Gurit has grown considerably using its existing production platform and is currently investing in its future expansion
Content

• 2006 Achievements
  – Key figures 2006
  – Group-wide development
  – Development per target market
• Update on current growth initiatives
• Results for FY 2006
• Outlook
Key figures 2006 show improvements

• Gurit is exclusively specializing in advanced composites

• Sales up 26.6% to CHF 381.3 million
• Investments in fixed assets CHF 31.0 million
• EBIT up 174.0% to 27.5 million
• Net profit (cont. operations) up 113.1% to 18.6 million
• Equity rate of 66% (Shareholders’ equity of CHF 311.8 million)
• Higher dividend of 26% (previous year 24%) proposed to AGM
Key figures 2006

2006 sales CHF 381 million

- Wind Energy: 32%
- Transportation: 15%
- Marine, Sport, CivEngin.: 3%
- Cons./Other: 3%

Sales 2006 by region

- CH: 11%
- EU / EEA: 70%
- Other Europe: 2%
- USA/Canada: 13%
- ROW: 4%
Major achievements 2006
Major achievements 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
  – Consolidation of European production sites

• Rebranding completed
Exclusively focused on high-value added advanced composites

Composite Production
USD 22 billion sales p.a.

Composite Production
6.7 million tons p.a.

Gurit’s target market:
• Advanced Composites ONLY
• Continuous fibres
• Bespoke resins
• USD 4.4 billion
• 350,000 t p.a.
Wind Energy

50% sales come from Wind Energy market growing globally >20% p.a.

- World-wide Wind Energy market grows >20% p.a.
- Today’s world-wide installed Wind Energy capacity of 74,000 MW to more than double by 2010 to 150,000 MW
- Estimated composite market size CHF 1.3 billion
- With sales of CHF 190 million, Gurit has overall market share of 15%

- Gurit supplies full material/technology package
  - Gel Coat, Prepreg layers, structural foam, infusion resin
- Increasing blade performance by
  - Carbon fibre based Airstream technology
  - Fast efficient Sprint technology
  - Productive surfacing solutions for blades
  - Structural foams tailored to customer needs
- Globally supplying all major players, soon from within their geographical areas
Wind Energy

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


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
Major achievements 2006

• Strong top line growth of >20%
• Additions to customer list
• Closer and realigned customer relations
• Prepreg capacity in production in North America
• Improved sourcing of carbon fibre
• Stronger global presence
• China production plant on track; first deliveries in April 2007
• Sales offices in India and Scandinavia
Broadening position

Today’s activities
- Aircraft interior, mass transportation interior, car body structures and interiors
- Prepregs, semi-finished parts
- Main customers: Airbus/EADS, Bombardier, car manufacturers

Growth potential
- Increased with global presence (North-America and Asia)
- Moving into secondary structures
- Finished car body-parts production
- Strategically targeting mass ground transportation
Major developments 2006

**Aerospace**

- Market size: CHF 800 million; aircraft interiors CHF 150 million
- Gurit has 30% market share in aircraft interiors
- CAGR >20% primary, secondary structures; 10% interiors
- A380 deliveries expected for end of 2007
- Ongoing strong demand for single aisle aircrafts
- Gurit expects this market to be stable in 2007
- Additional growth will be seen with rising build rates of A380
Major achievements 2006

Automotive
- Market size: CHF 700 million; CAGR 5-10% p.a.
- Class-A surface carbon prepreg car body-parts
- Production facility for finished car body-parts coming on stream at Gurit (UK) in autumn

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

- Market size: CHF 2.7 billion
- Complete material systems and engineering
- CAGR above average GDP growth
  - >5% growth in Marine
  - lower in winter sports
- Fragmented market, tailor-made and ex-stock
- Main applications/customers
  - America’s Cup Boats, Volvo Ocean Race
  - High-end series production boats
  - Major ski and snowboard manufacturers
Major achievements 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
  – Hanse, Seaway, Najad, Nautor Swan, Baltic etc
• Strong sales increase in Corecell structural foam
• Sales increase in retail business
• Introduction of tooling paste for model/mould-making
Marine, Sport, Civil Engineering

Major achievements 2006

Sports
• Little snow in winter 2006/2007
• Single digit growth in flat market
• Launch of revolutionary digital printing technology PURE
• Reasonable profitability

Civil Engineering
• 25% growth in reinforcement elements
• New production line added
• New applications such as large architectural domes
Major achievements 2006

