

Half-Year Results 2010

Analyst and Media Conference

Zürich, September 21, 2010



9/20/2010

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Agenda



- Business Update H1 2010 Rudolf Hadorn
- Financial results H1 2010 Markus Knuesli Amacker
- Questions & Answers

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Corporate



Key Achievements H1 2010 and Outlook FY 2010



Wind Energy

Tooling

Transportation

Marine

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Economic Environment for Gurit in H1 2010

Global recession in 2009 only gradually turning into recovery in H1 2010

- Wind markets in Europe/America poor but Asia strongly moving ahead
- Wind growth drivers still affected by public debt, moderate non-renewable energy prices, debt markets and some grid access issues
- High demand volatility in target markets Wind and Marine remains
- Raw material markets with higher prices and some supply issues
- New acquisitions, broader offering and growing footprint in Asia start to offset volume losses in Europe and US in Wind

Conclusion by target market in 2010

- **Wind Energy** saw poor Q1, better Q2
- **Tooling** with very strong H1 2010
- **Transportation** fair, with some demand postponements to H2
- **Marine** slowly recovering each month from H2 2009

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Key Business Results for H1 2010

Growth in Q2 after reaching sales low in Q1 2010

- Strong 29.4% sales increase in Q2 over Q1
- 1HY '10/'09 target market sales -8.6% to CHF 155.6 million
- 1HY '10/'09 consolidated net sales -10.6% to CHF 156.4 million

Improved profitability to target guidance; strong balance sheet

- Operational EBIT of CHF 13.0 million equates to 8.4% of sales
- Including non-recurring items, Group EBIT of CHF 21.5 million yields 13.8% EBIT margin
- Higher NWC and CapEx in execution of strategy
- CHF 8.3 million Cash flow from operations
- Stable equity ratio of 55%

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Operational focus in 2010 (1)



Wind Energy

- Broaden customer base, esp. in Asia to better balance portfolio and enable growth
- Execute core material strategy: PVC, PET, Balsa core materials in Asia, PET in Europe
- Enter after-sales market with RENUVO blade repair system
- Further increase blade engineering presence and future prepreg applications on-/offshore

Tooling

- Accommodate Chinese mould demand for current and longer blades
- Rapidly build global mould customer base
- Significant capacity expansion in summer 2010

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Operational focus in 2010 (2)



Transportation

- New products to secure sales for aircraft interiors, secondary structures
- Add new customers in automotive to the existing three by YE 2010
- Targeted market development in Rail in Chinese market

Marine

- Leverage global structural engineering leadership in race boats and super yachts
- More focus on Mediterranean and Americas' Marine markets to raise penetration
- Penetrate Production Boat Market with B³ SmartPac offering for major customers

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Strategic initiatives lead to improved and stronger global market position for Gurit



Unique combination of all composite capabilities

- “One-stop-shop” in advanced composites differentiation
- Broader value chain with Engineering, Tooling, Materials and entering into After Sales Markets

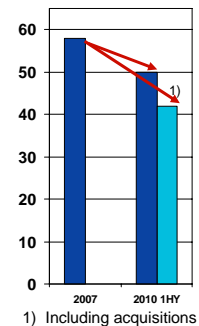
Ongoing operational improvements

- Higher value adding share in offering
- Excellence in global purchasing
- Five sigma quality target by end of 2011
- Customer development initiatives

Benefitting from global set up

- Proximity to important customers all over the world
- Asia strategy: Over 50% of staff in Asia, 1/3 of sales
- Sourcing and production cost benefits

Top 3 customers;
% of Sales



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Outlook and Guidance



Targets for FY 2010:

- Positive target market sales growth in H2 expected
 - Wind Energy: FY weaker than '09 after poor Q1 2010
 - Tooling: Strong H1, more volatile H2
 - Transportation: Aero positive H2 timing; less auto sales due to car model change impacts
 - Marine: Gradual sales growth recovery
- EBIT target of 8-10% for FY 2010

Mid term targets (2011/12):

- Sales to return to traditional growth corridors of target markets
- EBIT margin 8-10%

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Key Developments by Target Market



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Wind H1 2010: Weak prepreg sales in Europe/US, growing momentum in China

Europe, America: Customers suffer from slow recovery

- Big clients de-stocked blades in Q1, more de-stocking to see in Q4
- Higher share at key customers, yet low total volumes

China, India: Gurit sales increase month by month

- Completed core offering; e.g. PVCCell in/for China
- Benefitting from customer wins and Tooling

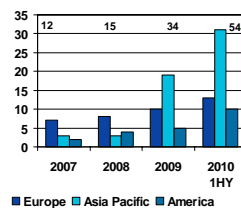
Core material and kitting strategy: Bearing fruit globally

- Gurit offering for infusion customers
- Corecell foam complemented with PVC, PET, Balsa
- Own precision foam kitting as a differentiator

