

## Press release

### ALTANA AG

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

### ALTANA delivers dynamic 1st half-year 2006

- **ALTANA Pharma: Sales +13%, operating return 30%**
- **ALTANA Chemie: Sales +56%, operating return 19%**
- **Outlook for 2006 confirmed: On the way to 11th record year in succession**

**Bad Homburg, August 2, 2006** – ALTANA AG (NYSE: AAA, FSE: ALT) increased first-half consolidated sales in 2006 by 24% to €1.93 billion. This growth is due to the very good operating performance of ALTANA Pharma and ALTANA Chemie. The acquisition of the ECKART Group also contributed to this excellent development. Adjusted for currency and acquisition/divestment effects, operating sales increased by 10%. “Our first half-year performance provides impressive confirmation that we are on the way to achieving our ambitious growth goals set for the whole of 2006,” commented Dr. Nikolaus Schweickart, President and CEO of ALTANA AG.

Good growth rates were achieved in international markets, in particular. €1.6 billion of the total sales were generated outside Germany. This is equivalent to an increase of 28% on the prior year and a foreign sales share of 84%. Domestic sales in the first half-year amounted to €305 million, up 10% on the prior year's figure. Particularly strong growth figures were achieved in the market regions of North America, where sales increased by 39% to €592 million; in Latin America, with an increase in sales of 36% to €197 million, and Asia, with sales up by 37% to €188 million. European sales outside Germany climbed by 15% to €622 million.

ALTANA's earnings before taxes (EBT) rose by 8% to €382 million. This growth rate was influenced by a special effect: Earnings before taxes (EBT) in the second quarter of 2006 comprise a one-time expense amounting to €25 million for the redemption of various employee incentive programs due to the intended restructuring of the Group. Excluding this special effect, earnings before taxes (EBT) grew by 16%.

First-half operating earnings measured in terms of EBITDA totaled €466 million, 14% more than in the prior year; EBIT amounted to €379 million, up 9% on the prior year, and first-half net income totaled €244 million, up 11% on the prior year's figure.

The operating return (EBITDA) was 24.1% in the first half of 2006. The return on sales before taxes (EBT) was 19.8%. Earnings per share (EPS) rose by 11% to €1.79.

In the period under review, ALTANA's capital expenditure on property, plant and equipment and on intangible assets rose by 42% to €93 million. The company's research expenses grew by 14% to €245 million. As of June 30, 2006, ALTANA employed about 13,500 people worldwide, an increase of 21% on the first half of 2005, mostly due to acquisitions. Of the total workforce, about 6,400 were employed in Germany and about 7,000 abroad.

**ALTANA Group: Outlook for 2006 confirmed**

At Group level, we anticipate growth in sales of about 20% for 2006 as a whole, with a business volume of almost €4 billion. Earnings (EBT) before special expenses for the restructuring of the Group are expected to be some 8–10% higher than last year.

The process of the long-term development of the two divisions is underway. "We are right on course. We are striving to achieve a strategically long-term solution which we are discussing with potential partners. At the same time, preparations for an independent operation of the chemicals business are underway. From today's perspective, we will, as announced, take the decisive decisions and determine the direction of both processes in the course of this year," explained Dr. Nikolaus Schweickart, President and CEO of ALTANA AG.

**ALTANA Pharma: Strong international business with top-level return figures**

ALTANA Pharma AG, Constance, increased its sales by 13% to €1.27 billion in the first six months of 2006. Adjusted for exchange rate effects, operating growth was 10%. The core Therapeutics business reported growth in sales of 14% to €1.12 billion.

Despite burdens due to the reduction of the reference price of Pantoprazole in Germany, ALTANA Pharma succeeded in increasing first-half earnings before taxes (EBT) by 8% to €339 million. At 26.6%, ALTANA Pharma's return on sales before taxes (EBT) reached another record value. The operating return (EBITDA) was 30.0%.

With a growth of 18% to €1.08 billion, foreign business developed very satisfactorily. At the end of the first half of 2006, the share of foreign business amounted to 85%. Due to the strong first six months of 2005 and the reduction of the reference price of Pantoprazole in April of 2006, sales in Germany were 10% lower than in the prior year.

At the beginning of July, ALTANA Pharma opened a new tablet production facility in Cork (Ireland). With this production facility, ALTANA Pharma has a second state-of-the-art, high-quality manufacturing site for solid formulations in addition to the site in Oranienburg (Germany). In June, a new institute for pre-clinical drug safety was opened in Barsbüttel-Willinghusen (Germany), where the previous research sites of Hamburg and Willinghusen were merged.

**Gastro franchise**

Pantoprazole (Pantozol®/Protonix®), the innovative gastrointestinal drug, continues to deliver a strong growth dynamic. ALTANA Pharma's own sales of Pantoprazole totaled €743 million, which translates as an increase of 13%. Worldwide market sales, all sales partners included, were up 10% to €1.47 billion in the first six months of 2006. In the U.S. market, market sales of €751 million were generated, up 11% on the prior year's figure. With a share of about 19% of prescriptions (as of July 1), Pantoprazole's market position among proton-pump inhibitors in the U.S. remains to be strong. The share of main growth driver Pantoprazole in total sales of ALTANA Pharma amounts to 58%.

