

MEDIA INFORMATION

EMS Group: stable development of business

Third-quarter report 2003 (January - September 2003)

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 sales on the level of the previous year – and hence within the framework of expectations – for the first 9 months of 2003. Sales in local currencies exceeded the previous year's result by 1.1%. Expressed in Swiss francs, sales of CHF 917 million (previous year: CHF 930 million) represent a small decline (-1.4%) against the previous year. Assuming an identical scope of consolidation*, sales in Swiss francs increased by +0.5% (+3.0% in local currencies). The feeble global economic situation remained a decisive factor also throughout the third quarter, and EMS does not anticipate any significant improvement of the general economic environment for the final quarter of the current year.

* Changes to the scope of consolidation against the previous year: sale of the POWER STATIONS business unit per end of 2002; conversion of the minority interest in Changchun EFTEC Chemical Products Ltd. (China) into a majority interest at the beginning of 2003.

Development of EMS Group sales for January - September 2003 compared with the previous year

| Net sales in CHF millions | 2003 (Jan-Sep) | in local currencies | 2002 (Jan-Sep) |
|-------------------------------|-------------------|------------------------|-------------------|
| Total EMS Group | 917 | | 930 |
| Change against prev. year | -1.4% | +1.1% | -2.2% |
| - Performance Polymers | 703 | | 678 |
| Change against prev. year | +3.7% | +6.5% | -4.6% |
| - Fine Chemicals | 142 | | 153 |
| Change against prev. year | -7.2% | -6.3% | +4.8% |
| - Engineering | 72 | | 99 |
| Change against prev. year | -27.3% | -25.0% | +5.3% |

All business units of the **Performance Polymers** business area achieved their budgeted growth targets, whereby the positive development by volume in Europe and the enduringly good development of the automobile sector in China made a significant contribution to this result.

In the **Fine Chemicals** business area, EMS-PRIMID (the leading manufacturer of weather-resistant PMC hardeners) remained within expectations, whilst EMS-DOTTIKON (the exclusive-synthesis specialist) was held back by the excess capacities that are still extant in this market.

The drop in sales against the previous year reported for the **Engineering** business area can be attributed to the fact that the business unit POWER STATION was sold at the end of 2002. EMS-PATVAG, manufacturer of airbag ignitor systems, achieved its planned growth targets. Plant builder INVENTA-FISCHER with its focus on China once again reports the signing of numerous major contracts in the current business year.

Outlook

The fourth quarter will most likely be characterised by a familiar mix of factors: sluggish development of the global economic situation, a strong Swiss franc and marked restraint in the investment field. EMS remains confident that end-of-year sales and the comparable EBIT will be on the level of the previous year.

The economic outlook for 2004 is, however, more positive, with the USA leading the way. EMS is prepared for the upswing. Efforts aimed at securing a higher level of innovative potency have been reinforced throughout the Group, with the ultimate goal of launching new products onto the market. In addition, capacities for higher-margin sales-drive products have been boosted. On the costs side, the measures introduced within the cost-cutting programme initiated in 2003 are currently being implemented; this will additionally enhance the Group's competitive strength.

Schedule

- Financial media/financial analysts conference
for the 2003 business year 13 February 2004
- First-quarter report 2004 end of April 2004
- Second-quarter report 2004 end of July 2004
- General meeting 2004 14 August 2004
- Third-quarter report 2004 end of October 2004