

Herrliberg, July 13, 2007

MEDIA INFORMATION

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I. First-half-year report 2007 of the EMS Group / Outlook 2007

Summary

EMS Group:

Very satisfactory development of business

Increase in special dividend 2007

With its companies combined in EMS-CHEMIE HOLDING AG and with global activities in the business areas **Performance Polymers** and **Fine Chemicals / Engineering**, the EMS Group achieved 10.8% higher net sales and 10.9% higher net operating income (EBIT) in the first half of 2007 compared to the previous year. This result is in the upper range of company expectations.

Consolidated **net sales** rose by 10.8% to CHF 783 million (706), an increase of 8.9% in local currencies. Further growth was achieved with speciality products in the main business area Performance Polymers. The positive economic situation in main sales markets Europe and Asia had a further impact on the course of business.

Net operating income (EBIT) was boosted by 10.9% over the previous year to CHF 134 million (120), **EBITDA** by 10.2% to CHF 161 million (146). The **EBIT margin** amounted therefore to 17.1% (17.1%), the **EBITDA margin** to 20.6% (20.7%). Despite a continual increase in raw material costs for the Performance Polymers business area, a further increase of net operating income (EBIT) was achieved.

As a result of further successful sales of shares in the LONZA investment in the first half of 2007, EMS intends to increase the special dividend announced in February 2007 from CHF 2.15 to CHF 2.50. EMS consequently will pay a total dividend of CHF 8.00 in August 2007.

EMS remains confident for the course of business in 2007. Growth of net sales and net operating income (EBIT) against the previous year are expected to be in the high single-digit percentage range.

Provisional key figures *)

EMS Group January – June 2007

CHF millions	2007 (Jan-Jun)	2006 (Jan-Jun)
Net sales	783	706
change	+10.8%	+11.5%
in local currencies	+8.9%	+10.5%
Operational cash flow (EBITDA) ¹⁾	161	146
change	+10.2%	+10.5%
in % of net sales	20.6%	20.7%
Net operating income (EBIT) ²⁾	134	120
change	+10.9%	+16.5%
in % of net sales	17.1%	17.1%

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

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

*) At the beginning of July EMS provides the provisional key figures for the first-half-year operating results and publishes the final first-half-year statement at the end of August. The provisional key figures for the period ending June 30 are given in the following. It may be assumed that they will not deviate significantly from the final figures.

Development of net sales and income in the individual business areas

(CHF millions)	2007 (Jan-Jun)	%-dev. prev. yr	2006 (Jan-Jun)	%-dev. prev. yr
Performance Polymers				
Net sales	717	+12.6%	637	+13.3%
- in local currencies		+10.8%		+12.3%
EBITDA	143	+15.8%	124	+13.4%
- in % of net sales	20.0%		19.4%	
EBIT	120	+15.8%	104	+18.1%
- in % of net sales	16.7%		16.3%	
Fine Chemicals / Engineering				
Net sales	66	-5.5%	69	-3.1%
- in local currencies		-9.8%		-4.1%
EBITDA	18	-20.3%	23	-3.3%
- in % of net sales	27.7%		32.8%	
EBIT	14	-19.0%	17	+7.5%
- in % of net sales	20.9%		24.4%	
EMS Group				
Net sales	783	+10.8%	706	+11.5%
- in local currencies		+8.9%		+10.5%
EBITDA	161	+10.2%	146	+10.5%
- in % of net sales	20.6%		20.7%	
EBIT	134	+10.9%	120	+16.5%
- in % of net sales	17.1%		17.1%	

Remarks on the individual business areas

Business with speciality products in the main business area **PERFORMANCE POLYMERS** was further expanded. All Business Units opened up new application fields. The enduring, positive economic situation in main sales markets Europe and Asia sustained the course of business. The strained situation with raw materials caused by worsening supply shortages and constantly rising prices, necessitated further sales price increases.

Secondary business area **FINE CHEMICALS / ENGINEERING** reported an expected decline in sales.

