4,960**				**4,960**
thereof in					
Non-current debt	0				0
Current debt	0				0
Other current liabilities	4,960				4,960
Derivative financial liabilities - hedge accounting				**3,064**	**3,064**
thereof in					
Other non-current liabilities				509	509
Other current liabilities				2,555	2,555
Derivative financial liabilities - without hedge accounting		**6,430**			**6,430**
thereof in					
Other current liabilities		6,430			6,430

	Financial liabilities	Financial liabilities at fair value through profit or loss	Finance leases according to IAS 17	Dec. 31, 2017 Carrying amount Hedging instruments (hedge accounting)	Dec. 31, 2017 Fair value
	at amortized cost	at fair value	at amortized cost	at fair value	
Lease obligations			**433**		**433**
thereof in					
Non-current debt			229		229
Current debt			204		204
Trade accounts payable	**192,936**				**192,936**
thereof in					
Trade accounts payable	191,782				191,782
Other current liabilities	1,154				1,154
Other interest-bearing non-derivative financial liabilities	**203,921**				**209,839**
thereof in					
Non-current debt	134,744				138,821
Current debt	69,065				70,906
Other current liabilities	112				112
Other non-interest-bearing non-derivative financial liabilities	**6,229**				**6,229**
thereof in					
Non-current debt	0				0
Current debt	0				0
Other current liabilities	6,229				6,229
Derivative financial liabilities - hedge accounting				**19**	**19**
thereof in					
Other non-current liabilities				0	0
Other current liabilities				19	19
Derivative financial liabilities - without hedge accounting		**170**			**170**
thereof in					
Other current liabilities		170			170

Income Effect According to Valuation Categories

The following table provides the net result from financial instruments according to the measurement categories. The net financial result contains interest income, interest expense, gains and losses from the sale of financial instruments, dividends received and, additionally, changes in the fair value of derivative financial instruments not designated in a hedging relationship. The net financial result reported only includes income and expense related to financial instruments and their categories. Interest expense from employee benefit and lease obligations as well as changes in the fair values and interest recognized in connection with hedge accounting are therefore not included. The net operating result includes impairments of trade accounts receivable.

		Net financial result	Net operating result	Net result
Loans and receivables	2016	4,454	(846)	3,608
	2017	**(20,077)**	**(400)**	**(20,476)**
Available-for-sale financial assets	2016	1,068	0	1,068
	2017	**2,032**	**0**	**2,032**
Financial liabilities measured at amortized cost	2016	(6,696)	0	(6,696)
	2017	**(5,879)**	**0**	**(5,879)**
Financial instruments at fair value through profit or loss	2016	(4,183)	0	(4,183)
	2017	**20,097**	**0**	**20,097**
Total	2016	(5,357)	(846)	(6,203)
	2017	**(3,826)**	**(400)**	**(4,226)**

The net financial result includes interest income generated by financial instruments measured at amortized cost amounting to €4.4 million and €1.5 million in 2017 and 2016, respectively, and interest expense incurred by financial instruments measured at amortized cost amounting to €5.9 million and €6.7 million, respectively. Interest income and interest expense are measured by applying the effective interest method.

Risk Analysis

Liquidity Risk: To assure the solvency and financial flexibility of ALTANA, the Company retains a liquidity reserve through cash and cash equivalents and lines of credit.

The following tables show the contractual amortization including the undiscounted interest payments for non-derivative and derivative financial instruments with a positive and a negative fair value. All non-derivative and derivative financial instruments as of December 31, 2017 and 2016, respectively, for which contractual payments had already been agreed, are included. Variable interest payments resulting from non-derivative financial instruments were estimated based on the interest rates applicable at the respective reporting dates. Budgeted amounts for future expected liabilities were not considered. Foreign currency amounts were translated based on the exchange rates as of the reporting dates. The cash flows attached to the foreign currency derivatives were calculated based on the respective forward rates.

