

Herrliberg, July 15, 2011

MEDIA INFORMATION

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I. Half-year report 2011 of the EMS Group / Outlook 2011

Course of business

Positive business development in the face of a strong Swiss Franc and increasing raw material prices

In the first half-year of 2011, the EMS Group, globally active in the business areas **Performance Polymers** and **Fine Chemicals / Engineering** and with its companies combined in EMS-CHEMIE HOLDING AG, achieved an increase in **net sales** of **4.6%** (+16.4% in local currencies) and a **1.2%** higher **net operating income (EBIT)** than in the same period of the prior year. Significantly weaker foreign currencies hampered growth of net sales and result in Swiss Francs.

Consolidated **net sales** amounted to CHF 874 million (836), which is 4.6% higher than in the prior year. Net sales in local currencies increased by 16.4%. The positive economic trend in main sales markets, as well as successful new business with speciality products, led to a positive development in sales volumes, above all in Europe and Asia. Weaker foreign currencies caused growth figures in Swiss Francs to be significantly lower than in local currencies. EMS generates more than 95% of its net sales outside of Switzerland.

Net operating income (EBIT) amounted to CHF 156 million (154), which is 1.2% above the prior year. EBITDA increased to CHF 183 million (180) and by 1.5% compared to the prior year. The EBIT margin was 17.9% (18.5%), the EBITDA margin 20.9% (21.6%). The unfavourable currency situation for EMS as a Swiss export company and a slightly delayed transfer of higher raw material costs to customers, reduced growth of result in Swiss Francs.

Provisional key figures *)

EMS Group January – June 2011

| In million CHF | 2011 (Jan-Jun) | 2010 (Jan-Jun) |
|---|-------------------|-------------------|
| Net sales | 874 | 836 |
| Change from previous year | +4.6% | |
| In local currencies | +16.4% | |
| Operational Cash Flow (EBITDA) ¹⁾ | 183 | 180 |
| Change from previous year | +1.5% | |
| In % of net sales | 20.9% | 21.6% |
| Net operating income (EBIT) | 156 | 154 |
| Change from previous year | +1.2% | |
| In % of net sales | 17.9% | 18.5% |

1) EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortisation
= Operational cash flow

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

*) EMS provides provisional key figures regarding the operative result of the first half year at the beginning of July and publishes the definite half-year statement at the end of August. The following contains the provisional key figures for the period ending June 30. It may be assumed that these will not deviate significantly from the definite figures.

Development of net sales and result from the business areas

| In million CHF | 2011 (Jan-Jun) | %-dev. prev. year | 2010 (Jan-Jun) |
|-------------------------------------|-------------------|----------------------|-------------------|
| EMS Group | | | |
| Net sales | 874 | +4.6% | 836 |
| - In local currencies | | +16.4% | |
| EBITDA | 183 | +1.5% | 180 |
| - In % of net sales | 20.9% | | 21.6% |
| EBIT | 156 | +1.2% | 154 |
| - In % of net sales | 17.9% | | 18.5% |
| Performance Polymers | | | |
| Net sales | 717 | +5.6% | 679 |
| - In local currencies | | +17.2% | |
| EBITDA | 149 | +2.4% | 145 |
| - In % of net sales | 20.8% | | 21.4% |
| EBIT | 127 | +1.6% | 125 |
| - In % of net sales | 17.8% | | 18.5% |
| Fine Chemicals / Engineering | | | |
| Net sales | 157 | +0.2% | 157 |
| - In local currencies | | +12.7% | |
| EBITDA | 34 | -2.5% | 35 |
| - In % of net sales | 21.6% | | 22.1% |
| EBIT | 29 | -0.6% | 29 |
| - In % of net sales | 18.4% | | 18.6% |

Comments on the individual business areas

Further expansion of business with speciality products was achieved in the main business area **Performance Polymers** where new applications were developed. Metal-replacement applications showed particularly positive development, especially with high-temperature materials. Based on very high general demand EMS invested more than CHF 100 million in additional production lines. The new plants started operation at the end of the 2nd quarter 2011. As a consequence of steadily rising raw material prices, repeated customer sales price increases were inevitable.

The secondary business area **Fine Chemicals / Engineering** also showed positive business development and strengthened its market positions. Here also, sales price increases for customers were unavoidable in order to compensate significantly higher raw material prices.

Very unfavourable foreign currency rates hampered development of net sales and result in both business areas although development was positive with regard to volumes.

Outlook 2011

First signs of a weakening trend for worldwide economic growth can be recognised. Both consumers and customers are showing increasing uncertainty about the future course of the economy and effectiveness of their government's actions. High inflation rates (China), unresolved debt problems (Europe, USA), in some cases persistently high unemployment (Europe, USA) and the battered Japanese market are subduing consumer confidence. In addition, high raw material and energy costs are impacting further industrial development. The permanent appreciation of the Swiss Franc will therefore not change.

EMS anticipates a slowing of the economy and is preparing itself for a more difficult market environment in future. The successful strategy of focus on speciality products in the main areas of Performance Polymers will be continued, with concentration on rapid realisation of new business. Costs and investments are being treated with more caution again and specific efficiency programmes are being implemented worldwide.

Despite a difficult market environment and unfavourable currencies, EMS continues to expect net sales and net operating income (EBIT) for 2011 to be slightly above those of the previous year.

II. Financial Statement EMS-CHEMIE HOLDING AG as at 30.04.2011

Net income of the EMS-CHEMIE HOLDING AG, with its business year ending on April 30, amounts to CHF 182 million (185) for the business year May 1, 2010 to April 30, 2011. Available earnings, including balance brought forward, amount to CHF 405 million (457).

III. Payment of Dividends

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

At the media conference on February 11, 2011, EMS announced the intended distribution of an **ordinary dividend** of CHF 6.50 (5.00) per share and an additional **anniversary dividend** of CHF 6.00 per share (in the previous year a special dividend of CHF 5.00).

The Annual General Meeting on August 13, 2011 will therefore be asked to approve the following appropriation of available earnings:

Available earnings comprising:

| | | |
|-------------------------|-----|--------------------|
| Net income | CHF | 181,674,920 |
| Balance brought forward | CHF | <u>222,835,818</u> |
| Available earnings | CHF | 404,510,738 |

are to be appropriated as follows:

| | | |
|---|-----|----------------------|
| Payment of an ordinary dividend of CHF 6.50 gross/share* and | CHF | (152,028,682) |
| an anniversary dividend of CHF 6.00 gross/share* | CHF | <u>(140,334,168)</u> |
| Balance to be carried forward | CHF | <u>112,147,888</u> |

Dividend payment will commence on August 19, 2011 (payment date). Shares will be traded ex-dividend from August 16, 2011 (ex-date).

*) Dividend-bearing registered shares = registered shares issued (23,389,028 shares) [as at April 30, 2011]

IV. Elections

At the Annual General Meeting on August 13, 2011, the Board of Directors will propose re-election of the current Members of the Board, Dr Ulf Berg, Magdalena Martullo, Dr Hansjörg Frei and Dr Werner Prätorius for a further one-year term of office.

The Board of Directors will also propose the re-election of KPMG AG, Badenerstrasse 172, 8026 Zurich, as Statuary Auditor for a further one-year term.

V. Schedule

- | | |
|--|--------------------|
| - Annual General Meeting 2011 | August 13, 2011 |
| - Publication of the definitive half-year results as of June 30, 2011 | End of August 2011 |
| - Third-quarter report 2011 | October 2011 |
| - Media conference / annual results 2011 | February 2012 |
| - First-quarter report 2012 | April 2012 |

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