

## **Gurit increased profitability and strengthened strategic position in target markets despite recession year 2009**

- Target market positions strongly improved with three acquisitions made in 2009
- Strong overall EBIT of CHF 38.0 million and net result of CHF 20.9 million
- Operational EBIT of CHF 18.1 million equals margin of 5.8% at 27.8% lower target market sales of CHF 307.3 million
- Strong cash flow from operating activities of CHF 56.2 million, increase of 80.7% compared with 2009
- Despite very low Q1 2010 sales, Gurit expects to return to growth path in Q2 and to reach an EBIT margin of 8-10% in 2010

Gurit Holding AG  
CH-9630 Wattwil  
Switzerland

T +41 (0)71 987 1010  
F +41 (0)71 987 1005

[www.gurit.com](http://www.gurit.com)

## **Annual General Meeting on April 23, 2010**

- Proposed dividend increase to CHF 15.00 per bearer share
- Peter Leupp up for election as new Board member

**Wattwil, March 29, 2010. Gurit (SIX Swiss Exchange: GUR)**, a leading developer and manufacturer of high-end composite materials and technologies, has well maintained its profitability level in the recession year 2009. Demand declined significantly across all markets, resulting in target market sales of CHF 307.3 (prior year 425.6) million. Overall Group sales totalled CHF 314.4 (prior year 456.2) million. With improved operations, lower raw material costs, better purchasing practices, favourable currency developments and not least supported by rapid staffing adjustments aligning the Group flexibly to lower and oscillating market demand, Gurit managed to counterbalance the negative effects of the recession and the lower production and overhead cost absorption. Gurit safeguarded its profitability as highlighted by a slightly improved operational EBIT margin of 5.8%, a solid Group EBIT margin of 12.1% including one-time effects, and an 81% stronger cash flow from operating activities of CHF 56.2 million. Gurit achieved an operational EBIT of CHF 18.1 (prior year: 24.1) million and reports a Group EBIT of CHF 38.0 (prior year: 28.1) million. The net result for 2009 amounts to CHF 20.9 (prior year: 17.2) million. Also after the acquisition of three companies in 2009, the balance sheet continues to be strong as evidenced by an equity ratio of 55% and a net cash position of

CHF 24.4. RONA, return on net assets (including goodwill offset against equity), increased in 2009 to 9.9% compared with 7.7% recorded in 2008.

### **Lower demand in 2009 across all target market activities**

As previously announced, Gurit reports – at constant year-to-date currency translation rates – 17.9% lower sales to the Wind Energy market, 17.1% lower sales to the Transportation market, and 41.78% lower sales to the Marine market. The Group has, however, made considerable strategic steps forward to further enhance its competitive position in all target market areas.

### **Three important acquisitions strengthen strategic position in the target markets**

Gurit successfully implemented two important strategic steps which enhance the Group's position in the global Wind Energy market: The acquisition of China Techno Foam enabled Gurit to rapidly develop its own PVC foam concept for wind energy applications. Gurit also decided to enter – from a starting position in Europe – the emerging PET core market by commissioning a PET extruder which will be installed in China. With these steps, Gurit extended the core materials offering beyond its traditional CoreCell foams to now cover all core material categories relevant in wind turbine blade manufacturing.

With the acquisition of Red Maple, the leading turbine blade mould manufacturer in China, Gurit gains broader access especially to the growing local Chinese customer base using infusion technology. Gurit can now address wind turbine blade manufacturers with a combined offering of moulds, materials and engineering.

With the acquisition of High Modulus, Gurit expands its material and engineering expertise to a truly global leadership position in the recovering marine market, also adding the engineered materials package B<sup>3</sup> Smart-Pac for the top series production boat market.

In Transportation, Gurit continues to be a leading supplier of materials for Aircraft interiors and certain secondary structures and extends this competency into selected aerospace and rail markets. In addition, Gurit won a second and third automotive customer.



