

Oerlikon reports strong operating performance in Q2 2012

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Oerlikon Q2 and H1 Results 2012

August 3, 2012



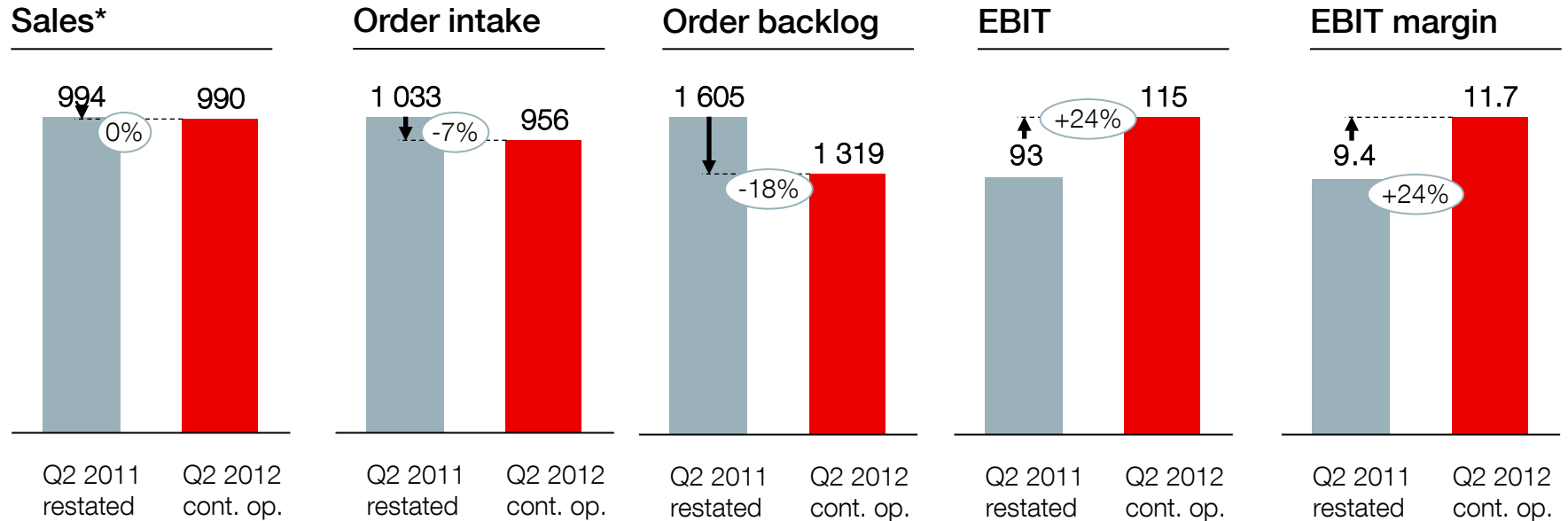
- 1** Business Update Q2 2012
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- 3** Outlook
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Strong operating performance in Q2 2012

Group EBIT margin improves to 11.7 %

in CHF m / in %

Sales*



Significant increase in profitability

- With an EBIT margin of 11.7 %, Oerlikon operates on a continued high level
- Strong margin improvements at the Textile, Drive Systems and Coating Segments
- Currency impact in Q2 negligible
- Growth in Asia (China sales increased by 17 %) and the US
- Execution of Operational Excellence programs and portfolio adjustments

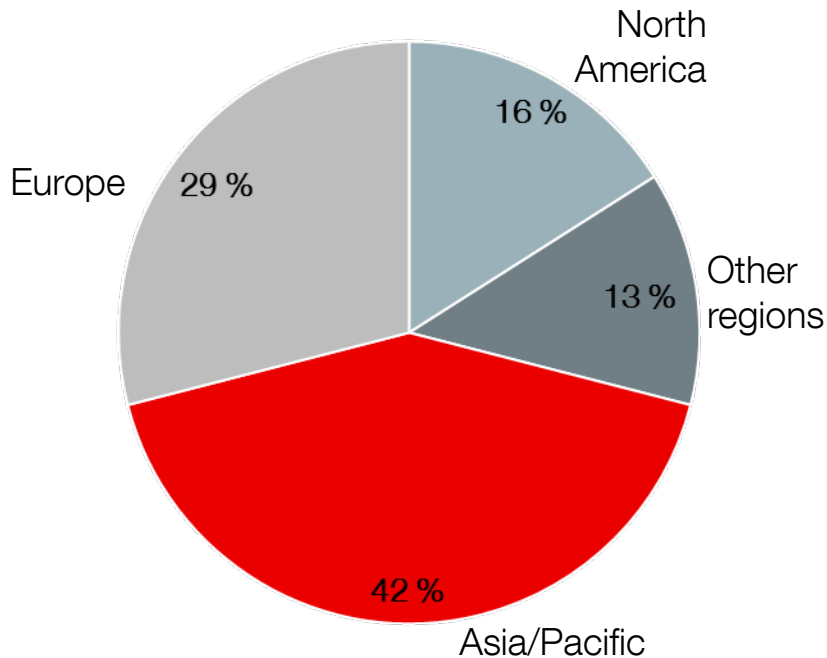
Comprehensive refinancing successfully completed in July 2012

Sales by region

Sales share of Asia increased to 42 %

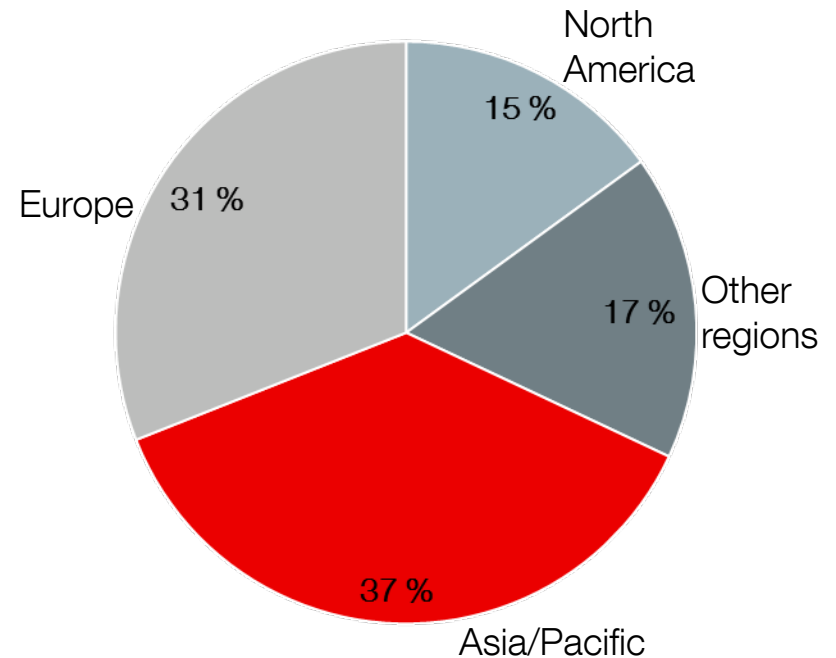
Sales* by market region Q2 2012

(continuing operations)



Sales* by market region Q2 2011

(restated)



- Oerlikon benefits from growth opportunities worldwide
- Asian markets fueled sales up by 14 % followed by North America up by 11 %
- BRIC opportunities should create better balance of geographical diversification

