



40th ANNUAL REPORT 2002/2003

EMS

EMS-CHEMIE HOLDING AG

Domat/Ems Switzerland

Contents

	Chairman's Statement	2
The EMS Group		
<hr/>		
	Spotlight on Share Performance	3
	Key Figures 1998 – 2002	4
	General Information on the 2002 Fiscal Year at the EMS Group	6
	Corporate Governance	8
<hr/>		
Financial Statements		
<hr/>		
EMS Group	Consolidated Income Statement	10
consolidated data	Consolidated Balance Sheet	11
for the calendar year	Consolidated Changes in Shareholders' Equity	12
	Consolidated Cash Flow Statement	13
	Notes to the Consolidated Financial Statements	14
	Report of the Group Auditors	39
<hr/>		
EMS-CHEMIE HOLDING AG	Income Statement	42
data for the fiscal year from	Balance Sheet per April 30	43
May 1, 2002 to April 30, 2003	Notes to the Financial Statements	44
	Proposals of the Board of Directors	48
	Report of the Auditors	49
<hr/>		
	Addresses of EMS Companies, Switzerland	50
	Addresses of EMS Companies, Worldwide	51
<hr/>		



The 2002 financial year was again characterized by difficult market conditions. As expected, the abrupt economic slowdown in the fourth quarter of 2001 coupled with political and economic uncertainty continued to have an impact, especially on the capital markets.

During the economic boom – which lasted 12 years in the United States, making it the longest of the postwar period – serious weaknesses in corporate management went largely unnoticed. During the present shaky economic period, however, these deficiencies have gradually come to light. Many companies that went through the boom years in a kind of euphoria, overinvesting and making expensive acquisitions (and building up the attendant debts), are now feeling the full backlash. Earnings have fallen sharply, with some companies returning losses or even going out of business. Certain people in top management were led astray in the last few years by the generally uncritical attitude to-

ward financial statements and financial reporting: they manipulated and concealed numbers and used their companies for personal gain; some went as far as committing fraud. These hair-raising activities, coupled with a sluggish business climate, have deeply shaken people's confidence in the economy, a fact most visibly reflected in the capital markets.

The general economic malaise did not come as a surprise for EMS. As early as 2000, when the business cycle began to point downwards, appropriate measures were initiated. These included the implementation of a cost-cutting program, a reduction in investments and a slowdown in the pace of expansion. Not only does EMS observe the principle of keeping costs low while maintaining ample room for maneuver whenever conditions become harsher, but it also – in addition to taking measures like those mentioned above – attaches great importance to looking closely at opportunities on the end-user, raw materials and currency markets. Thanks to all of these factors combined, we were able once again to increase our already impressive earnings and boost our operating result by 19.3% to CHF 195 million (up from 163 million). The EBIT margin came in at 16% (up from 13%), putting it above all of its international competitors. Despite the lacklustre financial markets, EMS was again able to produce a positive financial result of CHF 19 million (66) and post a net profit of CHF 161 million (176), a figure that slightly exceeded expectations.

EMS, which is heavily dependent on exports, has taken additional

steps to reduce costs in light of negative currency market trends and a persistently gloomy economic outlook. We are placing great emphasis on our major Performance Polymer products in order to build up our already strong market position. In anticipation of an economic upswing at a later point in time, investments are on the rise again; these are focused on expanding capacities for special products.

In economically challenging times, a lot is required of our employees and, in particular, the management team. Given that EMS was able to produce positive results in the last few years and met its targets last year despite the economic downturn, we owe special thanks to our management team and our employees. Competitive pressure, structural change in the customer base, cost constraints and various other factors will continue to place high demands on the management and the employees. But there is no doubt in my mind that they will be able to confront these challenges head-on and that we will continue to produce positive results over the next few years.

Christoph Blocher
Chairman of the Board of Directors

Spotlight on Share Performance

	Share capital on December 31				
	2002	2001	2000	1999	1998
Number of shares as per articles of incorporation					
Bearer shares (par value CHF 50)	376 000	376 000	376 000	376 000	376 000
Registered shares (par value CHF 10)	729 300	729 300	729 300	729 300	729 300
Conditional capital	-	-	-	-	-
Authorized capital	-	-	-	-	-
Number of shares entitled to dividend					
Bearer shares	376 000	376 000	376 000	376 000	376 000
Registered shares	729 300	729 300	729 300	729 300	729 300
Treasury shares	-	-	-	-	-
Information per bearer share:					
Dividend proposal per share in CHF	380.- ¹⁾	-	-	-	- ²⁾
Equity per share entitled to dividend in CHF	2 470.06	2 754.15	2 242.05	1 764.50	1 347.30
Cash flow per share entitled to dividend in CHF	435.85	525.75	606.25	522.60	410.90
Earnings per share entitled to dividend in CHF					
Weighted average of shares, undiluted*	308.41	337.81	485.39	401.50	303.09
Weighted average of shares, diluted*	308.41	337.81	485.39	401.50	303.09
Number of shares on December 31	308.41	337.81	484.30	401.50	307.74
Stock prices of bearer shares in CHF					
High	6 500	7 900	7 815	8 500	9 100
Low	4 880	5 900	7 050	6 900	7 100
Market capitalization on December 31 (CHF millions)	2 651.0	3 353.0	3 914.0	3 833.1	4 253.2

Bearer shares are quoted on the London based Virt-x.

	Security number	Reuters identification	Investdata identification
EMS-CHEMIE	158.703	EMS	CHOZ

* calculated according to IAS 33

¹⁾ Dividend payment (KCHF 198 307) and reduction of par value of CHF 49.50/9.90 (nominal KCHF 25.832).
For introduction standard registered share and split refer to page 48 "Proposals of the Board of Directors".

²⁾ Reduction of the share capital by repurchase of 24 000 bearer shares at CHF 8 400 (nominal KCHF 1 200, premium KCHF 200 400)

Key Figures 1998 – 2002

	Calendar years, CHF millions				
	2002	2001	2000	1999	1998
Net sales revenue	1 220.9	1 252.0	1 160.3	1 086.7	1 063.8
Change in % against previous year	-2.5%	+7.9%	+6.8%	+2.2%	+3.7%
Change in local currencies	+2.8%	+12.5%	+2.5%	+1.1%	+7.2%
Change with identical scope of consolidation	-2.5%	+0.0%	+6.8%	-0.9%	+4.3%
of which in Switzerland	8.0%	8.5%	8.8%	7.0%	10.9%
Operating income	1 337.5	1 265.6	1 218.1	1 117.0	1 101.0
Change in % against previous year	+5.7%	+3.9%	+9.0%	+1.5%	-1.3%
Net operating income (EBIT)	194.9	163.4	212.9	198.8	189.2
Change in % against previous year	+19.3%	-23.3%	+7.1%	+5.1%	+0.5%
in % of net sales revenue	16.0%	13.0%	18.4%	18.3%	17.8%
Net financial income	19.0	65.7	102.2	59.2	4.6
Change in % against previous year	-71.0%	-35.8%	+72.6%	+1182.0%	-97.4%
Net income before taxes and minority interest	213.9	229.0	315.2	258.0	193.8
Change in % against previous year	-6.6%	-27.3%	+22.2%	+33.1%	-46.7%
Income taxes	49.0	51.2	56.7	43.2	29.5
Change in % against previous year	-4.4%	-9.7%	+31.1%	+46.5%	-52.4%
Net income	160.9	176.3	252.7	209.5	160.6
Change in % against previous year	-8.7%	-30.2%	+20.6%	+30.5%	-46.5%
in % of operating income	12.0%	13.9%	20.7%	18.8%	14.6%
Investments	71.5	81.9	98.8	100.1	102.6
in % of cash flow	31.4%	29.9%	31.2%	36.7%	47.8%
Research and development cost					
in % of net sales revenue	5.3%	5.1%	5.1%	5.1%	5.1%
Cash flow	227.5	274.4	316.4	272.7	214.4
Change in % against previous year	-17.1%	-13.3%	+16.0%	+27.2%	-39.4%
in % of operating income	17.0%	21.7%	26.0%	24.4%	19.5%
Depreciation of fixed assets	66.5	95.0	63.6	63.2	53.8

	Calendar years, CHF millions				
	2002	2001	2000	1999	1998
Balance sheet total	3166.9	2698.8	2617.5	2163.6	1912.5
Assets					
Current assets	1835.5	1023.3	1022.4	818.7	548.1
Fixed assets	1331.4	1675.5	1595.1	1344.9	1364.4
Liabilities					
Short-term liabilities	440.0	268.9	488.7	461.7	895.8
Long-term liabilities	1407.1	960.0	931.3	758.6	293.7
Minority interests	30.8	32.6	27.5	22.5	19.9
Shareholders' equity	1289.0	1437.3	1170.0	920.8	703.1
Balance sheet equity ratio	40.7%	53.3%	44.7%	42.6%	36.8%
Return on equity	12.5%	12.3%	21.6%	22.8%	22.8%
Number of employees on December 31*	2702	2731	2751	2713	2633
Fire insurance value of fixed assets	1933.9	2003.7	1839.2	1892.5	1802.4

* Excluding apprentices (2002: 153; 2001: 148; 2000: 144; 1999: 140; 1998: 142)

General Information on the 2002 Fiscal Year at the EMS Group

Business performance

During the year under review (2002), the economic landscape was dominated by uncertainty. Despite this negative sentiment, EMS's sales in local currencies were 2.8% higher than the previous year. Net sales in Swiss francs were CHF 1 221 million, or 2.5% below the previous year's figure. This decline in revenues can be primarily attributed to the Swiss franc's sharp rise against the major currencies. The scope of consolidation remained unchanged.

Cost-cutting measures initiated during the boom years plus a flexible approach to seizing opportunities on the sales and raw materials markets boosted the operating result (EBIT) to CHF 195 million, a 19.3% rise from the previous year. Despite extremely adverse conditions on the capital markets, EMS was able to close the year with a positive financial result of CHF 19 million, thus meeting expectations. This figure, however, represents a drop of 71% from the previous year. The annual results after tax and minority interests thus totaled CHF 161 million, putting them slightly higher than anticipated figures.

As part of its new energy plan, EMS sold its power stations to Nordostschweizerische Kraftwerke (NOK) and, in return, secured long-term rights to purchase power for all production sites located in Switzerland. These rights ensure that an adequate power supply will be available at a competitive price. In obtaining this agreement, EMS has contributed to the Group's international competitiveness, particularly with regard to foreign companies with low energy costs. 2003 will also be a year of great economic uncertainty. EMS anticipates sluggish trends both on the

primary European market as well as in the United States and Japan, particularly in the automotive industry. The uncertain political situation in the Middle East has also impacted on the markets. EMS, as a heavily export-oriented Group, has been affected by volatile currency trends as well as by changes in raw material costs influenced by petrochemical prices.

To counteract these factors, EMS is taking further steps to bring about a sustained reduction in costs. EMS therefore expects the 2003 operating result to reach last year's levels. In anticipation of an economic upswing, however, the Group is already making investments to expand capacity. These investments focus on Performance Polymers, which is the primary thrust of future activities.

On January 8, 2003, EMS made far-reaching decisions for the future, announcing that it would continue to concentrate on Performance Polymers in the future, transform EMS-CHEMIE HOLDING AG into a broadly based public company and not to pursue Christoph Blocher's "going private" scheme. These decisions, which form the basis of EMS's strategy, provide the best possible guarantee of sustainable profits, ongoing growth and long-term success.

Investment

Investments in fixed assets amounted to CHF 71 million. Due to the deferral of a major project, this amount was lower than the target figure. A cash flow of CHF 227 million meant that it was once again possible to fund investments from internal resources.

Investments by type:

Expansion of capacity	63.5%
Quality-related and technological improvements	21.1%
Renewal/rationalization	8.9%
Environmental protection / safety	6.5%

Investments by region:

Switzerland	87.4%
Rest of Europe	7.9%
Asia	2.7%
USA	2.0%

Management structure

At the 2002 General Meeting, Hansjörg Frei was elected to the Board of Directors as of January 1, 2003 and Ulrich Widmer was re-elected until the end of December 2002. Hence, the number of board members remained unchanged at five.

The management structure of the EMS Group is set out on page 9. In the year under review, the Accounting/Controlling and Financial Services units were merged with Pension Funds and Legal Services to form the new Finances/Accounting Business Unit. The POWER STATIONS Business Unit, comprising the five power stations of the PATVAG KRAFTWERKE AG, KRAFTWERKE FRISAL AG and KRAFTWERKE REICHENAU AG, was sold to the NOK at the end of 2002.

