

Gurit 2010 Annual Results

March 28, 2011, Zürich



3/25/2011

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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.

Agenda



Business results 2010 and
Strategy deployment update

Rudolf Hadorn

Financial results 2010

Markus Knuesli Amacker

Business outlook 2011

Rudolf Hadorn

Questions & Answers

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Corporate



Business results 2010 and Strategy deployment update

Wind Energy

Tooling

Transportation

Marine

3/25/2011

2010 Key Messages



Group net sales of CHF 311.6 million (+2.7% at constant rates) in 2010

- **Wind Energy** prepreg demand hit by weak European/American market demand; couldn't be offset by strong growth in core material in Asia
- **Tooling** demand very strong in China in H1, first global customers won in H2
- **Transportation** developed stably
- **Marine** market growth still modest, positive acquisition effect from High Modulus

Earnings improved; reached lower mid-term guidance range despite top-line

- Operational EBIT margin target (8-10%) met both at HY and YE
- Strong Group EBIT (10.5%) and EBITDA (14.8%), 19.2% higher Net Profit

Effective cost management and efficiency gains

- Strong actions to manage volatility and under-utilized prepreg capacity

Strong investment year 2010 funded by **net debt-free balance sheet** :

- CHF 22.7 CAPEX
- CHF 5.7 R&D

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Significant strategic progress in 2010



- Benefits will become visible in 2011+ from
 - Global set-up reached (1/3 of sales in Asia, 2/3 mainly Europe and some US)
 - Market faced organization
 - Expansion to "full line" offering by adding PET, PVC, Balsa, Tooling, B³ SmartPac
 - "Local for local" footprint strategy (>50% of staffs in Asia)
- "In the region, for the region" strategy to provide Gurit with unique cost-, lead-time- and customer proximity benefits
- Integration year 2010: leveraging Tooling offering, High Modulus and China Techno Foam (PVC core) acquisitions
- Widening customer base to de-risks the business model and build a platform for growth
- Rising share of profit generating units located in lower tax countries shows significant progress on tax bill



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Gurit strategy development in perspective



	Geography	Offering	Customer base	Business model
Gurit in 2013	<u>Being global</u> <ul style="list-style-type: none"> Adding focus on India and South America 	<ul style="list-style-type: none"> Component opportunities 	<ul style="list-style-type: none"> Leading position in top global customers in each target market 	<ul style="list-style-type: none"> Strong value adding through full offering deployment
Gurit in 2010	<u>Getting global</u> <ul style="list-style-type: none"> 50% staff in China 30% sales in China 	<ul style="list-style-type: none"> Built full line of core materials B³ SmartPac Tooling 	<ul style="list-style-type: none"> European and Asian mainly Rapid growth of customer base Better sales mix 	<ul style="list-style-type: none"> Rising value adding through Core material and Tooling strategy
Gurit in 2007	<u>Mainly European</u>	<ul style="list-style-type: none"> Prepreg Corecell foam Formulated 	<ul style="list-style-type: none"> Mainly European Few and dominant clients 	<ul style="list-style-type: none"> Low gross margin "Converter model"

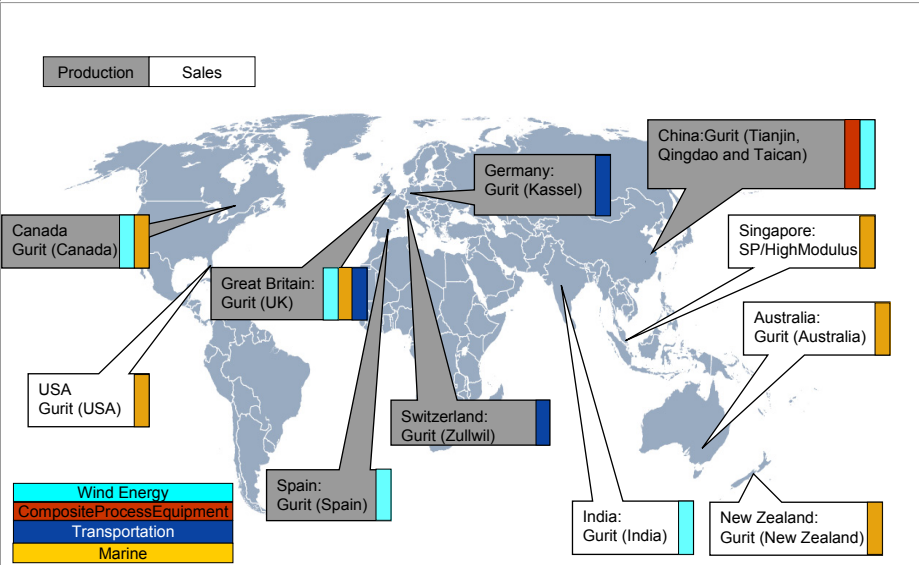
Strategic Moves



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From a Euro-centric to a global footprint