* Sales to third parties

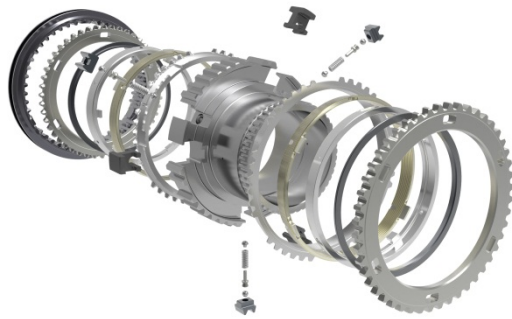
Oerlikon Segments 1/2

Second quarter business review



Textile

- Manmade fiber with continued strong performance, highest order intake for five quarters
- Natural fiber saw weaker contribution
- ITMA 2012 in Shanghai demonstrated leading technology position
- Strong Q2 sales growth in China (25 %)
- Continued portfolio adjustment (sale of Melco)



Drive Systems

- Mature markets in the US and Europe as drivers
- Slower market growth environment but ongoing demand in agriculture, construction, mining and energy
- Sale of production site in Italy completed
- Ramp-up of production capabilities in China and alignment of customer opportunities



Vacuum

- Postponements of sales projects in an overall softening market environment
- Demand from the solar market continued to be very weak and Asian market slowed, i.e. lighting market in China
- Continued investments in new product introductions, logistics and regional expansion

Oerlikon Segments 2/2

Second quarter business review



Coating

- Strong growth in the tools markets in Japan, Germany and the US
- Solutions for high-volume automotive components supported growth in Europe
- 87 coating centers worldwide with continued capacity increase
- Further regional expansion in preparation



Advanced Technologies

- Positive trend in selected markets of the semiconductor industry continued, especially in Advanced Packaging for mobile applications
- Restructuring measures due to the exit of the optical disc equipment business
- Successful qualification processes in the semiconductor and LED business

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Key figures by Segment Q2 2012

| in CHF m | Group** | Textile | Drive | Vacuum | Coating | Adv.Tech. |
|-------------------------------|----------------|----------------|--------------|--------------|--------------|-------------|
| Order intake Δ to Q2 2011 | 956 -7 % | 496 -13 % | 213 -5 % | 92 -7 % | 126 7 % | 29 26 % |
| Order backlog Δ to Q2 2011 | 1 319 -18 % | 1 012 -24 % | 202 +31 % | 79 -9 % | n/a | 26 4 % |
| Sales* Δ to Q2 2011 | 990 - | 520 - | 225 7 % | 93 -13 % | 126 7 % | 26 -32 % |
| EBIT % of sales | 115 11.7 % | 55 10.5 % | 21 9.2 % | 10 11.0 % | 27 21.0 % | - n/a |

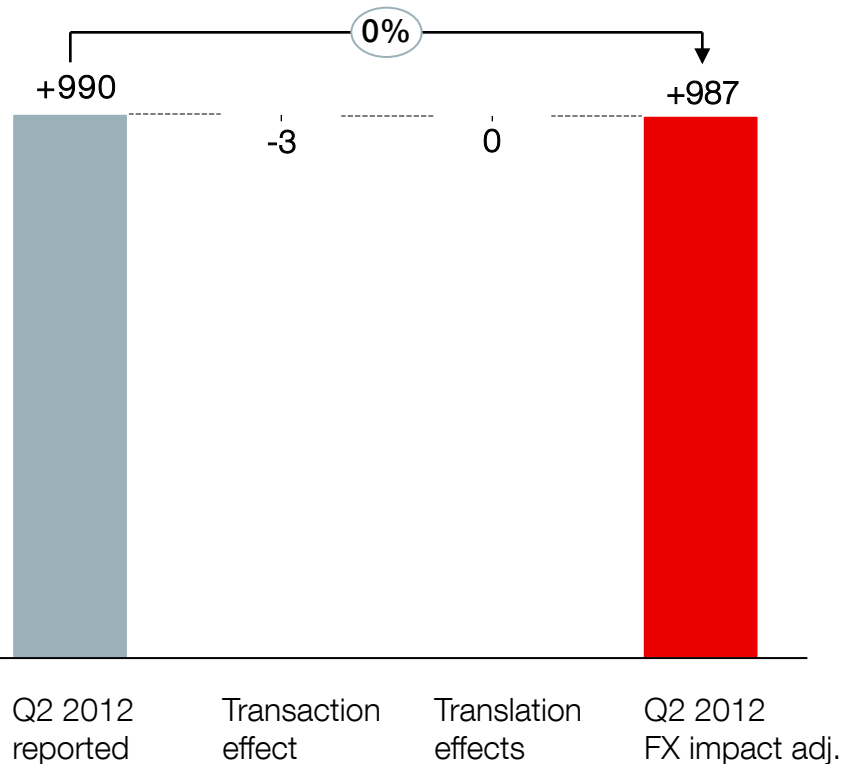
* Sales to third parties

**restated

FX impact on Sales, EBIT and EBIT margin

Oerlikon Group Sales* Q2 2012

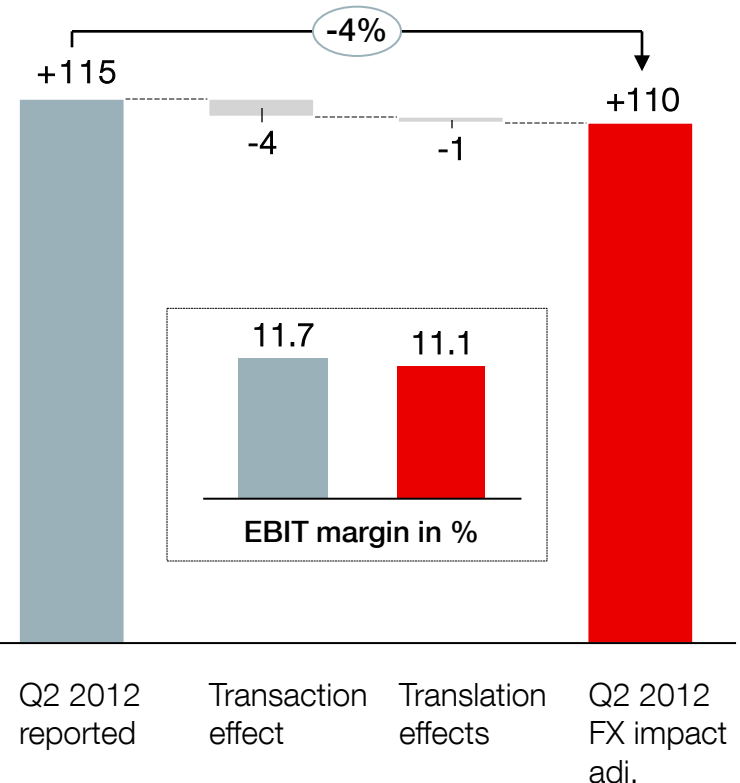
in CHF m



- Currency impact in Q2 negligible

Oerlikon Group EBIT Q2 2012

in CHF m



- Only minor impact on EBIT margin

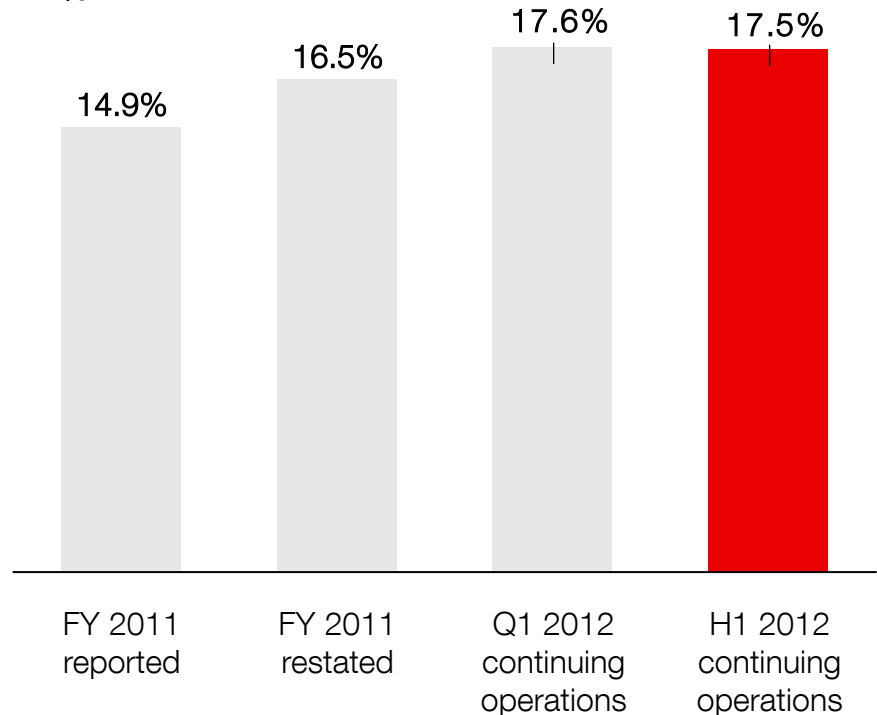
Return On Capital Employed (ROCE)