### **New Board member and increased dividend of CHF 15.00**

Based on the Group's solid position in its target markets, the ongoing strong balance sheet and the ability to generate solid cash flows, the Board of Directors will propose to the Annual General Meeting of Shareholders on April 23, 2010 to pay out an increased dividend of CHF 15.00 per bearer share of CHF 50 par value each. This equals a payout ratio of 33.6% of the Group's net profit.

The Board also proposes Peter Leupp (Swiss Citizen, born in 1951) to be elected as a new member of the Board of Directors. Mr. Leupp holds a masters degree in electronic engineering and serves as member of the Executive Board of ABB Ltd, Switzerland as Head of the Power Systems Division.

**The Invitation to the Annual General Meeting** is available at [http://investors.gurit.com/investor-relations/shareholder-meeting\\_en.html](http://investors.gurit.com/investor-relations/shareholder-meeting_en.html)

### **Outlook 2010: Expecting sales growth and EBIT margin of 8-10%**

Especially in Wind Energy, Gurit witnessed a poor start into 2010 with one major customer de-stocking finished turbine blades and halting the entire production for almost two months. From a current perspective, Gurit expects overall Wind Energy sales in 2010 to be slightly below the prior year due to the slow start in Q1, with strongly growing momentum in the second half of the year and excellent mid- to long-term perspectives. While Gurit expects to achieve ongoing growth in its Wind Energy activities in Asia and China in particular, prevailing market uncertainties in Europe and North America make the future development for these areas hard to predict. Transportation sales are expected to remain largely stable, potentially adding additional automotive customers. Thanks to the acquisition of High Modulus, Gurit's Marine business is believed to exceed 2009 sales by approximately CHF 15 million. The Tooling business which will be reported as a separate target market area going forward should contribute some CHF 30 million to sales in 2010.

Based on the important strategic achievements made in 2009, Gurit expects to generate growing Group sales in 2010 and to further benefit from its strategically enhanced competitive position as markets are expected to continue to rebound in 2011. Based on these projections as well as the



achieved and ongoing operational improvements, Gurit expects to reach a Group EBIT margin of 8-10% in 2010.

Net sales in CHF million	2008 reported	2008 at translation rates Dec09	2009	+/-%
<b>TOTAL GROUP</b>	456.2	<b>425.2</b>	<b>314.4</b>	<b>-26.1</b>
<b>TARGET MARKETS</b>	425.6	<b>394.7</b>	<b>307.3</b>	<b>-22.1</b>
Wind Energy	269.8	250.1	205.4	-17.9
Transportation	74.7	71.9	59.6	-17.1
Marine	81.0	72.6	42.3	-41.7
Other	30.7	30.5	7.1	-76.9

### Media and Analyst conference/Webcast today at 09:00 a.m. CET

Gurit will discuss its 2009 results today at a joint media and analyst conference in Zürich, starting at 09:00 a.m. CET. The conference will take place at SIX Swiss Exchange, Convention Point, Selnau Strasse 30, CH-8021 Zürich. The presentation will be held in English and will also be accessible as a webcast (<http://ir.gurit.com/>) in the investor relations section of the Gurit website [www.gurit.com](http://www.gurit.com) where a recorded version will later be archived.

### Annual Report 2009

The full Annual Report 2009 is available for download at [http://investors.gurit.com/investor-relations/publications\\_en.html](http://investors.gurit.com/investor-relations/publications_en.html)

**For further information:** Bernhard Schweizer, Group Communications/Investor Relations, Tel. +41 44 316 1555; Mobile: +41 79 373 2178 [bernhard.schweizer@gurit.com](mailto:bernhard.schweizer@gurit.com);

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**On Gurit:** The companies of Gurit Holding AG, Wattwil/Switzerland, (SIX Swiss Exchange: GUR) are specialised on the development and manufacture of advanced composite materials and related technologies featuring bespoke physical and chemical characteristics. The comprehensive product range comprises fibre reinforced prepreps, structural foam, gel coats, adhesives, resins and consumables as well as certain finished parts. Gurit supplies growth markets in Wind Energy, Transportation and Marine. The international Group has production sites and offices in Switzerland, Germany, the UK, Canada, Spain, Australia, New Zealand, the USA, India, Singapore and China.

