

A decorative horizontal bar spans the width of the page, just below the Gurit logo. It is composed of several colored segments: a white segment, a light blue segment, a white segment, a white segment, a dark blue segment, a white segment, and a yellow segment.

Half-year report 2008

- Sales increase 11.8% to CHF 237.1 million at constant translation rates
- EBIT of CHF 16.0 (before exceptional items CHF 11.4) million equals 6.7% (4.8%) EBIT margin
- Net result increases from CHF 2.5 million to CHF 8.5 million
- Operational improvements start to show first results
- Full-year guidance confirmed

Solid growth and rebuilding long-term profitability

Focusing on operational improvements as well as profitable sales growth, Gurit increased revenues in the first half-year of 2008 by 11.8% at constant June 2007 currency translation rates.

The implementation of the mid- to long-term action plan, announced in January, is being rolled out and first positive effects are starting to show as evidenced by an operational EBIT margin of 4.8% for the first half of 2008.

A positive cash flow used to reduce debt, tight management of working capital as well as limited investments have lowered net debt and increased the Group's equity ratio to 65.6%.

Gurit continues to expect a 7 to 10% sales growth and an EBIT margin of at least 4% for the full year 2008. It also maintains its guidance of an improved EBIT margin of 8 to 10% by 2010.

Gurit grew sales in the first half of 2008 in all target markets: at constant June 2007 currency translation rates Group sales increased 11.8% (5.7% in reported Swiss francs). Sales to the Wind Energy industry increased by 16.7% (reported Swiss francs: 8.1%), to CHF 132.5 million accounting for 56% of Group sales. Transportation, Sport and Civil Engineering recorded a 2.8% (reported Swiss francs: 2.0%) revenue increase to CHF 54.5 million contributing 23% to Group sales. Excluding the Winter Sport activities sold or phased out in the meantime and Civil Engineering, Transportation would have recorded a 13.4% (reported Swiss francs 12.1%) sales growth to CHF 34.8 million. Sales to Marine customers showed an impressive increase of 24.8% (reported Swiss francs: 15.6%) to CHF 45.4 million and thus accounted for 19% of Group sales.

First operational improvements and exceptional effects improve EBIT

At the beginning of this year, the new Gurit management team presented a comprehensive action plan to rebuild the Group's operational profitability. The half-year results confirm that Gurit is returning to profitable growth. EBIT before exceptional items reached CHF 11.4 million, up from CHF 4.9 million in the first half-year of 2007 (excluding sundry operating result). This increase mainly came from sales growths, certain operational improvements, better loading of the production facilities, lower line qualification costs and a tightly managed cost base.

Exceptional EBIT components

An additional CHF 4.6 million EBIT contribution recorded in the first six months of 2008 resulted from exceptional or one-time effects: Some CHF 7.4 million are related to a hedge agreement entered into with a bank: This contract relates to an ongoing legal dispute with a former key supplier. According to the hedge agreement, Gurit is to receive a minimum amount of USD 7 million regardless the outcome of the litigation. Gurit will also benefit from the final compensation payments which Management expects to exceed USD 7 million.

Other exceptional operating results include restructuring costs and impairment charges for the winter sport activities formerly based in Switzerland as well as some gains from the sale of fixed assets. Including these exceptional items, EBIT reached CHF 16 million or 6.7% of net sales.

Increase in net profit

Exchange rate differences, impairment charges on financial assets and currency hedging cost negatively impacted the Group's financial result by some CHF 3.3 million. Reflecting improved earnings, the tax expenses rose to CHF 2.5 million after CHF 0.8 million paid in the same period of last year. The overall tax rate slightly decreased from approximately 24% to 23%. The net result for the first half of 2008 increased from CHF 2.5 million to CHF 8.5 million.

Stronger cash flow...

Maintaining and even accelerating the sales growth during the second quarter while improving on its costs and net working capital management, Gurit improved its cash flow and balance sheet. Cash flow from operating activities rose to CHF 15.1 million compared with a negative figure of CHF -2.4 million in the same period of last year. While the investments into the new manufacturing capacities resulted in cash used for investment activities of CHF 25.2 million in the first half of 2007, the respective figure for this year's first six months amounts only to CHF 1.2 million. Gurit mainly concentrated on loading its existing production capacity rather than expanding capacity this year. While during the first six months in 2007 cash from financing activities amounting to CHF 24 million was required, approximately the same amount of cash has been used to reduce debt and pay dividends for the same period in 2008. Gurit closed the reporting period with cash and cash equivalents of CHF 31.1 million after CHF 32.4 million at the end of June 2007.

