

# 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

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

## Selected margins and ratios

	HY 2005	HY 2006	plan 2006*
EBIT margin (Composites only)	4.5	7.7	7.4
Tax rates		27.7	

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

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

## Balance Sheet – Liabilities

	01.01.2006	30.06.2006
Short-term liabilities	119.8	134.1
Long-term liabilities	34.0	38.1
<b>Total liabilities</b>	<b>153.8</b>	<b>172.2</b>
Share capital	22.6	22.9
<b>Total Equity</b>	<b>292.4</b>	<b>292.9</b>

## Balance Sheet – Net debt, NWC

Net debt	30.06.2006	Carve-out 01.01.2006
Cash	31.1	19.4*
Liabilities with interest (net **)	-44.9	-36.4
Leasing	-1.2	-1.8
<b>Total net debt</b>	<b>-15.0</b>	<b>-18.8</b>

Net working capital	30.06.2006	Carve-out 01.01.2006
Current assets	118.8	100.0
Non-interest short-term liabilities	-76.1	-63.8
<b>Total net working capital</b>	<b>42.7</b>	<b>36.2</b>

\*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

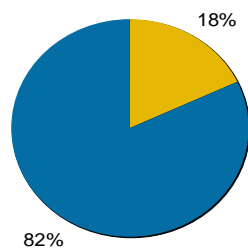
## Positive impact on EBIT (Composites)

- 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

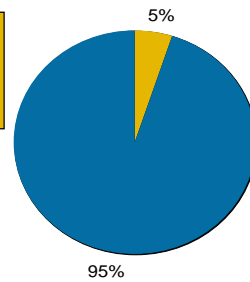
Composite Production  
USD 20 billion sales p.a.

Composite Production  
6 million tons p.a.



**Gurit's target market:**

- Advanced Composites ONLY
- USD 3.6 billion
- 300,000 t p.a.

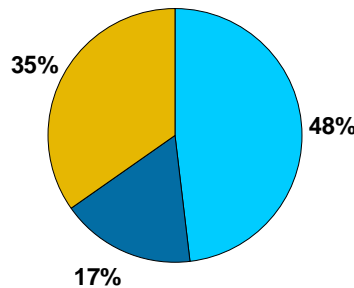
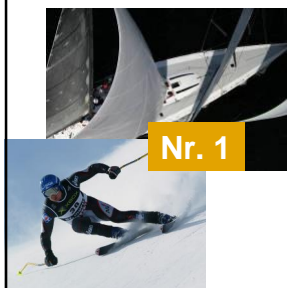


