

Press Release

ALTANA: Sales and earnings below prior year levels despite noticeable upturn in business

- **Significant recovery in the second half of the year**
- **Impairments at ECKART Effect Pigments**
- **Dividend Proposal: 4 Cent per share**

Wesel, March 18, 2010. The specialty chemicals Group ALTANA recorded considerable declines in sales and earnings in the business year 2009. "Despite our comparatively robust setup, the global economic crisis has taken a toll on ALTANA", stated Dr. Matthias L. Wolfgruber, CEO of ALTANA AG. "Nevertheless, 2009 was not a lost year for us. We were able to further consolidate our position in the worldwide specialty chemicals markets. We have used 2009 to operate even more efficiently and to further optimize our structures; and we were drawn even closer together. These strengths, along with ALTANA's role as technology leader and our attractive product portfolio are the decisive factors to successfully continue our profitable growth course after the economic crisis is overcome", said Wolfgruber.

Cost savings safeguard profitability

Despite the pronounced upturn in business in the second half of 2009, ALTANA remained below the sales and earnings levels of 2008. Sales decreased by 12% from €1,341.7 million to €1,181.7 million. Adjusted for positive exchange rate as well as acquisition effects, the operating sales decrease was 15%. While sales in the first half of 2009 decreased nominally by 25% compared to the prior year, sales in the second half of the year were up by 3% on the prior year figure, which had been burdened by the crisis as well. At €555.1 million, the strongest decline in sales was reported in Europe, where sales were down by 17%. Sales in the American regions were down by 12% to €267.7 million. While, at €317.9 million, the Asian region also recorded a decrease in sales of 2% for the year as a whole, it showed the strongest recovery in the second half of 2009. However, it was not possible to completely compensate for the weak sales figures of the first six months of the business year. With regards to China alone, the 2009 sales figure increased by 7%, from €152.9 million to €164.3 million.

Earnings before interest, taxes, depreciation and amortization (EBITDA) declined by 16% to €204.1 million (prior year: €242.9 million). The EBITDA margin contracted only slightly from 18.1% to 17.3 %. In addition to decreasing raw materials costs, this development was also positively influenced by extensive measures to enhance efficiency and optimize costs which led to savings of €55 million in 2009.

As of December 31, 2009, the ALTANA Group employed 4,789 people worldwide, almost the same number as at the end of 2008 (4,791). This includes 140 employees of the Water Ink Technologies' business, which was acquired in October 2009. Due to the postponement of projects on account of the economic crisis, capital expenditures totaled €54.0 million and were therefore significantly lower than in the prior year (€107.9 million). At €71.6 million, the company's research and development expenditure remained at the high level of 2008 (€72.1 million), underlining the great importance ALTANA attributes to innovation.

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Impairments at ECKART Effect Pigments

Compared to the other divisions, the global economic crisis caused the most significant decrease in sales in the Effect Pigments division. In addition, the division's recovery in the second half of 2009 started at a later point in time and was less dynamic. The sluggish development in ECKART's important markets, particularly the automotive industry, had a negative effect. This is why ALTANA revised its earnings forecast for Effect Pigments downwards in the course of 2009.

Within the framework of impairment tests in accordance with the rules of IFRS, this adjustment led to impairments on property, plant and equipment as well as goodwill of €77 million. This does not affect the cash flow and has no significant effect on the balance sheet structure of the Group with an unchanged high equity ratio of 69%. Irrespective of this accounting measure, the business model and the long-term prospects of Effect Pigments remain intact.

Due to the impairments in the Effect Pigments division, the Group's operating earnings (EBIT) fell significantly by 71% to €49.2 million, following €170.3 million in 2008. As a result, earnings before taxes (EBT) in the ALTANA Group declined from €158.7 million in the prior year to €39.0 million, a decrease of 75%. The company's net income (EAT) declined to €11.0 million (prior year: €103.4 million).

Sales development by division

The BYK Additives & Instruments division achieved sales of €419.9 million in 2009 following €450.5 million in 2008; this is a decrease of 7%. The earnings losses resulting from the sales decline could largely be offset, so that the division's EBITDA was only 6% down to €119.9 million (prior year: €127.6 million).

At €282.3 million (prior year: 350.7 million), sales in the ECKART Effect Pigments division fell by about 20%. Despite positive effects from measures to cut costs, EBITDA also decreased significantly from €67.2 million to €27.4 million.

Sales of ELANTAS Electrical Insulation dropped by about 16% on the prior year and amounted to €272.7 million in 2009, following €326.5 million in 2008. On account of the successfully implemented measures to cut costs and a reduced materials usage ratio, the division's EBITDA rose to €52.0 million following €49.7 million in the prior year; this is an increase of 5%.

