

Herrliberg, July 10, 2009

CAPSULE MEDIA INFORMATION

EMS Group:

- **Economic slump affects course of business**
- **Measures taken early maintain high result margin**
- **Slight revival of the markets in the 2nd quarter of 2009**

Half-year report 2009 (January to June 2009)

With its companies combined in the EMS-CHEMIE HOLDING AG and with global activities in the business areas **Performance Polymers** and **Fine Chemicals / Engineering**, the EMS Group achieved **net sales** of CHF 541 million (837), a **net operating income (EBIT)** of CHF 71 million (136) and an **operative cash flow** of CHF 131 million (128) in the first half year of 2009.

Worldwide demand for consumer and investment goods dropped to historically low values in the first half year of 2009. In particular the automotive industry, which is of significant importance for EMS, showed a strong decline. The number of vehicles produced in the main regions USA, Europe and Japan, amounted to only 63% of that of the previous year. A similar decline could also be observed in other industrial branches. Reductions in inventory stocks, perceived at all preceding levels of the supply chain, reduced demand even further. As a result, a strong drop in sales volumes also occurred for EMS. However, through innovation EMS realised all new business successfully as planned and further increased market shares throughout the world.

Consolidated net sales in the first half year of 2009 were CHF 541 million (837) which is 35.3% lower than for the same period of the previous year. In local currencies net sales were reduced by 33.3% compared to the previous year. Development of net sales in the 2nd quarter of 2009 showed a slight improvement compared to the 1st quarter of the year.

EMS had prepared itself quickly and at an early stage for an economic slowdown. Comprehensive cost-reduction programmes were already implemented from the

beginning of 2008. A worldwide recruitment freeze has been in force since April 2008. Organisation, processes, production quantities and inventory stocks have in the meantime been adapted according to the lower demand. With these measures completed, EMS can concentrate solely on growing with speciality products in the market and continuing to drive generation of new business. The programme, introduced at the beginning of this year to accelerate new business, will be continued unabatedly.

Due to a strong position with speciality products and rapid, decisive action in view of the economic slump, EMS was successful in maintaining a high operational cash flow margin (EBITDA margin) of 18.2% (19.5%) – despite considerably lower net sales figures and undiminished expenditure for development of future new business. Net operating income (EBIT) achieved in the first half year amounted to CHF 71 million (136) while the operative cash flow amounted to a substantial CHF 131 million (128).

For 2009 EMS continues to expect the world economy to remain in a very weak state. This will continue to have a negative effect on the consumer and investment climate. The considerable state finance programmes are selectively boosting demand and have a stabilising effect on the automotive industry. In the USA and in China some indications of recovery can be seen, but EMS is not yet expecting significant recovery in Europe this year.

The successful strategy of expansion of speciality business in the main area of Performance Polymers will be continued unabatedly by EMS. Due to the innovative, high-margin business with speciality products, on-going expansion of market position, abundant liquidity and a strong equity ratio, EMS sees itself to be in a good position to make use of opportunities in an independent, rapid and flexible manner.

Due to the economic conditions, EMS continues to expect net sales and net operating income (EBIT) for 2009 to be significantly below the previous year.

Provisional key figures *)

EMS Group January – June 2009

CHF millions	2009 (Jan-Jun)	2008 (Jan-Jun)
Net sales	541	837
Change from previous year	-35.3%	
In local currencies	-33.3%	
Operational cash flow (EBITDA) ¹⁾	98	163
Change from previous year	-39.8%	
In % of net sales	18.2%	19.5%
Net operating income (EBIT) ²⁾	71	136
Change from previous year	-47.6%	
In % of net sales	13.2%	16.3%
Operative cash flow ³⁾	131	128
Change from previous year	+2.7%	
In % of net sales	24.3%	15.3%

CHF millions	30.06.2009	31.12.2008
Cash and cash equivalents	524	448
Change	+17.0%	
Net cash position ⁴⁾	373	251
Change	+48.7%	
Equity ratio	60%	58%

1) EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortization
= operational cash flow

2) EBIT = Earnings Before Interest and Taxes
= net operating income

- 3) Operative cash flow = net operating income (EBIT) plus write-downs on intangible assets, property, plant and equipment plus changes in net working capital less tax payments.
- 4) Net cash position = cash and cash equivalents plus securities plus interest-bearing receivables less interest-bearing liabilities.
- *) EMS provides the provisional key figures regarding the operative result of the first half year at the beginning of July and publishes the definitive half-year statement at the end of August. The following contains the provisional key figures for the period ending June 30. It may be assumed that they will not deviate significantly from the definitive figures.

On Friday, July 10, 2009, at

9.30 a.m. the Media Conference

and at

2.00 p.m. the Financial Analysts' Conference

will take place at the EMS-CHEMIE AG, 7013 Domat/Ems.
You will be provided with a detailed media information following the media conference at around 12.00 a.m.