

25 Oct 2013

## **Vesuvius plc (“Vesuvius” or “the Group”) INTERIM MANAGEMENT STATEMENT**

Vesuvius plc, a global leader in molten metal flow engineering, releases the following Interim Management Statement covering trading in the period from 1 July to date and its financial condition.

### **OVERVIEW**

Group trading performance in the period has been in line with management’s expectations. Underlying market conditions reflected a continuation of the activity levels seen in the second quarter and were generally stable.

We continue to successfully implement a number of actions to mitigate the effect of the weakness in end-market demand experienced since the third quarter of 2012, including our programme to streamline the Group’s portfolio and focus on higher-value product lines. These self-help measures are contributing to an improvement in the Group’s trading margins. Our expectations for full year performance therefore remain unchanged.

### **STEEL**

Regional steel production trends continue to be mixed. Global volumes as reported by the World Steel Association are 4.7% higher than the third quarter of last year, with continued weakness in Europe and a flat market in North America offset by growth in the Middle East and China. As expected, steel production volumes were lower than in the second quarter of this year, reflecting the normal seasonality resulting from customer shutdowns over July and August. The steel division’s performance reflects these trends with recent trading activity being above the corresponding period of last year but below the second quarter of this year.

### **FOUNDRY**

Despite some improvement in the truck and light vehicle markets, the weakness of the global mining and North American railroad sectors has prevented an overall recovery in the foundry casting market to date. Therefore, whilst the business environment remains challenging and recent trading activity has been marginally below the corresponding period of last year, we have mitigated these effects with the on-going focus on operational efficiency and the active management of our cost base.

### **FINANCIAL CONDITION**

There has been no material change in our financial position from that reported at our half year results on 2 August 2013. Our focus on working capital management and cash generation remains strong, and we continue to be well financed with a robust balance sheet.

The share repurchase programme initiated on 4 June 2013 was completed in mid-September, with £30m of the proceeds of the sale of the Precious Metals Processing division having been returned to shareholders. The remainder of the proceeds were applied to the reduction of the Group’s net borrowings. These actions underline the Group’s commitment to exercise prudent capital discipline and offer attractive returns to shareholders.

### **CONFERENCE CALL**

François Wanecq (Chief Executive) and Chris O’Shea (Chief Financial Officer) will be hosting a conference call for analysts and investors at 8:00 a.m. (UK time) today (25 Oct).

To join the call, please use the dial in number below:

Conference call:  
+44 (0)20 3427 1908 all participants  
Confirmation code: 3169689

A replay of the call will be available approximately one hour after the event for two weeks on the following number:

Replay:  
+44 (0)20 3427 0598 non-US participants  
+1 347 366 9565 US participants  
Confirmation code: 3169689

## **FUTURE EVENTS**

Vesuvius' preliminary announcement of results for the year ending 31 December 2013 is expected to be made on Tuesday 4 March 2014.

**- Ends -**

## **For further information please contact:**

### **Shareholder/analyst enquiries:**

<b>Vesuvius plc</b>	François Wanecq, Chief Executive	+44 (0) 20 7822 0000
	Chris O'Shea, Chief Financial Officer	+44 (0) 20 7822 0000
	Tony Harrison, Group Head of Corporate Finance	+44 (0) 20 7822 0000
	Maddy Cox-Smith, Investor Relations Manager	+44 (0) 20 7822 0016

### **Media enquiries:**

<b>MHP Communications</b>	John Olsen/Vicky Watkins	+44 (0) 20 3128 8100
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## **About Vesuvius plc**

Vesuvius is a global leader in molten metal flow engineering, developing, manufacturing and marketing mission-critical ceramic consumable products and systems in demanding applications, primarily in the global steel and foundry industries.

## **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 Vesuvius, wherever they occur in this announcement, are necessarily based on assumptions reflecting the views of Vesuvius 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 that could cause actual results to differ materially from estimates or projections contained in the forward looking statements. These include without limitation: economic and business cycles; the terms and conditions of Vesuvius' financing arrangements; foreign currency rate fluctuations; competition in Vesuvius' principal markets; acquisitions or disposals of businesses or assets; and trends in Vesuvius' principal industries.

The foregoing list of important factors is not exhaustive. When considering 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.

You should not place undue reliance on such forward looking statements which 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, Vesuvius 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.

Vesuvius plc, 165 Fleet Street, London EC4A 2AE  
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