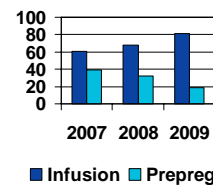
H1 2010 results: Sales down 36.7% to CHF 73.8 million

- Core material strategy now gains momentum
- Prepreg drop not yet compensated by core wins
- Unsatisfactory return on sales (prepreg) in 1HY 2010

Number of Customers



Prepreg/Infusion % shares



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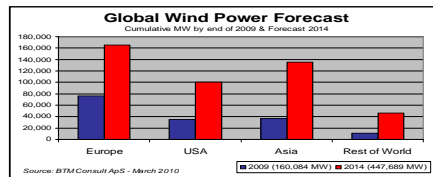
Wind Energy

Wind H2 2010: Gradual recovery expected, new after-sales market offer with RENUVO™



Outlook 2H and FY 2010

- Europe, America gradually recovering
- China/Asia still strong
 - PVC factory already full, 2nd module ordered for 2011
 - Increase Corecell expansion, kitting capacity
- Launch RENUVO – turbine blade repair system
 - Entry into maintenance and after-sales market
 - UV-lamp curable prepreg
- “All product” strategy; start offer bundling with Tooling
- Ongoing positive long-term trend



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Wind Energy

Tooling H1 2010: Leader in China, starting with international sales



Strategic position in global Wind Energy industry supply chain

- Moulds are critical components for blade manufacturers
- USPs: Low cost base, solid quality, high capacity, full integration, short delivery times, attractive price
- Leader position in Chinese market with some 30% and China prepares for next generation of longer, more advanced turbine blades
- Started to address the global market in H1 2010; First moulds shipped internationally and solid interest
- Investment of CHF 15 million in new facility for longer blades and higher capacity



H1 2010 results:

- Sales of CHF 27.8 million
- Above Group-level profitability



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Tooling

Tooling H2 2010: Facility for next-generation blades; softer Q3 in China awaiting legislation details



Inauguration of new facility

- Premises of 85,000m²
- 2 halls of 6,000m² with 3 production bays each
- Doubling shop floor capacity to over 24,000m²
- Designed for manufacture of next-generation, global rotor blades for wind turbines of up to 7MW
- Additional CNC master plug machine, 65mx7.2mx5.8m
- Further expansion reserves



Outlook H2 and FY 2010

- Equipment business with oscillating sales pattern
- Pending legislation details in China lead to softer Q3 sales
- Growing international/export business, 1st moulds delivered to Europe
- Development of tooling materials for prepreg technology moulds



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Tooling

Transport H1 2010: “Farm” Aerospace, “expand” Rail and “build” Automotive customer base



Aerospace

- Leader position in Airbus interiors, A380 slow ramp-up
- Increasing position in secondary structures (e.g. Ariane)
- Innovative product range to secure future sales, i.e. A350
- Expanded cooperation with EFW for Airbus aircraft flooring

Rail

- Follow-on orders for Chinese intercity and high-speed trains
- Growing interest from European urban transit

Automotive

- Tools made for 3rd customer project; ongoing industry interest

H1 2010 results: Sales down 14.8% to CHF 26.6 million

- Discontinued production of pultruded lamellas/civil engineering
- Certain aerospace projects postponed to H2 2010
- Airbus business started slower-than-expected, gaining momentum
- Good return on sales in 1HY 2010



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Transportation

Transport H2 2010: Sales in line with trends of target industries



Outlook H2 and FY 2010

Aerospace:

- Rising demand for new aircraft
- Nominated as floor panel material supplier for A350 by EFW



Rail:

- Follow-on supplies for Chinese intercity and high-speed trains
- Growing demand for composites for urban transportation

Automotive:

- Further expansion of Automotive customer base possible

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Transportation

Marine H1 2010: Expand geographic and industry reach to strengthen marine position going forward



Global market situation

- Super yachts and race boat market see first new projects
- Many production boat-builders out of business
- Ongoing market consolidation



Stronger leader position with acquisition of High Modulus

- Complementary presence and competences
- B³ Smart Pac to address bigger production boat market
- Increased focus on Mediterranean Europe, Americas



1HY 2010 results: Sales increase 22.1% to CHF 27.4 million

- Integration effect of High Modulus acquisition
- Gurit gaining market share globally
- Broader industry approach
- Recovering return on sales in 1H 2010



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Marine

Marine H2 2010: Positive sales trends and market share developments



Outlook 2H and FY 2010

- Rising demand in global marine market
- Expansion beyond luxury/leisure
- Roll-out of B³ SmartPac in American market
- Dedicated sales manager for Italian market
- Accreditation with ABS (American Bureau of Shipping) of Chinese facility to produce Marine M-Foam core products