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2010 Update by Business Unit



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

Market/Customers

- EU/US: De-stocking in Q1, H2 no step-up
- Asia: Markets strong, Gurit with rising shares

Offering enhancements

- PVC, PET, Balsa added to offering range
- PVC factory, 2nd module in 2011
- PET core material production in China
- Value-adding precision kitting as a differentiator

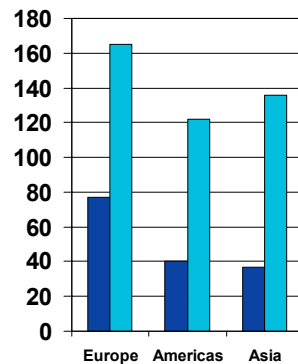
Cost factors

- Material cost up, over-capacity hit on fixed cost

Results

- Net sales declined in Europe, gains in Asia
- Profitability: EBIT below Group average

Cumulative installed MW

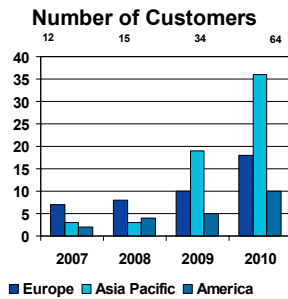


Source: BTM Consult, 2010 ■ 2009 ■ 2014

2010 Strategy achievements Wind Energy



- Completed core material offering range
- Grew considerably in Asia
- Entered repair market with RENUVO
- Expanded customer range



OUR STRATEGY

Build and develop a global structural core material presence

Benefit from our leading position in prepreg

Expand our position in the supply chain

2010 ACHIEVEMENTS

We established a full range of structural core materials complementing our CoreCell offering with PVC, PET, and Balsa wood.

We leveraged our strong position in prepreps as technology and engineering partner for the next-generation of on- and off-shore blades and blade components.

We entered the after-sales market with the blade repair system RENUVO. We bundled our materials, technology and services offering with the Group's new expertise in Tooling.

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Wind Energy

Tooling: Leader in China and world-wide, international sales rapidly growing



Market/Customers

- H1 strong demand in China; H2 expanding international business
- Global leader as largest fully integrated, highly specialized, independent quality mould manufacturer

Offering enhancements

- Capacity for longer blade moulds with new facility
- Alternative fluid mould heating for prepreg technology moulds

Cost factors

- Pressure on sales prices in China, rising labor costs
- Efficiency gains through specialization and flexibility

Results

- Net sales strongly up over undisclosed prior year
- Profitability: EBIT above Group average



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Tooling

2010 Strategy achievements Tooling



New Taicang facility

- CHF 15 million invested
- For up to 75m / 7MW moulds
- Asia's largest CNC
- Master plug capability

Value Chain Position

- Biggest integrated, specialized, independent manufacturer for series mould builds
- Growing international and out-of-China export business

OUR STRATEGY

Maintain leader position in China for wind turbine blade moulds

Expand out-of-China export business of wind turbine blade moulds

Take Tooling beyond infusion technology

2010 ACHIEVEMENTS

We opened a new production facility for longer blade moulds and added a large-scale CNC machining centre to assist Chinese customers in developing their own master plugs.

We exported more and more moulds to India and Europe in addition to supplying a growing number of international customers in China.

We developed new tooling materials that are suitable for moulds using prepreg technology.



