

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 continues growth course over the first half-year of 2005

Sales growth +5%; Earnings (EBT) +12%
Earnings forecast for 2005 increased

Bad Homburg, August 3, 2005 – ALTANA AG (NYSE: AAA, FSE: ALT) increased first-half consolidated sales in 2005 by 5% to €1.55 billion. Adjusted for divestment effects in the Chemicals division, the operating growth was 7%. Exchange rate fluctuations had no impact on sales figures. „With the half-year mark and especially with a strong second quarter behind us, we remain on our ambitious growth course for 2005 as a whole, for which we expect our business volume to grow by 6 to 8%“, explained Dr. Nikolaus Schweickart, President and CEO of ALTANA AG.

Of total sales, approximately €1.3 billion, i.e. 82%, were generated outside Germany. Thanks to a surprisingly robust pharmaceuticals business, sales in Germany amounted to €277 million in the first half-year, 18% more than in the prior year. With sales up by 9% respectively, Europe and Asia were the market regions which boosted growth, followed by the Latin American market with an increase in sales of 7%. In North America, at 27% the second most important market region after Europe, business volume slightly decreased, by -3% expressed in local currencies, and by -5% expressed in euros. This decrease was partly due to fluctuations in the supply rhythm of Pantoprazole.

ALTANA's earnings situation was influenced primarily by high sales and marketing expenditure in the pharmaceuticals business as well as one-off items in connection with the reorganization of the Coatings & Sealants business unit of ALTANA Chemie. In addition, there was a one-time contribution to second-quarter earnings of €26 million, resulting from the termination of the Daxas[®] cooperation with Pfizer, as upfront and milestone payments previously received and posted in the balance sheet as items to be deferred over the lifetime were amortized. This impact will be offset by increasing R&D expenditures over the whole of 2005.

First-half operating earnings measured in terms of EBITDA totaled €409 million, 11% more than in the prior year, and the EBIT amounted to €347 million, up 12% on the prior year. Earnings before taxes (EBT) added up to €352 million, an increase of 12%. First-half net income totaled €219 million, 15% more than in 2004.

The operating return (EBITDA) in the first half of 2005 was 26.4%, the return on sales before taxes (EBT) amounted to 22.7%. The earnings per share increased by 16% to €1.62.

In the period under review, ALTANA's capital expenditure on property, plant and equipment and on intangible assets totaled €66 million. The company's research expenses totaled €216 million. As of June 30, 2005, ALTANA employed for the first time more than 11,000 people worldwide, 3% more than in the first half of 2004. Of the total workforce, about 5,000 were employed in Germany and about 6,000 abroad.

ALTANA Pharma significantly increases sales and earnings

ALTANA Pharma AG, headquartered in Constance, boosted its sales significantly by 9% to €1.1 billion in the first six months of 2005. Sales in the core area of Therapeutics rose by 9% to €981 million. The growth dynamic of the innovative gastrointestinal drug Pantoprazole (Pantozol[®]/Protonix[®]) remained unbroken. ALTANA Pharma's own sales of the drug amounted to €655 million, corresponding to an increase of 8%. Worldwide sales of Pantoprazole by ALTANA Pharma and all sales partners totaled €1.3 billion in the first six months, up by 9%. Sales in the U.S. amounted to US-\$863 million, up by 8%. With a share of more than 22% of prescriptions (as of July 1), Pantoprazole's market position among proton pump inhibitors in the U.S. remains to be strong.

In the first six months ALTANA Pharma was able to increase its earnings before taxes (EBT) by 19% to €312 million. This figure contains a contribution resulting from the termination of the Daxas[®] cooperation. Discounting this effect, the EBT figure for the first half of 2005 was 9% higher than in the prior year. At 27.7% ALTANA Pharma again achieved an excellent return on sales. The operating return (EBITDA) amounted to 31.4%.

The novel inhaled corticosteroid Alvesco[®] (Ciclesonide) for the treatment of asthma is now approved in 28 countries worldwide. After its market launches in the U.K. and Germany, Alvesco[®] is now for the first months in the market in Ireland, Poland, Chile and Colombia. In Australia and Brazil, Alvesco[®] is due to go on the market in early August. Further launch preparations for 2005 are also underway, e.g. in the Netherlands. In Germany, just a few months after it was launched, Alvesco[®] has already captured a market share of around 5% in the highly competitive ICS mono market. We intend to gain a share of about 10% until the end of 2005. Due to the special nature of the British market, sales develop much slower in the U.K. In view of further market launches and a steady increase in the market share, we expect to see sales of €8 to 10 million for the whole of 2005.

