

Herrliberg, July 14, 2017

MEDIA INFORMATION

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I. Half-year results 2017 of the EMS Group / Forecast 2017

Course of Business

- **New record levels for net sales and income**
- **Raw material shortages lead to price increases**

The EMS Group, with its companies combined in EMS-CHEMIE HOLDING AG, is globally active in the business areas **High Performance Polymers** and **Specialty Chemicals**. In the first half of 2017, **net sales** increased by 6.5% and **net operating income (EBIT)** by 5.8% compared to the previous year.

Consolidated **net sales** in Swiss Francs reached CHF 1,067 million (1,002) which represents a growth of 6.5% compared to previous year. As expected, overall economic development in the main markets China, Europe and NAFTA slowed. EMS was able however, to expand its business with innovative speciality products in all regions and customer markets. Particularly pleasing growth was achieved in Asia.

Net operating income (EBIT) increased to CHF 280 million (265), 5.8% above previous year. The operational cash flow (EBITDA) rose by 5.6% to reach CHF 307 million (291). The EBIT margin reached 26.2% (26.4%), the EBITDA margin 28.7% (29.0%). New business with specialty products had a positive effect on result development. Continuing supply shortages are causing raw material prices to increase strongly, making customer sales price increases unavoidable.

Provisional key figures **)

EMS Group January - June 2017

In million CHF	2017 (Jan-Jun)	2016 (Jan-Jun)
Net sales Change from previous year	1'067 +6.5%	1'002
Operational cash flow (EBITDA) ¹⁾ Change from previous year In % of net sales	307 +5.6% 28.7%	291 29.0%
Net operating income (EBIT) ²⁾ Change from previous year In % of net sales	280 +5.8% 26.2%	265 26.4%

1) EBITDA = **Earnings Before Interest, Taxes, Depreciation and Amortisation**
= Operational cash flow

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

**) EMS provides provisional key figures regarding the operative result of the first half year at the beginning of July and publishes the definite half-year report at the end of August. The following gives the provisional key figures for the period ending June 30. It may be assumed that these will not deviate significantly from the definite figures.

Development of net sales and result by business area

In million CHF	2017 (Jan-Jun)	% dev. prev. year	2016 (Jan-Jun)
EMS Group			
Net sales	1'067	+6.5%	1'002
- Currency effect		-1.2%	
EBITDA	307	+5.6%	291
- In % of net sales	28.7%		29.0%
EBIT	280	+5.8%	265
- In % of net sales	26.2%		26.4%
High Performance Polymers			
Net sales	931	+7.2%	868
- Currency effect		-1.2%	
EBITDA	269	+5.5%	255
- In % of net sales	28.9%		29.4%
EBIT	246	+5.8%	233
- In % of net sales	26.4%		26.8%
Specialty Chemicals			
Net sales	136	+1.6%	134
- Currency effect		-1.3%	
EBITDA	38	+5.8%	36
- In % of net sales	27.7%		26.6%
EBIT	34	+5.8%	32
- In % of net sales	24.9%		23.9%

Comments on the individual business areas

In the main business area **High Performance Polymers**, EMS was able to successfully continue growth with speciality products. New business in Asia developed in an especially pleasing way. New application developments providing customers with cost and weight reductions continue to be received well in the market.

The secondary business area **Specialty Chemicals** developed as expected. As in the main area of High Performance Polymers, raw material prices also increased strongly, making sales price increases unavoidable.

Forecast 2017

For 2017, EMS continues to expect a restrained global economy. Raw material prices may also remain at a high level. Global economic growth may slow further. Political instability could cause turbulence in financial and consumer markets.

EMS is confident with regard to development of its own business. The successful strategy of growth with speciality products in the field of high-performance polymers will be continued. Existing market potential will be continually and consistently exploited with innovative products and solutions being quickly launched onto global markets.

For 2017, EMS continues to expect net sales and net operating income (EBIT) slightly above the previous year.

Succession plan for Executive Management of the EMS Group

As already announced on January 27, 2017, Dr. Rolf Holderegger, Member of Executive Management since October 2009, will enter his well-deserved retirement on December 31, 2017 after 30 years of successful activity in the EMS Group. Markus Kremmel, Member of Executive Management since January 2016, will return to the Business Unit EMS-EFTEC as Head of Business Development. Peter Germann, Member of Executive Management since January 2004 and CFO of the EMS Group for 22 years, will concentrate completely on strategic business development and will therefore hand over his responsibilities as CFO on October 16, 2017.

As per October 16, 2017, Stefan Baumgärtner will enter the EMS Group as new member of Executive Management and CFO. Stefan Baumgärtner is 46 years old and has extensive experience in finance and business administration with various Swiss industrial companies. He is currently Division Chief Financial Officer with RUAG Space.

From January 1, 2018 therefore, Executive Management of the EMS Group will consist of the following members: Magdalena Martullo, Peter Germann, Dr. Jürgen Spindler and Stefan Baumgärtner.

II. Financial Report of EMS-CHEMIE HOLDING AG as at 30.04.2017

Net income of EMS-CHEMIE HOLDING AG, with its business year ending on April 30, amounts to CHF 424 million (292) for the business year Mai 1, 2016 to April 30, 2017. Available earnings, including balance carried forward, amount to CHF 656 million (582).

III. Payment of dividends

EMS consistently follows a policy of result and liquidity-oriented profit distribution. Funds not required for operational business are distributed to shareholders.

As already announced at the media conference held on February 10, 2017, the Board of Directors intends to propose distribution of an ordinary dividend of CHF 13.00 (CHF 11.00) and an extraordinary dividend of CHF 4.00 (CHF 4.00) per share. This amounts to an overall dividend payment of CHF 17.00 per share.

Accordingly, the Annual General Meeting on August 12, 2017 will be asked to approve the following appropriation of available earnings:

Available earnings comprising		
Net income	CHF	423,965,637
Balance carried forward	<u>CHF</u>	<u>231,540,463</u>
Available earnings	CHF	655,506,100

to be appropriated as follows:

Ordinary dividend of CHF 13.00 gross/share	CHF	(304,057,364)
Extraordinary dividend of CHF 4.00 gross/share	<u>CHF</u>	<u>(93,556,112)</u>
Balance to be carried forward	<u>CHF</u>	<u>257,892,624</u>

Dividend payment will be from August 17, 2017 (payment date). Shares will be traded ex-dividend from August 15, 2017 (ex-date).

IV. Elections

At the Annual General Meeting on August 12, 2017, the Board of Directors will propose re-election of the current members of the board Dr. Ulf Berg (as Chairman of the Board of Directors and member of the Remuneration Committee), Magdalena Martullo (as member of the Board of Directors), Dr. Joachim Streu (as member of the Board of Directors and of the Remuneration Committee) and Bernhard Merki (as member of the Board of Directors and of the Remuneration Committee) for a further one-year term of office.

The Board of Directors will also propose election of Ernst & Young AG, Maagplatz 1, 8010 Zürich, as new Statutory Auditor for a one-year term of office, replacing the previous auditor KPMG, which has held this office since 2004.

V. Schedule

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| - Annual General Meeting 2017 | August 12, 2017 |
| - Publication of the definitive half-year report as at June 30, 2017 | End of August 2017 |
| - Third-quarter report 2017 | October 2017 |
| - Media conference / Annual results 2017 | February 2018 |
| - First-quarter report 2018 | April 2018 |

The Annual Report 2016/2017 of the EMS Group can be found on the homepage of the EMS Group at www.ems-group.com/annualreports from July 14, 2017.

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