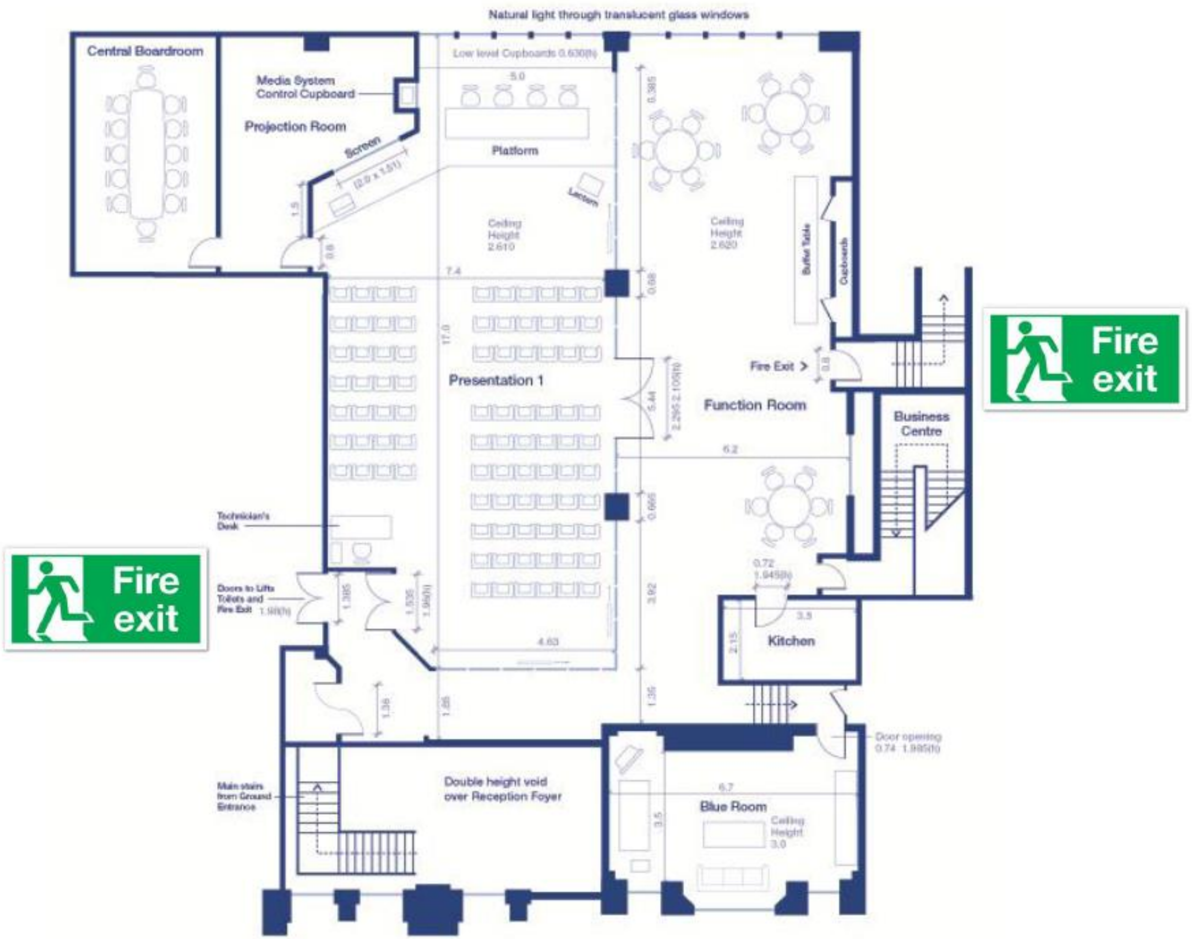

Natural light through translucent glass windows
Central Boardroom
Media System Control Cupboard
Projection Room
Screen
Platform
Lectern
Ceiling Height 2.610
Ceiling Height 2.620
Buffet Table
Cupboards
Presentation 1
Fire Exit >
Function Room
Business Centre
Technician's Desk
Fire exit
Fire exit
Kitchen
Double height void over Reception Foyer
Blue Room
Ceiling Height 3.0
Main stairs from Ground Entrance

