

1HY 2013 Results

Media and Analyst Conference Call

August 23, 2013



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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.

- Demand and supply overcapacities on the global Wind Energy market created a very difficult environment for Gurit during the last 9 months
- Very challenging sales decline of -33.7% in 1HY 2013 compared with the same prior-year period due to weak Wind Energy market (Materials and Tooling); Recovering, however, from Q1 2013 levels in line with guidance, supported by more material qualifications at customers and stronger carbon prepreg sales
- Encouraging growth in all business areas apart from Wind Energy
- Rigorous cost reductions implemented to protect earnings, given challenging sales levels
- Organizational changes implemented in 1HY 2013 lead to wider sales focus beyond traditionally served target markets and to business expansion: first tactical and more strategic areas for organic growth being pursued
- Expansion of Automotive facility in completion; sales development efforts continue

Summary 1HY 2013



Net sales

Group	CHF 129.7 million;	-33.7%
Composite Materials	CHF 109.1 million;	-36.7%
Composite Systems and Engineering	CHF 20.6 million;	-11.9%

Earnings

Operating profit	CHF 0.6 million vs. CHF 17.2 million in 1HY 2012
Operating profit margin	0.5% vs. 8.8% a year ago
Result for the period	CHF -2.4 million vs. CHF +10.6 million in 1HY 2012

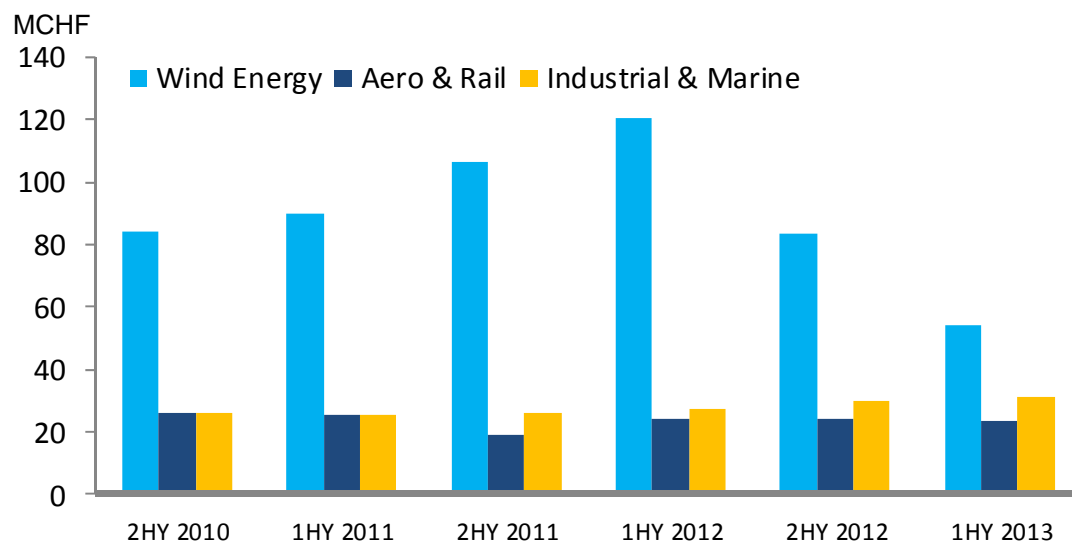
Cost and Expenses

Operational cost reductions performed to adjust cost base while maintaining capability
Prepreg sites in Canada and China still “moth-balled”
Stable raw material cost situation

Cash flow and Balance Sheet

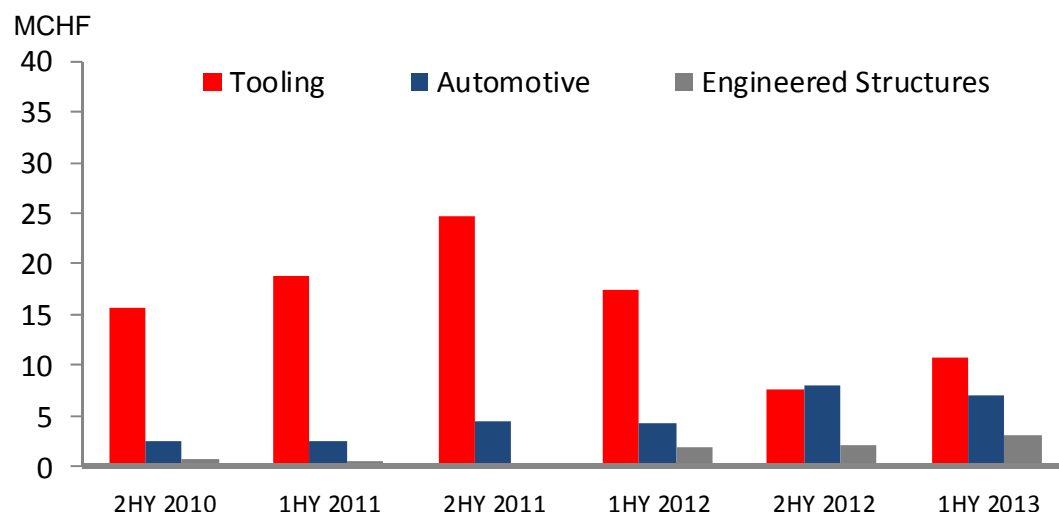
Capex focus on vital needs and growth areas: Only CHF 2.8 million or 2.2% of net sales
Op. Cash flow limited to CHF 1.7 million as higher Q2 volumes required NWC financing
Equity ratio still at a very solid 69% even after CHF 7 million distribution to shareholders

Net Sales development by target markets



Gurit Composite materials

- Growth in material sales to the Wind Energy market has stopped sharply in Q4 2012
- Stable Aerospace sales
- Growing sales in Marine and Industrial applications

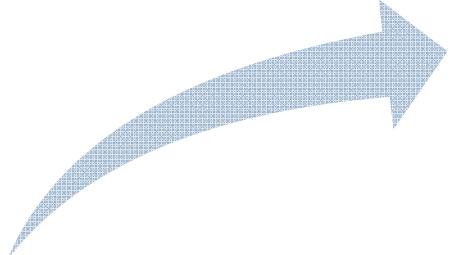


Gurit Systems and Engineering

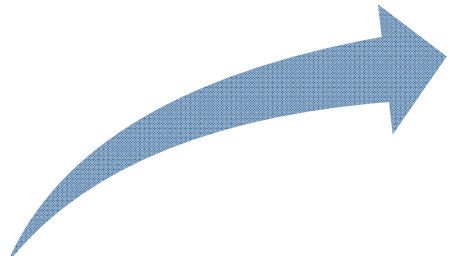
- Volatile sales in Tooling, yet maintaining high market share
- Dynamic growth in Automotive

Business Strategy – Delivering the Future of Composite Solutions




- 
- Exploit organic growth opportunities globally in established markets with comprehensive materials offering
 - Establish offering in Engineered Structures

2012

- 
- Comprehensive materials range for all global traditional markets
 - Penetrate new markets for composite materials, tooling engineering, parts and systems
 - Spur additional growth dynamics with new Group Organisation
 - Target bolt-on and/or incubating acquisitions

2013

- 
- Benefit from long-term growth recovery in Wind Energy materials and tooling markets
 - Grow in other established markets
 - Increase contribution from new markets and applications and new fields of business

2014

Development by Target Markets



Wind Energy

Gurit



Wind Energy – Strategy and Achievements



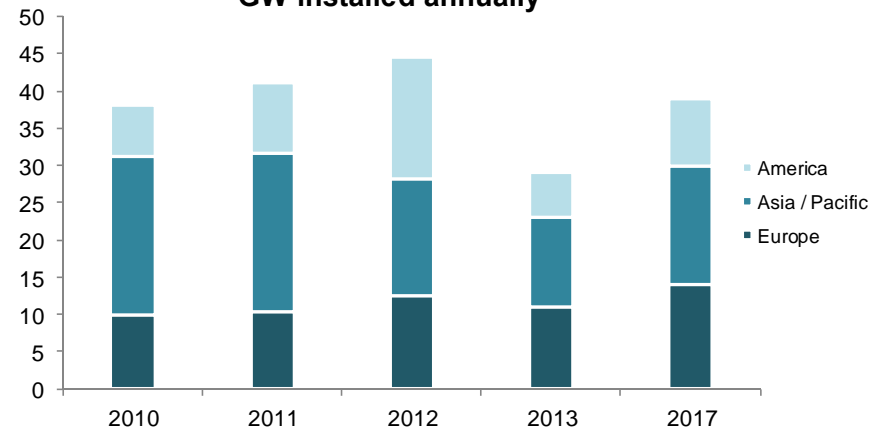
Strategy

- Core materials: move from #2-3 to #1-2 position with 30-40% market share
- Carbon prepregs: maintain and expand leading position with shares >60%
- Better utilize prepreg factories again
- Develop further cost-efficient, enabling technologies to help reduce cost/KWH
- Leverage expertise in structural design and processing

