

MEDIA INFORMATION

EMS Group:

Positive business development in the first quarter 2006

First-quarter report 2006 (January – March 2006)

Summary

With its companies combined in EMS-CHEMIE HOLDING AG and global activities in the business areas of **Performance Polymers** and **Fine Chemicals / Engineering**, the EMS Group* reports a 14.0% increase in net sales for the first three months of 2006 over the previous year.

Consolidated **net sales** in Swiss francs rose by 14.0% to CHF 358 million (314), corresponding to a growth in local currencies of 11.7%. In particular in the main business area **Performance Polymers** volumes developed very satisfactorily. The general economic trend and a favourable currency situation had a positive impact on the course of business.

EMS continues to expect net sales and operating income (EBIT) for 2006 slightly above the previous year's level.

*All information provided in the following refers to the scope of consolidation as of April 1, 2005 (so-called "continued activities"), i.e. without the EMS-DOTTIKON business unit which was spun off on March 31, 2005.

**Development of net sales for the EMS Group January – March 2006
in comparison to the previous year**

| Net sales in CHF million | 2006 (Jan-Mar) | in local currencies | 2005 (Jan-Mar) |
|---|---------------------------|--------------------------------|---------------------------|
| Total EMS Group change against previous year | 358 +14.0% | +11.7% | 314 +7.9% |
| - Performance Polymers change against previous year | 323 +15.8% | +13.4% | 279 +10.3% |
| - Fine Chemicals / Engineering change against previous year | 35 +0.0% | -0.8% | 35 -7.9% |

All business units in the **PERFORMANCE POLYMERS** business area achieved very satisfactory volume growth. The customer industries in main market Europe generally recorded a brisker course of business than in the previous months. Higher demand for specialities was also felt in the Asian sales market. The ongoing rise in the cost of raw materials again necessitated sales price increases.

The stagnant sales situation in the business area **FINE CHEMICALS / ENGINEERING** must be attributed to EMS-PATVAG (airbag ignitors). As expected, and as a consequence of diminished market growth and consistently high pressure on prices, the trend remains negative. EMS-PRIMID (leading producer of crosslinkers for weather-resistant powder coatings) developed as planned.

Outlook

For 2006 EMS expects a positive general economic development. Economic growth will continue in all regions. Cost pressure will continue to be a factor in the automotive industry due to excess capacities. Further increases in the cost of raw materials must also be expected. EMS intends to take advantage of existing sales opportunities with specialities from the Performance Polymers business area in particular.

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Schedule

EMS announces sales figures on a quarterly and the consolidated sales and income results on a half and full-year basis.

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|--|-----------------|
| - Media conference / first-half results 2006 | July 7, 2006 |
| - Annual General Meeting 2006 | August 12, 2006 |
| - Third-quarter report 2006 | October 2006 |
| - Media conference / year-end results 2006 | February 2007 |

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