

CAPSULE MEDIA INFORMATION

EMS Group: Annual results 2009

- **Exceptionally high result in the second half of 2009**
- **Annual result slightly above last year with clearly lower net sales**
- **Recovery of the worldwide economy is expected**

1. Summary

With its companies combined in EMS-CHEMIE HOLDING AG and with global activities in the business areas **Performance Polymers** and **Fine Chemicals / Engineering**, in 2009 the EMS Group achieved **net sales** of CHF 1,198 million (1,504) and a **net operating income (EBIT)** of CHF 222 million (220). After a weak first half year due to the poor economy, the result increased to an exceptionally high level during the second half year. Annual net sales were clearly lower than in the previous year, while the net operating income was even slightly higher.

Consolidated **net sales** amounted to CHF 1,198 million (1,504) which is 20.4% lower than in the previous year. In local currencies this decrease was 17.6%. During the year the business situation improved continuously and, correspondingly, so did net sales which exceeded the figure for the previous year by 13.6% in the fourth quarter.

Worldwide demand for consumer and investment goods, which dropped to historically low values in the first half year, recovered clearly during the second half year. Consumers and companies regained their trust: Consumer decisions were made and strongly reduced inventory stocks were built up again slightly. Especially the hard-hit automotive industry, which is particularly important for EMS, profited from the state incentives worldwide.

EMS was able to successfully achieve planned growth with new business in the main area of Performance Polymers. Apart from the low number of vehicles manufactured, the automotive industry developed in a pleasing way, with new

applications for replacement of metal, and the automotive supplier EMS-EFTEC gained further market shares worldwide. Construction of new production sites in the growth markets China, India and Brazil was carried out as per plan.

Net operating income (**EBIT**) amounted to CHF 222 million (220) and, due to a very strong second half year, closed 1.0% above the previous year. Along with the improved business situation, typically delayed positive cost effects had a particularly positive influence on the second half year result. The **EBITDA** amounted to CHF 280 million (278). The **EBIT margin** could be increased to a high 18.5% (14.6%) and the **EBITDA margin** to 23.3% (18.5%).

The **net financial income** amounted to CHF 28 million (38).

Net income after taxes was increased by 2.8% to reach CHF 221 million (215). Earnings per share amounted to CHF 9.66 (9.25).

The **cash flow** reached CHF 279 million (273) and the **free cash flow** CHF 241 million (210).

Equity ratio remained at a high level with 59.7% (58.1%).

For the 2009 business year EMS plans to distribute an **ordinary gross dividend** of CHF 5.00 per share (5.00) again.

For **2010** EMS is expecting further sustained recovery of the worldwide economy. Based on this, EMS is expecting clearly higher net sales and a slightly higher net operating income (EBIT) than in the previous year.

The following events will take place on Friday, February 12, 2010
at the Swissôtel in Zurich-Oerlikon:

at 09.00 a.m. the financial media conference

and

at 02.00 p.m. the financial analysts conference

You will be furnished with the detailed media information
after the media conference at approx. 12.00 a.m.

2. Development of income 2009: Key figures EMS Group

in million CHF	2009	2008
Net sales	1,198	1,504
Change	-20.4%	
Change in local currencies	-17.6%	
EBITDA ¹⁾	280	278
Change	+0.7%	
In % of net sales	23.3%	18.5%
Net operating income (EBIT) ²⁾	222	220
Change	+1.0%	
In % of net sales	18.5%	14.6%
Net financial income	28	38
Change	-25.5%	
Income taxes	29	42
Net income ³⁾	221	215
Change	+2.8%	
In % of net sales	18.5%	14.3%
Earnings per share (in CHF) ⁴⁾	9.66	9.25
Change	+4.4%	
Cash flow ⁵⁾	279	273
Change	+2.1%	
Investments	38	64
Change	-41.0%	
Free cash flow ⁵⁾	241	210
Change	+15.1%	
In % of net sales	20.2%	13.9%
Equity	1,022	975
In % of balance sheet total	59.7%	58.1%
Return on equity	21.7%	22.1%
Equity per share (in CHF) ⁴⁾	45.67	42.61
Number of employees	2,106	2,165

¹⁾ EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortisation

²⁾ EBIT = Earnings Before Interest and Taxes

³⁾ Net income = profit after taxes, including minority shareholders

⁴⁾ Average weighted number of registered shares as at 31.12.2009: 22,373,911 shares
(31.12.2008: 22,887,970 shares)

⁵⁾ Cash flow = Net income plus depreciation and amortisation of intangible assets, property, plant and equipment

Free cash flow = Cash flow less investments in intangible assets, property, plant and equipment