2013 Full Year Financial Results

AGM 9th May 2014

EBITA margin improved year-on-year and full-year dividend up 5%

	FY13*	FY12 Restated	% Change
	£m	£m	
Revenue	957.8	1,007.5	-4.9%
EBITA before restructuring**	119.0	120.9	-1.6%
EBITA margin % before restructuring**	12.4%	12.0%	
EBITA after restructuring***	108.5	107.7	+0.7%
EBITA margin % after restructuring***	11.3%	10.7%	
PBT before amortisation	85.2	85.0	+0.2%
Underlying earnings per share	21.5p	21.7p	-0.9%
Total dividend per share	10.50p	10.00p	+5.0%

* Results before specific adjusting items
** Restructuring includes the costs of restructuring activity and profit on disposal of properties
*** EBITA after restructuring is also referred to as underlying operating profit (operating profit before amortisation of intangible assets)

Exchange rates: £ sterling has strengthened against all major currencies during H2 2013

	FY 2013 Reported (average rates) £m	FX impact of using 2013 closing rates £m	FY 2013 at 2013 closing rates £m	H2 2013 at 2013 closing rates £m
Revenue	957.8	(44.2)	913.6	456.5
EBITA before restructuring**	119.0	(6.8)	112.2	58.3
EBITA margin %	12.4%		12.3%	12.8%

* Results before specific adjusting items

** Restructuring includes the costs of restructuring activity and profit on disposal of properties

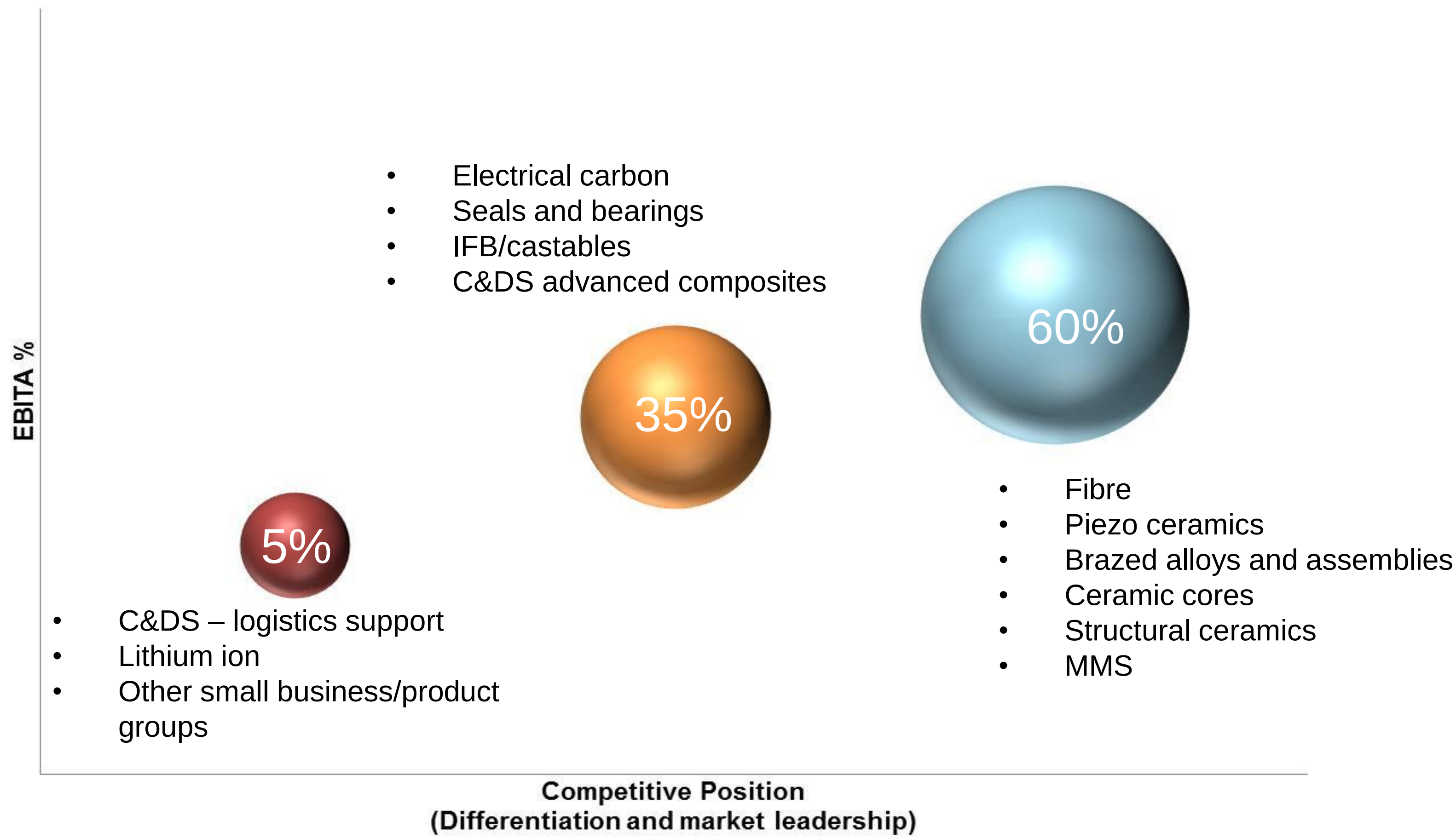
The above analysis is an illustration of the translation effect of using 2013 closing rates on the Group's reported revenue and EBITA for the full-year and for the second half 2013 results

