

# Information for shareholders

## 2014 capital market development

While the stock indices continued to climb, reaching new record highs in 2014, industries such as the capital goods sector were facing a rather challenging period. Several political conflicts worldwide, the end of the quantitative easing stimulus program by the US Federal Reserve and the general economic slow-down, especially in China, weighed on stocks particularly in relation to capital expenditure. The Swiss Market Index (SMI) climbed by 9.5% to 8983 points in 2014 (2013: 8203 points), while the majority of Swiss industrial companies reported a declining share price.

## Oerlikon share performance in 2014

After a strong performance in the past three years, the Oerlikon share price continued its rally in the first quarter of 2014 before it eased, in line with its peers, and stabilized at lower levels during the rest of the year. Among other things, the execution of warrants from the financial restructuring in 2010 and the generally uncertain market environment drove the share price in the second half of the year. Share value decreased by 6.4% and closed out 2014 at CHF 12.50 (2013 closing price: CHF 13.35). The Oerlikon share performance was comparable with that of other Swiss industrial peers but slightly underperformed the general market development as measured by the indices SMI (+9.5%), SMIM (+9.9%) and STOXX Europe 600 (+4.3%). In intraday trading, the share price reached its annual high on February 25 at CHF 15.65 and its lowest level on October 13 at CHF 10.60. Average daily trading volume on the 249 trading days in 2014 remained at a high level of around 1.0 million shares (2013: 1.2 million shares).

## Analyst recommendations

Thirteen financial analysts covered Oerlikon in 2014 and published recommendations and performance estimates based on their analysis. RBC Capital Markets (Royal Bank of Canada) initiated coverage during the course of the year. Kepler Cheuvreux and Berenberg Bank suspended coverage in 2014 following a change of analyst, but intend to resume coverage in 2015. Oerlikon provides analysts and investors with market consensus figures in order to facilitate an independent and transparent assessment of performance. This consensus is based

purely on analyst estimates and in no way reflects the opinion of Oerlikon.

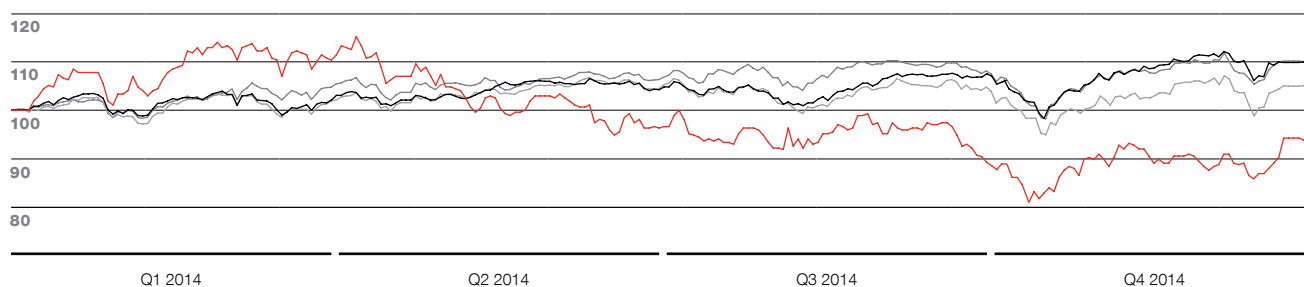
Oerlikon's strong operating performance as well as the Metco acquisition were well received by the financial community and led to an increase in the analysts' average target price of 9%, from CHF 13.99 to CHF 15.19 during 2014. As of December 31, 2014, seven out of eleven analysts recommended the purchase of Oerlikon shares (buy/accumulate). There were four neutral (hold/neutral) and no negative (underperform/underweight) recommendations.

Oerlikon is seeking to expand the number of financial institutions covering the company, particularly outside of Switzerland, in order to broaden the opinions available in the financial markets and the basis for the consensus figures.