Personnel

At the end of the year under review, the Business Units forming the EMS Group employed a total of 2 702 (2 731) people excluding apprentices. Of the total workforce 1 843 (1 809) were employed in Switzerland, 584 (636) elsewhere in Europe, 106 (109) in the USA and 169 (177) in Asia. At the end of the year, the EMS

Group employed 153 (148) apprentices in Switzerland covering 11 (10) different vocational fields. A total of 41 (41) successfully completed their apprenticeship during the year under review.

Research and development

Expenditures for research and development amounted to 5.3% (5.1%) of the sales in the year under review.

Breakdown of EMS Group sales by region

Germany	26.5%
USA	9.9%
Japan	9.5%
Switzerland	8.0%
France	7.4%
UK	5.8%
Italy	5.0%
China	4.0%
Spain	2.9%
Sweden	2.4%
Austria	2.0%
Belgium	1.8%
Netherlands	1.7%
Taiwan	1.3%
Finland	1.2%
Rest of Europe	4.2%
Others	6.4%

Breakdown of production by region

Switzerland	66.1%
Germany	8.7%
Japan	6.0%
USA	4.8%
Belgium	4.5%
Sweden	4.4%
Taiwan	2.0%
UK	1.4%
Others	2.1%

Business areas

EMS operates in the Performance Polymers, Fine Chemicals and Engineering business areas. These areas are further broken down into Business Units (see page 9).

Performance Polymers

Performance Polymers produces top-quality, custom-made polymers. In the EMS-GRIVORY Business Unit, these are the fast-growing, high-performance polymers, i.e. materials which, thanks to their optimum price/performance ratio and economical processing properties, replace metal in automotive construction and in the electronics industry. The EMS-GRILTECH Business Unit manufactures technological thermoplastic adhesives and fibers for the clothing industry and for technical applications such as papermaking felt, car interiors, filters and laminates. The EMS-TOGO Business Unit specializes in materials used for bonding, corrosion protection and sealing in the automotive industry. It manufactures plastisols, polyurethane adhesives and anti-corrosion waxes. The EMS-SERVICES Business Unit provides services for the Business Units located at the Domat/Ems site.

Business with new plastics which replace metal and are resistant to high-temperatures continued to develop well in the year under review. This was the case despite the fact that the weak European automotive market made automotive manufacturers react more cautiously to new products. However, this development meant that it took longer to complete new projects.

In 2002, the Performance Polymers business area generated net sales of CHF 880.1 million and an operating result of CHF 139.0 million.

Fine Chemicals

The Fine Chemicals business area comprises the EMS-PRIMID and EMS-DOTTIKON Business Units. EMS-PRIMID concentrates on additives for surface treatment and

produces hardening agents for powder coating, funding agents for the tire industry and epoxy compounds for the manufacture of building protection products. This business area showed positive developments in line with expectations. EMS-DOTTIKON manufactures fine chemicals for high-grade intermediates and active substances, primarily for the pharmaceuticals, animal health and plant protection industries. This business area successfully reached its high sales targets, though it was not yet able to show a similar improvement in its results.

This business area generated net sales of CHF 205.6 million and an operating result of CHF 30.3 million.

Engineering

The EMS-PATVAG Business Unit develops and manufactures high-performance electrical detonators and specializes in airbag squibs. Despite the sluggishness of the automotive market, EMS-PATVAG was able to significantly increase both its sales and its result.

INVENTA-FISCHER designs and builds high-quality polymer and synthetic fiber plants based on either its own or selected third-party processes. The fiscal year for INVENTA-FISCHER developed in line with the previous year's solid figures. The POWER STATIONS Business Unit, comprising the five power stations of the PATVAG KRAFTWERKE AG, KRAFTWERKE FRISAL AG and KRAFTWERKE REICHENAU AG, was sold to NOK at the end of 2002.

This business area generated net sales of CHF 143.9 million and an operating result of CHF 25.6 million.

Corporate Governance

Responsibilities of the Board of Directors

The Board of Directors is responsible for the strategy of the EMS Group and supervises the activities of the heads of the Business Units. For the EMS Group, the Board of Directors also serves as the Executive Management.

Role of the Board of Directors

The main responsibilities of the Board of Directors are:

- the strategic direction and management of the company
- accounting, financial control and planning
- the appointment and dismissal of Business Unit heads and other senior executives
- the supervision of business operations
- preparing submissions to the General Meeting including the annual accounts of EMS-CHEMIE HOLDING AG.

The Board of Directors meets at the invitation of the Chairman or at the request of a member, generally every two weeks.

The Board of Directors is regularly informed about the performance of the business. In particular, the Directors have access to the following:

- monthly figures
- monthly reports from the Business Unit heads
- monthly budget comparisons
- investment reports
- consolidated quarterly results
- annual results.

Committees of the Board of Directors

The Finance Committee, comprising three members of the Board of Directors (Peter Matter, Chair, Christoph Blocher, Magdalena Martullo), establishes the compensation for the Board of Directors / Executive Management, supervises the deployment of the Group's financial resources and the preparation of acquisitions / divestitures. In this regard, it provides appropriate recommendations to the overall Board of Directors.

The Audit Committee, comprising three members of the Board of Directors (Magdalena Martullo, Chair, Christoph Blocher, Peter Matter), reviews the internal control systems and the principles of accounting and reporting (internal audits, auditors, consolidated audits) and provides recommendations to the overall Board of Directors.

Composition of the Board of Directors

Christoph Blocher, Chairman and Chief Executive Officer (member of the Board since 1972)

Magdalena Martullo-Blocher, Deputy Chair (member of the Board since 2001)

Hansjörg Frei (member of the Board since January 1, 2003)

Peter Matter (member of the Board since 2000)

Albert Sommerauer (member of the Board since 2000)

Ulrich Widmer (member of the Board until December 31, 2002)

All members of the Board of Directors are Swiss nationals. They are appointed by the General Meeting for a one-year term of office. Re-election is permitted. All members of the Board of Directors with the exception of Peter Matter act in a full-time capacity. More detailed information on the biographies of the Board members and their other activities and obligations can be found at <http://www.ems-group.com>.

The Chairman and Chief Executive Officer holds 728 979 registered shares with a par value of CHF 10 and 229 577 bearer shares with a par value of CHF 50. These are held either directly or via the company Emesta Holding AG, which he wholly owns. This represents 71.93% of the capital and 86.72% of the votes. The other members of the Board of Directors hold between them 148 bearer shares, which gives them 0.013% of the voting rights.

Compensation for the Board of Directors / Executive Management

The Board of Directors, which is synonymous with the Executive Management of the EMS Group, draws a salary and a bonus which is determined by the annual results and the achievement of targets. The planned targets were successfully reached in 2002. Compensation is broken down as follows:

The Chairman and Chief Executive Officer receives an annual salary of CHF 370 000 for the year 2002.

The other members of the Board of Directors were paid a salary of between CHF 200 000 and CHF 250 000 in respect of their full or part-time activities.

A bonus of CHF 400 000 was paid to the Chairman and Chief Executive Officer for the year 2002. The other members of the Board of Directors were paid a combined bonus of CHF 365 000. The individual members of the Board of Directors were each paid an expenses package of CHF 12 000 in 2002. The members of the Board of Directors did not receive any compensation in the form of options, stock or similar benefits. There is no contractual severance compensation. This applies to the entire EMS Group and also to those members of staff who are not members of the Executive Management. There are also no management contracts with third-parties.

Heads of the Business Units

Performance Polymers

EMS-GRIVORY
Albert Reich

EMS-GRILTECH
Reto Fintschin

EMS-SERVICES
Ludwig Locher

EMS-TOGO
Hans M. Feix

Fine Chemicals

EMS-PRIMID
René Berri

EMS-DOTTIKON
Markus Blocher

Engineering

EMS-PATVAG
Peter Hartmann

INVENTA-FISCHER
Alfred Betschart

Finances/Accounting
Peter Germann

General Secretariat
Walter Eberle

Shareholder rights of participation

There are no voting restrictions. Each shareholder can be represented by another shareholder who has voting rights, a proxy holder of deposited shares, or the independent proxy. The protocols for convening a General Meeting meet legal requirements.

Article 7 Paragraph 2 of the Articles of Association specify how shareholders place an item on the agenda. The company ceases to enter new shareholders on the register twenty days before the General Meeting. Registered shares sold between the cut-off date and the General Meeting do not authorize the holder to vote.

Group structure and shares

All companies in the EMS Group belong to the scope of consolidation (for details, see page 34). The Group is organized into three segments: Performance Polymers, Fine Chemicals and Engineering. This division is based on the core technologies of the individual business areas. There are no cross-shareholdings in which mutual interests (in terms of either capital or voting rights) exceed 5%.

Change in management and protective measures

In accordance with Article 3 Paragraph 3 of the Articles of Association, a buyer of company shares is not obligated to make a public bid pursuant to Article 32 and Article 52 of the Swiss Law on Stock Exchange and Securities

Trading. There are no management change clauses. PricewaterhouseCoopers acts as the statutory auditor for EMS-CHEMIE HOLDING AG and as the group auditor. The statutory auditor and the group auditor are each elected for a one-year term at the General Meeting. We are working with the lead auditor, Matthias von Moos, since 1999. The Group paid PricewaterhouseCoopers around CHF 700 000 for services provided in relation to its auditing of the annual results of the business. The percentage of net sales revenue audited by PricewaterhouseCoopers amounts to around 70% of the total sales in the EMS Group.

For other services rendered in the field of management consultancy, tax consultancy and due diligence monitoring, PricewaterhouseCoopers was paid around CHF 570 000.

Information policy

EMS publishes sales figures on a quarterly basis. The semi-annual and annual results are based on IAS accounting methods. These are distributed electronically to interested parties and may be downloaded from the web site at <http://www.ems-group.com>.

Consolidated Income Statement of the EMS Group

	Notes	2002 (CHF '000)	2001 (CHF '000)
Net sales revenue from goods and services	1	1 220 906	1 251 992
Inventory changes, semi-finished and finished goods		7 136	(29 484)
Capitalized costs and other operating income	2	109 466	43 135
Operating income		1 337 508	1 265 643
Material expenses	3	629 458	636 742
Personnel expenses	4	263 446	254 947
Depreciation and amortization	9, 23	66 504	94 951
Other operating expenses	5	183 237	115 627
Operating expenses		1 142 645	1 102 267
NET OPERATING INCOME (EBIT)		194 863	163 376
Income from equity-valuation of associated companies		(7 499)	2 565
Financial income	6	100 782	112 603
Financial expenses	7	74 258	49 500
NET FINANCIAL INCOME		19 025	65 668
NET INCOME BEFORE TAXES AND MINORITY INTERESTS		213 888	229 044
Income taxes	8	48 986	51 223
NET INCOME BEFORE MINORITY INTERESTS		164 902	177 821
Minority interests		3 954	1 533
NET INCOME		160 948	176 288
Earnings per bearer share entitled to dividend (CHF)	27	308.41	337.81
Earnings per registered share entitled to dividend (CHF)	27	61.68	67.56
Earnings per bearer share (fully diluted) (CHF)	27	308.41	337.81
Earnings per registered share (fully diluted) (CHF)	27	61.68	67.56
Earnings per bearer share as per 31.12. (CHF)	27	308.41	337.81
Earnings per registered share as per 31.12. (CHF)	27	61.68	67.56

Notes to the Consolidated Financial Statements see on pages 20–38.

Consolidated Balance Sheet of the EMS Group

	Notes	31.12.02 (CHF '000)	31.12.01 (CHF '000)
FIXED ASSETS		1 331 354	1 675 486
Intangible assets	9	37 313	16 177
Tangible assets	9	760 734	823 514
Financial assets			
Investments in associated companies	9	23 926	36 120
Other investments	9	482 177	652 902
Long-term interest-bearing financial assets	9	27 204	146 773
CURRENT ASSETS		1 835 581	1 023 339
Inventories	10	220 799	220 749
Accounts receivable			
Trade accounts receivable	11	192 639	209 132
Other receivables	12	245 237	121 163
Securities	13	380 763	340 954
Cash and cash equivalents	14	796 143	131 341
TOTAL ASSETS		3 166 935	2 698 825
SHAREHOLDERS' EQUITY	15 a/b	1 289 028	1 437 281
Share capital		26 093	26 093
Retained earnings and reserves		1 101 987	1 234 900
Net income		160 948	176 288
MINORITY INTERESTS	16	30 824	32 614
LIABILITIES		1 847 083	1 228 930
Long-term liabilities		1 407 115	959 993
Bonds	17	935 635	50 000
Bank loans	18	101 036	626 286
Other long-term liabilities	19	73 419	24 921
Deferred income taxes	20	193 607	199 720
Provisions	20	103 418	59 066
Short-term liabilities		439 968	268 937
Bank loans		127 870	13 331
Trade accounts payable		86 130	82 524
Income tax liabilities		25 844	37 970
Other short-term liabilities	21	200 124	135 112
TOTAL LIABILITIES		3 166 935	2 698 825

Notes to the Consolidated Financial Statements see on pages 20–38.