ROCE = NOPAT / Capital Employed

| Oerlikon definition of ROCE | 2011 restated | H1 2012 cont. op. |
|-------------------------------|---------------|-------------------|
| EBIT | 429 | 496 |
| - Total current income tax | -75 | -93 |
| - Total deferred income tax | -8 | -18 |
| NOPAT | 346 | 385 |
| Net Operating Assets | 2 108 | 2 217 |
| + Current tax receivables | 17 | 18 |
| + Deferred tax assets | 109 | 108 |
| - Current income tax payables | -59 | -69 |
| - Deferred tax liabilities | -72 | -73 |
| Capital Employed | 2 103 | 2 201 |

ROCE

in %



- H1 2012 ROCE: improvement in 12-month rolling NOPAT and disproportionate increase in Capital Employed
- Oerlikon Group creates value by earning premium over cost of capital

Oerlikon Group key figures HY 2012



| in CHF m | HY 2011 (restated) | HY 2012 (cont. op.) | Δ |
|-----------------------------------------------------------------------------|------------------------------|-------------------------------|----------|
| Order intake | 2 159 | 1 952 | -10 % |
| Order backlog | 1 605 | 1 319 | -18 % |
| Sales* | 1 900 | 1 951 | +3 % |
| EBITDA (incl. one-time effect property sale Arbon) % of sales | 276 14.5 % | 343 17.6 % | +24 % |
| EBIT (incl. one-time effect property sale Arbon) % of sales | 199 10.5 % | 267 13.7 % | +34 % |
| Result from continuing operations % of sales | 98 5.2 % | 183 9.4 % | +87 % |
| Cash flow from operating activities before changes in net current assets | 250 | 205 | -18 % |
| Net Operating Assets (incl. goodwill and brands) | 2 108** | 2 217 | +5 % |

* Sales to third parties

**December 31, 2011

Key figures by Segment HY 2012



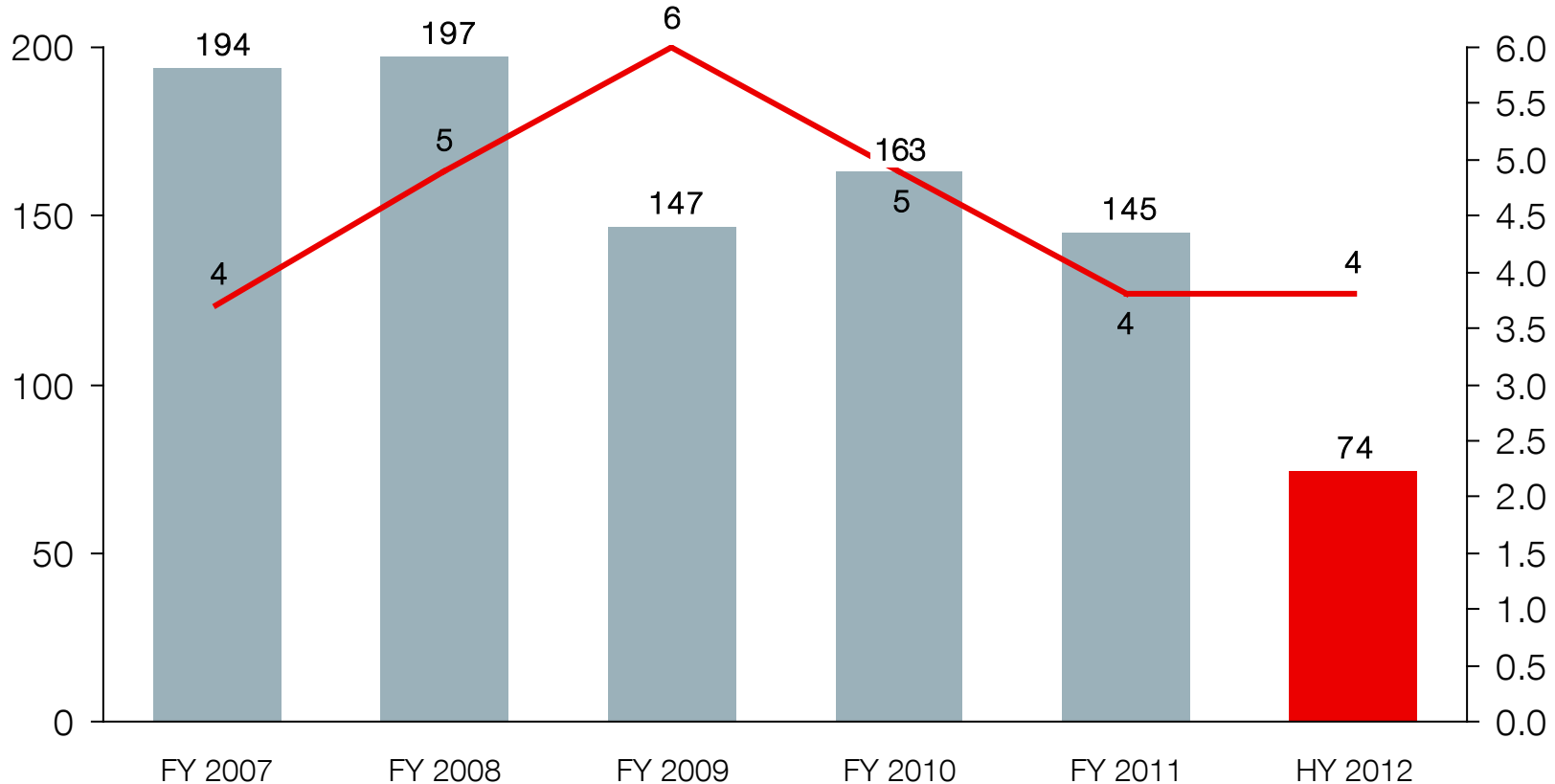
| in CHF m | Textile | Drive | Vacuum | Coating | Adv.Tech. |
|-------------------------------|----------------|--------------|--------------|--------------|-------------|
| Order intake Δ to HY 2011 | 1 000 -16 % | 444 -2 % | 195 -11 % | 253 4 % | 60 20 % |
| Order backlog Δ to HY 2011 | 1 012 -24 % | 202 31 % | 79 -9 % | n/a | 26 4 % |
| Sales* Δ to HY 2011 | 1 015 4 % | 449 8 % | 191 -9 % | 253 4 % | 43 -20 % |
| EBITDA % of sales | 166 16.4 % | 62 13.8 % | 31 16.2 % | 74 29.2 % | -1 n/a |
| EBIT % of sales | 144 14.2 % | 39 8.8 % | 24 12.7 % | 53 21.0 % | -3 n/a |
| Employees | 6 234 | 5 618 | 1 495 | 3 084 | 192 |

