

Gurit-Heberlein Group financial statements
as per 31.12.2002

Off to a good start in 2003 following satisfactory result in a year of transition

- Successful record of acquisition and integration
- Health Care posts substantial growth in sales and profits
- Economy dampened momentum in Industrial Applications
- Proposal for unchanged dividend

Wattwil, April 25, 2003. The Gurit-Heberlein Group closed 2002 with an acquisition-driven 15.5% increase in sales to CHF 391.7 million, an EBITDA (earnings before interest, taxes, depreciation and amortization) of CHF 55 million (51.2 million the previous year) and an EBIT of CHF 30.3 (33.5) million. Health Care Division operations developed very encouragingly. However, the economy had a dampening effect on the Industrial Applications Division, where results fell short of expectations. Both divisions are excellently positioned for the future. During 2002, the Group acquired seven new strategic operations. Sales and earnings figures for the current year confirm the successful re-positioning of the Gurit-Heberlein Group.

Despite the plight of the world economy and major changes in Group structure, Gurit-Heberlein closed 2002 with increased sales of 15.5% at CHF 391.7 million. Earnings before interest, taxes, depreciation and amortization (EBITDA) were up at CHF 55 million, while EBIT stood at CHF 30.3 million. The new acquisitions, together with cash repayment of the bond, led to a reduction in the high level of liquidity. This, combined with a 20% stock buy-back amounting to CHF 250 million the previous year, substantially reduced the financial result. If the lower financial result is also included, Gurit's net profit stood at CHF 20.1 million.

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Balance structure remains robust

Even after the reduction in the high level of liquidity, the Gurit-Heberlein Group balance sheet remains very strong, with equity amounting to 68% of the balance sheet total. Even if the entire amount shown for goodwill were balanced against equity, the equity ratio would still be solid 47%.



Health Care posts impressive market successes

The respective contributions of the Industrial Applications and Health Care divisions to the Group result in financial 2002 differed markedly. The Health Care Division closed the year with very encouraging figures. By taking such an active role in the worldwide consolidation process currently affecting both medical and dental operations, Gurit has established itself as a major player and profits accordingly from the dynamic state of the basic market. With sales up by 23.6% to CHF 207.1 million, EBIT, too, rose by 29% to CHF 24.9 million. Integration of the new Group companies was brought to a successful conclusion in both Europe and the USA.

Economy pushes Industrial Applications result below expectations

The Industrial Applications Division suffered under an accumulation of negative political and economic influences. After substantially expanding its advanced composites operations (Gurit Composite Technologies), deliveries to the air travel and winter sport industries in particular were significantly below figures for the previous year. While the crisis in the aircraft industry brought on by global political and economic developments was reflected in aircraft outfitting, winter sports equipment business was adversely affected by the high inventories still held by retailers, enormous pressure on prices, and the unfavourable weather conditions experienced during 2001/2002. On top of this, valuable production capacity acquired following the takeover of the SP Group with effect from September 1, 2002, was blocked during the final quarter of the year for materials development and testing processes. In the fiber technology sector, momentum was slowed by low-level consumption. For the second time in succession, the global production of synthetic fibers was down. As to be expected, capital investment in this traditionally cyclical industry was extremely low. Overall, the Industrial Applications Divisions closed 2002 with a disappointing contribution to EBIT of just CHF 3.6 million. However, the division did get off to an encouraging start this year.

Excellent strategic positioning

Strategically speaking, this year of transition has left Gurit-Heberlein excellently positioned for the future. Sales and profits in both divisions started out very promisingly in the new year and confirm the success of the Group's new strategic focus.

In view of last year's solid result and positive forecasts for the current year, which has started so well and clearly outperformed 2002, the Board of Directors will be asking the General Meeting on May 20, 2003, to approve an unchanged dividend of 24%.

Key figures (see also appendix)

(in CHF million)	2002	2001
Group net sales	391.7	339.0
Industrial Applications	179.6	165.8
Health Care	207.1	167.5
EBITDA	55.0	51.2
EBIT	30.3	33.5
Net profit	20.1	31.2

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About Gurit-Heberlein

The Gurit-Heberlein Group specializes in clearly defined areas in the Chemical and Synthetics Technology sector. Group companies have profound and wide-ranging expertise in materials, processes and basic research for the synthetics sector. Gurit focuses on applications for the health care and industrial sectors. The *Health Care Division* addresses two market segments: the dental sector, where the main activities are impression and filling materials, as well as a wide range of supplementary products for dentists and dental laboratories; and the medical and pharmaceutical industries, where the Group manufactures airway management and disposable OEM products under clean-room conditions. Gurit's *Industrial Applications Division* is one of the world's leading suppliers of state-of-the-art advanced composite material and construction systems. In the fiber technology sector (manufacture and finishing of synthetic fibers), key components from Gurit-Heberlein set standards for the industry worldwide.

Gurit-Heberlein Group Key Figures in CHF million	2002	2001
<u>Group Income Statement</u>		
Net sales	391,7	339,0
EBITDA	55,0	51,2
EBIT	30,3	33,5
Group result	20,1	31,2
<u>Segment information</u>		
Net sales	<u>391,7</u>	<u>339,0</u>
Health Care	207,1	167,5
Industrial Applications	179,6	165,8
Other/Consolidation	5,0	5,7
EBITDA	<u>55,0</u>	<u>51,2</u>
Health Care	35,1	25,6
Industrial Applications	17,8	23,9
Other/Consolidation	2,1	1,7
EBIT	<u>30,3</u>	<u>33,5</u>
Health Care	24,9	19,3
Industrial Applications	3,6	13,4
Other/Consolidation	1,8	0,8
<u>Group balance sheet</u>		
	31.12.2002	31.12.2001
Liquid assets	227,3	492,7
Fixed assets	423,6	183,4
Total assets	650,9	676,1
Short-term liabilities	123,2	89,8
Bond loan	0	100,0
Long-term liabilities	85,6	71,6
Total liabilities	208,8	261,4
Third party interests	2,3	3,0
Shareholders' equity	439,8	411,7