AGM Presentation

10th May 2013

Summary (as of year-end results in February)

- Challenging end-market environment in 2012 but still the Group’s second highest operating profit before one-offs in our history
- c.90% of the business performed resiliently, but substantial demand declines in defence and renewable energy meant disappointing results in the Engineered Materials Division
- Overall Group order intake levels have stabilised in the past two to three months
- Significant actions taken in H2 in particular to reduce the cost base in those areas with lower end market demand
- New organisational model to present unified “One Morgan” face to our customers, position for higher growth and improve operational cost efficiency
- Name change to Morgan Advanced Materials plc to reflect the full depth and breadth of our advanced materials capabilities

Revenue lower than 2012 but EBITA margins >12% and total dividend up by c.8%

	FY12	FY11	% Change from FY11	
	£m	£m	As reported	At constant currency
Revenue	1,007.5	1,101.0	-8.5%	-6.9%
EBITA before restructuring and one-off items	122.0	143.4	-14.9%	-13.0%
EBITA margin % before restructuring and one-off items	12.1%	13.0%		
EBITA after restructuring and one-off items *	108.8	141.5	-23.1%	-21.6%
EBITA margin % after restructuring and one-off items *	10.8%	12.9%		
PBT before amortisation	89.7	119.7	-25.1%	-23.2%
Underlying earnings per share	23.2p	29.9p	-22.4%	
Total dividend per share	10.00p	9.25p	+8.1%	

* EBITA after restructuring and one-off items is also referred to as underlying operating profit (operating profit before amortisation of intangible assets)

