

Zurich, 22 September 2000



MEDIA INFORMATION

EMS Group: slower development of income

8-months report 2000 (January to August 2000)

I. General information

With its companies combined in EMS-CHEMIE HOLDING AG, the EMS Group with its world-wide business activities in the fields of **Performance Polymers, Fine Chemicals** and **Engineering** increased its **consolidated net sales** in the first 8 months of 2000 by 8,3 % over the previous year to CHF 758 million (700 million), **operational cash flow** (EBITDA) by 7,8 % to CHF 173 million (161 million) and **income from operations** (EBIT) by 8,2 % to CHF 132 million (122 million).

Assuming an identical scope of consolidation, net sales would have risen by 9,5 % instead of 8,3 %, whereby the sole influencing factor is the 1999 sale of EMS-SYNTECH.

As expected, the development of sales and operating income in the second half of the year is less pronounced than in the first two quarters, a consequence of the base effect. The fact that income from operations did not develop at a higher rate than sales must be attributed to the ongoing surge in the prices for raw materials, which cannot be passed on in full to the market.

II. Development of sales and income January to August 2000 compared with the previous year

According to IAS in CHF millions	2000	% deviation prev. year	1999	% deviation prev. year
Net sales revenues				
EMS Group	758	+ 8.3%	700	- 2.5%
- Performance Polymers	621	+ 14.2%	543	- 1.9%
- Fine Chemicals	76	- 13.0%	88	- 21.9%
- Engineering	61	- 11.1%	69	+ 32.9%
EBITDA ¹⁾				
EMS Group	173	+ 7.8%	161	- 1.2%
in % of net sales revenues	22.8%		23.0%	
- Performance Polymers	130	+11.1%	117	+ 4.0%
in % of net sales revenues	20.9%		21.5%	
- Fine Chemicals	26	- 4.0%	27	- 37.2%
in % of net sales revenues	34.2%		30.7%	
- Engineering	17	- 2.0%	17	+ 106.9%
in % of net sales revenues	27.8%		24.6%	
EBIT ²⁾				
EMS Group	132	+ 8.2%	122	- 3.2%
in % of net sales revenues	17.4%		17.4%	
- Performance Polymers	103	+ 12.2%	92	+ 5.2%
in % of net sales revenues	16.6%		16.9%	
- Fine Chemicals	18	- 5.1%	19	- 46.7%
in % of net sales revenues	23.4%		21.6%	
- Engineering	11	- 1.3%	11	+ 254.4%
in % of net sales revenues	17.8%		15.9%	

- 1) EBITDA = earnings before interest, taxes, depreciation and amortization
= operational cash flow
- 2) EBIT = earnings before interest and taxes
= income from operations

Performance Polymers experienced better than expected. This satisfactory development is on the one hand the consequence of marked improvements in the USA and Asia, on the other hand of product range streamlining measures implemented in the previous year. In particular, sales of *Primid* - a product for solvent-free powder paints - are exceeding expectations.

In the **Fine Chemicals** field, the negative impact of the sharp decline in sales experienced in the second half of 1999 has been cushioned by way of special remedial measures. The issue was caused by the unsuccessful market launch of pharmaceutical products by EMS customers. The drop in operating income has thus been kept within acceptable confines.

The Group's **Engineering** business is riding the upward trend in the Asia region. Construction activities for the production of polyester and polyamide fibres have been boosted. The decline in sales and income is the consequence of the disposal of engineering company EMS-SYNTECH.

III. Outlook

As a result of the reference base effect, overall growth for the year will continue to taper off. For the year 2000 EMS expects a slight improvement in consolidated net sales, as well as income from operations (EBIT) exceeding the previous year's figure, which amounted to CHF 199 million in 1999. The proposed CHF 100 million for investment in new plant, equipment and products will be applied as planned and financed in full from cash flow.

IV. Schedule

- Report on the annual financial statement 2000 for the EMS Group:
March 2001
- Financial media/financial analysts conference: 13 July 2001
- General meeting of EMS-CHEMIE HOLDING AG:
18 August 2001, 10.30, in Domat/Ems