Strategy update and key themes for 2014

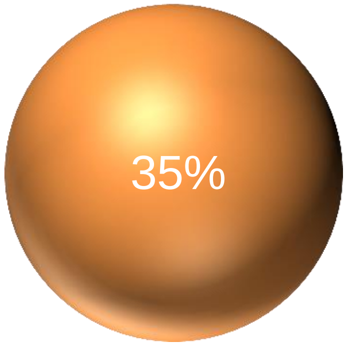
Strategy update – key themes

- Building sustainable competitive advantage in attractive markets…
- …with truly, differentiated products underpinned by world-leading technology
- Our goal is for all of our businesses and technologies to have the potential to deliver mid-teen EBITA margins…
- …targeting through-cycle growth rates in excess of our end-markets

Portfolio reshaping a key priority for 2014



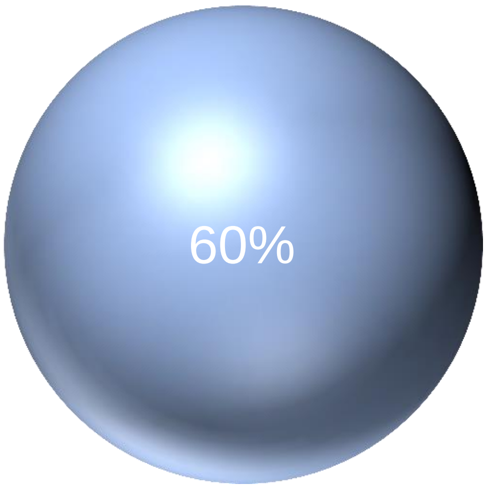
Enhancing margins of businesses currently below mid-teen margin target range