		Due within one year	Due within two years	Due within three years	Due within four years	Due within five years	Due after five years
Lease obligations	Dec. 31, 2016	185	185	185	47		
	Dec. 31, 2017	**208**	**185**	**46**	**0**		
Trade accounts payable	Dec. 31, 2016	172,655					
	Dec. 31, 2017	**192,936**					
Other interest-bearing non-derivative financial liabilities	Dec. 31, 2016	41,489	67,725	82,051	49,200	30	61
	Dec. 31, 2017	**67,977**	**82,051**	**49,200**	**30**	**30**	**30**
Other non-interest-bearing non-derivative financial liabilities	Dec. 31, 2016	4,960					
	Dec. 31, 2017	**11,075**	**2,297**	**1,432**	**1,432**	**1,432**	**0**
Irrevocable loan commitments and other financial contingent liabilities	Dec. 31, 2016	0					
	Dec. 31, 2017	**19,607**					
Total	Dec. 31, 2016	219,289	67,910	82,236	49,247	30	61
	Dec. 31, 2017	**291,803**	**84,533**	**50,678**	**1,462**	**1,462**	**30**

		Due within one year	Due within two years	Due within three years	Due within four years	Due within five years	Due after five years
Forward foreign exchange contracts with positive fair value							
Cash inflow	Dec. 31, 2016	39,190	8,487				
Cash outflow	Dec. 31, 2016	(36,672)	(8,015)				
Net	Dec. 31, 2016	2,518	472				
Cash inflow	**Dec. 31, 2017**	**233,349**	**19,647**				
Cash outflow	**Dec. 31, 2017**	**(214,770)**	**(19,236)**				
Net	**Dec. 31, 2017**	**18,579**	**411**				
Forward foreign exchange contracts with negative fair value							
Cash inflow	Dec. 31, 2016	178,168	12,714				
Cash outflow	Dec. 31, 2016	(187,215)	(13,553)				
Net	Dec. 31, 2016	(9,047)	(839)				
Cash inflow	**Dec. 31, 2017**	**53,018**	**0**				
Cash outflow	**Dec. 31, 2017**	**(53,912)**	**0**				
Net	**Dec. 31, 2017**	**(894)**	**0**				

Credit Risk: The Company is exposed to credit risk if business partners do not fulfill their obligations. ALTANA continuously analyzes the creditworthiness of significant debtors. Based on its international operations and a diversified customer structure ALTANA has no concentration of credit risk. The Company does not generate sales of more than 3% with one single customer and less than 20 % with its ten most significant customers combined. Receivables are monitored locally in the operating subsidiaries on an ongoing basis. Financing transactions are mainly carried out with contractual partners who have a credit rating of "Investment Grade." Furthermore, rating-based credit limits are defined for each contracting party that ALTANA invests with.

The carrying amount of all receivables (see also note 18), loan receivables, marketable securities, short-term financial assets, other long-term financial assets and cash and cash equivalents represents the maximum credit risk of ALTANA. At the reporting date, there were no significant arrangements which reduced the maximum credit risk.

Currency Risk: The Company is subject to currency risk associated with its international operations. Currency risk occurs for financial instruments which are denominated in another than the functional currency. Foreign currency translation risk resulting from the consolidation of foreign subsidiaries is not considered. For hedging instruments used by the Company to limit the exposure to foreign currency rate fluctuations see "Hedging."

The main currency fluctuation risks relate to exchange rate changes of the USD and the JPY.

The following table provides the effects of a 10 % quantitative change of currency exchange rates on profit or loss and on the item "Derivative financial instruments" in other comprehensive income (see table "Foreign Currency" in note 2):

		Effect on profit or loss		Change in other comprehensive income	
		exchange rate plus 10 %	exchange rate minus 10 %	exchange rate plus 10 %	exchange rate minus 10 %
USD					
Derivatives	Dec. 31, 2016	8,945	(8,945)	3,624	(3,624)
	Dec. 31, 2017	**19,427**	**(19,427)**	**3,075**	**(3,075)**
Other financial instruments	Dec. 31, 2016	(12,969)	12,969	-	-
	Dec. 31, 2017	**(20,945)**	**20,945**	**-**	**-**
Total	Dec. 31, 2016	(4,024)	4,024	3,624	(3,624)
	Dec. 31, 2017	**(1,518)**	**1,518**	**3,075**	**(3,075)**
JPY					
Derivatives	Dec. 31, 2016	1,208	(1,208)	2,682	(2,682)
	Dec. 31, 2017	**1,052**	**(1,052)**	**2,816**	**(2,816)**
Other financial instruments	Dec. 31, 2016	(1,511)	1,511	-	-
	Dec. 31, 2017	**(1,164)**	**1,164**	**-**	**-**
Total	Dec. 31, 2016	(303)	303	2,682	(2,682)
	Dec. 31, 2017	**(112)**	**112**	**2,816**	**(2,816)**

Interest Rate Risk: The Company is exposed to changes in interest rates. The majority of the interest-sensitive assets and liabilities are marketable securities (money market funds) and debt. For those assets or liabilities that are variable rate instruments, changes in the interest rate will result in changes of the expected cash flows and will affect profit or loss. The fair value of fixed interest rate financial assets classified as available-for-sale and measured at fair value is affected by changes in the interest rate and the resulting change in the fair value is reported in other comprehensive income.

