

Oerlikon reports continued strong level of profitability

Dr. Michael Buscher, CEO

Jürg Fedier, CFO

Oerlikon Q3

October 30, 2012



1 Business Update Q3 2012

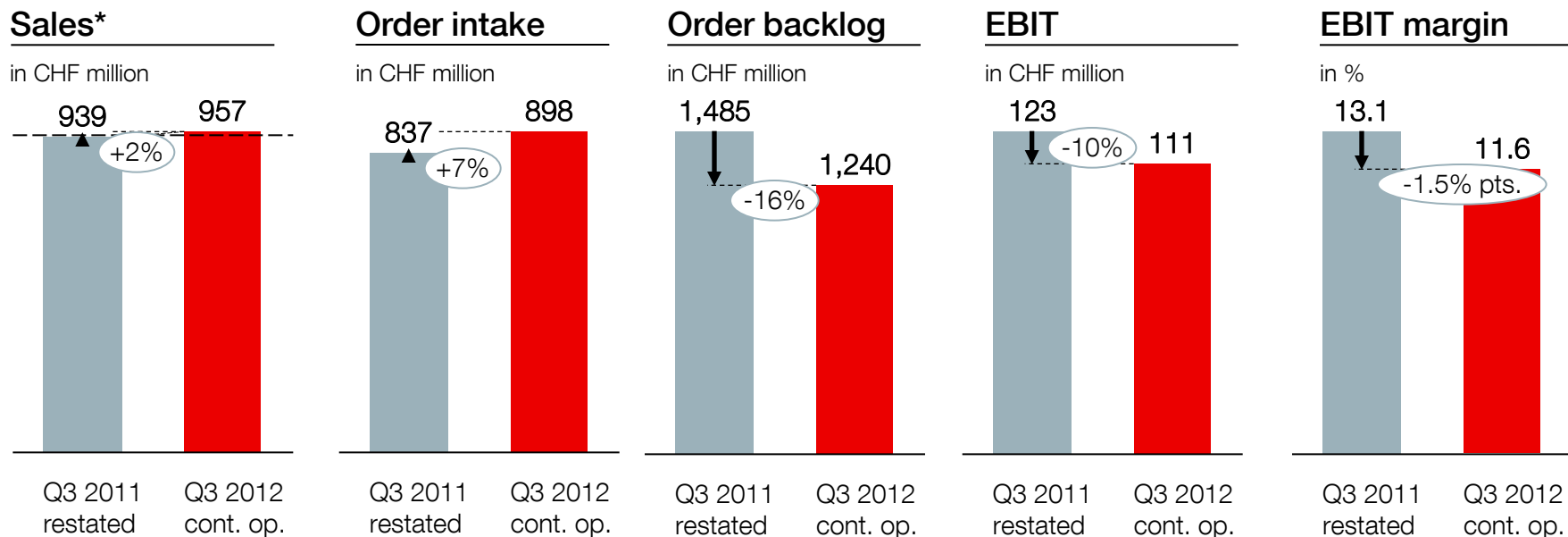
2 Financials Q3 2012

3 Outlook

4 Appendix

Consistent high level of profitability in Q3 2012

Group EBIT margin at 11.6 %



Consistent high level of profitability in 2012

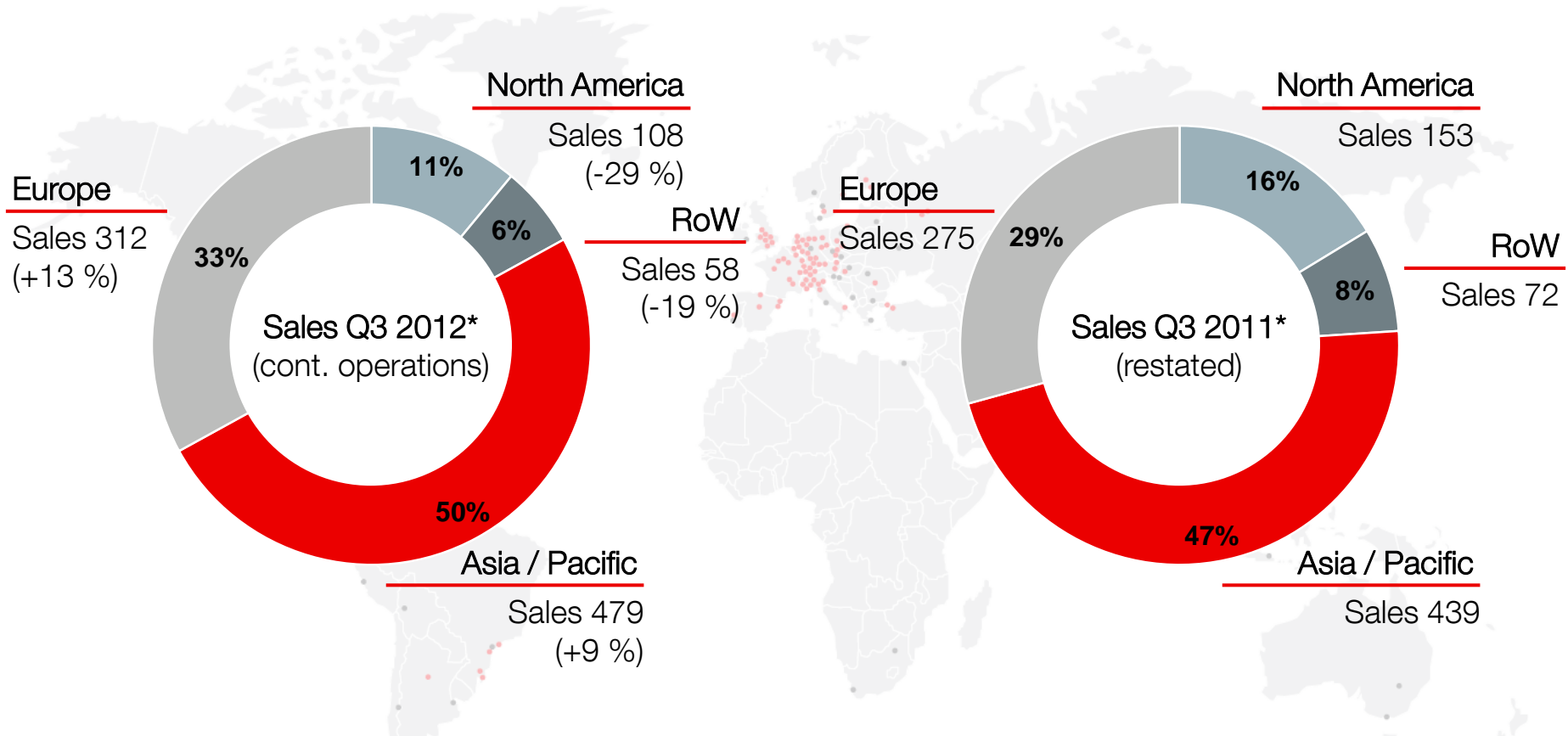
- With an EBIT margin of 11.6 %, Oerlikon operates on a continued high level
- Strong margin improvements in the Textile and Drive Systems Segment
- Positive currency impact
- Growth in Europe +13 % and Asia +9% (whereof China +12 %)
- Execution of Operational Excellence programs and portfolio adjustments

Oerlikon net cash positive after strong operational and financial performance and based on completion of comprehensive refinancing in July 2012

* Sales to third parties

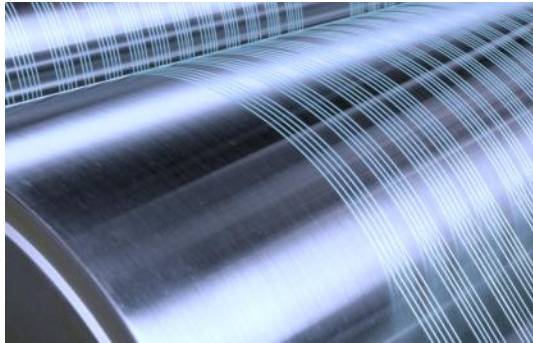
Sales by region

Sales share of Asia increased to 50 %



- Oerlikon benefits from growth opportunities worldwide
- European markets fueled sales up by 13 % followed by Asia up by 9 %
- BRIC opportunities should create better balance of geographical diversification

* Sales to third parties (in CHF millions)



Textile

- Excellent market reception of new products presented at the ITMA Asia in Q2 2012
- Manmade Fibers: First equipment orders for delivery in 2015 received
- Natural Fibers: Improvement of Order Intake
- Increased demand for carpet yarn equipment in the U.S.



