

OSS CAPITAL MANAGEMENT
Form DFAN14A
May 05, 2008
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

HEXCEL CORPORATION

(Name of Registrant as Specified In Its Charter)

O.S.S. CAPITAL MANAGEMENT LP

OSCAR S. SCHAFFER & PARTNERS I LP

OSCAR S. SCHAFFER & PARTNERS II LP

O.S.S. OVERSEAS FUND LTD.

O.S.S. ADVISORS LLC

SCHAFFER BROTHERS LLC

OSCAR S. SCHAFFER

PETER J. GRONDIN

EDWARD A. BLECHSCHMIDT

TIMOTHY D. LEULIETTE

JOACHIM V. HIRSCH

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Edgar Filing: OSS CAPITAL MANAGEMENT - Form DFAN14A

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:

 - (2) Aggregate number of securities to which transaction applies:

 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

 - (4) Proposed maximum aggregate value of transaction:

 - (5) Total fee paid:
- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
 - (1) Amount Previously Paid:

 - (2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

OSS CAPITAL ASSERTS REPORTED JOINT VENTURE INVOLVING HEXCEL COMPETITORS COULD PUT HEXCEL PROFIT MARGINS AT FURTHER RISK

HEXCEL SHAREHOLDERS ARE URGED TO VOTE FOR DIRECTOR NOMINEES PROPOSED BY OSS CAPITAL

NEW YORK, NY, May 5, 2008 -- OSS Capital Management LP ("OSS Capital"), which together with affiliates beneficially owns approximately 5.3 million common shares of Hexcel Corporation (NYSE: HXL), representing over 5.5% of the Company's outstanding shares, today noted that, according to a Bloomberg news report dated May 4, 2008, Hexcel competitors Toray Industries, Teijin Ltd., and Mitsubishi Rayon will set up a joint venture next year to mass produce recycled carbon fibers to be used in aircraft, among other things. The cost of the carbon fiber offered by the joint venture should be at a 30% discount to new carbon fiber prices.

OSS Capital said, "The establishment of this joint venture, which involves Hexcel's direct competitor Toray Industries, increases the importance and urgency for Hexcel to improve its margins in its composite business. As we have made clear in our presentation to Hexcel shareholders (which can be found at <http://www.sec.gov/Archives/edgar/data/717605/>

[000090266408001818/p08-0872dfan14a.htm](http://www.sec.gov/Archives/edgar/data/717605/000090266408001818/p08-0872dfan14a.htm)), and, as Hexcel itself gives extensive recognition to in its shareholder presentation, Hexcel's margins are low and need to be improved. Without margin improvement, Hexcel will not have the necessary capital to compete against the serious strategic challenges that such a joint venture and other competitive threats will present.

Hexcel needs a better qualified Board of Directors to work with management to build Hexcel's global competitiveness and, in turn, shareholder value. Hexcel's present Board and its nominees do not have the industrial global expertise or proven track record of shareholder value enhancement that is offered by the three director nominees OSS Capital is proposing- Ed Blechschmidt, Joachim "Jake" Hirsch, and Tim Leuliette. These three director nominees have the experience to work with Hexcel management to put in place a plan to improve margins and counter strategic threats from competitors such as the reported joint venture. They are committed to maximizing Hexcel's value for all shareholders.

Hexcel shareholders are urged to Vote the White proxy card for the election of Messrs. Blechschmidt, Hirsch, and Leuliette to the Hexcel Board of Directors.

Contacts:

Media

Jeremy Fielding/Robert Siegfried
Kekst and Company
(212) 521-4800

Investors

Laurie Connell
MacKenzie Partners, Inc.
(212) 929-5500