

Analyst/Media Conference 17.1.08

Action plan for profitable growth



Safe harbour statement

- Before we may start with the presentations, we need to remind you that the information made available in this conference call may include forward-looking statements that reflect the intentions, beliefs or current expectations and projections of Gurit Holding AG about the future results of operations, financial condition, liquidity, performance and similar circumstances. Such statements are made on the basis of assumptions and expectations which may prove to be erroneous, although Gurit Holding AG believes them to be reasonable at this time.
- All actual 2007 figures shown in this presentation are unaudited.

Agenda

Dr. Paul Hälg, Chairman of the Board

- **Review of recent events at Gurit in 2007**
- **Analysis of the challenges and their impacts**
- **Results for FY 2007**

Rudolf Hadorn, CEO Gurit

- Well positioned in attractive market areas
- Business situation by Market Area
- Measures for profitable growth 2008
- Outlook and guidance 2008+

3

Starting point: Profit warning July 12

April 27, 2007 (Q1 release)

- First indication of qualification delays for one new prepreg line

July 12, 2007 (HY Preliminary sales release)

- Prepreg expansion project in Canada came off track

August 30, 2007 (HY report)

- Additional delays and costs in other expansion projects likely

October 30, 2007 (Management Change press release)

- Operational loss for 2HY2007 announced - break-even for FY2007
- New CEO Rudolf Hadorn announced
- Problem analysis of current situation started

November 30, 2007 (Immediate measures press release)

- Immediate measures announced

4

Growth related issues

- Aggressive expansion projects
- Insufficient Key Account Management
- Poor project planning and execution
- Significant qualification delays
- Organizational and HR challenges

Operational issues

- Raw material price increases
- Onerous sales contracts
- Significant production cost variances
- Poor implementation and controlling
- Exchange rate impacts

What has been achieved so far

- Hired an experienced CEO
- Solid bottom-up budget 2008
- Acted immediately on short term issues (30.11.)
- Successfully re-negotiated several onerous contract issues
- Started business process re-engineering project
- More clear organisation, roles and responsibilities
- Major production line qualifications completed

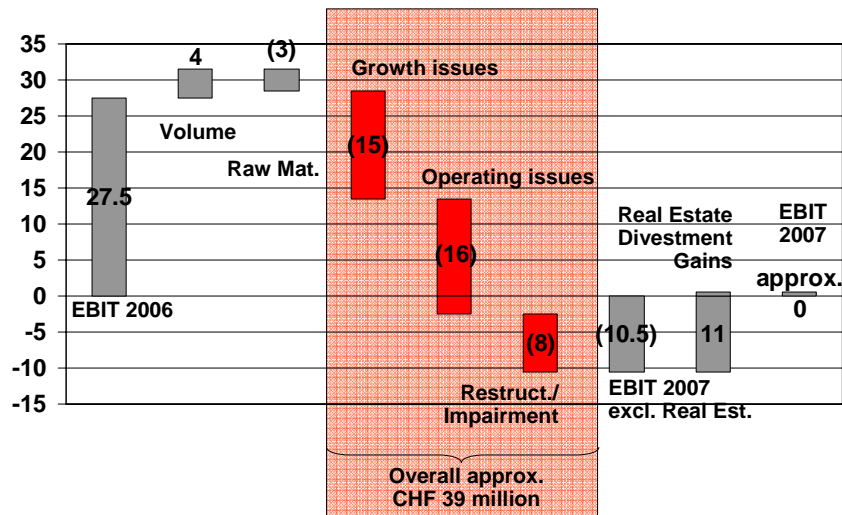
7

2007 unaudited Sales by Target Market

In CHF 1000	FY 2007	%	FY 2006	%	%YoY
Net sales	448.0	100%	381.3		+ 17.5%
Wind	253.5	56.6%	190.5	50.0%	+ 33.1%
Transportation	59.7	13.3%	58.6	15.4%	+ 1.9%
Marine, Sport & Civil Eng.	121.0	27.0%	121.2	31.8%	- 0.2%
Others	13.8	3.1%	11.0	2.9%	+25.5%