Morgan Advanced Materials

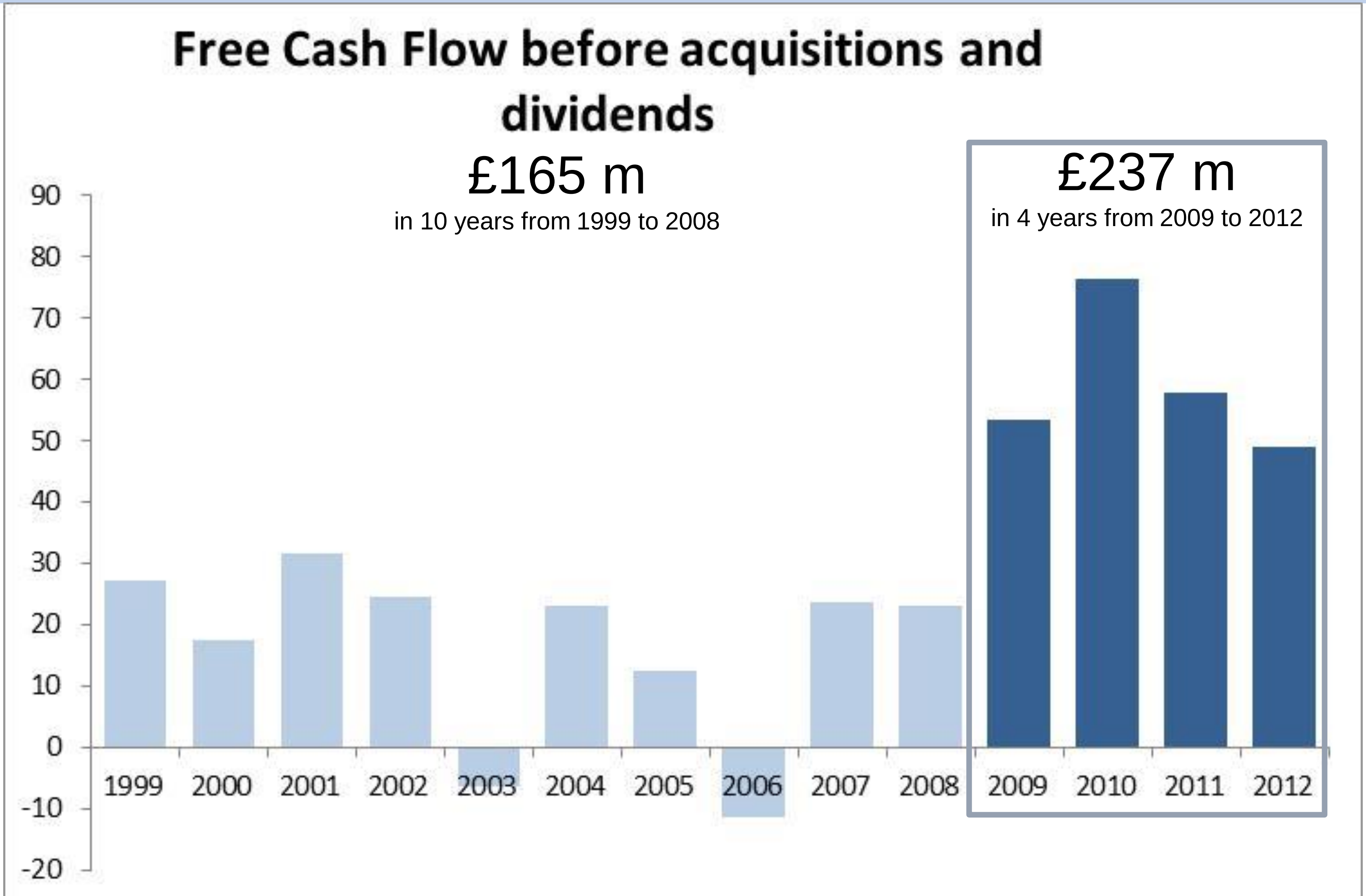
Free cash flow before dividends c.£50m

	FY12 £m	FY11 £m
Cash from trading	151.9	174.3
Change in working capital	(12.6)	(29.1)
Change in provisions	(12.5)	(7.8)
Cash flow from operations	126.8	137.4
Net capital expenditure	(26.7)	(25.5)
Net interest paid	(18.5)	(20.4)
Tax paid on ordinary activities	(26.8)	(25.6)
Restructuring costs and other one-off items	(5.9)	(8.1)
Free cash flow before acquisitions and dividends	48.9	57.8
Dividends paid	(16.1)	(18.4)
Cash flows from other investing and financing activities	(15.2)	(17.7)
Exchange movement	5.0	(0.9)
Opening net debt	(215.4)	(236.2)
Closing net debt	(192.8)	(215.4)

- 3WC/Sales ratio for the Group of 20.9%; marginally higher than 2011 20.6%
- Gross capital expenditure of £29.4 million – ratio of c.1.0 x depreciation
- Net debt reduced by more than £20 million and net debt:EBITDA at 1.3 times

* Cash from trading is EBITA adjusted for depreciation and profit on sale of plant and machinery

Strong cash generation reinforces improved business quality



Group cash flow before acquisitions and dividends is after cash flows in respect of restructuring and other one-off items

Morgan Advanced Materials

Ceramics and MMS showed continued margin improvement; AM&T and NPA disappointed

£ million	Revenue		EBITA		Profit Margins %	
	FY12	FY11	FY12	FY11	FY12	FY11
Technical Ceramics	273.3	285.1	42.7	43.1	**15.6%**	**15.1%**
Thermal Ceramics	387.2	400.1	51.9	49.6	**13.4%**	**12.4%**
Ceramics	**660.5**	**685.2**	**94.6**	**92.7**	**14.3%**	**13.5%**
AM&T	243.4	276.1	20.8	35.0	**8.5%**	**12.7%**
NP Aerospace	57.8	93.0	3.6	13.0	**6.2%**	**14.0%**
Molten Metal Systems	45.8	46.7	8.1	7.7	**17.7%**	**16.5%**
Engineered Materials	**347.0**	**415.8**	**32.5**	**55.7**	**9.4%**	**13.4%**
Unallocated Costs *			**(5.1)**	**(5.0)**	**-**	**-**
EBITA pre one-off items *	***1,007.5***	***1,101.0***	***122.0***	***143.4***	***12.1%***	***13.0%***
One-off items **			**(13.2)**	**(1.9)**		
EBITA post one-off items *			***108.8***	***141.5***	***10.8%***	***12.9%***

*** Includes plc costs (e.g. Report & Accounts, AGM, Non-Executives) and Group management costs (e.g. corporate head office rent, utilities, staff, etc.)**

**** One-off items include the costs of restructuring activity, profit on disposal of properties and other one-off items**

The market environment in carbon graphite businesses (MEM's competitor set) has been very challenging over the past 12-24 months as shown by total shareholder returns

Performance (%)	3M	6M	1Y	3Y	5Y
Morgan Advanced Materials	(9.7)%	9.9 %	(12.7)%	33.8 %	43.9 %
Carbon Graphite Materials Index[1]	(6.6)	8.2	(24.9)	(36.5)	(55.1)
Ceramics Index[2]	(7.3)	7.0	4.2	(5.5)	2.6

- Source: Bloomberg as at 26-Apr-2013
- [1] Carbon Graphite Materials Index includes SGL Carbon, Ibiden, GrafTech International, Mersen and Toyo Tanso.
- [2] Ceramics Index includes Imerys, Vesuvius, Minerals Technologies, RHI AG, Magnesita, Carborundum Universal, Shandong Luyang and Krosaki Harima.

“One Morgan”
Strategy and Organisational Model

Mark Robertshaw

Next stage of integrating the Group – One Morgan

2003

- Thermal Ceramics
- Advanced Ceramics
- Electro Ceramics
- Electrical Carbon
- Mechanical Carbon
- Specialty Carbon
- Auto Consumer
- Crucibles
- Magnetics

