

Increase of profitability

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Oerlikon Q1 Results 2012

April 30, 2012



1 Business Update Q1 2012

2 Financials Q1 2012

3 Outlook

4 Appendix

Increase transparency by reporting profitability

Group EBIT margin* improves to 11.8 %

in CHF m / in %

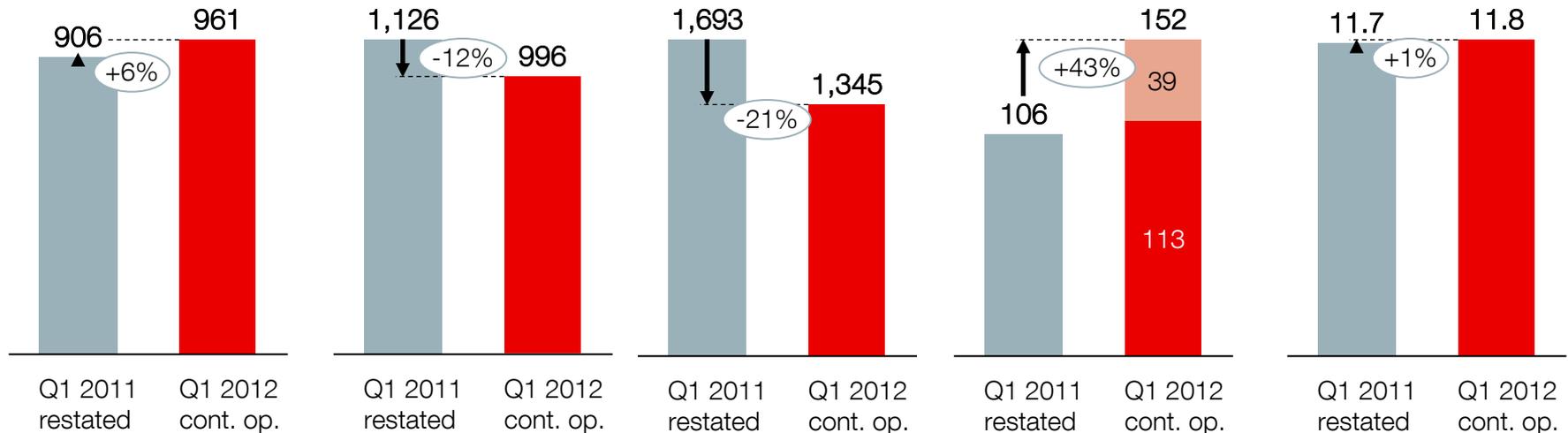
Sales**

Order intake

Order backlog

EBIT

EBIT margin*



Continued profitability improvement

- Reported EBIT margin of 15.8 % include one-time effect of CHF 39 million in Textile (Sale of Arbon property)
- Adjusted for currency effects, sales would have increased by 11 %
- Growth in the US and Asia; China in particular (China sales increased by 34 %)
- Operational Excellence programs to drive profitability
- Oerlikon included in SMIM Index and new Coverage by Societe Generale, Paris

Consistent execution of portfolio optimization

Execution of portfolio optimization Announcements

Solar Segment (announced March 2, 2012)

- Divestment of Solar Segment to Tokyo Electron (TEL), Japan
- Transaction based on EV of CHF 250 million
- Closing expected in summer, mainly dependent on merger control approval in China

Sale of property (announced March 23, 2012)

- Sale of 200 000 sqm property in Arbon, Switzerland
- Lease back of 14 000 sqm production and office space
- One-time effect on EBIT of CHF 39 m recognized in Segment Textile

Optical Disc (announced April 3, 2012)

- Announcement to exit Optical Disc equipment business
- Continue to provide high-quality services and spare parts
- Focus on growth areas

Drive Systems operations (announced April 10, 2012)

- Announcement to streamline manufacturing footprint
- Number of production facilities in Italy to be reduced from seven to five
- Closing of Garessio plant and non-binding LOI to sell Porretta Terme

Pilatus Flugzeugwerke AG (announced April 16, 2012)

- Sale of 13.97 % minority stake
- Purchase price undisclosed, Book value CHF 28 m
- Positive one-time effect in financial result in Q2

Oerlikon Segments 1/2

Good start in the financial year 2012



Textile

- Manmade fiber steady at a high level
- Natural fiber saw first improvements in order intake from Q4 trough
- Autocoro 8 well received in the market
- Strong growth in China
- China represents 53 % of Q1 Segment sales



Drive Systems

- Stable demand in mining, energy and agriculture
- Increased demand in construction
- North America as growth driver
- Operational streamlining in Italy
- Ramp-up of China production facility according to schedule



Vacuum

- Solar industry remained weak
- China showed some weakness vs. Q1 2011
- Process industry, coating and R&D stable

Good start in the financial year 2012



Coating

- Strong automotive sector in established markets like Europe, the US and Japan
- Tools and high-volume components in automotive
- Continued expansion of capacity especially in Asia



Advanced Technologies

- First signs of recovery in semiconductor industry
- Structural changes by exiting optical disc market with impact on inventory
- Focus on growth areas such as semiconductor and energy conversion, storage and efficiency management

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Oerlikon Group key figures Q1 2012



in CHF m	Q1 2011 ¹	Q1 2012 ²	Δ
Order intake	1,126	996	-12 %
Order backlog	1,693	1,345	-21 %
Sales*	906	961	+6 %
EBIT % of sales	106 11.7 %	152 15.8 %	43 %
EBIT (excl. sale of Arbon property) (2011 comparable FY 2011)	106 11.7 %	113 11.8 %	7 %
ROCE ³	16.5 %	17.6 %	

1 restated

2 continued operations

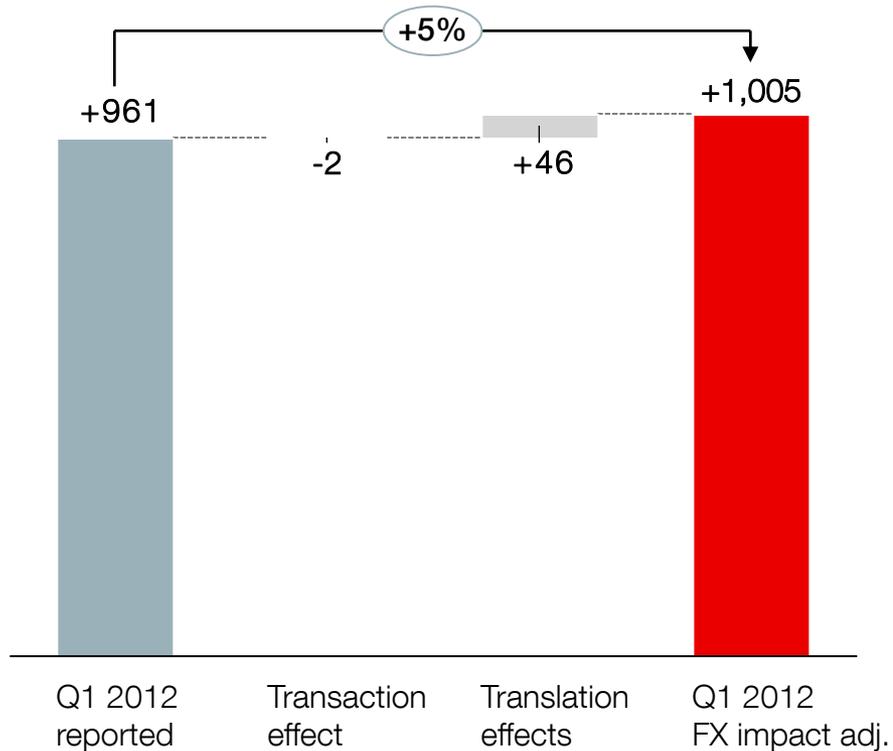
3 ROCE FY 2011 restated

* Sales to third parties

FX impact on Sales, EBIT and EBIT margin

Oerlikon Group Sales* Q1 2012

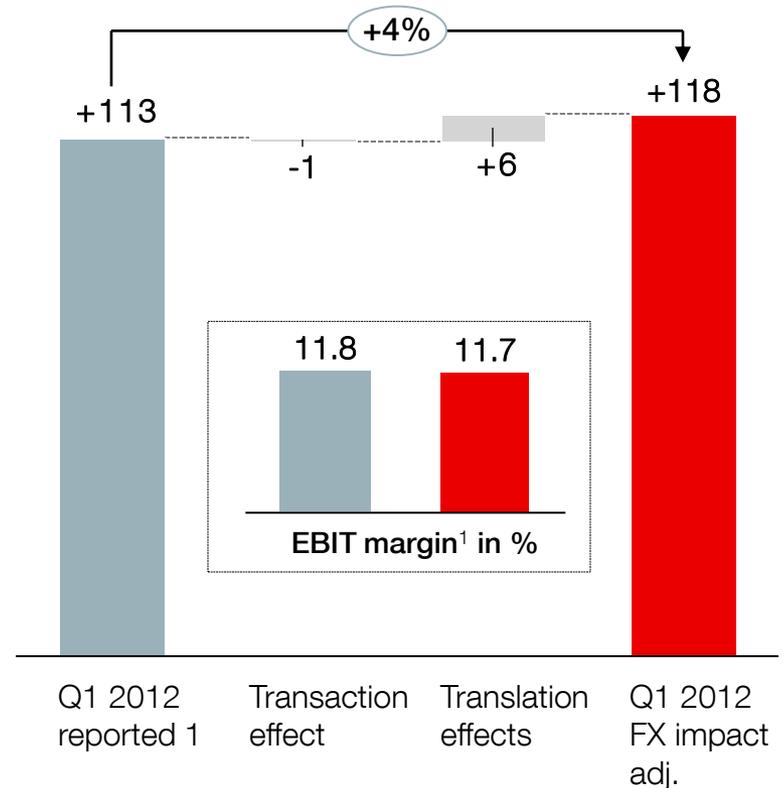
in CHF m



- 11 % growth normalized for currency impact compared to Q1 2011 (CHF 906 million)

