

## 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

### Q1–3 2006: ALTANA with clearly double-digit growth in sales and earnings

- Sales with +23% and EBT with +22% clearly above prior year's figures
- Very strong earnings in the third quarter: EBT +47%
- ALTANA Chemie with sustained high profitability
- Special dividend of about €31 for ALTANA shareholders and another dividend increase for 2006

**Bad Homburg, November 2, 2006** – As per the third quarter of 2006, ALTANA AG (NYSE: AAA, FSE: ALT) has continued its good performance with clear growth rates and has increased sales in its present Group structure by 23% to €2.911 billion compared to the prior year's period. On the one hand, this growth is due to a very good operating performance in the third quarter; on the other hand, the acquisition of the ECKART Group contributed to this excellent development. Adjusted for acquisition and divestment effects, the Group achieved a double-digit operating growth of 10%.

"With these convincing results we are consistently continuing our success story before the restructuring of the ALTANA Group," stated Dr. Nikolaus Schweickart, President and CEO of ALTANA AG. "We have achieved an earnings level in all divisions that will allow a successful development of the businesses in the future."

€2.457 billion of the total sales were generated outside Germany. This is equivalent to an increase of 26% on the prior year and a foreign business share of 84%. Particularly strong growth figures were achieved in the market regions of North America, where sales increased by 37% to €902 million, and Asia, where sales were up 39% to €284 million. With a growth of 24% to €285 million, sales in Latin America also developed very satisfactorily. European sales outside Germany climbed by 15% to €931 million, domestic sales were up by 9% to €454 million.

Pre-tax earnings (EBT) – in the present Group structure – rose by 22% to €648 million as per September. The growth rate was influenced by special effects: EBT comprises a one-time expense for the restructuring of the Group of about €28 million, including an amount of €25 million for the redemption of various employee incentive programs which was already reported in the half-year report. The sale of stake in GPC Biotech in September led to a positive earnings contribution of €23 million.

At €750 million, operating earnings measured in terms of EBITDA were up by 22% on the prior year's figure. EBIT rose by 19% on the prior year to €619 million, and the net income totaled €406 million, up 22% on the prior year's figure.

After nine months in 2006, the operating return (EBITDA) totaled 25.8%; the return on sales before taxes (EBT) was 22.3%. Earnings per share (EPS) rose by 22% to €2.98.

Investments in property, plant and equipment and intangible assets fell by 24% to €136 million. Research expenditure rose by 14% to €374 million. As of September 30, 2006, the ALTANA Group employed 13,500 people worldwide, that is 20% more than in the prior year's period mostly due to acquisitions. Of the total workforce, about 6,400 people are employed in Germany and about 7,100 abroad.

#### ***Special dividend for ALTANA shareholders***

The net proceeds of the sale of the pharmaceuticals business will be transferred to ALTANA AG's shareholders in 2007. It is planned to transfer the total consideration of the transaction after deduction of the book value of the pharmaceuticals division and the taxes and expenses related to the transaction to the shareholders in the form of a special distribution. Provided the transaction will be completed as planned by the end of 2006, the Management and Supervisory Boards will propose to the Annual General Meeting on May 3, 2007, to distribute a corresponding special dividend. Based on the assumption that the final total purchase price amounts to €4.5 billion, a special dividend of about €31 per dividend-bearing share (136 million shares) can be expected.

#### ***Another dividend increase***

In addition to the special dividend, ALTANA's shareholders will receive the dividend for the excellent financial year 2006. This dividend will be significantly increased. "As in the past years, our shareholders will participate in the positive earnings development. The eleventh dividend increase in succession provides an impressive confirmation of Altana's success story," stated Dr. Nikolaus Schweickart.