... and reduced net debt

Total assets decreased from CHF 488.0 million at the end of last year to CHF 452.8 million at the end of June 2008. Net working capital was closely monitored and managed. While cash decreased mainly due to the reimbursement of various short-term credits, the inventory turns and accounts receivables days outstanding both improved notably from 72 to 63 and from 60 to 57 days respectively. The increase in other short-term assets reflects the same hedge agreement mentioned above as well as receivables from a currency hedge in the aerospace business. An important part of the overall decrease in assets can be explained by the stronger Swiss franc. A good half of the reduction in tangible fixed assets from CHF 130.1 million at the end of last year to CHF 114.3 million at the

end of June 2008 can directly be attributed to currency translation impacts while the rest is due to depreciation and impairment charges with very little new investments being made during the first half of 2008. The decline in goodwill which makes up for the major part of intangible assets from CHF 158.8 million recorded at December 31, 2007 to CHF 145.6 million on June 30, 2008 is also due to currency translations.

This negative translation effect also impacts Shareholders' Equity by CHF 21.8 million, resulting in Shareholders Equity of CHF 296.8 million compared to CHF 309.0 million as at December 31, 2007, despite the net profit of CHF 8.5 million and CHF 4.0 million of deferred currency hedge gains. Thanks to the positive cash flow which allowed for the repayment of debt, total borrowing decreased by CHF 29.3 million and net debt decreased by CHF 18.1 million to CHF 27.6 million. Overall, the equity ratio has increased from last year's 63.3% to now 65.6%. Gurit thus continues to be very soundly financed.

Focus on global growth markets

Gurit has fully exited its traditional winter sports business with the last transaction closed in mid-July 2008 effective as at July 1, 2008. This focuses the Group on the three targeted growth markets in the Wind Energy, Transportation and Marine industries.

Even after urgent capacity adjustments in Switzerland, profitability in the consolidating Winter Sport materials production could not sustainably be restored. During the first half of 2008, Gurit thus phased out or sold its production of extruded ski and snowboard top sheets based in Switzerland. The profitable, yet strategically more and more peripheral manufacture of running bases was then sold in July effective retroactively as at July 1, 2008. This transaction will only be included in the current half-year's earnings. Overall, leaving the winter sports business will contribute to stronger results in the future, but has its negative impact on earnings during the first half-year of 2008. Looking at the three targeted growth markets Wind Energy, Transportation and Marine only, Gurit would report a comparable 14.6% sales increase in local currencies for the first half year.

Maintaining the position in Wind Energy

Wind Energy applications continue to be Gurit's largest targeted growth market. Currently, Gurit holds roughly a 17% market share in an addressable market of CHF 1.4 billion. This calculation is based on Gurit's comprehensive product and services offering ranging from formulated resin to prepregs and structural foam products which all are complemented by a full range of adhesives and gel coats. The wind energy industry is expected to grow at 17% in megawatt terms in 2008; with a sales growth of 16.7% in local currency terms or a consolidated sales growth of 8.1%, Gurit clearly maintained its market position as sales figures typically grow somewhat slower than megawatt figures given the rising energy yield achievable with newer and larger equipment.

The top line growth was also influenced by a change in customer demand leading to increasing shipments of glass fibre prepregs and lower volumes of carbon fibre material. The lower glass raw material prices versus the more expensive carbon fibres obviously influenced the overall sales mix figure, as well. Growth in volume terms clearly exceeded the reported sales increase.

Gurit supplies all major players in this global market. In the first half of 2008, we have again added two new prepreg and two new structural foam customers to our client list, thus broadening the customer base geographically as well as according to the production technologies applied by the customers. Innovative product launches – introduced at the industry's most important trade show JEC in Paris in April – confirm Gurit's ability to develop materials and solution packages which help customers to reduce the complexity of their industrial processes, lower their overall cost for quality and strengthen their profitability by reducing their own production cycle times.

Long visibility in Transportation

In its Transportation activities, Gurit targets the aerospace, the automotive and the rail markets. In aerospace, clearly the biggest business in this area, Gurit holds a strong market share in the manufacture of material solutions that go mainly into aircraft interiors. A new four-year contract was signed in spring with Airbus confirming Gurit's contribution to the whole Airbus family of airplanes. This industry's innovation cycles are based on the introduction of new aircraft models like Airbus A380.