* Sales to third parties

Constant range of investments in R&D to secure technological leadership

Expenditures for R&D in the range of 4-6 % of Sales (restated)

in CHF m / as % of Sales



Oerlikon increased profitability

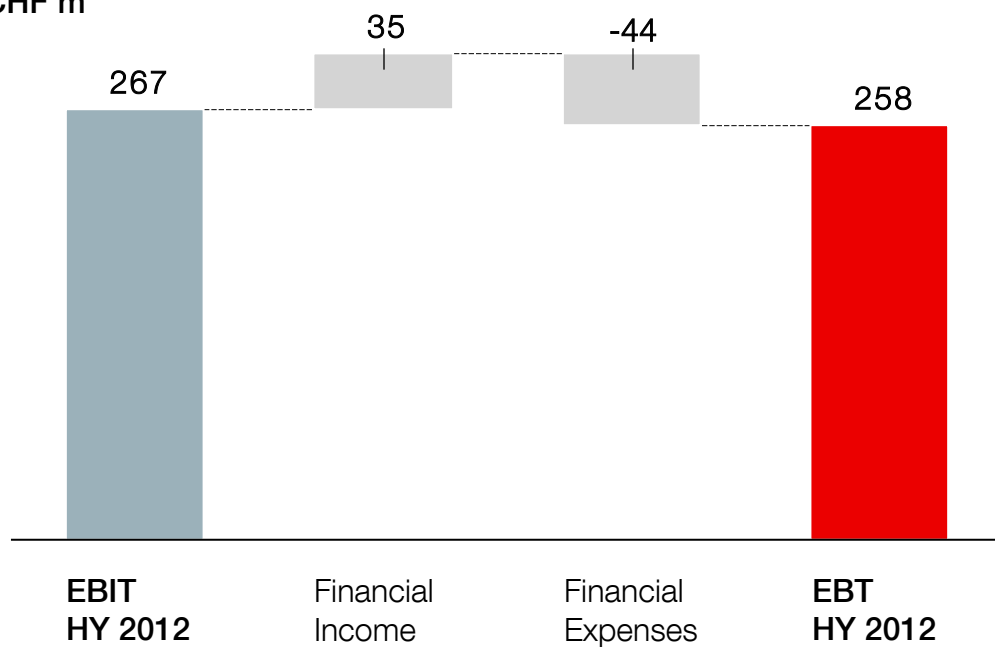


| in CHF m | HY 2011* | HY 2012 | Δ |
|----------------------------------------------------------|---------------|---------------|-------|
| Result before interest and taxes (EBIT) in % of sales | 199 10.5 % | 267 13.7 % | +34 % |
| Financial result | -54 | -9 | n/a |
| Result before taxes (EBT) in % of sales | 145 7.6 % | 258 13.2 % | +78 % |
| Income taxes in % of EBT | -47 32.4 % | -75 29.1 % | n/a |
| Result from continuing operations in % of sales | 98 5.2 % | 183 9.4 % | +87 % |

* restated

Financial Result

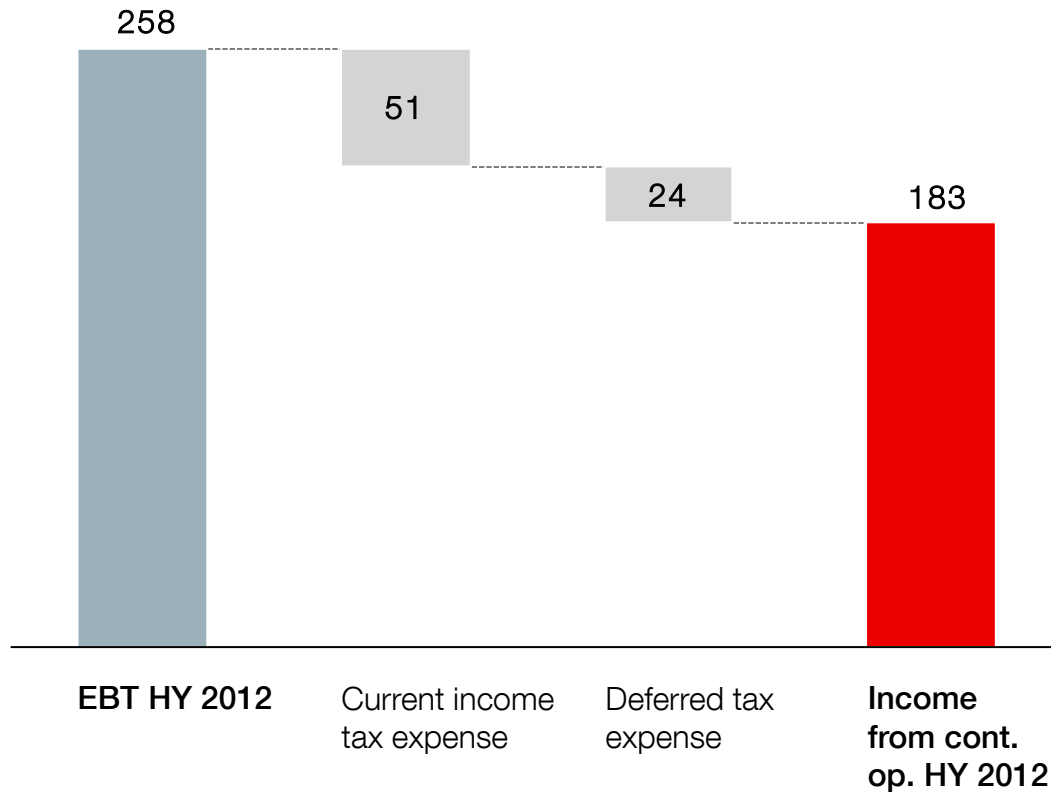
in CHF m



- Financial result CHF -9 m
- Financial income includes proceeds from Pilatus divestment
- Interest expenses of CHF 26 m
- Financial result FY 2012 expected at around CHF -100 m
- Financial result FY 2013 expected to decline to approx. CHF -60 m

Tax Result

in CHF m



- Tax rate H1 2012 at 29 %
- Current income tax due to profitability contribution of most subsidiaries
- Main tax payers in China, Germany and India
- Deferred tax expenses mainly due to utilization of tax loss carry forwards
- Tax rate FY 2012 at around 35 % due to one-time effects from refinancing
- Mid-term targeted tax rate of around 30 %

