

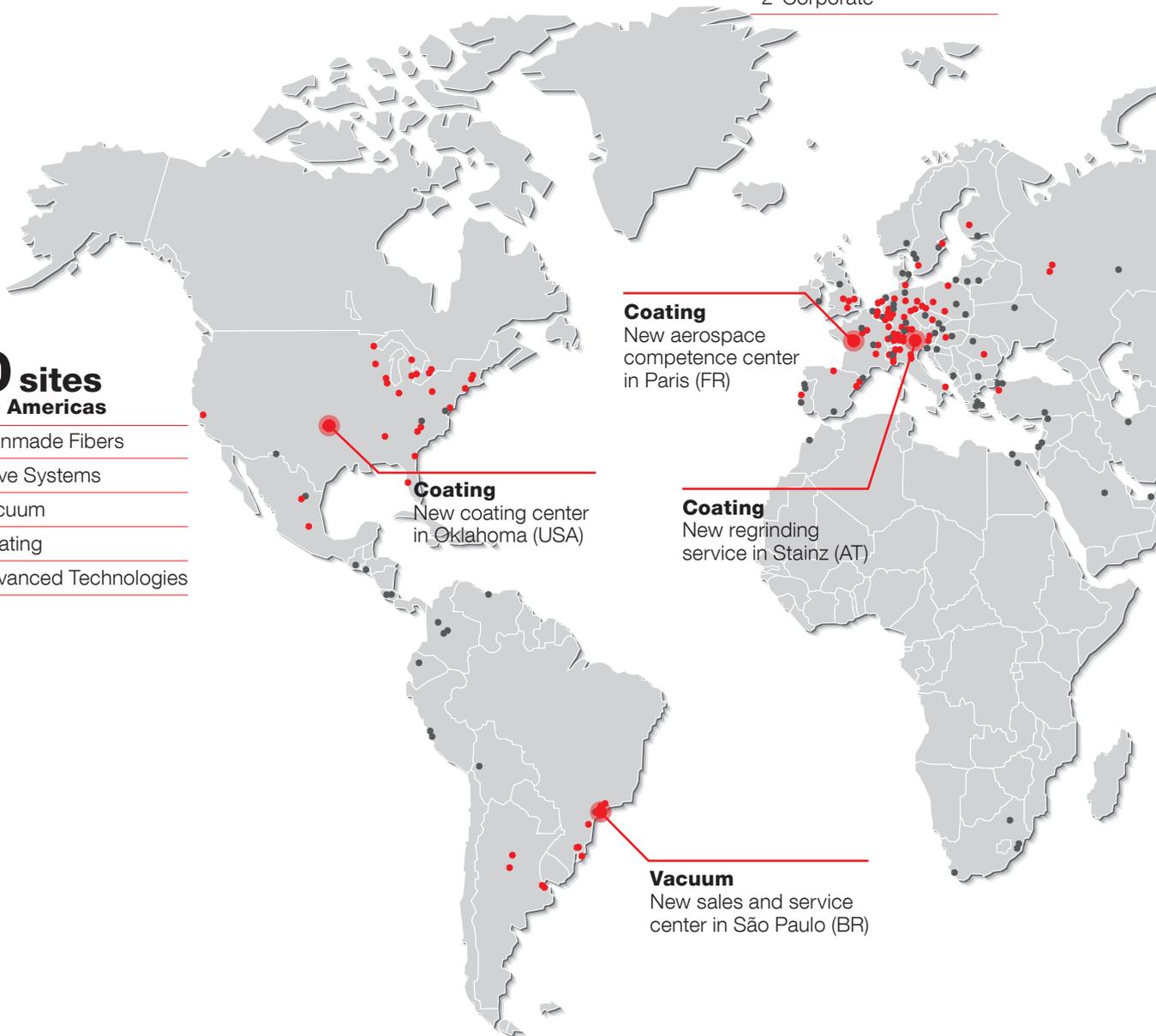
2.2 Optimizing our global presence

30 sites in the Americas

- 1 Manmade Fibers
- 2 Drive Systems
- 2 Vacuum
- 24 Coating
- 1 Advanced Technologies

