Half-year results 2006

Gurit has successfully turned-around and is ready for further growth

Content

• Financial figures
• Half-year 2006 Achievements
  – Group-wide
  – per target market
• Growth initiatives
• Outlook FY 2006
## P&L – Half-year and outlook

### Continuing operations

<table>
<thead>
<tr>
<th>In CHF million;</th>
<th>HY 2005 pro forma</th>
<th>HY 2006</th>
<th>Change</th>
<th>Plan 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>155.3</td>
<td>188.0</td>
<td>+21%</td>
<td>365.0</td>
</tr>
<tr>
<td>Costs of materials</td>
<td>-102.6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>-41.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other operational expenses</td>
<td>-22.5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>17.7</td>
<td>21.9</td>
<td>+24%</td>
<td>42.0</td>
</tr>
<tr>
<td>Depreciation</td>
<td>9.4</td>
<td>-7.4</td>
<td>-15.0</td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>8.3</td>
<td>14.5</td>
<td>+75%</td>
<td>27.0</td>
</tr>
<tr>
<td>Financial expenses</td>
<td>-0.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax expenses</td>
<td>-3.9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group profit</td>
<td></td>
<td>10.2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Selected margins and ratios

<table>
<thead>
<tr>
<th></th>
<th>HY 2005</th>
<th>HY 2006</th>
<th>plan 2006*</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT margin</td>
<td>4.5</td>
<td>7.7</td>
<td>7.4</td>
</tr>
<tr>
<td>(Composites only)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax rates</td>
<td>27.7</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Company records. *These are financial targets and not forecasts, predictions or guarantees. Gurit Holding AG believes that these targets are reasonable goals under present market conditions; however, Gurit Holding AG cannot guarantee that it can effectively attain these targets. Many factors over which Medisize Holding AG has no influence can have a negative impact on its ability to attain these targets. The targets have been set on the basis of assumptions and expectations which, although Gurit Holding AG believes them to be reasonable at this time, may prove to be erroneous.
### Balance Sheet – Assets

<table>
<thead>
<tr>
<th></th>
<th>01.01.2006</th>
<th>30.06.2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>30.6</td>
<td>31.1</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>62.5</td>
<td>76.6</td>
</tr>
<tr>
<td>Inventories</td>
<td>37.6</td>
<td>42.2</td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td>130.7</td>
<td>149.9</td>
</tr>
<tr>
<td>Fixed assets</td>
<td>107.9</td>
<td>107.4</td>
</tr>
<tr>
<td>Financial assets</td>
<td>42.9</td>
<td>41.8</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>161.8</td>
<td>163.8</td>
</tr>
<tr>
<td>Deferred tax</td>
<td>2.9</td>
<td>2.2</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>446.2</td>
<td>465.1</td>
</tr>
</tbody>
</table>

### Balance Sheet – Liabilities

<table>
<thead>
<tr>
<th></th>
<th>01.01.2006</th>
<th>30.06.2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term liabilities</td>
<td>119.8</td>
<td>134.1</td>
</tr>
<tr>
<td>Long-term liabilities</td>
<td>34.0</td>
<td>38.1</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>153.8</td>
<td>172.2</td>
</tr>
<tr>
<td>Share capital</td>
<td>22.6</td>
<td>22.9</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td>292.4</td>
<td>292.9</td>
</tr>
</tbody>
</table>
## Balance Sheet – Net debt, NWC

<table>
<thead>
<tr>
<th></th>
<th>30.06.2006</th>
<th>Carve-out 01.01.2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net debt</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>31.1</td>
<td>19.4*</td>
</tr>
<tr>
<td>Liabilities with interest (net **)</td>
<td>-44.9</td>
<td>-36.4</td>
</tr>
<tr>
<td>Leasing</td>
<td>-1.2</td>
<td>-1.8</td>
</tr>
<tr>
<td><strong>Total net debt</strong></td>
<td>-15.0</td>
<td>-18.8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>30.06.2006</th>
<th>Carve-out 01.01.2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net working capital</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>118.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Non-interest short-term liabilities</td>
<td>-76.1</td>
<td>-63.8</td>
</tr>
<tr>
<td><strong>Total net working capital</strong></td>
<td>42.7</td>
<td>36.2</td>
</tr>
</tbody>
</table>

*Cash after dividend payment  
**Separation effects of Medisize Holding offset

## Major achievements in HY 2006

**Financial**
- 21% top line growth to CHF 188.0 million
- 75% EBIT improvement to CHF 14.5 million
- EBIT-Margin in composite business improved from 4.5% to 7.7%
- Free Cash Flow of CHF 6.2 million
- Effective cost control

Turn-around largely accomplished
Major achievements in HY 2006

**Group Organization**
- Group-wide integrated management structure
  - Pro-active management
  - Synergies in group-wide sourcing
  - Strategic thrust in R&D
- Operational improvements
  - Highly improved equipment efficiency
  - Relocation of strategic assets to high-growth areas
  - Product portfolio re-alignment
  - Phase-out Innsbruck plant
- Rebranding completed

Positive impact on EBIT (Composites)
- Restructuring actions (+ CHF 2 million)
- General operational improvements (+CHF 1.0 million)
- Reduced depreciation (+ CHF 2.0 million)
- Top line growth (+CHF 3.0 million)
Highest value added in Advanced Composites segment of industry

Composite Production
USD 20 billion sales p.a.

