

## Press Release

### ALTANA Achieves Leap in Sales and Earnings in 2014

- **Sales rise by 11 percent to around €2 billion**
- **EBITDA reaches €397 million, with a margin of 20.4 percent**
- **Outlook: Further profitable growth in 2015**

**Wesel, March 20, 2015** – The specialty chemicals Group ALTANA achieved significant growth in sales and earnings in the 2014 fiscal year. Sales amounted to around €2 billion, corresponding to an increase of 11 percent year-over-year. The acquisition of Rockwood's rheology business, concluded on October 1, 2013, significantly contributed to this double-digit growth. Altogether, acquisitions comprised a total of 7 percent of the Group's sales growth. Adjusted for these effects and minor negative exchange rate effects, operating sales increased by 4 percent, primarily due to higher sales volumes.

Earnings before interest, taxes, depreciation and amortization (EBITDA) grew by 18 percent, amounting to €397 million. At 20.4 percent, the EBITDA margin therefore reflects a clear margin expansion compared to the previous year (19.0%). "2014 was a strong year for ALTANA," stated Dr. Matthias L. Wolfgruber, CEO of ALTANA AG. "We are well on track to continue on our path of profitable growth."

#### **BYK Additives & Instruments increases sales by 24 percent**

The BYK Additives & Instruments division again achieved the highest sales growth in 2014. Compared to the previous year, sales rose by 24 percent to €857 million. The successful integration of Rockwood's rheology activities contributed 18 percent to this growth. Adjusted for acquisition and slightly positive exchange rate effects, operating sales rose by 7 percent.

The ECKART Effect Pigments division generated sales of €332 million in 2014. Here, sales were 1 percent lower than in the previous year. Adjusted for acquisition and exchange rate effects, sales were also down by 1 percent. This decrease is due to changes in the product mix with volumes remaining unchanged.

Sales in the ELANTAS Electrical Insulation division rose by 4 percent to €431 million in the 2014 fiscal year. Adjusted for negative exchange rate effects, sales were up by 5 percent due to higher sales volumes.

Sales in the ACTEGA Coatings & Sealants division grew by 2 percent to €332 million. The increase includes positive acquisition effects from the integration of activities acquired in 2013. However, the acquisition of two companies in Brazil in December 2014 is not yet reflected in the increase. Adjusted for acquisition and exchange rate effects, sales remained at the previous year's level. A slight increase in the sales volume was offset by negative product-mix effects.

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### **Growth in all regions**

In 2014, the ALTANA Group increased sales in all of its three core regions. At 20 percent, the Group achieved its highest growth rate in the Americas, particularly driven by the integration of the rheology activities. Sales in the U.S. were boosted by 26 percent. With a 19 percent share in total sales, the U.S. is ALTANA's largest single market. Adjusted for acquisition and exchange rate effects, operating sales growth in the Americas reached 4 percent, and 8 percent in the U.S. With a 5 percent increase, ALTANA's highest operating growth was achieved in Asia. The region accounted for 30 percent of Group sales. Accounting for 41 percent of Group sales, Europe continues to be ALTANA's most important sales region. Here, sales grew by 7 percent. Operating sales in Europe and in the company's German home market rose by 2 percent.

The Group's growth is also reflected in its headcount. At the end of 2014, the number of employees working for the ALTANA Group exceeded 6,000 for the first time.

### **High level of investment in research and development**

In 2014, ALTANA continued to invest heavily in innovation. Research and development expenses amounted to €114 million in the year under review, corresponding to an increase of 4 percent. Comprising 6 percent of sales, this amount remains well above the industry average. At the end of the year, the number of employees working in research and development exceeded 1,000 for the first time.

ALTANA's investments in property, plant and equipment and intangible assets totaled €90 million, a similar amount to that of the previous year. With the completion and operational start of the expanded production capacities for BYK additives in the U.S., the largest single investment of the ALTANA Group outside of Germany to date was finished according to plan in 2014. Further capital projects included the continual expansion of the largest additives production site in Wesel, and the expansion of capacities in Hartenstein for the manufacture of ECKART effect pigments for the construction industry.

### **Outlook: Further profitable growth in 2015**

In the 2015 fiscal year, ALTANA expects the economy to show stable growth similar to that of the previous year. Against this backdrop, the Group anticipates sales growth of 2 to 5 percent, adjusted for acquisition and exchange rate effects. Nominal growth is forecast to be higher due to positive exchange rate influences expected and the integration of the Brazilian companies acquired at the end of 2014. The Group's return on sales is expected to be at about the same level as in 2014.

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### Key figures at a glance

ALTANA Group (in € million)	2014	2013	Change in %	Change operat.* in %
<b>Sales – total</b>	1,952	1,765	11	4
<b>Sales by division</b>				
BYK Additives & Instruments	857	691	24	7
ECKART Effect Pigments	332	335	-1	-1
ELANTAS Electrical Insulation	431	415	4	5
ACTEGA Coatings & Sealants	332	325	2	0
<b>Sales by region</b>				
Europe	795	745	7	2
<i>thereof Germany</i>	277	262	5	2
Americas	527	438	20	4
<i>thereof U.S.</i>	365	289	26	8
Asia	593	547	8	5
<i>thereof China</i>	310	288	8	5
Other	37	34	8	3
Earnings before interest, taxes, depreciation and amortization ( <b>EBITDA</b> )	397	336	18	6
Operating income ( <b>EBIT</b> )	268	229	17	
Earnings before taxes ( <b>EBT</b> )	252	213	18	
Net income ( <b>EAT</b> )	179	152	18	
<b>Research and development expenses</b>	114	109	4	
<b>Headcount</b> (Dec. 31)	6,064	5,741	6	

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

*The presentation accompanying the Annual Press Conference and the Annual Report 2014 can be downloaded at [www.altana.com](http://www.altana.com), where you may also order your personal print copy.*

#### 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 about 86 percent 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 manufacturers, paint and plastics processors, the printing and cosmetic industries, 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. At present, the ALTANA Group has 49 production facilities and more than 50 service and research laboratories worldwide. Throughout the Group more than 6,000 people work to ensure the success of ALTANA worldwide. In 2014, ALTANA achieved sales of about 2 billion euros. Its impressive earning power and high growth rate make ALTANA one of the most successful and innovative chemical group worldwide.

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