

Corporate Communications

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Press Release

CeramTec remaining on growth path

CeramTec announces acquisition of UK electro-ceramics business from Morgan Advanced Materials

Plochingen, 22. February 2017 / CeramTec announces today that it has agreed the acquisition of the UK electro-ceramics business (“UK Electro-Ceramics”), comprising two manufacturing sites at Ruabon and Southampton, from Morgan Advanced Materials plc. The transaction will be structured as a sale of the business, assets and goodwill for an enterprise value of £47m, which will be funded from cash on the balance sheet and payable at completion, which is expected in April 2017.

In the year ended 31 December 2016, the UK Electro-Ceramics business generated revenues of £22.7m and employed 251 persons. The business produces a range of piezo and dielectric ceramic products used in a wide range of industrial, electronics, medical and defense applications.

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For CeramTec, the acquisition will add complimentary capabilities and further build scale in these highly specialised markets. Tony Beswick, current Managing Director of Morgan Technical Ceramics, will continue to run the business under CeramTec's ownership.

Henri Steinmetz, Chief Executive Officer of CeramTec said:

“We are excited by the prospect of bringing together the significant expertise and knowledge in piezo and dielectric ceramics which complement each other perfectly. This transaction opens the door to many new opportunities and possibilities for CeramTec: new markets, new application areas, and new developments. Together, we are stronger and we will be able to offer our customers an even broader spectrum of products and applications. The significant demand for sensors and measurement technology as well as control and monitoring systems provides the best opportunities for a successful future.”

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Pete Raby, Chief Executive Officer of Morgan, said:

“I am pleased to announce the sale of UK Electro-Ceramics. This divestment supports our aim of simplifying Morgan to focus on technology businesses of scale, allowing us to better service global markets and to drive the most value from our core activities. UK Electro-Ceramics is a specialist business with excellent customer relationships. This transaction will build its scale and combine its expertise with that of CeramTec, creating a stronger and more resilient platform for the future.”

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Notes to Editors:

CeramTec

CeramTec is a large international manufacturer of ceramics for technically demanding applications. The company supplies its customers with premium quality ceramic products from sites across the globe and is headquartered in Plochingen, Germany. CeramTec products are often unseen, but mostly indispensable. The products are used in many different applications today, especially in medical engineering, automotive manufacturing, electronics, equipment and mechanical engineering, defense systems, energy and environmental technologies, and in chemical industries. The company's success is rooted in the formula: Continued development of new, innovative materials with a strong commitment to quality, a focus on customer-specific systems solutions and dialog-based application consulting services that cover the entire product life cycle. The company has around 3,200 employees worldwide and achieved revenues of approximately €501 million in 2015. CeramTec is a portfolio company of Cinven.

More information at www.ceramtec.com

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UK electro-ceramics business

The UK electro-ceramics business is a manufacturer of highly specialised piezoelectric and dielectric components that enhance the reliability and performance of customers' products in the most technically challenging applications. The business is focused on the Lead Zirconate Titanate ('PZT') and dielectric market and has the widest range of products available for polycrystalline piezo and dielectric applications across core target markets.

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Morgan Advanced Materials

Morgan is a global materials technology company which designs and manufactures a wide range of high specification products with extraordinary properties, across multiple sectors and geographies.

From an extensive range of advanced materials, it produces components, assemblies and systems that deliver significantly enhanced performance for its customers' products and processes. Its engineered solutions are produced to very high tolerances and many are designed for use in extreme environments.

The Company thrives on breakthrough innovation. Its materials scientists and applications engineers, work in close collaboration with customers to create outstanding, highly differentiated products that perform more efficiently, more reliably and for longer.

Morgan has a global presence with approximately 9,000 employees across 50 countries serving specialist markets in the energy, transport, healthcare, electronics, security and defence, petrochemical and industrial sectors. It is listed on the London Stock Exchange in the engineering sector (ticker MGAM).

More information at www.morganadvancedmaterials.com

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This document contains statements that constitute forward-looking statements. These statements appear in a number of places in this document and include statements regarding the intent, belief or current expectations of our customers, estimates regarding future growth in the different business lines and the global business, market share, financial results and other aspects of the activity and situation relating to the Company. The forward-looking statements in this document can be identified, in some instances, by the use of words such as "expects", "anticipates", "intends", "believes", and similar language or the negative thereof or by forward-looking nature of discussions of strategy, plans or intentions. Such forward- looking statements are not guarantees of future performance and involve risks and uncertainties, and other important factors that could cause actual developments or results to differ materially from those expressed in our forward looking statements. Analysts and investors are cautioned not to place undue reliance on those forward looking statements which speak only as of the date of this presentation. CeramTec undertakes no obligation to release publicly the results of any revisions to these forward looking statements which may be made to reflect events and circumstances after the date of this presentation, including, without limitation, changes in the Company's business strategy or to reflect the occurrence of unanticipated events. Analysts and investors are encouraged to consult the Company's public reports. The financial information contained in this document has been prepared under IFRS. This financial information is unaudited and, therefore, subject to potential future modifications.