



Herrliberg, July 10, 2009

MEDIA INFORMATION

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I. Half-year report 2009 of the EMS Group / Outlook 2009

Course of business

- **Economic slump affects course of business**
- **Measures taken early maintain high result margin**
- **Slight revival of the markets in the 2nd quarter of 2009**

With its companies combined in the EMS-CHEMIE HOLDING AG and with global activities in the business areas **Performance Polymers** and **Fine Chemicals / Engineering**, the EMS Group achieved **net sales** of CHF 541 million (837), a **net operating income (EBIT)** of CHF 71 million (136) and an **operative cash flow** of CHF 131 million (128) in the first half year of 2009.

Worldwide demand for consumer and investment goods dropped to historically low values in the first half year of 2009. In particular the automotive industry, which is of significant importance for EMS, showed a strong decline. The number of vehicles produced in the main regions USA, Europe and Japan, amounted to only 63% of that of the previous year. A similar decline could also be observed in other industrial branches. Reductions in inventory stocks, perceived at all preceding levels of the supply chain, reduced demand even further. As a result, a strong drop in sales volumes also occurred for EMS. However, through innovation EMS realised all new business successfully as planned and further increased market shares throughout the world.

Consolidated net sales in the first half year of 2009 were CHF 541 million (837) which is 35.3% lower than for the same period of the previous year. In local currencies net sales were reduced by 33.3% compared to the previous year. Development of net sales in the 2nd quarter of 2009 showed a slight improvement compared to the 1st quarter of the year.

EMS had prepared itself quickly and at an early stage for an economic slowdown. Comprehensive cost-reduction programmes were already implemented from the beginning of 2008. A worldwide recruitment freeze has been in force since April 2008. Organisation, processes, production quantities and inventory stocks have in the meantime been adapted according to the lower demand. With these measures completed, EMS can concentrate solely on growing with speciality products in the market and continuing to drive generation of new business. The programme, introduced at the beginning of this year to accelerate new business, will be continued unabatedly.

Due to a strong position with speciality products and rapid, decisive action in view of the economic slump, EMS was successful in maintaining a high operational cash flow margin (EBITDA margin) of 18.2% (19.5%) – despite considerably lower net sales figures and undiminished expenditure for development of future new business. Net operating income (EBIT) achieved in the first half year amounted to CHF 71 million (136) while the operative cash flow amounted to a substantial CHF 131 million (128).

Outlook 2009

For 2009 EMS continues to expect the world economy to remain in a very weak state. Due to the pace and intensity of the economic slump, unemployment figures will initially continue to rise and the number of cases of bankruptcy will increase. This will have a continuing negative effect on the consumer and investment climate.

In the USA, which is traditionally leader with economic cycles, and in China some indications of recovery can, however, be seen. A slight revival before the end of the year is possible for the USA. In Europe, however, EMS is not yet expecting significant recovery this year.

The considerable state finance programmes are selectively boosting demand and it cannot be excluded that this may result in turbulences with currencies and inflation. In the automotive industry these programmes have a stabilising effect.

EMS will monitor further development of the markets and remains prepared to take rapid action in future. Due to an innovative, high-margin business with speciality products, on-going expansion of market position, abundant liquidity and a strong equity ratio, EMS sees itself to be in a good position to make use of opportunities in an independent, rapid and flexible manner.

The successful strategy of expansion of speciality business in the main area of Performance Polymers will be continued unabatedly by EMS. Demand from customers for innovative solutions has increased strongly. The programme introduced at the start of the year for accelerated work in research, application development as well as in marketing and sales will, therefore, be continued unabatedly.

Due to the economic conditions, EMS continues to expect net sales and net operating income (EBIT) for 2009 to be significantly below the previous year.