Composite Production
6 million tons p.a.

Gurit’s target market:
- Advanced Composites ONLY
- USD 3.6 billion
- 300,000 t p.a.

Gurit focuses on fast growing markets and extends leading position

HY2006 sales = CHF 188 million

Wind Energy
Transportation
M,S & CE
Wind Energy

Strong position in wind energy market

- 20% market growth p.a.; market size 1 billion € 2005
- Gurit supplies full material/technology package
  - Gel Coat, Prepreg layers,
    Corecell structural foam, infusion resin
- Increasing blade performance by
  - Carbon fibre based Airstream technology
  - Quicker and cheaper Sprint technology
  - Structural foams
- Supplying all major players
- Gurit globally present

Wind Energy

Installed Wind Power in the World

Wind Energy

Annual Wind Power Development in MW
Actual 1990-2005 & Forecast 2006-2010 (left) and Cumulative (right)

0 5,000 10,000 15,000 20,000 25,000 30,000

Potential for next 5 years
- Europe: Additional 65,000 MW
- USA: Additional 12,000 MW
- Asia: Additional 16,000 MW
- ROW: Additional 12,000 MW


Wind Energy

Major achievements in HY 2006
- Strong top line growth of >20%
- Improved equipment utilization
- Additions to customer list
- Closer and realigned customer relations
- Prepreg capacity installed in North America
- Improved sourcing of carbon fibre
- Stronger global presence
### Transportation

#### Major achievements in HY 2006

**Aerospace**
- Market size: CHF 800 million; aircraft interiors CHF 150 million
- CAGR >20% primary, secondary structures; 10% interiors

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**Automotive**
- Market size: CHF 700 million; CAGR 5-10% p.a.
- New Gurit developments such as Class-A surfaces in carbon prepregs leading to interesting parts production projects

**Rail**
- Market size: CHF 400 million; CAGR 11% p.a.
- Supply contract with Chinese train carriage manufacturer
Transportation

Broadening position

- Aircraft interior, mass transportation interior, car body structures and interiors
- Gurit supplies prepregs, semifinished parts
- Main customers: Airbus/EADS, Bombardier, car manufacturers
- Gurit globally present
- High entry barrier

Marine, Sport, Civil Engineering

Marine, Sport

- Market size: CHF 2.6 billion; CAGR 2-4% p.a.
- Gurit offers complete material, technology systems and engineering support
- CAGR above average GDP growth
  - 5% growth in Marine
  - lower in winter sports
- Fragmented market, tailor-made and ex-stock
- Global brand for marine business (SP)
- Main applications/customers
  - America’s Cup Boats, Volvo Ocean Race
  - High-end production boats
  - Major ski and snowboard manufacturers
Major achievements in HY 2006

Marine
• Solid growth above market level
• Appealing profitability
• High profile with IACC, Volvo Ocean Race, Open 60
• Growing penetration in high-end production yachts
• Strong sales increase in Corecell structural foam
• Sales increase in retail business

Sports
• Increased market share after good winter
• Single digit growth in flat market
• Consolidation of production sites
• Reasonable profitability

Civil Engineering
• 25% growth in reinforcement elements
• New production line added
• New applications such as large architectural domes
Mid-term Financial Targets

- Sales growth with the market
- Long-term EBIT target min. 10 %
- Sales of new products min. 30 % each year (products introduced not older than 3 years)
- Positive Free Cash Flow

Vision GURIT 2010

- Present in all relevant advanced composite markets
- Present in all geographies
- Technological leadership
- Star performer on SWX

We want to be recognized as the undisputed leading provider of composite technology to our selected markets worldwide.

„Gurit – composite materials shaping the future today“
Competitive environment

Adv. Composites = USD 3.6bn sales

Targeting large, dynamic markets
Gurit growth initiatives

• Doubling Corecell structural foam capacity worldwide
• Building a production site in Tianjin/China
• Strategic extension of prototyping/testing facility
• Growth initiatives are cash flow financed

Establish production in Tianjin/China

• China to double renewable energy production from 7% to 15% by 2020
• Bring up wind energy capacity in China from 1,260 MW to 30,000 MW
• 70% local content required for Wind energy plants
• Gurit to support current and potential customers needing prepreg, structural core and other products
Establish production in Tianjin/China

- CapEx about CHF 20 million for 2007 and 2008
- Cooperation with local development agency TEDA
- 10,000m²
- 2007: 100 employees
- 2009: 200 employees
- Production start in Q3 2007

Doubling foam capacity by 2009

- Support current and potential customers needing structural core and exploiting market position
- Double production of unexpanded foam at Magog plant by summer 2007
- Processing (expansion) capacities to follow in other world areas, including China
- CapEx CHF 20 million in 2006-2008
Outlook

Re-confirmed guidance
• Sales above CHF 365 million
• EBITDA CHF 42 million
• EBIT CHF 27 million