Outlook 2007

Worldwide, the economic environment varies for different geographic regions. While Europe and Asia continue to develop in a very positive manner, EMS has ascertained a slowdown of industrial development in North America. EMS is constantly reviewing the situation and will adapt flexibly to future economic developments. The strategy of concentration on speciality products in the Performance Polymers business area will, however, be continued unchanged.

EMS remains confident for the course of business in 2007. Growth of net sales and net operating income (EBIT) against the previous year are expected to be in the high single-digit percentage range.

II. Financial statement EMS-CHEMIE HOLDING AG as at April 30, 2007

Net income for EMS-CHEMIE HOLDING AG with its business year ending on April 30 amounts to CHF 137 million (222) for the year May 1, 2006 until April 30, 2007. Retained earnings amount to CHF 298 million (312) including balance brought forward.

III. Payment of dividends

Since 2004 EMS has pursued a consistently result and liquidity-oriented distribution policy. Funds not required for operations are returned to the shareholders.

During the financial media conference on February 9, 2007, EMS declared a dividend of CHF 7.65 (6.50) per share for 2007. This dividend was made up as follows: CHF 5.50 (5.00) per share as an ordinary dividend, and CHF 2.15 (1.50) per share as a special dividend resulting from the sale of shares in the LONZA investment in the second half of 2006.

Further successful sales of LONZA investment shares followed in the first half of 2007, as a result of which the Board of Directors of EMS-CHEMIE HOLDING AG has decided to increase the special dividend 2007 from CHF 2.15 to CHF 2.50 per share. A total dividend of CHF 8.00 per share will therefore be proposed to the ordinary general meeting on August 11, 2007.

The ordinary general meeting on August 11, 2007 will be asked to approve the following appropriation of retained earnings:

The retained earnings, comprising

Net income	CHF	136'507'357.46
Balance brought forward	CHF	164'652'299.48
Reclassification reserves for treasury shares	<u>CHF</u>	<u>(2'981'109.65)</u>
Retained earnings	CHF	298'178'547.29

shall be appropriated as follows:

Payment of an ordinary dividend of CHF 5.50 and	CHF	(125'109'066.50)
a special dividend of CHF 2.50 gross	<u>CHF</u>	<u>(56'867'757.50)</u>
per dividend-bearing registered share *)	<u>CHF</u>	<u>(181'976'824.00)</u>

Balance to be carried forward	<u>CHF</u>	<u>116'201'723.29</u>
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*) Dividend-bearing registered shares = registered shares issued (25'052'870 shares) less treasury shares (2'305'767 shares) [as at June 30, 2007]

The dividend will be paid out as of August 15, 2007 (ex-date).

IV. Elections

At the annual general meeting of August 11, 2007, the Board of Directors will propose the re-election of the current board members Magdalena Martullo, Egbert Appel, Dr Hansjörg Frei, Dr Werner Prätorius and Albert Reich, for a further one-year term of office.

Dieter Klug, the current Chairman of the Board of Directors, having reached the age of 70, has decided not to stand for a further term of office.

The Board of Directors will propose to the Annual General Meeting, the election of Dr Ulf Berg, Swiss citizen, residing in canton Zug, as Chairman of the Board of Directors for a term of office of one year. Born in 1950, Dr Ulf Berg spent more than 20 years with ABB (formerly BBC) in a number of executive positions in Switzerland and abroad. He remained with that company until 1998. In 2004 he joined SULZER as CEO, where he was appointed Chairman of the Board of Directors in April 2007. Dr Ulf Berg will assume his duties at EMS on August 13, 2007.

The Board of Directors will also propose to the Annual General Meeting, the re-appointment of KPMG AG, Badenerstrasse 172, 8026 Zurich, as statutory auditors and group auditors, for a further one-year term.

The invitation to the Annual General Meeting on August 11, 2007 will be sent out in the second half of July 2007.

V. Schedule

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|--|--------------------|
| - Annual General Meeting 2007 | August 11, 2007 |
| - Publication of the Half-Year Report
as at June 30, 2007 | End of August 2007 |
| - Third-Quarter Report 2007 | October 2007 |
| - Media conference / Annual Results 2007 | February 2008 |

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