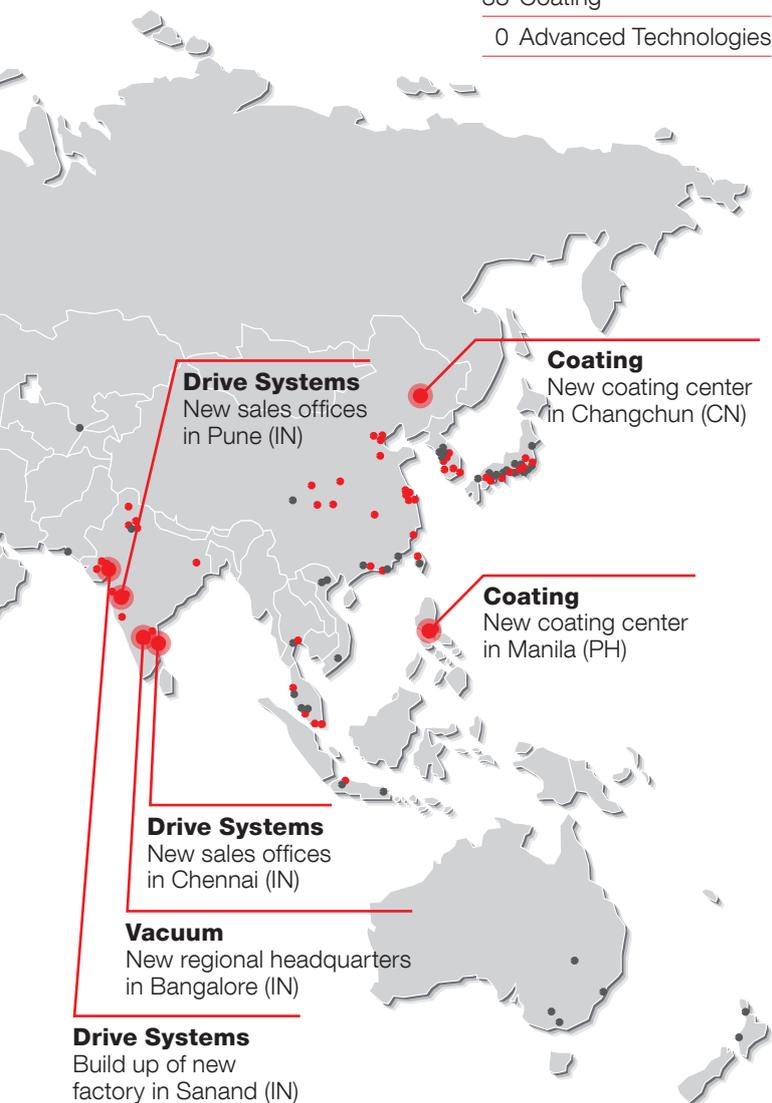
65 sites in Europe

- 3 Manmade Fibers
- 7 Drive Systems
- 12 Vacuum
- 39 Coating
- 2 Advanced Technologies
- 2 Corporate



60 sites in Asia

- 6 Manmade Fibers
- 7 Drive Systems
- 14 Vacuum
- 33 Coating
- 0 Advanced Technologies



Global footprint

Oerlikon has a strong global footprint with over 150 sites in 34 countries. Thanks to this global presence, the Segments can provide their customers with innovative products and services both quickly and efficiently wherever they are. Effective and proactive service also guarantees the highest level of availability and productivity of the systems and processes.

Oerlikon's 10 largest sites

Site	Number of employees	Segments
Greater Noida (IN)	1 228	Drive Systems
Remscheid (DE)	961	Manmade Fibers
Belgaum (IN)	915	Drive Systems
Lafayette (US)	902	Drive Systems
Rivoli (IT)	853	Drive Systems
Cologne (DE)	799	Vacuum
Balzers (LI)	719	Coating, Advanced Technologies
Suzhou (CN)	652	Coating, Drive Systems, Manmade Fibers
Bari (IT)	461	Drive Systems
Neumünster (DE)	397	Manmade Fibers

Well placed in Asia's emerging markets

Asia: In an accelerating growth region, with a strong background in new technologies, Oerlikon has the core competencies to meet the needs and demands of a sophisticated market, a growing population, a newly emerging middle class and an increase in urbanization. To succeed in this region is to understand the local cultures, customers and regulations. With a long history and presence in the region, Oerlikon is in a strong position to drive the business forward.

Long heritage in China

China: Last year, the Group generated 30% of revenue in the second-largest economy in the world, employing 1 501 people at 22 sites there.

This success is driven by continuously focusing on the unique features of the Chinese market and the long-standing presence of the individual Segments. Oerlikon Barmag, a brand in the Manmade Fibers Segment, has been operating in China since 1984 and had a hand in building up the manmade fibers industry from the outset.

Oerlikon Leybold Vacuum also has a long-standing presence in China, which extends back to 1985. Over the last two years, the Segment has gradually increased its capacities at the production site in Tianjin.

Another success story in China is Oerlikon Balzers. The market and technology leader opened its first coating center in Suzhou in 2004. Its network now encompasses 11 centers scattered across the entire country. The most recent center opened in 2013 in Changchun, the capital of Jilin province.

