



Herrliberg, April 13, 2012

## **MEDIA INFORMATION**

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First-quarter report 2012 (January - March 2012)

### **EMS Group:**

- **Positive course of business**
- **Heterogeneous economic development**

### **Course of business January - March 2012**

In the first three months of 2012, the EMS Group, globally active in the business areas **High Performance Polymers** and **Specialty Chemicals** and with its companies consolidated in the EMS-CHEMIE HOLDING AG, achieved an increase in local-currency **net sales** of 6.3% compared to the same period of the previous year. Net sales in Swiss Francs amounted to CHF 449 Mio. (438), which is 2.5% higher than in the previous year.

In line with expectations, the geographical markets developed very heterogeneously: While North America and Asia showed some growth, the structure and debt problems of Western Europe had a negative effect on its economic development.

In the first quarter, global automotive business was slightly above the previous year, whereby the strong North American as well as the Asian sales (after recovery in Japan) compensated for the lower sales in Europe. Automotive sales dropped sharply by 19% in France and by 21% in Italy, while Germany was able to maintain the same level of the previous year.

Increases in cost (inflationary tendencies) can be noticed throughout the world. Based on high energy costs, raw material prices are increasing significantly.

In 2011, EMS had already prepared itself for a difficult market environment, particularly

in Western Europe. Planned new business with high-performance polymers was realised successfully in all markets and new applications with speciality products developed throughout the world. Asia and North America showed an especially pleasing course of business.

For 2012, EMS is expecting similar economic development in the global markets with continuously increasing raw material prices and an unchanged strong Swiss Franc. Net sales and net operating income (EBIT) are still expected to close at the same level as in the previous year.

### Development of net sales January - March 2012

in million CHF	2012 (Jan-Mar)	%-dev. prev. year	2011 (Jan-Mar)
<b>Net sales EMS Group</b>	<b>449</b>	<b>+2.5%</b>	<b>438</b>
- In local currencies		+6.3%	
<b>- High Performance Polymers</b>	<b>373</b>	<b>+3.9%</b>	<b>359</b>
- In local currencies		+7.3%	
<b>- Specialty Chemicals</b>	<b>76</b>	<b>- 3.8%</b>	<b>79</b>
- In local currencies		+1.8%	

In the main business area **High Performance Polymers**, business with speciality products was expanded as planned and worldwide market positions strengthened. Asia and North America showed a particularly positive course of business.

The secondary business area **Specialty Chemicals** developed according to expectations. Strategically relevant new business was gained.

**In both business areas**, unfavourable currency situations compromised the growth of net sales figures in Swiss Francs.

## **Biggest automotive manufacturer in the world, General Motors, honored EMS again as "Supplier of the Year"**



Award ceremony in Detroit (USA), March 13, 2012:

From left to right:

- Charlie Baker, Executive Director Global Product Development (General Motors)
- Christian Morf, Head of Sales/Marketing (EMS)
- Magdalena Martullo, CEO (EMS)
- David R. McKean, Executive Director Interior & Safety (General Motors)

On March 13, 2012, EMS was honored as "Supplier of the Year" by General Motors (GM) in Detroit (USA) for the second year in succession and as the only resin manufacturer to date. With this award GM recognises its best suppliers throughout the world. At the award ceremony, GM praised not only its excellent longstanding business relationship with EMS, but emphasised as well the outstanding performance with regard to innovative technology and the quick response time of EMS as development partner. The award is of great relevance for future automotive developments.

### **Outlook**

EMS expects the different economic development for the geographic sub-markets to continue. While positive economic development may continue in Asia and North America, in Western Europe – especially in weak export countries – however, no significant improvement in the consumer and investment mood can be expected for the time being.

Based on the high energy costs, further increasing raw material prices are foreseeable. In order to protect its own result margin, EMS will be forced to continually adjust its sales prices to cover these raw material price increases.

Due to a fire at a raw material supplier on March 31, 2012 at the Marl Chemical Park (Germany), the raw material CDT will be in extremely short supply throughout the world

leading to serious shortages of the secondary product Polyamide 12 (a product which is also part of the EMS portfolio). Thanks to its diversified sourcing strategy, however, EMS will only be slightly affected by this shortage of raw material.

EMS will continue its successful strategy of focussing on speciality products in the main area of High Performance Polymers. Concentration will be on gaining new business and on markets outside Western Europe.

For 2012, EMS continues to expect net sales and net operating income (EBIT) at the same level as the previous year.

## Schedule

EMS reports quarterly on net sales and publishes half-year and final year reports on net sales and income.

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|--|-----------------|
| - Media conference / Half-year report 2012 | July 13, 2012   |
| - Annual General Meeting 2012              | August 11, 2012 |
| - Third-quarter report 2012                | October 2012    |
| - Media conference / Annual results 2012   | February 2013   |
| - First-quarter report 2013                | April 2013      |

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