The Consolidated Financial Statements were approved by the Board of Directors on February 14, 2003.

Consolidated Changes in Shareholders' Equity of the EMS Group

(CHF '000)	Share capital	Legal reserves	Free reserves	Gains/ (losses) out of IAS 39	Foreign exchange differences	Retained earnings	Net income	Shareholders' equity
At 31.12.2000	26 093	70 000	10 000	0	10 141	801 068	252 738	1 170 040
Impact of first-time application of IAS 39				86 771				86 771
Revised at 1.1.2001	26 093	70 000	10 000	86 771	10 141	801 068	252 738	1 256 811
Distribution of net income						252 738	(252 738)	0
Net income							176 288	176 288
Impact of application of IAS 39				8 403				8 403
Currency translation differences					(4 221)			(4 221)
At 31.12.2001	26 093	70 000	10 000	95 174	5 920	1 053 806	176 288	1 437 281
Distribution of net income						176 288	(176 288)	0
Net income							160 948	160 948
Impact of application of IAS 39				(296 041)				(296 041)
Currency translation differences					(13 160)			(13 160)
At 31.12.2002	26 093	70 000	10 000	(200 867)	(7 240)	1 230 094	160 948	1 289 028
						2002		2001
Balance sheet equity ratio						40.7%		53.3%

Legal reserves include KCHF 5219 (2001: KCHF 5219) not being allowed to be distributed.

The proposal of the Board of Directors for the profit distribution of EMS-CHEMIE HOLDING AG, whose financial year will be closed on April 30, 2003, will be communicated after said date.

For further information and data refer to page 3, "Spotlight on share performance".

Consolidated Cash Flow Statement of the EMS Group

	Notes	2002 (CHF '000)	2001 (CHF '000)
Net income		160 948	176 288
Minority interests	16	3 954	1 533
Depreciation and amortization of intangible and tangible fixed assets	9, 23	66 504	94 951
Capitalized costs	2	(12 258)	(14 190)
(Profit)/loss from disposal of tangible fixed assets	2, 5	2 007	2 967
Increase/(decrease) of other long-term provisions	20	46 915	(699)
Increase/(decrease) of other long-term liabilities	19	1 185	1 575
(Gain)/loss from sale of group companies	2	(82 103)	(12 063)
(Income)/expenses from the equity-valuation of associated companies, net after dividends	9	7 499	(2 565)
Value adjustments financial assets/Goodwill amortization associated companies	9, 23	27 388	3 143
Unrealized currency translation differences		(13 440)	(17 731)
Interests, net	6, 7	52 283	14 953
Dividends from securities in current assets	6	(6 349)	(3 187)
Dividends from associated companies and other companies	6	(21 819)	(10 251)
Income from sale of securities	6, 7	(31 640)	(75 000)
Expenses for income taxes	8	48 986	51 223
OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL		250 060	210 947
Cash flow from changes in working capital excluding cash and cash equivalents		71 916	61 373
Taxes paid	8	(59 821)	(71 268)
Interests received		18 451	26 223
Interests paid		(51 801)	(33 754)
Dividends received	6	28 168	13 438
Provisions used	20	(1 162)	(4 144)
CASH FLOW FROM OPERATING ACTIVITIES A		255 811	202 815
(Purchase) of intangible and tangible fixed assets	2, 9	(59 221)	(67 720)
Disposal of intangible and tangible fixed assets	2, 5, 9	1 331	2 585
(Purchase)/disposal of financial assets	9	118 336	(47 356)
(Purchase)/disposal of marketable securities		(139 322)	(25 981)
(Purchase)/sale of fully consolidated companies	24	97 279	155 630
(Purchase)/sale of associated companies	9	0	(152)
CASH FLOW FROM INVESTING ACTIVITIES B		18 403	17 006
Dividends paid to minorities	16	(2 627)	(3 771)
(Increase)/decrease of interest-bearing assets		(152 724)	2 587
Increase/(decrease) of interest-bearing liabilities	22	536 509	(298 126)
CASH FLOW FROM FINANCING ACTIVITIES C		381 158	(299 310)
CHANGE OF CURRENCY TRANSLATION D		9 704	161
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C + D)		665 076	(79 328)
Cash and cash equivalents at beginning of the year		131 059	210 387
(Decrease)/increase of cash and cash equivalents		665 076	(79 328)
Cash and cash equivalents at year-end	14	796 135	131 059

Notes to the Consolidated Financial Statements see on pages 20 – 38.

Notes to the Consolidated Financial Statements of the EMS Group

Consolidated accounting principles

General

The consolidated financial statements give a true and fair view of the financial position, the results of operations and the cash flows of the EMS Group in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). They also comply with the law.

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

Where necessary, the comparatives have been reclassified or extended from the previously reported results to take into account presentational changes.

Scope of consolidation

The scope of consolidation includes all companies in and outside Switzerland which are controlled – directly or indirectly – by EMS-CHEMIE HOLDING AG, holding more than 50% of the voting rights, or by contracts or other agreements (see list of subsidiaries and minority interest, pages 34 to 37). Not included are companies with a charitable

character (such as housing co-operatives).

Joint ventures where the parties have joint control are included at the equity method of accounting. This method is also applied for the associated companies, which are not directly or indirectly controlled by EMS-CHEMIE HOLDING AG (shareholding normally between 20% and 50% of voting rights).

Shares in other companies (less than 20% of voting rights) are valued at their market value (fair value).

Method of consolidation

The financial statements of majority-owned companies are fully consolidated. Assets and liabilities, income and expenses are incorporated in full and the minority interests in shareholders' equity and net income are separately disclosed in the consolidated balance sheet and consolidated income statement. Capital consolidation is effected using the Anglo-Saxon purchase method, under which all assets and liabilities of the acquired company are valued according to the accounting principles of the EMS Group at the time of acquisition. Any positive difference between the resulting shareholders' equity and the cost of acquisition is capitalized as goodwill and amortized over its expected useful life using the straight-line method. Results for acquired companies are included in consolidation as from the date of acquisition.

In case of disposal of companies, the deconsolidation is effected through the income statement at the date of the disposal, whereas the companies' results are included in the consolidation up to this date.

Intercompany transactions and relations have been eliminated in the course of consolidation. Unrealized profits from intra-group deliveries are eliminated in the income statement.

Balance sheet date

The balance sheet date is December 31. Subsidiaries with a different year-end closing not exceeding three months are included in the consolidation based on this closing. If the year-end differs more than three months, an interim closing is prepared as of December 31.

Valuation principles

Consolidated financial statements are based on historical costs except for securities and other investments which are valued at fair value. Valuation principles remained unchanged from previous year. The derivative financial transactions having been made in 2002 did not meet the requirements on hedge accounting as per IAS 39.

Intangible fixed assets

This item mainly consists of capitalized project costs and of goodwill acquired in acquisitions since January 1, 1995. Amortization periods of goodwill have been determined individually, with due regard for the benefit. The maximum useful life applied is 20 years. Yearly, an impairment test is performed. Organization and foundation costs are not capitalized. Amortization of other intangible fixed assets (mainly capitalized project costs, patents and software) is calculated on a straight-line method based on their useful lives.

Tangible fixed assets

Tangible fixed assets are shown at purchase price or manufacturing cost less economically required depreciation. Assets are depreciated using the straight-line method over their estimated useful lives and up to the date of transfer of ownership to the Government for power stations respectively. Useful lives are estimated in terms of the asset's physical life expectancy, corporate policy on asset renewals and technological and commercial obsolescence. The value of the capitalized fixed assets is periodically reviewed and a provision is set up for permanent impairment, if considered necessary.

Repairs and maintenance are expensed as incurred. Investments in improvements or renewals of assets are capitalized if they significantly extend service life, increase capacity or provide a substantial improvement of the quality of production performance.

Assets held under leasing agreements which may be considered as an asset purchase in economic terms (finance leases) are capitalized as tangible fixed assets at their estimated present value of the underlying lease payments and depreciated over their useful lives or the shorter leasing period. Leasing commitments are shown under financial liabilities. Financing costs are charged to the income statement over the leasing period in such a manner that the periodic costs are correct.

Payments on leased assets defined as "operating leases" and having a rental character are expensed over the lease period.

Depreciation periods are as follows:

- Land: normally not depreciated
- Plant under construction: normally not depreciated
- Buildings: 25 – 50 years
- Technical plant and machinery: 7 – 25 years
- Other tangible fixed assets 5 – 15 years

Power stations including land are included in "Technical plant and machines" and are depreciated according to the operating life or up to the date of transfer of ownership to the Government.

Financial assets

Shares in associated companies are included using the equity method.

Shares in other companies are included at market value (fair value). Subsequent changes in the market value (fair value) are included within equity and are only shown in the income statement at the moment of the sale (classification as "available for sale").

Inventories

Inventories used for production are valued at their historical purchase or production cost (including attributable manufacturing overheads) or at their realizable market value, whichever is lower. Inventories are valued using the "fifo"-method (first-in, first-out). Long-term contract work-in-progress is valued using the "Percentage-of-Completion method" (PoC).

Accounts receivable and accrued income

This item is valued at its nominal value less provisions for bad debts. Provisions are either based on specifically known risks or on historical default rates.

Cash and cash equivalents

Liquid assets include cash on hand, bank account balances and short or medium-term deposits maturing within twelve months.

Liquid assets are valued at their nominal value.

Cash and cash equivalents disclosed in the cash flow statement include liquid assets with a maturity of less than three months.

Securities

Securities include marketable securities traded on stock exchanges.

Since January 1, 2001, securities have been stated at market value (fair value) within the consolidated balance sheet. Subsequent changes in the market value (fair value) are included within equity and are only shown in the income statement at the moment of the sale (classification as "available for sale"). In case of a significant impairment on the market value, the net loss on a security is recognized in income statement. Accrued interest on securities is capitalized.

Provisions

Provisions are set up for legal or other liabilities if these liabilities will most probably bring along a cash outflow and if the amounts can be reliably estimated.

Liabilities and deferred income

This item includes short and long-term debts, valued at the amount of repayment, and deferred income.

Bonds and long-term bank loans

Debenture bonds and long-term bank loans are recognized initially at the proceeds received, net of transaction cost incurred. In subsequent periods, debenture bonds and long-term bank loans are stated at amortized cost using the effective yield method. Exchangeable bonds are split into a liability component and an option component at date of issue and are separately shown in the balance sheet. The fair value of the liability component is determined on the basis of the present value of the principal plus the present value of the interests payable over the contractual period using a rate of interest applied by the market at that time. At date of issue the value of the option component results by deduction of the liability component from the proceeds of the bond issue. The option component is valued at fair value in the following years and is booked into income statement.

Pension funds

All subsidiaries in Switzerland dispose of their own, legally independent pension plans, being independently managed. They are financed through contributions from employers and employees. Present and former employees (or their surviving dependants) will

receive benefits upon reaching the age limit and/or in the event of invalidity or death. For the purposes of the consolidated financial statements, future pension obligations are calculated on the basis of actuarial methods complying with IFRS. In the case of defined benefit obligations, the present value of the projected benefit obligation is assessed using the projected unit credit method on the basis of completed and expected years of service, the expected pay trend and the adjustment of pensions. Cost for this provision ("Expense Recognized in the Income Statement") are calculated annually and carried to income statement. In case of changes in pension plans or corrections due to new actuarial assumptions, the changes are spread forward over the remaining service life of employees. Employees of subsidiaries abroad are insured by governmental institutions or independent defined contribution pension plans.

Derivative financial transactions

The EMS Group uses derivative financial instruments in the usual course of business to cover the risks. Different risk-positions, composed of assets and liabilities and future engagements, are judged and managed by the treasury for the whole Group. Additionally, the liquidity required for the day-to-day operations has to be available at all times. Derivative financial instruments are only used with parties with a high credit standing. The hedging policy of the EMS Group is written down and

supervised. The results of the hedge program are continuously reported to management.

The treasury management is authorized to entirely or partially hedge exposures within the frame of the defined currency policy. The EMS Group does hedge positions if the costs in relation to the risks are justified.

The EMS Group mostly uses forward currency and option contracts to hedge against the risk connected with value losses in cash flow terms resulting from balance sheet and income statement items held in foreign currencies.