#### ***Tracking Certificate on ALTANA share***

Deutsche Bank has informed us about its plans to issue a tracking certificate on the ALTANA share ex dividend for a certain period after the completion of the sale of the pharmaceuticals business. The certificate will be issued in Germany and Europe in the framework of a public offer. According to Deutsche Bank, the certificate will represent the value of the ALTANA AG with its specialty chemicals business, excluding the expected special dividend and the regular dividend for the financial year 2006. The certificates will entitle their holders to receive ALTANA shares ex dividend after ALTANA's Annual General Meeting scheduled for May 2007. According to the bank, final decisions on the exact period and further details of the issue have not yet been taken. If the sale of ALTANA Pharma AG will be completed, as planned, by the end of this year, the certificate will most likely be offered in January 2007 and will probably be traded until in the period between the beginning of January and the end of May, 2007.

With the issue of the certificate as of January 2007, Deutsche Bank wants to give investors an opportunity to invest into the new ALTANA AG, i. e. the continued specialty chemicals business, at an early stage of the year and in a liquidity saving manner from January 2007 on already.

In so far as investors may be attracted by means of the certificate, the ALTANA AG Management expects a corresponding effect on the demand for shares of ALTANA, since Deutsche Bank will be under the obligation to deliver ALTANA shares ex dividend by issuing the certificate.

Deutsche Bank has informed us that the certificate will not be offered in the U.S. or to persons with residence in the U.S.

#### ***ALTANA Group: Optimistic outlook for 2006 confirmed***

With the sale of its pharmaceuticals division, the separation of ALTANA AG into two independently operating pharmaceuticals and chemicals businesses will be completed in 2006 as previously announced. The closing of the transaction is expected by the end of this year. The transfer of the pharmaceuticals business to Nycomed is planned as of January 1, 2007. After the completion of the sale, ALTANA AG, which will maintain its stock exchange listing, will focus on its specialty chemicals business ALTANA Chemie.

Based on our present Group structure, 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. “We are very confident to be able to meet our high goals for 2006, that is for sales as well as for earnings. With another record year, namely the eleventh in succession, the company bids farewell to its present Group structure,” said Dr. Nikolaus Schweickart.

#### **ALTANA Pharma with strong international business**

ALTANA Pharma AG, Konstanz, increased its sales by 11% to €1.926 billion in the first nine months of 2006. Adjusted for exchange rate effects, operating growth was 9%. The core Therapeutics business reported a growth in sales of 12% to €1.695 billion.

After nine months, ALTANA Pharma succeeded in increasing earnings before taxes (EBT) by 21% to €565 million. At 29.4%, ALTANA Pharma’s return on sales before taxes (EBT) reached another record level. The operating return (EBITDA) was 31.5%.

With a growth of 16% to €1.641 billion, foreign business developed very satisfactorily. At the end of the third quarter, the share of foreign business amounted to 85%. Due to the reduction of the reference price of Pantoprazole in April and July of 2006, sales in Germany were 12% lower than in the prior year.

With its innovative gastrointestinal drug Pantoprazole (Pantozol<sup>®</sup>/Protonix<sup>®</sup>) ALTANA Pharma achieved own sales of €1.151 billion, which translates as an increase of 15%. Worldwide market sales, all sales partners included, were up 7% to €2.176 billion after the first nine months of 2006. In the U.S. market, market sales amounted to more than €1.1 billion, up 10% on the prior year’s figure. With a share of about 18% of prescriptions (as of October 1), Pantoprazole’s market position among proton-pump inhibitors in the U.S. remains to be strong. The share of the main growth driver Pantoprazole in total sales of ALTANA Pharma amounts to 60%.

ALTANA Pharma achieved a total sales volume of €62 million with respiratory drugs after nine months of 2006. Sales of Alvesco<sup>®</sup> (Ciclesonide) totaled €12 million. This novel inhaled corticosteroid for the treatment of asthma is now approved in 41 markets worldwide and has been launched in 23 markets. For 2006 as a whole, ALTANA Pharma is striving to achieve a sales volume for Alvesco<sup>®</sup> of about €16 million.

In September, ALTANA Pharma received marketing approval for Alvesco<sup>®</sup> (Ciclesonide) in Canada. Its market launch followed in October. Also in October, marketing approval was granted in the U.S. for Ciclesonide nasal spray (OMNARIS<sup>™</sup>) for the treatment of allergic rhinitis. In accordance with the new strategy regarding commercialisation in the U.S., the product will be out-licensed to a sales partner. The market introduction of OMNARIS<sup>™</sup> in the U.S. is expected for 2007. With OMNARIS<sup>™</sup> the Ciclesonide product platform is broadened by an important new therapeutic from ALTANA Pharma’s own research.