Provisional key figures *)

EMS Group January – June 2009

CHF millions	2009 (Jan-Jun)	2008 (Jan-Jun)
Net sales	541	837
Change from previous year	-35.3%	
In local currencies	-33.3%	
Operational cash flow (EBITDA) ¹⁾	98	163
Change from previous year	-39.8%	
In % of net sales	18.2%	19.5%
Net operating income (EBIT) ²⁾	71	136
Change from previous year	-47.6%	
In % of net sales	13.2%	16.3%
Operative cash flow ³⁾	131	128
Change from previous year	+2.7%	
In % of net sales	24.3%	15.3%

CHF millions	30.06.2009	31.12.2008
Cash and cash equivalents	524	448
Change	+17.0%	
Net cash position ⁴⁾	373	251
Change	+48.7%	
Equity ratio	60%	58%

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

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

- 3) Operative cash flow = net operating income (EBIT) plus write-downs on intangible assets, property, plant and equipment plus changes in net working capital less tax payments.
- 4) Net cash position = cash and cash equivalents plus securities plus interest-bearing receivables less interest-bearing liabilities.
- *) EMS provides the provisional key figures regarding the operative result of the first half year at the beginning of July and publishes the definitive 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 they will not deviate significantly from the definitive figures.

Development of net sales and income in the business areas

CHF millions	2009 (Jan-Jun)	%-dev. prev. year	2008 (Jan-Jun)
Performance Polymers			
Net sales	448	-35.2%	692
- In local currencies		-33.3%	
EBITDA	85	-37.3%	136
- In % of net sales	19.0%		19.6%
EBIT	65	-43.8%	115
- In % of net sales	14.4%		16.6%
Fine Chemicals / Engineering ^{*)}			
Net sales	93	-35.6%	145
- In local currencies		-33.1%	
EBITDA	13	-52.0%	28
- In % of net sales	14.3%		19.2%
EBIT	7	-68.2%	21
- In % of net sales	7.3%		14.7%
EMS Group			
Net sales	541	-35.3%	837
- In local currencies		-33.3%	
EBITDA	98	-39.8%	163
- In % of net sales	18.2%		19.5%
EBIT	71	-47.6%	136
- In % of net sales	13.2%		16.3%

*) As announced at the media conference held on February 6, 2009, from January 1, 2009 the Business Unit EMS-GRILTECH will be included in the business area "Fine Chemicals / Engineering" (previously in the business area "Performance Polymers"). Figures shown for previous periods have been adjusted accordingly.

II. Financial statements EMS-CHEMIE HOLDING AG as at 30.04.2009

Net income for EMS-CHEMIE HOLDING AG, with its business year ending on April 30, amounts to CHF 164 million (309) for the business year May 1, 2008 to April 30, 2009. Retained earnings amount to CHF 253 million (264) including balance brought forward.

III. Payment of dividends

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

At the media conference held on February 6, 2009, EMS declared an ordinary dividend of CHF 5.00 per share for 2009. (Previous year: CHF 6.00 ordinary dividend, CHF 1.25 special dividend).

The Annual General Meeting on August 8, 2009 will therefore be asked to approve the following appropriation of retained earnings:

Retained earnings, comprising		
Net income	CHF	164'423'101.20
Balance brought forward	CHF	102'244'020.72
Reserves for treasury shares	CHF	<u>(13'314'413.47)</u>
Retained earnings	CHF	253'352'708.45

shall be appropriated as follows:

An ordinary dividend of CHF 5.00, gross, per dividend-bearing registered share *)	CHF	<u>(111'869'555.00)</u>
Balance to be carried forward	CHF	<u>141'483'153.45</u>

The dividend will be paid out as of August 12, 2009 (ex-date).

*) Dividend-bearing registered shares = registered shares issued (23'389'028 shares) less treasury shares (1'015'117 shares) [as at April 30, 2009]

IV. Elections

At the Annual General Meeting of August 8, 2009 the Board of Directors will propose the re-election of the current board members Dr Ulf Berg, Dr Hansjörg Frei, Magdalena Martullo and Dr Werner Prätorius, for a further one-year term of office.

Due to his numerous other commitments, Egbert Appel has decided not to stand for a further term of office.

The Board of Directors will also ask the Annual General Meeting to appoint KPMG AG, Badenerstrasse 172, 8026 Zurich, as Statutory Auditor for a further one-year term.

Invitations to the Annual General Meeting on August 8, 2009 will be sent out by mid of July 2009.

V. Schedule

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|---|--------------------|
| - Annual General Meeting 2009 | August 8, 2009 |
| - Publication of half-year results
as at June 30, 2009 | End of August 2009 |
| - Third-quarter report 2009 | October 2009 |
| - Media conference / Annual results 2009 | February 2010 |
| - First-quarter report 2010 | April 2010 |

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