

Herrliberg, August 23, 2005

## MEDIA INFORMATION

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### Definitive first-half report 2005 of the EMS Group

On July 8, 2005, the EMS Group published its provisional first-half report 2005. The definitive first-half consolidated report is now on hand. It is based on the individual financial statements of the affiliated companies as at June 30, 2005. The definitive first-half report contains no significant deviations from the provisional report.

As already stated on July 8, 2005, consolidated **net sales** from continued activities increased by 8.7% to CHF 634 million (583), the corresponding increase in local currencies was 9.7%. **Operating income (EBIT)** for the continued activities was boosted by 3.5% to CHF 103 million (100), **EBITDA** by 5.0% to CHF 133 million (126). **Financial income** amounted to CHF -2 million (19).

**Net income** for the continued activities for the first half of 2005 totalled CHF 77 million (82), the cash flow CHF 107 million (109).

**Shareholders' equity** declined to CHF 1'047 million (31.12.2004: CHF 1'118 million). The reduction is a consequence of the spin-off of EMS-DOTTIKON. The equity ratio is now 44.4% (31.12.2004: 43.1%).

## Key figures

### Continued activities of the EMS Group in the 1<sup>st</sup> half of 2005

CHF millions	2005 Jan-Jun	2004 Jan-Jun
<b>Net sales</b>	<b>634</b>	583
change	<b>+8.7%</b>	+6.8%
in local currencies	<b>+9.7%</b>	+4.7%
<b>EBITDA <sup>1)</sup></b>	<b>133</b>	126
change	<b>+5.0%</b>	+5.3%
in % of net sales	<b>20.9%</b>	21.7%
<b>EBIT <sup>2)</sup></b>	<b>103</b>	100
change	<b>+3.5%</b>	+6.5%
in % of net sales	<b>16.3%</b>	17.1%
<b>Financial income</b>	<b>-2</b>	19
change	<b>---</b>	+231.8%
<b>Income taxes</b>	<b>24</b>	37
change	<b>-33.8%</b>	+35.8%
<b>Net income <sup>3)</sup></b>	<b>77</b>	82
change	<b>-6.6%</b>	+13.7%
in % of net sales	<b>12.2%</b>	14.1%
per div.-bearing registered share in CHF <sup>4)</sup>	<b>3.10</b>	3.05
change	<b>+1.8%</b>	+16.4%
<b>Cash flow <sup>5)</sup></b>	<b>107</b>	109
in % of net sales	<b>16.9%</b>	18.7%
<b>Investment in fixed assets</b>	<b>18</b>	21
in % of cash flow	<b>16.3%</b>	19.3%
	<b><u>30.06.2005</u></b>	<b><u>31.12.2004</u></b>
<b>Shareholders' equity <sup>6)</sup></b>	<b>1'047</b>	1'118
balance-sheet equity ratio	<b>44.4%</b>	43.1%
change in % against 31.12.	<b>-6.3%</b>	-24.2%
per div.-bearing registered share in CHF <sup>4)</sup>	<b>42.96</b>	44.71
<b>Number of employees</b>	<b>2'082</b>	2'078

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

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

3) Net income = income after taxes, including minority interest (new in accordance with IAS 1)

4) The average weighted number of registered shares on 30.06.2005 was 24'383'048 shares (31.12.2004: 25'008'089 shares; 30.06.2004: 25'790'569 shares). Calculated in accordance with IAS 33. There are no circumstances that could dilute earnings per share.

5) Cash flow = net income plus write-downs

6) Shareholders' equity on 31.12.2004 also covers the discontinued activities.

**Development of net sales and income in the business areas  
January – June 2005 (continued activities only)**

<b>(CHF millions)</b>	<b>2005 (Jan-Jun)</b>	<b>% change on prv yr</b>	<b>2004 (Jan-Jun)</b>	<b>% change on prv yr</b>
<b>Performance Polymers</b>				
Net sales	562	+10.3%	510	+7.8%
- in local currencies		+11.4%		+5.8%
EBITDA	109	+5.8%	103	+10.2%
- in % of net sales	19.4%		20.2%	
EBIT	88	+5.7%	83	+12.9%
- in % of net sales	15.6%		16.3%	
<b>Fine Chemicals / Engineering</b>				
Net sales	72	-2.0%	73	+0.6%
- in local currencies		-1.8%		-2.9%
EBITDA	24	+1.2%	23	-12.0%
- in % of net sales	32.8%		31.8%	
EBIT	16	-6.9%	17	-16.5%
- in % of net sales	22.0%		23.1%	
<b>EMS Group</b>				
<b>Net sales</b>	<b>634</b>	<b>+8.7%</b>	583	+6.8%
<b>- in local currencies</b>		<b>+9.7%</b>		+4.7%
<b>EBITDA <sup>1)</sup></b>	<b>133</b>	<b>+5.0%</b>	126	+5.3%
<b>- in % of net sales</b>	<b>20.9%</b>		21.7%	
<b>EBIT <sup>2)</sup></b>	<b>103</b>	<b>+3.5%</b>	100	+6.5%
<b>- in % of net sales</b>	<b>16.3%</b>		17.1%	

<sup>1)</sup> EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortization  
= operational cash flow

<sup>2)</sup> EBIT = Earnings Before Interest and Taxes  
= operating income

As the net sales and income results of the individual business areas do not deviate to any significant degree from the information provided in the provisional report dated July 8, 2005, we refer you to the commentary provided in the provisional report.

## Outlook 2005

EMS continues to anticipate positive global economic developments for the second half of 2005, fuelled by the USA and Asia. Progress in main market Europe and in the automobile industry in particular will remain slow. Overall, EMS plans to boost sales volumes. The currency situation in the dollar zone and the significantly higher raw materials prices will continue to impede full translation of the planned volume increases into corresponding income growth.

EMS remains confident that the continued activities will generate net sales and operating income (EBIT) for overall 2005 slightly over the previous year's level.

The detailed first-half report is available at <http://www.ems-group.com>, menu item "Quarterly-Year Report".

## Schedule

- |                             |               |
|-----------------------------|---------------|
| - Third-quarter report 2005 | October 2005  |
| - Full-year results 2005    | February 2006 |

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