

Männedorf, 14 May 2004

MEDIA INFORMATION

EMS Group:

Capital reduction by way of negotiable put options

EMS plans to return to the shareholders further liquidity not required for operations: For the purpose of capital reduction the Board of Directors of EMS-CHEMIE HOLDING AG intends to repurchase 4% of the share capital corresponding to 1,043,720 shares. This repurchase will be effected through the issue of negotiable put options. A corresponding offer to the shareholders will be announced on 21 May 2004 and will remain valid until 8 June 2004.

On the occasion of the annual media conference on 13 February 2004 EMS announced that the future strategy provides for operational growth by means of speciality products, in particular in the Performance Polymers business. Financial income will in future be afforded lower priority. Liquidity not required for operations shall consistently be returned to the shareholders.

In view of the very high level of liquid assets, the strong free cash flow and the high shareholders' equity, EMS has decided to repurchase 4% of the share capital for the purpose of capital reduction. This is to be effected by way of negotiable put options. In contrast to other forms of distribution (dividends, direct share repurchase etc.), negotiable put options applied as means of capital reduction are an attractive option also for private shareholders.

The corresponding offer to the shareholders will be issued on 21 May 2004 and will remain valid until 8 June 2004. The motion for capital reduction will be submitted to the annual general meeting on 14 August 2004. The repurchased shares will be cancelled after this date.

In addition, EMS purchased 745'000 own shares at a price of CHF 97.75 from an independent Swiss institutional investor on 13 May 2004 after closing of the stock exchange. These shares are not intended for cancellation. They shall increase the financial flexibility of EMS for securing of conversion rights, possible acquisitions and so forth. Currently, EMS holds 810'000 own shares, corresponding to 3.1% of the outstanding capital.

EMS-CHEMIE HOLDING AG closes its financial year on April 30. The company expects disposable earnings for the 2003/2004 financial year to total CHF 553 million. As announced by EMS already at the beginning of the year, a proposal for a dividend of CHF 8 per share will be tabled at the annual general meeting 2004.

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