Oerlikon Group EBIT Q1 2012¹

in CHF m



- Only minor impact on EBIT margin

¹ excluding sale of Arbon property

* Sales to third parties

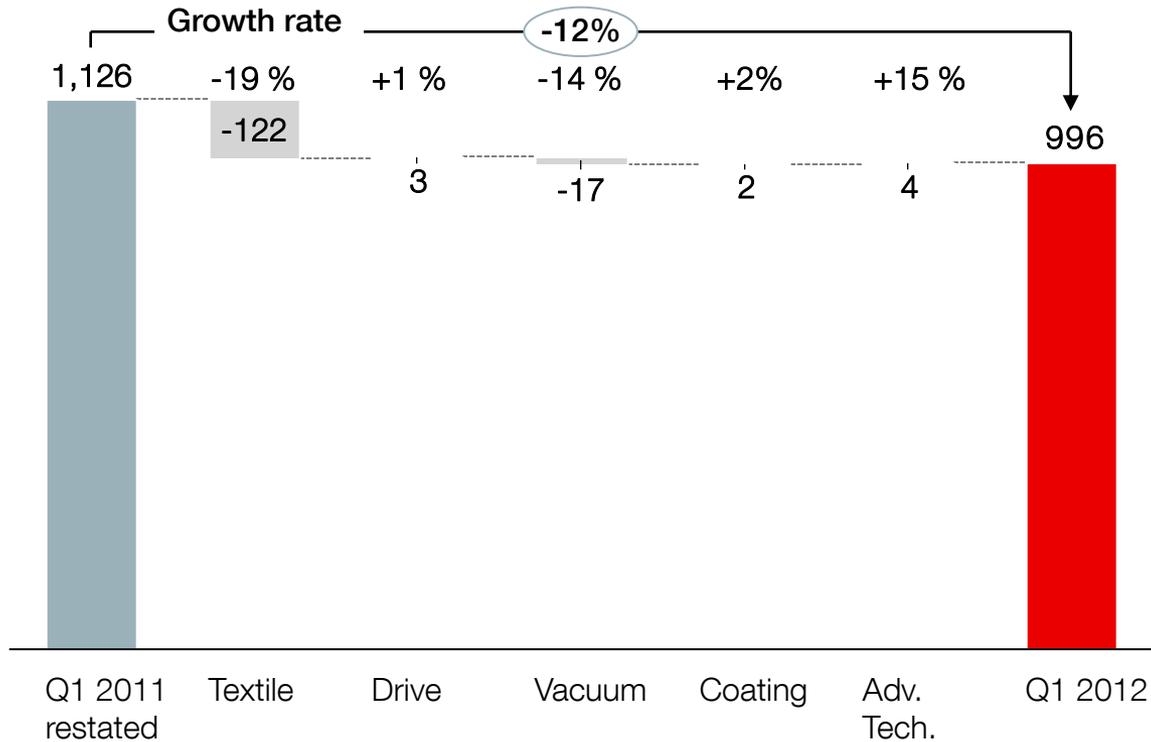
Key figures by Segment Q1 2012

in CHF m	Textile	Drive	Vacuum	Coating	Adv.Tech.
Order intake	504	231	103	127	31
Order backlog	1,031	211	80	n/a	23
Sales* Δ to Q1 2011 (restated)	496 8.3 %	224 9.3 %	98 -3.9 %	127 1.6 %	16 -
EBIT % of sales	90 18.1 %	19 8.5 %	14 14.1 %	27 21.3 %	-2 n/a
EBIT (excl. sale of Arbon property) % of sales	51 10.3 %				

Order bridge by Segment

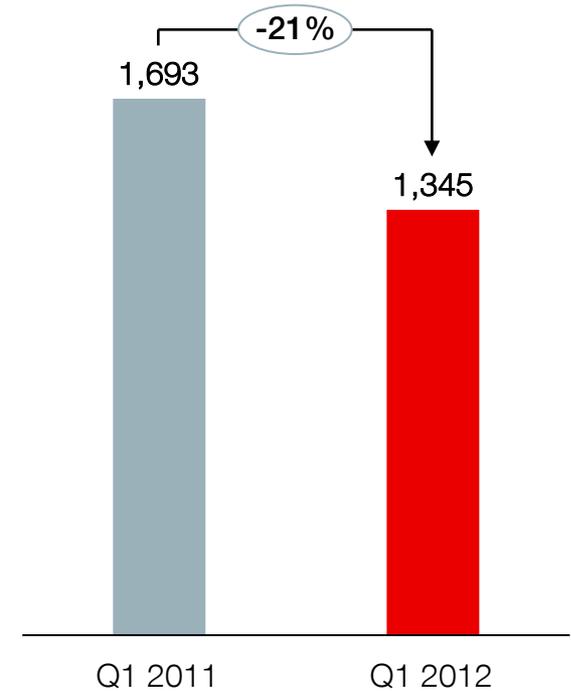
Order intake by Segments

in CHF m



Order backlog

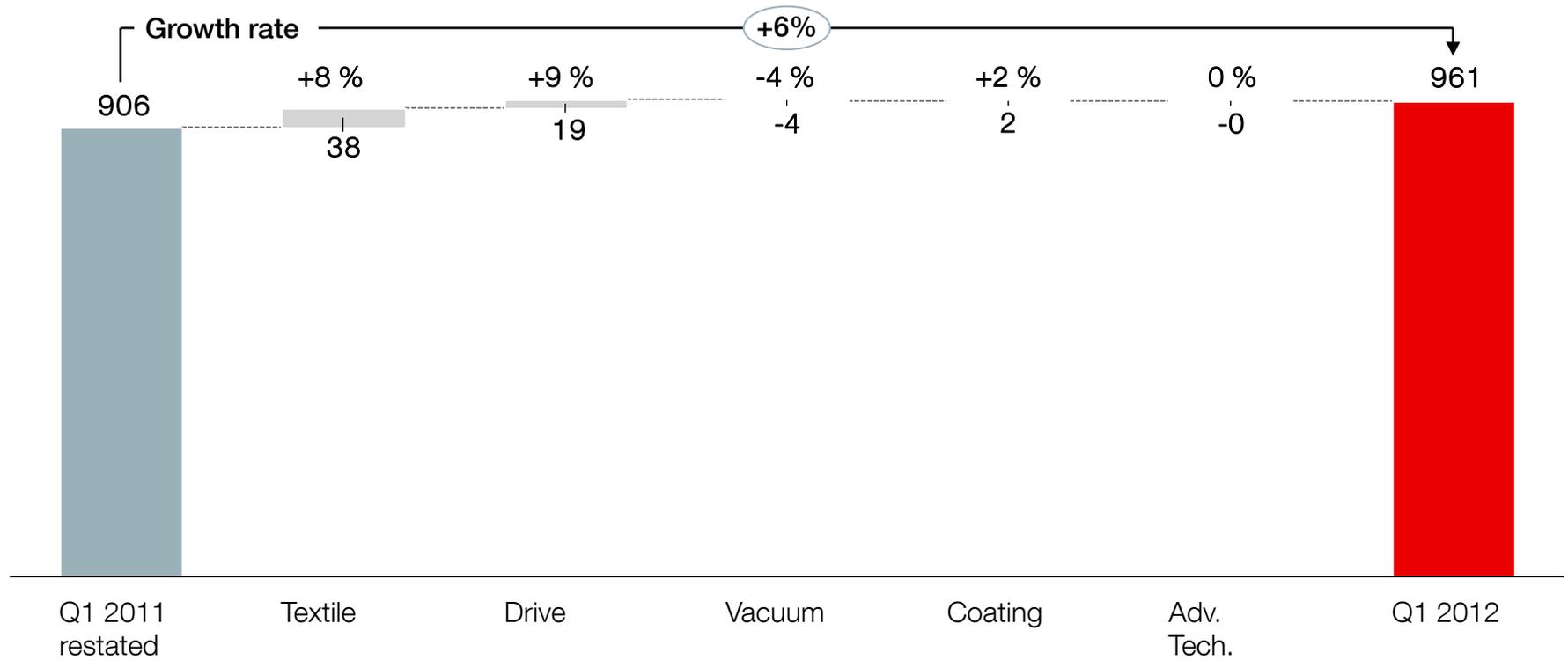
in CHF m



Sales bridge by Segment

Sales* by Segment

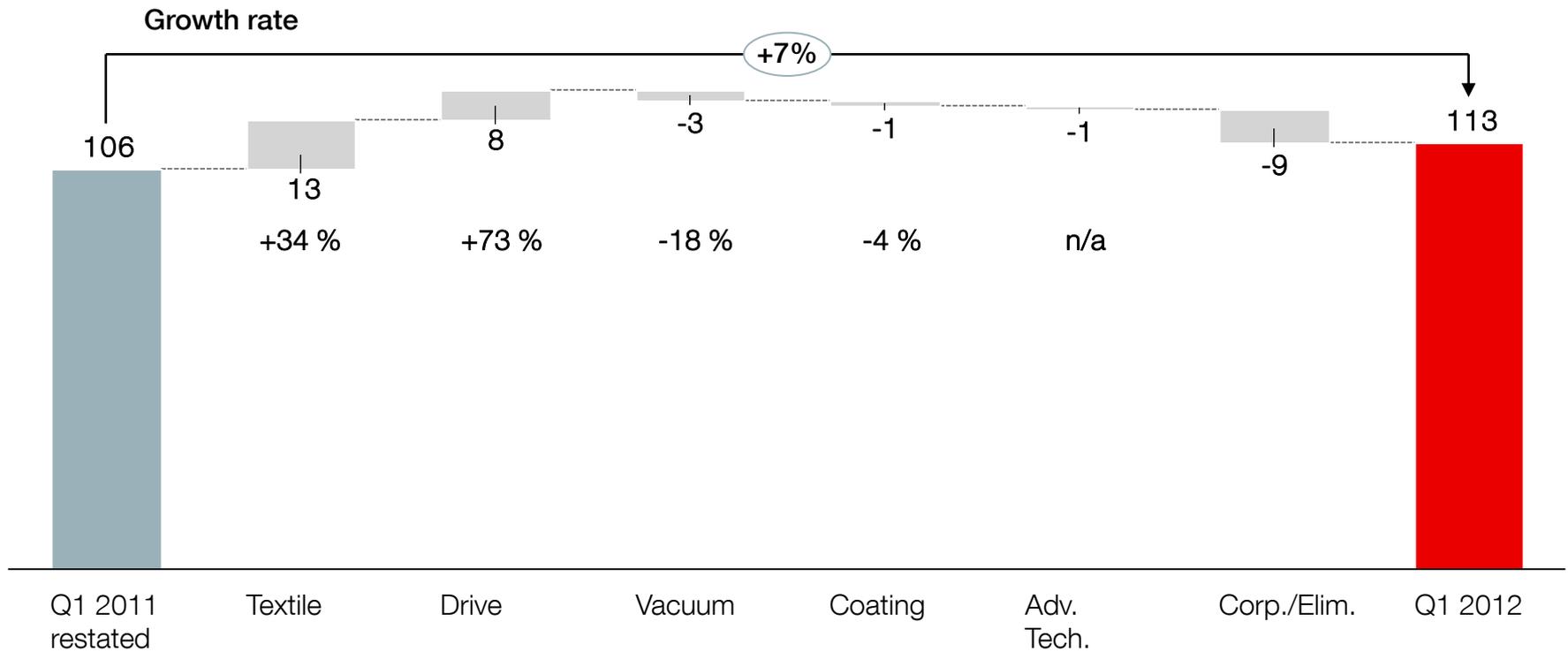
in CHF m



EBIT bridge by Segment

EBIT by Segment (excluding sale of Arbon property)

