

Strong sales growth results in one-off costs

- 19% sales increase to CHF 223 million in 1HY 2007
- CHF 475 million for FY2007 expected
- Expansion project in China running on track
- Not capitalized expansion costs and the late start of prepreg production in Canada lead to CHF 9 million one-off charges

Gurit (SWX Swiss Exchange: GUR), a leading developer and producer of advanced composite materials and respective technology solutions, is expecting – based on preliminary figures – a 19% sales increase to CHF 223 million for the first half-year 2007 and CHF 475 million in sales for the full year 2007. A prepreg production line in Canada only went on stream after several costly re-fittings. Charges directly and indirectly linked to this delay coupled with not capitalized expansion costs put pressure on Gurit's half-year performance. The expansion project in China is on track.

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Wattwil, July 12, 2007. Gurit, a leading manufacturer of high-end composites for applications in the *Wind Energy, Transportation* as well as *Marine, Sport and Civil Engineering* markets, expects to achieve sales for the first half-year of around CHF 223 million. For the full year 2007, Gurit expects a continued sales increase to CHF 475 million.

Material and technology supplies to the *Wind Energy* market increased by 39% to CHF 122 compared with the first half-year of 2006. Sales to *Transportation* (Aerospace, Automotive, Rail) applications slightly declined as expected by 2.2% to CHF 31 million. Because of the slow winter sport business and the transfer of the ski and safety goggles foil business to the joint venture GuMa, shipments to customers in the *Marine, Sport and Civil Engineering* markets decreased by 3.3% to CHF 62 million in the first half of 2007. Other Group activities and consolidation amounted to CHF 8 million in sales.

The set-up of a prepreg production unit, which had been transferred from Europe to Canada, resulted in unexpected one-off costs in the second quarter. Adjusting this prepreg line to a different product mix made several unexpected re-fitting measures necessary. As a consequence, the qualification work which is closely coordinated with customers, became more complex and caused considerably higher personnel and material costs. Because of the delayed start of this line in Canada, Gurit was unable to produce the prepreg materials ordered in North-America locally. To meet the customers' requirements, costly changes were made to the production plans at the European production sites and inevitably resulted in higher shipping costs.

The set-up of the production site in China runs on track; this facility will officially be inaugurated on August 22, 2007. Additional capacity increases in Spain (prepreg), Switzerland (pultrusion) and again in Canada (structural foam) are also on schedule.

Gurit's expansion projects typically comprise custom-made and often customer-specific equipment. The personnel, training and material expenses as well as fine-tuning and qualification costs related to ramp up of equipment are not capitalized, but are directly charged to the income statement.

The late start of the prepreg production in Canada in addition to the not capitalized expansion costs, will lead in almost equal parts to total one-off costs of around CHF 9 million during the first half-year. Based on preliminary figures showing 19% higher sales of CHF 223 million for the first half-year, Gurit expects an EBIT between CHF 3 and 5 million.

Gurit will release its detailed half-year results on August 31, 2007.

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http://www.gurit.com/investor-relations/news_en.html

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 foams, 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.