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Tooling

Transportation: "Farm" Aerospace, "Expand" Rail, and "Build" Automotive customer base



Market/Customers

- Aerospace: Leader in Airbus interiors, slow A380 ramp-up, increasing position in 2ndary structures (Ariane, smaller craft)
- Rail: Follow-on sales for Chinese trains; interest urban transit
- Automotive: 3rd customer; ongoing industry interest

Offering enhancements

- Innovative products for interiors (e.g. A350) and structures

Cost factors

- Efficiency gains in Aerospace and Automotive factories with continuous improvements

Results

- Stable and predictable net sales development
- Profitability: EBIT above Group average



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Transportation

2010 Strategy achievements Transportation



Value Chain Position

- Intensified cooperation with Airbus Tier 2 partners for flooring/interiors
- Inroads into regional and business aircraft
- Establishing position in structural materials
- Expanding Automotive and Rail businesses



OUR STRATEGY	2010 ACHIEVEMENTS
Expand our position in aircraft interiors	We agreed with EFW Elbe Flugzeugwerke to expand our cooperation for Airbus Aircraft and we won additional business with aircraft component suppliers in South-Western and Southern Europe through superior product characteristics of cyanate ester prepregs and of carbon fiber UD tapes.
Enter the market for aircraft structures	We started process and component testings with Gurit prepregs suitable for structural applications, with manufacturers of business jets.
Grow Rail and Automotive	We expanded our customer and project list in Automotive.

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Transportation

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



Market/Customers

- Superyachts and race boat market see first new projects
- Many production boat-builders out of business, resuming slowly
- Ongoing market consolidation
- Slow rising demand in global marine market

Offering enhancements

- SP-High Modulus: Complementary presence and competences
- B³ SmartPac to address series builds market

Cost factors

- Material cost up, over-capacity hit on fixed cost

Results

- Net sales growth reflects integration of High Modulus
- Profitability: Below Group-average



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Marine

2010 Strategy achievements Marine



Market reach

- True global reach
- Focus on growth areas such as Mediterranean, Middle East and Far East
- Address new boat categories including commercial, military and production vessels
- Initiated global roll out of B³ SmartPacs

OUR STRATEGY

Leverage globally leading structural engineering position

Expand into new geographic market and boat segments

Penetrate production boat market with B³ SmartPac

2010 ACHIEVEMENTS

We addressed the global marine market based on our worldwide local presence.

We approached the Mediterranean market in a much broader way and actively addressed the commercial and military boat segments.

We introduced the B³ SmartPac capability of combining engineering and full material building packages for multiple boat builds to America and will now roll out the concept globally.



