

MEDIA INFORMATION

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I. First-half-year report 2008 of the EMS Group / Outlook 2008

Summary

Deteriorating economic environment

Foreign currencies negatively affect net sales and EBIT growth

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 **net sales** of CHF 837 million (783) and a **net operating income (EBIT)** of CHF 136 million (134) in the first half of 2008.

Consolidated **net sales** rose by 6.9% to CHF 837 million (783) with the same scope of consolidation^{*)} net sales would have increased by 2.7%. Weaker foreign currencies - in particular the US dollar and Asian currencies - had a negative impact on sales in Swiss francs.

Main area Performance Polymers was expanded further in spite of the observed slow-down of the global economy. Particularly positive developments resulted from the automotive business of EMS-TOGO and the introduction of new plastic products for metal replacement.

Net operating income (EBIT) increased by 1.7% to CHF 136 million (134), EBITDA rose by 1.1% to CHF 163 million (162). This disproportionate increase of the net operating income must be attributed to the negative currency effects and the change to the scope of consolidation^{*)}.

EMS expects an increased worsening of the economy with continuing unfavourable currency exchange conditions. For 2008, net sales slightly above the previous year are expected. Due to the influence of currency exchange rates and the change to the scope of consolidation, net operating income (EBIT) will develop under-proportionally to sales and presumably will close slightly below the previous year.

*) In the Business Unit EMS-TOGO, automotive supplier EFTEC has been fully consolidated since November 20, 2007 (previously partially consolidated). The effect of this on the 2008 accounts can be seen in higher net sales and a higher profit for EMS shareholders. It does not have a significant effect on net operating income (EBIT).

Provisional key figures **)

EMS Group January – June 2008

CHF millions	2008 (Jan-Jun)	2007 (Jan-Jun)
Net sales	837	783
change from previous year	+6.9%	+10.9%
unchanged scope of consolidation ³⁾	+2.7%	+10.9%
currency effects	-4.3%	+2.0%
Operational cash flow (EBITDA) ¹⁾	163	162
change	+1.1%	+10.4%
Net operating income (EBIT) ²⁾	136	134
change	+1.7%	+11.1%

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

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

3) In the Business Unit EMS-TOGO, automotive supplier EFTEC has been fully consolidated since November 20, 2007 (previously partially consolidated). The effect of this on the 2008 accounts can be seen in higher net sales and a higher profit for EMS shareholders. It does not have a significant effect on net operating income (EBIT).

**) At the beginning of July EMS provides the provisional key figures for the first-half operating results and publishes the final first-half 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	2008 (Jan-Jun)	%-dev. prev. yr	2007 (Jan-Jun)	%-dev. prev. yr
Performance Polymers				
Net sales	776	+8.2%	717	+12.6%
- organic growth ¹⁾		+7.9%		+10.5%
- currency effects		-4.3%		+2.1%
- acquisition EFTEC ²⁾		+4.6%		---
EBITDA	148	+3.4%	143	+16.0%
- in % of net sales	19.1%		20.0%	
EBIT	125	+4.6%	120	+15.7%
- in % of net sales	16.2%		16.7%	
Fine Chemicals / Engineering				
Net sales	61	-7.3%	66	-5.4%
- organic growth ¹⁾		-5.4%		-8.5%
- currency effects		-1.9%		+3.1%
EBITDA	15	-17.3%	18	-20.3%
- in % of net sales	24.6%		27.6%	
EBIT	11	-22.9%	14	-17.2%
- in % of net sales	17.7%		21.3%	
EMS Group				
Net sales	837	+6.9%	783	+10.9%
- organic growth ¹⁾		+7.0%		+8.9%
- currency effects		-4.3%		+2.0%
- acquisition EFTEC ²⁾		+4.2%		---
EBITDA	163	+1.1%	162	+10.4%
- in % of net sales	19.5%		20.6%	
EBIT	136	+1.7%	134	+11.1%
- in % of net sales	16.3%		17.1%	

¹⁾ Organic growth = growth with the same scope of consolidation and the same currencies.

²⁾ In the Business Unit EMS-TOGO, automotive supplier EFTEC has been fully consolidated since November 20, 2007 (previously partially consolidated). The effect of this on the 2008 accounts can be seen in higher net sales and a higher profit for EMS shareholders. It does not have a significant effect on net operating income (EBIT).

Remarks on the individual business areas

Business with speciality products in the main business area **PERFORMANCE POLYMERS** was expanded further in spite of the economic slowdown. New applications were established, new products introduced. Business Unit EMS-TOGO succeeded in acquiring new business. The weakening of foreign currencies against the Swiss franc – in particular the US dollar and Asian currencies – had a negative effect on the development of income.