Recent achievements

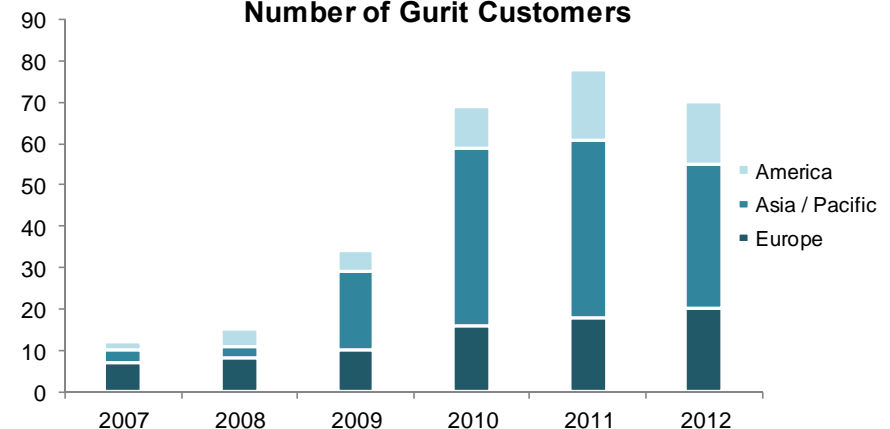
- Leader in carbon fibre prepregs
- SparPreg™, Velinox™ and Airstream™ technology for cost-efficient, low-void, thick laminates at ambient temperatures
- Strengthen successful Balsa presence in Ecuador and capacity expansion (Glued block manufacturing)
- Completed new PVC and PET products

GW installed annually*



* Source: GWEC for 2010 to 2012, Gurit estimate for coming years

Number of Gurit Customers



Wind Energy – Results and Outlook



Market environment

- USA – demand set in again at the end of Q1 2013; renewed production tax credit subsidies provide support for 2013 and expected 2014
- Asia/China – customer concentration, over-capacities with sales, price and payment terms issues. Most customers in financial distress
- Europe – stable in weak market, uninterrupted customer demand, weaker in Southern Europe

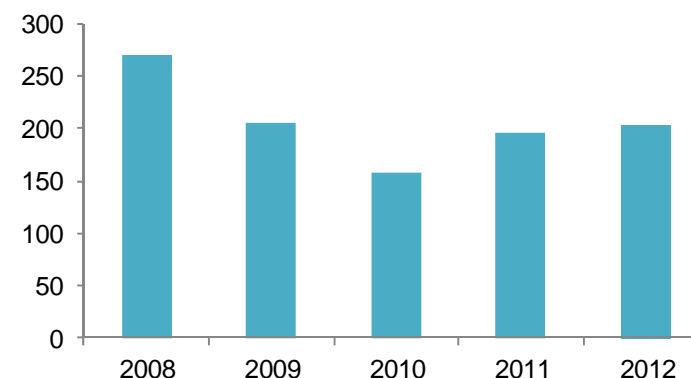
Sales 1HY 2013

- Net sales of CHF 54.4 million
 - Down 55% vs. 1HY 2012
 - Slightly trending up in Q2 2013

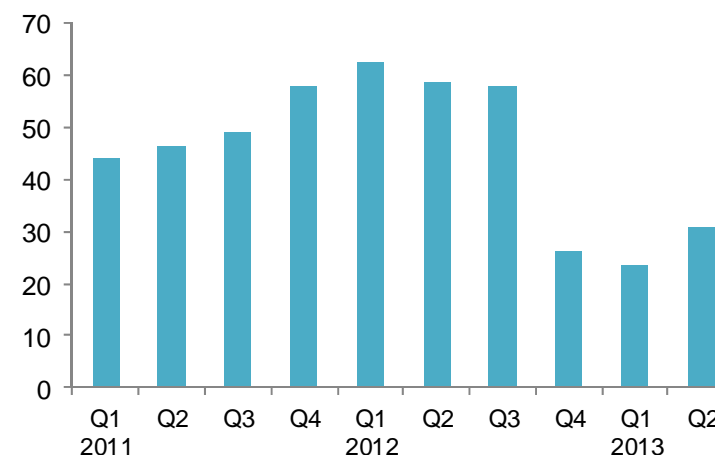
Outlook FY 2013

- Gradual recovery expected during 2013 from very low Q1 2013 levels

CHFm Wind Energy: Net Sales



CHFm Wind Energy: Net Sales





Aerospace & Rail – Strategy and Achievements



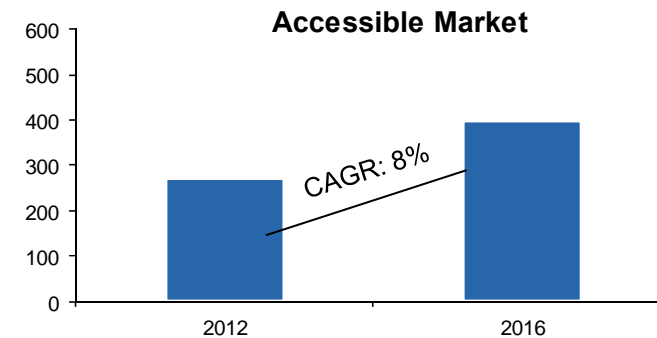
Strategy

- Maintain leading position in aircraft interiors and certain structural applications at Airbus
- Develop position in Boeing and others
- Attack structural material market for business and regional jets as well as for nacelles
- Focus on next-generation, cost-out materials
- Leverage competencies into Rail markets

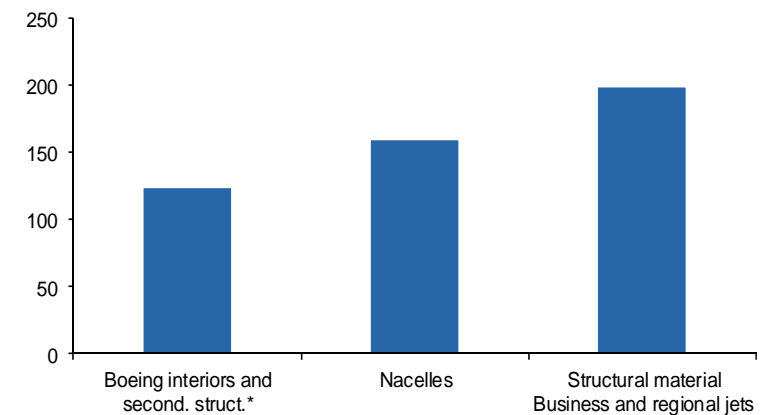
Recent achievements

- Cost-out efforts on aerospace materials
- Contract renewals for all Airbus models
- Intensive customer care, new sales leads in traditional and new geographic areas
- Upgrading the product offering and innovations