in CHF m



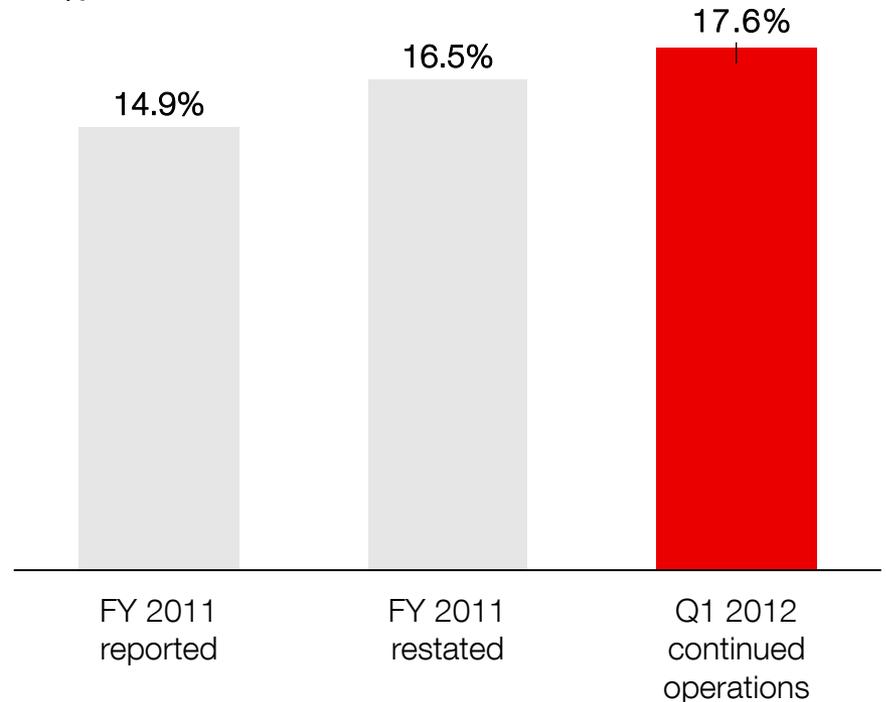
Return On Capital Employed (ROCE)

ROCE = NOPAT / Capital Employed

Oerlikon definition of ROCE	2011 reported	2011 restated
EBIT	419	429
- Total current income tax	-78	-75
- Total deferred income tax	-13	-8
NOPAT	328	346
Net Operating Assets	2'205	2'108
+ Current tax receivables	18	17
+ Deferred tax assets	111	109
- Current income tax payables	-61	-59
- Deferred tax liabilities	-73	-72
Capital Employed	2'200	2'103

ROCE

in %



- Q1 2012 ROCE: Improvement in 12 month rolling NOPAT and stable Capital Employed
- Oerlikon Group creates value by earning premium over cost of capital

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Guidance FY 2012

based on
current currency
exchange rates

- Assumptions: No recession scenario
Successful closing of Solar Segment divestment
- Based on the existing full year guidance, we see upside potential in business volume and profitability
- Significant one-off effects:
 - Property sale of Arbon, Switzerland (CHF 39 m EBIT)
 - Sale of minority stake Pilatus Flugzeugwerke AG (positive financial income)

**Continued focus on efficiency and portfolio optimization –
Disciplined execution of Operational Excellence measures**

**innovation
has a name**

oerlikon

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Tagline

**innovation
has a name**
oerlikon

Vision

Vision

Oerlikon creates innovative industrial solutions for a better life.



Mission

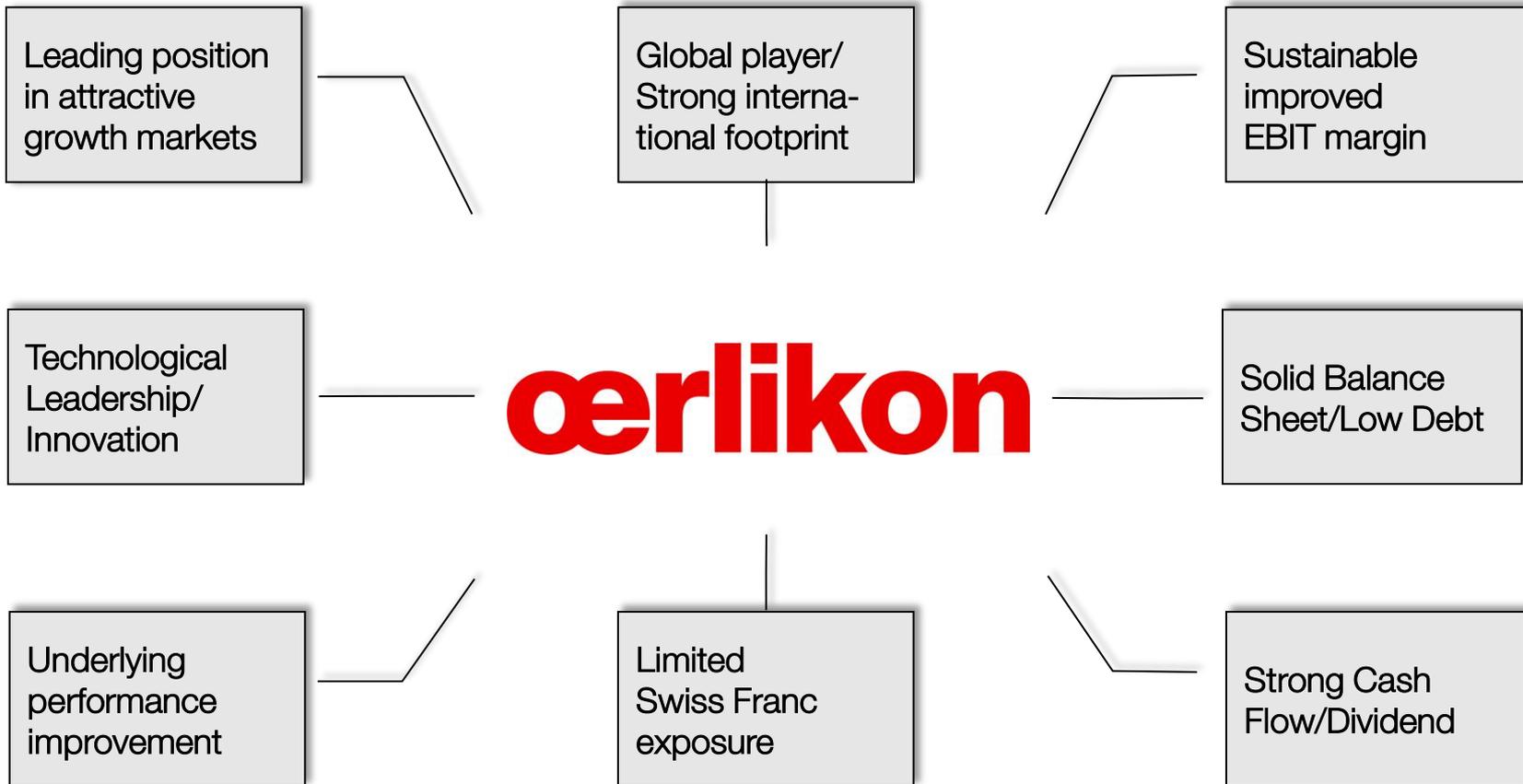
Mission

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.

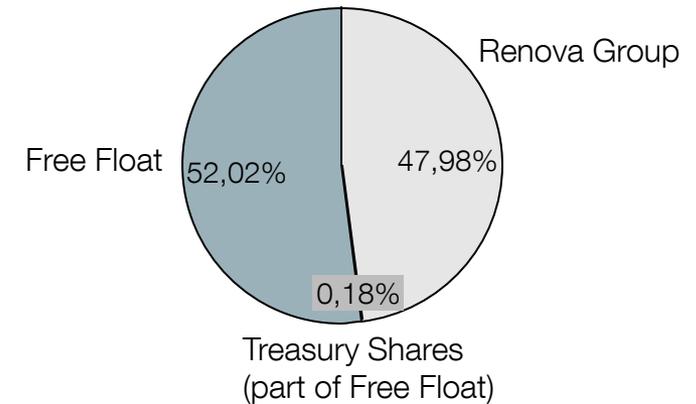
Our commitment is your success!



Oerlikon Shares

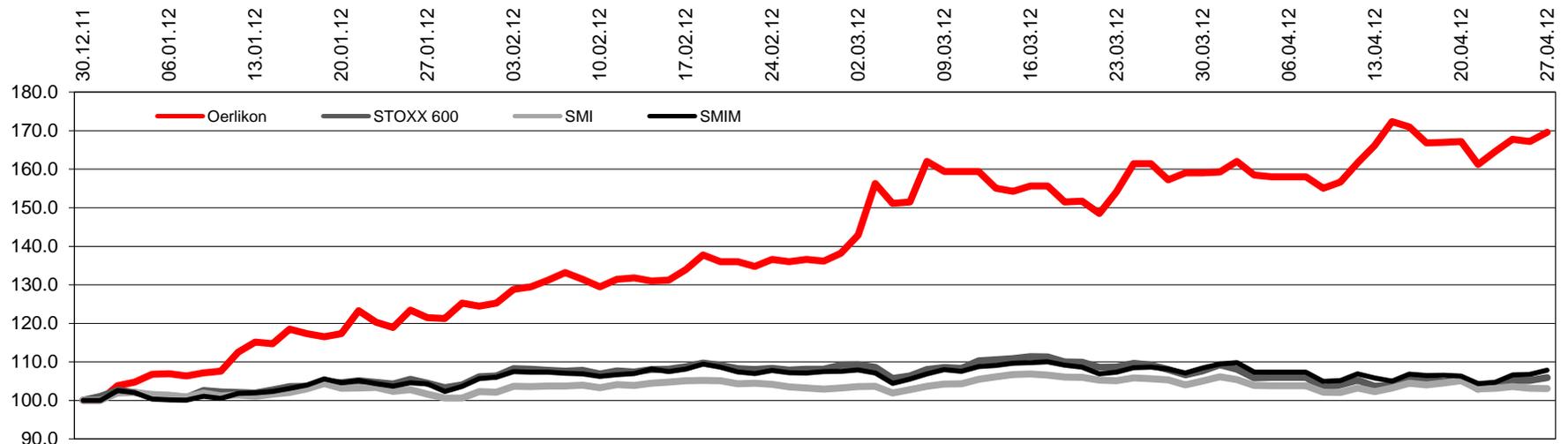
- Listed on Swiss Exchange (SIX) since 1975
- Securities symbol: OERL
- Securities number 81 682
- ISIN: CH0000816824
- No. of shares outstanding: 323 124 010 shares
- Re-entry to Swiss SMIM on April 17, 2012