Research and development are also key to successfully positioning a supplier in mid to long-term. 17 new Gurit materials were qualified for the A380.

The first half of 2008 saw the successful industrialisation and expansion of Gurit's pioneer finished car body parts production for the Aston Martin DBS. The luxury and sports car industry shows great interest in this new production technology with

High growth rates in project-driven Marine business

The success of Gurit's Marine business is based on the targeted and comprehensive solution packages starting from structural design, going into the production of bespoke materials and application technologies. Structural engineering capabilities and responsiveness in manufacturing are essential in this business. Also important is a fine mesh and wide spread sales and support organisation as the marine market is rapidly spreading from its more traditional boat-building centres of Western Europe and North America into Southern and Eastern Europe and even Asia.

While the overall world-wide composite market in boat-building grows at some 4% and amounts to CHF 1.3 billion, the markets segments directly addressable with Gurit's high-end products and services total some CHF 350 million and feature above-average growth rates: Gurit focuses primarily on race and performance boats, exclusive super yachts and spars and leverages this competence also into the high-end production boat segment.

Recording a strong sales growth of 24.8% for the first half of 2008, Gurit expects sales to be slightly lower in the second half of the year as this period incorporates the traditionally slower summer months and the holiday season at the end of the year. In addition, slower growth also reflects a certain expected weakening of the US economy which influences the boat building markets in North America and Asia.

Implementing action plan for profitable growth

A thorough business re-engineering programme was initiated during this semester. While some measures already started to strengthen the results, Management expects the effects of this programme to brace the Group's profitability mid to long-term.

Raw materials and consumables are major costs at Gurit. Therefore procurement is of eminent importance at Gurit. Purchasing has been re-assessed and coordinated on a Group-wide basis with the target of limiting adverse price impacts from sourcing on the full-year 2008 consolidated accounts. During the first half-year, negative effects from higher raw material prices were contained in line with projections.

Greater organisational transparency

Organisational changes should increase the responsiveness of the Group. Each target market area is now led by a dedicated General Manager; Rudolf Gerber has taken on this position for Wind Energy in August 2008. Creating an easily accessible corporate headquarter in Zürich further facilitates management, coordination and internal direct communication.

Stronger product management

A key project which is to bring Gurit forward in the mid to long-term is product management and an improved product life-cycle management. Close cooperation with customers and understanding the true markets' needs are key elements here. The positive market feedback to the products launched in spring shows that Gurit is moving in the right direction here. Gurit has introduced a central product management team with optimised processes and is deploying these in the next year across the organisation.

Rising utilisation of existing capacities

The rapid expansion of 2006/7 has added capacity reserves in the manufacture of prepregs. The utilisation rises steadily and Gurit expects to achieve a 50% utilisation on a yearly basis by the end of 2008 in its new sites in Canada and China, leaving still considerable room for growth in 2009. Capital expenditure in the first half of 2008 was low and should stay moderate for the full year of 2008.

Outlook

The business for the remainder of 2008 is largely contractually secured. Management continues to expect an overall sales increase of 7 to 10% for the full year. The performance goal of reaching an operational EBIT margin of at least 4% for the full year is confirmed, knowing that certain one-off effects explained before contributed to the stronger EBIT improvement in the first half of 2008. Management believes that significant performance gains expected for this and the next two years will come from excellence in operations and will greatly contribute to bring Gurit back to EBIT levels of 8 to 10% by the year 2010.

Yours sincerely
Gurit Holding AG



Dr. Paul Hälg, Chairman of the Board of Directors



Rudolf Hadorn, Chief Executive Officer

Group Income Statement

IN CHF 1000

	1 HY 2008	1 HY 2007
Income Statement		
Net sales	237 134	224 391
Cost of goods sold	-144 692	-139 002
Personnel expenses	-45 948	-44 711
Other operating expenses	-16 285	-16 084
Marketing and administrative expense	-12 122	-12 490
Sundry operating result	7 178	-833
Depreciation and amortisation	-9 251	-7 197
Operating profit	16 014	4 074
Financial expenses	-7 494	-2 380
Financial income	2 478	1 567
Profit before tax	10 998	3 261
Tax expenses	-2 518	-783
Group profit	8 480	2 478
Half year earnings per bearer share	CHF 18.20	CHF 5.40
Diluted half year earnings per bearer share	CHF 18.20	CHF 5.40
Half year earnings per registered share	CHF 3.64	CHF 1.08
Diluted half year earnings per registered share	CHF 3.64	CHF 1.08

The selected notes are part of the Group financial statements.