CHFm Industry Growth Potential –



CHFm Size of new Aero market opportunities



* Also included in current accessible market

Aerospace & Rail – Results and Outlook



Market environment

- Aerospace market with steady, single-digit volume growth, cost pressure

Sales 1HY 2013

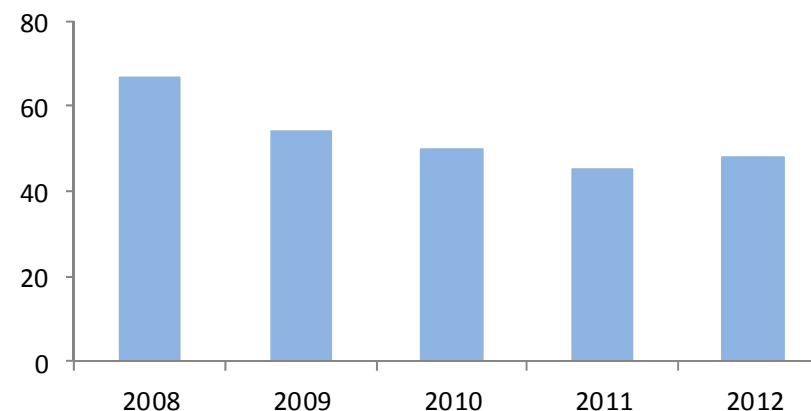
- Net sales of CHF 23.5 million
 - Down 1.7% vs. 1HY 2012

Outlook FY 2013

- Some growth in 2HY 2013
- Enforce market penetration outside Airbus business
- Development of structural material technology

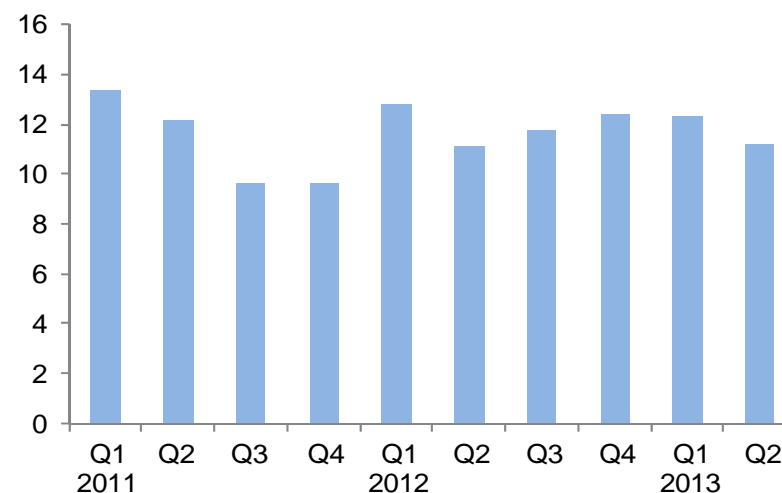
CHFm

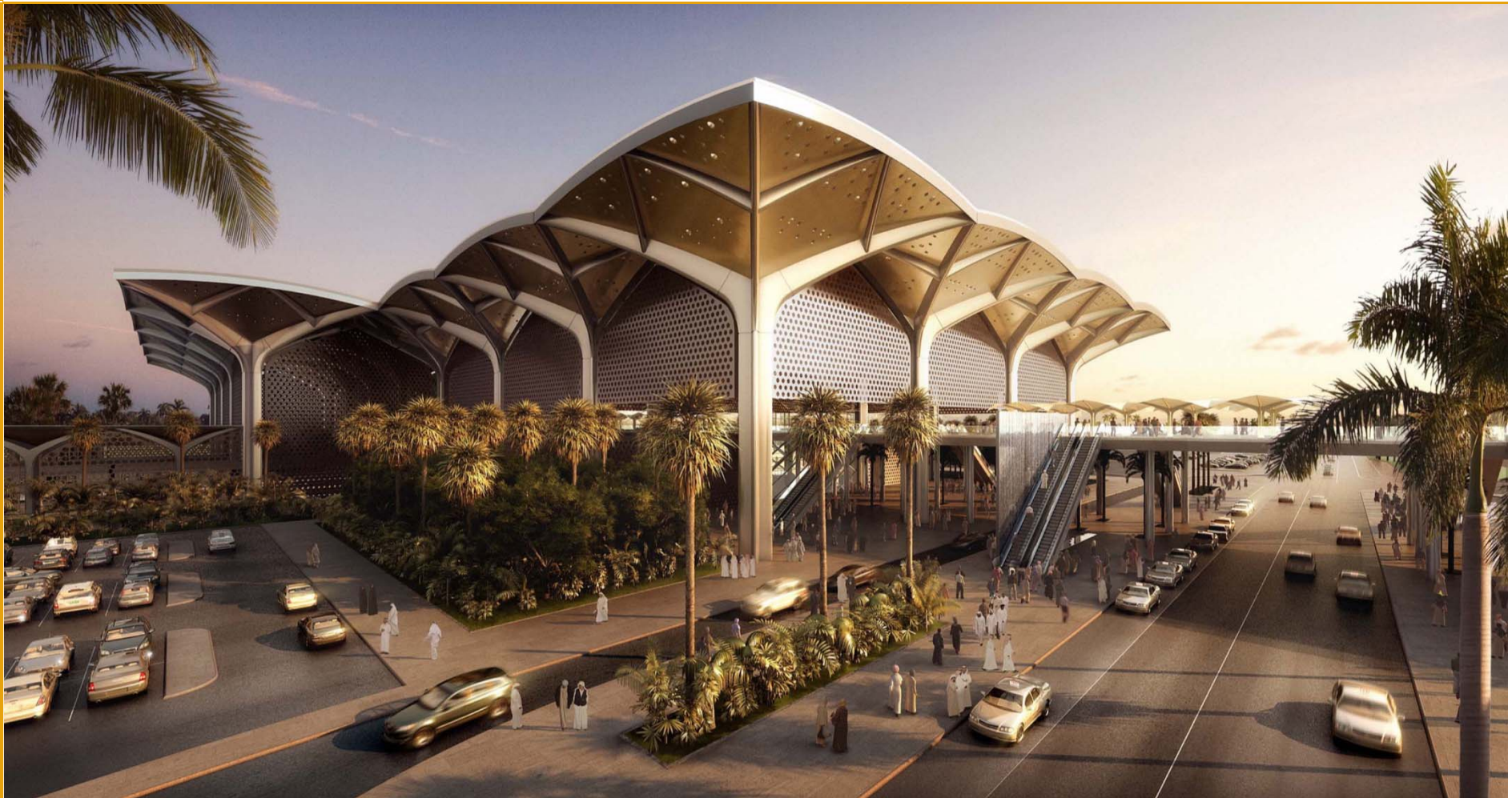
Aero & Rail: Net Sales



CHFm

Aero & Rail: Net Sales





Industrial & Marine – Strategy and Achievements



Strategy Marine

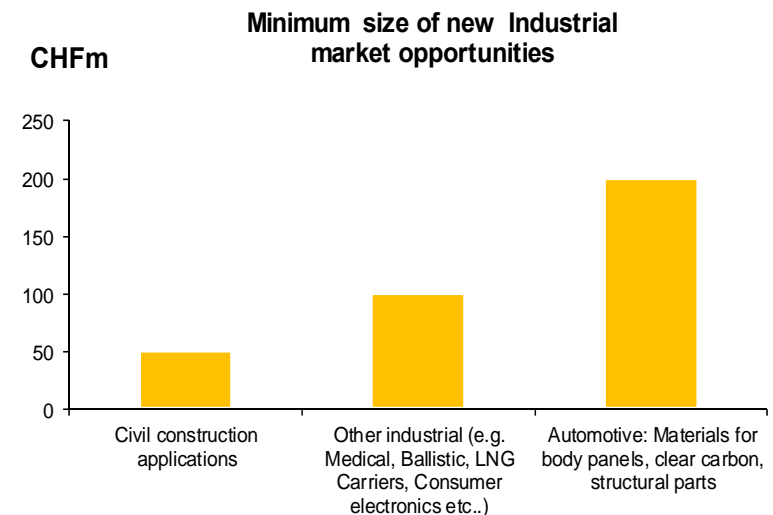
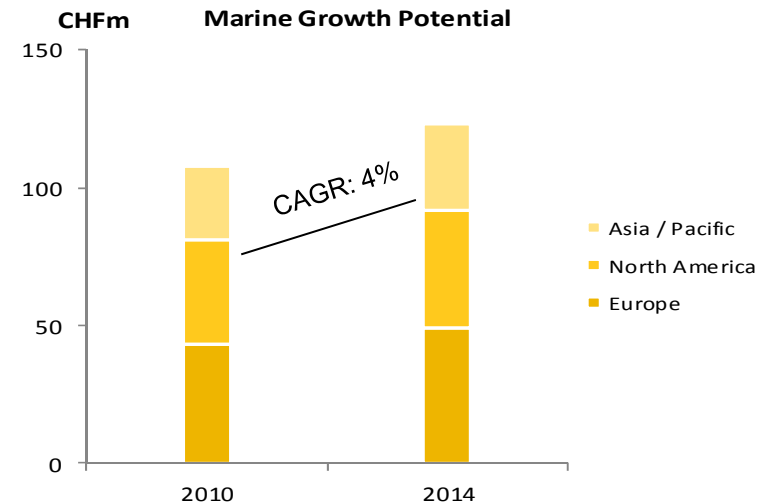
- Penetrate all geographies and segments
 - Mediterranean, Middle East and Far East
 - All boat sectors incl. commercial, military and production vessels

