

Half-year financial statements at 30.6.2006

Significant increase in sales and earnings

- New organizational structure pays off
- Expanded production in North America
- Doubling structural foam capacities
- Projected production facility in China

Gurit Holding AG companies can look back on a strong first half-year from both an operational and marketing point of view. Sales during the first six months rose by 21 percent to CHF 188 million. Compared with the same period last year operating profit put on an over-proportionately high 75 percentage increase to stand at CHF 14.5 million. The improvement was due both to higher sales and greater operative efficiency. Gurit, now exclusively focused on advanced composite materials, is well positioned for future growth.

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Wattwil, September 1, 2006. Gurit reported significant increases in its thriving wind power supply business, as well as in the marine and sport sectors. Expansion of the production facility in Canada means that in addition to its leading position in Europe, Gurit has permanently strengthened its position in the important wind energy and shipbuilding markets of North America. In the transport sector, Gurit profited from the trend in the aircraft industry. Recent delays with the Airbus A380 airliner have so far had no impact on Gurit.

Doubling structural foam capacities

The worldwide demand for advanced composites continues to rise and Gurit intends to make full use of this growth to consolidate its market position. In Canada, capacity for the first stage in the production of structural foams will be doubled in the course of the next six to eight months. At this first stage in the process the materials, which are destined primarily for use in the wind power and shipbuilding industries, are still in compacted form. In the second phase they are expanded, making them light and voluminous, and there are plans to relocate this stage as close as possible to end-users. The entire investment program for structural foams from 2006 to 2008 is around CHF 20 million.

Construction of Group-owned facility in China

By 2020, China intends to double the share of energy it obtains from renewable sources from its current 7 percent to 15 percent. In view of the country's escalating energy consumption, this will involve a massive increase in the number of wind power plants. However, China requires 70 percent of the parts for its wind power farms to be manufactured locally. All major wind turbine manufacturers are currently installing production capacity in China. Gurit is therefore also planning to build a production



facility in Tianjin, in the direct vicinity of some major wind power customers. Initially, the new Gurit factory will be equipped to manufacture prepregs for the wind power industry and process structural foams. Gurit expects a total investment of over CHF 20 million, staggered between 2007 and 2008.

Positive outlook

On the basis of market developments in the first half of the year, the healthy state of the company's order books and the unabated demand for advanced composites, Gurit forecasts total sales for fiscal 2006 of over CHF 365 million. Investment in new growth projects notwithstanding, further operative improvements should lead to an EBIT of around CHF 27 million.

42% earnings increase compared to former Gurit-Heberlein Group
Since the beginning of this year, Gurit is exclusively focused on high-end synthetic materials. After the separation of the former Health Care Division and the sale of the fiber technology business, performance figures are no longer directly comparable to last year's results. The two independent companies, Gurit and Medisize, achieved together a very impressive earnings increase:

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| Half-year result Gurit Group | CHF 10.2 million |
| <u>Half-year result Medisize Group</u> | <u>CHF 10.1 million</u> |
| Total Gurit + Medisize Half-year results | CHF 20.2 million |

Compared with the respective result of Gurit-Heberlein Group last year of CHF 14.3 million, this equals an increase in net profit of +42%.

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