## Shareholder earnings

In 2014, Oerlikon paid a dividend to its shareholders for the third consecutive time, amounting to CHF 0.27 per share for the financial year 2013. Based on a sustainable, strong operational performance and solid financial position, the Board of Directors of Oerlikon will propose an increased dividend of CHF 0.30 per share from the capital contribution reserves for the financial year 2014 at the Annual General Meeting of Shareholders scheduled for April 8, 2015. This represents the third consecutive increase and follows a stable and progressive payout approach. This will be equivalent to a payout ratio of 42% based on underlying earnings per share (EPS) of CHF 0.72 (2014 reported: EPS of CHF 0.59). Based on the year-end closing price of CHF 12.50, Oerlikon shares yielded a return of 2.4% in 2014.

Four years after implementation of a dividend policy for the Oerlikon Group, the Board of Directors has approved to amend the company's dividend policy to reflect the sustainability of Oerlikon's business model and its continued solid positioning, benchmarked against its Swiss and international industrial peers. The change in dividend policy allows for a dividend to be paid up to 50% of the Group's underlying net income, subject to available funds.



## Development of the Oerlikon share price

Indexed; 100% = closing price as of December 31, 2013

■ OERL  
■ SMI  
■ SMIM  
■ STOXX Europe 600

## Key share-related figures<sup>1</sup>

		2014	2013	2012	2011	2010
Year-end	in CHF	12.50	13.35	10.35	5.03	4.90
Year high	in CHF	15.65	13.70	10.85	7.85	12.30
Year low	in CHF	10.60	9.91	5.06	4.06	3.69
Year average	in CHF	13.20	11.86	8.20	6.05	4.86
Average daily trading volume	in thousands	1 039	1 236	1 463	1 600	879
Average daily trading volume	in CHF thousands	13 615	14 566	11 982	9 596	4 373
Shares outstanding at year-end	number	339 758 576	334 633 258	325 964 498	323 124 010	323 085 471
Market capitalization at year-end	in CHF million	4 247	4 467	3 374	1 625	1 583
Earnings per share (undiluted)	in CHF	0.59	0.60	1.16	0.68	0.01
Earnings per share (diluted)	in CHF	0.59	0.59	1.15	0.68	0.01
Price-earnings ratio		21.19	22.25	8.77	7.40	490.00
Payout ratio		42 % <sup>2</sup>	36 % <sup>3</sup>	29%	29%	0%
Dividend per share	in CHF	0.30 <sup>4</sup>	0.27 <sup>5</sup>	0.25 <sup>6</sup>	0.20 <sup>7</sup>	0.00
Dividend yield		2%	2%	2%	4%	–
Equity per share <sup>8</sup>	in CHF	6.50	6.27	5.75	4.91	6.92
Cash flow from operating activities per share	in CHF	0.76	1.11	1.56	1.36	2.47

<sup>1</sup> Average number of shares with voting and dividend rights.

<sup>2</sup> Based on underlying EPS of CHF 0.72.

<sup>3</sup> Based on underlying EPS of CHF 0.76.

<sup>4</sup> Dividend proposed for financial year 2014, to be paid in 2015.

<sup>5</sup> For financial year 2013, paid in 2014.

<sup>6</sup> For financial year 2012, paid in 2013.

<sup>7</sup> For financial year 2011, paid in 2012.

<sup>8</sup> Attributable to shareholders of the parent.

## Listing on the stock exchange

The registered shares of OC Oerlikon Corporation AG, Pfäffikon, have been listed on the SIX Swiss Exchange since 1973, and are traded in the main segment.

Securities symbol	OERL
Securities number	81 682
Security type	Registered share
International Securities Identification Number (ISIN)	CH0000816824
Settlement currency	CHF
Stock exchange	SIX Swiss Exchange
Bloomberg ticker symbol	OERL.S
Reuters ticker symbol	OERL.S

## Weighting of the Oerlikon share in indices

as of December 31, 2014, in %	2014	2013
SMIM	1.9112	2.0443
SMI Expanded	0.2012	0.2128
SPI	0.1907	0.1998
SPI Extra	1.2584	1.3328
SPI ex SLI	1.8778	1.9268
STOXX Europe 600	0.0283	0.0282
Swiss All Share	0.1885	0.1979
UBS 100 Index	0.1932	0.2102