Initial measurement of all derivative financial transactions is done at the date of transaction (Trade date accounting) at cost value. Subsequent measurement is done at market value (fair value) within accrued income and deferred income respectively. Realized foreign exchange gains and losses are shown within the operating income.

Net sales revenue

Net sales revenue includes the invoiced amounts for supplied goods and services less diminished proceeds and the amount of profits as defined by the progress accomplished on long-term construction contracts. The amount of profit is determined on a pro rata basis of overall engineering estimates according to the "percentage-of-completion" method (PoC), on which the profit realized is calculated with regard to the progress achieved. Such costs cover all direct and indirect costs incurred for the projects. Only the Group's own added value is taken into account. Income is defined as being realized on delivery and services rendered respectively.

The most important exchange rates are:

		Average exchange rates		Year-end exchange rates		
		Unit	2002	2001	2002	2001
US dollar	USD	1	1.556	1.688	1.387	1.672
Euro	EUR	1	1.469	1.511	1.454	1.480
Pound sterling	GBP	1	2.333	2.430	2.223	2.424
Japanese yen	JPY	100	1.242	1.390	1.170	1.275
Swedish krona	SEK	100	16.01	16.36	15.87	15.88
Taiwan dollar	TWD	1	0.04516	0.04998	0.03988	0.04780

Research and development costs

With the exception of those development projects capitalized in accordance with IAS 38, research and development costs are charged to the income statement for the year in which they originate under the following headings: wages and salaries, material expenses, amortization on research and development assets and research and development overheads. Research and development assets being used over a long period of time are classified under "plant and machinery" and are amortized over the estimated period of economic use.

Foreign currency translation

Financial statements in foreign currencies are translated into Group currency as follows: current assets, fixed assets and liabilities at year-end exchange rates, equity at historical exchange rates. All items in the income statement and the net income are translated using the average exchange rate of the year. These exchange rate differences are carried to equity without affecting net income (translation adjustment). In case of disposal of a subsidiary abroad, the translation difference, accumulated during the period the subsidiary was a consolidated company, is added to profit (or loss) from sale of this company. The foreign currency positions in the financial statements of the consolidated companies are translated as follows: foreign currency transactions with the exchange rate of the transaction day. At year-end the balances of foreign currencies are translated with the exchange rate prevailing at year-end. The differences are recognized in the income statement (transaction gains and losses).

Income taxes

Provisions for deferred income taxes pay due regard to the impact in income tax terms of the differences in the valuation of assets and liabilities for Group consolidation purposes and for local taxation purposes. These provisions are continuously adjusted to take account of any changes to local fiscal law. Provisions for deferred taxation are set up using the comprehensive liability method, under which provisions are set up for all temporary differences. Tax losses carried forward are not deducted from deferred income taxes unless it can be shown with sufficient certainty that the future taxable profit is adequate to offset such a loss.

Taxes on income from foreign Group companies which is expected to be distributed to the parent company have been provided for. Provisions have not been set up for non-repatriated income invested for an unlimited period of time, or for income that can largely be transferred tax-free to the parent company. Tax expenses include income taxes on the profits of companies consolidated using the equity method.

Earnings per share

The "earnings per share" figure is based on the consolidated net income divided by the weighted average number of shares.

Consistency

The principles of valuation, consolidation and classification remained unchanged from previous year.

Segment reporting

Segment reports are primarily presented by business area and secondarily by geographical region. For the business area assignment of Group companies, refer to the "List of subsidiaries and minority holdings" on pages 34 to 37.

Breakdown by Business area

(CHF '000)

Primary segment	Net sales with other segments		Net sales revenue Net sales with third parties		Total net sales		Net operating income (EBIT)		Segment assets ¹⁾	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
PERFORMANCE POLYMERS	329	361	879 765	919 984	880 094	920 345	138 962	113 169	771 210	822 574
FINE CHEMICALS	234	250	205 366	194 741	205 600	194 991	30 263	25 871	369 733	372 234
ENGINEERING	8 106	7 969	135 775	137 267	143 881	145 236	25 638	24 336	1 205 923	1 336 556
Subtotal segments	8 669	8 580	1 220 906	1 251 992	1 229 575	1 260 572	194 863	163 376	2 346 866	2 531 364
- Internal net sales	(8 669)	(8 580)			(8 669)	(8 580)				
Total EMS Group	0	0	1 220 906	1 251 992	1 220 906	1 251 992	194 863	163 376	2 346 866	2 531 364

From the sale of PATVAG KRAFTWERKE AG and KRAFTWERKE FRISAL AG KCHF 20 000 of the profit were reclassified from business area "Engineering" to business area "Performance Polymers". Instead of an acceptance for future delivery of electricity which was linked to the sales price, EMS Group could have received a sales price being KCHF 20 000 lower with a lower acceptance for future delivery of electricity. The difference of KCHF 20 000 is credited to the major user EMS-CHEMIE AG (business area "Performance Polymers").

Primary segment	Segment liabilities ²⁾		Share of net profit/loss on equity-valued companies		Book value of equity-valued companies		Investments in intangible and tangible fixed assets		Depreciation intangible and tangible fixed assets	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
PERFORMANCE POLYMERS	125 928	117 512	-7 499	2 565	23 926	36 120	36 668	45 566	37 793	62 095
FINE CHEMICALS	19 977	19 037	0	0	0	0	18 750	22 221	15 532	13 732
ENGINEERING	140 349	81 087	0	0	0	0	16 061	14 123	13 179	19 124
Total EMS Group	286 254	217 636	-7 499	2 565	23 926	36 120	71 479	81 910	66 504	94 951

The allocation of the impairment on the individual segments is as follows:

Year 2002: KCHF 0

Year 2001: KCHF 20 909 Goodwill Performance Polymers

Year 2001: KCHF 8 505 Goodwill Engineering

Breakdown by geographical region

(CHF '000)

Secondary segment	Total net sales revenue (customers)		Total net sales revenue (production)		Net operating income (EBIT)		Segment assets ¹⁾		Investments in intangible and tangible fixed assets	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
Switzerland	98 209	105 930	806 954	821 191	157 985	136 728	1 993 723	2 143 360	62 486	68 972
European Union (EU)	710 863	696 425	242 757	260 873	13 737	12 029	202 133	200 925	5 630	6 943
North America	124 350	130 621	58 299	58 600	4 956	1 479	73 379	89 327	1 466	1 969
Far East ³⁾	227 541	256 786	112 896	111 328	18 185	13 140	77 631	97 752	1 897	4 026
Others	59 943	62 230	0	0	0	0	0	0	0	0
Total EMS Group	1 220 906	1 251 992	1 220 906	1 251 992	194 863	163 376	2 346 866	2 531 364	71 479	81 910

Invoicing and cost attribution between segments uses the same conditions as with third parties.

¹⁾ Without cash and cash equivalents and investments in associated companies.

²⁾ Trade accounts payable, advances from customers, liabilities to related parties and associated companies, liabilities to social benefit institutions, other short-term liabilities, prepaid expenses and deferred income.

³⁾ Mainly China, Japan and Taiwan.

Consolidated Income Statement

Notes	2002 (CHF '000)	2001 (CHF '000)
1		
Net sales revenue from goods and services		
Within plant construction, only the Group's own added value is taken into account. Revenue and cost of sales would be higher by if the entire value of third party purchases were to be included.	30 790	82 923
2		
Capitalized costs and other operating income		
Capitalized costs	12 258	14 190
Other operating income	11 350	11 098
Real estate income	2 516	3 823
Operating interest	1 155	1 528
Income from disposal of Group companies	82 103	12 063
Income from disposal of fixed assets	84	433
Total capitalized costs and other operating income	109 466	43 135
3		
Material expenses		
Material and warehouse expenses	605 960	607 136
Subcontractor salaries	4 634	8 333
Energy expenses	18 864	21 273
Total material expenses	629 458	636 742
4		
Personnel expenses		
Wages and salaries	219 411	214 123
Legal/contractual social insurance	44 035	40 824
Total personnel expenses	263 446	254 947

Notes	2002 (CHF '000)	2001 (CHF '000)
Pensions schemes:		
<p>Some Group companies have their own personnel pension plans, which all comply with national regulations and requirements. Normally, the assets are held in independent trusts. In cases in which a Group company does not have its own personnel pension plans, long-term provisions have been set up in the consolidated balance sheet. The trusts are normally financed through contributions from employers and employees. The future obligations and the corresponding plan assets which are qualified as defined-benefit plans under IFRS are periodically verified by qualified actuaries, for the last time as per December 31, 2002.</p> <p>The following figures give an overview over the pension plans:</p>		
	31.12.2002	31.12.2001
Individual defined-benefit plans		
– Actuarial value of all benefit entitlements of former and current employees	(518 730)	(488 693)
– Market value of plan assets	423 000	471 761
– Unrecognizable amount	(23 340)	(27 797)
– Actuarial losses, not accounted for	118 613	44 301
– Net recognized liabilities for individual defined-benefit plans due to former and current employees	(457)	(428)
The balance sheet shows the following:		
Surplus recognized as part of long-term interest-bearing financial assets (see note 9)	21 892	20 567
Deficit recognized as part of other long-term liabilities (see note 19)	(22 349)	(20 995)
Total recognized net liabilities in the Group balance sheet	(457)	(428)

Notes	2002 (CHF '000)	2001 (CHF '000)
The income statement shows the following:		
Current service cost	20 793	24 984
Interest cost	19 106	18 130
Expected return on plan assets	(26 808)	(29 467)
Adjustments for Art. 58A (1. 1. 2002)	3 214	0
Actuarial gains/losses	263	0
Adjustments for Art. 58A (31. 12. 2002)	(4 457)	0
Actuarial losses Art. 58A (31. 12. 2002)	3 943	0
Employees' contribution	(7 128)	(6 126)
ERIS (Expense Recognized in the Income Statement)	8 926	7 521
The change of the balance sheet is as follows:		
ERIS (Expense Recognized in the Income Statement)	8 926	7 521
Employer's contribution	(8 897)	(7 382)
Deficit of effective employer's contribution, net	29	139
Benefits for pension plan members covered by defined-benefit plans are calculated using the following average actuarial assumptions:		
Expected future service life of the employees	12 years	12 years
Discount rate	3.75%	3.75%
Expected long-term return on capital	6.00%	6.00%
Annual salary development	2.75%	2.75%
Adaptation of pension benefits	1.50%	1.50%
5 Other operating expenses		
Rents, repairs and maintenance and general administration costs	181 146	112 227
Losses on disposal of fixed assets	2 091	3 400
Total other operating expenses	183 237	115 627
6 Financial income		
Interest on interest-bearing assets		
Interest from related parties and associated companies	3 209	4 436
Other interest income	12 051	19 729
Foreign exchange gains, net	19 046	0
Dividends on securities in working capital	6 349	3 187
Dividends on investments in associated and other companies	21 819	10 251
Income from sale of securities	34 047	75 000
Result from valuation of securities, net	4 261	0
Total financial income	100 782	112 603
Foreign exchange gains (KCHF 19 046) consist of the dissolution of the unrealized gain of KCHF 21 293 which was booked within shareholders' equity according to Hedge Accounting in 2001.		

Notes	2002 (CHF '000)	2001 (CHF '000)	
7	Financial expenses		
	Interest to related parties and associated companies	94	28
	Other interest	67 449	39 090
	Expenses from sale of securities	2 407	0
	Result from valuation of securities, net	0	303
	Foreign exchange losses, net	0	4 801
	Costs of transactions/Amortization of issue costs	4 308	2 139
	Goodwill amortization of associated companies	0	3 139
	Total financial expenses	74 258	49 500
8	Income taxes		
	Current income taxes	50 882	51 018
	Deferred income taxes (see note 20)	(1 896)	205
	Total income taxes	48 986	51 223
	The ultimate holding company is incorporated in Switzerland. The subsidiaries operate in different countries with different tax laws and tax rates. The effective income tax expenses were different from the expected income tax expenses. The expected income tax expenses are calculated on the basis of the local profit and tax rate. This difference is as follows:		
	Breakdown of the income tax expenses		
	Net income before income taxes	213 888	229 044
	Expected income tax rate	26.5%	26.5%
	Expected income taxes	56 680	60 697
	Effect of different income tax rates	(3 713)	(8 909)
	Use of losses carried forward	0	(41)
	Income with special income tax rates	(820)	(1 632)
	Tax holidays and corrections from previous years	1 687	(4 099)
	Other	(4 848)	5 207
	Effective income taxes	48 986	51 223
	Effective income tax rate	22.9%	22.4%

Deferred income taxes are calculated using the "Comprehensive Liability Method", under which provisions are set up for all temporary differences. Tax losses carried forward are only carried to accrued income if it is certain that the future taxable profit is sufficient to offset such a loss. The expected income tax rate is 26.5%.

