



26 January 2011

COOKSON GROUP PLC (“Cookson” or “the Group”)

TRADING AND STRATEGIC PLAN UPDATES

Cookson Group plc, a leading materials science company, will make a presentation to analysts and shareholders at 2.30pm today giving an update on trading and the execution of its Strategic Plan. This will be broadcast live on Cookson’s website, www.cooksongroup.co.uk and an archive version of the presentation will be available on the website from 9.00am on Thursday 27 January (see further details below).

Highlights

- Performance has remained in line with November IMS outlook. For the year ended 31 December 2010, management expects revenue of around £2.5 billion and trading profit of around £250 million
- Management continues to expect the Group’s performance in 2011 to be well ahead of 2010
- New financial targets announced for the three years to December 2013, including targets for revenue growth, margins and dividends.

Commenting on the trading and Strategic Plan updates, Nick Salmon, Chief Executive said:

“We have leading positions in our three core end-markets of steel, electronics and foundry, with high market shares, global coverage and excellent long-term customer relationships in each.

“Our product development initiatives and worldwide customer service capabilities provide the prospect of gaining further market share with enhanced technology, higher margin products, and we plan to increase our R&D capability and spending.

“All three end-markets have good growth prospects – both in emerging markets due to high rates of economic and industrial growth, and in mature markets where there is still significant further recovery potential.

“The three year targets announced today signal our ambitions for considerable further performance improvement over the coming years.”



Trading update

Conditions in the Group's key end-markets of steel production, foundry castings and electronics, and the Group's trading performance in the remainder of 2010, have been consistent with those anticipated in the outlook statement given in the Group's Interim Management Statement announced on 11 November 2010. Consequently, management expects for the year ended 31 December 2010, Group revenue of around £2.5 billion and Group trading profit of around £250 million. Net debt as at 31 December 2010 is expected to be around £330 million, slightly better than prior expectations.

For 2011, based on a number of third party forecasts, it is expected that global steel production growth will be at mid-single digit levels with slightly higher growth in electronic equipment production. Double digit growth rates are expected in the foundry castings and fused silica end-markets. The significant cost reduction measures implemented in the first half of 2009, the continuing market penetration of new, higher margin products, and the production capacity expansion projects completed in 2010 and currently underway, mean that the Group is well positioned to benefit from these positive end-market growth trends.

Accordingly, management continues to expect that the Group's performance in 2011 will be well ahead of 2010.

Update on execution of the Strategic Plan – Key Points

The presentation on the update of the Strategic Plan sets out a number of new financial targets for the three years to December 2013, as follows:

- average annual revenue growth to exceed 1.5 times global GDP growth;
- return on sales margin of 12% by 2013 (assuming constant metals prices);
- double digit average annual headline earnings growth;
- dividend growth at least in line with earnings growth;
- return on investment* increasingly ahead of the Group's weighted average cost of capital; and
- maintaining a strong financial position with a leverage ratio (net debt to EBITDA ratio) of not more than 1.5 times.

The presentation also includes additional guidance in respect of the full year 2011 as follows:

- capital expenditure of around £90 million, being around 1.5 times depreciation, to fund capacity expansion in emerging markets;



- cash outflow in respect of working capital of around £50 million, to fund the anticipated increase in revenue. Trade working capital to sales % to remain relatively constant;
- restructuring costs (income statement) of between £5 million and £10 million, with a cash outflow for restructuring in 2011 of around £15 million;
- pension fund cash top-up payments of £13 million;
- dividends expected to recommence with a final dividend for 2010 (payable in the first half of 2011);
- net debt expected not to reduce materially in 2011 due to the growth related cash outflows (capital expenditure and working capital) and dividend payments; and
- effective tax rate of around 25%.

Other than the above, no material new information will be disclosed during these presentations.

** return on investment is calculated as trading profit after tax plus the Group's share of post-tax profit/(loss) of joint ventures, divided by invested capital (being shareholders' funds plus net debt, non-controlling interests, employee benefits net surpluses and net liabilities and goodwill previously written-off to, or amortised against, reserves).*

– Ends –

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Details of the webcast and audio feed:

A live webcast of the presentation will be available on Cookson's website, www.cooksongroup.co.uk. In addition, a live audio feed is available using the dial in numbers below:

+44 (0)20 7138 0844 non-US participants
+1 212 444 0895 US participants
Confirmation code (both non-US and US): 7994823

An archive version of the webcast will be available on Cookson's website from 9.00am on Thursday 27 January. In addition, an archive audio replay will be available until 9 February 2011 using the dial in numbers below:

+44 (0)20 7111 1244 non-US participants
+1 347 366 9565 US participants
Confirmation code (both non-US and US): 7994823#

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 consumable refractory products and systems to the global steel and foundry industries and a leading supplier of speciality ceramic products to the glass and solar industries. It is also a 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 electronics, automotive, industrial and construction 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, and also has significant precious metal recycling operations in Europe.

Forward looking statements

This announcement 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 announcement 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 announcement, 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; 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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www.cooksongroup.co.uk