

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)

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**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.

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