

Gurit acquires The Structural Polymer Group, Isle of Wight/UK

Building a leading position worldwide in Advanced Composites

Gurit-Heberlein, specialized in Chemicals and Synthetics Technology, will acquire effective September 1, 2002, the international Structural Polymer Group Ltd ('The SP Group' more commonly known as 'SP Systems' or 'SP'). Headquartered on the British Isle of Wight, the company is a leading supplier of high performance fiberreinforced materials (Advanced Composites). Together with Gurit's established activities in this field, commonly known as Gurit Material Systems, this acquisition creates a new market leader in Europe. Worldwide, Gurit will position itself as one of the three largest producers of Advanced Composites. Besides a cash payment of £ 54 million, Gurit plans a 6% capital increase of 26,520 new Gurit bearer shares to finance the acquisition price of £ 75 million.

Wattwil, July 19, 2002. In its Industrial Applications Division, Gurit-Heberlein is strategically strengthening the market position of its advanced composites activities. Through the acquisition of the British SP Group, Gurit becomes one of the leading suppliers of these high-potential fiber reinforced materials in Europe. On a global scale, Gurit establishes itself as one of the top three most important suppliers.

Two complementary partners to jointly tap growth markets

The SP Group employs 380 people in Great Britain, Spain, Australia and New Zealand and achieves in the current year sales of £ 60 million. Whereas Gurit supplies advanced composites system solutions for clients in the sporting goods industry (ski, snowboard), the aircraft and aerospace industry, civil engineering and infrastructure as well as some specialized industrial applications such as offshore gas and oil excavation, SP manufactures composite materials for the wind energy generator industry as well as the marine and the automotive business. Leading producers of wind energy generators such as Vestas and Gamesa are customers of SP, and in this market SP holds a majority market share. Due to the respective specialisation of Gurit and SP, there is no market overlap between the activities of the two companies. The two partners together have experience in all the main production techniques and hold prominent positions in today's advanced composites markets. The two companies are an ideal fit. With the acquisition, Gurit Material Systems is poised to benefit from the over-proportional growth in new specialty or the emerging volume markets. The positioning of both corpora-



tions as system suppliers and engineering partners is a valuable basis for close cooperation and also opens up considerable synergy potentials. Some cost savings are expected as a result of the more flexible capacity utilization of the production infrastructure and increased buying power in raw materials. The acquisition of SP opens up considerable growth synergies such as joint R&D efforts, strengthened positions in existing markets and expansion into new geographic or industrial market segments. The broadened customer base should mitigate impacts of economic slow-downs in certain areas.

The SP Group will be included in the scope of consolidation effective September 1, 2002. Based on current proforma figures, Gurit expects the Industrial Applications Division to contribute clearly over CHF 300 million to consolidated annual sales. The double-digit EBIT margin of SP leads Gurit to expect the company to be accretive to Group results as of its first year of consolidation.

Capital increase to partially finance acquisition

Over 80 employees of the SP Group hold shares in their company and would like to continue to benefit from the market success and the expected further market penetration of advanced composites as new shareholders of Gurit-Heberlein. The purchase price of £ 75 million (CHF 172.5 million) will thus only be paid partially in cash (£ 54 million; CHF 124 million). The remainder will be settled in Gurit-Heberlein shares. Gurit plans to use its currently held treasury stock and additional Gurit shares to be bought on the market. In addition, the Board of Directors proposes a 6% capital increase of 26,520 new bearer shares excluding subscription rights of existing shareholders. The issue price is CHF 1180 and reflects the average share price for the first half-year of 2002. On September 3, 2002, an extraordinary General Meeting will decide on the proposed capital increase. In addition, Paul Rudling, current CEO of the SP Group and CEO designate of Gurit's advanced composites Activities, managed under the umbrella of Gurit Material Systems, is up for election as a new member of the Board of Directors.

Gurit will release its half-year figures in early September. These figures will not yet include the current acquisition.

For further information

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About Gurit Heberlein

The Gurit Heberlein Group specialises in specific segments in chemical and synthetics technology. Group companies possess a broad knowledge of the materials and processes involved in the synthetic materials sector. Gurit specialises in two divisions: the Health Care and Industrial Applications. In the Health Care Division the dental segment offers impression and composite filling materials as well as a wide range of complementary products for dentists and dental laboratories. In addition, Gurit produces in its medical activities respiratory products manufactured in clean-rooms as well as medical and pharmaceutical OEM disposables. In the Industrial Applications Division, Gurit is one of the leading suppliers of high performance materials and construction systems in the advanced composites sector. In the production and refining of synthetic fibers (fiber technology) Gurit Heberlein's key components are regarded worldwide as benchmarks.

About the SP Group

Founded over twenty years ago, The SP Group provides advanced composite materials and design technology to make structures lighter, stronger, stiffer and higher in performance. Focusing particularly on the wind energy, marine, and automotive industries, SP uses an 'Integrated Materials Approach', combining skills in materials science, structural design and process engineering.

The SP Group comprises:

Structural Polymer Systems Ltd: Based on the Isle of Wight, UK. SP Systems manufactures a wide range of composite materials for many different composite processes. The product range includes liquid epoxy resins, UV-stable epoxy gelcoats, structural adhesives, heavyweight carbon fiber and glassfiber prepregs, dry reinforcements. SP also manufactures the unique SPRINT products, which make composite components faster and less expensive to build.

Structural Polymer Technologies Ltd: The technology arm of the SP Group, SP Technologies provides materials research and testing, composite process development and extensive structural design capabilities.

Structural Polymer Systems S.A.: Based in Albacete, Spain. Manufactures a range of SP's composite materials, particularly SPRINT, for the Spanish market.

SP Systems (Australia) Pty Ltd: Based in Sydney, Australia. Sales, warehousing and technical support for the local, NZ and SE Asian markets.

SP Systems (New Zealand) Ltd: Based in Auckland and providing local sales and logistics support.