The following table shows the profit or loss effect as well as changes in other comprehensive income on interest-bearing assets and liabilities resulting from a change in the average market rate of interest of 50 basis points. The sensitivity analysis was performed under the assumption that the interest rate may decrease to below zero percent. The effect on interest rate fluctuations on forward foreign exchange derivatives is insignificant.

		Effect on profit or loss		Change in other comprehensive income	
		plus 50 basis points	minus 50 basis points	plus 50 basis points	minus 50 basis points
Other financial instruments	Dec. 31, 2016	8	(8)	77	(77)
	Dec. 31, 2017	**8**	**(8)**	**91**	**(91)**

Hedging

ALTANA has established policies and procedures for assessing risks related to derivative financial instruments activities and uses derivative financial instruments exclusively for hedging purposes.

Forward Foreign Exchange Contracts: The Company uses forward foreign exchange contracts to hedge foreign currency exchange risks resulting from intercompany loans and forecast transactions of subsidiaries. Hedging instruments with maximum terms of up to 18 months are used to hedge forecast transactions of subsidiaries in USD and JPY and are recognized either as cash flow hedges or fair value hedges. In accordance with the hedging strategy of the Company, 75 % of the forecast transactions of the first six months, 60 % of the second six months, and 30 % of the last six months of the forecast transactions are hedged. Forecast transactions are only hedged to the extent that the risk related to the transaction is not neutralized by offsetting items. The volume of the hedged transactions as described above is reduced when the occurrence of the transactions is not highly probable. Currently, the maturity dates of these contracts are less than two years. Furthermore, forward foreign exchange contracts are used to hedge the foreign exchange risk attached to intercompany loans denominated in foreign currencies.

Cash Flow Hedges

Hedging of Anticipated Sales Denominated in Foreign Currencies: ALTANA has entered into forward foreign exchange contracts for forecast sales transactions denominated in USD and JPY for its subsidiaries and has designated them as cash flow hedges. At December 31, 2017 and 2016, the fair values are as follows:

		Positive fair value	Negative fair value	Total fair value
USD	Dec. 31, 2016	0	(1,943)	(1,943)
	Dec. 31, 2017	**1,647**	**(1)**	**1,646**
JPY	Dec. 31, 2016	815	(546)	269
	Dec. 31, 2017	**2,265**	**0**	**2,265**

Amounts relating to forward foreign exchange contracts are reclassified from accumulated other comprehensive income into income when the hedged item is realized. In 2017, a change in fair value of €6.5 million (increase) was recognized in other comprehensive income. In 2016, a change in fair value of €2.7 million (decrease) was recognized in other comprehensive income. In 2017 and 2016, respectively, €0.1 million and €4.0 million, were reclassified from other comprehensive income to net sales (reduction in net sales).

The following table shows the forecast cash flows of the hedged transactions which correspond to the maturities of the forward foreign exchange transactions.

		Total nominal value	Nominal value due in 2018 (prior year: in 2017)	Nominal value due in 2019 (prior year: in 2018)
in thousand currency units				
USD	Dec. 31, 2016	40,850	27,930	12,920
	Dec. 31, 2017	**35,571**	**23,330**	**12,241**
JPY	Dec. 31, 2016	3,261,000	2,112,000	1,149,000
	Dec. 31, 2017	**3,498,000**	**2,279,000**	**1,219,000**

Hedging of External Debt: In 2016, ALTANA had interest rate swaps for external loans. These interest rate swaps were designated as cash flow hedges. In 2016, these interest rate swaps expired as planned or were early terminated because the underlying hedged instruments were repaid prematurely in 2016.