8

2006/2007 prelim. EBIT decline by reason



9

Reasons for prelim. EBIT decline 2006/7

	Estim. impact on EBIT in FY 2007
Growth Issues: Inventory provisions, material costs for set-up of new production lines mainly in Canada and China (7) Operation/idle cost for delayed line qualifications, additional shipment costs, non-capitalized pre-production costs (8)	CHF (15) million
Operating Issues Production variances (8) Business unit mix and price concessions (Wind Energy) (5) Transaction exchange CND/USD (3)	CHF (16) million
Restructuring and Impairment: Fixed asset impairments UK (3) Restructuring costs CH (Ittigen) and UK (Newport) (5)	CHF (8) million

10

Agenda

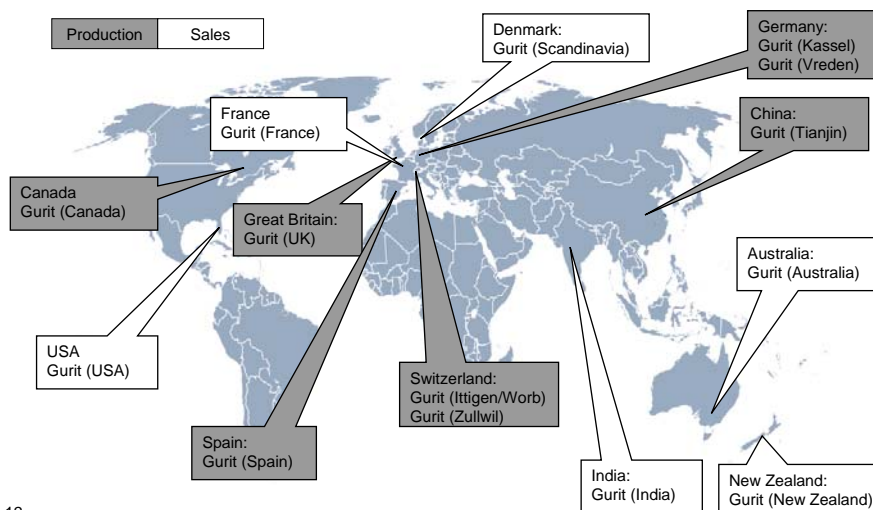
Dr. Paul Hälgi, Chairman of the Board

- Review of recent events at Gurit in 2007
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Rudolf Hadorn, CEO Gurit

- **Well positioned in attractive market areas**
- **Business situation by Market Area**
- **Measures for profitable growth 2008**
- **Outlook and guidance 2008+**

Global presence supports growth

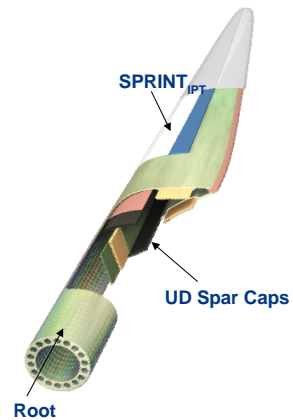


Wind Energy market opportunity

- Wind turbine blade materials market in 2008 worth CHF 1.8 billion
- Gurit market share in 2007 of 17%; dominant in prepreg, present in all technologies
- Total market growing at 17% per annum
- Balance market share position with solid profitability
- Capacity in growth regions available in 2008 after 2007 investments



Strong profitable growth prospects



Wind Energy business position

Positioned to exploit fast-growing renewable energy industry in all key geographies of the world	Strength
Most comprehensive, innovative product and technology offering	Strength
Stable position with growing customers	Strength
Capacity headroom in growth markets	Strength
Rebuild profitability	Task 2008
Operational and service excellence	Task 2008
Customer portfolio balance through continued growth	to be improved

Transportation business position

Markets, Market Growth, Position

- Materials for **Aircraft Interiors**
 - Market size approaching CHF 200 million p.a.
 - Growth rate 10% p.a.
 - Gurit 2007 market share > 25%
- Advanced composites in **Rail**
 - Market size up to CHF 400 million p.a.
 - Growth rate 11% p.a.
 - Gurit: recent entry
- Carbon fiber class A **Car Body Parts**
 - Market size CHF 150 to 500 million p.a.
 - Growth rate 5 to 10% p.a.
 - Gurit: recent entry



Transportation business position

Strong position in expanding aviation and rail market
Leading innovation in growing automotive segment

Number 1 material supplier for Aircraft Interiors ; stable relationship with Airbus	Strength
Growing Rail business; focus on China	Opportunity
Successful start-up Car Body Parts production as innovative new business with perspectives; strong reference Aston Martin	Opportunity
Solid commercial position with further potential	Strength
Capacities available in CH/D	Opportunity