Drive Systems

- Segment benefits from strong backlog from the first half of 2012
- Slowing market growth in markets like agriculture, construction, mining and energy
- Market demand in India and China slowed due to softness of the agricultural market
- Additional assembly in factory in China



Vacuum

- Order Intake improved as postponements of previous quarter materialized
- Overall softening market environment, especially in the process industry, solar and coating in Asia
- Continued investments in new product introductions, logistics and regional expansion
- New CEO started as of October 15, 2012



Coating

- Solid growth in the tools markets in Japan, Germany and the U.S.
- Slowing demand in the automotive market affected components business
- Opening of 88th global coating center in Malaysia and capacity expansion in existing coating centers
- Further regional expansion in preparation



Advanced Technologies

- The semiconductor industry continued to slow
- Hexagon, an advanced packaging solution, received qualification with major customer
- Solaris received qualification for coatings of touch sensors

1 Business Update Q3 2012

2 Financials Q3 2012

3 Outlook

4 Appendix

Key figures by Segment Q3 2012

in CHF m	Group**	Textile	Drive	Vacuum	Coating	Adv.Tech.
Order intake Δ to Q3 2011	898 +7.3 %	486 +17.1 %	165 -16.2 %	93 +9.4 %	126 +5.0 %	28 +40.0 %
Order backlog Δ to Q3 2011	1 240 -16.5 %	970 -20.0 %	163 -7.4 %	74 -1.3 %	n/a	33 +50.0 %
Sales* Δ to Q3 2011	957 +1.9 %	524 +3.6 %	195 +3.2 %	92 -8.9 %	126 +5.0 %	20 -13.0 %
EBIT % of sales	111 11.6 %	57 10.9 %	18 9.3 %	8 8.3 %	25 20.0 %	-1 n.a.

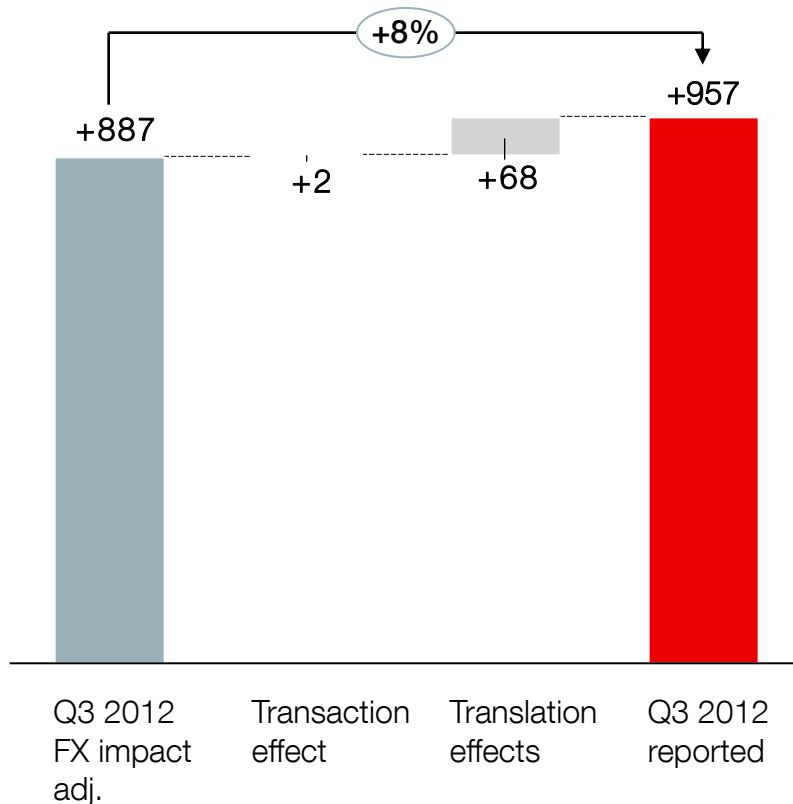
* Sales to third parties

** restated

FX impact on Sales, EBIT and EBIT margin

Oerlikon Group Sales* Q3 2012

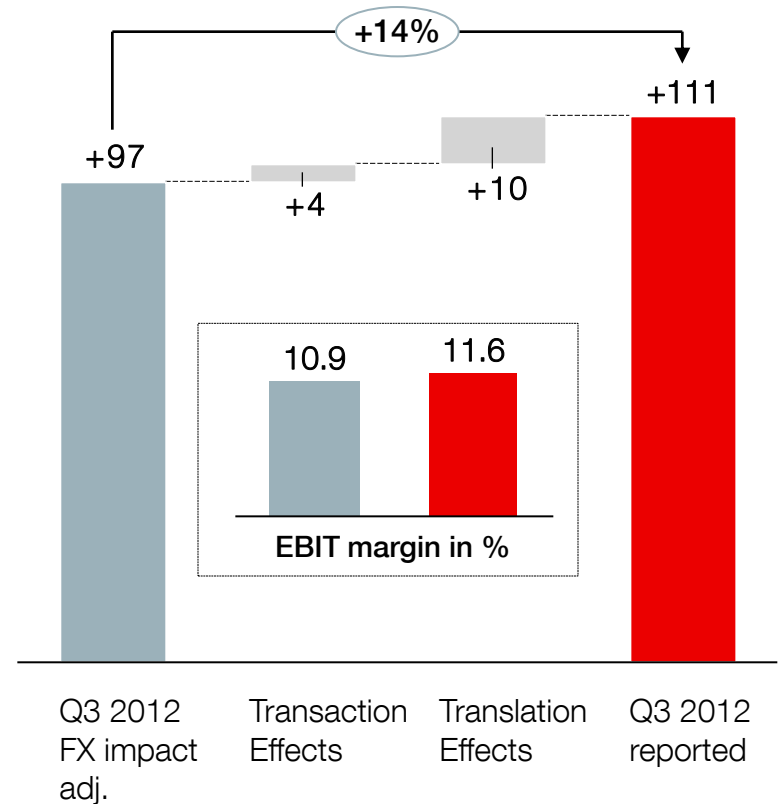
in CHF m



- Currency impact driven by strong development of USD and CNY

Oerlikon Group EBIT Q3 2012

in CHF m



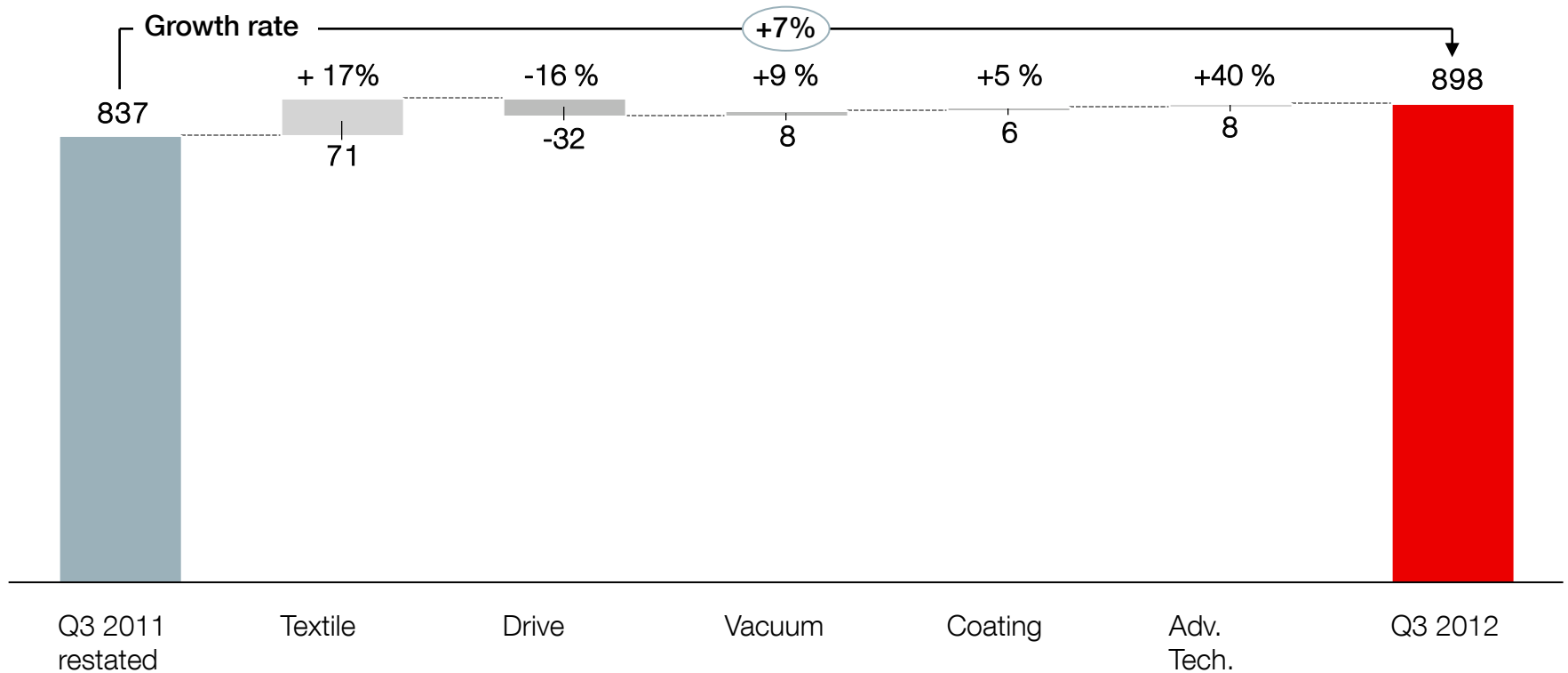
- EBIT margin disproportionate affected due to currency mix in global network