ALTANA and Pfizer ended their cooperation for the innovative PDE4 inhibitor Daxas[®] (Roflumilast) for the treatment of asthma and chronic obstructive pulmonary disease (COPD) as of June 30, 2005. ALTANA will continue to develop the substance on its own, which will result in an increase of the R&D budget in the second half of the year. The cooperation with Tanabe Seiyaku in Japan is not effected by this. Daxas[®] was submitted for approval in Europe in February 2004.

ALTANA Chemie posts operating growth

ALTANA Chemie AG, based in Wesel, achieved sales of €422 million in the first six months of 2005. On account of portfolio adjustments in the Coatings & Sealants business unit, the sales volume was 5% lower than in the prior year. ALTANA Chemie's operating growth was 4%. Sales in the largest business unit, Additives & Instruments, rose by 3% to €184 million. Electrical Insulation generated €150 million, slightly more than in 2004, while sales in the Coatings & Sealants business unit fell due to divestments by 26% to €88 million.

ALTANA Chemie achieved earnings (EBT) of €54 million in the first six months of 2005, 17% down on the prior year. The decrease in earnings can be attributed to one-off items in connection with the reorganization of the Coatings & Sealants business unit on the one hand, and on the other to the rise of raw materials prices. The latter however will be compensated for by price increases for 2005 as a whole. At 12.8% ALTANA Chemie's return on sales remains an excellent figure compared to the industry as a whole. The operating margin, measured in terms of EBITDA, amounted to 18.0%.

Earnings forecast for 2005 increased

We expect the ALTANA Group's positive business performance to continue. For 2005 as a whole we anticipate – excluding acquisition effects – growth in sales of 6 to 8%. Despite stronger increases in sales and marketing costs in our Pharmaceuticals business and higher R&D expenditure in connection with the development of Daxas[®], we raise our earnings forecast for 2005 as a whole. Thanks to the excellent development of ALTANA Pharma, we now expect a growth in earnings (EBT) in the mid single-digit range. So far, our forecast was orientated at or slightly above prior year's level. Its increase is solely due to operating results and not influenced by extraordinary effects.

ALTANA's Pharmaceutical division forecasts a further positive development in 2005, with sales expected to rise by 8 to 10%. We also expect the worldwide sales as well as our own sales of our blockbuster Pantoprazole to grow by 8 to 10%. Despite the launch costs for Alvesco[®] and the increased R&D expenditure associated with the ongoing development of Daxas[®], which we will now manage on our own, we expect ALTANA Pharma's earnings (EBT) to finish substantially above last year's figure.

ALTANA's Chemicals division anticipates – excluding acquisition effects – further organic single-digit sales growth in 2005. Impediments could arise from a premature weakening of the economic situation in the chemical industry. Earnings (EBT) are expected to be at or slightly below prior year's level. Nevertheless, the effects of portfolio optimizations will have a positive impact on the margins level, which is expected to be slightly higher than in 2004.

Key figures, 1-6 2005

| ALTANA Group | January to June 2005 | January to June 2004 ¹⁾ | Change |
|--|-------------------------|---------------------------------------|--------|
| | in € millions | in € millions | in % |
| Sales | 1,552 | 1,483 | + 5 |
| Earnings before interest, taxes, depreciation and amortization (EBITDA) | 409 | 369 | + 11 |
| Earnings before interest and taxes (EBIT) | 347 | 310 | + 12 |
| Earnings before taxes (EBT) | 352 | 316 | + 12 |
| Return on sales (EBT) in % | 22.7 | 21.3 | - |
| Net income (EAT) | 219 | 190 | + 15 |
| Earnings per share in € | 1.62 | 1.39 | + 16 |
| Number of employees | 11,100 | 10,767 | + 3 |

¹⁾ After adjustment to IFRS 2, "Share-based payment"

A press conference for journalists will take place today, August 3, at 11:00 a.m. (local time, CEST) in Bad Homburg, and there will also be telephone conferences for analysts at 8:30 a.m. and 4:00 p.m. (local time, CEST). More information on the relevant webcasts as well as this press information and the half-year report is available on our website 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 and Alvesco and ALTANA's plan to launch Alvesco in further markets. 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 1712-168
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 +1 212 974-6192
F +1 212 974-6190