

Invitation to AGM on May 18, 2010 published

## **Financial restructuring of Oerlikon put to shareholders for vote**

**Pfäffikon SZ, April 27, 2010 – OC Oerlikon has today invited shareholders to its 37<sup>th</sup> Annual General Meeting of Shareholders due to take place on Tuesday, May 18, 2010 at the Lucerne Culture and Convention Center (KKL). The focus of the meeting will be the Group's debt restructuring measures, which are central to the future of the Company. "The implementation of the debt restructuring measures will now enter into the decisive phase," says Vladimir Kuznetsov, Chairman of the Board of Directors of Oerlikon. "Given the importance of the proposed measures for the future of Oerlikon, we are confident that Oerlikon's shareholders will approve our proposals by a large majority," Kuznetsov continued.**

OC Oerlikon Corporation AG, Pfäffikon today has announced its 37<sup>th</sup> Annual General Meeting of Shareholders in the Swiss Official Gazette of Commerce. The central topic at the Annual General Meeting of Shareholders will be the financial restructuring measures agreed by the Company, its creditors and principal shareholder Renova, on March 31, 2010 and announced on April 1, 2010, the implementation of which is subject to the approval of the Annual General Meeting of Shareholders. The proposed financial restructuring package is intended to reduce Oerlikon's net debt, to strengthen the Group's total equity by up to CHF 1.30 billion and to increase its liquidity by approximately CHF 300 million. Combined with the ongoing operational restructuring, these measures will provide the Company with the operational flexibility to actively address the forthcoming recovery and position the Group's six segments for sustainable long-term growth.

Specifically, the Board of Directors proposes a reduction of the Company's share capital by 95 percent from CHF 282,848,740 to CHF 14,142,437 by reducing the

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nominal value per share from CHF 20 to CHF 1, followed by an immediate re-increase of the share capital. In a first step, the Company's share capital shall be increased from CHF 14,142,437 by up to CHF 268,706,303 to a maximum of CHF 282,848,740 as part of an ordinary capital increase by means of a rights offering to existing shareholders (Tranche A). This will allow them to subscribe for 268,706,303 newly issued registered shares with a nominal value of CHF 1 each at an issue price of CHF 3.72 per new share. To the extent new shares are not subscribed for by public shareholders in the rights offering, a corresponding number of new shares will be issued in a second ordinary capital increase (Tranche B) under the exclusion of subscription rights of existing shareholders. The Company's lenders have undertaken to subscribe for such new shares against conversion of debt under Oerlikon's existing syndicated loan facilities.

In view of the lenders' waiver of debt of between CHF 25 million and CHF 125 million and their support of the financial restructuring, Oerlikon will – depending on the take-up of new shares in the rights offering – issue up to 40,406,963 additional new shares to the lenders (representing up to 12.5 percent of the Company's share capital as increased by Tranche A, Tranche B and such additional new shares). The additional new shares shall be created in a third ordinary capital increase (Tranche C) under the exclusion of subscription rights of existing shareholders as proposed by the Board of Directors and subscribed for by the lenders against conversion of debt under Oerlikon's existing syndicated loan facilities. Also in view of the lenders' debt waiver and support of the financial restructuring, Oerlikon has agreed to issue warrants to the lenders which will further allow them to purchase up to 17,013,458 new shares for CHF 6.00 each by June 2014. The Board of Directors proposes the creation of conditional capital up to a maximum amount of CHF 17,013,458 to cover the share delivery obligations under the warrants (representing up to 5 percent of the Company's fully diluted share capital following the financial restructuring).

Within the scope of the financial restructuring proposal, the Board of Directors further proposes a reduction of the maximum number of Board Members from

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nine to seven by way of an amendment to the corresponding provision in the Articles of Association.

All measures proposed as part of the financial restructuring are mutually dependent on each other. Thus, the rejection of any of the proposals relating to the financial restructuring measures at the Annual General Meeting of Shareholders would result in a failure of the financial restructuring overall.

Since the new credit facility agreement with the lenders contains a requirement that the majority of members of the Board of Directors be independent from Renova or any other party or group of parties controlling more than 20 percent of Oerlikon's voting rights, the Board of Directors intends to propose to the Annual General Meeting of Shareholders that a further two independent persons be appointed to the Board of Directors. As the search for possible independent candidates is still under way, the Board of Directors has put forward only the previous five members of the Board of Directors in the invitation which has been published and sent to shareholders. Of the five members, two are independent from Renova. Two further nominations will be announced prior to the Annual General Meeting of Shareholders through the media and on the Company's website ([www.oerlikon.com/agm](http://www.oerlikon.com/agm)). The website also contains the full invitation to the Annual General Meeting of Shareholders.

Along with the invitation to the Annual General Meeting of Shareholders, Oerlikon today has published its Annual Report 2009. The Annual Report 2009 is available for inspection by shareholders at the Company's headquarters at Churerstrasse 120, 8808, Pfäffikon SZ, and can also be accessed at [http://www.oerlikon.com/annualreport\\_2009/](http://www.oerlikon.com/annualreport_2009/)

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#### **About Oerlikon**

*Oerlikon (SIX: OERL) is a leading high-tech industrial group specializing in machine and plant engineering. The Company is a provider of innovative industrial solutions and cutting-edge technologies for textile manufacturing, thin-film coating, drive, vacuum, solar energy systems and advanced nanotechnology. A Swiss company with a tradition going back 150 years, Oerlikon is a global player with around 16,000 employees at 157 locations in 36 countries and sales of CHF 2.9 billion in 2009. The Company invests more than CHF 200 million annually in R&D, with over 1 200 specialists working on future products and services. The operative businesses rank either first or second in their respective global markets.*

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