Strategy Industrial

- Use distribution model and full material offering for select new industrial applications (e.g. lightweight construction, medical, ballistics, LNG carriers, consumer electronics, etc...)
- Sell existing prepreg and formulated systems into Automotive markets for structural and visual carbon application

Recent achievements

- Introduced Balsa, PET and PVC to customers
- Growth in Carbon prepreps for spar applications
- Increasing Industrial sales, in particular in civil construction applications
- Global re-branding to Gurit



Industrial & Marine – Results and Outlook



Market environment

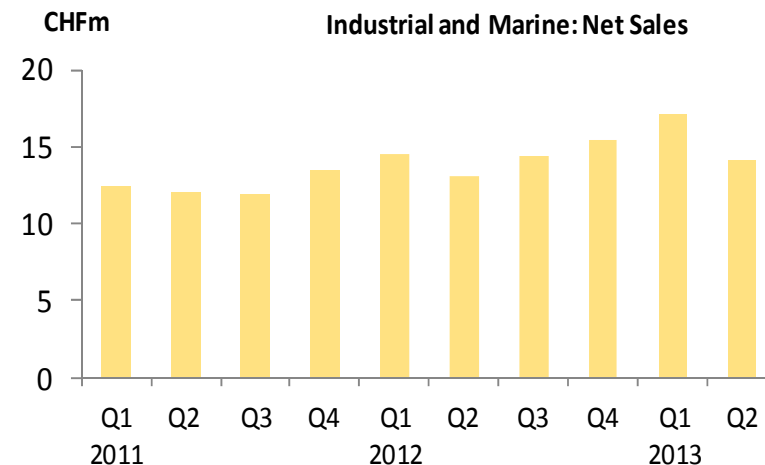
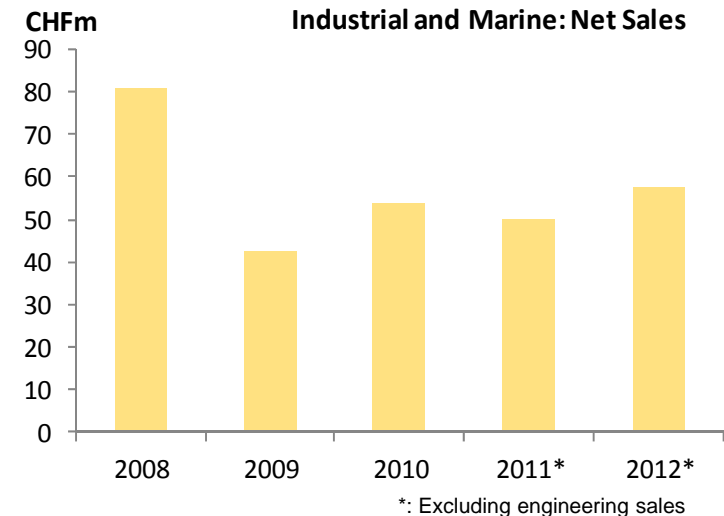
- Marine business recovering gradually with more momentum in superyacht and race boats, regionally in Europe and UAE
- Increasing sales to non-marine customers
- Australia and New Zealand suffering from strong currency impacts – but good industrial sales leads

Sales 1HY 2013

- Net sales of CHF 31.2 million
 - Up +12.8% vs. 1HY 2012

Outlook FY 2013

- Increased growth by industrial material sales
- Renewed activity in race and superyachts



Tooling



Tooling – Strategy and Achievements

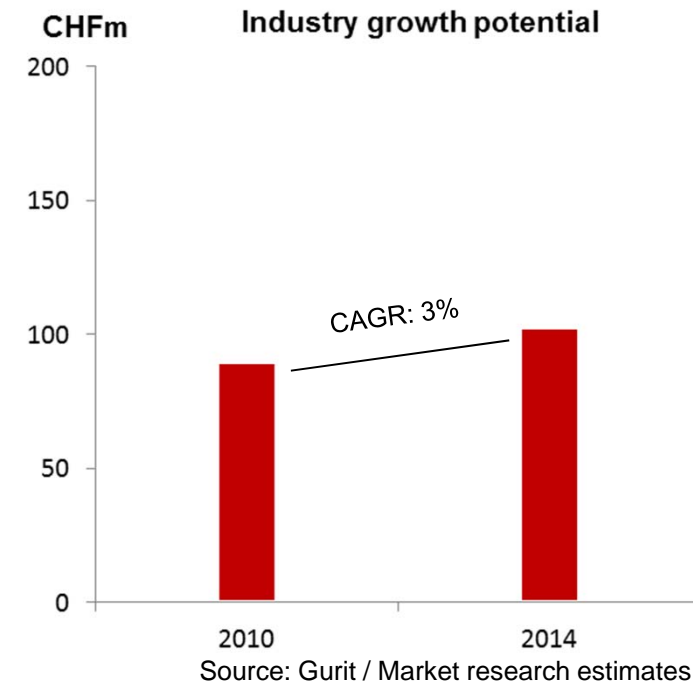


Strategy

- Asia: Leader in affordable, quickly available quality moulds for wind turbine blades
- Internationally: High quality, custom tailored, affordable, quick and higher-volume mould making partner of choice
- Penetrate European and American markets
- Widen scope of tooling beyond Wind Energy
 - Marine: Plugs, moulds for spars and hulls
 - Ocean Energy
 - Transportation racks and fixtures

Recent achievements

- Sustained difficult market situations and won new customers in Europe
- Building first marine moulds
- Industrial cost-out to sustain low cost competition in Asia
- Improved mould heating and cooling system with new modules for high-end customers



Tooling – Results and Outlook



Market environment

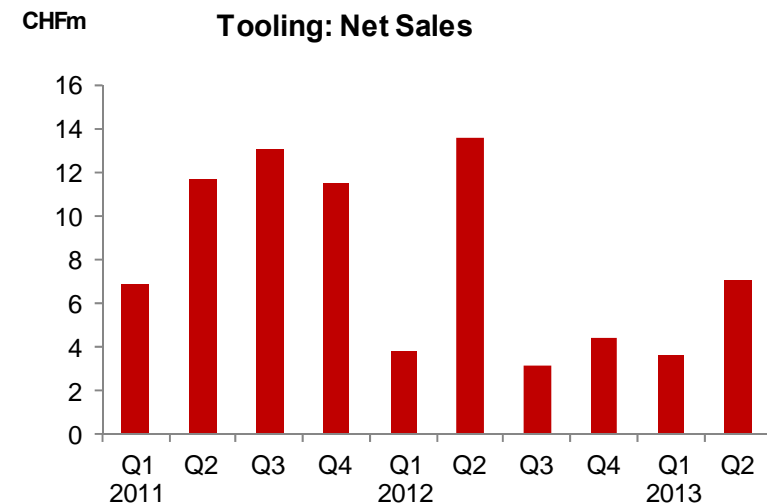
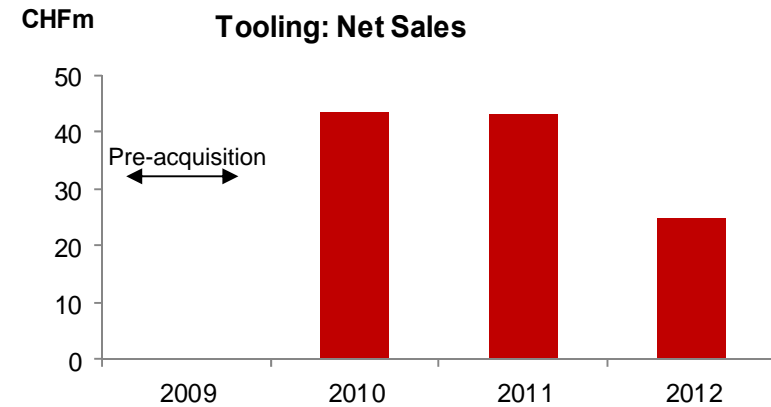
- Cyclical market fully hit
- China: almost stand-still in 2HY 2012, slight recovery in 1HY 2013
- India: No demand
- Europe: Good demand