The shared-service concept in Suzhou played a major role in allowing Oerlikon to reap the maximum benefits from growth in China over the last few years. Certain services from areas not involved in operations, such as IT, financing, administration or HR development, are provided there centrally for all Segments. This allows newcomers from other Segments to set up successful operations much more quickly than if they had to establish this kind of basic infrastructure on their own. Covering 70 000 square meters, the office and production complex in Suzhou is one of Oerlikon's largest sites. The Manmade Fibers, Coating and Drive Systems Segments are now all represented there. The latter built its first Chinese plant in Suzhou and began producing products and services geared toward the local market around two years ago.

Focus on growing domestic market

India: Oerlikon is represented at 16 sites with 2 547 employees in the most important South Asian growth market, generating 5% of revenue there last year. According to forecasts, the economy on the subcontinent is growing around six times faster than in the OECD countries.

Oerlikon's activities in India, as is the case in China, mainly focus on the growing domestic market. The Drive Systems Segment has the most prominent presence in India. The Segment has been active on the subcontinent since 1999 and operates two large production facilities in Greater Noida and Belgaum. Last year, the foundation stone was laid for construction of the third plant in Sanand in the state of Gujarat. In this hub of the Indian automobile industry, Oerlikon will in future concentrate on manufacturing drive systems for agricultural vehicles, construction machines, commercial vehicles and industrial applications. The new production site will be constructed on a site approximately 12 hectares in size and will result in the creation of around 500 new jobs. After the site becomes operational, half of all the Drive Systems Segment's employees will work in India.

In keeping pace with the growth of the automobile industry, the regional expansion of Oerlikon Balzers is also progressing in India. The Coating Segment, for instance, opened its eighth coating center in India in Punjab. The city is an important location for the Indian auto parts and tractor industries.

All signs also point to growth for Oerlikon Leybold Vacuum. In 2013, the Segment moved into its new sales and service center in the Bangalore industrial hub. This step to increase capacity was necessary due to the growing demand for pumps and vacuum solutions. This will allow the provision of even more efficient services on site in the future, with clear improvements in the sales structures.

Strong service footprint in Europe

Europe: Although Oerlikon is continuously expanding its activities in emerging markets such as China and India, Europe continues to be the solid foundation for global business, specifically for its services. In Europe, 6614 employees work at 65 sites which represents around half of the global headcount.

The R&D activities of the Segments remain strong in Europe. For example, the most state-of-the-art technical center for manmade fibers development in the world is located in Remscheid at the head office of Oerlikon Barmag, where more than 100 engineers and technicians develop groundbreaking products and services. This research center also came up with the WINGS concept that is used to manufacture manmade fibers even more efficiently.

Oerlikon Balzers also develops its leading market systems and processes for hard coatings in Europe. The new BALIQ™ coating generation, developed in Liechtenstein and introduced to the market in 2013, makes it possible to efficiently coat microdrills and threading tools for the first time ever. In Balzers, Oerlikon Systems also laid the foundation for its success on the international semiconductor market. The CLUSTERLINE® 300 II, a production solution for microchips that will also be used to produce power semiconductors in the future, emerged from the technology center of the Advanced Technologies Segment.

Over the last few years, Oerlikon has invested significantly in its European sites to keep them globally competitive in the long run. The production workflows in the Manmade Fibers, Vacuum and Drive Systems Segments were significantly optimized. Oerlikon Leybold Vacuum in Cologne put the new logistics center into operation last year, significantly increasing production efficiency. In Remscheid, Oerlikon Barmag optimized processes in winding unit production, thus boosting output.

Russia also has considerable potential. A local office was opened in Moscow so that Oerlikon can benefit from the future growth of the Russian economy, which will allow all activities in the country to be managed more effectively. The Coating Segment is already active in Russia with its own coating center. In November 2013, the Vacuum Segment signed a contract with a leading distributor for the Commonwealth of Independent States (CIS) region. The Manmade Fibers and Drive Systems Segments are also stepping up efforts in this promising growth market.

Good base for further growth

The Americas: A very important market region for Oerlikon is North and South America, where the Group currently has a total of 1629 employees at 30 sites. Around 15% of total revenue is generated in North, Central and South America.

The head office of Oerlikon Fairfield, a brand in the Drive Systems Segment, is located in Lafayette in the US state of Indiana. The most important customers include manufacturers of agricultural vehicles and construction machines such as John Deere and Caterpillar.

With its dense network of coating centers, Oerlikon Balzers is an important supplier for the American automobile industry. Last year, the 14th coating center in North America opened in Oklahoma City, where well-known customers from the aerospace industry, manufacturers of agricultural or off-road vehicles as well as companies from the energy sector are concentrated. The Segment operates a total of 22 coating centers in the USA and South America.

Brazil also continues to receive special attention. Oerlikon Leybold Vacuum opened an office in São Paulo in August. Until now, business was handled through distributors and agents. In order to serve different industrial markets better, the decision was made to engage dedicated sales and service personnel. The increased customer proximity through Oerlikon's local presence is a key prerequisite for future growth in the largest economy in South America.