

External financing

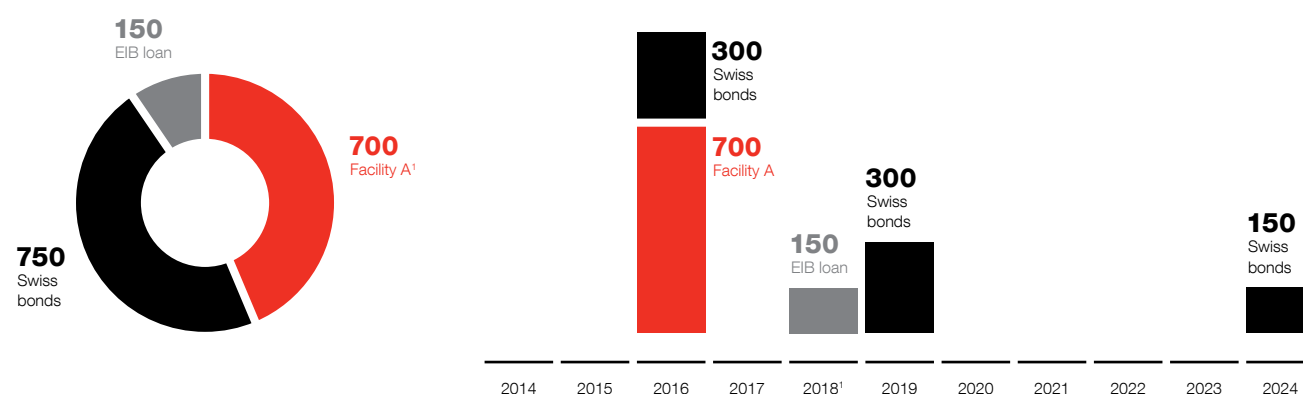
Prolongation of syndicated credit line

Oerlikon successfully prolonged its syndicated credit agreement issued in July 2012. The unsecured credit agreement in the amount of CHF 700 million (Facility A) comprises a revolving cash facility of CHF 450 million and an ancillary tranche of CHF 250 million, for a term of three years starting in July 2012 with two additional extension options of one year each. With the use of the first extension option, the maturity profile was expanded until July 2016. No liquidity was drawn from the cash facility at the balance sheet date. In December 2013, Oerlikon signed an unsecured EUR 120 million (approximately CHF 150 million) loan facility with the European Investment Bank (EIB) to finance research and development of selected Oerlikon Segments in Germany and Liechtenstein. No liquidity was drawn from the loan facility at the balance sheet date. Cash and cash equivalents amounted to CHF 825 million at the balance sheet date. The Group had total net cash of CHF 114 million, as of December 31, 2014.

Placement of two additional Swiss bonds

During the year under review, Oerlikon successfully placed senior unsecured bonds of CHF 300 million due 2019 and of CHF 150 million due 2024, to further extend its debt maturity profile. The coupons have been set at the rates of 1.25% per annum for the bonds due 2019 and 2.625% per annum for the bonds due 2024. The cash proceeds will be used to support the execution of the long-term growth strategy. This is the second time Oerlikon has taken advantage of favorable market conditions. The first Swiss bond in the amount of CHF 300 million and with a coupon rate of 4.25% was placed in 2012 and will expire in 2016.

At the 2014 balance sheet date, the Group had outstanding non-current financial liabilities amounting to CHF 760 million, attributable primarily to the above-mentioned domestic bonds. The creditworthiness of the domestic bonds was BBB- (investment grade) as assessed by UBS AG and the Zürcher Kantonalbank, and low BBB, as assessed by Credit Suisse, all three assessments with a stable/positive outlook.



Financing instruments

as of December 31, 2014

- Facility A CHF 700 million
¹ No liquidity was drawn from the revolving cash facility as of balance sheet date.
- Swiss bonds CHF 750 million
- EIB loan approximately CHF 150 million

Maturity of financing instruments

- Facility A CHF 700 million (prolongation options until 2017)
- Swiss bonds CHF 750 million
- EIB loan approximately CHF 150 million
¹ Maturity depends on the amortization schedule and timing of utilization.

Outstanding bonds as of December 31, 2014

ISIN	Coupon	Maturity	Volume	Issue price	Price as of Dec. 31, 2014	Price as of Dec. 31, 2013
CH0186162639	4.25 %	July 13, 2016 Redemption at par	CHF 300 million	100 %	105.695 %	106.559 %
CH0244692528	1.25 %	June 17, 2019 Redemption at par	CHF 300 million	100 %	102.005 %	–
CH0244692536	2.625 %	June 17, 2024 Redemption at par	CHF 150 million	100 %	108.813 %	–