Oerlikon Shareholder Structure



Oerlikon Share Price Development

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

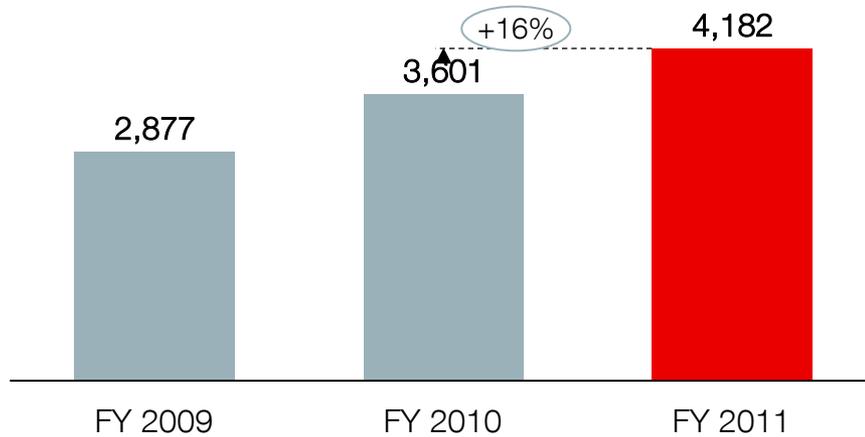


7 Buy/Accumulate – 3 Hold/Marketweight

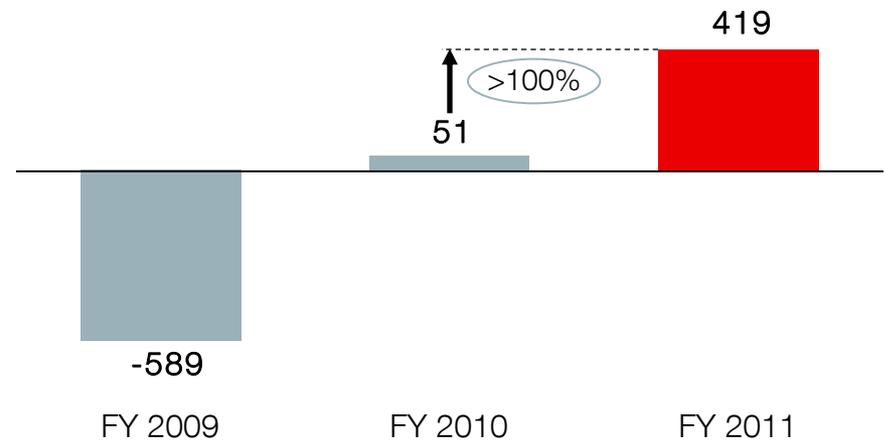
Broker (as of April 27, 2012)	Analyst	Recommendation	Date of last update	Target Price
AlphaValue	Pierre-Yves Gauthier	Buy	16.03.2012	11.30
Bank am Bellevue	Michael Studer	Hold	06.03.2012	8.20
Bank Vontobel	Michael Foeth	Buy	26.04.2012	10.00
Credit Suisse	Patrick Laager	Neutral	26.04.2012	8.90
Helvea SA	Reto Amstalden	Accumulate	25.04.2012	10.00
Kepler CM	Christoph Ladner	Buy	14.04.2012	11.00
Main First Bank	Thomas Baumann	Buy	23.04.2012	9.75
Societe General	Jean Baptiste Roussille	Buy	13.04.2012	9.30
UBS	Thorsten Wyss	Buy	26.04.2012	10.50
Zürcher Kantonalbank	Armin Rechberger	Marketweight	26.04.2012	-
CONSENSUS				9.87

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, Zurich
October 30, 2012	Q3 results - Analyst Conference Call

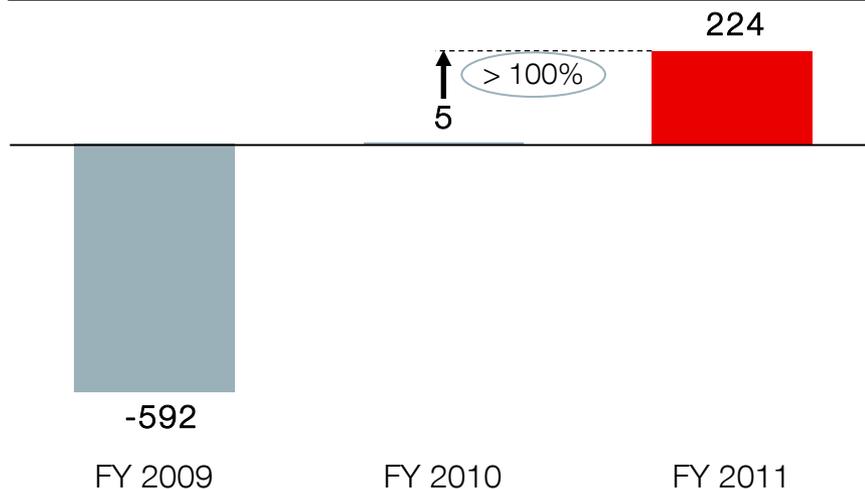
Sales* FY 2009 – FY 2011 (in CHF m)



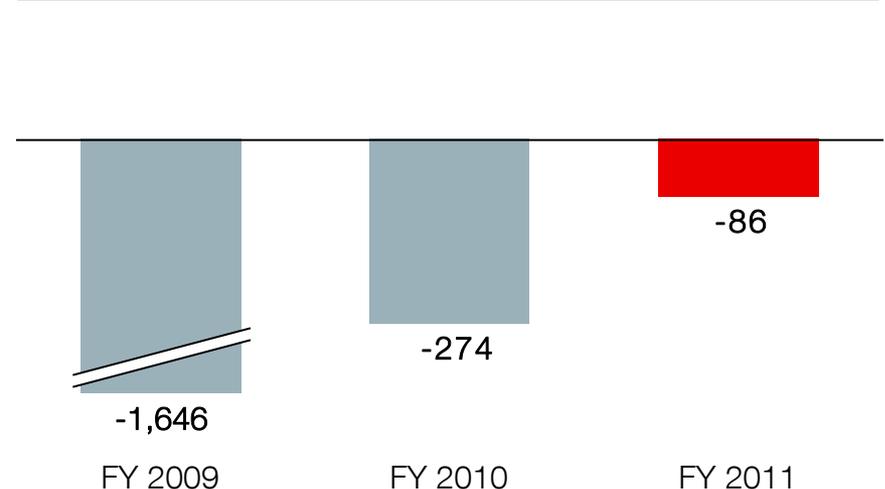
EBIT FY 2009 – FY 2011 (in CHF m)



Net profit/loss FY 2009 – FY 2011 (in CHF m)



Net debt FY 2009 – FY 2011 (in CHF m)



Oerlikon Group key figures FY 2011



in CHF m	FY 2010	FY 2011	Δ
Order intake	4,520	4,043	-11 %
Order backlog	1,702	1,481	-13 %
Sales*	3,601	4,182	+16 %
EBITDA % of sales	278 8 %	605 14 %	>100 %
EBIT % of sales	51 1 %	419 10 %	>100 %
Net profit % of sales	5 0 %	224 5 %	>100%
Cash flow from operating activities before changes in net current assets	354	541	+53 %
Net Operating Assets (incl. goodwill and brands)	2,196	2,205	0 %

* Sales to third parties

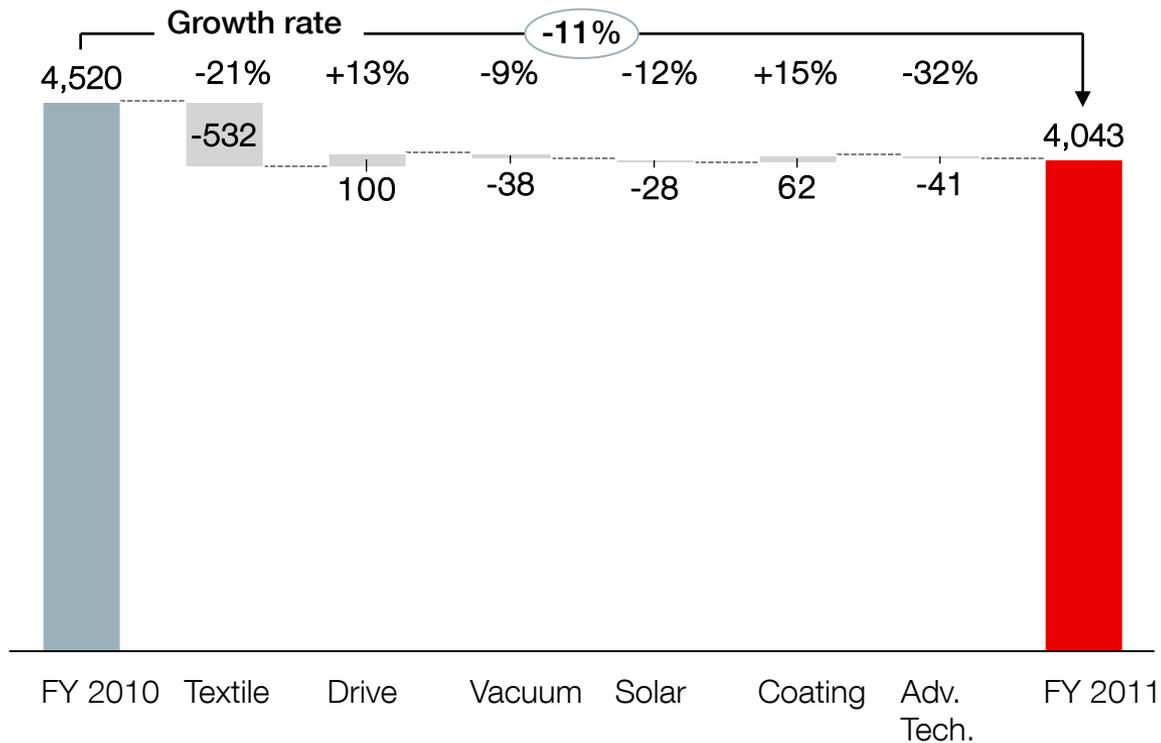
Key figures by Segment FY 2011

in CHF m	Textile	Drive	Vacuum	Solar	Coating	Adv.Tech.
Order intake	1,977	892	400	202	484	88
Order backlog	1,053	213	77	130	n/a	8
Sales* Δ to 2010	2,037 23 %	821 12%	409 -	323 27 %	484 15%	108 -16%
EBITDA % of sales	233 11 %	94 11 %	72 18 %	17 5 %	141 29 %	14 13 %
EBIT % of sales	183 9 %	49 6 %	59 14%	-10 n/a	97 20 %	11 10 %
Net Operating Assets	618	936	165	97	303	82
Employees	6,230	5,471	1,472	660	2,986	200