Fair Value Hedges

Hedging of Contracted Sales Denominated in Foreign Currencies: At December 31, 2017 and 2016, ALTANA entered into forward foreign exchange contracts with a nominal value of USD 8.0 million and USD 6.0 million, and of JPY 731.0 million and JPY 601.0 million, respectively. These contracts relate to sales transactions denominated in USD and JPY with subsidiaries and are classified as fair value hedges. At December 31, 2017 and 2016 the fair values are as follows:

		Positive fair value	Negative fair value	Total fair value
USD	Dec. 31, 2016	0	(290)	(290)
	Dec. 31, 2017	**392**	**(4)**	**388**
JPY	Dec. 31, 2016	12	(285)	(273)
	Dec. 31, 2017	**603**	**(14)**	**589**

In 2017 and 2016, the effect of the fair value hedge on profit or loss amounted to €0.6 million and €4.3 million, respectively, and thereby offset the effect of the measurement of the hedged transactions.

Hedging of Intercompany Foreign Currency Loans

In 2017, ALTANA entered into forward foreign exchange contracts with a nominal value of USD 247.5 million (2016: USD 156.5 million), of JPY 700.0 million (2016: JPY 950.0 million), of CHF 4.0 million (2016: CHF 10.5 million) and of GBP 5.0 million (2016: GBP 5.0 million), to hedge intercompany foreign currency loans for which no offsetting items existed. These forward foreign exchange contracts which serve as economic hedge of the foreign currency exchange rate risk are not designated in a hedging relationship that qualifies for hedge accounting and consequently, changes in their fair values are recognized in the financial result.

		Positive fair value	Negative fair value	Total fair value
Forward foreign exchange contracts	Dec. 31, 2016	1,946	(6,430)	(4,484)
	Dec. 31, 2017	**15,078**	**(170)**	**14,908**

Offsetting of Financial Instruments

Under the German Master Agreement for Financial Futures all derivative financial instruments that ALTANA has concluded are subject to offsetting agreements, which allow for offsetting in event of default by one party. The amounts reported in trade accounts receivable and trade accounts payable result from credit notes issued and received. The following tables present the amounts of the financial assets and financial liabilities actually offset in the statements of financial position as well as potential offsetting amounts under global netting and other offsetting agreements:

		Gross carrying amount	Offsetting amounts, offset in the statements of financial position	Net carrying amount	Potential offsetting amounts, not offset in the statements of financial position	Net amount after potential offsetting
Forward foreign exchange contracts with a positive fair value	Dec. 31, 2016	2,773	-	2,773	2,247	526
	Dec. 31, 2017	**19,985**	**-**	**19,985**	**189**	**19,796**
Trade accounts receivable	Dec. 31, 2016	355,569	7,967	347,602	0	347,602
	Dec. 31, 2017	**380,580**	**8,669**	**371,911**	**0**	**371,911**
Total	Dec. 31, 2016	358,342	7,967	350,375	2,247	348,128
	Dec. 31, 2017	**400,565**	**8,669**	**391,896**	**189**	**391,707**

		Gross carrying amount	Offsetting amounts, offset in the statements of financial position	Net carrying amount	Potential off-setting amounts, not offset in the statements of financial position	Net amount after potential offsetting
Forward foreign exchange contracts with a negative fair value	Dec. 31, 2016	9,494	-	9,494	2,247	7,247
	Dec. 31, 2017	**189**	**-**	**189**	**189**	**0**
Trade accounts payable	Dec. 31, 2016	172,860	1,269	171,591	0	171,591
	Dec. 31, 2017	**193,145**	**1,363**	**191,782**	**0**	**191,782**
Total	Dec. 31, 2016	182,354	1,269	181,085	2,247	178,838
	Dec. 31, 2017	**193,334**	**1,363**	**191,971**	**189**	**191,782**

29. Commitments and Contingencies

Guarantees and Other Commitments

	Dec. 31, 2016	**Dec. 31, 2017**
Purchase commitments for intangible assets	556	718
Purchase commitments for property, plant and equipment	17,168	41,325
Guarantee for pension obligation from divestments	9,250	8,762
Irrevocable loan commitments	-	16,000
Other contingent financial liabilities	98	3,607
	27,072	**70,412**

Of the total increase in purchase commitments, an amount of €11.3 million relates to the expansion of the facility in Shanghai in the BYK division and an amount of €3.9 million relates to investments in production facilities in St. Louis in the ELANTAS division.