* Sales to third parties

Order bridge by Segment

Order intake by Segments

in CHF m

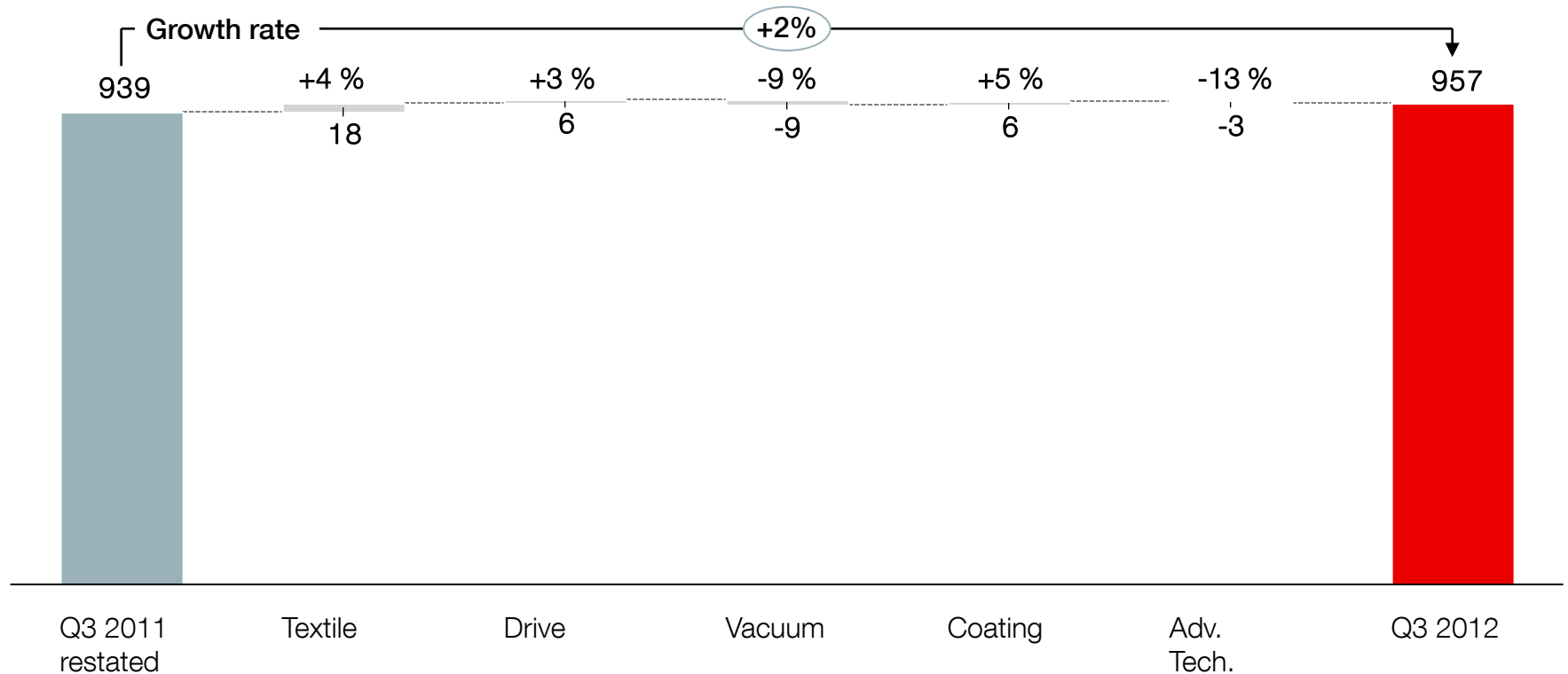


* Sales to third parties

Sales bridge by Segment

Sales* by Segment

in CHF m

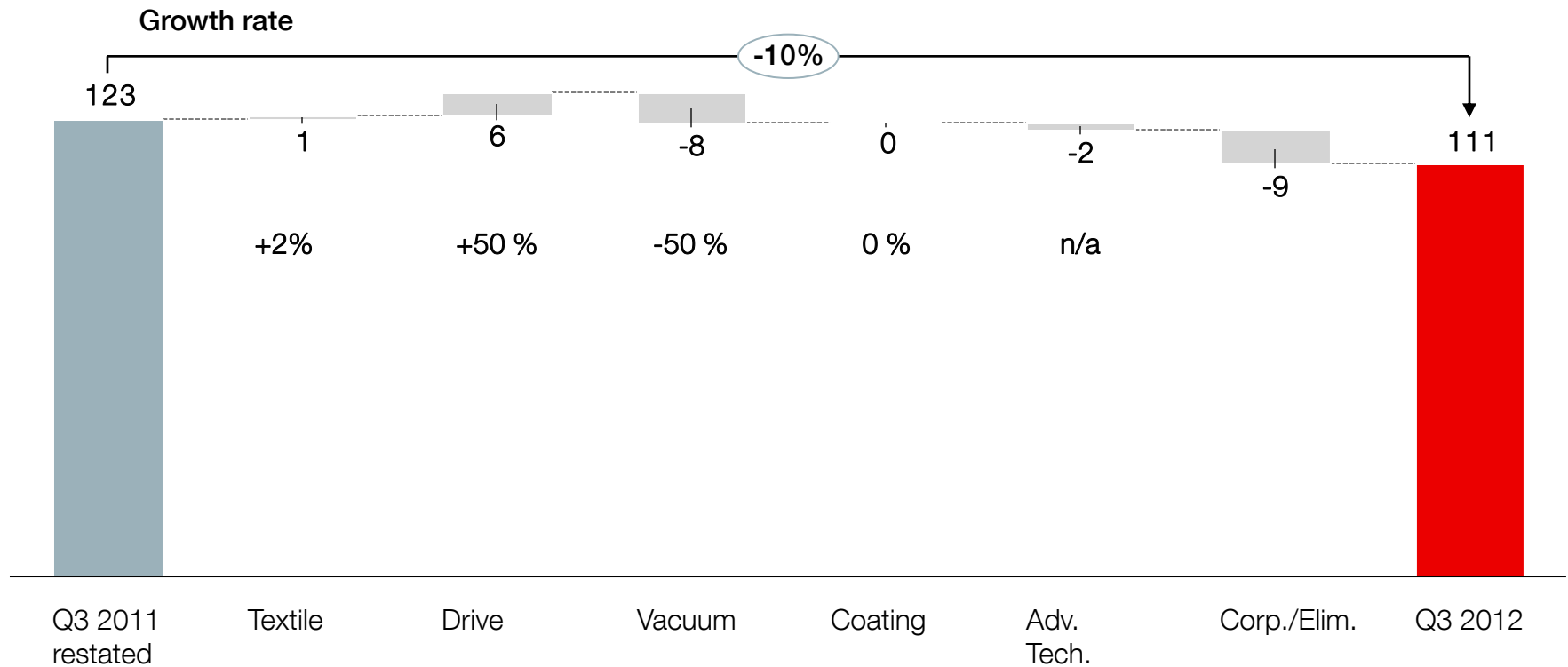


* Sales to third parties

EBIT bridge by Segment

EBIT by Segment

in CHF m

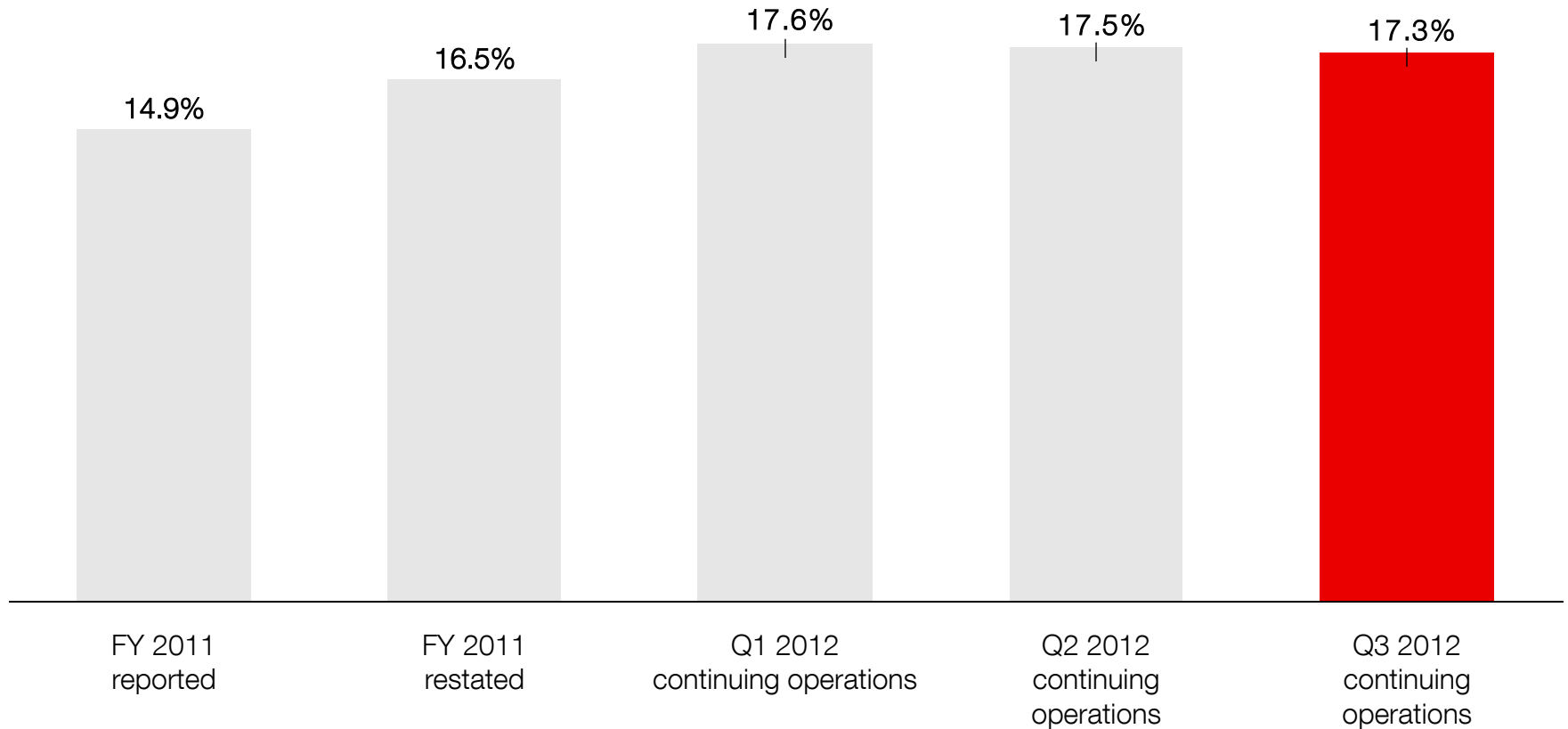


Return On Capital Employed (ROCE)

ROCE = NOPAT / Capital Employed

ROCE

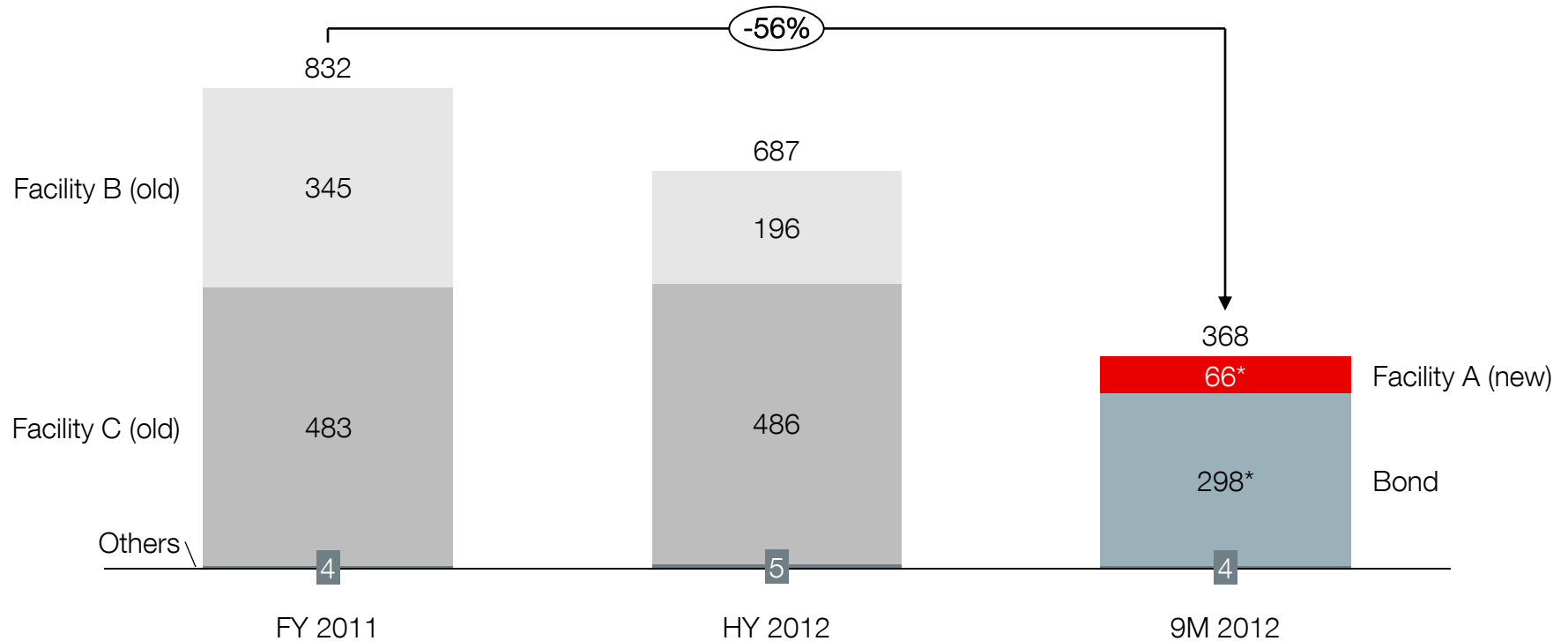
in %



- 9M 2012: improvement in 12-month rolling NOPAT and disproportionate increase in Capital Employed
- Oerlikon Group creates value by earning premium over cost of capital

Oerlikon net cash positive by end of Q3 2012

Development of debt position FY 2011 – 9M 2012



- Successful closing of Solar divestment will allow to further reduce debt (drawing of Facility A)

* Including capitalized financing costs (Bond CHF 2 million, Facility A CHF 14 million)

1 Business Update Q3 2012

2 Financials Q3 2012

3 Outlook

4 Appendix


Outlook Oerlikon Group 2012 confirmed

Next financial reporting: Q4 2012 on March 5, 2013

Guidance FY 2012

based on
current currency
exchange rates

- The global economic environment is softening and remains difficult to assess.
- Based on the strong 9M performance and assuming successful closing of Solar Segment divestment, we confirm our guidance:
 - sales expected at 2011 levels
 - and profitability expected to increase to an EBIT margin (excluding Arbon effect) of around 11.5 %, reported EBIT margin expected at around 12.5 %
 - order intake expected to decline up to 5 %



Oerlikon remains focused on the systematic execution of its agenda
to strengthen underlying performance

**innovation
has a name**

œrlikon

1 Business Update Q3 2012

2 Financials Q3 2012

3 Outlook

4 Appendix

Tagline

**innovation
has a name**
oerlikon

Vision

Vision

Oerlikon creates innovative industrial solutions for a better life.