With its OTC business ALTANA Pharma achieved a growth in sales of 17% to €109 million. At €80 million, sales in the Imaging business were down 4% on the prior year’s level.

Investments in property, plant and equipment and intangible assets fell by 44% to €87 million as per the third quarter of 2006; research expenditure rose by 8% to €324 million. ALTANA Pharma employed 9,016 people worldwide on September 30, 2006, 3% more than in the prior year. Due to measures taken by the Management of ALTANA Pharma, the number of employees remained almost unchanged since March 31, 2006.

#### **ALTANA Pharma: Outlook 2006**

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 be in the high single-digit percent range. Despite burdens related to the statutory price reductions (AVWG=drug savings bill) of Pantoprazole in Germany as well as restructuring measures at the Florham Park and Waltham sites, a growth in earnings (EBT) in a range of 5–8% above the prior year’s level is anticipated.

“ALTANA Pharma will again achieve excellent earnings in 2006. The sustained positive business performance over the last years creates a very good starting point regarding the planned transaction to Nycomed. Furthermore, the strategic development possibilities which will be improved by the planned co-operation will help to ensure a continuing growth in sales and earnings,” said Dr. Hans-Joachim Lohrlich, member of the ALTANA AG Management Board and President and CEO of ALTANA Pharma AG.

**ALTANA Chemie: Dynamic growth at sustained high profitability**

ALTANA Chemie AG, Wesel, achieved sales of €985 million after nine months in 2006. This represents a 58% 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 11%.

In the first nine months of 2006, sales increases were achieved in all regions. Due to acquisitions, the North American region achieved the strongest growth: here, sales were up 100% to €203 million. This was followed by sales in Germany, which were up 82% to €169 million. Thanks in particular to the revival in demand in China, business in Asia was up by 53% to €227 million. Sales in Latin America were also up by 53% to €49 million. Sales in Europe (excluding Germany) were up by 36% on the prior year to €307 million.

***Strong growth in all divisions***

All four divisions of ALTANA Chemie contributed to the good nine-months results with noticeable growth in sales. Sales in the largest division, Additives & Instruments, climbed by 15% to €317 million. Effect Pigments (ECKART), the new division which has been consolidated since October 1, 2005, contributed €254 million to sales in the first nine months of 2006. This is equivalent to an increase of 13% in a pro forma comparison to the prior year. At €246 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 31% to €168 million.

***Above-average profitability***

In the first nine months of 2006, ALTANA Chemie improved its operating earnings (EBITDA) by 66% to €188 million, 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 €122 million, despite high acquisition-related depreciation and amortization as well as finance charges, up by 52% on the prior year. The return on sales was 12.4%. The operating margin measured in terms of EBITDA amounted to 19.0%, an excellent figure in an international comparison of the specialty chemicals sector.

"As a focussed and in our target markets globally leading specialty chemicals company, we are in an excellent position to maintain our high growth rate," stated Dr. Matthias Wolfgruber, member of the ALTANA AG Management Board and President and CEO of ALTANA Chemie AG.

As per the third quarter, investments in property, plant and equipment and intangible assets rose by 100% to €49 million; research expenditure increased by 68% to €50 million. ALTANA Chemie employed 4,434 people worldwide on September 30, 2006, 82% more than in the prior year mostly due to acquisitions. Adjusted for acquisitions, the workforce increased by 2%.

***ALTANA Chemie: Outlook for 2006***

For ALTANA Chemie we expect a nominal growth in sales of about 40%. Growth in operating earnings (EBITDA) is expected to develop in line with growth in sales.