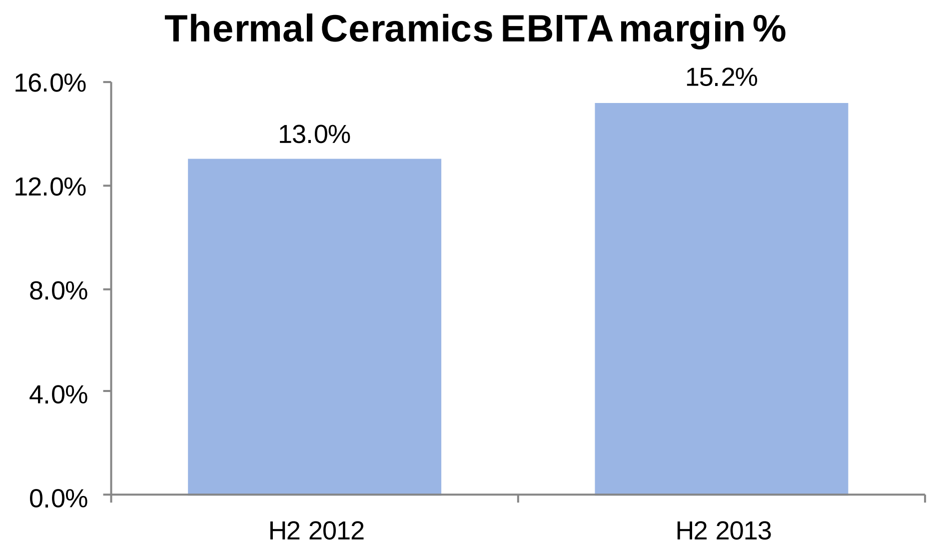


Change in 2013 EBITA margin %	
Electrical carbon	↑
Seals and bearings	↑
C&DS advanced composites	↑
IFB/castables	↓

- Margin progress made on three of the four businesses in this high single digit to double digit margin category
- Significant improvement in European electrical carbon
- IFB/castables margin impacted by subdued project business in 2013 – some signs of potential upturn in 2014 coming through with new contract wins received in past couple of months

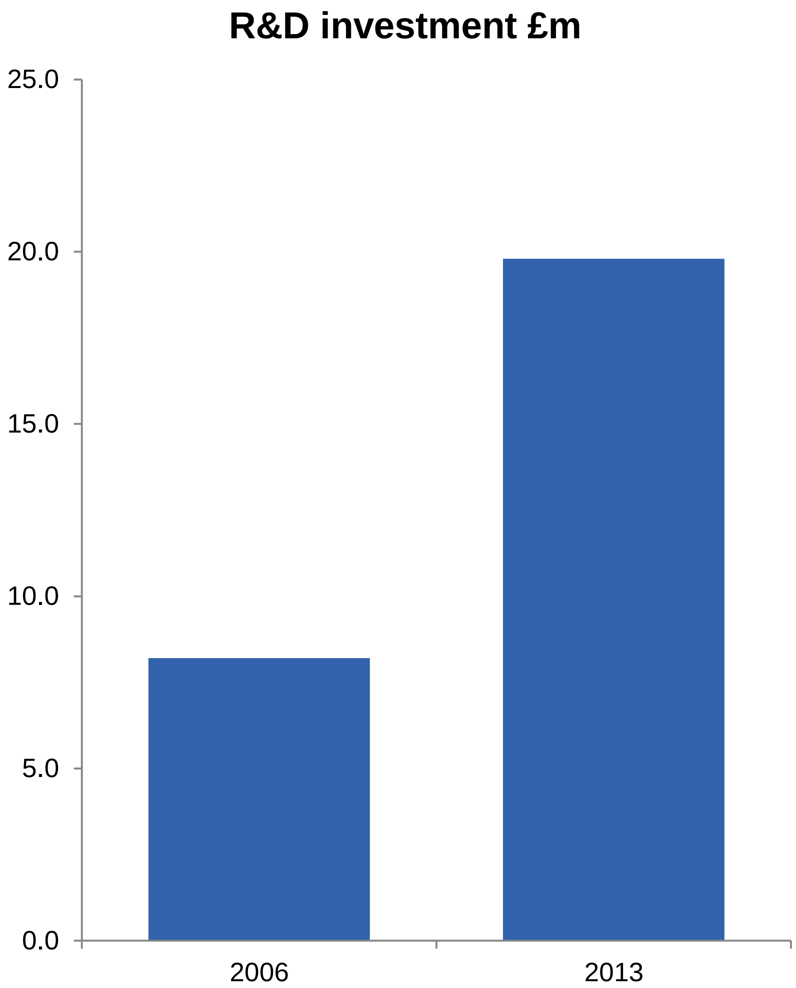
Targeting both revenue growth and further margin increase in differentiated businesses