Order bridge by Segment

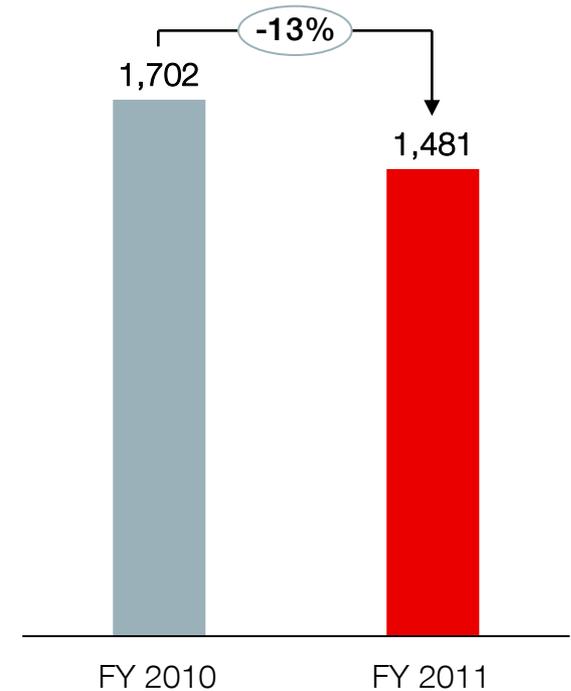
Order intake by Segments

in CHF m



Order backlog

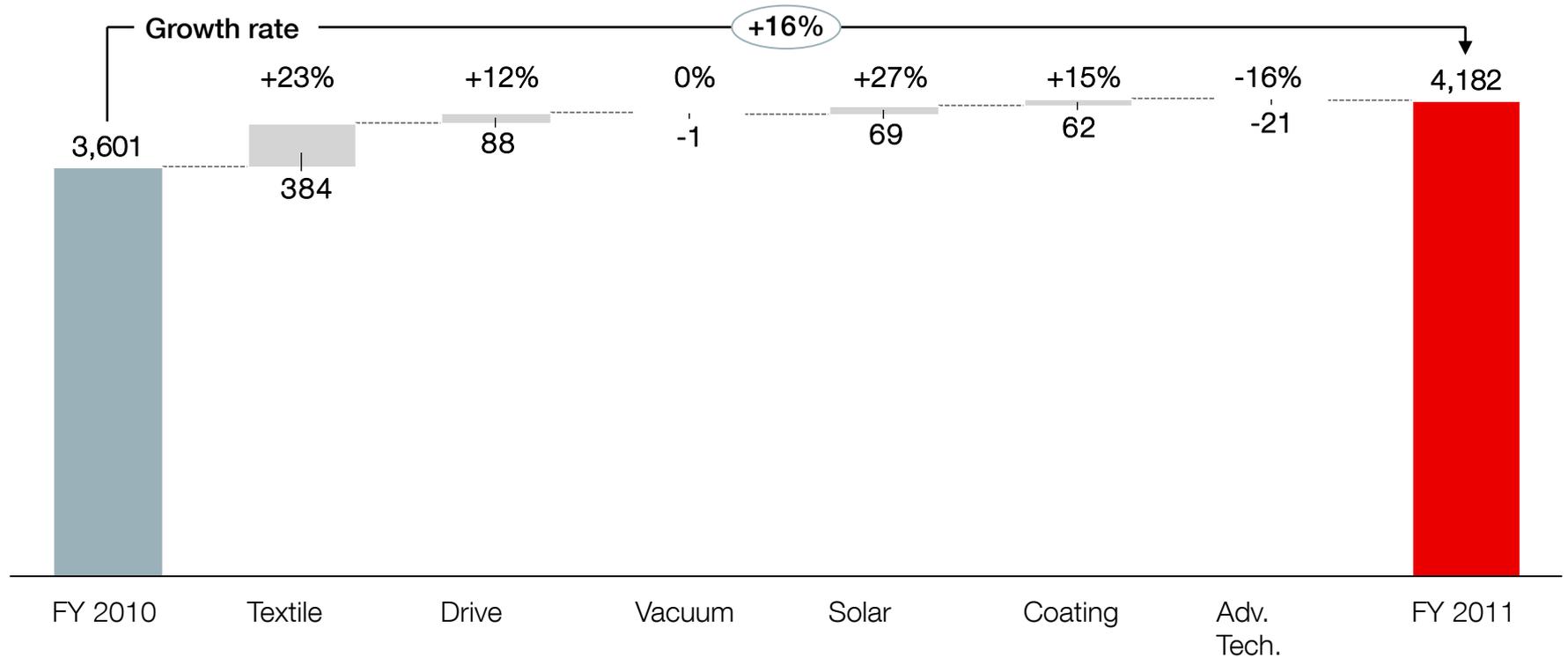
in CHF m



Sales bridge by Segment

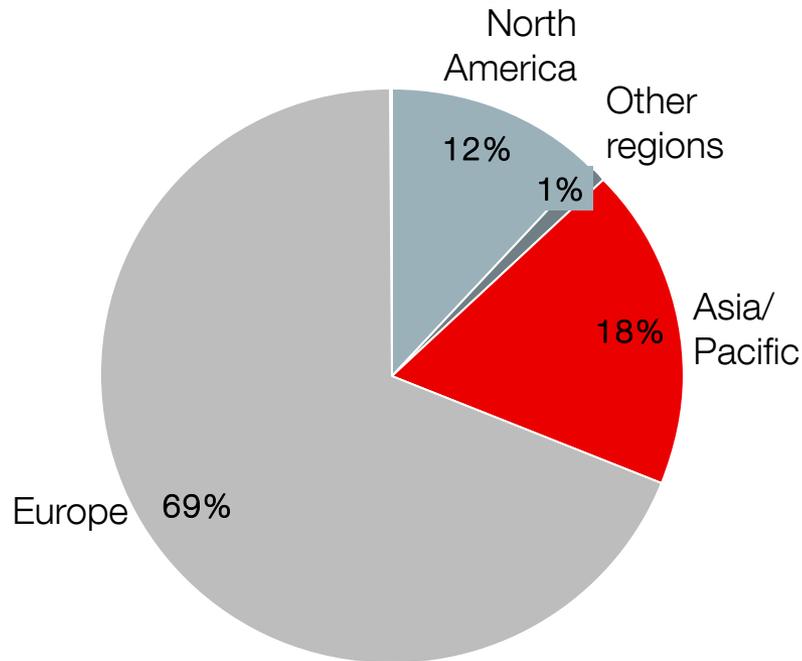
Sales* by Segment

in CHF m

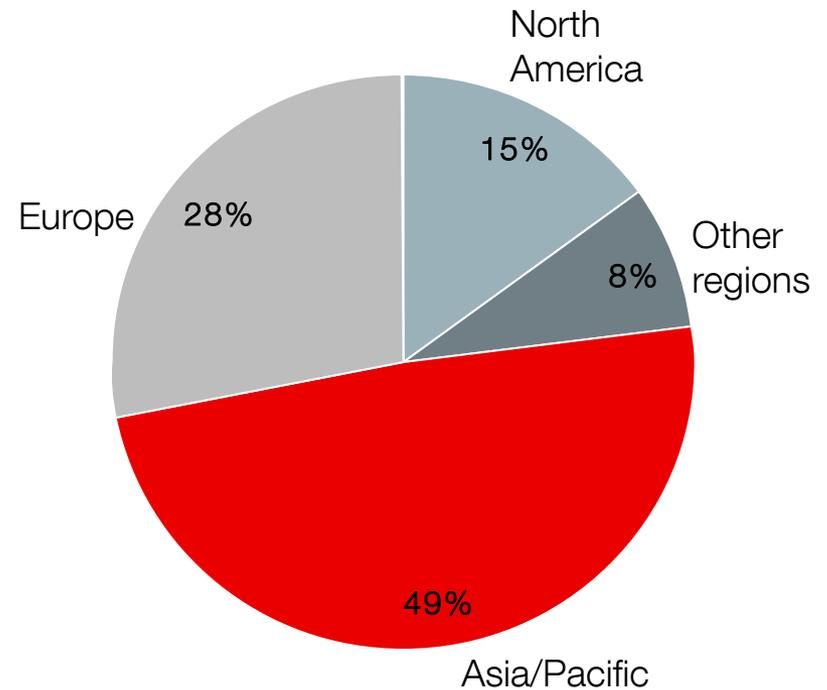


Sales by location and region FY 2011

Sales* by location



Sales* by market region

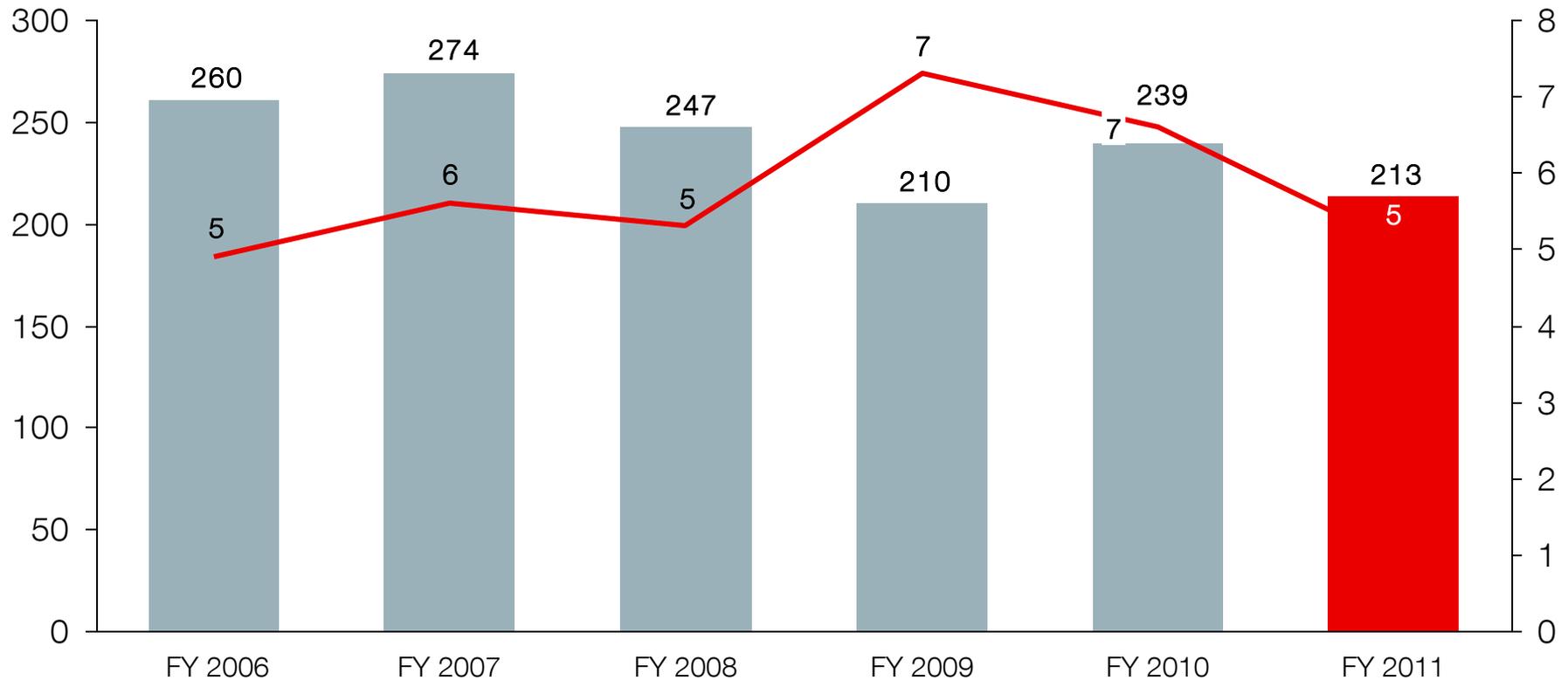


- Oerlikon benefits from growth opportunities worldwide
- Asian markets fueled sales up by 27 %; Europe up by 9 %; North America up by 1 %; Other regions up by 14 %
- Assessment of emerging markets (BRIC) to better balance geographical diversification

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

Investments in R&D in the range of 5 – 7 % of sales