Consolidated Balance Sheet as of December 31

Notes

9 Intangible fixed assets, tangible fixed assets, financial assets

I. Intangible fixed assets

		At 1.1.02 (CHF '000)	Change in scope of cons./ transl. diff. (CHF '000)	Additions (CHF '000)	Disposals (CHF '000)	Reclassific. and value adjustments (CHF '000)	At 31.12.02 (CHF '000)
Goodwill	Cost	52 843	(2 842)				50 001
	Amortization	52 843	(2 842)				50 001
	Book value	0	0	0	0	0	0
Patents, trade marks	Cost	9 733	(1)	30		(50)	9 712
	Amortization	3 185	(1)	1 015		(50)	4 149
	Book value	6 548	0	(985)	0	0	5 563
Others, incl. advances	Cost	19 287	(588)	806	1 611	27 301	45 195
	Amortization	9 658	(239)	5 446	1 582	162	13 445
	Book value	9 629	(349)	(4 640)	29	27 139	31 750
Total intangible fixed assets	Cost	81 863	(3 431)	836	1 611	27 251	104 908
	Amortization	65 686	(3 082)	6 461	1 582	112	67 595
	Book value	16 177	(349)	(5 625)	29	27 139	37 313

Ila. Operating fixed assets

		At 1.1.02 (CHF '000)	Change in scope of cons./ transl. diff. (CHF '000)	Additions (CHF '000)	Disposals (CHF '000)	Reclassific. and value adjustments (CHF '000)	At 31.12.02 (CHF '000)
Land incl. development cost	Cost	23 667	(1 401)	0	1	272	22 537
	Depreciation	1 233	(385)	44	0	0	892
	Book value	22 434	(1 016)	(44)	1	272	21 645
Buildings	Cost	315 598	(9 071)	1 267	2 429	5 538	310 903
	Depreciation	141 960	(3 562)	7 687	1 703	0	144 382
	Book value	173 638	(5 509)	(6 420)	726	5 538	166 521
Technical plant, machinery, R&D plants	Cost	1 092 623	(88 100)	3 376	19 574	57 841	1 046 166
	Depreciation	579 691	(55 029)	45 601	18 457	83	551 889
	Book value	512 932	(33 071)	(42 225)	1 117	57 758	494 277
Furniture, EDP equipment, vehicles	Cost	77 141	(4 316)	2 878	6 238	3 322	72 787
	Depreciation	51 864	(2 775)	6 611	6 088	(195)	49 417
	Book value	25 277	(1 541)	(3 733)	150	3 517	23 370
Plant under construction and payments in advance	Cost	76 760	(2 559)	63 117	234	(93 952)	43 132
	Depreciation	1 347	(1 347)	0	0	0	0
	Book value	75 413	(1 212)	63 117	234	(93 952)	43 132
Total operating fixed assets	Cost	1 585 789	(105 447)	70 638	28 476	(26 979)	1 495 525
	Depreciation	776 095	(63 098)	59 943	26 248	(112)	746 580
	Book value	809 694	(42 349)	10 695	2 228	(26 867)	748 945

Notes

IIb. Non-operating fixed assets

		At 1.1.02 (CHF '000)	Change in scope of cons./ transl. diff. (CHF '000)	Additions (CHF '000)	Disposals (CHF '000)	Reclassific. and value adjustments (CHF '000)	At 31.12.02 (CHF '000)
Land incl. development cost	Cost	10077	(440)		533	(272)	8832
	Depreciation	0	0		0	0	0
	Book value	10077	(440)	0	533	(272)	8832
Buildings	Cost	5554	(260)	0	722		4572
	Depreciation	1897	(117)	87	187		1680
	Book value	3657	(143)	(87)	535	0	2892
Furniture	Cost	814		5	15		804
	Depreciation	728		13	2		739
	Book value	86	0	(8)	13	0	65
Total non-operating fixed assets	Cost	16445	(700)	5	1270	(272)	14208
	Depreciation	2625	(117)	100	189	0	2419
	Book value	13820	(583)	(95)	1081	(272)	11789
Total tangible fixed assets	Cost	1602234	(106147)	70643	29746	(27251)	1509733
	Depreciation	778720	(63215)	60043	26437	(112)	748999
	Book value	823514	(42932)	10600	3309	(27139)	760734

III. Financial assets

Associated companies

		At 1.1.02 (CHF '000)	Change in scope of cons./ transl. diff. (CHF '000)	Additions (CHF '000)	Disposals (CHF '000)	Reclassific. and value adjustments (CHF '000)	At 31.12.02 (CHF '000)
Participations	Cost	36120	(4695)	659	8158		23926
	Depreciation	0	0	0	0		0
	Book value	36120	(4695)	659	8158	0	23926
Goodwill	Cost	3430					3430
	Amortization	3430					3430
	Book value	0	0	0	0	0	0
Total associated companies	Cost	39550	(4695)	659	8158		27356
	Depreciation / Amortization	3430	0	0	0		3430
	Book value	36120	(4695)	659	8158	0	23926

Other participations

	Fair Value	652902	(165)	7970	34853	(143637)	482217
	Amortized cost	0	(3)	43	0	0	40
	Book value	652902	(162)	7927	34853	(143637)	482177

Notes

Long-term interest-bearing financial assets

	At 1.1.02 (CHF '000)	Change in scope of cons./ transl. diff. (CHF '000)	Additions (CHF '000)	Disposals (CHF '000)	Reclassific. and value adjustments (CHF '000)	At 31.12.02 (CHF '000)
Fair value	146 915	(699)	30 326	121 783		54 759
Amortized cost	142	72	27 345	4		27 555
Book value	146 773	(771)	2 981	121 779	0	27 204

In the book value of "Other participations", the shareholding in Lonza is included with KCHF 481 072 (5 727 047 registered shares at CHF 84) (2001: KCHF 651 543). The long-term interest-bearing financial assets contain receivables out of the application of IAS 19 (rev.) of KCHF 21 892 (2001: KCHF 20 567) as well as loans to third parties.

	2002 (CHF '000)	2001 (CHF '000)
Fire insurance value		
Property, plant and equipment The insurance of fixed assets is at replacement values.	1 933 898	2 003 678
10 Inventories		
Raw materials and supplies	56 477	53 721
Semi-finished goods, work in progress	22 037	21 825
Finished products	138 519	143 199
Advance payments on goods	3 766	2 004
Total inventories	220 799	220 749
11 Trade accounts receivable		
Accounts receivable from long-term construction contracts	5 077	9 191
Trade accounts receivable from associated companies	1 525	1 209
Trade accounts receivable	192 858	205 520
Provision for bad debts	(6 821)	(6 788)
Total trade accounts receivable	192 639	209 132
12 Other receivables		
Receivables from related parties	152 985	0
Receivables from associated companies	710	225
Other receivables	30 577	75 908
Prepayments and accrued income	60 965	45 030
Total other receivables	245 237	121 163

Receivables from related parties bear interest at commercial rates (2002: 3.5%; see note 32).

Notes		2002 (CHF '000)	2001 (CHF '000)
13	Securities		
	Marketable securities are valued at fair value (according to IAS 39 "Financial Instruments").		
14	Cash and cash equivalents		
	Deposits	779 428	117 518
	Cash and cash equivalents	16 715	13 823
	Total cash and cash equivalents	796 143	131 341
	Maturity < 3 months	796 135	131 059
	Maturity > 3 months	8	282
15a			
	Share capital		
	Summary	2002	
		Par value	Number
			Percentage of
			voting rights
			capital
	Registered shares	CHF 10	729 300
	Bearer shares	CHF 50	376 000
			65.98 %
			27.95 %
			34.02 %
			72.05 %
	Share capital		
			7 293
			18 800
			26 093
			26 093
15b	Changes in fair value of other investments and securities		
	Balance per January 1	95 174	0
	Impact of first-time application of IAS 39	0	86 771
	Transfer into consolidated income statement	(14 170)	(64 358)
	Fair value changes according to IAS 39	(281 871)	72 761
	Balance per December 31	(200 867)	95 174
16	Minority interests		
	This item reflects the minority interests in capital and profit and loss for the year respectively. Minorities own significant shares in EMS-UBE Ltd., EC-SHOWA DENKO K.K., EFTEC Europe Holding AG and KRAFTWERKE REICHENAU AG. Minority interests in net income amount to KCHF 3 954. During the year under review, dividends of KCHF 2 627 were paid.		
17	Bonds		
	KRAFTWERKE REICHENAU: 4½% debenture bond 1995 – 1.12.2005	50 000	50 000
	EMS-CHEMIE HOLDING AG: 2% exchangeable bond 2002 – 25.7.2008	270 589	0
	EMS-CHEMIE HOLDING AG: 4% debenture bond 2002 – 29.7.2008	297 761	0
	EMS-INTERNATIONAL FINANCE: 2.5% exchangeable bond 2002 – 23.4.2010	317 285	0
	Total bonds	935 635	50 000

The option component of the exchangeable bonds is presented within Other long-term liabilities (see note 19).

Notes	2002 (CHF '000)	2001 (CHF '000)
-------	--------------------	--------------------

Details to the bonds issued in the year 2002:

2% exchangeable bond 2002 – 25. 7. 2008 (nominal CHF 300 Mio.)

Each bond of CHF 5 000 can be converted at any time during the period of exchange (25. 7. 2002 – 15. 7. 2008) either in 39,52569 registered shares of Lonza Group AG or in 0,68634 bearer shares of EMS-CHEMIE HOLDING AG (choice by the bond holder) [Conversion price per Lonza share: CHF 126.50; conversion price per EMS share: CHF 7 285; in case of a delisting of EMS shares the conversion right is lost for those shares, and conversion price for Lonza is reduced from CHF 126.50 to CHF 121].

The issuer has the right to settle the obligation in cash instead of delivering registered shares of Lonza Group AG or bearer shares of EMS-CHEMIE HOLDING AG.

In spite of the possibility to convert into EMS shares the total option component is regarded as a liability.

4% debenture bond 2002 – 29. 7. 2008 (nominal CHF 300 Mio.)

2.5% exchangeable bond 2002 – 23. 4. 2010 (nominal CHF 350 Mio.)

Each bond of CHF 5 000 can be converted at any time during the period of exchange (23. 4. 2002 – 13. 4. 2010) in 40 registered shares of Lonza Group AG (Conversion price per Lonza share: CHF 125).

18 Bank loans

The long-term bank loans are composed as follows:

CHF: Average interest rate in 2002: – (2001: 3.59%)	0	520 000
JPY: Average interest rate in 2002: 1.68% (2001: 1.69%)	95 490	99 600
USD: Average interest rate in 2002: 2.72% (2001: 5.39%)	5 546	6 686
Total bank loans	101 036	626 286
Maturity 1 – 5 years	95 490	619 600
Maturity > 5 years	5 546	6 686

19 Other long-term liabilities

Other long-term liabilities	3 114	3 694
Option component of exchangeable bond	47 823	0
Leasing liabilities	133	232
Liabilities out of application of IAS 19 (rev.)	22 349	20 995
Total other long-term liabilities	73 419	24 921

Notes

20 Provisions

	At 1.1.02 (CHF '000)	Change in scope of cons./ transl. diff. (CHF '000)	Increase/ decrease via Income Statement (CHF '000)	Amounts used (CHF '000)	At 31.12.02 (CHF '000)
Pension liabilities	2 251	(1 043)	(211)	0	997
Provisions for restructuring costs	157	(119)	15 491	(146)	15 383
Other provisions	56 658	(239)	31 635	(1 016)	87 038
Subtotal	59 066	(1 401)	46 915	(1 162)	103 418
Provisions for deferred income taxes	199 720	(4 217)	(1 896)	0	193 607
Total provisions	258 786	(5 618)	45 019	(1 162)	297 025

Warranty provisions are included within other provisions.

