

MEDIA INFORMATION

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I. Half-year report 2010 of the EMS Group / Outlook 2010

Course of business

Extremely pleasing economic situation

Net sales and operating income at new record levels

With its companies combined in EMS-CHEMIE HOLDING AG and with global activities in the business areas **Performance Polymers** and **Fine Chemicals / Engineering**, the EMS Group achieved significantly higher **net sales** (+54.4%) and a more than doubled **net operating income (EBIT)** (+115.8%) in the first half-year of 2010 compared to the same period in the previous year. Even compared to pre-crisis figures, net sales and net operating income reached new record levels.

Consolidated **net sales** in the first half-year 2010 rose by 54.4% to CHF 836 million (541). This is an increase of 58.5% in local currencies. The significantly more favourable economic environment, increasing customer inventory stocks as well as growth from new business, had an extremely positive effect on the sales trend. The Asian sales markets showed particularly successful development.

The net operating income (EBIT) amounted to CHF 154 million (71) which is 115.8% above previous year. The EBITDA increased to CHF 180 million (98) which is 82.9% above previous year. The EBIT margin was 18.4% (13.2%), the EBITDA margin 21.5% (18.1%). The strong sales trend had a positive effect on the development of result and the result margin. The result margin was negatively affected, however, by massively increasing raw material prices and the strong Swiss Franc compared to foreign currencies. For this reason, price increases for customers became absolutely necessary.

Provisional key figures *)

EMS Group January – June 2010

CHF million	2010 (Jan-Jun)	2009 (Jan-Jun)
Net sales	836	541
Change from previous year	+54.4%	
In local currencies	+58.5%	
With the same scope of consolidation ³⁾	+51.4%	
Operational cash flow (EBITDA) ¹⁾	180	98
Change from previous year	+82.9%	
In % of net sales	21.5%	
Net operating income (EBIT) ²⁾	154	71
Change from previous year	+115.8%	
In % of net sales	18.4%	

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

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

3) EMS-CHEMIE (Neumünster) (previously Nexis Fibers, Germany) was taken over as per November 16, 2009. The company EFTEC Aftermarket GmbH was sold on January 20, 2010.

*) 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 result from the business areas

CHF million	2010 (Jan-Jun)	%-dev. prev. year	2009 (Jan-Jun)
Performance Polymers			
Net sales	679	+51.5%	448
- In local currencies		+55.8%	
- With the same scope of consolidation ¹⁾		+54.0%	
EBITDA	145	+70.3%	85
- In % of net sales	21.4%		
EBIT	125	+93.5%	65
- In % of net sales	18.4%		
Fine Chemicals / Engineering			
Net sales	157	+68.6%	93
- In local currencies		+71.7%	
- With the same scope of consolidation ²⁾		+38.8%	
EBITDA	35	+164.7%	13
- In % of net sales	22.1%		
EBIT	29	+327.5%	7
- In % of net sales	18.6%		
EMS Group			
Net sales	836	+54.4%	541
- In local currencies		+58.5%	
- With the same scope of consolidation ^{1), 2)}		+51.4%	
EBITDA	180	+82.9%	98
- In % of net sales	21.5%		
EBIT	154	+115.8%	71
- In % of net sales	18.4%		

¹⁾ The company EFTEC Aftermarket GmbH was sold on January 20, 2010.

²⁾ EMS-CHEMIE (Neumünster) (previously Nexis Fibers AG, Germany) was taken over as per November 16, 2009.

Comments on the individual business areas

In the main business area **Performance Polymers** the economic recovery resulted in higher order volumes from customers. EMS was successful in continuing its planned growth with new business and worldwide market positions were further expanded, also with the newly established sales and production locations in the new growth markets China, India and Brazil. For EMS-GRIVORY, business developed in an extremely pleasing way due to new metal replacement applications, especially in the automotive industry. Based on very high demand for high-temperature materials, EMS will start up a further production line for these products during the current year. EMS-EFTEC further expanded its market positions worldwide as planned and profited greatly from the strongly growing automotive production in China.