Mission

Mission

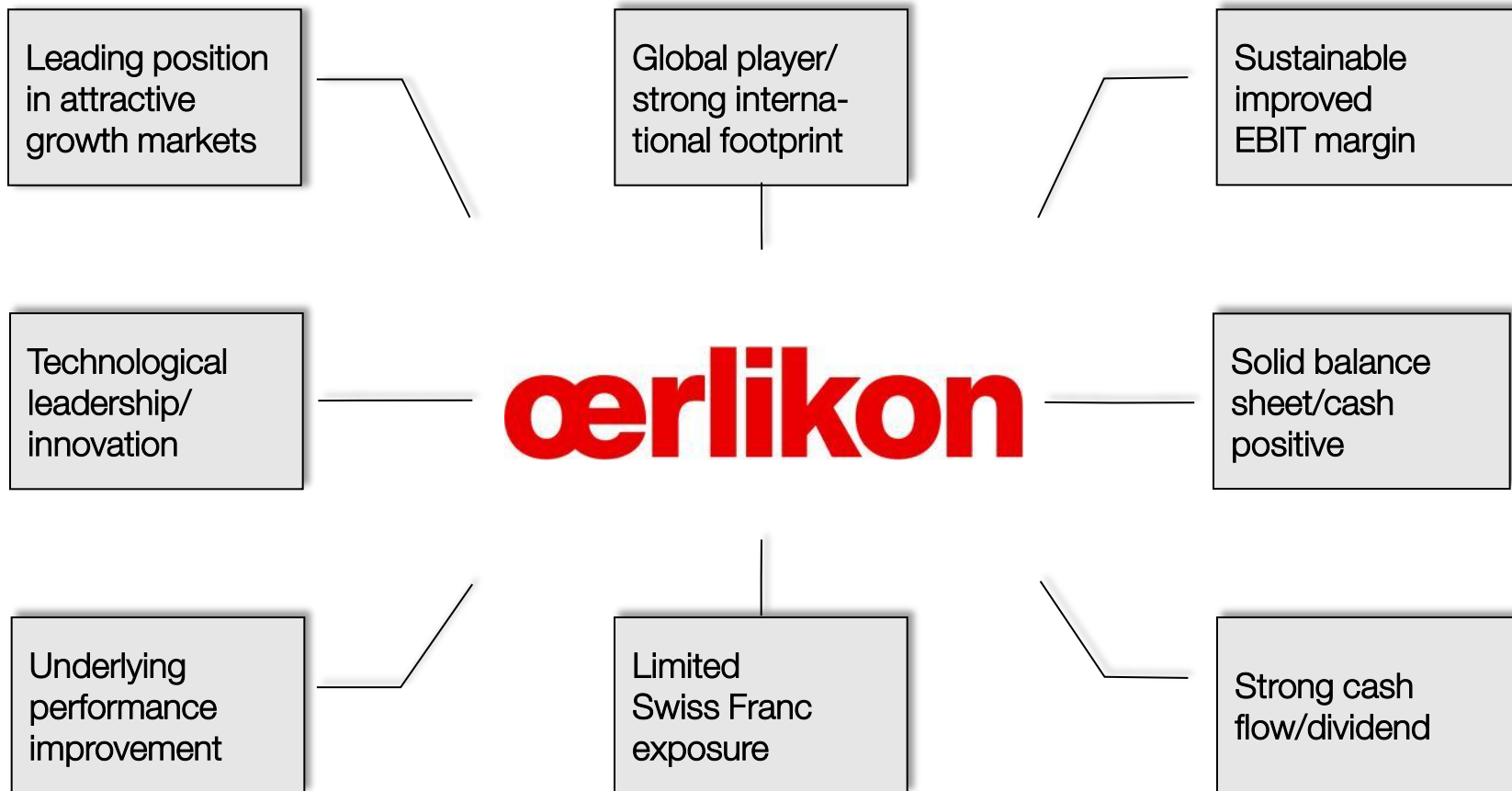
Oerlikon strives to be your most reliable business partner, worldwide.

We increase value through high-quality innovative industrial solutions, continuously.

We engage highly qualified professionals.

Our commitment is your success!





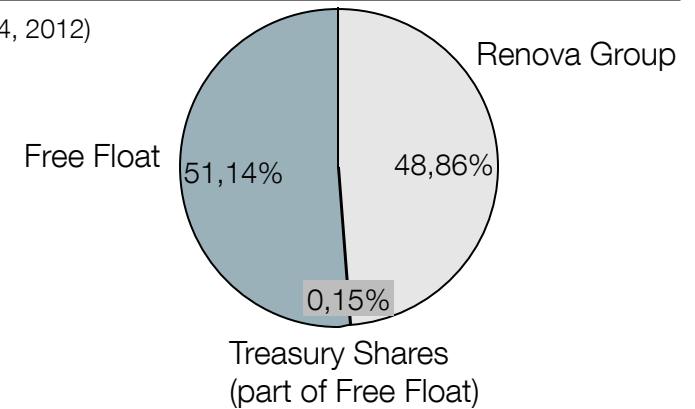
Oerlikon Shares

- Listed on Swiss Exchange (SIX) since 1975
- Securities symbol: OERL
- Securities number 81 682
- ISIN: CH0000816824
- No. of shares outstanding: 325 547 970 shares*
- Re-entry to Swiss SMIM on April 17, 2012
- Addition to STOXX Europe 600 as of June 18, 2012

* as of September 30, 2012

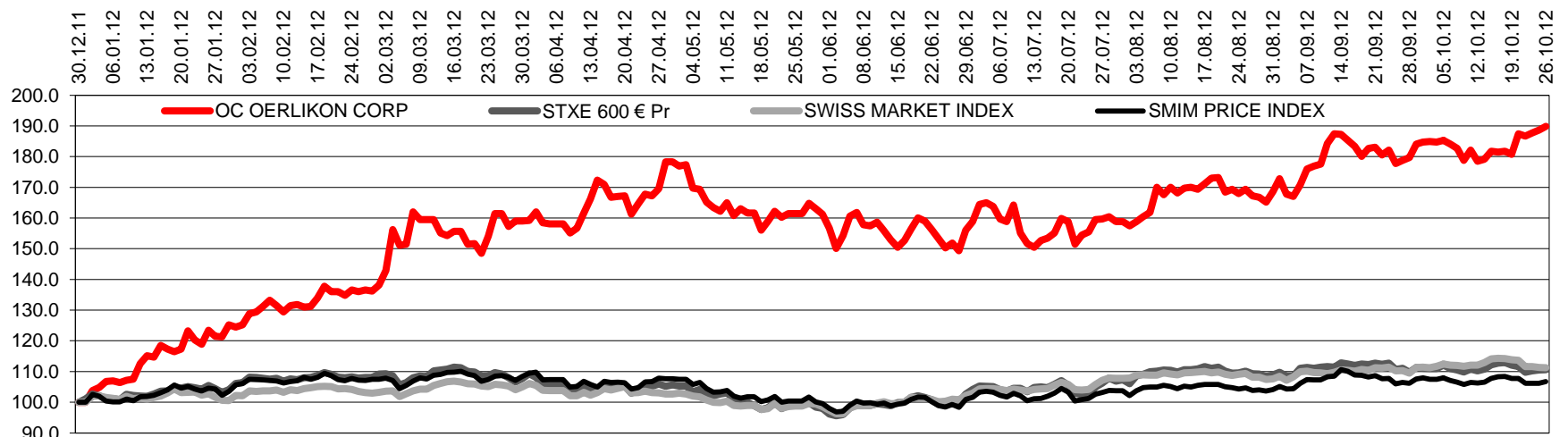
Oerlikon Shareholder Structure

(as of June 14, 2012)



Oerlikon Share Price Development

(as of October 26, 2012, Indexed; 100 percent = Closing price per December 31, 2011)



Coverage

8 Buy/Accumulate – 3 Hold/Neutral

Broker (as of October 29, 2012)	Analyst	Recommendation	Date of last update	Target Price
AlphaValue	Pierre-Yves Gauthier	Buy	06.08.2012	11.60
Bank am Bellevue	Michael Studer	Hold	06.08.2012	9.30
Bank Vontobel	Michael Foeth	Buy	25.10.2012	11.00
Berenberg Bank	Benjamin Glaeser	Buy	03.08.2012	10.30
Credit Suisse	Patrick Laager	Buy	23.10.2012	12.40
Helvea SA	Reto Amstalden	Accumulate	25.10.2012	10.00
Kepler CM	Christoph Ladner	Buy	06.08.2012	11.00
Main First Bank	tbd	Hold	19.09.2012	9.75
Société Générale	Jean Baptiste Roussille	Hold	09.08.2012	9.30
UBS	Torsten Wyss	Buy	25.09.2012	11.20
Zürcher Kantonalbank	Armin Rechberger	Overweight	25.10.2012	-
CONSENSUS				10.59

Oerlikon Group key figures HY 2012



in CHF m	HY 2011 (restated)	HY 2012 (cont. op.)	Δ
Order intake	2 159	1 952	-10 %
Order backlog	1 605	1 319	-18 %
Sales*	1 900	1 951	+3 %
EBITDA (incl. one-time effect property sale Arbon) % of sales	276 14.5 %	343 17.6 %	+24 %
EBIT (incl. one-time effect property sale Arbon) % of sales	199 10.5 %	267 13.7 %	+34 %
Result from continuing operations % of sales	98 5.2 %	183 9.4 %	+87 %
Cash flow from operating activities before changes in net current assets	250	205	-18 %
Net Operating Assets (incl. goodwill and brands)	2 108**	2 217	+5 %

