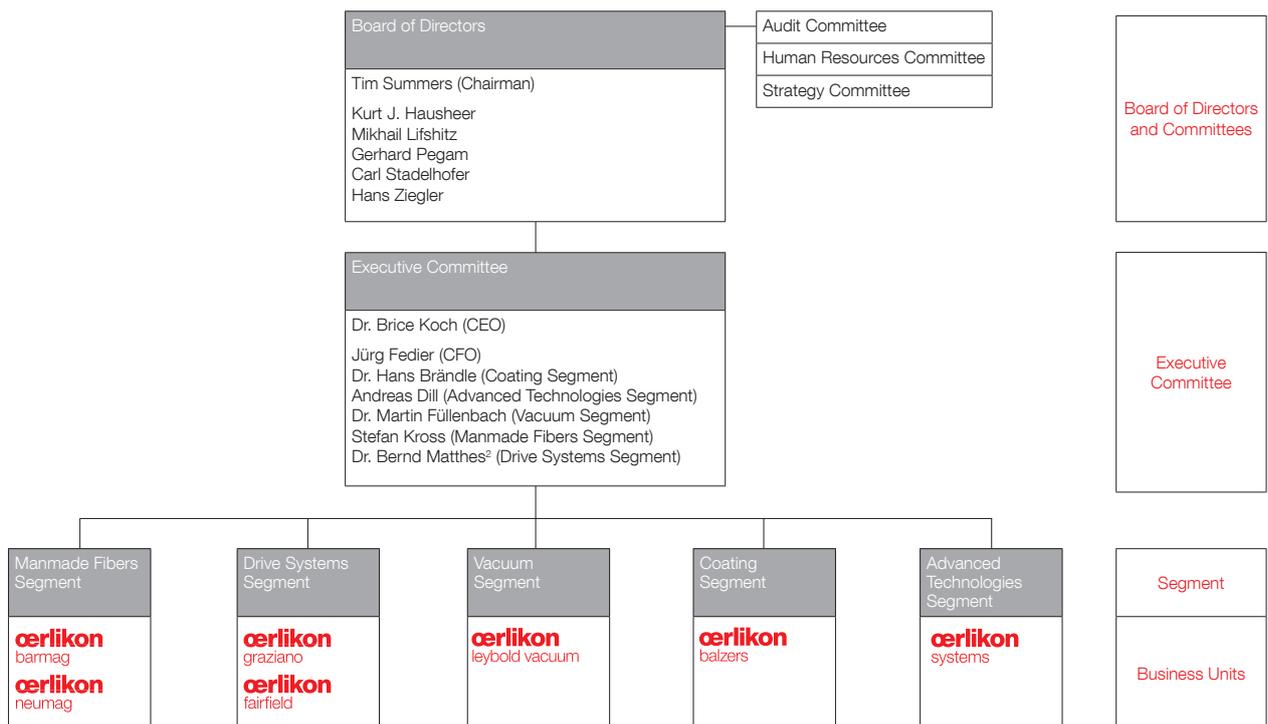


2.0 Oerlikon Group

1. Oerlikon creates innovative industrial solutions for a better life.
2. Innovation is at the very core of Oerlikon's culture and the key differentiator for our customers as well as for the company itself.
3. With a regional footprint of over 150 sites in 34 countries, Oerlikon is a global player with a strong position in emerging markets such as China and India.

Group Structure¹



¹Status at the time this annual report went to print.

²Starting April 1, 2014.

Innovative solutions for industrial applications

Oerlikon is an industrial group specializing in machine and plant engineering. In 2013 the company had a total of around 13000 employees working at over 150 sites in 34 countries and generated sales of CHF 2.9 billion.

The Group comprises five Segments: Manmade Fibers, Drive Systems, Vacuum, Coating and Advanced Technologies. The Segments' business areas span plants, provide various after sales services, develop and implement processes for synthetic fiber manufacturing, transmission systems and drive solutions, vacuum systems, surface solutions and production solutions for semiconductors and nanotechnology applications.

Oerlikon's technology is everywhere

Oerlikon's customers operate primarily in the markets for food, functional wear, transportation, infrastructure, energy and electronics. For example, the Group's customers include 22 of the 25 largest polyester manufacturers. Oerlikon also supplies globally operating manufacturers of agricultural vehicles and construction machinery, leading microchip producers and almost all major car manufacturers and their suppliers.

End products produced or processed with Oerlikon plants or processes can be found at every turn in people's everyday lives: functional sportswear keeps people warm, rugs make homes cozier, nonwoven materials insulate structures, hybrid vehicles and city buses improve mobility, vacuum packaging keeps food fresh, smartphones guarantee availability and LED lights save energy.

Unique products and solutions

The key factors that set the company apart are innovative industrial solutions with maximum customer benefit: synthetic fiber manufacturers, for example, can increase their productivity by 20% with the latest WINGS POY 1800 yarn winder. With the CLUSTERLINE® 300 II, more than twice as many power semiconductors can be produced at the same time, and BALIQ™ coatings extend the service life of microtools by a factor of 30.