Sales 1HY 2013

- Net sales of CHF 10.7 million
 - Down -38.7% vs. 1HY 2012
 - Positive development in Q2 2013

Outlook FY 2013

- Growing demand expected during 2HY 2013
- Business beyond Wind Energy Tooling (transport racks and hinges, marine moulds and other new business) to contribute more



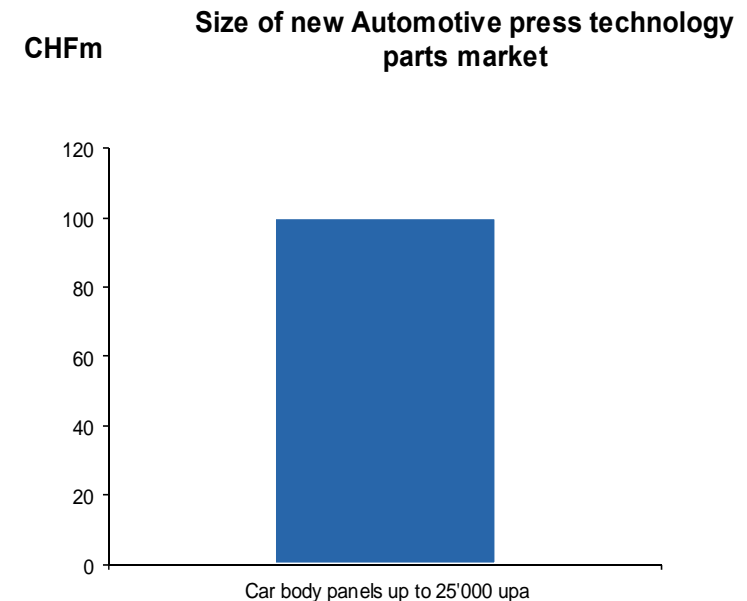


Strategy Automotive

- Grow client/project base for car body panels
- High-temp revolutionary press process for bigger volumes parts series (CBS 200)

Recent achievements

- New customer wins, qualified a new record number of new panel variants in manual, high-end manufacturing
- Expanding production site in UK to prepare for new growth 2014
- Press technology: Equipment ordered for new high-temp press technology for car parts (CBS 200)
- Successfully passed industrial heat tests with CBS 200 in regular paint shop process temperatures around 200°C



Automotive – CBS 200 high-end product technology to penetrate volume market

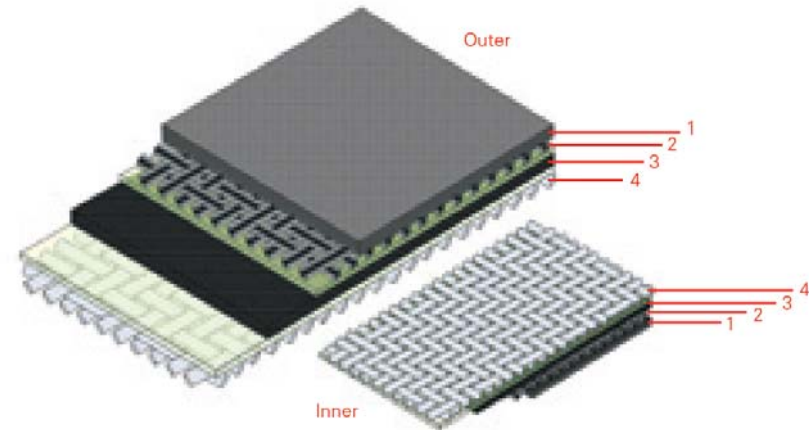


BACKGROUND

- best in class carbon fibre composite body panel system featuring an A-class surface finish and lightest possible panel weight
- Improvement upon Gurit's current automotive body panel production process to make it more viable for volume production

REDUCED CYCLE TIMES AND HIGHER TEMPERATURE RESISTANCE

- Gurit's new press process significantly reduces labour and time needed to make high-performance composite panels
- With a curing time of just 10 minutes, the refined process allows for the manufacture of up to 40,000 parts p.a. from a single tool set
- Finished composite parts are fully compatible with existing mass production painting and assembly methods



SPRINT® CBS Material

Main Laminate: SPRINT® CBS (Car Body Sheet)

1. Surface Film
2. Woven Carbon Single Sided SPRINT®
3. Syntactic Lightweight Core
4. Woven glass Single Sided SPRINT®



Automotive – Results and Outlook



Market environment

- Increasing interest of the Automotive market for composite material solutions

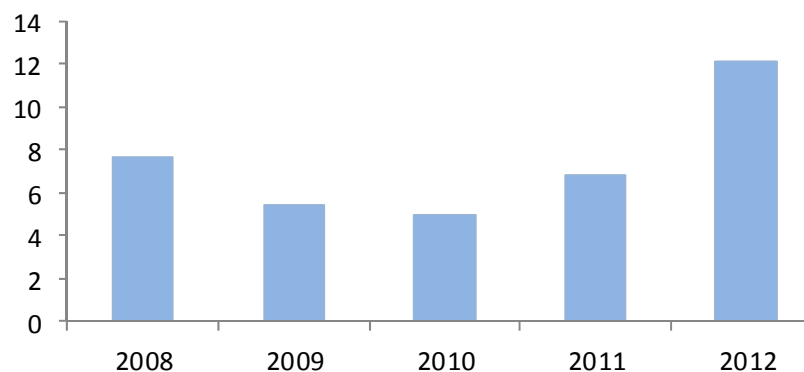
Sales 1HY 2013

- Net sales of CHF 6.9 million
 - Up +63.8% vs. 1HY 2012

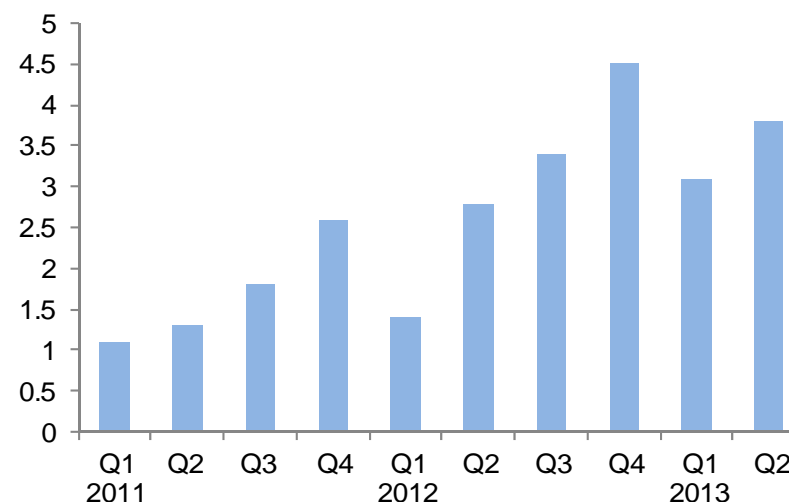
Outlook FY 2013

- Continued dynamic growth based on new contracts in existing hand layup car body parts process
- Further cost-out/cycle speed development
- First contract won for new press technology