* Sales to third parties

** December 31, 2011

Key figures by Segment HY 2012

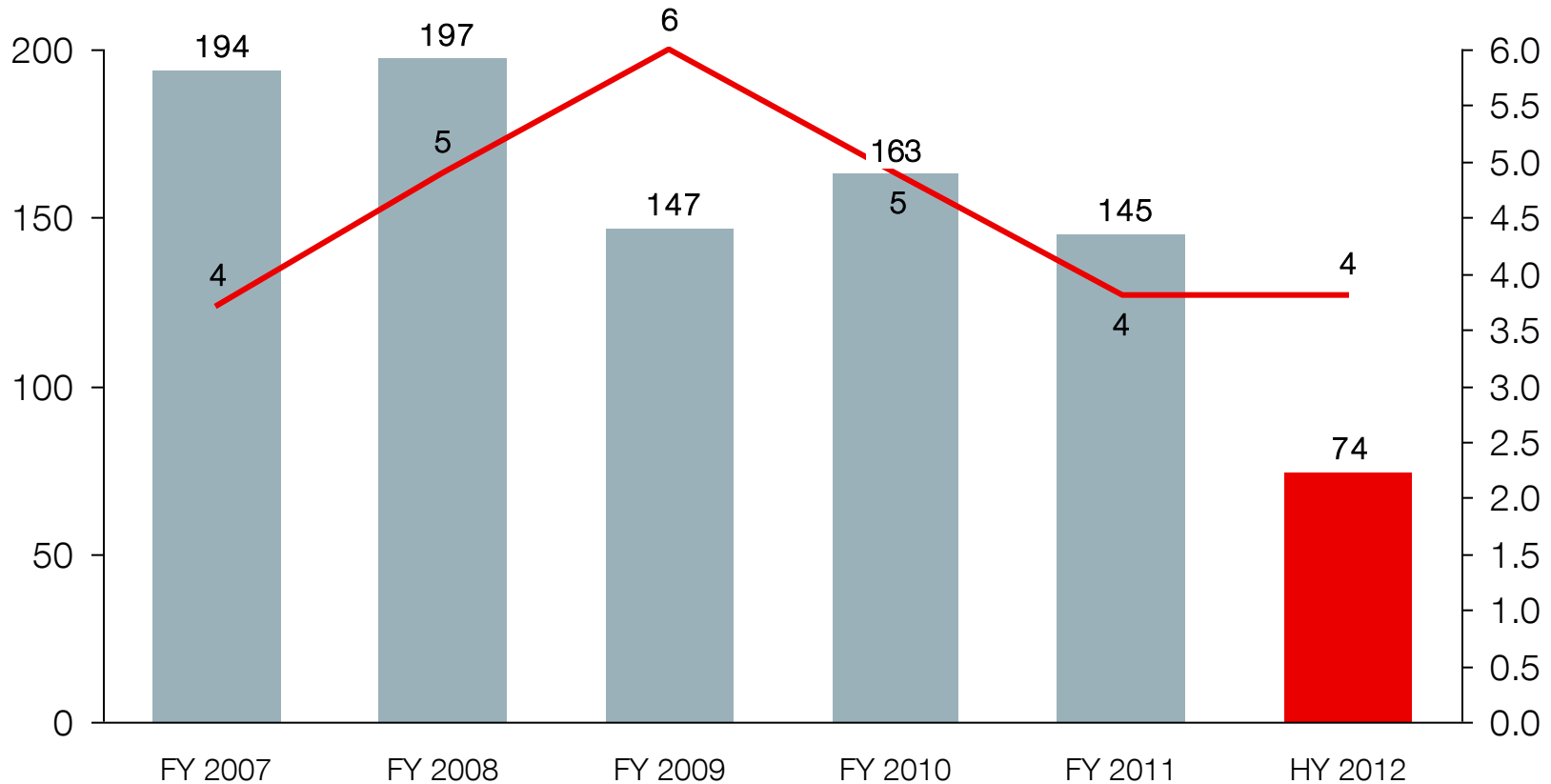
in CHF m	Textile	Drive	Vacuum	Coating	Adv.Tech.
Order intake Δ to HY 2011	1 000 -16 %	444 -2 %	195 -11 %	253 4 %	60 20 %
Order backlog Δ to HY 2011	1 012 -24 %	202 31 %	79 -9 %	n/a	26 4 %
Sales* Δ to HY 2011	1 015 4 %	449 8 %	191 -9 %	253 4 %	43 -20 %
EBITDA % of sales	166 16.4 %	62 13.8 %	31 16.2 %	74 29.2 %	-1 n/a
EBIT % of sales	144 14.2 %	39 8.8 %	24 12.7 %	53 21.0 %	-3 n/a
Employees	6 234	5 618	1 495	3 084	192

* Sales to third parties

Constant range of investments in R&D

Expenditures for R&D in the range of 4-6 % of Sales (restated)

CHF m / as % of Sales



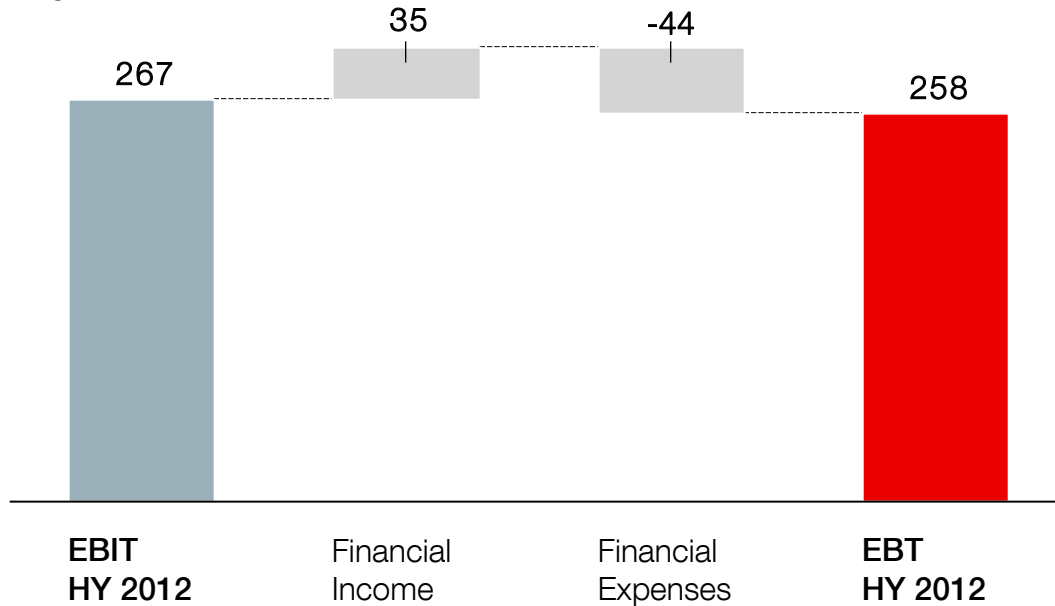
Oerlikon increased profitability

in CHF m	HY 2011*	HY 2012	Δ
Result before interest and taxes (EBIT) in % of sales	199 10.5 %	267 13.7 %	+34 %
Financial result	-54	-9	n/a
Result before taxes (EBT) in % of sales	145 7.6 %	258 13.2 %	+78 %
Income taxes in % of EBT	-47 32.4 %	-75 29.1 %	n/a
Result from continuing operations in % of sales	98 5.2 %	183 9.4 %	+87 %

* restated

Financial Result

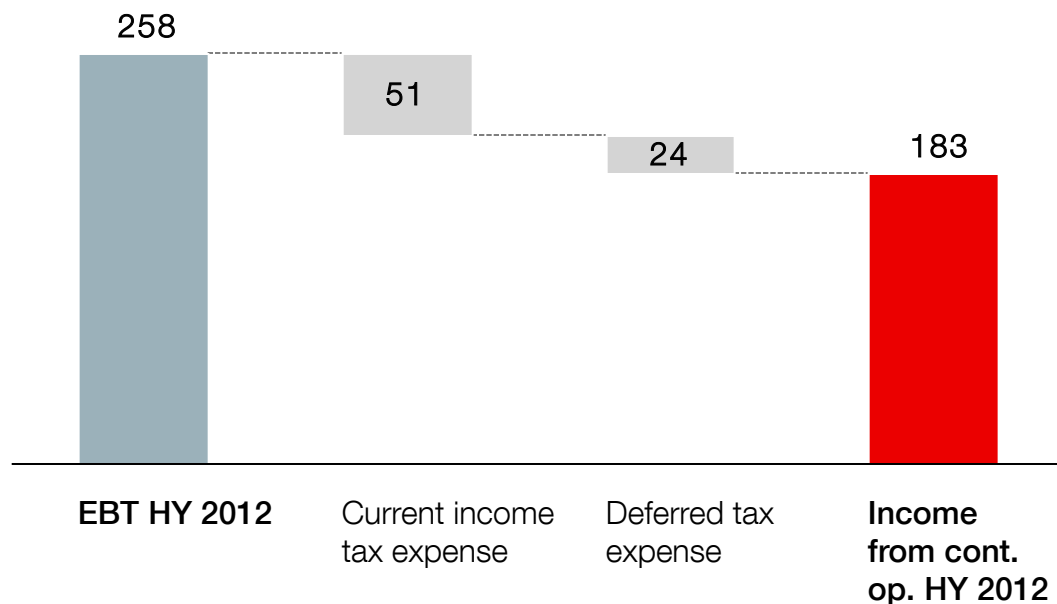
in CHF m



- Financial result CHF -9 m
- Financial income includes proceeds from Pilatus divestment
- Interest expenses of CHF 26 m
- Financial result FY 2012 expected at around CHF -100 m
- Financial result FY 2013 expected to decline to approx. CHF -60 m