	2002 (CHF '000)	2001 (CHF '000)
Note to the provision for deferred income taxes		
Calculation according to the "Comprehensive Liability Method"		
Total temporary differences	736 412	766 323
Provision for deferred income taxes based on temporary differences	193 607	199 720
Losses carried forward, accepted by fiscal authorities		
Total not considered losses carried forward	12 000	19 100
Not considered deferred income tax assets based on not considered losses carried forward	4 235	6 793
Of which to be carried forward at the longest:		
1 year	0	0
2 years	0	0
3 years	0	0
4 years	0	0
5 years	0	131
More than 5 years	4 235	6 662

Notes	2002 (CHF '000)	2001 (CHF '000)
21 Other short-term liabilities		
Advances from customers for long-term construction contracts	12 828	8 430
Other advances	6 320	6 568
Prepaid expenses and deferred income	115 966	86 550
Liabilities to related parties	0	101
Liabilities to social security institutions	10 198	9 166
Other short-term liabilities	54 812	24 297
Total other short-term liabilities	200 124	135 112
Interest on liabilities to related parties is in conformity with market conditions (see note 32).		
22 Liabilities, net / (Net cash position)		
Bonds (see note 17)	935 635	50 000
Option component of exchangeable bond (see note 19)	47 823	0
Long-term bank loans (see note 18)	101 036	626 286
Pension liabilities (see note 20)	997	2 251
Long-term liabilities to retirement plans	1 844	1 805
Short-term bank loans: Average interest rate 2002: 4.62%	127 870	13 331
Leasing obligations (see note 19)	133	232
Liabilities to related parties (see note 21)	0	101
Interest-bearing liabilities	1 215 338	694 006
less		
Receivables from related parties (see note 12)	152 985	0
Receivables from associated companies (see note 12)	710	225
Securities (see note 13)	380 763	340 954
Deposits (see note 14)	779 428	117 518
Other participations (see note 9)	481 072	651 543
Interest-bearing liabilities, net / (Cash, net)	(579 620)	(416 234)
less		
Cash and cash equivalents (see note 14)	16 715	13 823
Liabilities, net / (Net cash position)	(596 335)	(430 057)

Consolidated Cash Flow Statement

Notes		2002 (CHF '000)	2001 (CHF '000)
23	Depreciation of intangible and tangible fixed assets and financial assets		
	Amortization intangible fixed assets	6 461	37 685
	Depreciation tangible fixed assets	<u>60 043</u>	<u>57 266</u>
	Subtotal amortization intangible/depreciation tangible fixed assets	66 504	94 951
	Value adjustment to financial assets	27 388	4
	Total depreciation intangible and tangible fixed assets and financial assets	93 892	94 955
	For the breakdown of the depreciation of tangible fixed assets refer to note 9 and to the segment reporting. The goodwill amortization from associated companies is included within the financial expenses (see note 7).		
24	Purchase/disposal of consolidated companies		
		Additions	Disposals
	Tangible fixed assets	(33 690)	(33 690)
	Long-term liabilities	16 707	16 707
	Goodwill paid	–	0
	Working capital	1 626	1 626
	Minority interests	<u>673</u>	<u>673</u>
	Net assets acquired/divested	0	(14 684)
	Purchase price (paid)/received	96 787	96 787
	Cash and cash equivalents	492	492
	Cash flow from (purchase)/disposal of participations	0	97 279
	In the year 2002, the following subsidiaries were sold: PATVAG KRAFTWERKE AG, KRAFTWERKE FRISAL AG and DINOL-PYRMO GmbH.		
Further Details			
25	Contingent liabilities		
	Commitments and contingent liabilities at the end of the year amount to No legal proceedings are known to be in progress within the Group which could have a significant impact on the financial position of the Group.	47 660	48 599

Notes			2002 (CHF '000)	2001 (CHF '000)
26	Open derivative financial transactions			
	The following summary shows the most important open derivative financial transactions:			
SWAPS and forward rate agreements	JPY/CHF	Notional amount CHF	387381	133173
		Positive replacement value CHF	27846	19676
		Negative replacement value CHF	3590	1717
	USD/CHF	Notional amount CHF	53933	67838
		Positive replacement value CHF	2385	2142
		Negative replacement value CHF	824	683
	EUR/CHF	Notional amount CHF	5444	6960
		Positive replacement value CHF	8	7
		Negative replacement value CHF	0	33
	GBP/CHF	Notional amount CHF	0	3296
		Positive replacement value CHF	0	0
		Negative replacement value CHF	0	54
	SEK/CHF	Notional amount CHF	0	8172
		Positive replacement value CHF	0	274
		Negative replacement value CHF	0	0
Interest Swaption	CHF	Notional amount CHF	425000	225000
		Positive replacement value CHF	1025	1556
		Negative replacement value CHF	25475	5043
Equity Options	CHF	Notional amount CHF	389500	0
		Positive replacement value CHF	5923	0
		Negative replacement value CHF	5270	0
Total		Notional amount CHF	1261258	444439
		Positive replacement value CHF	37187	23655
		Negative replacement value CHF	35159	7530

Maximum risk equals the sum of the positive replacement values. This risk is considered being minimal, as the counterparties are first-rate financing institutions.

Credit risks

The short and medium-term deposits are placed with institutions having high credit standings. Trade accounts receivable are shown after deducting provisions for bad debts.

Risks of changes of interest rate

The EMS Group uses various instruments to secure financial costs and to hedge changes in interest rates. For the interest rate of bonds, short and medium-term bank liabilities refer to notes 17, 18 and 22.

Notes	2002 (CHF '000)	2001 (CHF '000)
27 Earnings per Share – EPS		
<p>Earnings per share are calculated by dividing the Group's net income (net of minority interests) by the weighted average of shares entitled to dividend (excluding treasury shares). "Fully-diluted earnings per share" pays due regard to any dilution which may be caused by the exercising of warrant and conversion rights on outstanding bond issues.</p> <p>Earnings per share details are as follows:</p>		
Net income	160 948	176 288
Weighted average of bearer shares entitled to dividend	376 000	376 000
Weighted average of registered shares entitled to dividend	729 300	729 300
Weighted average of bearer shares (fully diluted)	376 000	376 000
Weighted average of registered shares (fully diluted)	729 300	729 300
Earnings per bearer share entitled to dividend (CHF)	308.41	337.81
Earnings per registered share entitled to dividend (CHF)	61.68	67.56
Earnings per bearer share (fully diluted) (CHF)	308.41	337.81
Earnings per registered share (fully diluted) (CHF)	61.68	67.56
Earnings per bearer share as per 31. 12. (CHF)	308.41	337.81
Earnings per registered share as per 31. 12. (CHF)	61.68	67.56
<p>There are no facts with a dilutive effect on earnings per share calculation.</p>		
28 Significant shareholders		
<p>Holders of registered shares:</p>		
Emesta Holding AG, Zug / Ch. Blocher, 728 979 registered shares		
Percentage of capital held (CHF 7 289 790 of CHF 26 093 000)	27.94 %	27.94 %
Percentage of voting rights held (728 979 of 1 105 300 votes)	65.95 %	65.95 %
<p>Holders of bearer shares:</p>		
Emesta Holding AG, Zug / Ch. Blocher, 228 189 bearer shares		
Percentage of capital held (CHF 11 409 450 of CHF 26 093 000)	43.73 %	39.00 %
Percentage of voting rights held (228 189 of 1 105 300 votes)	20.64 %	18.41 %
<p>A representation of other significant shareholders is not known to the Board of Directors.</p> <p>Emesta Holding AG is controlled by the Chairman of EMS-CHEMIE HOLDING AG (see note 32).</p>		
29 Transactions with related parties		
<p>Transactions with related parties (see note 32) are done at arm's length conditions. With the exception of the loan to Emesta Holding AG which is controlled by the Chairman of EMS-CHEMIE HOLDING AG (see notes 12, 28, 32), the members of the board or business managers did not receive any credits, advances or other kind of loans.</p>		

Notes

30 Subsequent events

On February 12, 2003, KRAFTWERKE REICHENAU AG were sold retroactively per January 1, 2003 to Nordostschweizerische Kraftwerke (INOK).

31 List of subsidiaries and minority holdings (at 31. 12. 2002)

Name	Domicile	Country	Currency
EMS-CHEMIE HOLDING AG	Domat/Ems	Switzerland	CHF
EMS-INTERNATIONAL FINANCE (Guernsey) Ltd.	Guernsey	Guernsey	CHF
EMS-FINANCE (Guernsey) Ltd.	Guernsey	Guernsey	CHF

BUSINESS AREA PERFORMANCE POLYMERS

Business Units EMS-GRIVORY/ EMS-GRILTECH / EMS-SERVICES

EMS-CHEMIE AG	Domat/Ems	Switzerland	CHF
EMS-CHEMIE (France) S.A.	Boulogne	France	EUR
EMS-CHEMIE (UK) Ltd.	Stafford	Great Britain	GBP
EC-SHOWA DENKO K.K.	Tokyo	Japan	JPY
EMS-UBE Ltd.	Ube	Japan	JPY
EMS-CHEMIE (Asia) Ltd.	Taipei	Taiwan	TWD
EMS-CHEMIE (Deutschland) GmbH	Gross-Umstadt	Germany	EUR
EMS-GRILON HOLDING INC.	Wilmington	USA	USD
EMS-CHEMIE (North America) Inc.	Sumter	USA	USD

Business Unit EMS-TOGO

EFTEC Europe Holding AG	Zug	Switzerland	CHF
EFTEC AG	Romanshorn	Switzerland	CHF
EFTEC Sàrl	Le Vésinet	France	EUR
EFTEC AB	Hässleholm	Sweden	SEK
EFTEC Engineering AB	Hässleholm	Sweden	SEK
EFTEC Engineering GmbH	Markdorf	Germany	EUR
EFTEC Ltd.	Rhigos	Great Britain	GBP
EFTEC NV	Genk	Belgium	EUR
EFTEC S.A.	Zaragoza	Spain	EUR
EFTEC Asia Pte. Ltd.	Singapore	Singapore	SGD
EFTEC (Thailand) Co. Ltd.	Rayoung	Thailand	THB
Shanghai EFTEC Chemical Products Ltd.	Shanghai	China (People Rep.)	CNY
EFTEC Shroff India Ltd.	Mumbai	India	INR
EFTEC GmbH	Lügde	Germany	EUR
D PLAST-EFTEC a.s.	Zlín	Czech Republic	CZK
EMS-TOGO Corp.	Taylor	USA	USD
EFTEC North America, L.L.C.	Madison Heights	USA	USD
DINOL Holding AB	Hässleholm	Sweden	SEK
DINOL AB	Hässleholm	Sweden	SEK
SEGURO Corp.	Detroit	USA	USD

Share capital (in '000)	Group	Holding direct	Category	Consolidation
26 093			D	K
50	100.00%	100.00%	D	K
1	100.00%	100.00%	D	K
100	100.00%	100.00%	P,V	K
1 951	100.00%	100.00%	V	K
1 530	100.00%	100.00%	V	K
300 000	70.00%	70.00%	V	K
1 500 000	66.67%	66.67%	P	K
200 000	100.00%	100.00%	P,V	K
2 556	100.00%	100.00%	P,V	K
2 420	100.00%	95.87%	D	K
11 285	100.00%	100.00%	P,V	K
8 000	70.00%	70.00%	D	K
2 500	70.00%	100.00%	P,V	K
8	70.00%	100.00%	V	K
5 000	70.00%	100.00%	P,V	K
5 000	70.00%	100.00%	P,V	K
25	70.00%	100.00%	P,V	K
352	70.00%	100.00%	P,V	K
1 239	70.00%	100.00%	P,V	K
944	70.00%	100.00%	P,V	K
5 800	42.00%	60.00%	D,V	K
30 000	42.00%	100.00%	P,V	K
20 750	25.20%	60.00%	P,V	K
15 000	20.58%	49.00%	P,V	E
1 023	70.00%	100.00%	P,V	K
47 569	35.00%	50.00%	P,V	E
750	100.00%	100.00%	D	K
51 208	30.00%	30.00%	P,V	E
100	100.00%	100.00%	D	K
1 000	100.00%	100.00%	P,V	K
10	100.00%	100.00%	D	K

Notes

Name	Domicile	Country	Currency
BUSINESS AREA FINE CHEMICALS			
<u>Business Units EMS-PRIMID* / EMS-DOTTIKON</u>			
EMS-DOTTIKON AG	Dottikon	Switzerland	CHF
BUSINESS AREA ENGINEERING			
<u>Business Unit EMS-PATVAG</u>			
EMS-PATVAG AG	Domat/ Ems	Switzerland	CHF
<u>Business Unit INVENTA-FISCHER</u>			
INVENTA-FISCHER AG	Männedorf	Switzerland	CHF
GRIVELA AG	Männedorf	Switzerland	CHF
EMS-INVENTA ANLAGENBAU (Holding) GmbH	Berlin	Germany	EUR
EMS-INVENTA ANLAGENBAU (Berlin) GmbH	Berlin	Germany	EUR
INVENTA-FISCHER GmbH & Co. KG	Berlin	Germany	EUR
<u>Business Unit POWER STATIONS</u>			
KRAFTWERKE REICHENAU AG	Tamins	Switzerland	CHF
<u>OTHERS</u>			
Lonza Group AG	Zurich	Switzerland	CHF

Category:

P = Production

V = Trade, sale

D = Financing, various

Consolidation:

K = Fully consolidated

E = Equity valuation

B = Market value

* EMS-PRIMID is a reporting unit
within EMS-CHEMIE AG

Share capital (in '000)	Group	Holding direct	Category	Consolidation
102	100.00%	100.00%	P,V	K
100	100.00%	100.00%	P,V	K
100	100.00%	100.00%	P,V	K
100	100.00%	100.00%	D	K
3 205	100.00%	79.77%	D	K
26	100.00%	100.00%	D	K
1 023	100.00%	100.00%	P,V	K
1 000	75.00%	75.00%	P,V	K
50 450	11.35%	11.35%	D	B

Notes

32 Related parties

Name	Domicile	Country
Emesta Holding AG	Zug	Switzerland

33 Change in scope of consolidation

Fully-consolidated:

Disposals:

PATVAG KRAFTWERKE AG / KRAFTWERKE FRISAL AG

On December 30, 2002, these companies were sold to Nordostschweizerische Kraftwerke (INOK).