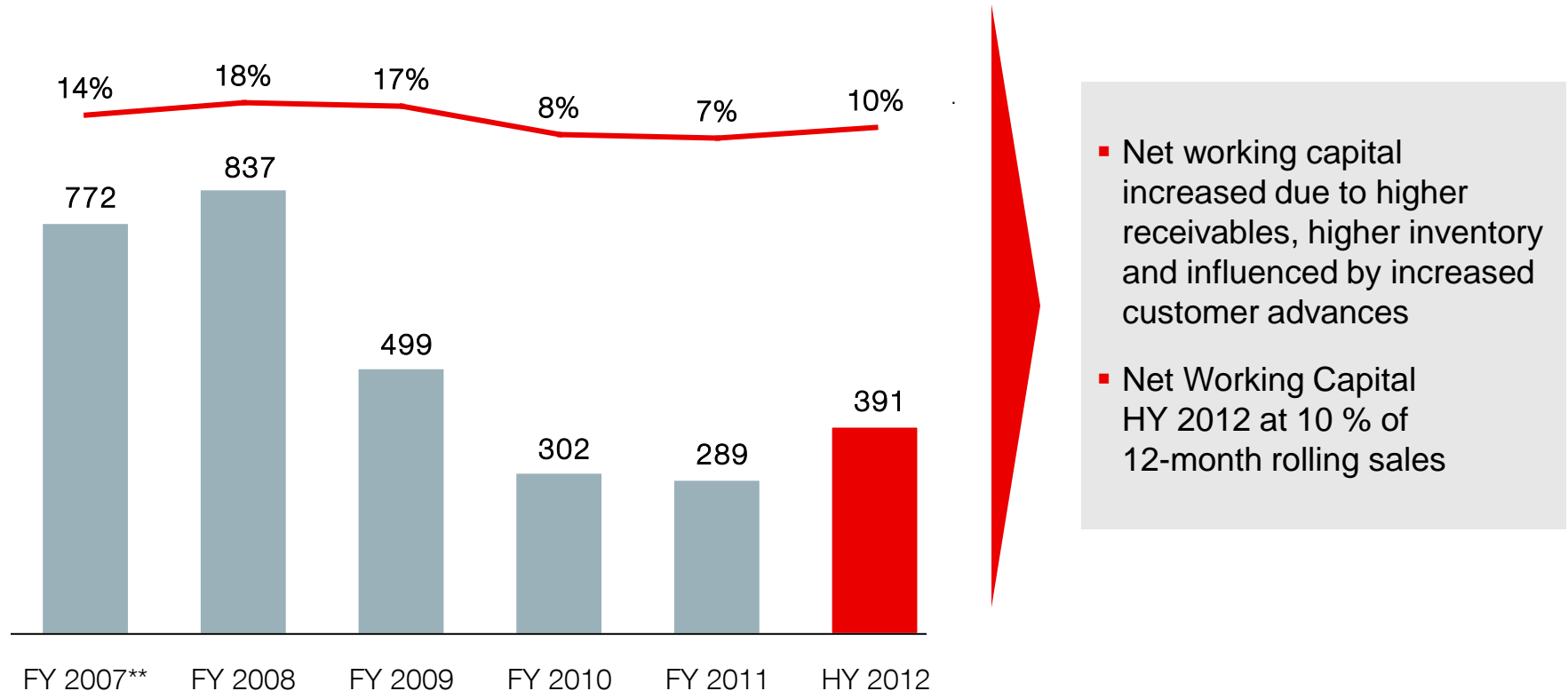
Maintaining a solid balance sheet

| in CHF m | FY 2011 | HY 2012 |
|------------------------------------------------|--------------|--------------|
| Cash and cash equivalents | 742 | 620 |
| Trade receivables | 635 | 680 |
| Inventories | 582 | 609 |
| Property, plant and equipment | 915 | 817 |
| Intangible assets | 1 261 | 1 234 |
| Total other assets | 438 | 500 |
| Total assets | 4 573 | 4 460 |
| Trade payables | 457 | 410 |
| Current customer advances | 471 | 488 |
| Current and non-current loans and borrowings | 856 | 695 |
| Non-current post-employment benefit provisions | 525 | 570 |
| Total other liabilities | 654 | 683 |
| Total liabilities | 2 963 | 2 846 |
| Total equity | 1 610 | 1 614 |
| Equity ratio | 35 % | 36 % |
| Net debt | 86 | 61 |
| Gearing ¹⁾ | 5 % | 4 % |

1) Net debt / Equity

Net Working Capital* FY 2007-HY 2012

in % of Sales and CHF m



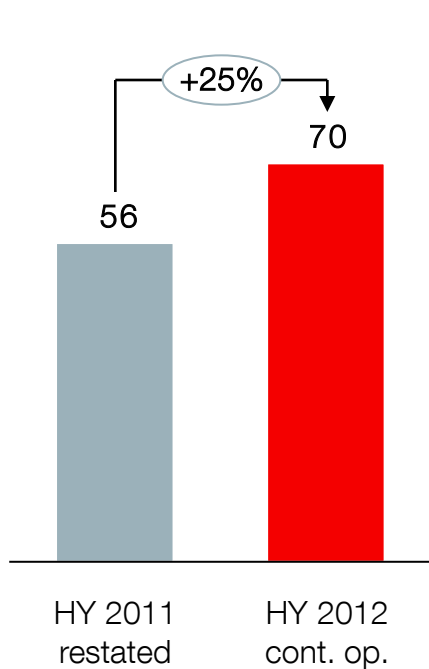
* Net Working Capital is defined as trade receivables + inventories – trade payables – current customer advances

