

1.1 Oerlikon in the capital markets

2013 capital market development

2013 was a good year for equity investors, despite the challenging political and economic market environment. The worldwide main indices reported new record highs in 2013 and closed higher than in the previous year. The Swiss Market Index (SMI) climbed by 20% and the STOXX Europe 600 Index by 18% in 2013.

In 2013, the development of the US fiscal and monetary policy significantly impacted the global capital markets. Ongoing budget discussions, including the government standstill and the uncertainty regarding the continuation of the bond purchase program by the Federal Reserve, caused insecurity among investors. From a European perspective, the forming of the government in Italy and the banking crisis in Cyprus were driving the stock markets. Reduced growth in Asia and China, in particular, negatively impacted investors' sentiment. Despite all the negative news from abroad, the Swiss stock market showed positive performance. The SMI increased from 6822 points to 8203 points (+20%). The SMIM even increased by 28% from 1244 points to 1594 points.

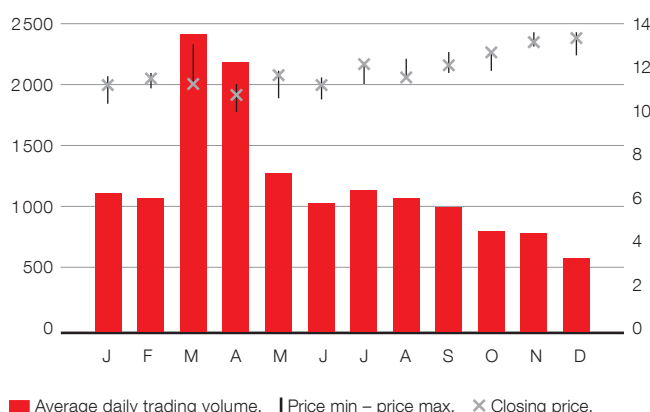
Oerlikon share performance in 2013

Following strong share performance in 2012, which saw the share increase by more than 100%, the Oerlikon share continued to rise in 2013, despite the uncertain economic environment. Share value increased by 29% and closed out 2013 at CHF 13.35 (2012 closing price: CHF 10.35). The Oerlikon share beat the general market development as measured by the indices SMI (+20%), SMIM (+28%) and STOXX Europe 600 (+17%). In intraday trading, the share reached its lowest level on April 23 at CHF 9.91 and its annual high on November 11 at CHF 13.70.

Average daily trading volume on the 249 trading days in 2013 sustained at a high level of around 1.2 million shares (2012: 1.5 million shares).

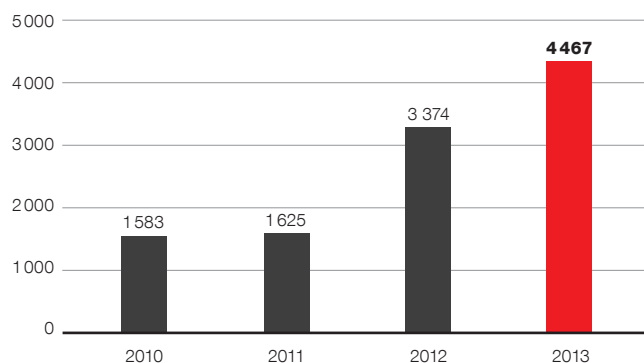
Price range and trading volume 2013 (SIX Swiss Exchange)

in thousand shares/in CHF



Market capitalization

in CHF million, at year-end



Key share-related figures¹

		2013	2012 restated	2011	2010	2009
Year-end	in CHF	13.35	10.35	5.03	4.90	31.68
Year high	in CHF	13.70	10.85	7.85	12.30	86.20
Year low	in CHF	9.91	5.06	4.06	3.69	20.82
Year average	in CHF	11.86	8.20	6.05	4.86	n/a
Average daily trading volume	in thousands	1236	1463	1600	879	98
Average daily trading volume	in CHF thousands	14566	11982	9596	4373	n/a
Shares outstanding at year-end	Number	334633258	325964498	323124010	323085471	14142437
Market capitalization at year-end	in CHF million	4467	3374	1625	1583	448
Earnings per share (undiluted)	in CHF	0.60	1.16	0.68	0.01	-54.27
Earnings per share (diluted)	in CHF	0.59	1.15	0.68	0.01	-54.27
Price-earnings ratio		22.25	8.77	7.40	490.00	-0.58
Payout ratio		35% ²	29% ³	29%	0%	0%
Dividend per share	in CHF	0.27 ⁴	0.25 ⁵	0.20 ⁶	0.00	0.00
Dividend yield		2%	2%	4%	-	-
Equity per share ⁷	in CHF	6.27	5.75	4.91	6.92	38.44
Cash flow from operating activities per share	in CHF	1.11	1.56	1.36	2.47	7.02

¹ Average number of shares with voting and dividend rights.

² Based on underlying EPS of CHF 0.77.

³ Based on underlying EPS of CHF 0.85.

⁴ Dividend proposed for 2013, to be paid in 2014.

⁵ For financial year 2012, paid in 2013.

⁶ For financial year 2011, paid in 2012.