DINOL-PYRMO GmbH

On March 28, 2002, this company was sold retroactively per January 1, 2002 to the two company managers.

34 Significant associated companies

EFTEC North America, L.L.C.

Domicile	Madison Heights, USA
Percentage of holding	30.00%
Financial year	December 1, 2001 – November 30, 2002
Category	Production, Sale
Currency	USD
Revenue	KCHF 141 823
Fixed assets	KCHF 45 895
Current assets	KCHF 36 163
Shareholders' equity	KCHF 62 925
Liabilities	KCHF 19 133
Net income	KCHF 5 187

Between December 1, 2002 and December 31, 2002 no events occurred that materially influenced shareholders' equity.

D PLAST-EFTEC a.s.

Domicile	Zlín, Czech Republic
Percentage of holding	35.00%
Financial year	January 1, 2002 – December 31, 2002
Category	Production, Sale
Currency	CZK
Revenue	KCHF 17 655
Fixed assets	KCHF 4 854
Current assets	KCHF 4 647
Shareholders' equity	KCHF 6 311
Liabilities	KCHF 3 190
Net income	KCHF 1 916

Report of the Group Auditors

Report of the Group Auditors
to the General Meeting of
EMS-CHEMIE HOLDING AG
Domat/Ems

As auditors of the group, we have audited the consolidated financial statements (income statement, balance sheet, changes in consolidated shareholders' equity, cash flow statement and notes to the consolidated financial statements/ pages 10 to 38) of EMS-CHEMIE HOLDING AG for the year ended December 31, 2002.

These consolidated financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We confirm that we meet

the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the Swiss profession and with the International Standards on Auditing, which require that an audit be planned and performed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the consolidated financial statements. We have also assessed the accounting principles used, significant estimates made and the overall consolidated financial statement presentation. We believe that our

audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

We recommend that the consolidated financial statements submitted to you be approved.

Zurich, May 15, 2003

PricewaterhouseCoopers AG
Willi Grau Matthias von Moos

Annual Accounts
EMS-CHEMIE HOLDING AG

(for Fiscal Year May 1, 2002 – April 30, 2003)



EMS-CHEMIE HOLDING AG
Domat/Ems Switzerland

Income Statement May 1, 2002 to April 30, 2003

	Notes	2002/2003 (CHF '000)	2001/2002 (CHF '000)
INCOME			
Financial income			
Interest income from third parties		4 921	7 908
Interest income from group companies and related parties	1	17 066	22 368
Foreign exchange differences, net	3	3 781	23 868
Income from securities		7 754	56 742
Income from sale of participations		145 805	6 499
Income from participations		38 659	119 341
Other operating income		65	350
Extraordinary income		84	88
Total income		218 135	237 164
EXPENSES			
Financial expenses			
Expenses from securities		149 447	0
Expenses from participations		62 351	0
Interest expenses to third parties		60 143	28 078
Interest expenses to group companies and related parties	2	1 682	2 149
Bank charges, duties, fees		1 320	2 349
Administration expenses		354	314
Total expenses		275 297	32 890
Net income before taxes		(57 162)	204 274
Taxes		0	7 835
Net income		(57 162)	196 439

Balance Sheet per April 30, 2003

	Notes	30. 4. 03 (CHF '000)	30. 4. 02 (CHF '000)
Fixed assets		1 103 081	910 283
Investments	4	727 795	554 455
Loans to third parties and group companies	5	375 286	355 828
Current assets		629 925	956 117
Prepayments and accrued income		10 433	5 141
Securities		222 951	909 411
Accounts receivable from third parties, group companies and related parties	6	192 024	71 162
Cash and cash equivalents		204 517	34 403
TOTAL ASSETS		1 733 006	1 866 400
Shareholders' equity	7	819 372	876 534
Share capital	8/9	26 093	26 093
Legal reserves		70 000	70 000
Other reserves		10 000	10 000
Retained earnings	10		
Balance brought forward		770 441	574 002
Net income		(57 162)	196 439
Liabilities		913 634	989 866
Long-term liabilities		853 937	905 289
Loans from group companies		50	50 902
Bank loans		207 651	807 651
Bonds	11	600 000	0
Provisions	12	46 236	46 736
Short-term liabilities		59 697	84 577
Accruals and deferred income		43 185	10 832
Accounts payable to third parties		16 512	71 832
Accounts payable to group companies and related parties	13	0	1 913
TOTAL LIABILITIES		1 733 006	1 866 400
Balance sheet equity ratio		47.3%	47.0%

Notes to the Financial Statements 2002/2003

Accounting principles

1. General

The financial statements of EMS-CHEMIE HOLDING AG have been prepared under the historical cost convention, and are in accordance with the provisions of Swiss law. Assets, liabilities and shareholders' equity continue to be valued using conservative accounting principles.

The financial year differs from the calendar year (closing per April 30, 2003).

Companies in which EMS-CHEMIE HOLDING AG's shareholding is in excess of 50% (voting rights) are designated as group companies.

2. Foreign currency translation

Revenue and expenditure in foreign currencies are translated into Swiss francs for the profit and loss account at the average rates for the month in which they arose.

Financial assets and current assets are translated at the year-end rate, as are current liabilities.

3. Current assets

Appropriate value adjustments have been effected for balances subject to risk.

Securities are shown at the lower of cost or market value.

4. Fixed assets

Investments in group companies and other companies are shown at purchase value less any value adjustments required. Investments in companies being quoted at the Stock Exchange are valued at the lower of cost or market value.

5. Liabilities

Non-current liabilities are shown at their redemption value.

Income Statement 2002/2003

Notes	2002/2003 (CHF '000)	2001/2002 (CHF '000)
1 Interest income from group companies and related parties		
Interest income from group companies	14 530	17 671
Interest income from related parties	2 536	4 697
Interest income from group companies and related parties	17 066	22 368
2 Interest expenses to group companies and related parties		
Interest expenses to group companies	1 610	2 148
Interest expenses to related parties	72	1
Interest expenses to group companies and related parties	1 682	2 149
3 Foreign exchange differences, net		
Foreign exchange gains	6 482	34 015
Foreign exchange losses	2 701	10 147
Foreign exchange differences, net	3 781	23 868

Balance Sheet per April 30, 2003

- 4 Investments
On April 30, 2003, the direct participations
of EMS-CHEMIE HOLDING AG were as follows:

Name		Share capital in thousands	Interest in capital held	Purpose
EMS-INTERNATIONAL FINANCE (Guernsey) Ltd.	CHF	1	100.00	Financing
EMS-CHEMIE AG, Domat/Ems	CHF	100	100.00	Production
EMS-CHEMIE (DEUTSCHLAND) GmbH, Gross-Umstadt	EUR	2 556	100.00	Production
EMS-CHEMIE (Asia) Ltd., Taipei	TWD	200 000	100.00	Production
EMS-GRILON HOLDING INC., Wilmington	USD	2 420	95.87	Financing
EFTEC Europe Holding AG, Zug	CHF	8 000	70.00	Financing
EMS-TOGO Corp., Taylor	USD	7 287	100.00	Financing
DINOL Holding AB, Hässleholm	SEK	100	100.00	Financing
EMS-DOTTIKON AG, Dottikon	CHF	102	100.00	Production
EMS-PATVAG AG, Domat/Ems	CHF	100	100.00	Production
INVENTA-FISCHER AG, Männedorf	CHF	100	100.00	Production
EMS-INVENTA ANLAGENBAU (Holding) GmbH, Berlin	EUR	3 205	79.77	Financing
Lonza Group AG, Zurich	CHF	50 450	13.19	Financing
Book value			727 795	554 455
The voting rights held correspond to the interest in capital held.				

Compared to last year, investments changed as follows: In 2002, such part of the Lonza shares being needed in maximum in the case of the execution of the exchange right out of the exchangeable bond issued in April 2002 by EMS-INTERNATIONAL FINANCE (Guernsey) Ltd. was shown under "securities". This part amounted to 2.8 Mio. shares with a book value of CHF 257.8 Mio. In 2003, all Lonza shares are uniformly shown in the position "investments". The unrealized loss on the Lonza investment per April 30, 2003 was booked into profit and loss. The companies PATVAG KRAFTWERKE AG and KRAFTWERKE REICHENAU AG were sold in the year under review.

Notes		2002/2003 (CHF '000)	2001/2002 (CHF '000)				
5	Loans to third parties and group companies						
	Loans to third parties	0	23 870				
	Loans to group companies	375 286	331 958				
	<u>Loans to third parties and group companies</u>	<u>375 286</u>	<u>355 828</u>				
6	Accounts receivable from third parties, group companies and related parties						
	Accounts receivable from third parties	19 351	6 555				
	Accounts receivable from group companies	645	607				
	Accounts receivable from related parties	172 028	0				
	<u>Accounts receivable from third parties, group companies and related parties</u>	<u>192 024</u>	<u>7 162</u>				
7	Shareholders' equity						
	Balance per May 1	876 534	680 091				
	Miscellaneous	0	4				
	Net income (see note 11)	(57 162)	196 439				
	<u>Balance per April 30</u>	<u>819 372</u>	<u>876 534</u>				
8		2002/2003					
	Share capital:						
	Composition	Par value	Number	Percentage of voting rights	Percentage of capital		
	Registered shares	CHF 10	729 300	65.98 %	27.95 %	7 293	7 293
	Bearer shares	CHF 50	376 000	34.02 %	72.05 %	18 800	18 800
	<u>Share capital</u>					<u>26 093</u>	<u>26 093</u>
	Registered shares are not traded on the Stock Exchange.						
9	Significant shareholders						
	Holders of registered shares:						
	Emesta Holding AG, Zug / Ch. Blocher, 728 979 registered shares						
	Percentage of capital held (CHF 7 289 790 of CHF 26 093 000)					27.94 %	27.94 %
	Percentage of voting rights held (728 979 of 1 105 300 votes)					65.95 %	65.95 %
	Holders of bearer shares:						
	Emesta Holding AG, Zug / Ch. Blocher, 229 577 bearer shares						
	Percentage of capital held (CHF 11 478 850 of CHF 26 093 000)					43.99 %	40.03 %
	Percentage of voting rights held (229 577 of 1 105 300 votes)					20.77 %	18.90 %
	A representation of other significant shareholders is not known to the Board of Directors.						
	Emesta Holding AG is controlled by the Chairman of EMS-CHEMIE HOLDING AG, Ch. Blocher.						
	Transactions between EMS-CHEMIE HOLDING AG and Emesta Holding AG are shown as transactions with related parties and are carried out at arm's length.						

Notes	2002/2003 (CHF '000)	2001/2002 (CHF '000)
10 Retained earnings		
Balance brought forward	770 441	573 998
Miscellaneous	0	4
Net income	(57 162)	196 439
Retained earnings	713 279	770 441
11 Bonds		
2% Exchangeable bond 2002 – 25.7.2008	300 000	0
4% Debenture bond 2002 – 29.7.2008	300 000	0
Bonds	600 000	0
Details on the bonds can be seen in note 17 "Bonds" of the consolidated financial statements of the EMS Group.		
12 Provisions		
Provisions for general risks	46 236	46 736
13 Accounts payable to group companies and related parties		
Accounts payable to group companies	0	492
Accounts payable to related parties	0	1 421
Accounts payable to group companies and related parties	0	1 913
14 Contingent liabilities		
Guarantees (maximum liability)	403 776	376 898
To secure the exchangeable bond in the amount of CHF 350 Mio. issued by EMS-INTERNATIONAL FINANCE (Guernsey) Ltd. in April 2002, EMS-CHEMIE HOLDING AG gave a guarantee in the amount of CHF 367.5 Mio.		

