

MEDIA INFORMATION

Third-quarter report 2014 (January - September 2014)

EMS Group:

- **Worldwide economic slowdown**
- **Stable course of business for the EMS Group**

I. Course of business January - September 2014

The EMS Group, with its companies combined in the EMS-CHEMIE HOLDING AG, is globally active in the business areas **High Performance Polymers** and **Specialty Chemicals**. In the first 9 months of 2014, **net sales** increased by +3.4% compared to the previous year.

Following a favourable economy in the first half-year, global economic growth slowed significantly in the third quarter. As feared, omnipresent geopolitical conflicts are unsettling businesses and consumers, particularly in Europe and Asia, making them more cautious. Various countries (Japan, Thailand, Brazil, Argentina – but also France and Italy) are suffering sustained effects of politically-related weakness in investment and demand. For the coming months, EMS is expecting a further slowdown of the global economy.

Net sales of the EMS Group reached CHF 1,490 million (1,441) which is +3.4% higher than in the previous year. In local currencies this is an increase of +7.5% compared to the previous year. Weaker foreign currencies in comparison to the Euro (and the Swiss Franc) led to reduced growth in net sales in Swiss Francs. EMS was able to further expand specialty business in the main area High Performance Polymers with new product developments. This could be achieved particularly well in the global automotive industry, where numerous applications with high-performance polymers were realised and Business Unit EMS-EFTEC gained additional market share. Strong growth of high-margin specialty products

and strict cost discipline had a positive effect on both result and result margin in the third quarter as well.

EMS is prepared for a slower economic development characterised by political instability. Costs will be handled with restraint and investments treated with caution. The successful growth strategy with specialty products in the area of high-performance polymers will be maintained. EMS will consistently exploit existing global market potential with special focus on metal replacement.

For the business year 2014, EMS continues to expect **net sales** to close slightly above previous year and **net operating income (EBIT)** to increase slightly over-proportionately.

II. Development of net sales January - September 2014

In million CHF	2014 (Jan-Sep)	% dev. prev. year	2013 (Jan-Sep)
High-performance polymers			
Net sales	1,286	+3.7%	1,240
- In local currencies		+7.9%	
- Effect of consolidation *)		+2.6%	
Specialty chemicals			
Net sales	204	+1.6%	201
- In local currencies		+5.3%	
EMS Group			
Net sales	1'490	+3.4%	1'441
- In local currencies		+7.5%	
- Effect of consolidation *)		+2.3%	

*) In the business area High-Performance Polymers EMS-EFTEC business in Central and Eastern Europe has been fully consolidated since April 1, 2013 and in Mexico since July 1, 2014 (previously consolidated according to the equity method).

III. Comments on the individual business areas

In the main area of **High Performance Polymers** new business was developed with innovative process materials. Various new structural parts were realised with high-performance polymers. In the automotive industry, a segment of particular importance for EMS, business developed in an especially positive way.

The secondary business area **Specialty Chemicals** developed as planned. The successful acquisition of strategically important, innovative new business had a positive effect on development of net sales and result.

IV. Outlook

For the coming months, EMS is expecting a further slowing of the global economy. The current geopolitical conflicts will probably not be solved fundamentally in the near future. The structural growth problems in various countries are expected to continue. The expansive monetary policies of various central banks show limitations with regard to their impact on growth.

This state of instability is hampering consumer confidence and the investment mood. Inventory stocks are being reduced. Growth is slowing.

EMS will continue to consistently exploit existing global market potential with new products and applications. The successful strategy with specialty products in the area of high-performance polymers, especially in the field of metal replacement, will be pushed ahead. On the other hand, production costs and investments will be handled cautiously and global economic development monitored closely.

For the business year 2014, EMS continues to expect **net sales** to close slightly above the previous year and **net operating income (EBIT)** to increase slightly over-proportionately.

V. Schedule

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

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| - Media conference / Annual results 2014 | February 6, 2015 |
| - First-quarter report 2015 | April 2015 |
| - Media conference / Half-year report 2015 | July 10, 2015 |
| - Annual General Meeting 2015 | August 8, 2015 |
| - Third-quarter report 2015 | October 2015 |

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