

Press release

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ALTANA: Markedly positive business performance

Strong third quarter; new record year in sight

Bad Homburg, November 4, 2004 – A strong third quarter with double-digit growth rates of 10% in sales and 16% in EBT enabled ALTANA AG (NYSE: AAA, FSE: ALT) to increase sales in the first nine months of 2004 to around €2.2 billion, an improvement of 9% on the prior year's figure (2003: around €2 billion). Adjusted for currency effects, sales volume increased by 12%.

"Also with its third quarter performance, ALTANA is well on the way to achieving the growth targets set for 2004 at the upper level of expectations and to concluding the business year with new record figures," stated Dr. Nikolaus Schweickart, President and CEO of ALTANA AG.

International business remains the driving force behind growth. International sales were up 11% at around €1.9 billion, and now account for 84% of total sales. Growth rates differ significantly by region: The Asian region accounts for the strongest growth, with an increase of 29% to €189 million. In the European markets outside Germany, ALTANA achieved sales of €770 million, an increase of 15%. The Latin American business rose by 10% to €204 million. North American sales grew by 5% to €679 million. In Germany ALTANA achieved sales of €356 million, up 1% on the prior year's figure.

Positive earnings trend

After the first three quarters, pre-tax earnings (EBT) amounted to €485 million, up 7% on the prior year's figure. EBITDA rose by 6% to €565 million, EBIT by 8% to €477 million. In the first nine months, a lower tax rate helped push consolidated earnings up 15% to €299 million.

Over the first nine months the operating return (EBITDA) totaled 25.3% and the EBT margin was 21.7%. Earnings per share increased by 15% to €2.20.

Capital expenditure and number of employees increased

In the period under review, ALTANA stepped up capital expenditure on property, plant and equipment by 19% to €133 million. At €328 million, R&D expenditure was up 11% on the prior year.

As of September 30, 2004 ALTANA employed some 10,800 people around the world, 3% more than in the previous year (2003: around 10,500). Of the total workforce, about 5,000 were employed in Germany (+4%) and about 5,800 abroad (+3%).

ALTANA Pharma with double-digit growth in operating sales

As per September 30, 2004, ALTANA Pharma AG, Constance, increased sales by 7%, up from around €1.5 billion in 2003 to around €1.6 billion. Adjusted for currency effects this translated as a 10% gain in operating sales. While international sales rose by 9% to around €1.3 billion, sales in the home market fell by 3% to €264 million. Sales in the core Therapeutics business rose by 7% to almost €1.4 billion. The growth driver is again our innovative gastrointestinal drug Pantoprazole (Pantozol®/Protonix®). ALTANA Pharma's own first nine-month sales of Pantoprazole amounted to €908 million, an increase of 9%. All sales partners included,

first nine-month market sales amounted to around €1.8 billion, an increase of 8%. In the U.S., Pantoprazole's market share of new prescriptions in the market segment under review was at 23.3% by the end of September. Sales in local currencies amounted to U.S. \$1.2 billion, up 9% on the prior year's level. Expressed in local currencies, worldwide market sales of Pantoprazole are still expected to achieve continued double-digit growth, with particularly strong expansion in Europe and an increase of around 8 to 10% in the U.S. market for 2004 as a whole. Expressed in €, growth in ALTANA Pharma's own sales of Pantoprazole is expected to be around 10%.

Despite continuing high expenditure on the development of Alvesco[®] (Ciclesonide) and Daxas[®] (Roflumilast), the costs involved in preparing their market launch as well as shortfalls due to the German Health Policy, earnings before taxes (EBT) amounted to €406 million, an increase of 2% on the prior year's level. The EBT margin and the EBITDA margin remain at high level, with 25.8% and 29.5% respectively.

Meanwhile, ALTANA Pharma has been granted market approval for Alvesco[®] in Australia, Brazil, Mexico, and the United Kingdom, the reference state for the mutual recognition process for approvals in other European countries. From today's perspective, ALTANA expects launch dates in Europe in the first quarter of 2005. On October 21, ALTANA's U.S. cooperation partner Sanofi-Aventis received an approvable letter from the U.S. Food and Drug Administration (FDA) for Alvesco[®]. This represents an important milestone achievement in our preparations for the market launch of Alvesco[®].

The clinical development of Daxas[®] for the treatment of COPD (smoker's lung) and asthma continues to make good progress. Daxas[®] could become the first in the new class of PDE4-inhibitors to receive market approval. After its filing for approval in Europe in February 2004, the application for approval of Daxas[®] in the U.S. is intensively being prepared. The application for the U.S. approval was originally planned for the first half of 2005. Due to the fact that the enrolment in the U.S. trials is taking longer than expected this ambitious schedule can no longer be kept.