Proposals of the Board of Directors

The Board of Directors will present to the Ordinary Shareholders' Meeting of August 16, 2003, the following proposals regarding the 2002/2003 financial year:

1. approval of the Annual Report and the consolidated financial statements per December 31, 2002 and the financial statements for the year ended April 30, 2003;

2. discharge of the Board of Directors from its responsibilities for the conduct of the business;

3. distribution of available retained earnings consisting of:

	2002/2003	2001/2002
Net income	(57 161 923.59)	196 439 164.04
Miscellaneous	0.00	3 730.00
Balance brought forward	770 441 374.12	573 998 480.08
Retained earnings	713 279 450.53	770 441 374.12
to be appropriated as follows:		
Payment of an ordinary dividend of CHF 380.– gross per bearer share and CHF 76.– gross per registered share	(198 306 800.00)	0.00
Balance to be carried forward	514 972 650.53	770 441 374.12
Retained earnings	713 279 450.53	770 441 374.12

4. Par value reduction

The Board of Directors proposes a repayment of par value of CHF 9.90 net per existing registered share and of CHF 49.50 net per existing bearer share. As at April 30, 2003, the share capital is thus reduced by CHF 25.832 million from CHF 26.093 million to CHF 0.261 million while the par value per registered shares is cut from CHF 10.00 to CHF 0.10 and that per bearer share from CHF 50.00 to CHF 0.50.

5. Standard registered share

The Board of Directors proposes the introduction of a standard registered share through the conversion of each of the existing registered shares (par value CHF 0.10 following reduction) into 10 registered shares with a par value of CHF 0.01 each, and of the existing bearer shares (par value CHF 0.50 following reduction) into 50 registered shares with a par value of CHF 0.01 each.

6. Schedule

The dividend is payable as of August 20, 2003.

The repayment of par value and the introduction of the standard registered share will take place at the beginning of November 2003. The exact time will be announced in due course.

Domat/Ems, June 26, 2003

EMS-CHEMIE HOLDING AG
The Chairman of the Board of Directors
Christoph Blocher

Report of the Auditors

Report of the statutory auditors to the General Meeting of EMS-CHEMIE HOLDING AG 7013 Domat/Ems

As statutory auditors, we have audited the accounting records and the financial statements (income statement, balance sheet and notes/pages 42 to 48) of EMS-CHEMIE HOLDING AG for the year ended April 30, 2003.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the Swiss profession, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounting records and financial statements

and the proposed appropriation of available earnings comply with Swiss law and the company's articles of incorporation.

We recommend that the financial statements submitted to you be approved.

Zurich, June 26, 2003

PricewaterhouseCoopers AG
Willi Grau Matthias von Moos

Addresses of EMS Companies, Switzerland

EMS-CHEMIE HOLDING AG

Kugelgasse 22
CH-8708 Männedorf
phone +41 1 921 00 00
fax +41 1 921 00 01
<http://www.ems-group.com>
e-mail: info@ems-group.com

EMS-SERVICES

Via Innovativa 1
CH-7013 Domat/Ems
phone +41 81 632 77 66
fax +41 81 632 76 76
e-mail: welcome@emsservices.ch

EMS-PATVAG AG

Via Innovativa 1
CH-7013 Domat/Ems
phone +41 81 632 75 45
fax +41 81 632 74 36
e-mail: welcome@emspatvag.com

EMS-CHEMIE AG

Via Innovativa 1
CH-7013 Domat/Ems
phone +41 81 632 61 11
fax +41 81 632 74 01
<http://www.emschem.com>
e-mail: welcome@emschem.com

EMS-PRIMID

Via Innovativa 1
CH-7013 Domat/Ems
phone +41 81 632 70 11
fax +41 81 632 74 64
<http://www.ems-primid.com>
e-mail: info@ems-primid.com

EFTEC AG

Hofstrasse 31
CH-8590 Romanshorn
phone +41 71 466 43 00
fax +41 71 466 43 01
<http://www.eftec.ch>

EMS-CHEMIE AG

Kugelgasse 22
CH-8708 Männedorf
phone +41 1 921 00 00
fax +41 1 921 00 01
<http://www.emschem.com>
e-mail: welcome@emschem.com

EMS-DOTTIKON AG

Hembrunnstrasse 17
Postfach
CH-5605 Dottikon
phone +41 56 616 81 11
fax +41 56 616 81 20
<http://www.ems-dottikon.ch>
e-mail: info@ems-dottikon.ch

EMS-GRIVORY

Via Innovativa 1
CH-7013 Domat/Ems
phone +41 81 632 78 88
fax +41 81 632 74 01
<http://www.emsgrivory.com>
e-mail: welcome@emsgrivory.com

INVENTA-FISCHER AG

Via Innovativa 1
CH-7013 Domat/Ems
phone +41 81 632 63 11
fax +41 81 632 74 03
<http://www.inventa-fischer.com>
e-mail: info@inventa-fischer.com

EMS-GRILTECH

Via Innovativa 1
CH-7013 Domat/Ems
phone +41 81 632 72 02
fax +41 81 632 74 02
<http://www.emsgriltech.com>
e-mail: info@emsgriltech.com

INVENTA-FISCHER AG

Kugelgasse 22
CH-8708 Männedorf
phone +41 1 921 01 40
fax +41 1 921 01 49
<http://www.inventa-fischer.com>
e-mail: info@inventa-fischer.com

Addresses of EMS Companies, Worldwide

Belgium

EFTEC NV
Henry Fordlaan 1
B-3600 Genk
phone +32 89 61 27 86
fax +32 89 61 27 93

EFTEC Sàrl
Les Marches de l'Oise
Bâtiment Londres
100, rue Louis Blanc
F-60765 Montataire Cedex
phone +33 3 44 24 19 18
fax +33 3 44 24 97 10

EFTEC Ltd.
Rhigos/Aberdare
GB-Mid Glamorgan CF 44 9 UE
phone +44 1685 81 54 00
fax +44 1685 81 39 97

China

Shanghai EFTEC
Chemical Products Ltd.
521 Guang Hua Road
Hu Min Road
Shanghai 201108
P. R. China
phone +86 21 6489 1122
fax +86 21 6489 1199

Germany

EMS-CHEMIE
(Deutschland) GmbH
Warthweg 14
D-64823 Gross-Umstadt
phone +49 6078 783 0
fax +49 6078 783 416
e-mail: welcome@de.emsgrivory.com

Guernsey

EMS-INTERNATIONAL
FINANCE (Guernsey) Ltd.
Suite 7, Provident House
Havilland Street
St. Peter Port
Guernsey
Channel Islands GY1 2QE
phone +44 1481 71 27 04
fax +44 1481 71 27 05
e-mail: info@emsguernsey.com

Changchun EFTEC
Chemical Products Ltd.
No. 2-1 Hua Xiang Road
Luyuan District
Changchun, Postal Code 130111
P. R. China
phone +86 431 789 7880
fax +86 431 789 7881

EFTEC GmbH
Pyrmonter Strasse 76
D-32676 Lügde
phone +49 5281 98 2980
fax +49 5281 98 29860

EMS-FINANCE (Guernsey) Ltd.
Suite 7, Provident House
Havilland Street
St. Peter Port
Guernsey
Channel Islands GY1 2QE
phone +44 1481 71 27 04
fax +44 1481 71 27 05
e-mail: info@emsguernsey.com

Czech Republic

D PLAST-EFTEC a.s.
Lužkovice 206
CZ-763 11 Zlín
Czech Republic
phone +420 577 004 411
fax +420 577 004 444

EFTEC Engineering GmbH
Dornierstrasse 7
D-88677 Markdorf
phone +49 7544 920-0
fax +49 7544 920-200

INVENTA-FISCHER GmbH + Co. KG

Holzhauser Strasse 157-159
D-13509 Berlin
phone +49 30 43 567 5
fax +49 30 43 567 699
<http://www.inventa-fischer.de>
e-mail: manager@inventa-fischer.de

India

EFTEC Shroff India Limited
Excel Estate
S.V. Road, Goregaon (West)
Mumbai 400 062
India
phone +91 22 872 3865
fax +91 22 872 5119

France

EMS-CHEMIE (France) SA
73-77, rue de Sèvres
Boîte postale 52
F-92105 Boulogne-Billancourt
Cedex
phone +33 1 41 10 06 10
fax +33 1 48 25 56 07
e-mail: welcome@fr.emschem.com

Great Britain

EMS-CHEMIE (UK) Ltd.
Drummond Road
Astonfields Industrial Estate
GB-Stafford ST16 3HJ
phone +44 1785 60 75 80
fax +44 1785 60 75 70
e-mail: welcome@uk.emschem.com

Japan

EC-SHOWA DENKO K.K.
Yutaka Bldg.
4-9-3, Taito
Taito-ku
Tokyo 110-0016, Japan
phone +81 3 3832 1501
fax +81 3 3832 1503
e-mail: welcome@jp.emschem.com

Japan

EMS-UBE Ltd.
Kemikaru Seisan Tokatsu-bu
Ube-kosan
1978-10 Kogushi, Ube-shi
Yamaguchi-ken 755-8633, Japan
phone +81 8 3631 0213
fax +81 8 3631 0214
e-mail: uems2k3@ube-ind.co.jp

EMS-DOTTIKON AG
Asia-Pacific Office
9th Fl. Yutaka Bldg.
4-9-3, Taito
Taito-ku
Tokyo 110-0016, Japan
phone +81 3 3832 1517
fax +81 3 3832 1503
<http://www.ems-dottikon.ch>
e-mail: asia@ems-dottikon.ch

Russia

D PLAST-EFTEC NN
ul. Kovpaka 1
603 053 Nizhnij Novgorod – Russia
phone +7 83 125 305 15
fax +7 83 125 305 15
e-mail: vvsnab@sandy.ru

D PLAST-EFTEC RT
Ulica 20.1, Korpus 1/1
Ploscadka 33
Elabuzhsky rayon
423 630 Elabuga
Republic Tatarstan – Russia
phone +7 85 557 519 40
fax +7 85 557 519 41
e-mail: bnb@cbs.elabuga.tatarstan.ru

Singapore

EFTEC Asia Pte. Ltd.
No. 8, Changi North St. 1
04-01 Sumico Building
Singapore 498829
phone +65 6545 8201
fax +65 6545 9206

Spain

EFTEC S. A.
Carretera Logroño km 29,2
E-50639 Figueruelas (Zaragoza)
phone +34 976 65 62 69
fax +34 976 65 62 70

Sweden

EFTEC AB
Spångatan 3
S-28122 Hässleholm
phone +46 451 880 00
fax +46 451 880 44

EFTEC Engineering AB
Garnisonsvägen 40
Box 60
S-28121 Hässleholm
phone +46 451 881 00
fax +46 451 881 22

DINOL AB
Spångatan 3
S-28122 Hässleholm
phone +46 451 880 00
fax +46 451 880 88

Taiwan

EMS-CHEMIE (Asia) Ltd.
36, Kwang Fu South Road
Hsin Chu Industrial Park
Fu Kou Hsiang, Hsin Chu Hsien
Taiwan, R.O.C.
phone +886 35 985 335
fax +886 35 985 345
e-mail: welcome@tw.emschem.com

Thailand

EFTEC (Thailand) Co. Ltd.
Eastern Seaboard Industrial Estate
(Rayong)
109/10 Moo 4, Pluakdaeng
Rayong 21140/Thailand
phone +66 38 954 271
fax +66 38 954 270

Ukraine

ZAO Plastol
Ul. Chubanova 5
330 118 Zaporozhye
Ukraine
phone +380 612 138 568
fax +380 612 138 568
e-mail: plastol@comint.net

United States

EMS-CHEMIE
(North America) Inc.
2060 Corporate Way
P.O. Box 1717
Sumter, SC 29151, USA
phone +1 803 481 91 73
fax +1 803 481 38 20
e-mail: welcome@us.emschem.com

EMS-DOTTIKON AG
US-Office
One Paragon Drive, Suite 210
Montvale, NJ 07645
phone +1 201 476 92 29
fax +1 201 476 93 13
<http://www.ems-dottikon.ch>
e-mail: ems-dottikon.us@ems-dottikon.ch



PERFORMANCE POLYMERS FINE CHEMICALS ENGINEERING