CHFm Automotive: Annual Net Sales



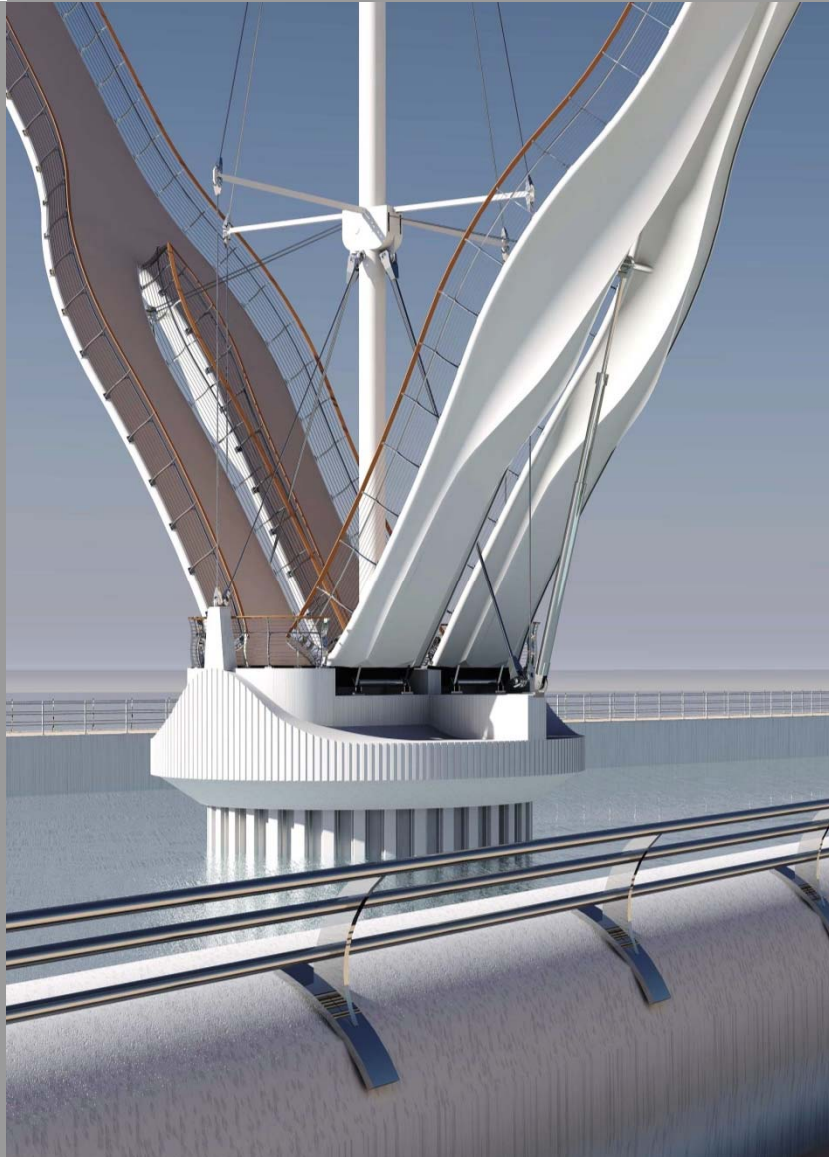
CHFm Automotive: Quarterly Net Sales



Engineered Structures



Engineered Structures – Strategy and Achievements



Strategy

- Establish Gurit early in new applications in existing and newly emerging or converting industries
- Leverage leading composites engineering, prototyping, tooling and manufacturing capabilities
- Assess new industry trends and approach key players in concise manner
- Address new markets outside traditional Gurit target markets

Recent achievements

- Sales increase
- Patented modular bridges
- Prototype series of rear sections for London's new double decker commuter buses followed by large series orders
- Pont y Ddraig; bridge over Rhyl harbour

Engineered Structures – Results and Outlook



Market environment

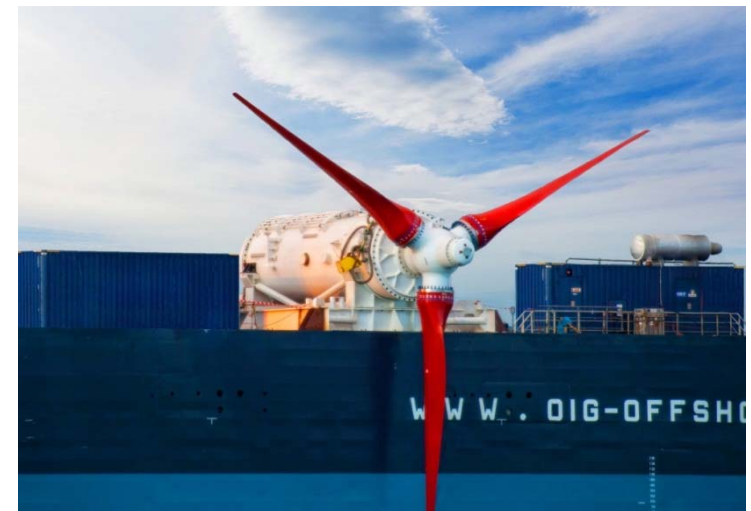
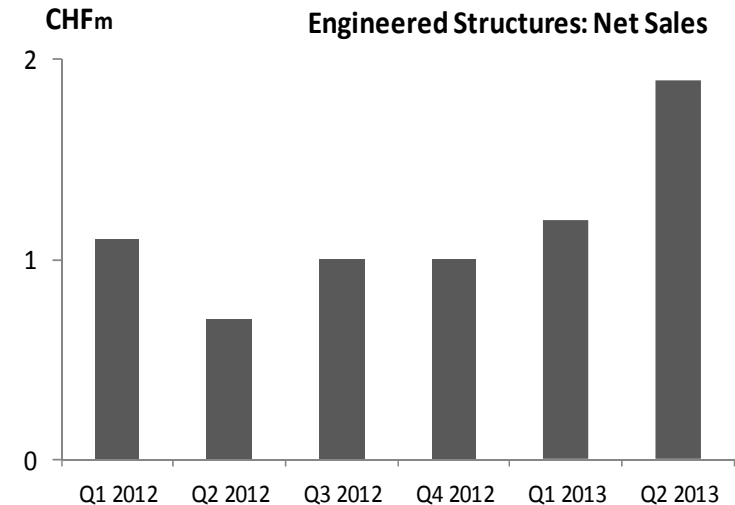
- Hardly any existing market data
- Engineering for marine, construction and new special projects
- Promote Gurit as expert of complex, big, lightweight structures

Sales 1HY 2013

- Net sales of CHF 3.1 million
 - Up +69.9% vs. 1HY 2012
 - Growth mainly due to increased component sales

Outlook FY 2013

- Components business to remain at high level with further growth potential



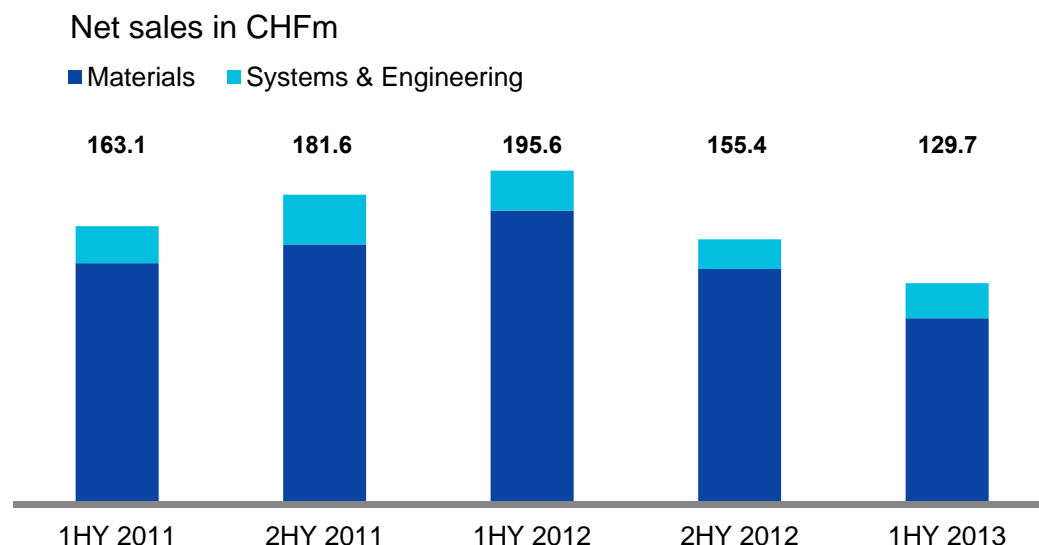
Financials 1HY 2013 and Outlook FY 2013



Net Sales Analysis by business units



Sharp drop in Wind Energy related sales but continuous growth in non-wind energy markets