The secondary business area **Fine Chemicals / Engineering** also reported positive business developments. With the company EMS-CHEMIE (Neumünster) (previously Nexis Fibers) purchased in 2009, the Business Unit EMS-GRILTECH was able to significantly strengthen its market position and gain further market share.

Outlook 2010

The recovery of worldwide demand for consumer and investment goods which has been apparent since the middle of 2009 is continuing. For the second half year 2010 EMS is expecting a continuingly positive worldwide economy, whereby China will continue to stand out as "locomotive", even if somewhat moderated. The weak Euro compared to other foreign currencies is helping especially Germany to a strongly growing export demand.

The continually increasing cost of raw materials will not relax in the next months. Already additional raw material price increases have been announced for the 3rd quarter of 2010. Prices for secondary products are also increasing correspondingly. Price increases for consumer and investment goods are foreseeable and may slow further economic development somewhat.

The abruptly worsened exchange rate from Euro to the Swiss Franc, which is a disadvantage for EMS as an exporting company, will only show sustainable improvement when the trust in the financial solvency of European states has been regained and the relation of interest rates has changed.

EMS will continue without change to follow its successful strategy of focus on speciality business in the main area of Performance Polymers and expansion of worldwide market positions. In this way, EMS will focus on further expanding the marketing organisation in Asia and will invest worldwide in creating additional production capacity.

For the **whole year 2010**, EMS expects considerably higher **net sales** and a significantly higher **net operating income (EBIT)** than in the previous year.

II. Financial Statement EMS-CHEMIE HOLDING AG as at 30.04.2010

Net income of EMS-CHEMIE HOLDING AG, with its business year ending on April 30, amounts to CHF 185 million (164) for the business year May 1, 2009 until April 30, 2010. Available earnings amount to CHF 457 million (253) 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 on February 12, 2010, EMS announced the intended distribution of an ordinary dividend of CHF 5.00 (5.00) per share.

On February 15, 2010 EMS sold treasury shares amounting to a total value of nearly CHF 130 million. As a consequence, the Board of Directors of EMS-CHEMIE HOLDING AG decided additionally, at the Annual General Meeting on August 14, 2010, to propose payment of a one-off special dividend to the amount of CHF 5.00 per share.

The Annual General Meeting on August 14, 2010, will therefore be asked to approve the following appropriation of available earnings:

Available earnings comprising:

Net income	CHF	184,799,928
Balance brought forward	CHF	141,483,153
Reclassification reserves for treasury shares	CHF	<u>130,403,016</u>
Available earnings	CHF	456,686,097

Are to be appropriated as follows:

Payment of an ordinary dividend of CHF 5.00 gross / share*	CHF	(116,945,140)
Special dividend of CHF 5.00 gross/share*	CHF	<u>(116,945,140)</u>
Balance to be carried forward	CHF	<u>222,795,817</u>

Payment of dividends will commence on August 20, 2010 (payment date). Shares will be traded ex-dividend from August 17, 2010 (ex-date).

*) Dividend-bearing registered shares = registered shares issued (23,389,028 shares)
[as at April 30, 2010]

IV. Elections

At the Annual General Meeting on August 14, 2010, the Board of Directors will propose re-election of the existing Members of the Board, Dr Ulf Berg, Dr Hansjörg Frei, Magdalena Martullo and Dr Werner Prätorius for a further one-year term of office.

The Board of Directors will also propose the re-election of KPMG AG, Badenerstrasse 172, 8026 Zurich, as Statuary Auditor for a further one year term.

V. Amendment to the Articles of Association

At the Annual General Meeting it will be proposed to amend article 4 of the articles of association of EMS-CHEMIE HOLDING AG in order to comply with the new Swiss Federal Intermediated Securities Act.

Invitations for the Annual General Meeting on August 14, 2010, will be sent out in the second half of July 2010.

VI. Schedule

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|--|--------------------|
| - Annual General Meeting 2010 | August 14, 2010 |
| - Publication of the definitive half-year results as per June 30, 2010 | End of August 2010 |
| - Third-quarter report 2010 | October 2010 |
| - Media conference / Annual results 2010 | February 2011 |
| - First-quarter report 2011 | April 2011 |

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