



1 October 2007

Press release

FURTHER £20M CERAMICS EXPANSION IN CHINA

CAPITAL MARKETS DAY

Cookson Group plc (“Cookson”), a leading materials science company, today announces three new expansion projects in China and a further rationalisation project in the US, which will combine further to enhance the prospects of Vesuvius, Cookson’s Ceramics division.

Commenting on these new initiatives, Francois Wanecq, Chief Executive of the Ceramics division, said:

“The three expansion projects - totalling £20 million of investment - will further enhance Vesuvius’ local presence in the Chinese market.

“Through new joint ventures we will strengthen our relationship with two of China’s leading steel producers and, through the significant expansion of our Solar Crucible™ capacity, we will be able to capitalise further on the high levels of growth in the solar power industry.

“In addition to these investments in the high-growth emerging market of China, we are continuing to restructure in maturing markets with the planned closure of a further production facility in the US.”

Joint Venture agreement with Wuhan Iron & Steel Corporation (“WISCO”)

Since 2003, Vesuvius has operated a 50/50 Joint Venture with WISCO, China’s fourth largest steel producer, producing slide-gate refractories. This operation had revenue of £6 million in 2006.

Based on this success, a further 50/50 Joint Venture between the parties has been formed, for the production of VISO™, Vesuvius’ range of isostatically-pressed alumina-carbon products used to control and protect the flow of molten metal in the continuous casting steelmaking process. The new Joint Venture, to be managed by Vesuvius, will involve the construction of a new facility in Wuhan, Hubei Province. Around half of the production will be dedicated to supplying VISO™ products to satisfy the anticipated expansion of WISCO’s own steel-making capacity, with the remainder available to Vesuvius to sell to other Chinese steel producers.

Vesuvius’ share of the investment in the new facility will be £2 million and the facility is expected to be completed by the second quarter of 2008.

Joint Venture agreement with Anshan Iron and Steel Corporation Group (“Angang”)

Vesuvius has recently signed a Letter of Intent with Angang for the formation of a 50/50 Joint Venture to supply various refractory products to Angang. Following the completion of the proposed merger with Benxi Iron & Steel, Angang will be China’s largest steel producer and has plans to significantly increase its steel production over the next five years from the current level of 15 million tons per annum to between 40 and 50 million tons. The Joint Venture, to be managed by Vesuvius, will supply Angang with a significant proportion of its total magnesia-carbon brick, magnesia based monolithics and VISO™ requirements from these three new facilities.

Vesuvius’ share of the investment in the three new facilities, to be built in Liaoning Province, will be £7 million with completion expected by the end of 2008.



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Construction of new £11 million Solar Crucible™ facility in Jiangsu Province (“Sunrise”)

Cookson has completed two new Solar Crucible™ facilities so far in 2007, in China (Wei Ting, Jiangsu Province) and Poland (Skawina), both of which are expected to be at full capacity by the first quarter of 2008. In August 2007, it was announced that a further new facility is to be built in Moravia, Czech Republic for completion by the first quarter of 2008. Each of these facilities manufacture Solar Crucibles™ used in the manufacture of photovoltaic (“solar”) cells.

In response to continued strong growth in the solar power industry, an additional facility (“Sunrise”) is to be constructed in Jiangsu Province, close to Vesuvius’ existing Solar Crucible™ facility in Wei Ting, capable of producing around 40,000 Solar Crucibles™ annually. The total investment in the new facility will be just over £11 million and it is expected to be completed by the end of 2008. All production from this facility will be supplied, under a five year agreement, to a new £245 million solar cell factory to be constructed in Jiangsu Province by Glory Silicon Energy (“GSE”). GSE’s factory will represent one of the largest facilities of its type in the world, capable of producing solar cells generating 1,500 megawatts of electricity per annum.