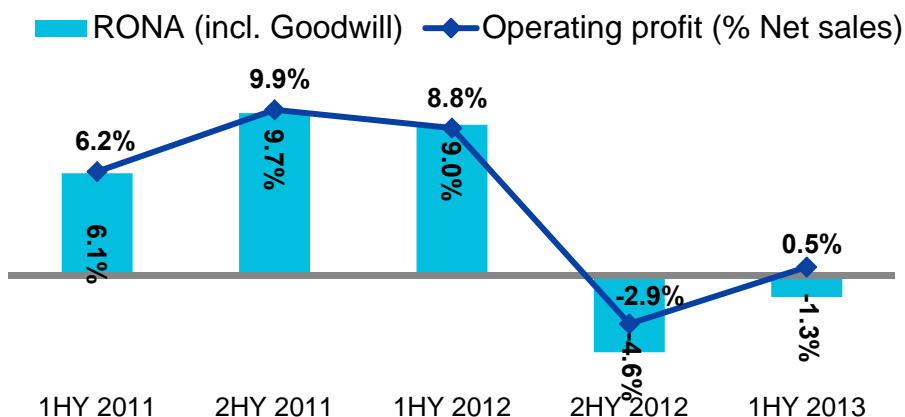
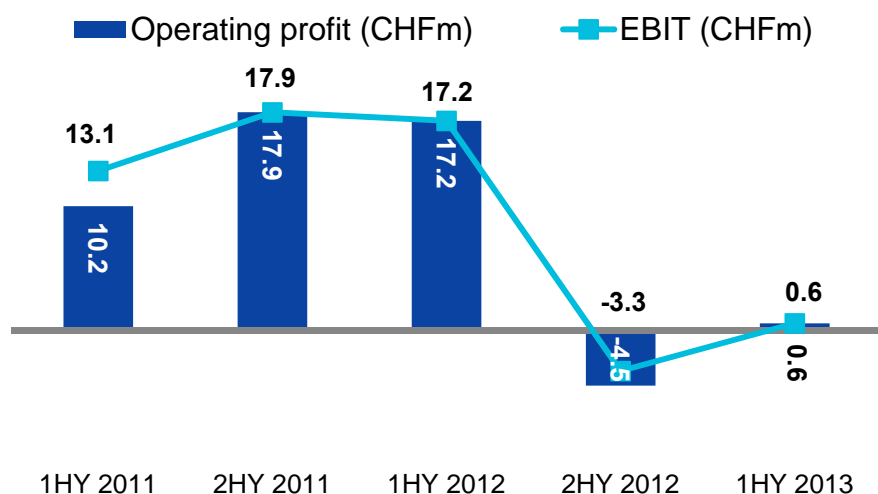


- Lower demand from Asian and American Wind Energy markets significantly impacted net sales
- Tooling and material sales to the Wind Energy market started to recover in Q2 2013
- Aero sales stable
- Increased sales for Industrial applications and Automotive parts

Net sales by business units in CHFm	1HY 2013	1HY 2012	Δ 1HY 2013 vs 1HY 2012	Δ 1HY 2013 vs 1HY 2012 FX adj.
Composite Materials	109.1	172.2	-36.7%	-37.2%
Composite Systems and Engineering	20.6	23.4	-11.9%	-12.9%
Total Net Sales	129.7	195.6	-33.7%	-34.2%

EBIT and Operating profit development

Operating profit margin at 0.5% impacted by much lower volume in the Wind Energy market



- Strong decrease in the operating profit margin vs. 1HY 2012 largely due to drop in sales

- Reduced non-recurring items:

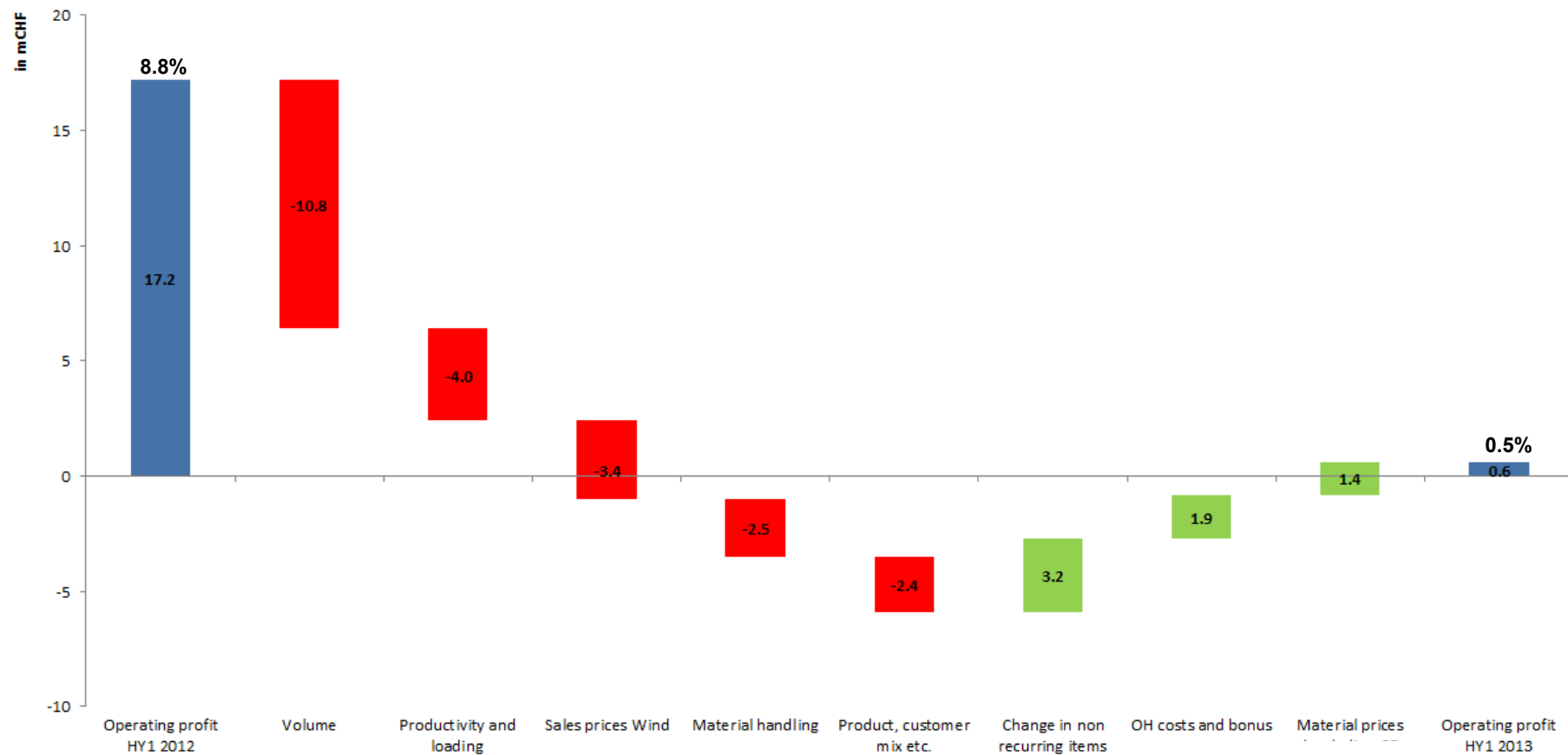
CHFm	1HY 2013	1HY 2012
Non-recurring items	0.8	-2.4
Operating profit before non-recurring items	-0.2	19.6
% of Net sales	-0.2%	10.0%

- RONA still suffering from high net working capital but recovering from 2HY 2012 level which was heavily impacted by impairments and restructuring charges