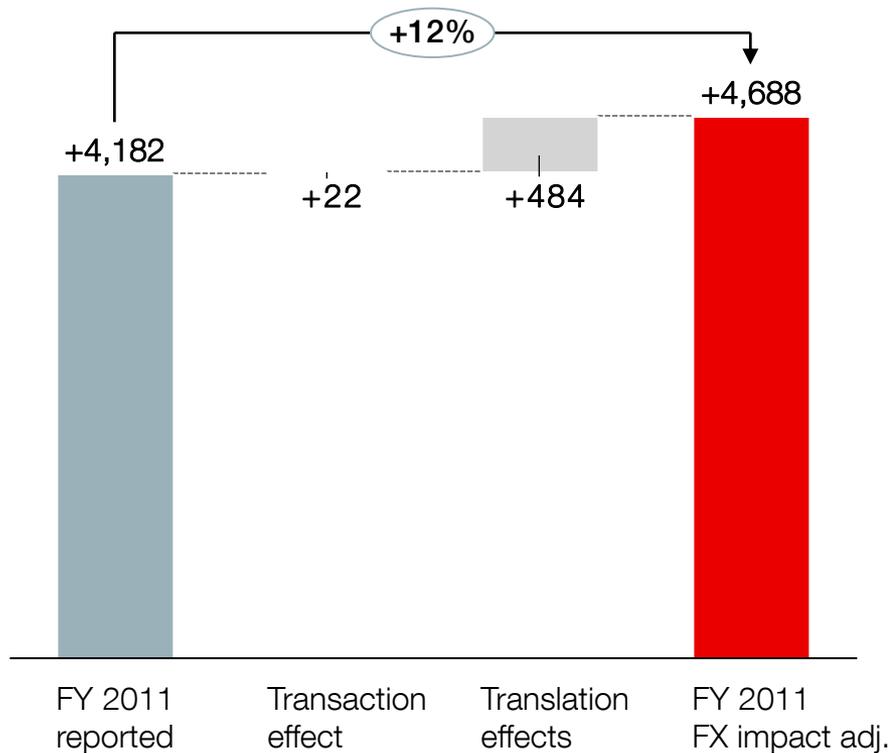
in CHF m / as % of sales



FX impact on Sales, EBIT and EBIT margin

Oerlikon Group Sales* FY 2011

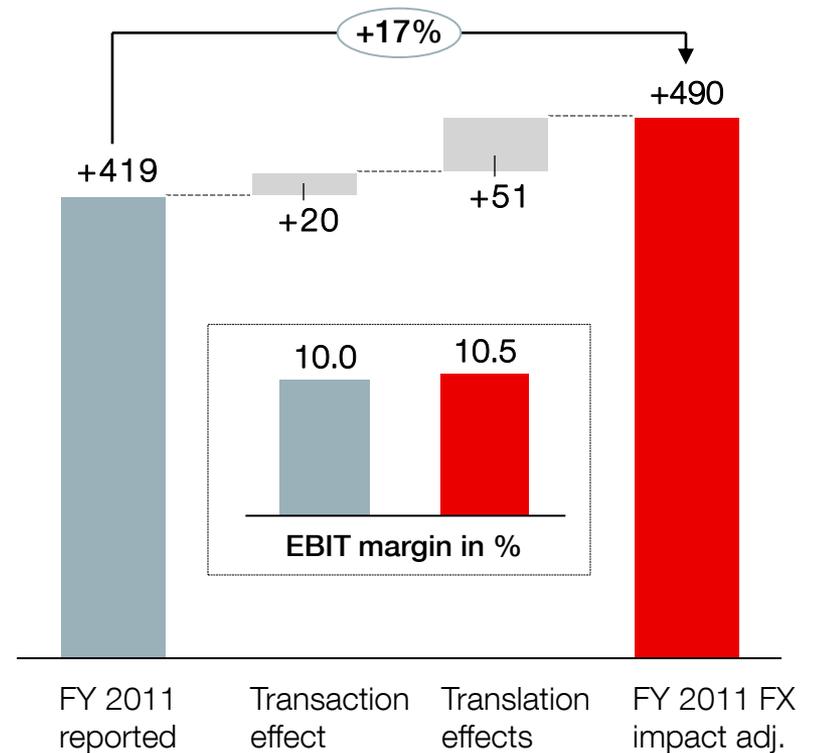
in CHF m



- 30 % growth normalized for currency impact compared to FY 2010 (CHF 3,601 million)

Oerlikon Group EBIT FY 2011

in CHF m

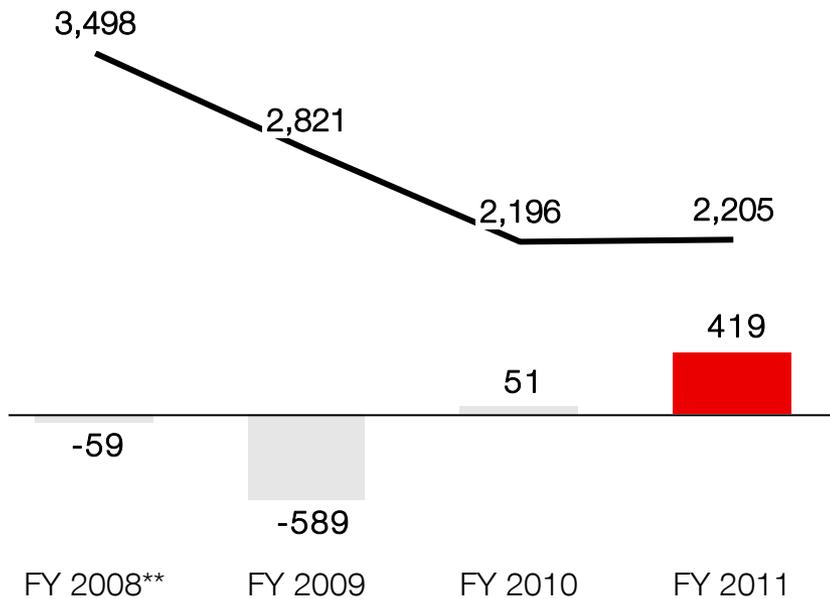


- Only minor impact on EBIT margin

Strong improvement in Return on Net Assets (RONA)*

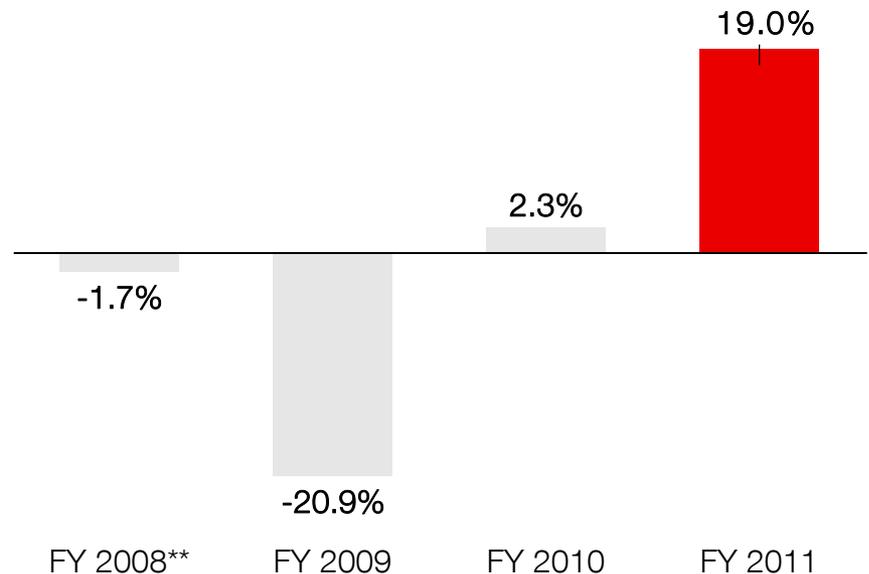
EBIT and Net Operating Assets*

in CHF m



RONA*

in %



- Strong improvement in EBIT and RONA following turn-around in 2010,
- Despite the strong recovery, Net Operating Assets remained stable in 2011
- Stringent asset management and improved profitability led to improved RONA

