

## Press release

### ALTANA AG

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## ALTANA with good start in the first quarter of 2005

**Sales +4%, Net income +4%**  
**Strong pharmaceutical business**

**Bad Homburg, April 28, 2005** – ALTANA AG (NYSE: AAA, FSE: ALT) increased its sales in the first quarter of 2005 by 4% to €741 million. Adjusted for divestment and exchange rate effects, the operating growth was 6%. "For ALTANA the 2005 business year is again characterized by high investments to ensure our future profitability," explained Dr. Nikolaus Schweickart, Chairman of the Management Board of ALTANA AG. "With the first market launches of Alvesco in the U.K. and Germany in the first quarter we have completed another important step in the strategic development of our pharmaceutical business."

Of the total sales, €602 million were achieved outside of Germany, or 81%. Thanks in particular to a robust pharmaceuticals business, sales in Germany amounted to €139 million, 21% more than in the prior year. Despite the portfolio adjustments in the Chemicals division, the sales volume in European countries outside of Germany rose by 5% to €263 million. Sales in North America totaled €194 million, which, due to exchange rate fluctuations, was less than in the same period in 2004. The satisfactory development in Asia continued, with sales growth of 13% to €68 million.

ALTANA's earnings situation was influenced primarily by high expenditure for research and development, the market introduction of Alvesco® (Ciclesonide), as well as one-off items in connection with the reorganization of the Coatings & Sealants business unit of ALTANA Chemie. In addition, earnings were affected by €4 million due to the first application of IFRS 2, "Share-based Payments." The previous year's earnings were adjusted in accordance with the regulations. Operating earnings measured in terms of EBITDA totaled €180 million (2004: €177 million), slightly higher than in the prior year, and the EBIT amounted to €150 million (2004: €148 million). Earnings before taxes (EBT) added up to €152 million (2004: €151 million). Due to a low tax rate in the first quarter, net income totaled €94 million (2004: €91 million), 4% more than in 2004.

The operating return (EBITDA) in the first quarter of 2005 was 24.3%. The return on sales before taxes (EBT) amounted to 20.5%. The earnings per share increased by 5% to €0.70.

On March 31, 2005, ALTANA had approx. 10,800 employees worldwide, 2% more than in the first quarter of 2004.

### **ALTANA Pharma continues to grow**

ALTANA Pharma AG, headquartered in Constance, boosted its sales by 7% to €533 million in the first three months of 2005. Sales in the core area of Therapeutics rose by 8% to €457 million. The sales volume of the innovative gastrointestinal drug Pantoprazole (Pantozol®/Protonix®) continued to expand. ALTANA Pharma's own sales of the drug amounted to €306 million, corresponding to an

increase of 8%. Sales of the drug by ALTANA Pharma and all sales partners totaled €626 million in the first three months, up by 5%. In Europe Pantoprazole continued to post strong growth (+20%). The sales growth in Germany was particularly pronounced and unexpected compared to the first quarter of 2004. In Germany, Pantoprazole as a patent protected drug is preferably prescribed within a reference price group on generic drug price level. Sales in the U.S. amounted to US\$409 million, roughly the same as in the prior year, due to the fact that wholesalers have reduced inventory levels in recent months. Prescriptions of Protonix® tablets were 10% up on 2004. The market share in the U.S. based on new prescriptions was 21.8% at the end of March 2005.

In the first quarter ALTANA Pharma was able to increase its earnings before taxes (EBT) by 5% to €131 million in spite of the ongoing allocation of substantial sums for research and development and the high costs for the launch of Alvesco®. At 24.6% ALTANA Pharma again achieved an excellent return on sales. The operating return (EBITDA) amounted to 28.5%.

The novel inhaled corticosteroid Alvesco® (Ciclesonide) for the treatment of asthma is now approved in 25 countries worldwide. Alvesco® has been on the market in the U.K. since January 2005, and in Germany since February. The market launches are going well. The innovative PDE4 inhibitor Daxas® (Roflumilast) for treatment of asthma and chronic obstructive pulmonary disease (COPD) was submitted for approval in Europe in February 2004. Together with our cooperation partner Pfizer we are conducting phase III studies on the drug in the U.S. In Japan, so-called bridging studies, the prerequisite for application for market approval, were initiated with our partner Tanabe Seiyaku.

#### **ALTANA Chemie posts operating growth**

ALTANA Chemie AG, based in Wesel, achieved sales of €208 million in the first quarter of 2005. On account of portfolio adjustments, the sales volume was 3% lower than in the prior year. ALTANA Chemie's operating growth was 4%. Sales in the largest business unit, Additives & Instruments, rose by 4% to €91 million. Electrical Insulation generated €73 million, slightly more than in 2004, while sales in the Coatings & Sealants business unit fell due to divestments by 21% to €44 million. Among the portfolio adjustments was the sale of the Austrian subsidiary Rembrandtin Lack Ges.m.b.H.

ALTANA Chemie achieved earnings (EBT) of €27 million in the first quarter of 2005, 15% down on the prior year. The rise of raw materials prices could be compensated for to a large extent by continued process optimizations and moderate price increases. The decrease in earnings can be attributed in large part to one-off items in connection with the reorganization of the Coatings & Sealants business unit. The return on sales was 13.0%. The operating margin, measured in terms of EBITDA, amounted to 18.3%, which remains an excellent figure compared to the industry as a whole worldwide.

#### **Forecast for 2005 confirmed**

We expect the ALTANA Group's positive business performance to continue. For 2005 as a whole we anticipate – excluding any further acquisition effects – growth in sales of 6 to 8%. Despite higher preparatory expenditure, Group earnings are expected to be at the prior-year level.

ALTANA's Pharmaceuticals division forecasts a further positive development in 2005, with sales expected to rise by 8 to 10%. We also expect sales of our blockbuster Pantoprazole to grow by 8 to 10%. Despite the launch costs for Alvesco® and the preparations for marketing Daxas®, we anticipate stable earnings. ALTANA's Chemicals division also expects further organic single-digit sales growth in 2005. Impediments could arise from a premature weakening of the economic situation in the chemical industry. Nevertheless, the effects of portfolio optimizations will have a positive impact on the earnings level this year, which is expected to be slightly higher than in 2004.

## Key figures Q1 2005

ALTANA Group	January to March 2005	January to March 2004 <sup>1)</sup>	Change
	in € millions	in € millions	in %
Sales	741	712	+ 4
Earnings before interest, taxes, depreciation and amortization (EBITDA)	180	177	+ 2
Earnings before interest and taxes (EBIT)	150	148	+ 1
Earnings before taxes (EBT)	152	151	-
Return on sales (EBT) in %	20.5	21.2	-
Net income (EAT)	94	91	+4
Earnings per share in €	0.70	0.66	+5
Number of employees	10,759	10,569	+ 2

<sup>1)</sup> After adjustment to IFRS 2, "Share-based payment"

A telephone conference for analysts will take place today, April 28, at 3:00 PM (CEST). More information on the relevant audio webcast as well as this press information and the quarterly report is available on our website [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 our pharmaceutical product Pantoprazole. 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.*

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