The secondary business area **FINE CHEMICALS / ENGINEERING** experienced the expected decline in net sales and income due to the weaker economic environment and lower market prices.

Outlook 2008

Already in 2007, EMS noted a slowing of industrial development in the USA and a general uncertainty amongst customers in Europe and Asia. The drop in consumer spending in the US and the weak US Dollar, which have been experienced in the meantime are having a negative impact on global exports from Europe and Asia. High energy costs and rising food prices are shrinking the proportion of disposable income available for industrial goods world-wide. The global economy is being slowed down. Consequently, 2008 is expected to be a year of deteriorating global economic development and a currency situation that will remain unfavourable for EMS as an export-focused Swiss company.

EMS will maintain its current strategy of expanding the Performance Polymers business. Great importance will be attached to the rapid introduction of new products. In view of the economic slowdown, costs and investments will be handled with caution.

For 2008, net sales slightly above the previous year are expected. Due to the influence of currency exchange rates and the change to the scope of consolidation, net operating income (EBIT) will develop under-proportionally to sales and presumably will close slightly below the previous year.

II. Financial statement EMS-CHEMIE HOLDING AG as at April 30, 2008

Net income for EMS-CHEMIE HOLDING AG with its business year ending on April 30 amounts to CHF 309 million (137) for the business year May 1, 2007 until April 30, 2008. Retained earnings amount to CHF 264 million (298), including balance brought forward.

III. Payment of dividends

Since 2004 EMS has been consistently pursuing a policy of result and liquidity oriented profit distribution. Funds not required for operations are returned to the shareholders.

At the financial media conference on February 15, 2008, EMS declared a dividend of CHF 7.25 (8.00) per share for 2008. This dividend comprises an ordinary dividend of CHF 6.00 (5.50) per share, and a special dividend of CHF 1.25 (2.50) per share. The special dividend is a result of the exceptionally high net financial income in 2007.

The Annual General Meeting on August 9, 2008 will therefore, be asked to approve the following appropriation of retained earnings:

Retained earnings, comprising

Net income	CHF	309'175'756.21
Balance brought forward	CHF	103'698'027.29
Reserves for treasury shares	CHF	<u>(148'398'970.53)</u>
Retained earnings	CHF	264'474'812.97

shall be appropriated as follows:

Total dividend (CHF 7.25 / share, gross)	CHF	<u>(162'925'458.25)</u>
of which ordinary dividend (CHF 6.00 / share)	CHF	(134'834'862.00)
and special dividend (CHF 1.25 / share)	CHF	(28'090'596.25)
per dividend-bearing registered share ***)		
Balance to be carried forward	CHF	<u>101'549'354.72</u>

The dividend will be paid out as of August 13, 2008 (ex-date).

***) Dividend-bearing registered shares = registered shares issued (25'052'870 shares) less treasury shares (2'580'393 shares) [as at April 30, 2008]

IV. Reduction of the share capital

On March 26, 2008, EMS announced the repurchase of 6.67% of the share capital of EMS-CHEMIE HOLDING AG for the purpose of capital reduction. The share repurchase was effected by way of tradable put options, whereby 15 put options entitled to the tender of one EMS registered share for the price of CHF 180.00. A total of 24'957'630 put options were exercised, corresponding to a total of 1'663'642 registered shares tendered.

At the Annual General Meeting of the Shareholders of August 9, 2008, the Board of Directors of EMS-CHEMIE HOLDING AG will propose to reduce the share capital, from CHF 250'528.70 to CHF 233'890.28, by way of cancellation of 1'663'842 repurchased registered shares, with the corresponding amendment to the Articles of Association.

V. Elections

At the Annual General Meeting of August 9, 2008, the Board of Directors will propose the re-election of the current board members Egbert Appel, Dr. Ulf Berg, Dr. Hansjörg Frei, Magdalena Martullo and Dr. Werner Prätorius, for a further one-year term of office.

Albert Reich will not stand for a further term of office for reasons of age.

The Board of Directors will also ask the annual general meeting to appoint KPMG AG, Badenerstrasse 172, 8026 Zurich, as statutory auditors, for a further one-year term.

Invitations to the Annual General Meeting on August 9, 2008 will be sent out during the second half of July 2008.

VI. Schedule

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| - Annual General Meeting 2008 | August 9, 2008 |
| - Publication of the half-year report
as at June 30, 2008 | end of August 2008 |
| - Third-quarter report 2008 | October 2008 |
| - Media conference / Full-year report 2008 | February 2009 |
| - First-quarter report 2009 | April 2009 |

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