Marine with overall solid business

- Composite material market > CHF 1.3 billion
- Overall market growth at 2-4%, with some regions and sectors experiencing much higher growth prospects in Gurit's top-end markets
- Overall Gurit 2007 market share 6%,
 - >40% in high-performance boats
 - 11% in the super-yacht segment
- Gurit plans to grow strongly above market in 2008 in its top-end one-off and production boat markets



17

Marine business position

Leading supplier of Epoxy Composites and Core materials to the marine industry	Strength
Operating under strong SP brand – synonymous with high performance & technology	Strength
Large number of globally distributed customers	Strength
Integrated technology approach to customers using engineering consultancy, processing technology and materials	Strength
Targeting growth segments of super-yachts and gaining market share in production boats	Opportunity
Solid commercial position with further potential	Opportunity

18

Sport business position

Stable position winter sports - Sustainability improved

Leading material supplier for Skis and Snowboards with well-established brands	Strength
Product portfolio and production capacity streamlined for improved commercial position	To be improved
2nd largest supplier with 30% market share in CHF 100 million market	Strength
Very competitive, consolidating market	Challenge



19

Civil Engineering

Basis for future growth

Leading position in high quality Pultruded Lamellas	Strength
Developing market position in architectural structures	To be improved
Potential market > CHF 1 billion; current market share < 1%	Starting small



20

Measures for profitable growth 2008



21

Measures for profitable growth 2008

Leadership and Organization measures

- New market segment oriented organisation
- Setting of clear roles and responsibilities in roll-out
- Stronger Operational and Finance Controlling Systems in deployment
- Business process re-engineering project started to increase efficiency and robustness of business processes

22

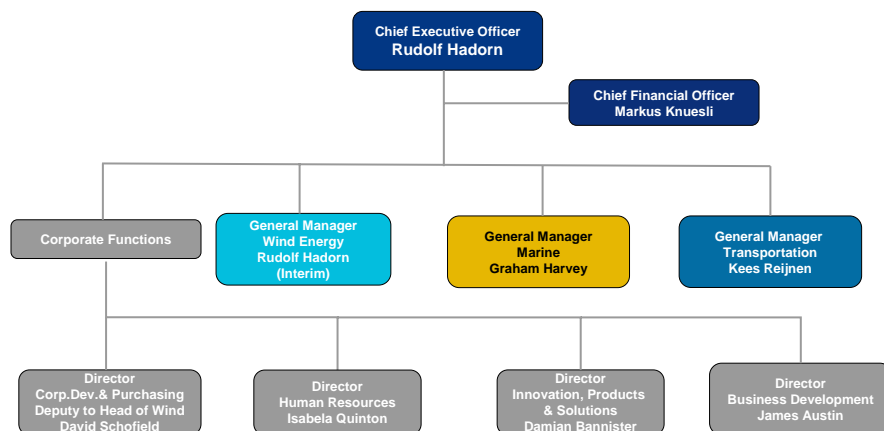
Measures for profitable growth 2008

Leadership and Organization measures

- Financial Accounting is solid, Controlling needs improvement to enable better quality decision-making
- Business unit management to take ownership of full P&L and controllable balance sheet items
- Improve management of net working capital in growth mode
- Operations: Monthly business plan deployment of goals for better efficiency and visibility

Measures for profitable growth 2008

Leadership and Organization measures



Measures for profitable growth 2008

"Quick Fixes" initiated in 2007 and planned for 2008

- Closing of Gurit (Ittigen) due to declining market demand (30 employees; loss avoidance of CHF 1 million in 2008)
- Adjustments in Newport/UK due to lower volumes (up to 40 positions; loss avoidance of up to CHF 2 million)
- Adjustments in Magog/CAN due to delayed qualification and efficiency improvements (25 positions)
- Re-negotiation of onerous contract clauses with customers

Measures for profitable growth 2008

Sales & Marketing measures – General

- Demand in all 3 market areas remains strong
- Actions to create additional demand to use additional installed capacity underway for 2008 and 2009
- Overall price increase effect 2008/2007 is at CHF 5 million
- USD/CND transaction exchange exposure relaxed a bit most recently
- Differentiation through IP
- Major developments in R&D
 - Structural Spars and Roods (SPRINT™; Patent granted)
 - UD Technology (Trade secret)
 - Surfacing Technology (SPRINT_{IP}; Patent pending)