• Improved overall equipment utilization
• Site consolidation in Europe
  – Innsbruck, Perrignier, Flurlingen (2007) closed
  – Production of various products moved closer to customers and into fast growing areas
• Prepreg in production in North America
• Extended prototyping facility at Gurit (UK)
  – Served e.g. as test facility for finished car-body parts
• China production plant on track
• Improved sourcing of carbon fibre
Current growth initiatives
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
See our Corporate Magazine SHAPE
Financial Targets 2008

- CHF 500 million sales
- CHF 150 million sales in products not older than 3 years
- EBIT margin of 10 %
- Positive Free Cash Flow

CapEx:
Investments planned 2007  CHF 37 million
Competitive environment

Adv. Composites = USD 4.4 bn sales

- Hexcel: 19%
- Cytec: 11%
- GURIT: 7%
- Isosport
- Diab
- Airex
- Exel
- ACG/Umeco
- Others/Captive

Competitive Situation

<table>
<thead>
<tr>
<th></th>
<th>Wind</th>
<th>Transp</th>
<th>MSC</th>
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</thead>
<tbody>
<tr>
<td>Hexcel</td>
<td></td>
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<tr>
<td>Cytec</td>
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<tr>
<td>GURIT</td>
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<tr>
<td>Isosport</td>
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<td>Diab</td>
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<td>Airex</td>
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<tr>
<td>Exel</td>
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<tr>
<td>ACG/Umeco</td>
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<tr>
<td>Others/Captive</td>
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</tbody>
</table>
Targeting large, dynamic markets

Growth rate p.a.

30%

20%

10%

Carbon Fiber Based Material

market size, tons p.a.

20,000 40,000 60,000 80,000 100,000 120,000 140,000 160,000

Aerospace

Wind

Sport

Others

Aero

Wind

Sports

others
Gurit growth initiatives

Internal
• Double Corecell structural foam capacity worldwide
• Prepreg capacity in North America
• Build production site in Tianjin/China
• Expand prototyping/testing facility at Gurit (UK)
• Establish production for finished car body-parts at Gurit (UK)
• Realign aerospace production at Gurit (Zullwil) and Gurit (Kassel)
• Establish sales office in India and Scandinavia

External
• Starting to consider strategic acquisitions

• Growth initiatives are cash flow financed
Establish production in Tianjin/China

- China to bring share of renewable energy production up from 7% to 15% by 2020
  - Bring up wind energy capacity in China from 1,260 MW to 30,000 MW
  - Today world-wide capacity is 74,000 MW
- 70% local content required for Wind energy plants
- Gurit to support current and potential customers needing prepregs, structural core and other products
Establish production in Tianjin/China

- CapEx about CHF 18 million for 2007 and 2008
- Cooperation with local development agency TEDA
- Construction to be finished in June 2007
- 10,000m² building; over 30,000m² land
- Tailoring of Corcell structural foam products to start in April 2007 in leased production space near-by
- Prepreg production to start in Q3 2007
- 2007: 100 employees
- 2009: 200 employees
- Targeting Wind Energy, Transportation, Marine and Rail markets
Doubling foam capacity by 2007

- Support current and potential customers needing structural core and exploiting market position
- Double production of unexpanded foam at Magog plant by summer 2007
- Processing (foam expansion) capacities to follow in China, Europe, maybe India
- CapEx CHF 20 million in 2006-2007
Clear focus in R&D

- Strong product pipeline
- Target: 30% sales with product younger than 3 years
- Newly established partnership with EPFL and other leading universities in material sciences
Bonus System 2007 to 2009

- The system covers all Gurit employees
- 4 Levels, from CEO to workers
- Top level has a share based component
- Calculation is based on Economic Value

$$EP = EBIT - WACC \times (Assets - Liquid Funds)$$
$$WACC = 8\%$$

45% of Delta between EP2007 and EP2006 to be distributed
Bonus cap is CHF 4.5 million for the Group
Full year results 2006
## P&L – FY 2006