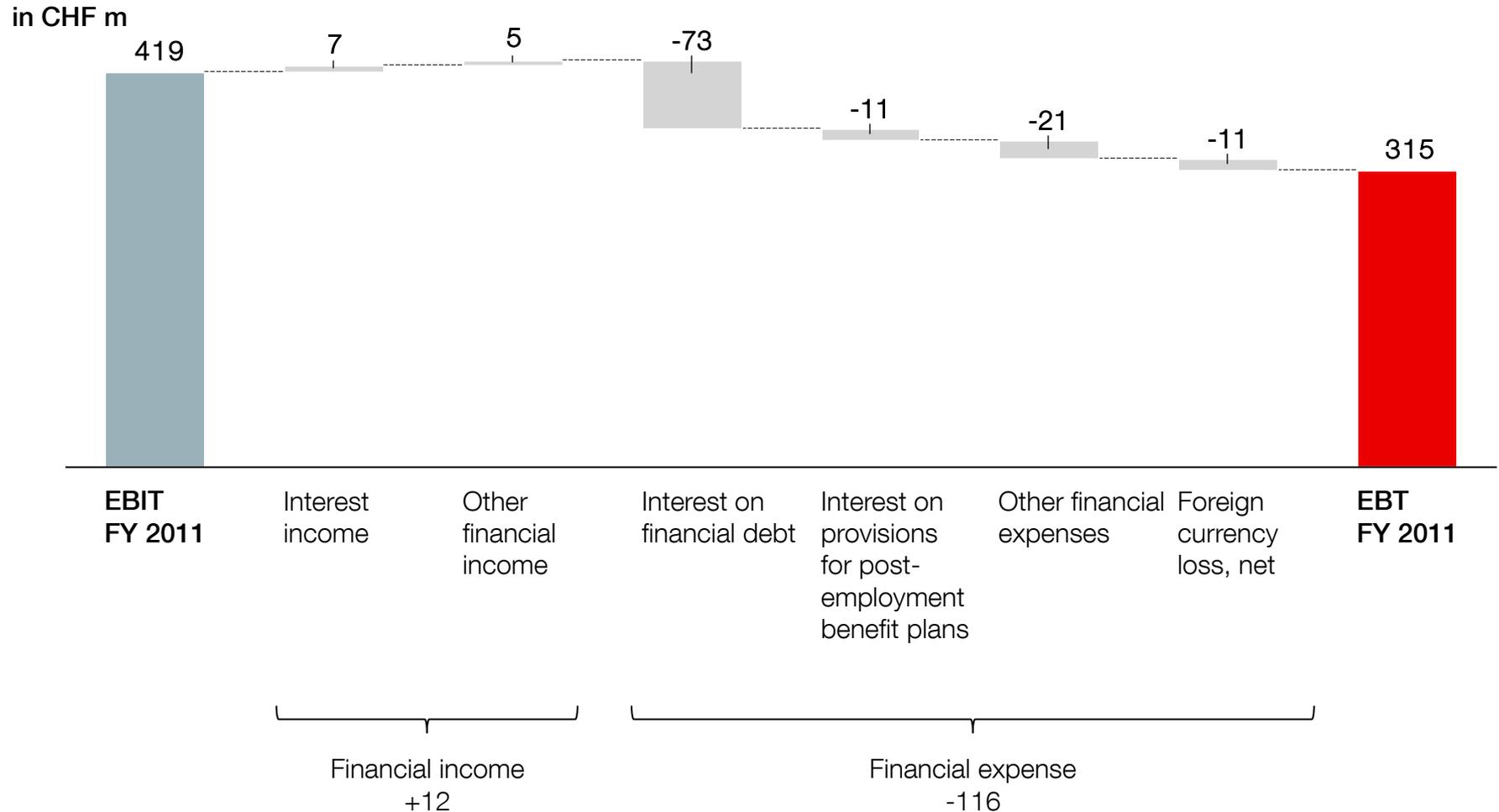
*Net Operating Assets include goodwill and brands; RONA is defined as EBIT / Net Operating Assets including goodwill and brands

** 2008 restated

Oerlikon increased net profitability

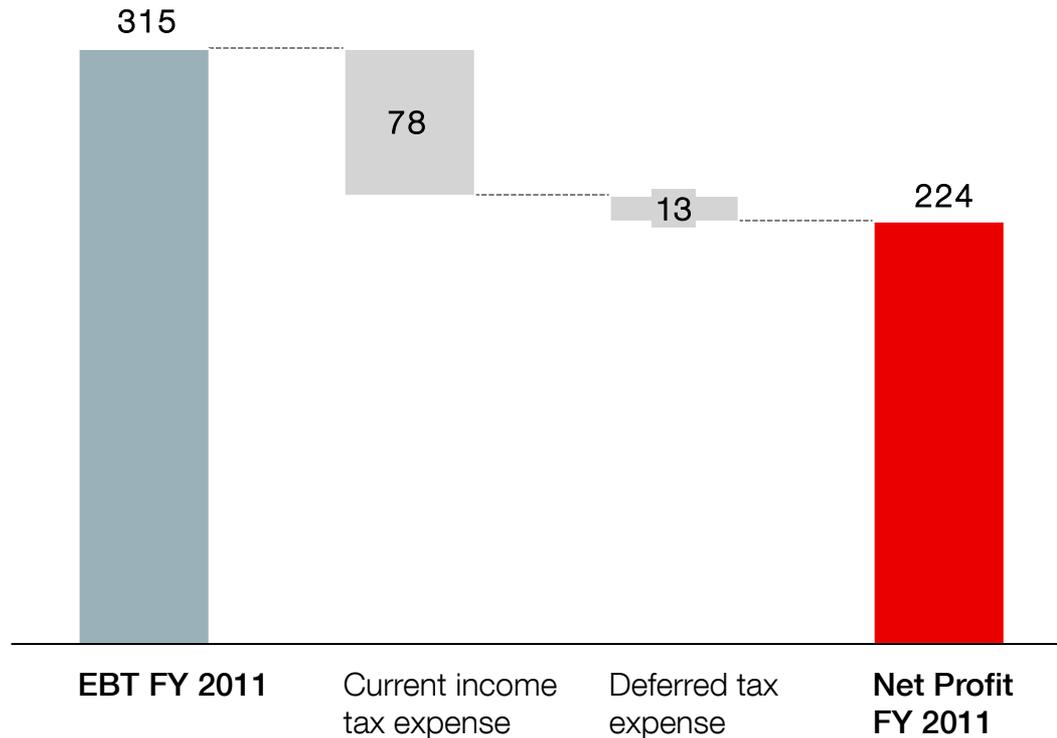
in CHF m	FY 2010	FY 2011	Δ
Result before interests and taxes (EBIT) in % of sales	51 +1 %	419 +10 %	>100 %
Financial result in % of sales	-58	-104	n/a
Result before taxes (EBT) in % of sales	-7 n/a	315 +8 %	n/a
Income taxes in % of EBT	12 n/a	-91 29 %	n/a
Net profit in % of sales	5 0 %	224 5 %	>100 %

Financial Result



Tax Result

in CHF m



- Tax rate of 29 %
- Current income tax due to profitability contribution of most subsidiaries
- Main tax payers in China, India and Germany
- Deferred tax expenses mainly due to utilization of tax loss carry forwards
- Mid-term targeted tax rate of around 30%

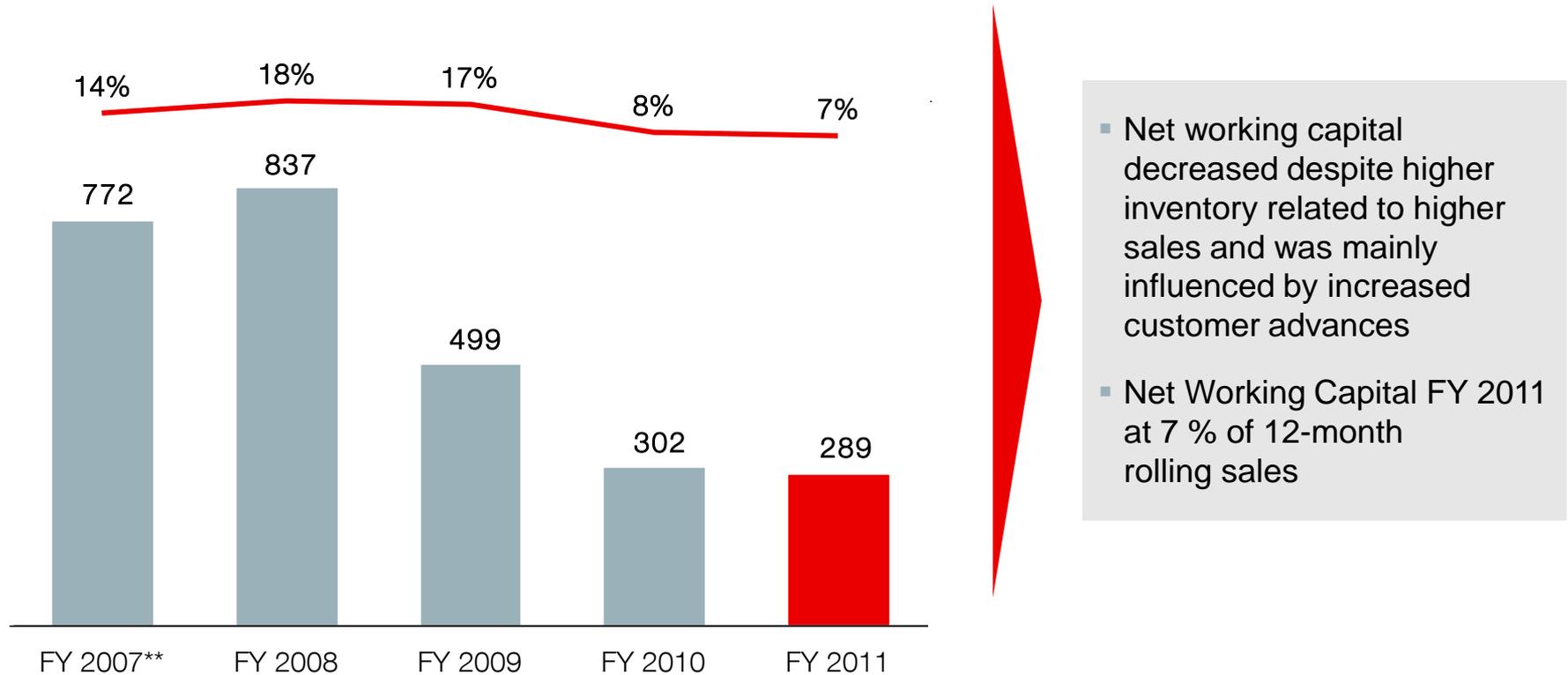
Restoration of solid balance sheet

in CHF m	FY 2010	FY 2011
Cash and cash equivalents	751	742
Trade receivables	588	635
Inventories	468	582
Property, plant and equipment	942	915
Intangible assets	1,293	1,261
Total other assets	433	438
Total assets	4,475	4,573
Trade payables	419	457
Current customer advances	335	471
Current and non-current loans and borrowings	1,078	856
Non-current post-empl. benefit provisions	499	525
Total other liabilities	690	654
Total liabilities	3,021	2,963
Total equity	1,454	1,610
Equity ratio	32%	35%
Net debt	274	86
Gearing ¹⁾	19%	5%