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Marine

New Business Opportunities – e.g. Ocean Energy



- Started-up activity in 2009
- Significant mid-term sales potential
- Offering: Engineering, material and parts production
- Won three contracts already
- Sold 0.5 MCHF in H1, 2010



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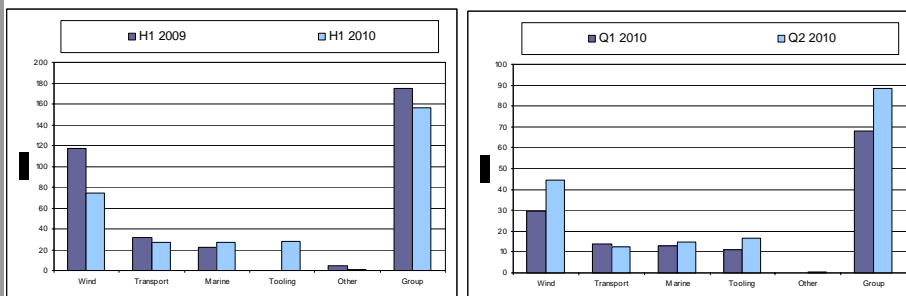
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Financial Results H1 2010



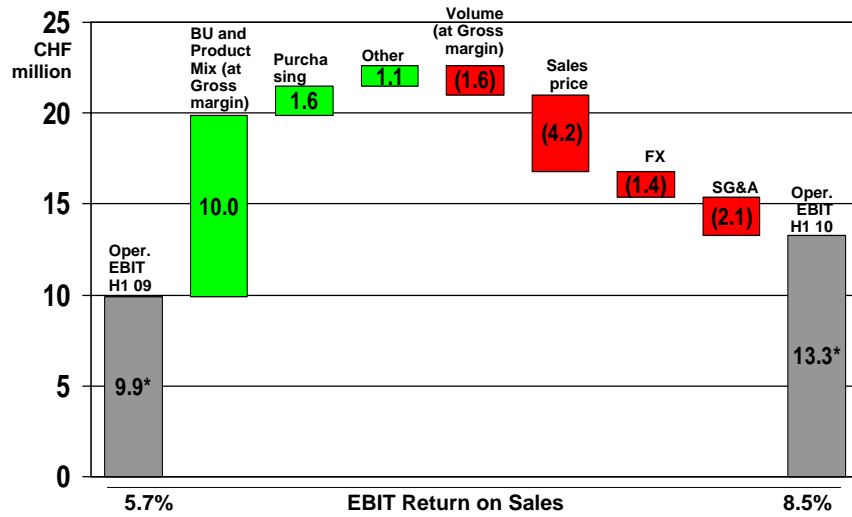
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Net sales decreased 10.6% vs H1 2009 but increased 30.3% in Q2



MCHF	Variance H1 2010			Variance Q2 vs		
	H1 2010	H1 2009	vs H1 2009	Q2 2010	Q1 2010	Q1 2010
Wind Energy	74.1	116.8	-36.5%	44.3	29.8	48.7%
Transportation	26.6	31.2	-14.8%	12.6	14.0	-10.0%
Marine	27.4	22.4	22.1%	14.6	12.8	14.1%
Tooling	27.8	0.0		16.6	11.2	48.2%
Total Target Markets	155.9	170.4	-8.5%	88.1	67.8	29.9%
Other	0.5	4.6	89.5%	0.4	0.1	300.0%
Total Net sales	156.4	175.0	-10.6%	88.5	67.9	30.3%

Operating EBIT* margin increases from 5.7% to 8.5%

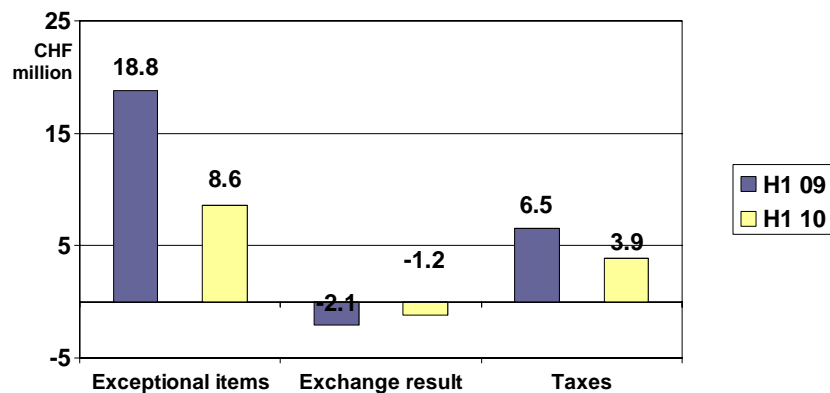


* Operating profit excluding other operating income and non recurring other operating expenses