The solar power industry is currently experiencing very strong, double digit, growth which has accelerated during 2007 as supplies of polysilicon feedstock have increased. This new investment, coupled with the other investments in Solar Crucible™ production, will enable Cookson to continue to benefit from this strong demand and maintain its leading market position as a key supplier to the solar power industry.

Closure of Buffalo (New York) facility

As part of the programme of restructuring in maturing markets, Vesuvius’ facility in Buffalo, New York is to be closed. Negotiations with the relevant unions on the closure terms were recently concluded and there will be a phased run-down of activity through 2008 with final closure by year-end. The facility, which manufactures isostatically-pressed foundry crucibles, has relatively high labour costs and production is to be relocated to Vesuvius’ existing facility in Monterrey, Mexico. The closure, which will result in cash-related rationalisation costs of £5 million in 2007, is expected to generate cost savings of £1 million per annum from the beginning of 2009. These rationalisation costs are included within the expected £10 million total rationalisation charge for 2007 for Cookson as a whole.

Capital Markets Day

Cookson is tomorrow (Tuesday 2 October) hosting a Capital Markets Day at its Ceramics facility in Skawina, Poland.

Presentations will be given on the Ceramics division, including presentations on Central Europe and Solar Crucibles™. Copies of the presentations will be available on Cookson’s website www.cooksongroup.co.uk from 11.00am tomorrow.

An update on trading was provided within the interim results announcement on 2 August 2007 and no new material trading information will be provided at tomorrow’s presentations.

- Ends -



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Note to Editors:

For 2006, 23% of Cookson's revenue and 42% of its trading profit came from its operations in Asia-Pacific, of which China is the largest single country.

About Cookson Group plc:

Cookson Group plc is a leading materials science company operating on a worldwide basis in Ceramics, Electronics and Precious Metals markets.

The Ceramics division is the world leader in the supply of advanced flow control refractory products and systems to the global steel industry and a leading supplier of specialist ceramics products glass, solar and foundry industries. It is also the regional leader in the US, UK and Australia in the supply and installation of monolithic refractory linings.

The Electronics division is a leading supplier of advanced surface treatment and plating chemicals and assembly materials to the automotive, industrial, construction and electronics markets.

The Precious Metals division is a leading supplier of fabricated precious metals (primarily gold, silver and platinum) to the jewellery industry in the US, the UK, France and Spain. Products include alloy materials, semi-finished jewellery components and finished jewellery.

Forward looking statements

This announcement and the investor presentations to be given on the Capital Markets Day contains certain forward looking statements which may include reference to one or more of the following: the Group's financial condition, results of operations, cash flows, dividends, financing plans, business strategies, operating efficiencies or synergies, budgets, capital and other expenditures, competitive positions, growth opportunities for existing products, plans and objectives of management and other matters.

Statements in this document that are not historical facts are hereby identified as "forward looking statements". Such forward looking statements, including, without limitation, those relating to the future business prospects, revenue, working capital, liquidity, capital needs, interest costs and income, in each case relating to Cookson, wherever they occur in this document, are necessarily based on assumptions reflecting the views of Cookson and involve a number of known and unknown risks, uncertainties and other factors that could cause actual results, performance or achievements to differ materially from those expressed or implied by the forward looking statements. Such forward looking statements should, therefore, be considered in light of various important factors. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward looking statements include without limitation: economic and business cycles; the terms and conditions of Cookson's financing arrangements; foreign currency rate fluctuations;



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competition in Cookson's principal markets; acquisitions or disposals of businesses or assets; and trends in Cookson's principal industries.

The foregoing list of important factors is not exhaustive. When relying on forward looking statements, careful consideration should be given to the foregoing factors and other uncertainties and events, as well as factors described in documents the Company files with the UK regulator from time to time including its annual reports and accounts.

Such forward looking statements speak only as of the date on which they are made. Except as required by the Rules of the UK Listing Authority and the London Stock Exchange and applicable law, Cookson undertakes no obligation to update publicly or revise any forward looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward looking events discussed in this announcement might not occur.

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