**Respiratory franchise**

ALTANA Pharma achieved a total sales volume of €38 million with respiratory drugs in the first half of 2006. Sales of Alvesco® (Ciclesonide) totaled €7 million. This novel inhaled corticosteroid for the treatment of asthma is now approved in 38 markets worldwide and has been launched in 20 markets. Further market launches are planned this year. ALTANA Pharma is striving to achieve a sales volume of about €16 million for 2006 as a whole. New drug applications for OMNAIR™, a nasal spray with Ciclesonide for treating allergic rhinitis, were filed in the U.S. and Canada. For the Ciclesonide combination with Formoterol supplementary Phase I/Phase II-studies are necessary. Therefore the start of Phase III will happen later than initially expected.

**Imaging/OTC**

With its OTC business ALTANA Pharma achieved a growth in sales of 18% to €73 million. At €54 million, sales in the Imaging business were down 8% on the prior year's level.

**ALTANA Pharma: Outlook**

For ALTANA Pharma we expect to achieve a growth in sales of about 10%. Pantoprazole looks set to provide growth in own sales in the double-digit percent range, while worldwide market sales, all sales partners included, are expected to grow in the high single-digit percent range. In addition to the increased expenses for Marketing & Sales associated with the market launch of Alvesco® as well as high Research & Development expenditures for Daxas®, among others, there are burdens due to the price cuts for Pantoprazole in Germany. Nevertheless, we anticipate that a growth in earnings (EBT) in a range of 5–8% above the prior year's record level may be achieved, thanks, in particular, to the dynamic development abroad.

**ALTANA Chemie: Profitable growth on a broadened base**

ALTANA Chemie AG, Wesel, achieved sales of €659 million in the first six months of 2006. This represents a 56% increase on the prior year's figure. Adjusted for exchange rate as well as acquisition and divestment effects, ALTANA Chemie achieved an operating growth of 10%.

Sales increases were achieved in all regions. Due to acquisitions, the regions of North and Latin America achieved the strongest growth: sales were up 100% to €135 million in North America; in Latin America sales rose by 66% to €34 million. Thanks in particular to the revival in demand in China, business in Asia was up by 52% to €150 million. Sales in Europe (excluding Germany) were up by 33% on the prior year to €209 million. Sales in Germany were up by 78% to €112 million.

**Growth in every division**

All four divisions of ALTANA Chemie contributed to the good first-half results with double-digit growth in sales. Sales in the largest division, Additives & Instruments, climbed by 16% to €214 million. Effect Pigments (ECKART), the new division consolidated as of October 1, 2005, contributed €166 million in the first six months of 2006, which is equivalent to a double-digit increase in sales (12%) in a pro forma comparison to the prior year. At just under €168 million, sales in the Electrical Insulation division were up 12% on the prior year. The Coatings & Sealants division reported a mainly acquisition-driven increase in sales of 26% to €111 million.

**Sustained high profitability**

In the first six months of 2006, ALTANA Chemie improved its operating earnings (EBITDA) by 62% to €123 million, slightly disproportionate to its sales performance. In addition to the new Effect Pigments division and the dynamic sales performance, the improved earnings level of Coatings & Sealants due to portfolio measures contributed to this growth in earnings. Earnings before taxes (EBT) amounted to €79 million, despite high acquisition-related depreciation and amortization, up by 47% on the prior year. The return on sales was 12.0%. The operating margin measured in terms of EBITDA amounted to 18.7%, an excellent figure in an international comparison of the specialty chemicals sector. The positioning of ALTANA Chemie forms an excellent basis for its continued and sustained growth. The integration of ECKART has almost been completed and has led to a positive earnings contribution since the company's first consolidation.

**ALTANA Chemie: Outlook**

For ALTANA Chemie we expect a strongly acquisition-influenced growth in sales of about 40%. Growth in operating earnings (EBITDA) should develop in line with growth in sales.

## Key figures, H1 2006

ALTANA Group	January to June 2006	January to June 2005	Change
	in € million	in € million	in %
Sales	1,933	1,552	+ 24
Earnings before interest, taxes, depreciation and amortization (EBITDA)	466	409	+ 14
Earnings before interest and taxes (EBIT)	379	347	+ 9
Earnings before taxes (EBT)	382	352	+ 8 + 16*
Return on sales (EBT) in %	19.8	22.7	-
Net income (EAT)	244	219	+ 11
Earnings per share in €	1.79	1.62	+ 11
Number of employees (June 30)	13,431	11,100	+ 21

*\* before special expense amounting to €25 million  
(redemption of employee incentive programs due to the restructuring of the Group)*

There will be a conference call for analysts today, August 2, at 2 p.m. (local time, CEST). More information about the webcast, this press release and the half-year report is available at [www.altana.com](http://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 and the drug Pantoprazole and information on ALTANA's plans for the further strategic process in its businesses. 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, 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.*

**For inquiries please contact:**

Dr. Thomas Gauly  
Head of Corporate Communications &  
Investor Relations

**Media Relations:**

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

**Investor Relations:**

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

**Investor Relations USA:**

P +1 212 974-98 00  
F +1 212 974-61 90