The foundation for all of Oerlikon's activities is research and development (R&D), with 2013 Group investments of CHF 122 million (an increase of 15% compared to 2012). This is one reason why every Segment is a market and technology leader. More than 1000 highly qualified engineers focus on the development of unique products and solutions to help customers become more competitive in their markets: at the core of these activities are greater productivity and efficiency, lower energy consumption and less use of space as well as environmentally friendly and sustainable industrial processes.

Global network of sites

Oerlikon develops each global market with a range of products and solutions tailored to the needs of local customers. This strategy is successful due to the company's worldwide presence: Oerlikon operates in a closely knit network with over 150 sites in 34 countries. Most technology and development centers are concentrated in the domestic European market. China is the most important single market, accounting for 30% of total sales. Other emerging countries, such as India and Brazil, also provide important growth opportunities.

This global coverage is most evident in the Coating Segment: it offers its services in 93 coating centers in 34 countries. The Manmade Fibers, Drive Systems and Vacuum Segments have also gradually expanded their production capacities, for example in China and India. As a result, they can capitalize on market opportunities that are being created in these countries thanks to growing domestic demand. Oerlikon efficiently ensures the highest level of availability of the often business-critical systems and processes with its worldwide network of service sites on all continents.

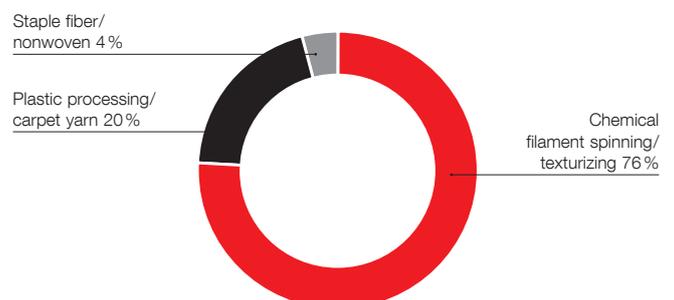
Manmade Fibers Segment

The Oerlikon Barmag and Oerlikon Neumag brands represented in the Manmade Fibers Segment are pioneers in synthetic fiber manufacturing.

Oerlikon Barmag is the leader in filament spinning systems and texturing machines used, for example, in the production and processing of polyester, polyamide and nylon. The WINGS (Winder INtegrated Godet Solution) winding systems for POY (partially oriented yarn) and FDY (fully drawn yarn) stand out by virtue of their consumption of 30% less energy and of taking up less production space in a company's spinning facilities. The core competences of Oerlikon Neumag are systems used in the production of BCF (bulked continuous filament) carpet yarn, synthetic staple fibers and nonwoven fabrics. The Segment also offers the engineering and construction of polycondensation and polymerization systems, spanning all of the different steps involved in manmade fiber production ranging from molten plastic to yarn. Manmade fibers are processed into functional wear, carpets and upholstery, or into technical textiles such as airbags, seatbelts and geotextiles.

The main markets of Oerlikon Barmag are India and China, while Oerlikon Neumag's focus is on the USA, Turkey and China. 22 of the 25 largest synthetic fiber producers, who together account for 60% of the annual production of filaments and fibers, are customers of the Segment. This includes global companies, such as Shenghong, Tongkung, Newfengming, Indorama and Wellknown Polyesters. The Manmade Fibers Segment has production facilities in Europe and Asia, while R&D is concentrated in Germany and China. The Segment maintains the world's largest technical center for manmade fibers in Remscheid.

Market Segments Manmade Fibers



Drive Systems Segment

The Oerlikon Graziano and Oerlikon Fairfield brands represented in the Drive Systems Segment are globally operating leading suppliers of transmission components and drive systems.

The Segment focuses its activities on transmission systems for high-performance sports cars and components as well as on drive solutions for agricultural vehicles, construction machines and on-/off-highway vehicles, such as city buses or airport towing tractors. The Segment also offers drive solutions for mobile and stationary industrial applications, such as for the energy industry or surface mining. The products in this Segment can be found, for example, in wind power systems, on oil and gas drilling platforms and in tunnel boring machines. One core competence of the Drive Systems Segment is the engineering of individual solutions ranging from tailored synchronizer rings all the way to seamlessly integrated power trains. Another specialty is the development of transmission solutions especially optimized for electric or hybrid vehicles.

The Segment's main markets are Europe, the USA, India and China. In addition to manufacturers of premium class sports cars, such as Aston Martin, Audi, Lamborghini and McLaren, the Segment's customers include many manufacturers of construction machines and agricultural equipment, such as Caterpillar, John Deere and CNH. Around 70% of all globally produced agricultural machines contain synchronizer rings or clutch components made by Oerlikon Graziano. The Segment has production facilities in Europe, India, the USA and China. Its UK-based subsidiary VOCIS is a leading developer of monitoring software for drive systems.

Vacuum Segment

The Vacuum Segment offers a wide range of fore- and high-vacuum pumps, complete with the corresponding accessories, under the Oerlikon Leybold Vacuum brand.