### Continuing operations

<table>
<thead>
<tr>
<th>In CHF million</th>
<th>2005 IFRS</th>
<th>2005 Proforma</th>
<th>2006 IFRS</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>344.9</td>
<td>301.1</td>
<td>381.3</td>
<td>+26.6%</td>
</tr>
<tr>
<td>Costs of materials</td>
<td>185.0</td>
<td>164.6</td>
<td>218.8</td>
<td></td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>102.5</td>
<td>74.5</td>
<td>86.3</td>
<td></td>
</tr>
<tr>
<td>Other op. and adm. expenses</td>
<td>62.8</td>
<td>38.6</td>
<td>40.4</td>
<td></td>
</tr>
<tr>
<td>Sundry expenses*</td>
<td>7.6</td>
<td>-</td>
<td>+5.2</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>41.6</td>
<td>13.3</td>
<td>13.5</td>
<td></td>
</tr>
<tr>
<td>EBIT</td>
<td>-54.6</td>
<td>10.1</td>
<td>27.5</td>
<td>+174%</td>
</tr>
<tr>
<td>Financial result</td>
<td>-0.2</td>
<td>+1.1</td>
<td>-1.7</td>
<td></td>
</tr>
<tr>
<td>Tax expenses</td>
<td>5.8</td>
<td>2.5</td>
<td>7.2</td>
<td></td>
</tr>
<tr>
<td>Group profit (cont. operations)</td>
<td>-49.0</td>
<td>8.7</td>
<td>18.6</td>
<td>113%</td>
</tr>
</tbody>
</table>

*Management Services for third parties, plus sundry operational income
## Selected margins and ratios

<table>
<thead>
<tr>
<th></th>
<th>FY05 Pro forma</th>
<th>FY06</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT-Margin</td>
<td>3.3 %</td>
<td>7.2 %</td>
</tr>
<tr>
<td>Tax rate</td>
<td>22.2 %</td>
<td>28.1 %</td>
</tr>
<tr>
<td>Equity ratio</td>
<td></td>
<td>66.0</td>
</tr>
<tr>
<td>------------------------------</td>
<td>------------</td>
<td>------------</td>
</tr>
<tr>
<td>Cash and short-term securities</td>
<td>56.4</td>
<td>44.1</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>110.3</td>
<td>91.5</td>
</tr>
<tr>
<td>Inventories</td>
<td>91.3</td>
<td>45.5</td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td><strong>258.0</strong></td>
<td><strong>181.1</strong></td>
</tr>
<tr>
<td>Fixed assets</td>
<td>170.4</td>
<td>115.2</td>
</tr>
<tr>
<td>Financial assets</td>
<td>6.8</td>
<td>3.3</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>226.0</td>
<td>171.8</td>
</tr>
<tr>
<td>Deferred tax</td>
<td>2.8</td>
<td>1.4</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>664.0</strong></td>
<td><strong>472.8</strong></td>
</tr>
</tbody>
</table>
## Balance Sheet – Liabilities

In CHF million

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Short-term liabilities</td>
<td>160.1</td>
<td>117.7</td>
</tr>
<tr>
<td>Long-term liabilities</td>
<td>80.1</td>
<td>43.3</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>240.2</strong></td>
<td><strong>161.0</strong></td>
</tr>
<tr>
<td>Share capital</td>
<td>46.0</td>
<td>22.9</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td><strong>423.8</strong></td>
<td><strong>311.8</strong></td>
</tr>
</tbody>
</table>

Equity ratio: 64%      Equity ratio: 66%
### Balance Sheet – Net debt, NWC

In CHF million

<table>
<thead>
<tr>
<th></th>
<th>31.12.2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net debt</strong></td>
<td></td>
</tr>
<tr>
<td>Cash + short-term securities</td>
<td>44,1</td>
</tr>
<tr>
<td>Liabilities with interest</td>
<td>- 60,1</td>
</tr>
<tr>
<td>Leasing</td>
<td>-0.2</td>
</tr>
<tr>
<td><strong>Total net debt</strong></td>
<td><strong>-16.2</strong></td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net working capital</strong></td>
<td>31.12.2006</td>
</tr>
<tr>
<td>Current assets without cash</td>
<td>137.0</td>
</tr>
<tr>
<td>Non-interest short-term liabilities</td>
<td>-81.0</td>
</tr>
<tr>
<td><strong>Total net working capital</strong></td>
<td><strong>56.0</strong></td>
</tr>
</tbody>
</table>
Gurit Holding AG (parent company)

- Gurit Holding AG reports a result for fiscal year 2006 of CHF 7.4 million.

- The Board of Director proposes to pay a dividend of 26% or CHF 13.00 per bearer share of CHF 50.00