Sales of the ACTEGA Coatings & Sealants division remained the most stable, decreasing by only 3% to €206.8 million, following €214.0 million in 2008. The division's EBITDA rose by 21%, from €24.5 million to €29.6 million.

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Profit Appropriation Proposal to the Annual General Meeting

Due to the significant decrease in earnings, the Management and Supervisory Boards propose to the Annual General Meeting to distribute a dividend of 4 Cent per share and to allocate the remaining Group's income to retained earnings. This proposal also takes into account the ongoing uncertainty about the further economic development.

Annual General Meeting postponed to June 30, 2010

After having exceeded the threshold of 95 percent ownership in ALTANA AG, SKion GmbH requested on February 2, 2010 to convene a shareholders' meeting at which a resolution is to be passed on the transfer of the shares held by the remaining shareholders to SKion GmbH in return for an appropriate cash compensation. The Supervisory and Management Boards are of the opinion that it is sensible that this meeting is held together with the ordinary annual general meeting. In order to prepare this meeting it is necessary to postpone the originally planned date of the annual general meeting. This is why ALTANA's annual general meeting is now to take place in Duisburg on June 30, 2010, and not on May 11, 2010, as originally planned.

Outlook 2010

Despite visible signs of a recovery of the global economy, ALTANA expects an environment that is still marked by high uncertainty. A stabilization of the economic recovery should give rise to a growing demand of our products in 2010 and thus to an increase in sales and earnings compared to the business year 2009. However, we expect to return to the pre-crisis business level in 2011 at the earliest. Not least due to the experience gained in the past business year, we are confident in our ability to react appropriately to all conceivable and possible development scenarios. ALTANA is well-positioned to take advantage of opportunities arising from a recovering economy.

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ALTANA Group (in € million)	2009	2008	Change in %
Sales – total	1,181.7	1,341.7	-12
Sales by division			
Additives & Instruments	419.9	450.5	-7
Effect Pigments	282.3	350.7	-20
Electrical Insulation	272.7	326.5	-16
Coatings & Sealants	206.8	214.0	-3
Sales by region			
Europe	555.1	664.8	-17
<i>thereof Germany</i>	188.0	231.0	-19
Americas	267.7	305.9	-12
<i>thereof U.S.</i>	178.4	203.7	-12
Asia	317.9	325.7	-2
<i>thereof China</i>	164.3	152.9	7
Other regions	41.0	45.3	-10
EBITDA	204.1	242.9	-16
EBIT	49.2	170.3	-71
EBT	39.0	158.7	-75
EAT	11.0	103.4	-89
Headcount (Dec. 31)	4,789	4,791	0

The Management Board will report in detail on ALTANA AG's annual financial statements at the press conference today at 11 a.m. (local time, CET) in the headquarters of ALTANA in Wesel. The press conference will be audio webcasted at www.altana.com.

This press release is also available on www.altana.com/press

This press release contains forward-looking statements, i.e. current estimates or expectations of future events or future results. These statements are based on beliefs of ALTANA as well as assumptions made by and information currently available to ALTANA. Forward-looking statements speak only as of the date they are made. ALTANA does not intend, and does not assume any obligation, to update forward-looking statements to reflect facts, circumstances or events that have occurred or changed after such statements have been made.

About ALTANA:

ALTANA develops and produces high-quality innovative products in the specialty chemicals business. The ALTANA Group, with headquarters in Wesel/Germany, is a genuine "global player" with 84% of its sales generated by international activities. The ALTANA Group has four divisions: **BYK** Additives & Instruments, **ECKART** Effect Pigments, **ELANTAS** Electrical Insulation, and **ACTEGA** Coatings & Sealants. All of these divisions occupy a leading position in their target markets with respect to quality, product solution expertise, innovation and service.

ALTANA offers innovative, environmentally compatible solutions with the matching specialty products for coating manufactures, paint and plastic processors, the printing and cosmetic industries, and the electrical and electronic industry. The product range includes additives, special coatings and adhesives, effect pigments, sealants and compounds, impregnating resins & varnishes, and testing and measuring instruments.

At present, the ALTANA Group has 35 production facilities and 47 service and research laboratories worldwide. Throughout the group 4,800 people work to ensure the success of ALTANA worldwide. In 2009 ALTANA achieved sales of about 1.2 billion euros. Its impressive earning power and high growth rate make ALTANA one of the most successful and innovative chemical groups worldwide.

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