Tax Result

in CHF m



- Tax rate H1 2012 at 29 %
- Current income tax due to profitability contribution of most subsidiaries
- Main tax payers in China, Germany and India
- Deferred tax expenses mainly due to utilization of tax loss carry forwards
- Tax rate FY 2012 at around 35 % due to one-time effects from refinancing
- Mid-term targeted tax rate of around 30 %

Maintaining a solid balance sheet

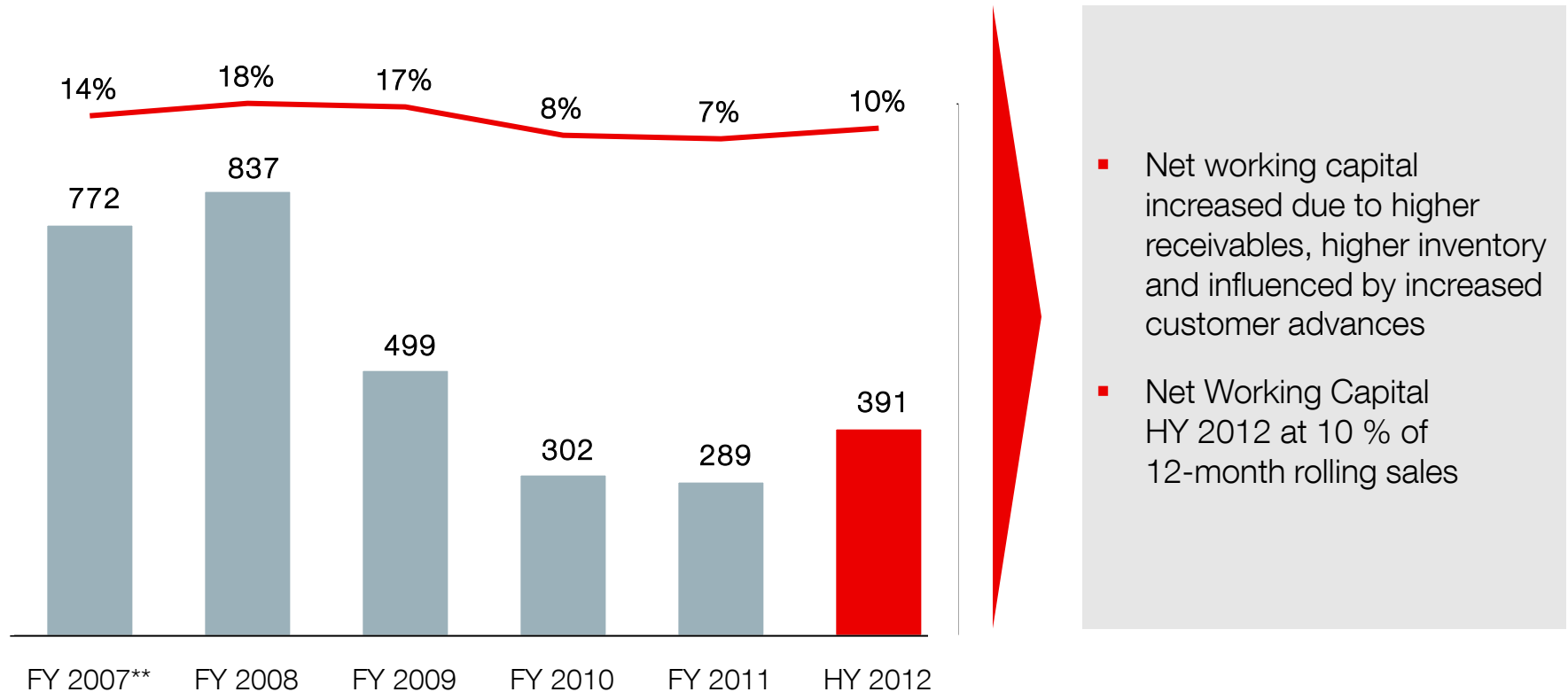
in CHF m	FY 2011	HY 2012
Cash and cash equivalents	742	620
Trade receivables	635	680
Inventories	582	609
Property, plant and equipment	915	817
Intangible assets	1 261	1 234
Total other assets	438	500
Total assets	4 573	4 460
Trade payables	457	410
Current customer advances	471	488
Current and non-current loans and borrowings	856	695
Non-current post-employment benefit provisions	525	570
Total other liabilities	654	683
Total liabilities	2 963	2 846
Total equity	1 610	1 614
Equity ratio	35 %	36 %
Net debt	86	61
Gearing*	5 %	4 %

* Net debt / Equity

Net Working Capital*

Net Working Capital* FY 2007-HY 2012

in % of Sales and CHF m



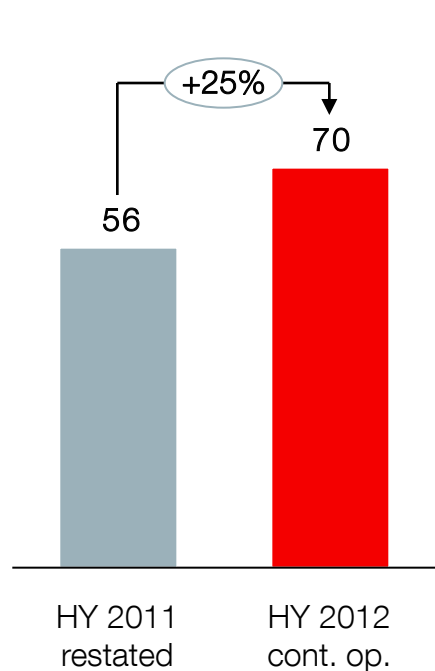
* Net Working Capital is defined as trade receivables + inventories – trade payables – current customer advances