■ Adv. Composites  
■ Standard Composites

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■ Standard Composites

## Gurit focuses on fast growing markets end extends leading position

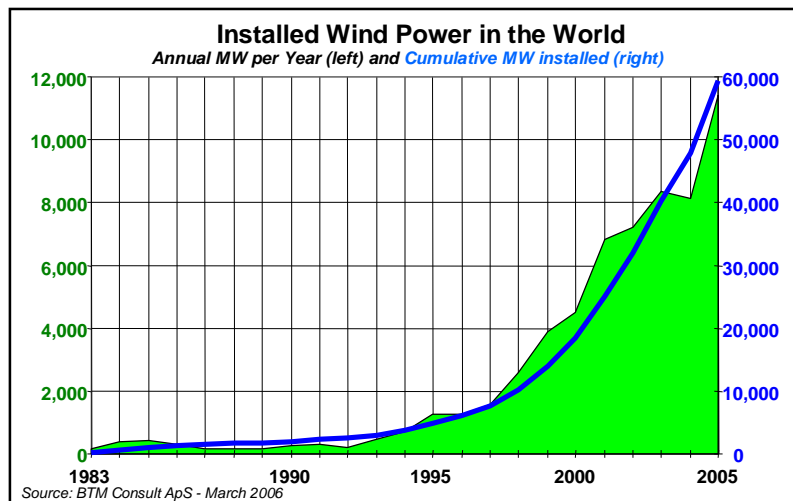
**HY2006 sales = CHF 188 million**

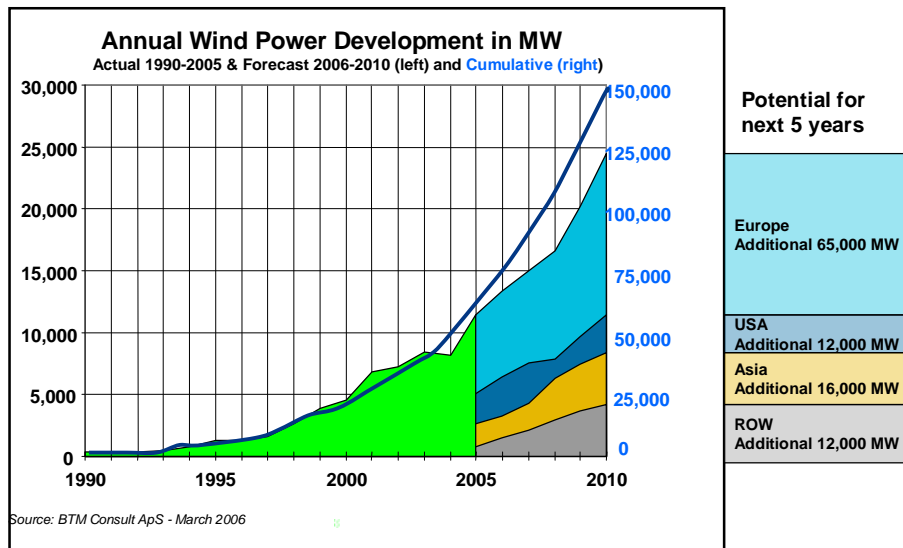


■ Wind Energy ■ Transportation ■ M,S & CE

### 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





## 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



## Major achievements in HY 2006

### Aerospace

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

## Major achievements in HY 2006

### 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

### 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

- 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

## Major achievements in HY 2006

### **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

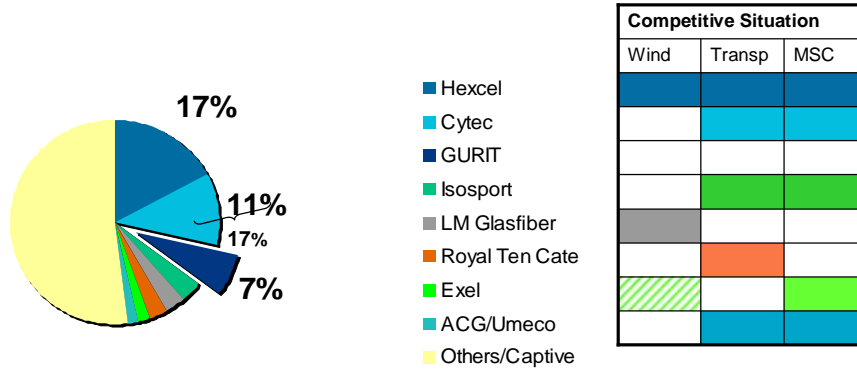
- Present in all relevant advanced composite markets
- Present in all geographies
- Technological leadership
- Star performer on SWX

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

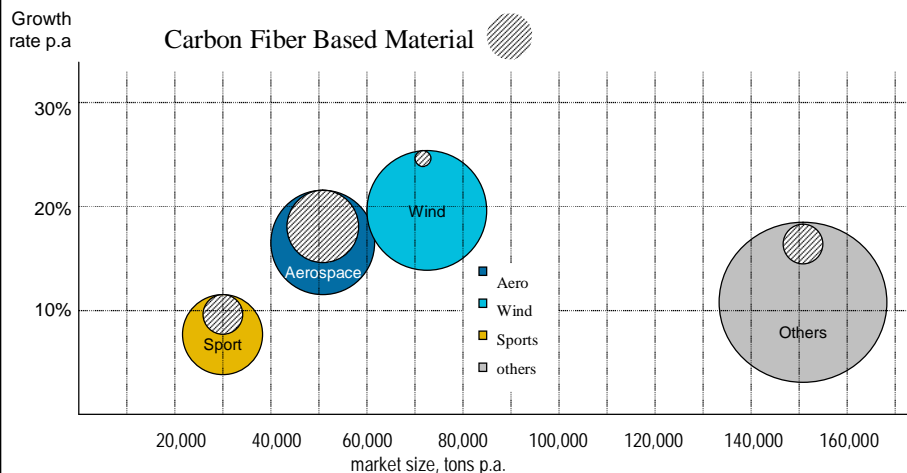
„Gurit – composite materials shaping the future today“

## 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
- 10,000m<sup>2</sup>
- 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