

## **Press Release**

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## **ALTANA Electrical Insulation Streamlines Operation**

**Wesel/Kempen/Manchester, March 7, 2006** – As part of our continuous efforts of strategic and operational alignment, Electrical Insulation, a division of ALTANA Chemie AG, Wesel, is adjusting the infrastructure of the division. The target here is productivity gains as well as an improvement of our overall offering for our customers.

Because of excess capacities in Europe and due to a pronounced market shift to Asia Electrical Insulation will by December 31<sup>st</sup>, 2006 close the production of Sterling Technology Ltd., at the Manchester (UK) site and the wire enamel production in Kempen (Germany). The production will be integrated in the other European sites and in ALTANA Electrical Insulation Zhuhai Co. Ltd. (China). Sterling Technology Ltd. will continue to serve their customers in future as a sales representation.

Both decisions will result in a consolidated headcount reduction of approximately 50. The changes are discussed with the corresponding workers council and will be completed by end of 2006. A social compensation plan has been developed for the affected employees.

Dr. Wolfgang Schütt, President Division Electrical Insulation stated: "The relocation of production plants of our customers requires the dismantling of over capacities at both sites. We have prepared a social compensation plan for the affected employees. These changes are reflecting the commitment of our company to serve our customers and markets with best quality and service through an optimized structure."

ALTANA Chemie is commanding leading positions in demanding specialty markets. It was on January 20<sup>th</sup> when ALTANA Chemie announced the acquisition of INVEX S.p.A.'s wire enamel production in Brazil. With this step ALTANA Electrical Insulation is now in a position to provide the same service and technology in every major market globally.

Forward-looking statements speak only as of the date they are made. ALTANA Chemie 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.