

Zurich, 23 May 1997



## PRESS INFORMATION

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### **4-months report (January to April 1997) of the EMS-Group: Significant boosting of income**

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 13,3 % to CHF 349 million** (corresponding period, previous year: CHF 308 million) in the first four months of the financial year, **operational cash flow by 43,4 % to CHF 83 million** (CHF 58 million), and **income from operations by 58,9 % to CHF 65 million** (CHF 41 million).

As a consequence of the joint venture between EMS-TOGO and H.B.Fuller (USA) launched on 1 April 1997, the **scope of consolidation experienced a slight change**: consolidation the US business conducted by EMS-TOGO has no longer been effected since 1 April 1997, i.e. 0.7 % of consolidated net sales for the first 4 months.

**I. Development of sales and income, January to April**  
(CHF millions, acc. to IAS)

	<b>1997</b>	<b>1996</b>	<b>1995</b>
<b>Consolidated net sales</b>	<b>349</b>	308	321
- change against previous year	<b>+13,3 %</b>	-- 4,0 %	+ 11,5 %
<b>Cash flow (from operations) *)</b>	<b>83,0</b>	57,9	66,2
- change against previous year	<b>+43,4 %</b>	-- 12,5 %	+ 20,5 %
- in % of sales	<b>23,8 %</b>	18,8 %	20,6 %
<b>Income from operations **)</b>	<b>65,0</b>	40,9	50,9
- change against previous year	<b>+58,9 %</b>	-- 19,7 %	+ 30,5 %
- in % of sales	<b>18,6 %</b>	13,3 %	15,9 %

\*) Cash flow operations = income from operations plus depreciation (EBDIT)

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

Amounting to CHF 65 million, **income from operations increased substantially**, primarily the result of a **better general economic environment** in Europe and the **favourable currency situation**. The largest contribution to this improvement was generated by the performance polymers produced by business unit EMS-CHEMIE, thanks also to the **new, high-yield products** developed over the past years which are now being introduced on the market. As an example in this context, the thermoplasts for metal substitution and fuel line systems have experienced a very warm welcome on the market.

As in the past years, **financial income** is only posted in the end-of-year accounts, and only if and when realised. As a result of the sale of securities, financial income of exceptional scope was recorded in the first 4 months; the high level of financial income of the previous year (CHF 126 million) should hence be surpassed.

## II. Outlook

The **income from operations** for the first four months cannot be used to project the corresponding figure for the entire year. However, it can be assumed that the previous year's operating income (CHF 152 million) will also be exceeded.

The volume of investments planned for 1997 (approx. CHF 85 million) is being applied as planned, and will be financed in full from cash flow.

## III. Development of sales of the individual business units

	1997	change against 1996		1996		1995	
		in CHF	in loc. cur.	% dev. pyr		% dev. pyr	
<b>Performance Polymers</b>	<b>275</b>	<b>+17 %</b>	<b>+ 8 %</b>	236	-- 4 %	247	+ 12 %
- EMS-CHEMIE	216	+18 %	+ 8 %	182	-- 4 %	189	+ 8 %
- EMS-TOGO	59	+ 9 %	+ 1 %	54	-- 6 %	58	+ 26 %
<b>Fine Chemicals</b>							
- EMS-DOTTIKON	<b>46</b>	<b>+12 %</b>	<b>+ 4 %</b>	41	+ 5 %	39	+ 3 %
<b>Engineering</b>	<b>23</b>	<b>- 12 %</b>	<b>- 19 %</b>	26	-- 13 %	30	+ 20 %
- EMS-PATVAG	10	+16 %	+11 %	9	-- 19 %	11	+182 %
- EMS-INVENTA	12	-- 25 %	-- 35 %	17	-- 14 %	19	-- 3 %
- EMS-SYNTECH	1						
<b>Others</b>	<b>5</b>	<b>0 %</b>	<b>0 %</b>	5	0 %	5	0 %
<b>Total sales</b>	<b>349</b>	<b>+13 %</b>	<b>+ 4 %</b>	308	-- 4 %	321	+ 11 %

The drop in sales reported by **EMS-INVENTA** is the consequence of the anticipated decline of the investment volumes in the main markets, in particular in China.

## IV. Schedule

- Financial media conference 1997: 11 July 1997 in Dottikon
- General Meeting of EMS-CHEMIE HOLDING AG: 23 August 1997 in Domat/Ems
- 8-month report 1997 of the EMS-Group: end of September 1997
- Report on the 1997 financial statements of the EMS-Group: end of February 1998