In 1995, the Company sold its Dietetics business line. In accordance with the German Civil Code, the Company remains liable for the pension commitments for holders of annuities and prospective beneficiaries since the sale was consummated as an asset deal. The Company is obliged to make payments on demand of the former employees, but has the right of refund from the acquirer according to the purchase agreement. No payments have been requested so far.

The irrevocable loan commitment relates to the long-term loan that ALTANA granted to Landa Labs (see note 15).

Rental and Lease Arrangements

The Company rents and leases property and equipment used in its operations. The rental and lease contracts expire on various dates in the future.

Future minimum lease payments for non-cancelable operating and finance leases are:

	Finance lease		Operating lease	
	Dec. 31, 2016	**Dec. 31, 2017**	Dec. 31, 2016	**Dec. 31, 2017**
2018 (prior year: 2017)	185	208	6,667	11,796
2019 (prior year: 2018)	185	185	4,427	8,544
2020 (prior year: 2019)	185	46	2,814	5,481
2021 (prior year: 2020)	47	0	1,657	3,475
2021 (prior year: 2020)	0	0	1,317	2,188
Due thereafter	0	0	1,104	6,145
Total minimum lease payments	**602**	**439**	**17,986**	**37,629**
Less amount representing interest	11	6		
Present value of lease payments	**591**	**433**		
Less current portion	180	204		
Non-current lease obligation	**411**	**229**		

Total rent and lease expense was € 16.8 million and € 15.9 million for the years ended December 31, 2017 and 2016, respectively.

30. Related Party Transactions

Members of the Boards of ALTANA AG and SKion GmbH, the sole shareholder of the Company, as well as their close family members are considered related parties. Apart from the compensation as disclosed in note 31 and the regular dividends distributed to SKion GmbH no other business relationship existed.

Mrs. Susanne Klatten is the sole shareholder of SKion GmbH and deputy chairwoman of the Supervisory Board of ALTANA AG. Mrs. Klatten is also shareholder and member of the Supervisory Board of Bayerische Motoren Werke AG (BMW) and shareholder and chairwoman of the Supervisory Board of SGL Carbon SE.

Associated companies in which ALTANA holds an ownership interest but which are not included in the consolidated financial statements and investments accounted for at equity are also considered related parties. Receivables and liabilities resulting from transactions with those related parties are reported in other assets and other liabilities.

The following table presents all balances and transactions with related parties:

	Dec. 31, 2016	**Dec. 31, 2017**
Receivables from related parties	50	46
Balances due to related parties	360	650

	2016	**2017**
Related party transactions		
Sales	544	403
Services and goods acquired	1,539	1,707
Lease expense	2,690	2,421

In 2017 and 2016, ALTANA purchased or leased company cars from the BMW Group. The relevant lease and purchase contracts were all concluded at arm’s length.

The lease expense relates to leasing contracts for company cars with Alphabet Fuhrparkmanagement GmbH (BMW Group). In 2017 and 2016, further transactions with BMW Group are included in revenues in the amount of €0.3 million and €0.5 million, respectively.

31. Compensation of the Supervisory Board and Management Board

The compensation of the Supervisory Board is governed in section 18 of ALTANA AG’s articles of association. The amount of the compensation is based on the tasks and responsibilities of the Supervisory Board members and on the size and economic success of the Company. The compensation is comprised of a fixed and a variable component. The variable component is determined based on the operating income (EBIT) of ALTANA.

In both years reported, compensation of the Supervisory Board amounted to €1.2 million of which €0.6 million related to fixed compensation and €0.6 million related to variable compensation. The salary paid to employee representatives, in addition to the compensation paid out to them related to their function as Supervisory Board members is at arm’s length.

The amount of the compensation of the Management Board members of ALTANA AG is based on the size of the Company, its economic and financial situation, as well as on the amount and structure of the management board compensation in comparable companies. In addition, the scope of duties, the experience and the contribution of the respective Management Board member, as well as the compensation structure that otherwise exists in the Company are taken into account when assessing compensation. In the process of determining the compensation, the Supervisory Board uses compensation studies and works with an external expert.

The compensation of the Management Board is largely based on performance. It consists of a fixed component, variable bonuses (short-term bonus and long-term bonus) and a component with a long-term incentive. The predominant part of the variable compensation of the Management Board has a multi-year assessment basis. In addition to the compensation in cash, the Management Board members are entitled to post-employment benefits and receive compensation in kind, primarily in the form of company car usage and insurance premiums.