Measures for profitable growth 2008

Sales & Marketing measures – Wind Energy

- Volumes and pricing for all major accounts are negotiated for 2008
- Sales with top account 2008/2007 flat in value due to mix
- Volumes with other key accounts growing
- New leads in China
- Need to shift more business from annual to longer-term, more appropriate contracts
- Price competition significant

27

Measures for profitable growth 2008

Sales & Marketing measures – Transportation/Marine

- **Transportation**
 - Increasing build-rates in all target markets
 - Aerospace: Airbus A380, other Airbus planes
 - Rail: EMU High-speed trains
 - Automotive: Aston Martin DBS
- **Marine**
 - Price increases announced effective 1.1.2008
 - New product kit for production boats

28

Measures for profitable growth 2008

Operations improvements

- One dedicated leader for factories of each business unit nominated
- Qualification of new Wind Energy production sites now completed
- Lean operations and materials management potentials
- Systematic and operational KPI monthly reporting to drive performance improvements
- Implement ERP systems in China, Spain and strengthen systems calibration where they exist
- Reduction of stock levels in all factories
- Efficiency potentials from reduced production scrap-rates and higher production yields

Measures for profitable growth 2008

Operations improvements

- Special emphasis on procurement as materials and services represent Gurit's biggest cost factor
- First additional source for carbon fibres well-suitable in quality, service and price for Wind Energy since December 2007
- Procurement function centrally managed to effectively bundle and deploy best practices and do more global sourcing
- Slight net material performance expected from procurement in 2008 after steady rises in recent years

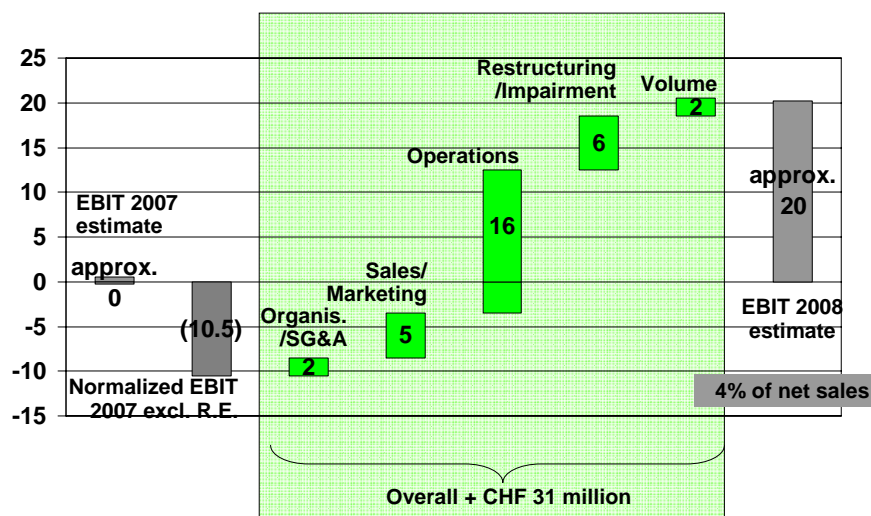
Main actions for 2008 profit improvement

		Estimated positive impact on EBIT
Lower Production variances in operations, improved raw material quality, strongly reduced material needs for line qualifications and reduced carriage costs	(Operations)	Operations CHF 16 million
Adaptation of sales prices	(Sales and Marketing)	Sales/Marketing CHF 5 million
Additional volume	(Sales and Marketing)	Volume CHF 2 million
Reduced impairment and restructuring charges	("Quick fixes")	Restr./Impairment CHF 6 million
Adaptation of SG&A	(Organizational)	Organisation CHF 2 million



31

2008 EBIT improvement of CHF 31 million



32

Outlook and Guidance 2008

- 2007: Net revenue unaudited: CHF 448 million,
EBIT around break-even
- 2008: Net revenue growth 7-10%*
EBIT margin ca. 4%
- 2010: Net Revenue growth target >10%*
EBIT margin 8-10%*

*plus new leads impact

Communication schedule

- Selected one-on-ones today
- FY results March 31, 2008
- Road show activity after FY results
- HY results September 9, 2008
- Road show activity after HY results