ALTANA Chemie with strong growth dynamics

ALTANA Chemie AG, Wesel, achieved a substantial increase in sales in the first nine months of 2004, up 16% to €659 million. Adjusted for currency effects this translates as an increase of 19%. The net effect of acquisitions and divestments accounted for 7% of this increase. International sales rose by 16% to €567 million, domestic sales improved by 14% to €92 million. The business unit Additives & Instruments reported an increase of sales of 12% to €267 million. In the Electrical Insulation business unit sales were up 37% on the previous year's figure of €220 million, for the large part acquisition-related, while the business unit Coatings & Sealants achieved an increase of only 1% to €172 million due to divestments already in effect.

EBT rose disproportionately by 35% to €95 million, with the change in goodwill accounting rules (IFRS 3) effective from 2004 having an impact of +€8 million. The increase is due to an encouraging sales trend on the one hand, and the successful integration of Electrical Insulation acquisitions as well as the results of productivity-enhancing measures on the other. The return on sales (EBT) was 14.4%. EBITDA increased by 20% to €126 million; the operating return (EBITDA) increased to 19.2%. These results reinforce the leading position of ALTANA Chemie on an international comparison of the specialty chemicals industry.

Just a few days ago, ALTANA Electrical Insulation opened a highly modern production facility in Zhuhai (near Hong Kong) after a construction period of one-and-a-half years. On an area of 70,000 square meters, ALTANA Electrical Insulation Zhuhai produces specialty chemicals such as wire enamels, impregnating resins and casting compounds at an annual capacity of 25,000 metric tons.

Forecast for 2004 confirmed

ALTANA expects to see business performance continue along a positive trend in 2004 as a whole, with high single-digit growth in sales. Despite substantially higher second-half expenditure on R&D and the costs of preparing the market launch of our product candidates, pre-tax earnings (EBT) are expected to finish above the prior year's level. We are confident to be able to achieve earnings before taxes of slightly above €600 million. At a level of more than 20%, the anticipated return on sales (EBT) for 2004 will again be substantially above the market average. Thus ALTANA is heading for another business year with record figures.

The investment and research program for the years of 2004 to 2006 will be continued with an investment volume of well over €2 billion from cash flow. This volume is significantly higher than that of the previous three years and will ensure the company's future profitability as an innovative and internationally-oriented group.

Key figures, 1-9 2004

| ALTANA Group | January to September 2004 | January to September 2003 | Change |
|---|---------------------------------|---------------------------------|--------|
| | in € million | in € million | in % |
| Sales | 2,234 | 2,042 | + 9 |
| Earnings before interest, taxes, depreciation and amortization (EBITDA) | 565 | 531 | + 6 |
| Earnings before interest and taxes (EBIT) | 477 | 442 | + 8 |
| Earnings before taxes (EBT) | 485 | 451 | + 7 |
| Return on sales (EBT) in % | 21.7 | 22.1 | |
| Consolidated profit (EAT) | 299 | 259 | + 15 |
| Earnings per share in € | 2.20 | 1.90 | + 15 |
| Number of employees | 10,781 | 10,448 | + 3 |

Webcast

Today, November 4, at 11 a.m. (CET), a webcast will run parallel to ALTANA's press conference held in Bad Homburg. There will also be a webcast parallel to the analyst meeting at 3 p.m. More information about the webcasts, this press release and the report on Q3 is available on the Internet at www.altana.com.

This press release contains forward-looking statements, i.e., current estimates or expectations of future events or future results. The forward-looking statements appearing in this press release include revenue and earnings projections for the ALTANA group, ALTANA's pharmaceutical product Pantoprazole, ALTANA's projections for the volume of its R&D Program, ALTANA's expectations to launch Alvesco® in Europe in the first quarter of 2005 and that the application for the U.S. approval of Daxas® will take place later but that Daxas® may be approved as first in class PDE4-inhibitor. These statements are based on beliefs of ALTANA's management as well as assumptions made by and information currently available to ALTANA. Many factors that ALTANA is unable to predict with accuracy could cause ALTANA's actual results, performance or achievements to be materially different from those that may be expressed or implied by such forward-looking statements. These factors include ALTANA's ability to develop and launch new and innovative pharmaceutical and chemical products, the granting of marketing approvals by the competent authorities, price regulations for pharmaceuticals and budgeting decisions of local governments and health care providers, the level of ALTANA's investment in pharmaceuticals related R&D, the sales and marketing methods used by ALTANA to distribute its pharmaceuticals, the composition of ALTANA's pharmaceuticals portfolio, ALTANA's ability to maintain close ties with its chemicals customers, the business cycles experienced by ALTANA's chemicals customers and the prices of the raw materials used in ALTANA's chemicals business.

Forward-looking statements speak only as of the date they are made. ALTANA does not intend, and does not assume any obligation, to update forward-looking statements to reflect facts, circumstances or events that have occurred or changed after such statements have been made.

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