The short-term bonus for 2017 was determined on a one-year basis. It is based on the development of earnings before interest, taxes and depreciation and amortization (EBITDA) as well as the return on capital employed (ROCE), each in comparison to the respective target values established by the Supervisory Board. The long-term bonus 2017 was calculated based on the development of net income after cost of capital ("ALTANA Value Added") over a period of three years. In 2017, as a component with long-term incentive, the Management Board members were granted AEP Awards under the "ALTANA Equity Performance 2017" plan. None of the members of the Management Board was entitled to special benefits in the case of premature or regular termination of their engagement.

In 2017 and 2016, total compensation paid in cash to the Management Board including remuneration in kind amounted to € 4.2 million and € 3.9 million, respectively, of which € 1.6 million and € 1.5 million related to fixed compensation, and € 2.6 million and

€ 2.4 million related to variable compensation. On December 31, 2017 and 2016, provisions for post-employment benefits of € 3.5 million and € 3.7 million were recognized; the corresponding service cost amounted to € 0.6 million and € 0.5 million, respectively.

In 2017, the Management Board members received ALTANA Equity Performance Awards as compensation with a long-term incentive effect from the "ALTANA Equity Performance 2017" (AEP) plan. In 2017 and 2016, a preliminary number of 1,869 and 2,563 ALTANA Equity Performance Awards, respectively, were granted to the Management Board, with a value of €0.7 million in the years reported. The final number of ALTANA Equity Performance Awards as well as the payout amount at the end of the four-year term of the plan depends on the development of the company value. In 2017, at the end of the term of the AEP Tranche 2013, 1,751 AEP Awards were finally allocated, resulting in payments of €0.6 million to the beneficiaries. In 2016, at the end of the term of the AEP Tranche 2012, 2.407 AEP Awards were finally allocated, resulting in payments of €0.6 million to beneficiaries. As of December 31, of the years reported, provisions for AEP Awards amounted to €1.4 million; personal investment was measured at €0.9 million and €0.8 million, and is recognized in other liabilities (see note 27). In the years reported, these amounts include deposits made by the members of the Management Board of €0.4 million. For more details on the AEP see note 23.

For former members of the Management Board and their surviving dependants, a pension provision in the amount of €19.6 million and €20.4 million was recorded as of December 31, 2017 and 2016, respectively. Pension payments totaled €1.4 million and €1.3 million, respectively.

32. Fees Paid to the Auditor

	2017
Audit of the financial statements	1,300
Other assurance services	36
Tax advisory services	15
Other services	18
	1,369

33. Subsequent Events

No reportable event occurred.

34. Additional Information

Companies that are exempt from publishing their financial statements according to section 264 (3) and section 264b of the German Commercial Code (HGB):

ALTANA Management Service GmbH, Wesel
ALTANA Newco I GmbH, Wesel
Eckart International Trading GmbH, Wesel
BYK-Chemie GmbH, Wesel
MIVERA Vermögensanlagen GmbH, Wesel
Weseler Grundstücksverwaltungs B.V. & Co. KG, Wesel
BYK-Gardner GmbH, Geretsried
ECKART GmbH, Hartenstein
ALTANA Chemie Beteiligungs GmbH, Hartenstein
ECKART Beteiligungs GmbH, Hartenstein
Hartensteiner Verwaltungs B.V. & Co. KG, Hartenstein
ELANTAS GmbH, Wesel
ELANTAS Europe GmbH, Hamburg
ACTEGA GmbH, Wesel
ACTEGA DS GmbH, Bremen
ACTEGA Metal Print GmbH, Lehrte
ACTEGA Rhenania GmbH, Grevenbroich
ACTEGA Terra GmbH, Lehrte

Supervisory Board of ALTANA AG

Dr. Klaus-Jürgen Schmieder
Chairman
(appointed until the Annual General Meeting 2019)
Former Member of the Management Board of
L'Air Liquide S.A.