1) Net debt / Equity

Net Working Capital* FY 2007- FY 2011

in % of sales and CHF m



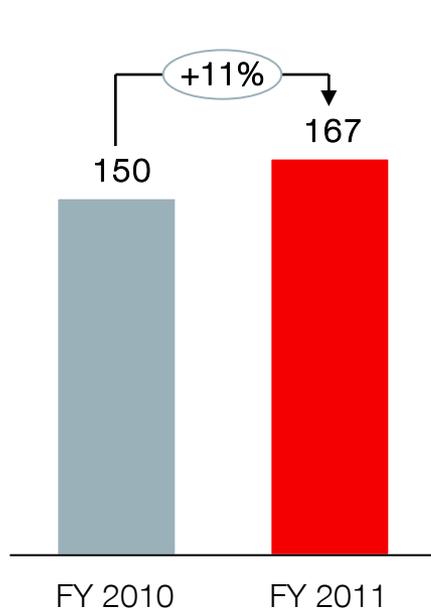
* Net Working Capital is defined as trade receivables + inventories – trade payables – current customer advances

** 2007 restated

CAPEX nearing depreciation level

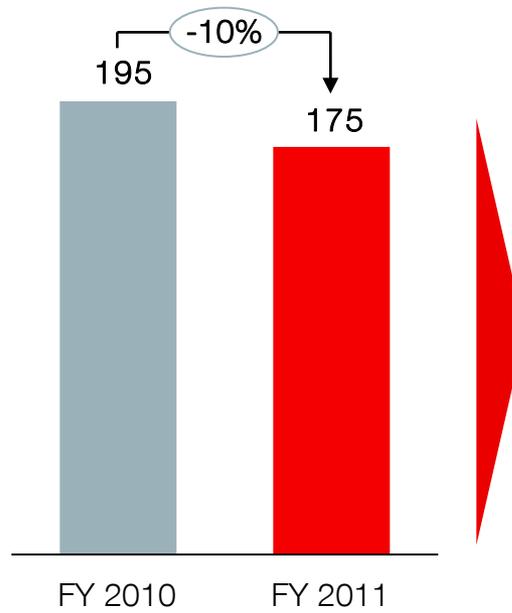
CAPEX

in CHF m

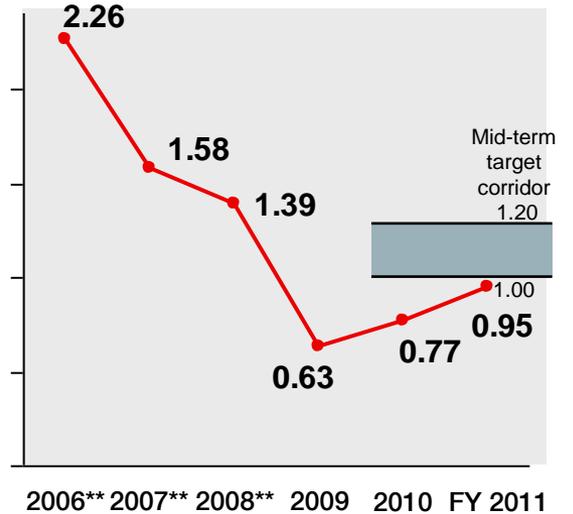


Depreciation & amortization*

in CHF m



CAPEX / depreciation & amortization ratio*



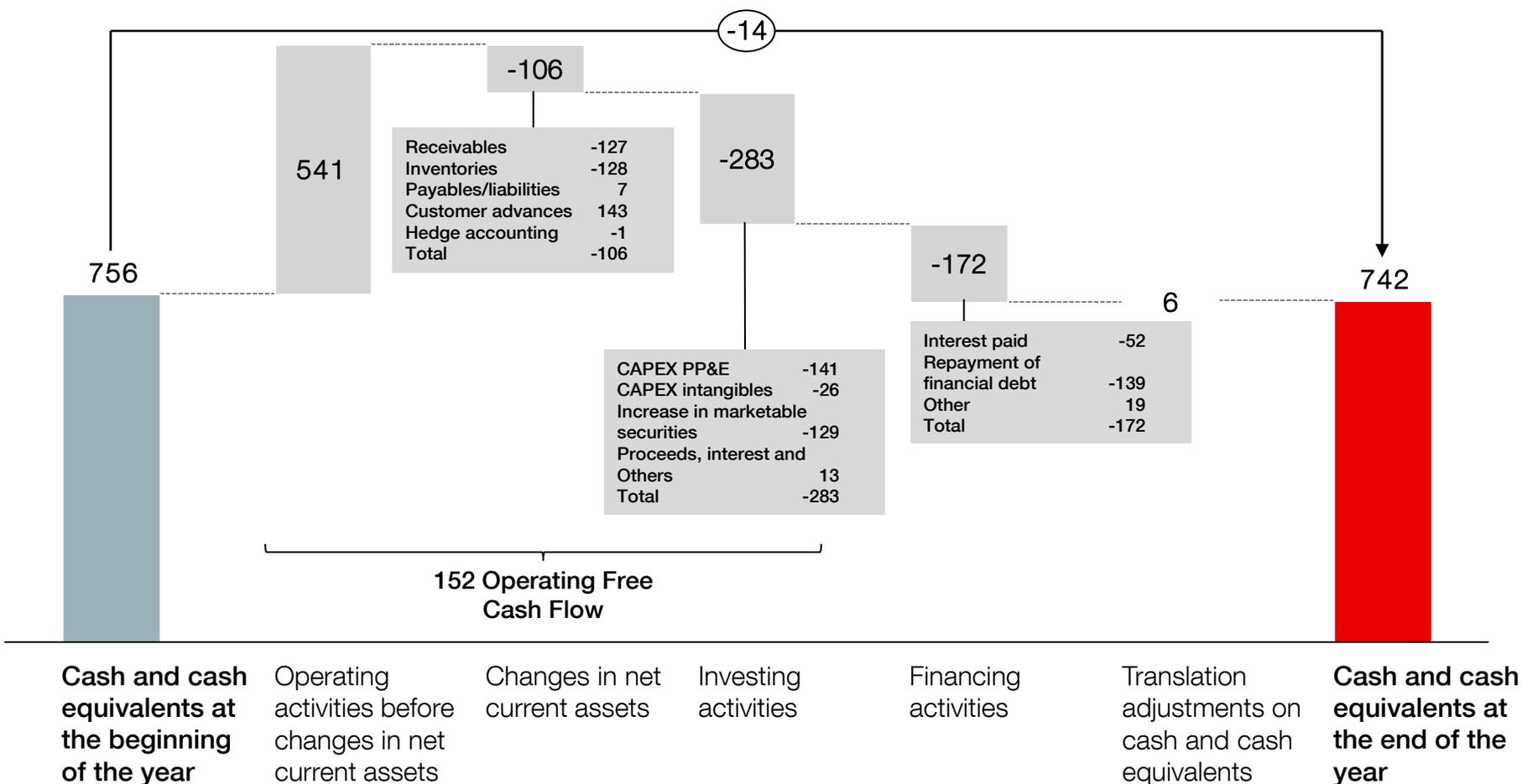
* Excluding impairment

** Restated

Consolidated Cash Flow Statement FY 2011



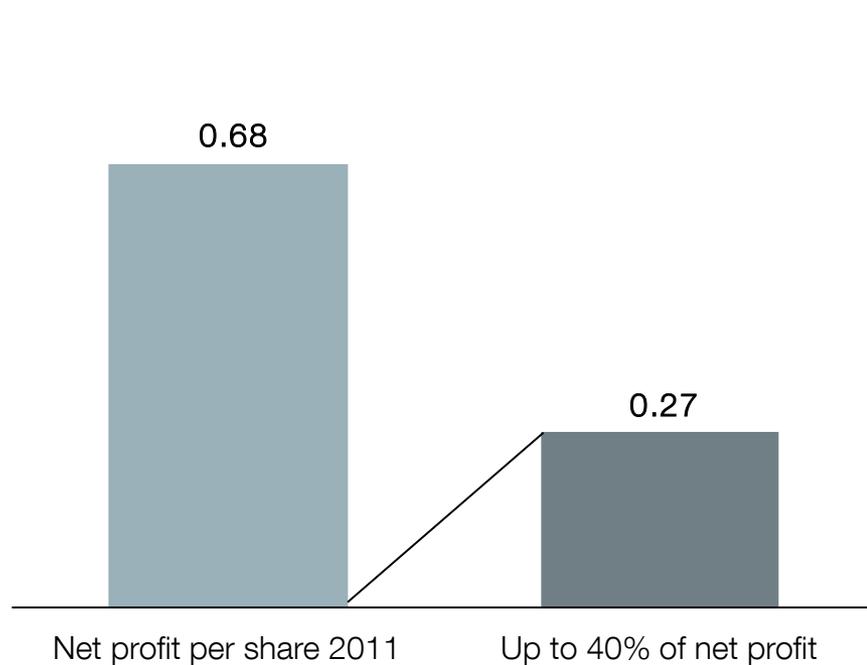
in CHF m



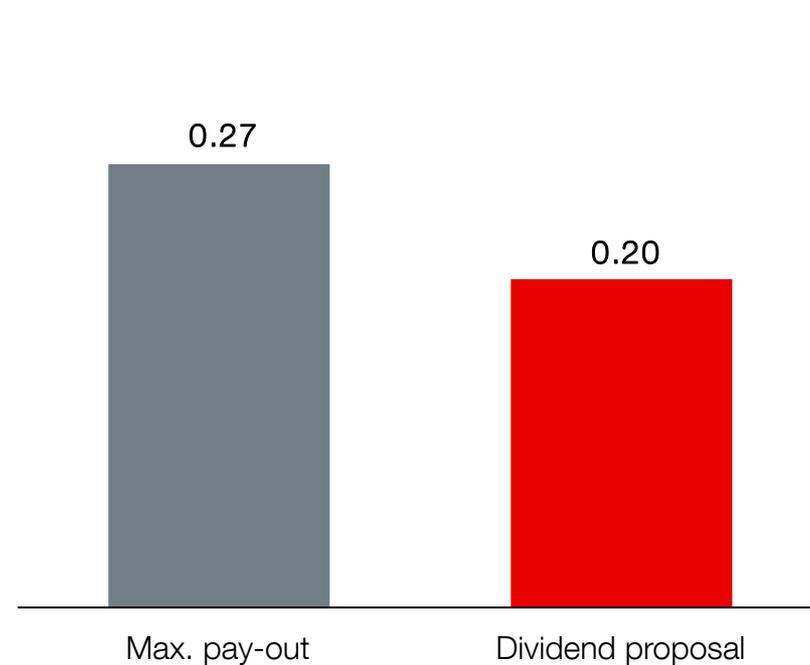
Dividend policy and dividend for 2011

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



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