** restated

CAPEX close to depreciation level

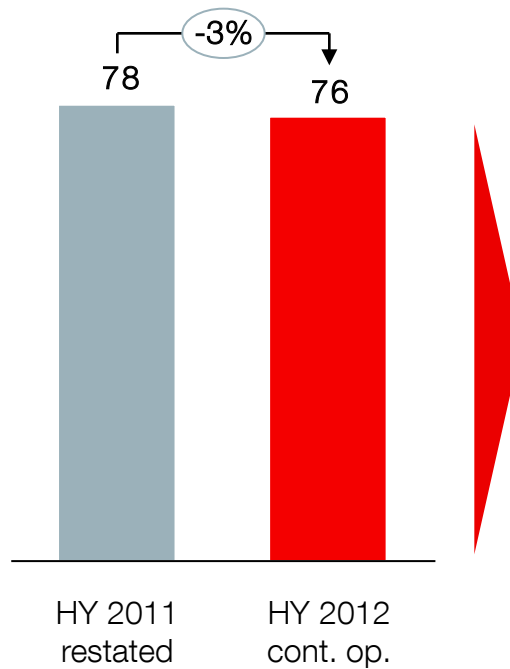
CAPEX

in CHF m

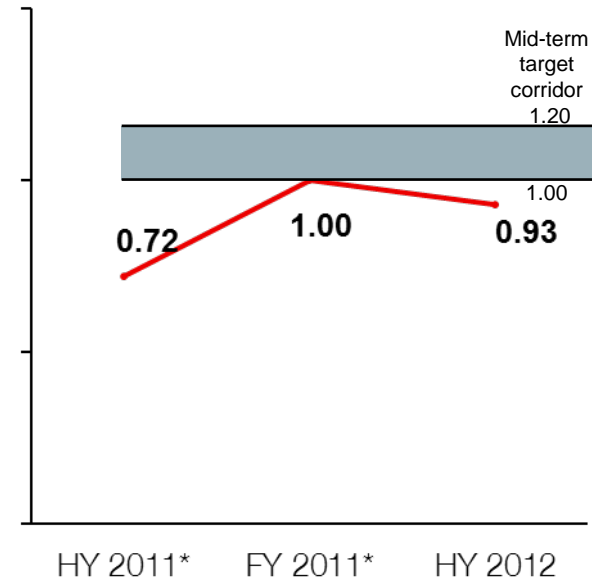


Depreciation & amortization*

in CHF m



CAPEX / depreciation & amortization ratio**



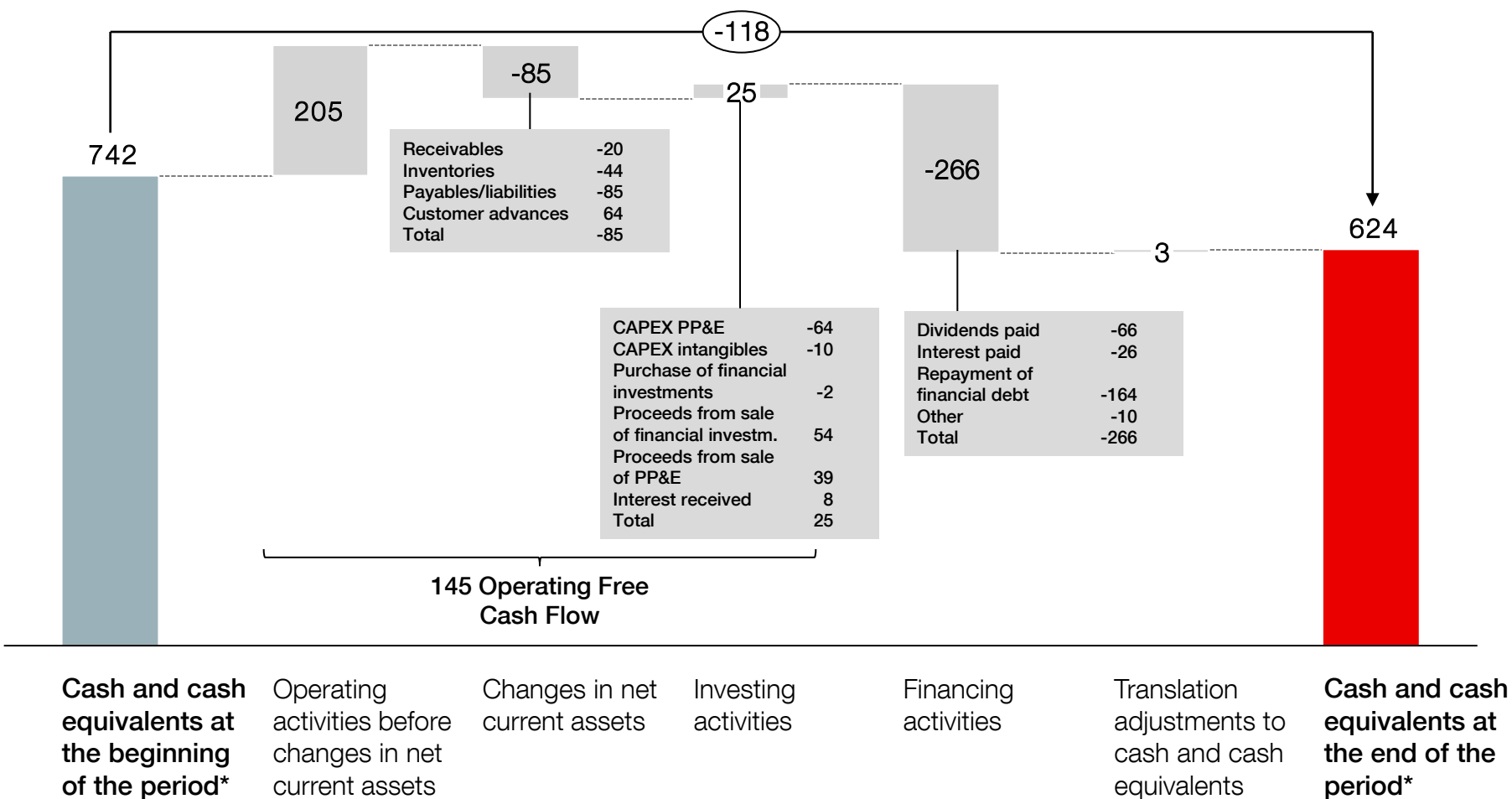
* Restated

** Excluding impairment

Consolidated Cash Flow Statement HY 2012



in CHF m



* includes cash and cash equivalents included in "assets classified as held for sale" in the balance sheet

Comprehensive Refinancing 2012

Increased strategic and operational flexibility

New Syndicated Credit Facility

- Unsecured transaction
- CHF 700m Credit Facility (Facility A) revolving facility of CHF 450 m and ancillary facility of CHF 250 m
- Term of three years and two additional one-year extension options
- Initial margin of 250 basis points per year
- 13 international banks in the syndicate
- CHF 100 m term loan (Facility B) cancelled due to successful issuance of Bond

Swiss Bond

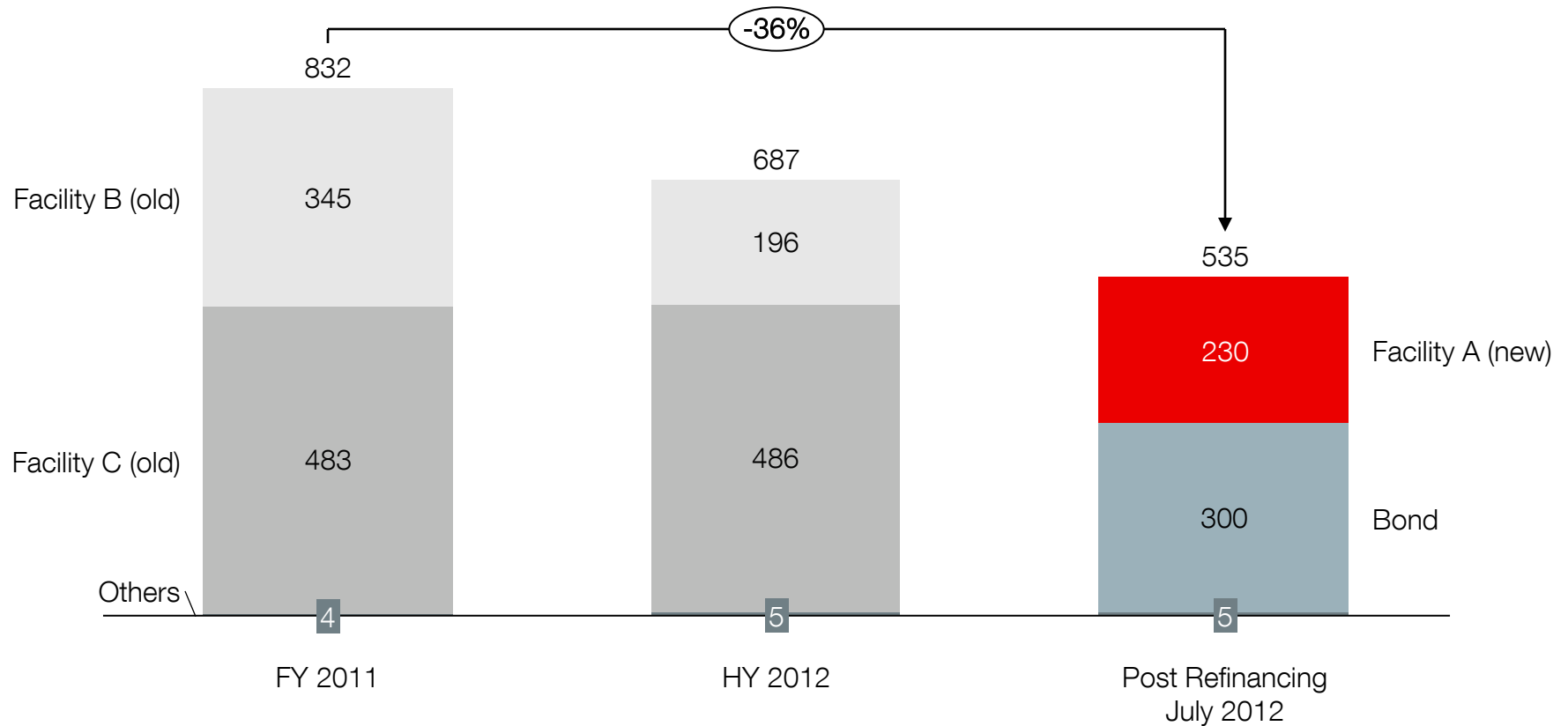
- CHF 300 m Swiss Bond
- 4-year maturity
- Coupon of 4.25 %
- Coupon paid annually, starting on July 13, 2013

Regained confidence of capital market and recognition of underlying performance improvement
Repayment in full of old facility from financial restructuring as of July 20, 2012

Comprehensive Refinancing 2012

Reduction of debt and diversification

Development of debt position FY 2011-Post-Refinancing July 2012



Successful closing of Solar divestment will allow to further reduce debt (drawing of Facility A)