Group Balance Sheet

IN CHF 1000

	30.06.2008	31.12.2007	30.06.2007
Assets			
Cash and cash equivalents	31 142	42 371	32 366
Securities through profit and loss	206	178	184
Accounts receivable from deliveries and sales	75 657	74 891	76 393
Tax assets	347	299	1 626
Other receivables and accruals	24 069	9 688	14 952
Inventories	50 599	57 391	63 105
Current assets	182 020	184 818	188 626
Property, plant and equipment	114 288	130 065	139 541
Financial assets	1 275	3 499	3 479
Intangible assets	149 249	162 913	175 303
Deferred tax assets	5 932	6 720	2 772
Non-current assets	270 744	303 197	321 095
Total assets	452 764	488 015	509 721
Equity and liabilities			
Bank loans	30 211	48 594	39 839
Accounts payable to suppliers	43 794	44 477	51 355
Other accounts payable and accruals	26 612	19 197	15 271
Tax liabilities	4 117	3 854	4 291
Short-term provisions	4 242	4 078	9 678
Current liabilities	108 976	120 200	120 434
Mortgage and loans	28 518	39 473	42 517
Deferred taxes	15 395	16 253	16 825
Long-term provisions	3 082	3 058	2 952
Non-current liabilities	46 995	58 784	62 294
Total liabilities	155 971	178 984	182 728
Share capital	23 313	23 309	23 300
Additional paid-in capital	28 642	28 642	28 642
Currency translation adjustments	-17 195	4 572	21 217
Cash flow hedge reserve	3 992	0	0
Retained earnings	258 041	252 508	253 834
Total equity	296 793	309 031	326 993
Total equity and liabilities	452 764	488 015	509 721

The selected notes are part of the Group financial statements.

Group Cash Flow Statement (condensed)

IN CHF 1000

	1 HY 2008	1 HY 2007
Cash flow from operating activities	15 063	-2 381
Investments in fixed assets (net)	-1 394	-25 185
Investments in financial assets (net)	47	90
Investments in intangible assets (net)	136	-116
Cash flow from investment activities	-1 211	-25 211
Change in bank loans and other loans (net)	-20 729	18 038
Sale of treasury stock	-99	12 060
Lease payments	-3	-183
Dividend distribution	-3 030	-5 943
Cash flow from financing activities	-23 861	23 972
Exchange rate differences	-1 220	406
Change in cash and cash equivalents	-11 229	-3 214
Cash and cash equivalents at beginning of the year	42 371	35 580
Cash and cash equivalents at end of half year	31 142	32 366

The selected notes are part of the Group financial statements.

Statement of Change in Equity (condensed)

IN CHF 1000

	Equity					Total equity
	Share capital	Additional paid-in capital	Cur. transl. adjustments	Cash flow hedge reserve	Retained earnings	
31.12.2006	22 861	28 642	14 592		245 678	311 773
Half-year Group profit					2 478	2 478
Currency effects			6 625			6 625
<i>Total of all profit and losses</i>	<i>0</i>	<i>0</i>	<i>6 625</i>		<i>2 478</i>	<i>9 103</i>
Dividend distribution					-5 944	-5 944
Sale of treasury stock	439				11 621	12 060
<i>Total transaction with shareholders</i>	<i>439</i>	<i>0</i>	<i>0</i>		<i>5 677</i>	<i>6 116</i>
30.06.2007	23 300	28 642	21 217		253 833	326 992
Half-year Group profit					-1 514	-1 514
Currency effects			-16 645			-16 645
<i>Total of all profit and losses</i>	<i>0</i>	<i>0</i>	<i>-16 645</i>		<i>-1 514</i>	<i>-18 159</i>
Share based payment	9		0		189	198
<i>Total transaction with shareholders</i>	<i>9</i>	<i>0</i>	<i>0</i>		<i>189</i>	<i>198</i>
31.12.2007	23 309	28 642	4 572		252 508	309 031
Half-year Group profit					8 480	8 480
Currency effects			-21 767			-21 767
Impact from cash flow hedges				3 992		3 992
<i>Total of all profit and losses</i>	<i>0</i>	<i>0</i>	<i>-21 767</i>	<i>3 992</i>	<i>8 480</i>	<i>-9 295</i>
Dividend distribution					-3 030	-3 030
Acquisition of treasury stock	-1				-11	-12
Share based payment	5				94	99
<i>Total transaction with shareholders</i>	<i>4</i>	<i>0</i>	<i>0</i>		<i>-2 947</i>	<i>-2 943</i>
30.06.2008	23 313	28 642	-17 195	3 992	258 041	296 793

The selected notes are part of the Group financial statements.