- Positive mix shift with ongoing rollout of Superwool® fibre: overall fibre business margins now into high-teens
- Good growth in differentiated, high value-added applications e.g. vehicle emission control and fire protection
- Best-practice benchmarking programme driving ongoing operational efficiencies

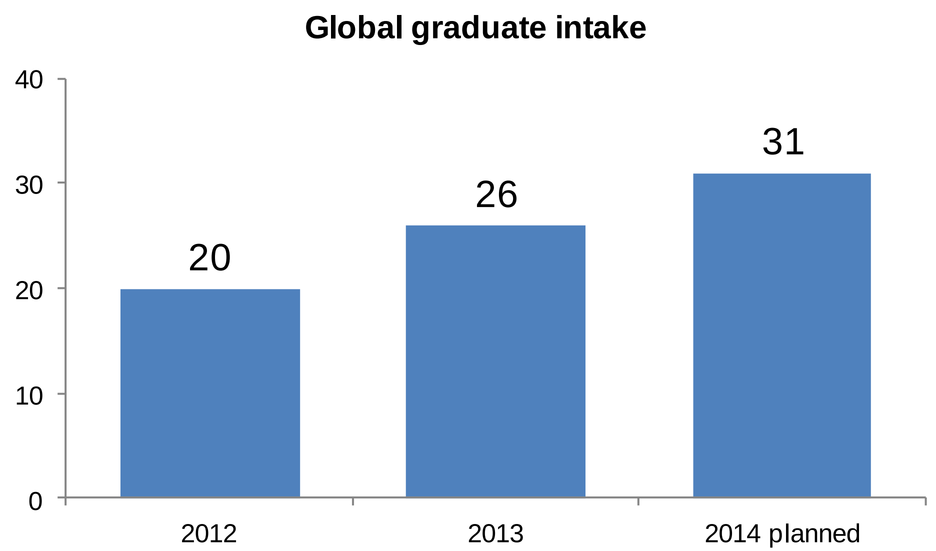
Investing in innovation and profitable growth



- R&D investment now c.2.5 times higher than it was in 2006
- R&D investment increased once more in 2013 both in absolute terms and as a % of revenue (2013: 2.1%, 2012: 1.9%)
- New Group Chief Technology Officer (CTO) in place under the One Morgan structure driving technology and innovation across our businesses around the world

Significant increase in engineering and future leadership talent

- Increasing investment in graduates as part of the Graduate Leadership Programme



- Advanced Development Programme for future management – regional winner of 2013 “Investing in Skills” EEF Future Manufacturing award and national runner-up out of c.240 entries

