

Zurich, 15 May 1998



PRESS INFORMATION

EMS-Group 4-months report (January to April 1998): Sales and income up; impact to crisis in Asia

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 4,7 % to CHF 365 million** (corresponding period, previous year: CHF 349 million) in the first four months of the 1998 financial year, **operational cash flow by 6,9 % to CHF 89 million** (CHF 83 million), and **income from operations by 7,2 % to CHF 70 million** (CHF 65 million).

The US business of EMS-TOGO has been left out of the consolidation circle since 1 April 1997 as it was sold to H.B. Fuller, USA, within the framework of a worldwide co-operation agreement. An increase in sales of 6.2 % would have resulted in an unchanged scope of consolidation.

As expected, the development of sales and income was no longer able to be maintained on the brisk levels of the previous year; the results are however slightly over the budgeted figures. Contrary to expectations, EMS sales and income in the Far East suffered substantial setbacks as a consequence of the economic crisis there. The significant cuts in capital spending in the region had a negative impact in particular on business units EMS-CHEMIE with its textile adhesives and on plant construction specialists EMS-INVENTA. On the other hand, business in Europe and the USA developed better than anticipated. Again as expected, the Fine Chemicals unit reports the highest increase in sales and income.

The unsatisfactory sales situation in the Far East will very probably continue over the coming months. We nevertheless expect income from operations to reach at least the level of the previous year (CHF 188 million).

The investment volume of CHF 100 million budgeted for 1998 will be applied as planned and financed entirely from cash flow.

Development of sales and income, January to April

(CHF millions, acc. to IAS)

	1998	1997	1996
Consolidated net sales	364,9	348,5	307,6
- change against previous year	+4,7 %	+13,3 %	-- 4,0 %
Cash flow (from operations) *)	88,7	83,0	57,9
- change against previous year	+6,9 %	+43,4 %	-- 12,5 %
- in % of sales	24,3 %	23,8 %	18,8 %
Income from operations **)	69,7	65,0	40,9
- change against previous year	+7,2 %	+58,9 %	-- 19,7 %
- in % of sales	19,1 %	18,6 %	13,3 %

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

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

Development of sales of the individual business units

	1998	change against pyr		1997		1996	
		in CHF	in loc. cur.	% dev. pyr		% dev. pyr	
Performance Polymers	281	+2,4%	+ 5,1 %	275	+ 17 %	236	-- 4 %
- EMS-CHEMIE	223	+3,7 %	+ 6,3 %	216	+ 18 %	182	-- 4 %
- EMS-TOGO	58	- 2,0 %	+ 1,8 %	59	+ 9 %	54	-- 6 %
Fince Chemicals							
- EMS-DOTTIKON	56	+21,4%	+ 21,0 %	46	+ 12 %	41	+ 5 %
Engineering	23	- 3,4 %	- 1,3 %	23	-- 12 %	26	-- 13 %
- EMS-PATVAG	11	+12,9 %	+ 17,0 %	10	+16 %	9	-- 19 %
- EMS-INVENTA	9	-- 28,2 %	- 26,7 %	12	-- 25 %	17	-- 14 %
- EMS-SYNTTECH	3	+107,7%	+ 111,0 %	1			
Others	5	0,0 %	0,0 %	5	0 %	5	0 %
Total sales	365	+4,7 %	+ 7,1 %	349	+ 13 %	308	-- 4 %

Schedule

- Financial media conference 1998: 10 July 1998 in Romanshorn
- General Meeting of EMS-CHEMIE HOLDING AG: 22 August 1998 in Domat/Ems
- 8-months report 1998 of the EMS-Group: end of September 1998
- Report on the 1998 financial statements of the EMS-Group: end of February 1999.