



Herrliberg, 26 October 2001

MEDIA INFORMATION

9-month report 2001 (January to September 2001)

EMS Group: Muted performance

I. Summary

The EMS Group, with worldwide activities in the fields of **Performance Polymers**, **Fine Chemicals** and **Engineering**, and companies combined within EMS-CHEMIE HOLDING AG, increased consolidated **net sales revenues** in the first 9 months of 2001 by 11% over the previous year to CHF 951 Mio. (857 Mio.). Within the previous year's scope of consolidation, net sales revenues would have risen by 3.1%. Up to August, sales revenues grew in line with expectations, but since September have been lower than expected, owing to the general sense of insecurity among customers, which is likely to persist into the fourth quarter.

The scope of consolidation now also includes Wagner Automobilsysteme, acquired in February 2001, and EMS-UBE Ltd., Ube (Japan), which produces chemical raw materials exclusively for the two partners EMS and UBE; EMS' existing minority interest in the company has been increased from 49% to 66²/₃%.

II. Development of sales revenues for the EMS Group, January to September 2001, compared with previous year's results

Net sales revenues in CHF Millions	2001 (Jan-Sep)	2000 (Jan-Sep)	% dev. previous year
Total EMS Group	951	857	+ 11.0%
- Performance Polymers	711	636	+ 11.8%
- Fine chemicals	146	143	+ 2.1%
- Engineering	94	78	+ 20.5%

In the **PERFORMANCE POLYMERS** business field, very satisfactory results were achieved with the new metal-substitution plastics which are resistant to high temperatures, and with the new technical fibres and adhesives. On the other hand, this business field was affected by the downturn in the American automotive industry and the cautious approach to investment worldwide.

In the **FINE CHEMICALS** business field, EMS-PRIMID (leading manufacturer of environment-friendly PMCs) is continuing to make good progress, while development in net sales revenues in the EMS-DOTTIKON business field, which is undergoing a comprehensive restructuring programme, was moderate, as expected. The majority of orders in this chemicals field now come, however, increasingly from the attractive pharmaceuticals industry, which should be reflected in substantial, sustained growth over the years to come.

In the **ENGINEERING** business field, EMS-PATVAG (manufacturer of airbag triggers) developed less well than expected, as a result of the downturn in the automotive industry, while INVENTA-FISCHER (plant construction company specialising in polyester and polyamide plants) capacity utilisation remains good and order books are well filled.

III. Outlook

As anticipated, operating income will not keep pace with the growth in sales. This is due, on the one hand, to the reconsolidation of the raw materials company EMS-UBE, since this company supplies the partners with its products at full cost, so that the consolidation has resulted in an increase in sales revenues but not in any significant increase in profits. On the other hand, the fourth quarter is likely to be affected by the worldwide economic uncertainty, a strong Swiss franc and a cautious approach to investment throughout the worldwide. Consequently,

operating profits are likely to be at the lower end of the target range and not to reach the previous year's level. The almost historical dimensions of the movements on the financial markets caused by the terrorist attacks in the USA, and the cyclically weak state of the market, make it difficult to forecast the situation at the end of the year. But the financial results for EMS itself are likely to be positive in this difficult year.

The planned investment of CHF 90 Mio. in new plant and products is being carried out as scheduled and financed entirely from cash flow.

IV. Schedule

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| - Annual results 2001 | March 2002 |
| - 1 st -quarter report 2002 | May 2002 |
| - Balance sheet media /financial analysts' conference | 12 July 2002 |
| - General meeting of EMS-CHEMIE HOLDING AG | 17 August 2002 |