

Press Release

2016 Results: ALTANA Achieves Sales Increase and Leap in Earnings

- Sales amount to €2,075 million
- EBITDA reaches €453 million
- Outlook for 2017: Further profitable growth

Wesel/Düsseldorf, March 17, 2017 – The specialty chemicals Group ALTANA concluded the 2016 fiscal year with an increase in sales and a leap in earnings. Sales rose by 1 percent to €2,075 million. Adjusted for acquisition and exchange rate effects, sales grew by 2 percent compared to the previous year. Earnings before interest, taxes, depreciation and amortization (EBITDA) rose by 16 percent to €453 million, thus significantly surpassing the previous year's result (€391 million). At 21.8 percent, the EBITDA margin was also higher than the previous year's figure (19.0 percent).

"2016 was a very good year for ALTANA. In a challenging market environment, we were able to increase our sales and earnings," said Martin Babilas, CEO of ALTANA AG. "We are well on track for further profitable growth."

BYK and ECKART as growth drivers

In 2016, the BYK Additives & Instruments and ECKART Effect Pigments divisions were the drivers of sales growth in the ALTANA Group. BYK boosted sales by 4 percent to €909 million. The rise in sales due to the acquisition of Addcomp Holland B. V. in mid-2016 compensated for minor negative exchange rate effects. Adjusted for these effects, the division's operating sales growth was also 4 percent.

Sales in the ECKART division amounted to €362 million, with both nominal sales and sales adjusted for minor exchange rate effects up by 3 percent.

At €452 million, sales in the ELANTAS Electrical Insulation division were 2 percent lower than in the previous year. Adjusted for exchange rate effects, sales were on a par with the previous year's level.

Sales in the ACTEGA Coatings & Sealants division decreased by 6 percent to €352 million on account of the sale of the ACTEGA Colorchemie group in the spring of 2016. Adjusted for this acquisition and minor currency effects, sales reached the previous year's level.

Balanced regional sales distribution

With Europe accounting for 39 percent of total sales, Asia for 31 percent, and the Americas for 28 percent, the ALTANA Group's sales distribution according to regions continues to be balanced. With nominal sales growth of 5 percent in 2016, ALTANA achieved the highest growth rate in Asia. Operating sales in this region rose by as much as 8 percent. In China, the region's largest single market, nominal sales growth was 6 percent; operating sales were up by 11 percent. In the Americas, sales decreased, mainly due to weak demand from the oil and gas industry. Nominal and operating sales were down on the figures for the previous year by 3 and 4 percent, respectively. The U.S. posted sales decreases of

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4 and 5 percent, respectively. However, the region remains the ALTANA Group's largest single market. Nominal sales in Europe remained at the previous year's level; operating sales increased by 2 percentage points.

Expansion of research and development activities

In the 2016 fiscal year, ALTANA continued to invest heavily in innovation. Research and development expenses amounted to €129 million, corresponding to 6 percent of sales – as in the previous years, a high share compared to the industry average. Examples of the targeted expansion of the company's research and development activities are the doubling of laboratory capacities of ACTEGA Rhenania in Grevenbroich and the opening of ELANTAS' cross-divisional Printed Electronics center in Hamburg. ALTANA's investments in property, plant and equipment and intangible assets totaled €122 million (previous year: €86 million).

Outlook: Further profitable growth

For the 2017 fiscal year, ALTANA expects the global economy to exhibit slightly stronger growth than in the previous year and overall increasing sales volumes. In this environment, ALTANA anticipates to achieve operating sales growth of 2 to 5 percent with slightly lower earnings profitability. While acquisitions are expected to contribute to sales, the company's nominal sales growth may be influenced by exchange rate changes that are difficult to predict.

The presentation accompanying the Annual Press Conference and the Annual and Sustainability Report 2016 can be downloaded at www.altana.com.

About ALTANA:

ALTANA is a global leader in true specialty chemicals. The Group offers innovative, environmentally compatible solutions for coating manufacturers, paint and plastics processors, the printing and packaging industries, the cosmetics sector and the electrical and electronics industry. The product range includes additives, special coatings and adhesives, effect pigments, sealants and compounds, impregnating resins and varnishes, and testing and measuring instruments. ALTANA's four divisions, BYK Additives & Instruments, ECKART Effect Pigments, ELANTAS Electrical Insulation, and ACTEGA Coatings & Sealants, all occupy a leading position in their target markets with respect to quality, product solution expertise, innovation and service.

Headquartered in Wesel, Germany, the ALTANA Group has 48 production facilities and more than 50 service and research laboratories worldwide. Throughout the Group about 6,000 people work to ensure the worldwide success of ALTANA. In 2016, ALTANA achieved sales of more than 2 billion euros. About 6 percent of sales are invested in research and development every year. Its high earning power and high growth rate make ALTANA one of the most innovative, fastest growing, and profitable chemical companies in the world.

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Key figures at a glance

ALTANA Group (in € million)	2016	2015	Change in %	Change operat.* in %
Sales – total	2,075	2,059	1	2
Sales by division				
BYK Additives & Instruments	909	870	4	4
ECKART Effect Pigments	362	350	3	3
ELANTAS Electrical Insulation	452	463	-2	0
ACTEGA Coatings & Sealants	352	376	-6	0
Sales by region				
Europe	799	796	0	2
<i>thereof Germany</i>	263	270	-2	1
Americas	587	607	-3	-4
<i>thereof U.S.</i>	399	416	-4	-5
Asia	652	619	5	8
<i>thereof Greater China</i>	336	316	6	11
Other	37	38	-2	-1
Earnings before interest, taxes, depreciation and amortization (EBITDA)	453	391	16	15
Operating income (EBIT)	329	251	31	
Earnings before taxes (EBT)	300	228	32	
Net income (EAT)	210	158	33	
Research and development expenses	129	128	1	
Headcount (Dec. 31)	5,967	6,096	-2	

* adjusted for exchange rate as well as acquisition and divestment effects