Ulrich Gajewiak*
Deputy Chairman
(appointed until the Annual General Meeting 2018)
Head of Complaints Management of BYK-Chemie GmbH
Chairman of the Group's works council

Susanne Klatten
Deputy Chairwoman
(appointed until the Annual General Meeting 2018)
Entrepreneur
Other functions:
Bayerische Motoren Werke AG[1]
SGL Carbon SE[1] (Chairwoman)
UnternehmerTUM GmbH[2]

Dr. Anette Brüne*
(appointed until the Annual General Meeting 2018)
Head of Strategic Business Development
BYK-Chemie GmbH

Dr. Monika Engel-Bader
(appointed until the Annual General Meeting 2022)
Former Managing Director of Chemetall
Consultant
Other functions:
Euler Hermes Deutschland AG[1]

Armin Glashauser*
(appointed until the Annual General Meeting 2018)
Full-time head of works council ECKART GmbH

Olaf Jung*
(appointed until the Annual General Meeting 2018)
Staff member production ACTEGA DS GmbH

Klaus Koch*
(appointed until the Annual General Meeting 2018)
Manager operational controlling ECKART GmbH

Dr. Lothar Steinebach
(appointed until the Annual General Meeting 2018)
Former Management Board member of
Henkel AG & Co. KGaA
Other functions:
Carl Zeiss AG[1]
Diem Client Partner AG[2]
Ralf Schmitz GmbH & Co. KGaA[1]
thyssenkrupp AG[1]

Dr. Antonio Trius
(appointed until the Annual General Meeting 2022)
Former Managing Director of Cognis GmbH
Other functions:
Azelis S.A.[2]
Cuantum Medical Cosmetics S.L.[2]
Lonza Group AG [2]
MAXAM SL[2]

Stefan Weis*
(appointed until the Annual General Meeting 2018)
Secretary of the Board of the Mining, Chemical and Energy Industrial Union (IG BCE)

Dr. Matthias L. Wolfgruber
(appointed until the Annual General Meeting 2021)
Former Chairman of the Management Board of
ALTANA AG
Other functions:
ARDEX GmbH[2] (Chairman)
Cabot Corporation[2]
Grillo Werke AG[1]
LANXESS AG[1]

* Employee representative
1 Membership in other statutory supervisory boards
2 Membership in other comparable domestic and foreign supervisory bodies

Supervisory Board Committees

The Supervisory Board of ALTANA AG has established the following committees:

Human Resources Committee
Dr. Klaus-Jürgen Schmieder (Chairman)
Ulrich Gajewiak
Olaf Jung
Susanne Klatten

Audit Committee
Dr. Lothar Steinebach (Chairman)
Armin Glashauser
Dr. Antonio Trius
Stefan Weis

Mediation Committee
(in accordance with section 27 (3) of the German Codetermination Act)
Dr. Klaus-Jürgen Schmieder (Chairman)
Ulrich Gajewiak
Susanne Klatten
Klaus Koch

Management Board of ALTANA AG

Martin Babilas
Chairman (appointed until May 2, 2020)
Other functions:
ACTEGA North America Inc.[2]
BYK-Chemie GmbH[1] (Chairman)
ECKART GmbH[1] (Chairman)
ELANTAS Beck India Ltd.[2] (Chairman)
ELANTAS Europe Srl.[2]
ELANTAS PDG Inc.[2] (Chairman)
ELANTAS (Tongling) Co., Ltd. [2]

Stefan Genten
(appointed until July 31, 2023)
Other functions:
ELANTAS Beck India Ltd[2]
Dr. Willmar Schwabe GmbH & Co. KG[2]

Dr. Christoph Schlünken
(appointed until October 31, 2022)
Other functions:
BYK Additives (Shanghai) Co., Ltd.[2] (Chairman)
BYK-Chemie GmbH[1]
BYK USA Inc.[2] (Chairman)
ECKART GmbH[1]
PolyAd Services LLC[2]

* Employee representative
1 Membership in other statutory supervisory boards
2 Membership in other comparable domestic and foreign supervisory bodies

Contact

ALTANA AG
Corporate Communications
Abelstr. 43
46483 Wesel, Germany
Tel +49 281 670 - 10900
Fax +49 281 670 - 10999
press@altana.com

Credits

Publisher
ALTANA AG
Abelstr. 43, 46483 Wesel, Germany
Tel + 49 281 670 - 8
Fax + 49 281 670 - 10999
info@altana.com
www.altana.com

This report was prepared with the support of the editorial system of the firesys GmbH.

ALTANA AG
Abelstr. 43
46483 Wesel, Germany
Tel +49 281 670 - 10900
Fax +49 281 670 - 10999

www.altana.com