Summary and outlook

Mark Robertshaw

Summary

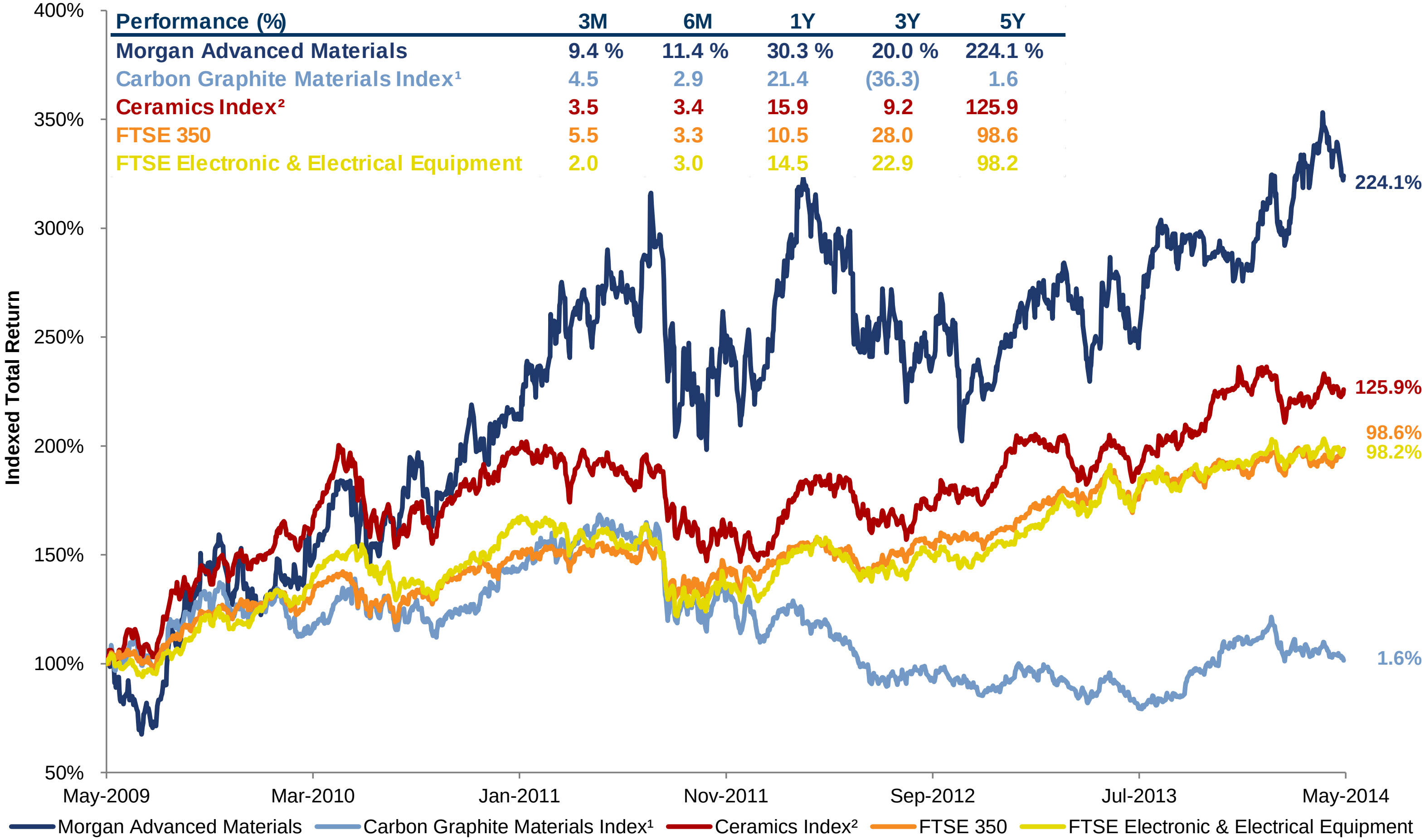
- 190bps margin progression – H2 2012 11.0%, H2 2013 12.9%

- The new streamlined Group organisation structure announced last year now well embedded and driving an accelerated pace of change and increased level of ambition

- Continued investment in world-leading technology and innovation to enhance our differentiation and sustainable competitive advantage to drive profitable growth

Morgan total shareholder returns vs peers and UK indices

Performance (%)	3M	6M	1Y	3Y	5Y
Morgan Advanced Materials	9.4 %	11.4 %	30.3 %	20.0 %	224.1 %
Carbon Graphite Materials Index[1]	4.5	2.9	21.4	(36.3)	1.6
Ceramics Index[2]	3.5	3.4	15.9	9.2	125.9
FTSE 350	5.5	3.3	10.5	28.0	98.6
FTSE Electronic & Electrical Equipment	2.0	3.0	14.5	22.9	98.2



Source: Bloomberg and DataStream as at 02-May-2014

Note: TSR calculated as share price performance + dividend return, with all dividends assumed to be reinvested. All data calculated in local currencies. Peer indices calculated on an equally weighted basis.

[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.

Outlook

- Our expectation for 2014 is that end-market conditions overall remain similar to those of 2013

- Key areas of focus for 2014:
  - positive mix shift
  - active portfolio reshaping
  - operational improvements
  - continued investment in innovation and differentiation to drive profitable growth

Ambition is to drive margins <u>and</u> profitable growth