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Major non-operating items

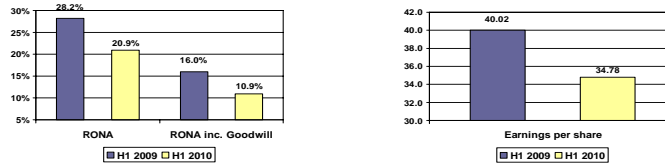


- Exceptional items H1 10 mainly due to the settlement of a patent dispute with Hexcel
- Decrease in Exchange result largely due to re-enforced balance sheet exposure hedging
- Improved Group tax rate of 19.6% (H1 09: 25.9%) mainly thanks to an important share of the profit being generated in China, benefiting from low tax rates

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Net result margin remains above 10% of net sales despite decrease in exceptional income

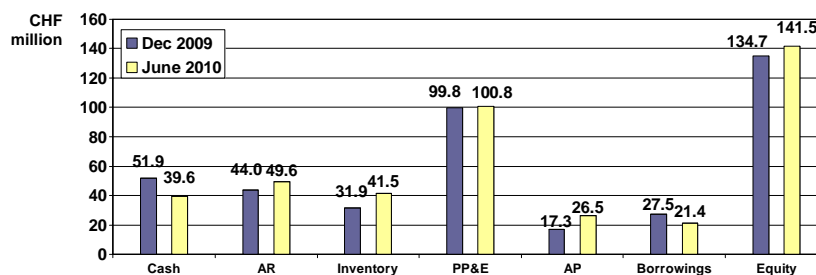


	H1 2010		H1 2009	
	MCHF	% NS	MCHF	% NS
NET SALES	156.4	100.0%	175.0	100.0%
Operating EBIT	13.3	8.5%	9.9	5.7%
Exceptional items	8.6	5.5%	18.8	10.7%
EBIT	21.9	14.0%	28.7	16.4%
Exchange gains and losses	-1.2	-0.8%	-2.1	-1.2%
Interest income and expense	-0.5	-0.3%	-1.6	-0.9%
Other financial income and exp.	-0.1	-0.1%	0.2	0.1%
Taxes	-3.9	-2.5%	-6.5	-3.7%
NET RESULT	16.2	10.4%	18.7	10.7%

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Continuously strong Balance Sheet – NWC increase mainly due to increase in Q2 net sales



Consolidated Assets	June 10		Dec 09		Consolidated Liabilities and Equity	June 10		Dec 09	
	MCHF	%	MCHF	%		MCHF	%	MCHF	%
Cash	39.6	15%	51.9	21%	Borrowings	21.4	8%	27.5	11%
Trade receivables	49.6	19%	44.0	18%	Trade payables	26.5	10%	17.3	7%
Inventories	41.5	16%	31.9	13%	Other current liabilities	32.5	13%	31.6	13%
Other current assets	18.1	7%	9.4	4%	Deferred income tax liabilities	13.5	5%	13.7	6%
Deferred income tax assets	2.8	1%	3.1	1%	Provisions	20.1	8%	19.3	8%
Property, plant and equipment	100.8	39%	99.8	41%	Other non-current liabilities	0.9	0%	0.2	0%
Intangible assets	3.9	2%	3.9	2%	Equity	141.5	55%	134.7	55%
Other non-current assets	0.1	0%	0.3	0%	TOTAL LIABILITIES AND EQUITY	256.4	100%	244.3	100%
TOTAL ASSETS	256.4	100%	244.3	100%					

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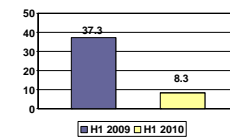
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Cash flow affected by NWC increase and increased investment activity to pursue strategy

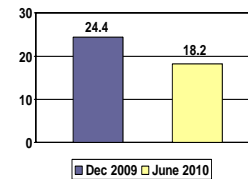


	H1 2010	H1 2009
	MCHF	MCHF
EBIT	21.9	28.7
Depreciation, amortisation, impairment	6.6	5.5
Change in working capital	-16.7	11.2
Other cash flow from operating activities	-3.5	-8.1
Purchase of PPE and Intangibles	-10.7	-3.1
Proceeds from sale of PPE and Intangibles	4.5	2.2
Change in borrowings	-7.3	-15.2
Dividend distribution	-7.0	-6.1
Other investing and financing activities	0.5	0.1
CHANGE IN CASH AND CASH EQUIVALENTS	-11.7	15.2

CASH FLOW FROM OPERATING ACTIVITIES



Net Cash



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Communication schedule



Important dates 2010

- September 2010: Select road show activity in Europe and USA
- Late October 2010: 9-month sales figures 2010

Important dates 2011

- Late January 2011: YE 2010 sales figures
- March 28, 2011: YE 2010 results conference
Online Publication of Annual Report
Publication of SHAPE, Issue 8
- April 29, 2011: Annual General Meeting
- August 2011: Half-year results 2011

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Your questions, please