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Outlook Oerlikon Group 2012 increased

Next financial reporting: Q3 2012 on October 30

Guidance FY 2012

based on
current currency
exchange rates

- The global economic environment remains uncertain and difficult to assess
- Assuming successful closing of Solar Segment divestment
- Based on the strong Q1 and Q2 performance and a sustainable basis from 2011, we increase our guidance to:
 - sales expected at 2011 levels (before: up to minus 5 %)
 - and profitability expected to increase to an EBIT margin (excluding Arbon effect) of around 11.5 % (before: around 11 %).
Reported EBIT margin expected at around 12.5 % (before: around 12 %)
 - order intake guidance remains unchanged (up to minus 5 %)
- Significant one-off effects:
 - Property sale of Arbon, Switzerland (CHF 39 m EBIT)
 - Sale of minority stake Pilatus Flugzeugwerke AG (positive financial income)

Sustainable performance level strengthens Oerlikon's position in an uncertain business environment – continued execution of Operational Excellence measures

**innovation
has a name**

œrlikon

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Tagline

**innovation
has a name**

oerlikon

Vision

Vision

Oerlikon creates innovative industrial solutions for a better life.



innovation
has a name
oerlikon

Mission

Mission

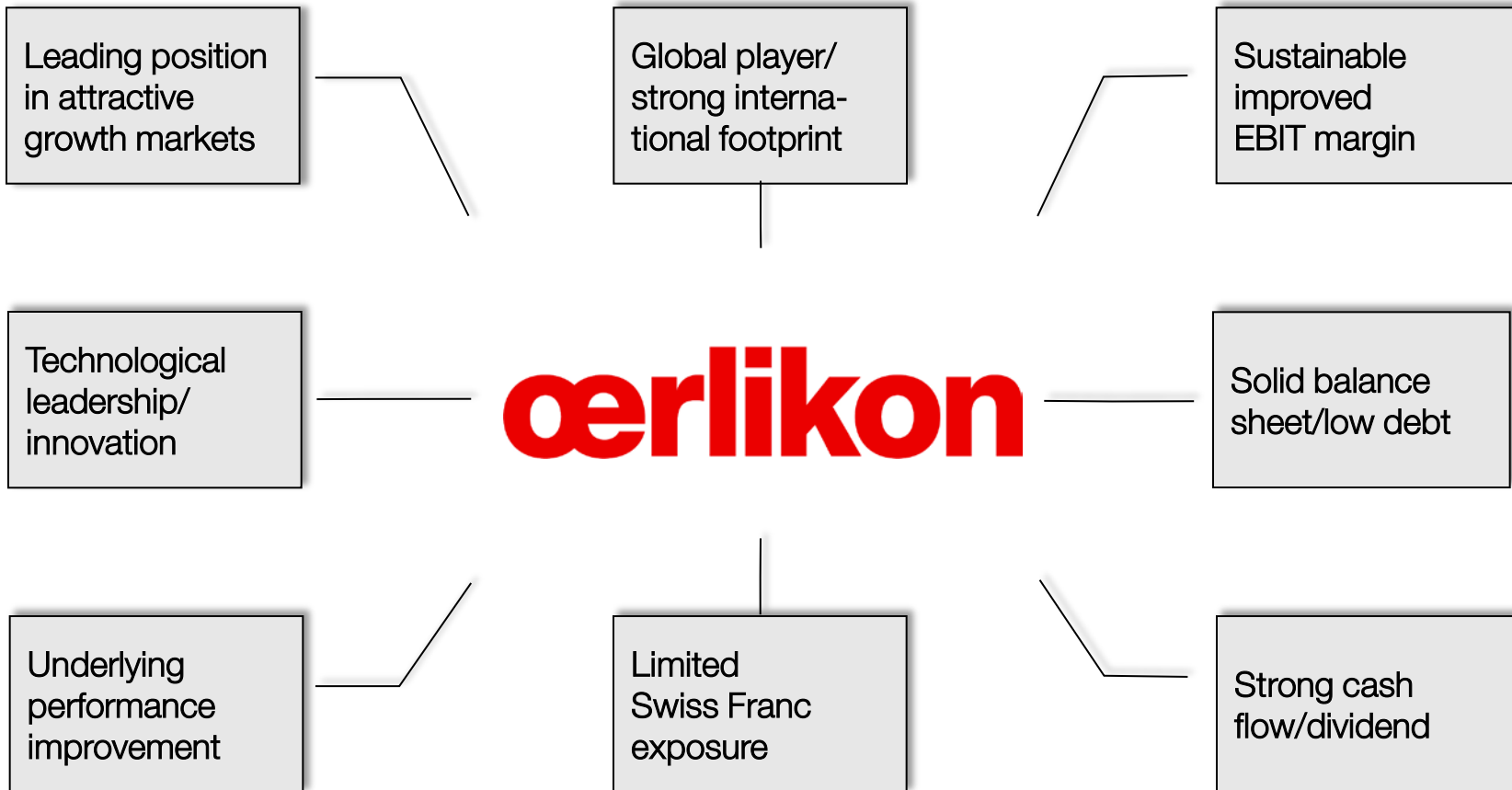
Oerlikon strives to be your most reliable business partner, worldwide.

We increase value through high-quality innovative industrial solutions, continuously.

We engage highly qualified professionals.

Our commitment is your success!

innovation
has a name
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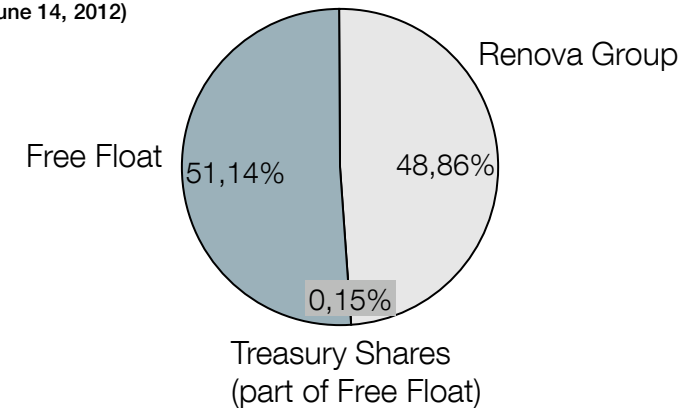


Oerlikon Shares

- Listed on Swiss Exchange (SIX) since 1975
- Securities symbol: OERL
- Securities number 81 682
- ISIN: CH0000816824
- No. of shares outstanding: 323 279 836 shares*
- Re-entry to Swiss SMIM on April 17, 2012
- Addition to STOXX Europe 600 as of June 18, 2012

