

Gurit-Heberlein Group financial statements as per 31.12.2004

## Gurit-Heberlein Group reports 14% increase in sales, yet lower net profit

- Sales increase to CHF 579 million, EBITDA level maintained, net profit down
- Health Care Division firmly back on track
- Ramp-up of North American composite facility involves CHF 5 million one-off costs
- Restructuring of German Fiber Technology factories results in CHF 3 million non-recurring costs
- Unchanged dividend of 24%

**Wattwil, March 24, 2005.** The Gurit-Heberlein Group achieved a 14% sales increase to CHF 579 million for fiscal year 2004. After extraordinary costs in the previous year, the Health Care Division is now back on track and shows again a double-digit EBIT margin. In the Industrial Applications Division, profitability could not keep pace with the dynamic sales growth: restructuring measures in the Fiber Technology Business and higher-than-expected ramp-up costs at the North American composite works impacted the income statement negatively with combined one-off costs of some CHF 8 million. Gurit closed its books in 2004 with a net profit of CHF 15.8 million.

The 14% sales increase in 2004 is attributable primarily to internal growth. The composite business of the Industrial Applications Division (+18.2%) contributed largely to that increase. During the year under review, Gurit achieved higher sales volumes mainly in the wind energy, marine, aerospace and automotive businesses. Fiber technology, on the other hand, was negatively impacted by the prolonged cyclical downturn.

The Health Care Division (+7.7%) achieved sales increases in both the dental and the medical markets.

### Health Care shows solid EBIT margin

The Health Care Division is firmly back on track and posted again an double-digit EBIT margin. After the considerable one-off costs generated by the integration of all US dental activities at one location last year, the expected synergy effects started to

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pay dividends during the year under review. In the medical business, too, profitability was considerably strengthened following the structural improvements achieved during the previous year. Gurit believes that the future potential of this division is very bright.

**One-off costs negatively impact Industrial Applications**

The integration of four former sites in one and, at the same time, a considerable expansion in capacity at the Canadian composite facility proved to be a much lengthier and complex process than expected. The ramp-up of this new composite facility caused one-off costs of some CHF 5 million. The problems have now been solved and prospects in the advanced composite business remain promising.

The Group companies in the fiber technology market suffered from a protracted and ongoing capital expenditure downturn in the synthetic yarn world market. The restructuring measures that had become necessary in Germany negatively impacted divisional earnings with one-off costs of around CHF 3 million. The Industrial Applications Division reported an unsatisfactory EBIT in the year under review.

**Continued positive outlook**

Considering the major growth potential for both divisions and the expectations for 2005, the Board of Directors will be asking the General Meeting on May 19, 2005, to approve the payment of an unchanged dividend of 24%.

**Key figures**

(in CHF million)	<b>2004</b>	<b>2003</b>
Sales	578.8	508.4
Industrial Applications	355.6	300.9
Health Care	218.9	203.1
EBITDA	66.3	65.3
EBIT	30.0	31.2
Net profit	15.8	23.1