Operating profit bridge 1HY 2012 to 1HY 2013



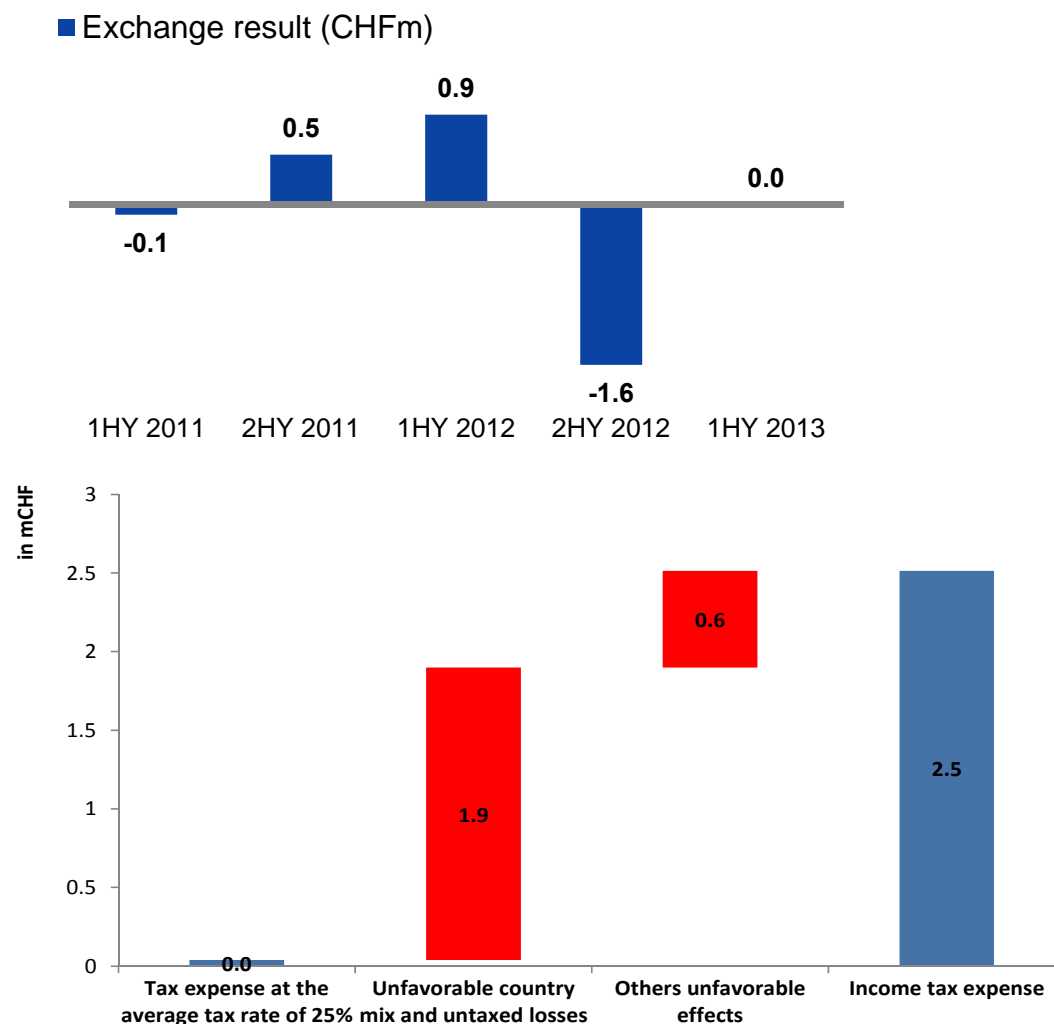
Operating profit margin decreased from 8.8% to 0.5% of net sales mainly due to reduced volume



* Operating profit according to Swiss GAAP FER including non-recurring expenses and impairment

Exchange result and Tax

Tax charge impacted by un-taxed loss carry forwards



- Exchange result close to nil with net gains on USD positions offsetting net losses on other currencies
- 1HY 2013 tax expense burdened by non tax effected losses in China and Canada

Net Result 1HY 2013



Small net loss as a result from low sales volumes

Consolidated P&L	1HY 2013		1HY 2012	
	CHFm	% NS	CHFm	% NS
Net sales	129.7	100.0%	195.6	100.0%
Gross margin	60.5	46.7%	86.4	44.2%
Operating expenses	-60.7	-46.8%	-66.8	-34.1%
Operating profit before one-offs	-0.2	-0.2%	19.6	10.0%
One-off items	0.8	0.6%	-2.4	-1.3%
Operating profit	0.6	0.5%	17.2	8.8%
Non-operating & extraordinary result	0.0	0.0%	0.0	0.0%
EBIT	0.6	0.5%	17.2	8.8%
Interest income and expenses	-0.3	-0.2%	-1.1	-0.6%
Exchange gains and losses	0.0	0.0%	0.9	0.4%
Other financial income and expenses	-0.1	-0.1%	-0.2	-0.1%
Taxes	-2.5	-1.9%	-6.1	-3.1%
Net result	-2.4	-1.8%	10.6	5.4%
Earnings per bearer share	CHF -5.05		CHF 22.73	

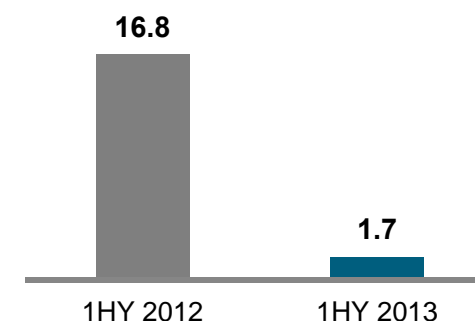
Cash Flow



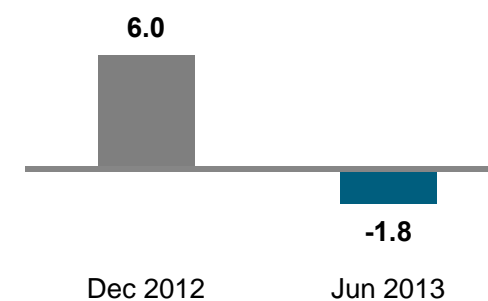
Cash flow from operating activities remains positive

Consolidated Cash Flow	1HY 2013	1HY 2012
	CHFm	CHFm
EBIT	0.6	17.2
Depreciation, amortisation, impairment	5.3	9.3
Change in working capital	-4.6	-9.1
Other cash flow from operating activities	0.4	-0.6
Net cash flows from operating activities	1.7	16.8
Purchase of PPE and Intangibles	-2.8	-2.5
Proceeds from sale of PPE	0.0	0.2
Change in borrowings	-9.6	-1.4
Distribution to shareholders	-7.0	-7.0
Acquisition of subsidiaries	0.2	0.0
Repayments of loans receivable	0.4	0.0
Purchase of treasury shares	-0.2	-0.2
CHANGE IN CASH AND CASH EQUIVALENTS	-17.3	5.9

Cash flow from op. activities (CHFm)



Net cash / (debt) in CHFm



Balance Sheet



Still a solid balance sheet with reduced borrowings but increased NWC

Consolidated Assets	Jun 2013		Dec 2012	
	CHFm	%	CHFm	%
Cash and cash equivalents	20.2	9%	37.3	16%
Trade receivables	69.5	31%	61.1	26%
Inventories	39.0	17%	36.6	16%
Other current assets	12.3	5%	12.1	5%
Deferred income tax assets	1.1	1%	1.0	0%
Property, plant and equipment	76.4	34%	77.1	33%
Intangible assets	5.7	3%	5.7	2%
Other non-current assets	0.4	0%	0.9	0%
TOTAL ASSETS	224.6	100%	231.6	100%

Consolidated Liabilities and Equity	Jun 2013		Dec 2012	
	CHFm	%	CHFm	%
Borrowings	22.0	10%	31.3	13%
Trade payables	19.9	9%	12.8	6%
Other current liabilities	20.9	9%	18.3	8%
Deferred income tax liabilities	0.8	0%	0.9	0%
Provisions	4.6	2%	4.9	2%
Other non-current liabilities	0.5	0%	0.1	0%
Equity	155.9	69%	163.4	71%
TOTAL LIABILITIES AND EQUITY	224.6	100%	231.6	100%

- Trade NWC increased from CHFm 84.9 to CHFm 88.6 mainly due to higher sales vs. Q4 2012
- Equity favorably impacted by CHFm 2.5 currency translation, but reduced as a consequence of CHFm 7 distribution to shareholders
- Still a very solid balance sheet with equity ratio of 69%

- Wind Energy market related sales expected to continue to recover
 - Increasing material sales in other existing and new markets
 - Growing Automotive business thanks to additional customer wins and larger car body parts series
- Net sales for FY 2013
expected to be somewhat below CHF 300 million
- Operating profit expected to be in between 3-5% of Net sales

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