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Marine

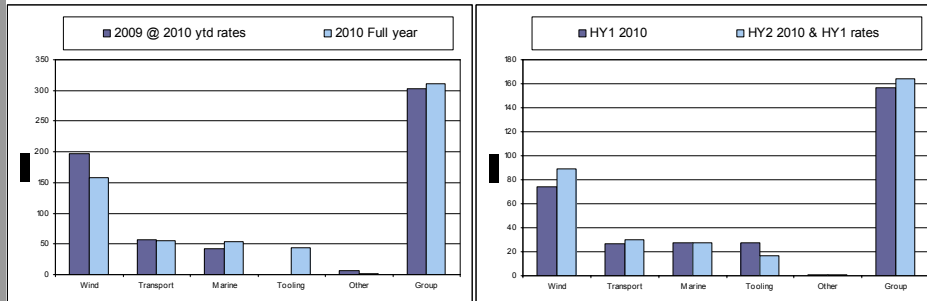


Financial Results 2010



3/25/2011

Sales up 2.7% vs. FY 2009 and 4.9% vs. HY1 2010 at constant translation rates

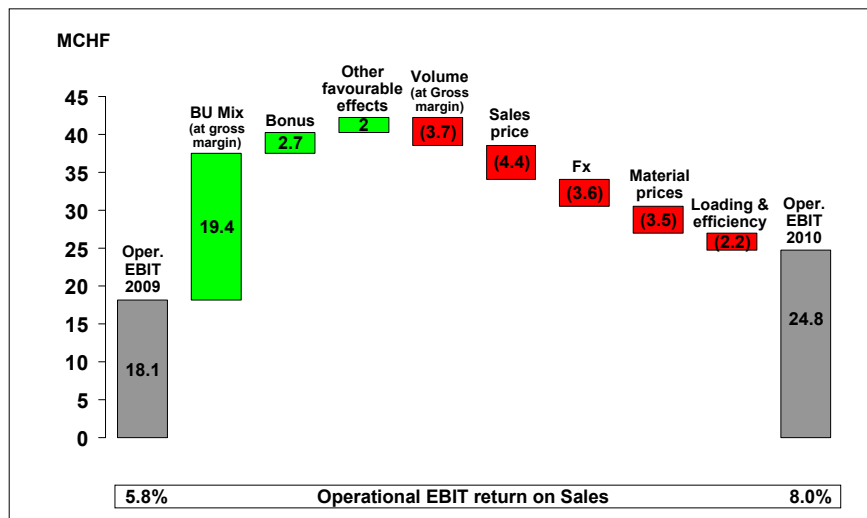


MCHF	2009 @ 2010 ytd rates	2010 Full year @ constant rates	Variance	
			2010 vs 2009 @ constant rates	HY2 2010 vs HY1 @ constant rates
Wind Energy	197.0	158.5	-19.5%	20.6%
Transportation	56.8	55.0	-3.2%	11.3%
Marine	43.1	53.6	24.4%	0.4%
Tooling	0.0	43.4		-39.2%
Total Target Markets	296.9	310.5	4.6%	4.8%
Other	6.5	1.1	-83.1%	40.0%
Total Net sales	303.4	311.6	2.7%	4.9%

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Operating EBIT* margin up from 5.8% to 8.0%

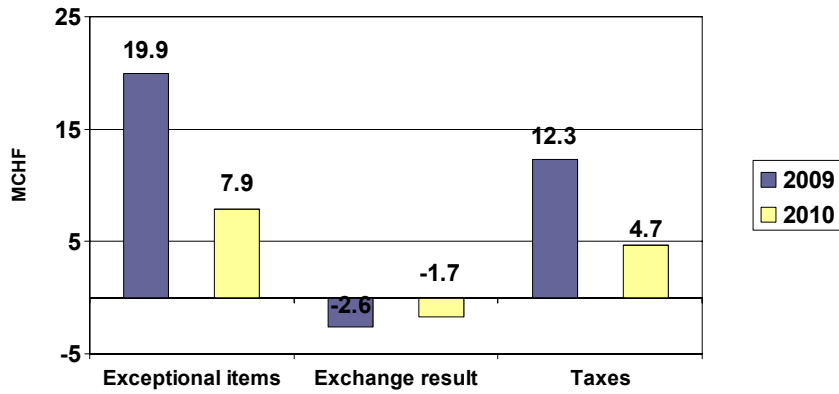


* Operating profit excluding other operating income and non-recurring expenses and excluding impairment

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Major non-operating items

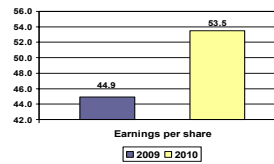
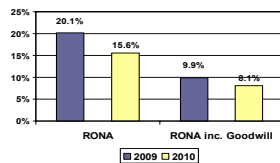


- Exceptional items in 2010 are mainly due to the settlement of a patent dispute with Hexcel
- The decrease in Exchange loss is largely due to re-enforced balance sheet exposure hedging
- The low Group tax rate of 15.8% (2009: 37.0%) could be achieved thanks to the granting of a favourable high-tech status for one of our Chinese entities with retroactive effect and an important share of the profit being generated in China, benefitting from lower than average tax rates

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Increased Net Result despite decrease in exceptional income

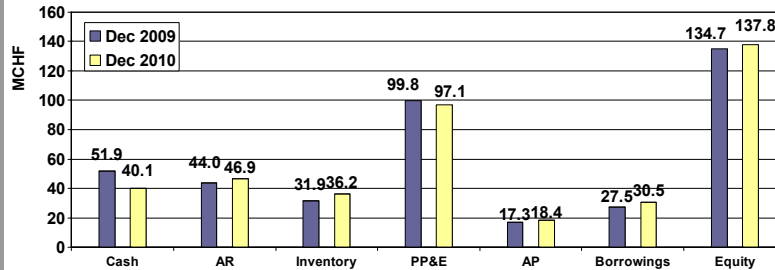


	2009		2010	
	MCHF	% NS	MCHF	% NS
NET SALES	314.4	100.0%	311.6	100.0%
Operating EBIT	18.1	5.8%	24.8	8.0%
Exceptional items	19.9	6.3%	7.9	2.5%
EBIT	38.0	12.1%	32.7	10.5%
Exchange gains and losses	-2.6	-0.8%	-1.7	-0.6%
Interest income and expense	-2.4	-0.8%	-1.2	-0.4%
Other financial income and expense	0.2	0.1%	-0.2	-0.1%
Taxes	-12.3	-3.9%	-4.7	-1.5%
NET RESULT	20.9	6.7%	24.9	8.0%

