

LUXFER GROUP

a global materials technology company

2013 Q3 results	Market overview	Divisional performance	Financial results	Outlook
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Brian Purves

Chief Executive

Andy Beaden

Group Finance Director

Q3 Conference Call



FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements. Examples of such forward-looking statements include, but are not limited to: (i) statements regarding the Group's results of operations and financial condition, (ii) statements of plans, objectives or goals of the Group or its management, including those related to financing, products or services, (iii) statements of future economic performance and (iv) statements of assumptions underlying such statements. Words such as "believes", "anticipates", "expects", "intends", "forecasts" and "plans" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. The Group cautions that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to: (i) future revenues being lower than expected; (ii) increasing competitive pressures in the industry; (iii) general economic conditions or conditions affecting demand for the services offered by us in the markets in which we operate, both domestically and internationally, being less favorable than expected; (iv) the significant amount of indebtedness we have incurred and may incur and the obligations to service such indebtedness and to comply with the covenants contained therein; (v) contractual restrictions on the ability of Luxfer Holdings PLC to receive dividends or loans from certain of its subsidiaries; (vi) fluctuations in the price of raw materials and utilities; (vii) currency fluctuations and hedging risks; and (viii) worldwide economic and business conditions and conditions in the industries in which we operate. The Group cautions that the foregoing list of important factors is not exhaustive. These factors are more fully discussed in the sections "Forward-Looking Statements" and "Risk Factors" in our annual report on Form 20-F dated March 29, 2013 filed with the U.S. Securities and Exchange Commission. When relying on forward-looking statements to make decisions with respect to the Group, investors and others should carefully consider the foregoing factors and other uncertainties and events. Such forward-looking statements speak only as of the date on which they are made, and the Group does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

AGENDA

- **Chief Executive – Brian Purves**
 - Q3 2013 overview
 - Market situation
 - Divisional performance

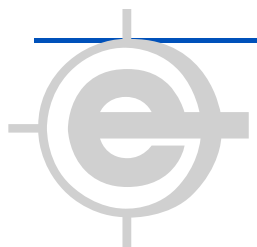
- **Group Finance Director – Andy Beaden**
 - Quarterly earnings review
 - Liquidity and capital resources
 - Financial issues

- **Chief Executive – Brian Purves**
 - Summary
 - Outlook

- **Questions?**

Q3 2013 overview

- **Net revenue up 8.0% like-for-like.**
 - **\$118.3m compared to \$109.2m Q3 2012. Favourable \$0.3m translation impact.**
- **Trading profit \$14.0 million.**
- **EPS per ADS @ \$0.31 and \$0.35 on adjusted net income.**
- **Demand for composite cylinders (alternative fuel and life support) continues to be strong.**
- **Sales of high-performance magnesium aerospace alloys continue to improve.**
- **General strength in North America, although Defense down.**
- **Continued weakness in Europe on Automotive and General Industrial markets.**
- **Within the quarter, September was stronger.**



	Elektron Q3 \$m	2013 YTD \$m
<i>Net revenue</i>	51.7	169.8
<i>RE surcharge</i>	5.3	36.2
2012 Revenue analysis	57.0	206.0

Changes in period:

FX translation	0.1	(1.4)
Rare earth surcharge	(3.7)	(28.8)
Trading movements	2.2	(8.0)
<i>Net revenue</i>	54.0	160.4
<i>RE surcharge</i>	1.6	7.4
2013 Revenue analysis	55.6	167.8

Trading variance	4.3%	-4.8%
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- Underlying Q3 revenue, excluding surcharge, increased by \$2.2 million (4.3%) compared to Q3 2012.
 - Q3 2013 cerium surcharge is \$3.7m lower than in Q3 2012.
 - Europe still difficult, particularly early in quarter. Improvement in lower-margin areas.
 - US zirconium performance much stronger than Europe.
 - US defense cut-backs continue to impact military powder sales in the US.
 - Strong sales of high-performance alloys for North American aerospace and high-end engineering applications.
- Year-to-date 2013 underlying revenue, excluding surcharge, down by \$8.0 million (4.8%) compared to 2012.