** restated

CAPEX close to depreciation level

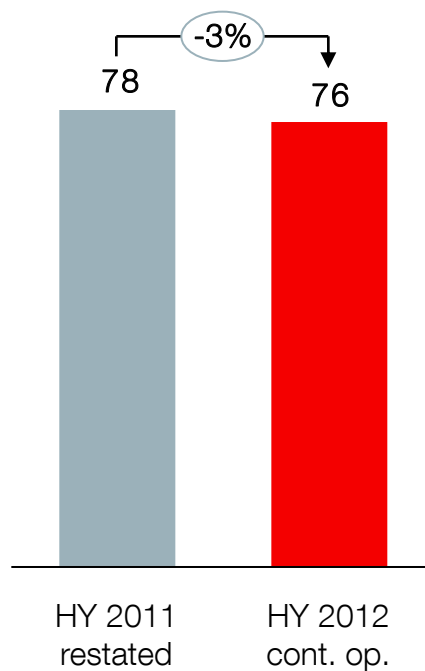
CAPEX

in CHF m



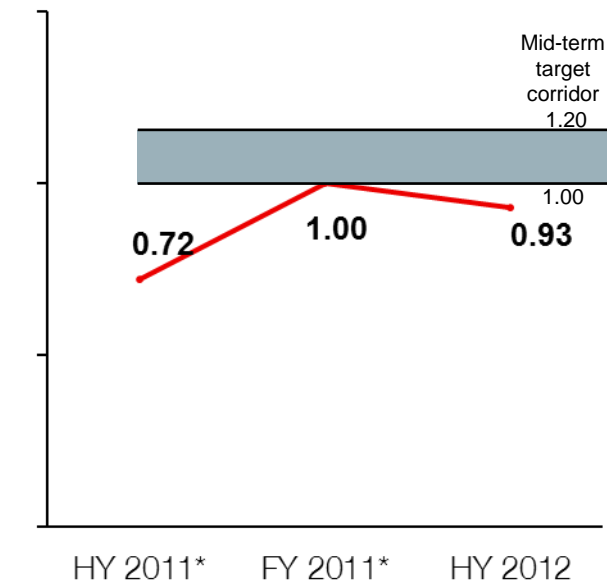
Depreciation & amortization*

in CHF m



CAPEX /

depreciation & amortization ratio **



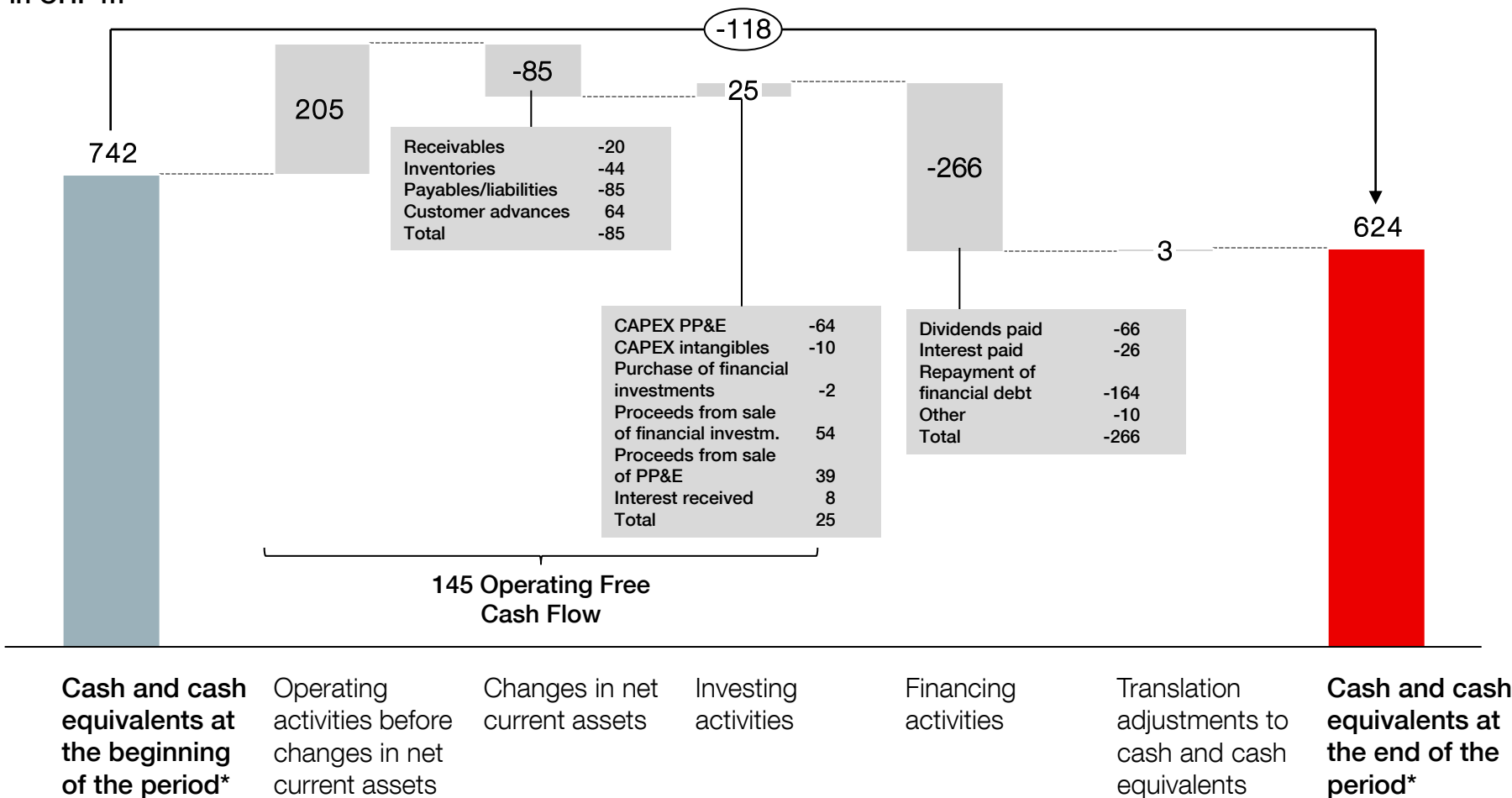
* restated

** excluding impairment

Consolidated Cash Flow Statement HY 2012



in CHF m



* includes cash and cash equivalents included in "assets classified as held for sale" in the balance sheet

Comprehensive Refinancing 2012

Increased strategic and operational flexibility

New Syndicated Credit Facility

- Unsecured transaction
- CHF 700m Credit Facility (Facility A) revolving facility of CHF 450 m and ancillary facility of CHF 250 m
- Term of three years and two additional one-year extension options
- Initial margin of 250 basis points per year
- 13 international banks in the syndicate
- CHF 100 m term loan (Facility B) cancelled due to successful issuance of Bond

Swiss Bond

- CHF 300 m Swiss Bond
- 4-year maturity
- Coupon of 4.25 %
- Coupon paid annually, starting on July 13, 2013

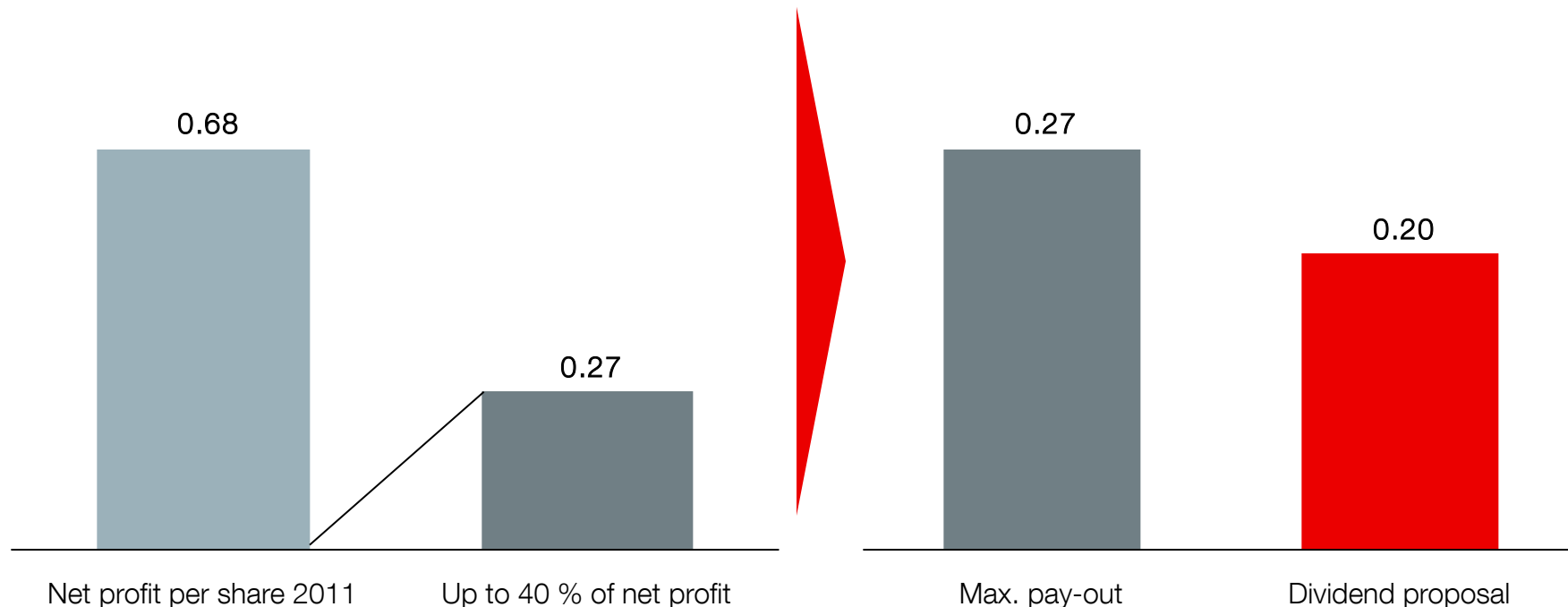
- Regained confidence of capital market and recognition of underlying performance improvement
- Repayment in full of old facility from financial restructuring as of July 20, 2012

Dividend policy and dividend for 2011

Dividend yield of 4 %

Dividend policy to pay out
up to 40 % of net profit

AGM approved to pay out
CHF 0.20 per share for 2011



- Dividend distributed from the reserve from capital contribution
- Dividend yield of 4 % based on a share price of CHF 5.03 at year-end 2011

Oerlikon Customer Base (selection)

- Preferred technology supplier to technology leaders in their respective industries
- Global customer base and world-leading brand names
- Strong long-term customer relationships



OC Oerlikon Management AG
Churerstrasse 120
CH-8808 Pfäffikon SZ
Switzerland

Andreas Schwarzwälder
Head of Investor Relations

Phone: +41-58-360-9622
Mobile: +41-79-810-8211
E-mail: ir@oerlikon.com



Oerlikon has made great efforts to include accurate and up-to-date information in this document. However, we make no representation or warranties, expressed or implied, as to the accuracy or completeness of the information provided in this document and we disclaim any liability whatsoever for the use of it.

This presentation is based on information currently available to management. The forward-looking statements contained herein could be substantially impacted by risks and influences that are not foreseeable at present, so that actual results may vary materially from those anticipated, expected or projected. Oerlikon is under no obligation to (and expressly disclaims any obligation to) update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.

All information provided in this document is not intended as, and may not be construed as, an offer or solicitation for the purchase or disposal, trading or any transaction in any Oerlikon securities. Investors must not rely on this information for investment decisions.