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Strong Balance Sheet even with some increase in net working capital



Consolidated Assets	Dec 2009		Dec 2010		Consolidated Liabilities and Equity	Dec 2009		Dec 2010	
	MCHF	%	MCHF	%		MCHF	%	MCHF	%
Cash	51.9	21%	40.1	17%	Borrowings	27.5	11%	30.5	13%
Trade receivables	44.0	18%	46.9	19%	Trade payables	17.3	7%	18.4	8%
Inventories	31.9	13%	36.2	15%	Other current payables	31.6	13%	23.2	10%
Other current assets	9.4	4%	11.5	5%	Deferred income tax liabilities	13.7	6%	12.6	5%
Deferred income tax assets	3.1	1%	2.5	1%	Provisions	19.3	8%	18.1	8%
Property, plant and equipment	99.8	41%	97.1	40%	Other non-current liabilities	0.2	0%	0.0	0%
Intangible assets	3.9	2%	6.0	2%	Equity	134.7	55%	137.8	57%
Other non-current assets	0.2	0%	0.4	0%	TOTAL LIABILITIES AND EQUITY	244.3	100%	240.7	100%
TOTAL ASSETS	244.3	100%	240.7	100%					

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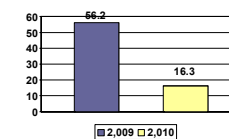
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Cash flow impacted by NWC requirements and increased investment activity

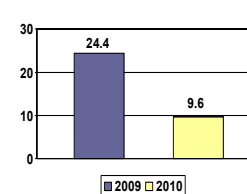


	2009 MCHF	2010 MCHF
EBIT	38.0	32.7
Depreciation, amortisation, impairment	11.5	13.4
Change in working capital	19.7	-24.4
Other cash flow from operating activities	-13.0	-5.4
Purchase of PPE and Intangibles	-10.9	-26.3
Proceeds from sale of PPE and Intangibles	2.4	5.4
Change in borrowings	-19.5	5.1
Dividend distribution	-6.1	-7.0
Acquisition of subsidiaries	-22.5	0.0
Other investing and financing activities	4.3	-0.4
CHANGE IN CASH AND CASH EQUIVALENTS	3.9	-6.9

CASH FLOW FROM OPERATING ACTIVITIES



Net Cash



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Business Outlook 2011



3/25/2011

Outlook and Guidance

2011: Sales growth in all target markets

- **Wind Energy:** Recovery of prepreg market in Europe and the US, rising core material sales especially in Asia, expanding customer base, demand for renewable energy supports long-term growth
- **Tooling:** Leader position in China, rapidly growing export demand for moulds made in China (India, South America, Southern and Central Europe)
- **Transportation:** Initiatives in Aerospace, Automotive and Rail
- **Marine:** Sales starting to grow in race and superyachts and with B³ SmartPacs in production boats
- Operational EBIT target of **8-10%**

Mid-term targets 2012/13

- Sales: Return to traditional growth corridors of target markets
- Operational EBIT margin **8-10%**

Annual General Meeting



- Distribution of CHF 15.00 per bearer share
 - out of reserves from capital contributions
 - not subject to withholding and income tax in Switzerland
- Re-election of Dr. Paul Hälg, Robert Heberlein, Nick Huber
- Agenda available online at <http://investors.gurit.agm.aspx>

	2007	2008	2009	2010
Net profit in CHF million	1.0	17.1	20.9	24.9
Distribution in % of par value	13% dividend	26% dividend	30% dividend	30% out of reserves from capital contrib.
Distribution in CHF	CHF 6.50 gross dividend	CHF 13.00 gross dividend	CHF 15.00 gross dividend	CHF 15.00 out of reserves from capital contributions
Payout ratio (% of net profit)	315.6%	35.5%	33.6%	28.2%
Dividend yield (YE close)	0.58% (YE 1121.--)	2.89% (YE 450.--)	2.59% (YE 580.--)	2.62% (YE 573.--)

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Communication schedule



- Annual General Meeting, April 29, 2011
- Q1 2011 sales, April 209, 2011
- Half-year results, September 9, 2011
- 9 month sales, October 28, 2011

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Your questions, please



3/25/2011