→ Auto Consumer and Magnetics sold; group much simplified

2010

- Ceramics Division
- Engineered Materials Division

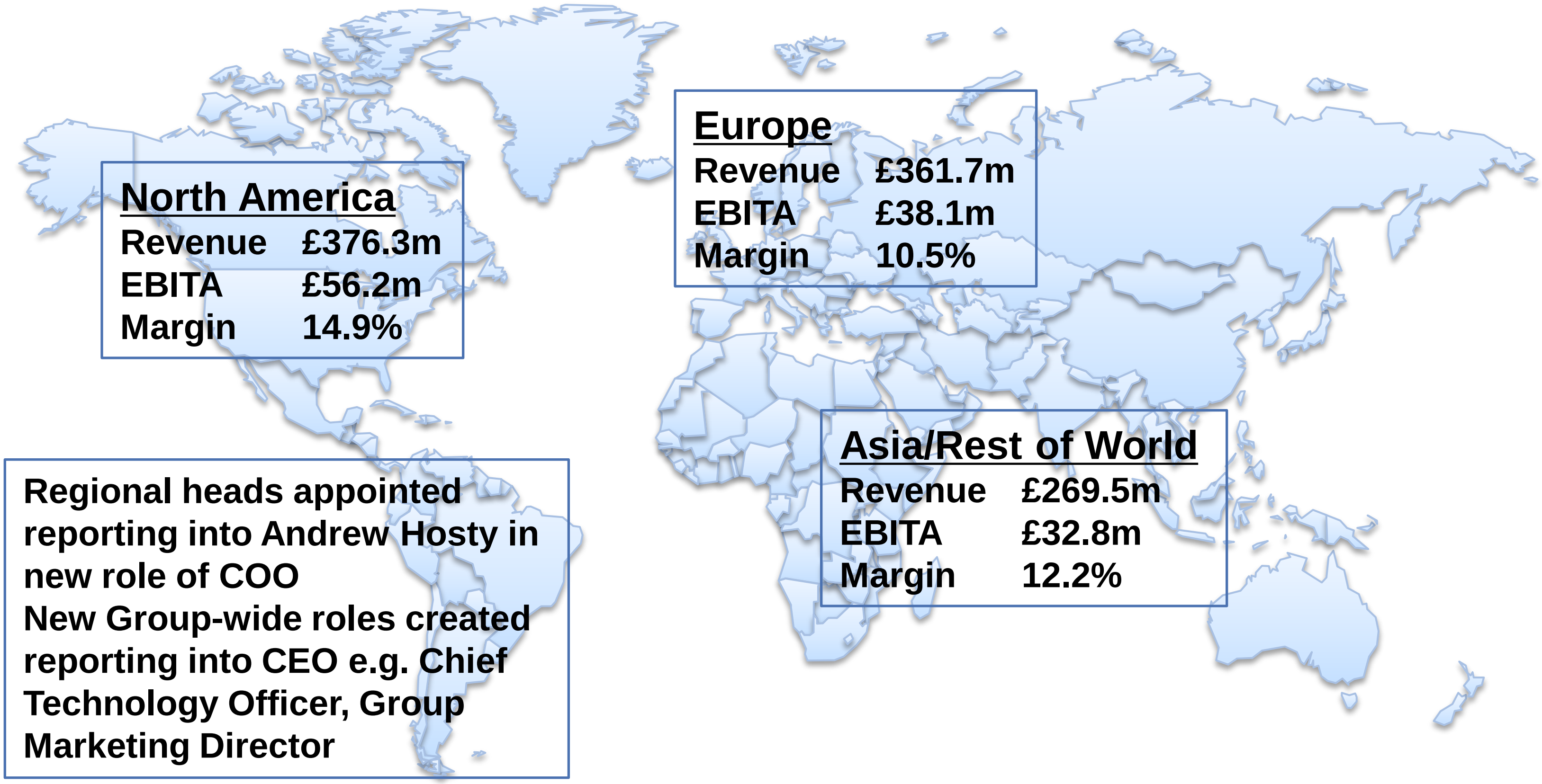
→ Further simplify to bring to customers the full breadth of the Group's products and capabilities

2013

- Morgan Advanced Materials plc

Continuation of direction of travel from a Group with 9 Divisions to a single integrated Advanced Materials business, operating on a regional basis with specific, relevant priorities, but a consistent unifying theme and goals

One Morgan: regional structure and priorities to drive >GDP growth, mid-teen margins and ROCE c.35%



North America

Revenue	**£376.3m**
EBITA	**£56.2m**
Margin	**14.9%**

Europe

Revenue	**£361.7m**
EBITA	**£38.1m**
Margin	**10.5%**

Asia/Rest of World

Revenue	**£269.5m**
EBITA	**£32.8m**
Margin	**12.2%**

Regional heads appointed reporting into Andrew Hosty in new role of COO
New Group-wide roles created reporting into CEO e.g. Chief Technology Officer, Group Marketing Director

All figures FY 2012; EBITA is before Unallocated Costs
Asia/Rest of World includes South America, Middle East and Africa

“One Morgan”: Driving profitable growth

- Maximise full breadth and depth of advanced materials capabilities for our customers
- Fully leverage our geographic and end-market positions
- Accelerate positive mix change across the regions into our target markets
- Optimise operating cost base – full year benefits of £6-8 million in 2014

Unifying characteristics of an integrated One Morgan

- Leading edge material science
- Sophisticated application engineering
- Solving complex challenges in technically demanding applications
- Providing real value-add to our customers, enabling their products and processes to perform more efficiently, more reliably and for longer

Driving differentiated, market leading positions

Today’s IMS Statement