

Regained sustainable financial fundament enabling focus on operational recovery

## **Oerlikon successfully completes rights offering**

***Pfäffikon SZ, June 9, 2010 – Oerlikon has successfully completed its CHF 1,000 million rights offering. Of the 123,628,003 new shares initially offered to existing shareholders other than the main shareholder Renova (“Public Shareholders”), 123,107,166 were subscribed and paid for in cash, representing a take-up ratio of approximately 99.6 %. Together with 120,030,429 new shares subscribed for by main shareholder Renova directly or indirectly against cash and set-off of loans and 65,805,439 new shares subscribed for against set-off of loans by the lenders under the existing syndicated loan facilities (“Lenders”), Oerlikon therefore issued a total of 308,943,034 new shares with a nominal value of CHF 1 each in three ordinary capital increases on June 8, 2010. “The exceptionally high take-up of the subscription rights is a very strong signal of confidence from the market towards Oerlikon, its Board of Directors and Management as well as to the sustainability of the financial restructuring package,” commented Vladimir Kuznetsov, Chairman of the Board of Directors.***

Following the end of the rights exercise period and by the payment date on June 4, 2010, 123,107,166 new shares had been validly subscribed and paid for in cash by holders of rights other than Renova at an issue price of CHF 3.72 per new share (“Issue Price”). In addition, main shareholder Renova subscribed for 107,828,588 new shares against payment of the Issue Price in cash. Thus, 230,935,754 new shares with a nominal value of CHF 1 each were created in an ordinary capital increase on June 8, 2010 (“Tranche A”) against payment of the Issue Price in cash.

520,837 new shares for which the subscription rights (“Rights”) had not been validly exercised during the rights exercise period or for which the Issue Price had not been received by the payment date were issued to the Lenders in a second ordinary capital increase at the exclusion of the subscription rights of existing shareholders and against set-off of loans in the nominal amount of CHF 3.72 per new share (“Tranche B”). As described in the offering and listing prospectus dated May 18,

page 2 2010 (“Prospectus”), Renova let Rights relating to 12,201,841 new shares lapse and a lender of record under the existing syndicated loan facilities subscribed for the corresponding number of 12,201,841 new shares in Tranche B. Furthermore, the Lenders did not exercise their 25,047,871 Rights allocated to the Oerlikon treasury shares purchased by them prior to the rights offering. Instead, they subscribed for the corresponding number of 25,047,871 new shares also in Tranche B. Thus, the total number of new shares issued in Tranches A and B amounted to 268,706,303. The ordinary capital increase relating to Tranche B also took place on June 8, 2010.

The ordinary capital increases relating to Tranches A and B were preceded by a capital decrease by means of a nominal value reduction from CHF 20 to CHF 1 per existing Oerlikon share. Consequently, Oerlikon’s share capital was decreased by CHF 268,706,303 from CHF 282,848,740 to CHF 14,142,437 on June 8, 2010. Simultaneously, the share capital was re-increased to the original amount of CHF 282,848,740 through the issuance of the 268,706,303 new shares with a nominal value of CHF 1 each in the ordinary capital increases relating to Tranches A and B.

As further described in the Prospectus, additional financial restructuring measures were subject to the take-up of new shares paid for in cash by holders of Rights other than Renova. Based on 123,107,166 new shares subscribed and paid for in cash by such holders of Rights, the following measures were or will be implemented:

- 40,236,731 additional new shares with a nominal value of CHF 1 each were issued to the Lenders in a third ordinary capital increase at the exclusion of subscription rights of existing shareholders and against set-off of loans in the nominal amount of CHF 3.72 per new share (“Tranche C”). These additional new shares represent approximately 12.5 % of the Company’s share capital of CHF 323,085,471 as enlarged by Tranches A, B and C. The total amount of loans set off in consideration for these additional new shares corresponds to approximately CHF 150 million.
- Oerlikon has issued 16,944,182 warrants to the Lenders which will entitle them to purchase 16,944,182 new shares of Oerlikon, representing approximately 5.0% of the fully-diluted share capital following the aforementioned capital increases and full exercise of the warrants, at an exercise price of CHF 6 per share between mid-September 2010 and June 30, 2014.

- page 3 – As new shares in an amount of more than CHF 400 million were paid for in cash in the rights offering by holders of rights other than Renova, the Lenders will waive the maximum amount of CHF 125 million of debt under the existing syndicated loan facilities.
- The amount of debt under the existing syndicated loan facilities to be repaid from the CHF 859 million gross cash proceeds of the rights offering amounts to approximately CHF 558 million.
  - After deduction of expected offering expenses of approximately CHF 24 million (including Swiss Federal Issuance Stamp Tax of 1% payable on the value of the new shares), Oerlikon therefore expects to retain net proceeds of approximately CHF 277 million for general corporate purposes, including continued significant investments in research and development as well as capital expenditures to address anticipated growth trends, for a further expansion into emerging markets and the completion of its operational restructuring to improve its operational efficiency.

Overall, taking into account the repayment of debt from the cash proceeds of the rights offering, the set-off of loans against new shares issued in Tranches B and C, the set-off of loans and deferred fees in consideration of the purchase of Oerlikon treasury shares by the Lenders and the waiver of debt as described above, Oerlikon's consolidated total debt will be reduced by approximately CHF 998 million. Assuming the financial restructuring had already been completed by then, the implied consolidated net debt position of Oerlikon as of March 31, 2010, on an adjusted basis, would have amounted to approximately CHF 561 million. On the same basis, the ratio of consolidated total equity to total assets as of March 31, 2010 would have amounted to approximately 38.0%, compared to an actual ratio of reported consolidated total equity to total assets of approximately 10% as at March 31, 2010. The final size of the new credit facilities will amount to approximately CHF 1,476 million, split into Facility A with CHF 435 million, Facility B with CHF 572 million and Facility C with CHF 468 million. CEO Dr. Michael Buscher stated: "The solid and sustainable financial footing established through the rights offering and the related financial restructuring measures now allows us to fully concentrate on delivering on the operational side."

page 4 Trading in the new shares is expected to commence on SIX Swiss Exchange today. Delivery of the new shares is also scheduled for today. The additional new shares, the 1,318,309 Oerlikon treasury shares purchased by the Lenders prior to the rights offering, the 25'047'871 new shares relating to Rights allocated to these Oerlikon treasury shares which the Lenders subscribed for in Tranche B as well as the other 520,837 new shares subscribed for by the Lenders in Tranche B will be subject to a 60-day lock-up period. The same lock-up period applies to existing shares held by Renova prior to the rights offering and the new shares subscribed for by Renova directly or indirectly in the rights offering and Tranche B. Further details on lock-up provisions can be found in the Prospectus.

UBS Investment Bank acted as Global Coordinator and Joint Bookrunner, and COMMERZBANK, Deutsche Bank, SOCIÉTÉ GÉNÉRALE Corporate & Investment Banking and The Royal Bank of Scotland acted as Joint Bookrunners in the rights offering.

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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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