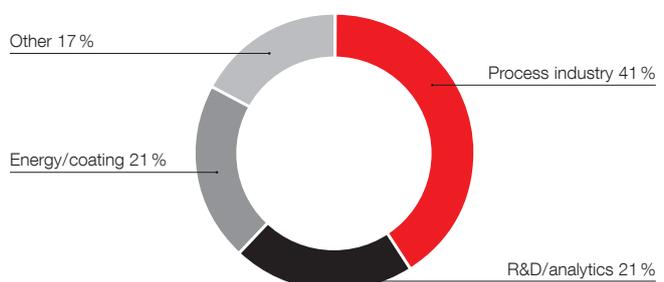
The Segment's products, such as high-vacuum pumps in the TURBOVAC family or dry-compressing models in the DRYVAC series, are unique thanks to their extremely high level of efficiency, quality and flexibility. Their most important areas of application are production methods in the process industry, analytics and applications in scientific research. The Segment's core competences include, in addition to the standard products, the engineering of tailored, complex vacuum solutions for industrial applications with sophisticated performance parameters, such as those required in steel degassing or AMOLED (active-matrix organic light-emitting diode) display production.

Pumps and solutions from Oerlikon Leybold Vacuum are in use around the whole world. For many large customers, they create the cleanest production conditions necessary for the manufacture of semiconductors, displays, coated architectural glass or solar cells. Vacuum systems are also used to finish steel or to process and package food products. This Segment's customers include Danieli, Böhler Edelstahl, Joopin and Marlen, as well as leading companies in the area of display production. In addition to the world's largest vacuum chamber in Karlsruhe, the CERN particle accelerator in Geneva is equipped with pumps from this Segment. Oerlikon Leybold Vacuum operates within a global network with 28 of its own production facilities and service centers as well as around 50 sales organizations.

Market Segments Drive Systems



Market Segments Vacuum



Coating Segment

The Coating Segment is the global leader in thin-film coatings with the Oerlikon Balzers brand.

Coatings from Oerlikon Balzers, such as BALINIT® or BALIQ™, are extremely hard, adhesive and resistant to wear. They can be used to fundamentally improve the surface properties of precision tools or components. The Segment's core business consists of the global coating service it offers in its own centers, where tools for metal processing or molding, for example, are coated to increase their effectiveness and service life and thus boost productivity. Special coatings are the only way that precision parts for automotive or airplane components can fulfill the continuously changing requirements made in terms of durability and efficiency. The coatings are also increasingly used in the luxury goods and watch industries. ePD™ technology gives synthetic components a high-quality and environmentally friendly chrome look, even in complex fields of application such as the automotive industry.

Customer proximity is one of the key success factors in the Coating Segment. To be able to offer the best possible service, Oerlikon Balzers operates a dense network of 93 coating centers in 34 countries, where more than 200 million tools and components are processed annually. The Segment's more than 20000 customers include well-known companies from the automotive and aerospace industries. Oerlikon Balzers develops its own technologies and processes used in its coating service. This is an important factor that sets the Segment apart and makes it the undisputed market and technology leader.

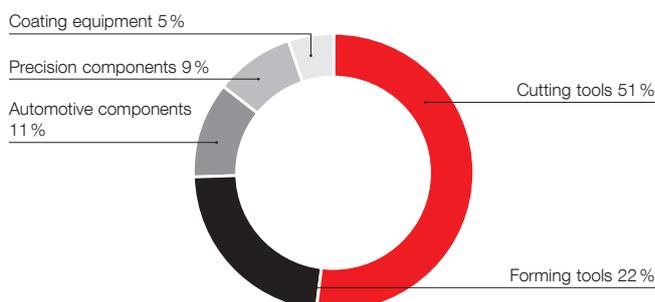
Advanced Technologies Segment

The Advanced Technologies Segment focuses, with the Oerlikon Systems brand, on production systems for the semiconductor and nanotechnology market.

The Segment's core competence is its extensive knowledge in thin-film coating processes, which it uses as the basis for the creation of production facilities and corresponding solutions. In the area of semiconductors, the key applications of systems, such as CLUSTERLINE® or HEXAGON, are the advanced packaging of semiconductor components and processing of extremely thin wafers to produce power semiconductors, such as insulated gate bipolar transistor (IGBT) switching modules. The advanced packaging process enables the manufacture of ultracompact, high-performance chips that are installed in cell phones, tablet computers or vehicle electronic systems. Other end products include read-and-write heads for hard drives, LEDs, chips for mobile telephony and Micro-Electro-Mechanical Systems (MEMS). The SOLARIS system is used, among other things, to manufacture touch panel screens and crystalline solar cells.

Oerlikon Systems supplies a broad customer base that is mostly concentrated in Asia, similar to the centers of the semiconductor industry. Customers include ASE, Amkor, ABB, Bosch, Infineon, Osram and Seagate. Today, the majority of cell phones sold globally contain chips produced on systems produced by Oerlikon Systems. The Segment operates a technology center in Balzers in the Principality of Liechtenstein. Customers receive support services and training from a network of 17 distribution, service or spare parts centers (incl. sales agents) around the world.

Market Segments Coating



Market Segments Advanced Technologies