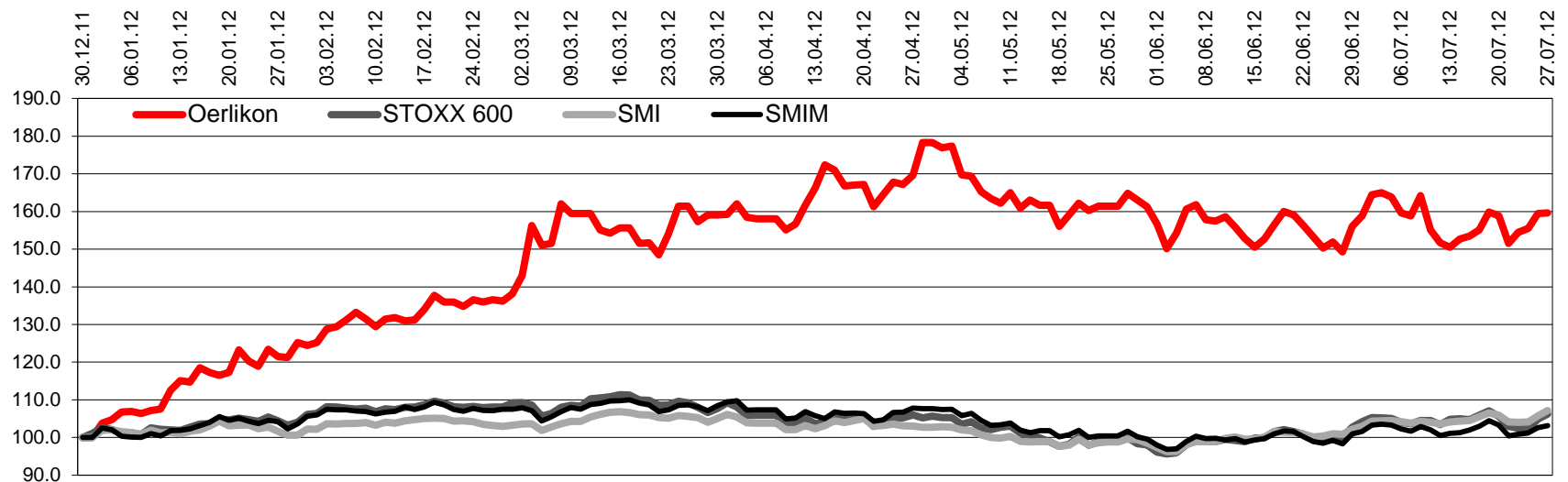
Oerlikon Shareholder Structure

(as of June 14, 2012)



Oerlikon Share Price Development

As of July 27, 2012, Indexed; 100 percent = Closing price per December 31, 2011



* as of June 30, 2012

Coverage

8 Buy/Accumulate – 3 Hold/Neutral

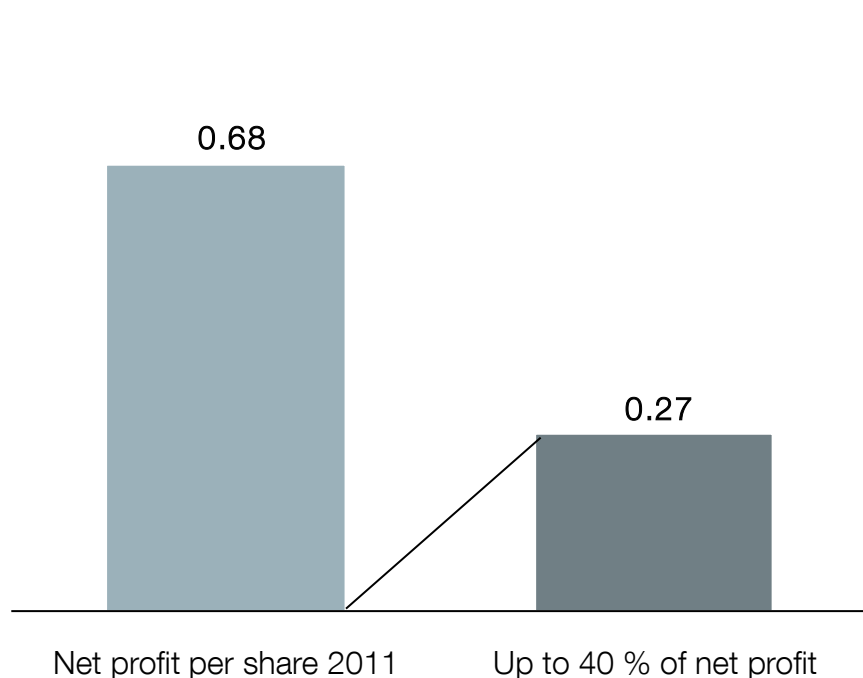
| Broker (as of August 2, 2012) | Analyst | Recommendation | Date of last update | Target Price |
|----------------------------------|-------------------------|----------------|---------------------|--------------|
| AlphaValue | Pierre-Yves Gauthier | Buy | 06.05.2012 | 12.00 |
| Bank am Bellevue | Michael Studer | Hold | 02.05.2012 | 9.50 |
| Bank Vontobel | Michael Foeth | Buy | 25.07.2012 | 11.00 |
| Berenberg Bank | Benjamin Glaeser | Buy | 25.07.2012 | 10.30 |
| Credit Suisse | Patrick Laager | Neutral | 18.07.2012 | 9.50 |
| Helvea SA | Reto Amstalden | Accumulate | 25.07.2012 | 10.00 |
| Kepler CM | Christoph Ladner | Buy | 06.06.2012 | 11.00 |
| Main First Bank | Thomas Baumann | Buy | 16.07.2012 | 9.75 |
| Société Générale | Jean Baptiste Roussille | Hold | 10.07.2012 | 8.40 |
| UBS | Torsten Wyss | Buy | 06.06.2012 | 11.50 |
| Zürcher Kantonalbank | Armin Rechberger | Overweight | 06.06.2012 | - |
| CONSENSUS | | | | 10.30 |

| | |
|-------------------------|-----------------------------------------------------------------------------------------------|
| March 5, 2012 | FY results 2011 and publication of Annual Report 2011 - Media & Analyst Conference, Zurich |
| April 12, 2012 | Annual General Meeting of Shareholders - Lucerne |
| April 30, 2012 | Q1 results - Analyst Conference Call |
| August 3, 2012 | Q2 results and publication of Interim Report 2012 - Media & Analyst Conference Call |
| October 30, 2012 | Q3 results - Analyst Conference Call |

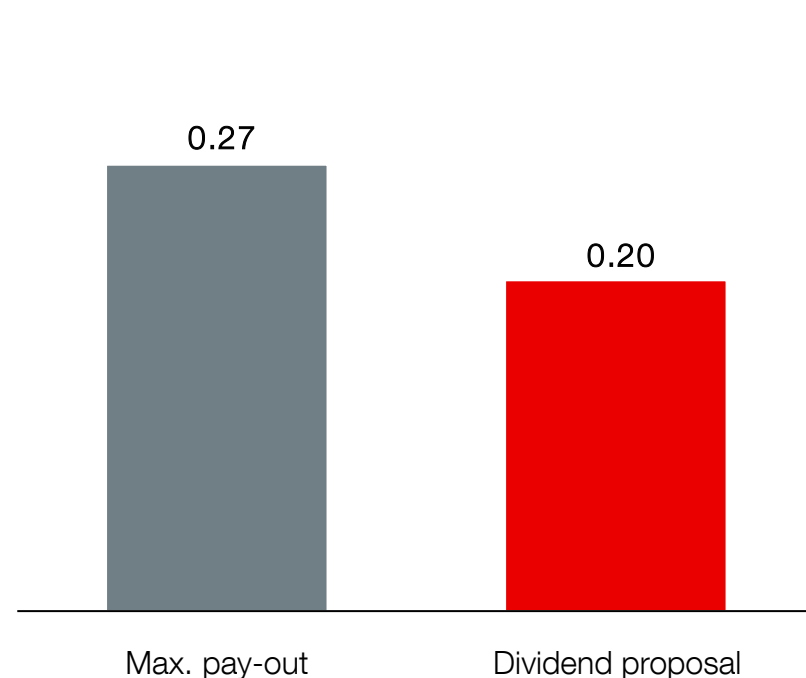
Dividend policy and dividend for 2011

Dividend yield of 4 %

Dividend policy to pay out
up to 40 % of net profit



AGM approved to pay out
CHF 0.20 per share for 2011



- Dividend distributed from the reserve from capital contribution
- Dividend yield of 4 % based on a share price of CHF 5.03 at year-end 2011

Oerlikon Customer Base (selection)

- Preferred technology supplier to technology leaders in their respective industries
- Global customer base and world-leading brand names
- Strong long-term customer relationships



Investor Relations Contact



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