

MEDIA INFORMATION

EMS Group: Third-quarter report 2002 (Jan. – Sept. 2002) - Muted development of business

Summary

With its companies combined in EMS-CHEMIE HOLDING AG and global activities in the fields of **Performance Polymers**, **Fine Chemicals** and **Engineering**, the EMS Group reports a 2.2% decline in sales to CHF 930 million for the first 3 quarters of 2002 against the previous year's result of CHF 951 million. The circle of consolidation remained the same. Sales in local currencies increased by 2.0%. This muted development of sales reflects the restrained approach to investment all over the world and the pronouncedly feeble economic situation in the USA, Europe and Japan. It may be assumed that the general climate of customer hesitancy and the unsatisfactory business trend will continue through the remainder of the year.

Development of EMS Group sales January – September 2002 in comparison with the previous year

Net sales in CHF millions	2002 (Jan. - Sept.)	in local currencies	2001 (Jan. - Sept.)
Total EMS Group	930		951
Change against prev. year	-2.2%	+2.0%	+11.0%
- Performance Polymers	678		711
Change against prev. year	-4.6%	-0.6%	+11.8%
- Fine Chemicals	153		146
Change against prev. year	+4.8%	+9.6%	+2.1%
- Engineering	99		94
Change against prev. year	+5.3%	+10.1%	+20.5%

The **PERFORMANCE POLYMERS** business field experienced very satisfactory progress with the new metal replacement and high-temperature resistant plastics as well as for the new technical bonding agents. However, this unit was affected by the unsatisfactory sales situation on the automobile market and the resultant suspension of investment projects by the automobile manufacturers, as well as by the globally subdued investment climate.

In the **FINE CHEMICALS** business field, EMS-PRIMID – the leading manufacturer of weather-resistant PMC hardeners – developed within the expected framework. However, the impact of the generally low investment level was felt also in this field. EMS-DOTTIKON reports a consolidation of business; the coming months will confirm the progress achieved following the poor performance of the previous year.

The sales increase reported for the **ENGINEERING** business field can be attributed to the positive development of EMS-PATVAG, the manufacturer of airbag triggering systems. The customer base was expanded in the course of the current year, resulting in higher sales.

Outlook

The fourth quarter of 2002 will presumably be characterised by essentially the same ingredients – uncertain global economic perspectives, a strong Swiss franc and world-wide reticence on the investment front. The extent to which the almost epic events on the financial markets and the threat of hostilities in the Near East will influence the global economic situation remains uncertain. EMS expects end-of-year **Net operating income** to at least match the previous year's result (2001: CHF 163 million). Financial income will definitely remain positive in spite of the turbulent stock and currency markets (2001: CHF 66 million).

To no small extent thanks to a rock-solid balance sheet, above-average income figures and long-term and favourable outside finance, EMS looks to the future with optimism. Continuing a long-standing EMS tradition, the group has countercyclically boosted investment to CHF 100 million (2001: CHF 82 million). As usual, all investment is financed from cash flow.

Schedule

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| - Financial media/financial analysts conference for the 2002 business year | 14 February 2003 |
| - First-quarter report 2003 | end of April 2003 |
| - Second-quarter report 2003 | end of July 2003 |
| - General meeting 2003 | 16 August 2003 |
| - Third-quarter report 2003 | end of October 2003 |