



Zurich, September 18, 1998

PRESS INFORMATION

8-months report (January to August 1998)

- EMS:**
- **Fine Chemicals with powerful growth**
 - **Performance Polymers developing well**
 - **Engineering hit by Asian crisis**

With its companies combined in EMS-CHEMIE HOLDING AG, the EMS Group with its world-wide activities conducted in the fields of **Performance Polymers, Fine Chemicals** and **Engineering** boosted consolidated **net sales by 5,1 % to CHF 719 million** (corresponding period, previous year: CHF 684 million) in the first 8 months of the 1998 financial year, **operational cash flow by 1,2 % to CHF 163 million** (CHF 161 million), and **income from operations by 0,8 % to CHF 126 million** (CHF 125 million).

On the one hand, the Performance Polymers and Fine Chemicals divisions with their primary focus on Europe and the USA report a good development of sales and income. On the other hand, in particular the Engineering division with its plant construction unit EMS-INVENTA has been hit by the crisis in Asia. The decline in sales and income is the result of the company's over 90 % focus on construction activities for synthetic fibre production in Asia.

The deterioration of business in Asia is offset by better results in the main markets Europe and USA; overall income from operations has been maintained and overall sales boosted.

Although the situation has become more unsatisfactory over the past months, we expect that income from operations will nevertheless be maintained on the level of the previous year (CHF 188 million).

The high investment volume of CHF 120 million budgeted for 1998 will be applied as planned, and financed in full from cash flow.

As usual, **finance income** is taken into account only in the annual financial statement per December, and in the case of gains from the sale of securities only when these have been realised. On the basis of previously effected sales and the current valuation of the securities portfolio, EMS will again be able to report positive finance income for the year; the extremely high level of the previous year (CHF 175 million) will however most probably not be achieved.

Development of sales and income, January to August

(CHF millions, acc. to IAS)

	1998	1997	1996
Consolidated net sales	719	684	601
- change against previous year	+ 5,1%	+13,8 %	-- 3,0 %
Cash-flow (from operations) *)	163	161	118
- change against previous year	+1,2%	+36,4 %	-- 8,5 %
- in % of sales	22,7%	23,5 %	19,6 %
Income from operations **)	126	125	86
- change against previous year	+ 0,8%	+45,3 %	-- 14,9 %
- in % of sales	17,6%	18,3 %	14,3 %

*) cash flow from operations = income from operations plus depreciation (EBDIT)

***) income from operations = net income before interest and taxes (EBIT)

The US business of EMS-TOGO is no longer consolidated since 1 April 1997 as the company was sold to H.B. Fuller, USA, within the framework of a global co-operation agreement. Assuming an identical scope of consolidation, sales would have grown by 6.7%.

Development of sales of the individual divisions

	1998	Change against pyr im CHF in loc. cur.		1997 % dev. pyr		1996 % dev. pyr	
		+ 5%	+ 7%	527	+ 15%	460	-- 3%
Performance Polymers	554	+ 5%	+ 7%	527	+ 15%	460	-- 3%
Fine Chemicals	113	+19%	+ 20%	95	+ 15%	83	+ 8%
Engineering	43	- 19%	- 17%	53	+ 8%	49	-- 17%
Others	9	0 %	0 %	9	0 %	9	0 %
Consolidated net sales	719	+ 5%	+ 6%	684	+ 14%	601	-- 3 %

Schedule

- Report on the 1998 financial statements of the EMS Group: end of February 1999.
- 4-month report 1999 of the EMS Group: end of May 1999
- Financial media/financial analysts' conference: 9 July 1999
- General Meeting of EMS-CHEMIE HOLDING AG: 21 August 1999