⁷ 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	81682
Security type	Registered share
International Securities Identification Number (ISIN)	CH0000816824
Settlement currency	CHF
Stock exchange	SIX Swiss Exchange
First trading day	22.12.1975
Bloomberg ticker symbol	OERL.S
Reuters ticker symbol	OERL.S

Weighting of the Oerlikon share in indices

as of December 31, 2013, in %

	2013	2012
SMIM	2.0443	2.0155
SMI Expanded	0.2128	0.1892
SPI	0.1998	0.1770
SPI Extra	1.3328	1.2644
SPI ex SLI	1.9268	1.8295
STOXX Europe 600	0.0282	0.0255
Swiss All Share	0.1979	0.1763
UBS 100 Index	0.2102	0.1795

Shareholder earnings

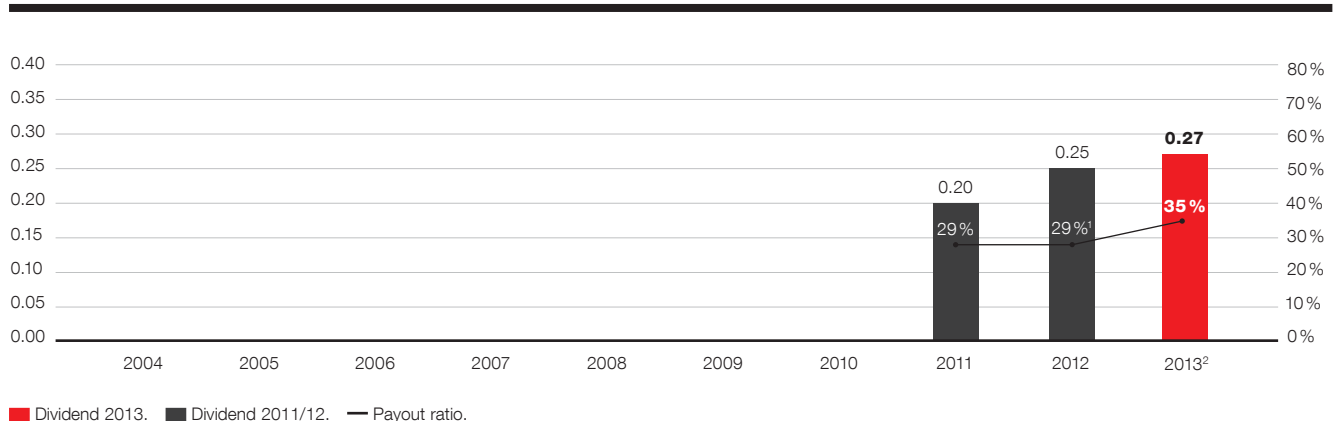
Oerlikon adheres to its dividend policy introduced by the Board of Directors in 2011 and distributes up to 40% of net profit to shareholders, subject to the level of funds available.

For 2013, Oerlikon generated earnings per share (EPS) of CHF 0.60. At the Annual General Meeting of Shareholders on April 15, 2014, the Board of Directors will propose the distribution of a dividend higher by 8% of CHF 0.27 per share from the capital contribution reserves. This is equivalent to a payout ratio of 35% based on the underlying earnings per share of CHF 0.77 (without the effect of the sale of the Natural Fibers and Textile Components Business Units).

Based on the year-end closing price of CHF 13.35, the Oerlikon share yielded a return of 2% in 2013.

Dividend

in CHF, in % of earning per share



■ Dividend 2013. ■ Dividend 2011/12. — Payout ratio.

¹ Payout ratio based on underlying EPS of CHF 0.85.

² Proposed to the AGM; payout ratio based on underlying EPS of CHF 0.77.

Credit ratings and financing

At the 2013 balance sheet date, the Group had outstanding non-current financial liabilities amounting to CHF 303 million attributable primarily to the domestic bonds. The creditworthiness of the domestic bonds, assessed by UBS AG and the Zürcher Kantonalbank, was BBB- (investment grade) with a stable outlook.

Oerlikon also has a syndicated credit agreement for CHF 700 million, issued in July 2012. The unsecured credit agreement comprises a revolving cash facility of CHF 450 million and an ancillary tranche of CHF 250 million, with a term of three years and two additional extension options of one year each. No liquidity was drawn from the cash facility at the balance sheet date.

In December 2013, Oerlikon signed an unsecured EUR 120 million (app. CHF 150 million) loan facility with the European Investment Bank (EIB) to finance research and development of selected segments in Germany and Liechtenstein.

Cash and cash equivalents amounted to CHF 1 280 million at the balance sheet date. The Group had total net liquidity of CHF 981 million, as at December 31, 2013.

Financing instruments

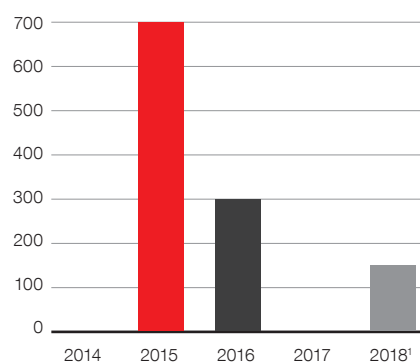
as of December 31, 2013



- Facility A CHF 700 million¹.
- Swiss bond CHF 300 million.
- EIB loan app. CHF 150 million.

¹ No liquidity was drawn from the revolving cash facility (CHF 450 million) was drawn as of balance sheet date.

Maturity of financing instruments

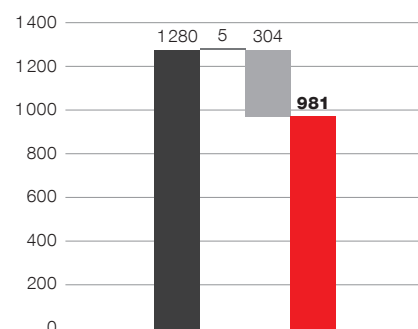


- Facility A CHF 700 million (prolongation options until 2017).
- Swiss bond CHF 300 million.
- EIB loan app. CHF 150 million.

¹ Maturity depends on the amortization schedule and timing of utilization.

Net liquidity

in CHF million, as of December 31, 2013



- Cash and cash equivalents.
- Other.
- Non-current loans and borrowings.
- Net liquidity.