Selected Notes

Letter to Shareholders, August 2008
Group Income Statement
Group Balance Sheet
Group Cash Flow Statement (condensed)
Statement of Change in Equity (condensed)
Selected Notes

This unaudited consolidated half-year report has been prepared in accordance with IAS 34, using the same principles of consolidation and accounting policies as in the year end report 2007. The new standards and the amended standards, all effective as of January 1, 2008, lead to no changes in this half-year report.

1) Main balance sheet developments

Cash and cash equivalents

The decrease in cash is mainly the result of a tighter cash management and the reimbursement of debt.

Other receivables and accruals

The increase in other receivables and accruals is mainly due to a CHF 7.3 million receivable resulting from a hedge contract entered into with a bank relating to an ongoing legal dispute with a key supplier, as well as to CHF 3.7 million hedge receivables relating to the currency hedging of future cash flows.

Property plant and equipment

The decrease in property, plant and equipment is mainly due to depreciation and impairment charges as well as to currency translation impacts of CHF 8.4 million

Intangible assets

Intangible assets mainly comprises goodwill. The decrease in intangible assets is principally due to currency translation.

Current and non-current bank loans and mortgages

The important decrease of the current and non-current borrowing is the result of the strong cash flow from operating activities, a tighter cash management and low investment activities during the first six month of the year.

Shareholder's equity

The decrease in shareholders equity is due to CHF 21.8 million of unfavourable currency translation, largely resulting from goodwill and property, plant and equipment, and due to the important appreciation of the Swiss Franc against all of the major currencies in which the Group operates activities. Shareholders' equity furthermore includes CHF 4.0 million of cash flow hedge reserves resulting from the currency hedge of future cash flows.

2) Exchange rates in CHF

			Ø		Ø
	31.12.2007	30.06.2008	1. HY 2008	30.06.2007	1. HY 2007
1 USD	1.1276	1.0206	1.0514	1.2292	1.2271
1 EUR	1.6595	1.6073	1.6071	1.6511	1.6314
1 GBP	2.2472	2.0347	2.0729	2.4542	2.4191

3) Dividend

In accordance with the resolution of the Annual General Meeting of Shareholders held on April 24, 2008, a dividend distribution of 13% or CHF 3.0 million (CHF 6.50 per bearer share and CHF 1.30 per registered share) has been distributed to the shareholders on April 29, 2008.

4) Subsequent events

Effective as at July 1, 2008, Gurit fully exited its former winter sports material business with the sale of its operations in Vreden, Germany. This sale resulted in a low single-digit CHF million sundry operating result which will be recognised in the second half of 2008.



Investor Relations

Share capital:

The share capital of Gurit Holding AG is divided into:

240 000 registered shares	
at CHF 10.00 par value	securities no. 185 039
420 000 bearer shares	
at CHF 50.00 par value	securities no. 801 223

Par value adjusted to CHF 50, this results, purely arithmetically, in a total of 468 000 shares.

Stock market trading:

The bearer shares are listed on SWX Swiss Exchange. Prices are published in the Swiss daily and financial press as well as in electronic price information systems under the following symbols or numbers:

Bearer share:	Reuters	GUR.S
	Telekurs	GUR
	Securities no.	801 223

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Important dates:

October 2008: 9-month sales figures
March 2009: Financial figures 2008
April 2009: Annual General Meeting
August/September 2009: Half-year report

Internet/E-mail alerts:

For additional information, please visit the Gurit website at www.gurit.com. Sign-up for e-mail alerts on Gurit is available at <http://investors.gurit.com/investor-relations/news.html>

This report contains forward-looking statements that include risk and uncertainties regarding the future global developments that cannot be influenced by the company. Forward-looking statements may reflect the intentions, beliefs or current expectations and projections of Gurit Holding AG about the future results of operations, financial condition, liquidity, performance and similar circumstances. Such statements are made on the basis of assumptions and expectations which may prove to be erroneous, although Gurit Holding AG believes them to be reasonable at this time.

This half-year report is also available in German. The German version is binding.