

Further diversification of funding sources

Oerlikon and EIB arrange CHF 150 million loan to finance research and development projects

Pfäffikon SZ, Switzerland, December 17, 2013 – Oerlikon and the European Investment Bank (EIB) have agreed a loan totaling approximately CHF 150 million to provide low-cost financing to the company's research and development projects (R&D projects). The facility has a term of four to five years providing a very attractive interest rate. "The agreement with the EIB is a further step in our approach to diversify our sources of financing and also gives us additional flexibility to execute on our growth strategy", says Jürg Fedier, the company's CFO. "Research, development and innovation are critical elements in Europe's competitive position", says Wilhelm Molterer, the Vice President of the EIB who oversees financing in Germany, where a major portion of the research work will be conducted. "The EIB focuses on this area in particular as part of its financing activities. Oerlikon's R&D projects meet our demanding financing criteria, and we are happy that we can provide an appealing financing concept to this technology company."

The mission of the EIB, the lending institution of the European Union, is to promote research and development projects in the EU. In carrying out this mission, the EIB provides about EUR 16 billion in financial support every year. Oerlikon invests about 4 % to 5 % of its sales into research and development to sustainably bolster its technological leadership. "Unique technology that enables us to stand out in a competitive marketplace is our most important success factor", Fedier says.

Last year, the EIB approached Oerlikon and offered the company a way to finance its high R&D expenditures at an attractive interest rate. Following a careful review of the R&D projects, it was determined that they qualified for the EIB's support. Now, EIB and Oerlikon have entered into a CHF 150 million loan agreement. Oerlikon has a period of 24 months to draw on the credit facility otherwise the facility will expire. The repayment terms will be jointly defined by both partners at the time that each tranche is used. "With current net liquidity of about CHF 963 million and an equity ratio of 49 %, the agreement with the EIB further strengthens our financial position", says Oerlikon's CFO, Jürg Fedier.

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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 manmade fibers manufacturing, drive systems, vacuum, coating, and advanced nanotechnology. A Swiss company with a tradition going back over 100 years, Oerlikon is a global player with around 13 000 employees at around 160 locations in 34 countries and sales of CHF 2.9 billion in 2012. The Company invested in 2012 CHF 106 million in R&D, with over 1 000 specialists working on future products and services. In most areas, the operative businesses rank either first or second in their respective global markets.

About the EIB

The European Investment Bank is the European Union's investment bank for long-range financing. The bank is owned by the member states of the EU. The mission of the EIB is to further the policy objectives of the EU by providing long-term financing to sound projects. Last year, the bank provided EUR 10 billion in financing for research, development and innovation. This year, the volume is expected to total up to EUR 16 billion. As part of its external mission, the EIB has been providing financial support to projects in EFTA countries since 1994.