

Gurit shows 113% increase in net profit

- 27% increase in sales to CHF 381.3 million
- 174% increase in EBIT to CHF 27.5 million
- Board of Director proposes to increase dividend to 26%

Gurit (SWX Swiss Exchange: GUR), a leading supplier of advanced composite materials, increased sales in 2006 by 26.6% to CHF 381.3 million. EBIT rose by 174% to CHF 27.5 million resulting in an EBIT margin of 7.2%. The Group reports a 113% higher net profit of CHF 18.6 million. The Board of Directors proposes to increase the dividend payment by two percentage points to 26%.

Wattwil, March 26, 2007. Gurit, a worldwide leading producer of high-performance advanced composite materials, reports sales for the financial year 2006 of CHF 381.3 million. This is a 26.6% increase over last year's comparable sales figure of CHF 301.1 million. Group EBIT rose by 174% to CHF 27.5 million. Gurit thus increased its EBIT margin from 3.4% in the previous year to 7.2% for 2006. During the second half of 2006, the various initiatives to realign production, moving important equipment closer to customers and into fast-growing market areas as well as markedly increased raw material prices limited a more dynamic margin expansion. These measures, however, should all bear fruit in the future.

Gurit Holding AG
CH-9630 Wattwil
Switzerland

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

www.gurit.com

Targeting growth markets

The positive sales growth is largely supported by material and technology supplies to the *Wind Energy* industry. Gurit generates 50% of its sales in this dynamically growing market. The target *Market Marine, Sport and Civil Engineering* accounts for 32% of Group sales. Traditionally a leading material and technology partner for high-end performance yachts, Gurit is benefiting from an increasing market penetration in the production boat segment. Winter sport applications saw a stable development in 2006; Gurit has developed a new high-resolution printing technology for ski and snowboard top sheets which is now being introduced industry-wide. In Civil Engineering, Gurit was also able to markedly increase its reinforcement element business during the year under review. 15% of sales come from materials used for *Transportation* purposes. Materials for aircraft interiors make up the lion's share. This business showed a stable performance in 2006; Gurit expects to see stronger increases again as the build rates for the new A380 Airbus planes begin to rise. Gurit's successful production of finished car body parts out of carbon prepreg was widely noticed in the automotive world, and Gurit is currently establishing specific manufacturing capacities in the UK.



Focusing on growth

During the second half of 2006, certain production expansions and re-alignments as well as equipment transfers and site consolidations took place or were initiated: Using existing equipment transferred from Europe, the production of prepreg materials was launched in Canada while the structural foam capacities were significantly expanded at the same time. The construction of a new subsidiary in China is proceeding as planned: the tailoring of structural foam products is scheduled to begin in April 2007 and the manufacture of prepregs is slated for autumn. The production of extruded materials, mostly for winter sports, is now consolidated in Switzerland. These expansion projects together with additional operational initiatives at practically all Gurit production sites world-wide will strengthen the market position of Gurit in the future. Together with considerably higher raw material prices, the projects have, however, constrained a more dynamic margin increase in the second half of the year. The higher raw material prices have successfully been factored into most supply contracts. The formerly tight sourcing situation for carbon fibres has become less tight as new production capacity is coming onstream world-wide. Gurit's growth initiatives have led to higher investments in fixed assets of CHF 31 million. These investments are all cash flow financed. Gurit reports a cash flow of CHF 32.1 million.

Total investments for the capacity expansions mentioned above is budgeted with CHF 38 million for the two years 2006 and 2007. Looking ahead, Gurit estimates maintenance capital expenditure to be at around CHF 15 million. With an equity ratio of 66% (previous year 64%), the Group has a very strong balance sheet providing an excellent basis for future growth.

Increase of dividend payments

Gurit Holding AG, the parent company of the Group, reported a result for the fiscal year of CHF 7.4 million. The Board of Directors proposes to the Annual General Meeting of Shareholders to increase the dividend by 2 percentage points to 26% or CHF 13.00 per bearer share at CHF 50.00 par value.

Media and Analyst conference // Webcast

Gurit hosts a joint media and analyst conference today, March 26, 2007, at 0900 CET at SWX Swiss Exchange in Zurich/Switzerland. The presentations are simultaneously webcast in the investor relations section of the Gurit website at www.gurit.com



Financial key figures (in CHFmillion)	2005 IFRS not comparable	2005 comparable pro forma	2006 IFRS	+/-%
SALES	344.9	301.1	381.3	+26.6%
Cost of goods and materials	-185.0	-164.6	-218.8	
Personnel expenses	-102.5	-74.5	-86.3	
Other operating expenses	-43.9		-17.5	
Marketing&admin. expenses	-18.9	-38.6	-22.9	
Management services for 3 rd parties	2.7	-	2.3	
Sundry operation result	-10.3	-	2.9	
Depreciation	-41.6	-13.3	-13.5	
EBIT	-54.6	10.1	27.5	+174.0%
Financial expenses	-3.8		-5.5	
Financial income	3.6	1.1	3.8	
Profit before tax	-54.8	11.2	25.8	+130.6%
Tax	5.8	-2.5	-7.2	
Profit after tax from activities continued as Gurit Holding AG	-49.0	8.7	18.6	113.1%
Minority interests	1.3	1.3	0	
Profit	-47.7	10.0	18.6	+86%
Profit from discontinued opera- tions Medisize Holding AG	18.1		10.1	
Group profit	-29.6		28.7	

E-mail alerts: sign-up for email alerts on Gurit is available at www.gurit.ch/publications/news_en.html

For further information: Bernhard Schweizer, Group Communications, Tel. +41-71-987-1010; bernhard.schweizer@gurit.com

On Gurit: The companies of Gurit Holding AG, Wattwil/Switzerland, are specialised on the development and manufacture of high-end composite materials featuring bespoke physical and chemical characteristics. The comprehensive product range comprises fibre reinforced prepregs, structural foam, gel coats, adhesives, resins and consumables as well as certain finished parts. Gurit supplies growth markets in Wind Energy, Transportation (Aerospace, Automotive, Rail) and Marine/Sports/Civil Engineering. The international Group has production sites and offices in Switzerland, Germany, the UK, Canada, Spain, Denmark, Australia, New Zealand, the USA, India and China.