## Key Figures, Q 1–3 2006

Due to the planned sale of its pharmaceuticals division, ALTANA Pharma, ALTANA shows the operations stemming from its pharmaceuticals business under the item “discontinued operations” until completion of the transaction. The item “continued operations” comprises ALTANA Chemie’s business as well as the functions of the holding company of ALTANA AG. The completion of the transaction is subject to approval by the competent antitrust authorities in the EU and the U.S. It is also subject to approval by ALTANA AG’s Extraordinary General Meeting which will take place on December 19/20, 2006.

ALTANA Group	January to September 2006	January to September 2005	Change
	in € million	in € million	in %
<b>Sales</b>	2,911	2,358	+23
thereof continued operations	985	624	+58
thereof discontinued operations	1,926	1,734	+11
<b>Earnings before interest, taxes depreciation and amortization (EBITDA)</b>	750	616	+22
thereof continued operations	164	85	+93
thereof discontinued operations	586	531	+11
<b>Earnings before interest and taxes (EBIT)</b>	619	522	+19
thereof continued operations	106	55	+92
thereof discontinued operations	513	467	+10
<b>Earnings before taxes (EBT)</b>	648	533	+22
thereof continued operations	103	64	+61
thereof discontinued operations	545	469	+16
Return on sales (EBT) in %	22.3	22.6	
<b>Consolidated profit (EAT)</b>	406	333	+22
thereof continued operations	66	39	+69
thereof discontinued operations	340	294	+16
<b>Earnings per share in €</b>	2.98	2.45	+22
thereof continued operations	0.48	0.28	+71
thereof discontinued operations	2.50	2.17	+15
<b>Number of employees (September 30)</b>	13,501	11,265	+20
thereof continued operations	4,485	2,500	+79
thereof discontinued operations	9,016	8,765	+3

A press conference for journalists will take place today, November 2, at 10:00 a.m. (local time, CET) in Bad Homburg. There will also be a conference call for analysts at 2:00 p.m. (local time, CET). More information on the relevant webcasts, this press release and the report on Q3 is available at [www.altana.de](http://www.altana.de).

*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 its divisions ALTANA Pharma and ALTANA Chemie and the pharmaceutical Pantoprazole, information on ALTANA's expectations regarding the further process of the sale of its shares in ALTANA Pharma, ALTANA's future as a publicly listed speciality chemicals company, information regarding the expected total purchase price and details regarding a special dividend to transfer the net proceeds of the sale of ALTANA Pharma to ALTANA's shareholders as well as information on the rate of the dividend for the financial year 2006. 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 revenues, development, performance or achievements to be materially different from those that may be expressed or implied by such forward-looking statements. These factors include decisions of the competent antitrust authorities, the amount of the total purchase price for the shares in ALTANA Pharma, the number of shares in ALTANA outstanding, the decision of ALTANA's shareholders in the Extraordinary and the Annual Shareholders' Meeting, investment decisions of ALTANA's current majority shareholder as well as price regulations for pharmaceuticals and budgeting decisions of local governments and healthcare providers, sales and marketing methods used by ALTANA and ALTANA's ability to maintain close ties with its customers and the prices for raw materials in ALTANA's chemical 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. No information given in this press release should be interpreted as a promotion or solicitation for any product that is not authorized by the laws and regulations of a country where you are located.*

*This press release furthermore contains information on a planned Tracking certificate (Zertifikat) of Deutsche Bank AG. There can be no assurance that (1) Deutsche Bank AG will issue a Tracking Certificate to purchase ALTANA shares, (2) the Certificate will reflect the value of the chemicals division of ALTANA, (3) there will be an active trading market for the Certificate or (4) the issuance of the Certificate will lead to increased demand for ALTANA shares. The Certificate is an instrument issued by Deutsche Bank AG. Investors in the Certificate do not acquire any rights as shareholders of ALTANA. ALTANA will not participate in the offering of the Certificate and will not assume any obligations towards investors. ALTANA does not make any recommendations with respect to the Certificate. This document does not constitute an offer to sell the Certificate or shares of ALTANA. For further information about ALTANA AG and its shares, see the ALTANA homepage ([www.altana.com](http://www.altana.com)) and the reports filed by ALTANA with the U.S. Securities and Exchange Commission ([www.sec.gov](http://www.sec.gov)).*

**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