	Gas Cylinders Q3 \$m	2013 YTD \$m
<i>Net revenue</i>	57.5	175.6
<i>RE surcharge</i>		
2012 Revenue analysis	57.5	175.6
Changes in period:		
FX translation	0.2	(0.8)
Rare earth surcharge		
2011 Dynetek Revenue adj		
Trading movements	6.6	22.7
<i>Net revenue</i>	64.3	197.5
<i>RE surcharge</i>		
2013 Revenue analysis	64.3	197.5
Trading variance	11.5%	13.0%

- Q3 underlying revenue up \$6.6 million (11.5%) on Q3 2012.
 - Continued strong demand for composite cylinders for compressed natural gas (CNG).
 - Growing demand for composite life-support cylinders used in self-contained breathing apparatus (SCBA).
 - Weakness in some European cylinder markets: industrial and fire extinguishers. North American markets continue to show good recovery. European order book slowly improving.
 - Higher sales at Superform compared to Q3 2012.
- Year-to-date 2013 underlying revenue up \$22.7 million (13.0%) on 2012.

Selected strategic growth initiatives - update

- **Alternative fuel containment**

- All facilities very busy manufacturing these large cylinders.
- Phase 1 additional liner capacity now in place, phase 2 comes in early 2014.
- Work under way to expand range of composite cylinders to service emerging market for CNG-powered class 8 trucks in North America.

- **Bulk gas transportation**

- Order book* building steadily for modules to service the rapidly growing demand for smaller quantities of CNG in areas remote from pipelines.
- JV partner shipped \$3m value of modules in Q3.

- **Magnesium alloys for aircraft seating**

- Increased interest from potential users following publication of FAA minutes confirming that “magnesium can now be used in aircraft seat designs, subject to satisfying ‘special conditions’”.

* Or in the order book of our North American partner in this area, to whom we are supplying cylinders.

GROUP FINANCE DIRECTOR
ANDY BEADEN

Group revenue

	Elektron		Gas Cylinders		Group	
	Q3	2013 YTD	Q3	2013 YTD	Q3	2013 YTD
	\$m	\$m	\$m	\$m	\$m	\$m
<i>Net revenue</i>	51.7	169.8	57.5	175.6	109.2	345.4
<i>RE surcharge</i>	5.3	36.2			5.3	36.2
2012 Revenue analysis	57.0	206.0	57.5	175.6	114.5	381.6
Changes in period:						
FX translation	0.1	(1.4)	0.2	(0.8)	0.3	(2.2)
Rare earth surcharge	(3.7)	(28.8)			(3.7)	(28.8)
Trading movements	2.2	(8.0)	6.6	22.7	8.8	14.7
<i>Net revenue</i>	54.0	160.4	64.3	197.5	118.3	357.9
<i>RE surcharge</i>	1.6	7.4			1.6	7.4
2013 Revenue analysis	55.6	167.8	64.3	197.5	119.9	365.3
Trading variance	4.3%	-4.8%	11.5%	13.0%	8.0%	4.3%

Trading profit analysis

		2013	2013	2013	2013	2012	2012	2012	2012
		Q1	Q2	Q3	YTD	Q1	Q2	Q3	YTD
						(restated)	(restated)	(restated)	(restated)
Gas Cylinders	Trading profit \$M	5.2	4.8	4.2	14.2	4.1	3.3	4.0	11.4
	ROS %	7.6%	7.4%	6.5%	7.2%	6.7%	5.8%	7.0%	6.5%
Elektron	Trading profit \$M	9.7	10.5	9.8	30.0	14.1	14.6	12.3	41.0
	ROS %	18.0%	18.0%	17.6%	17.9%	17.6%	21.3%	21.6%	19.9%
GROUP	Trading profit \$M	14.9	15.3	14.0	44.2	18.2	17.9	16.3	52.4
	ROS %	12.2%	12.4%	11.7%	12.1%	12.9%	14.2%	14.2%	13.7%
Changes for 2013 v 2012	Gas Cylinders	26.8%	45.5%	5.0%	24.6%	<i>N.B. Trading profit is Luxfer's IFRS 8 segment profit used by the CEO to measure divisional performance.</i>			
	Elektron	-31.2%	-28.1%	-20.3%	-26.8%				
	GROUP	-18.1%	-14.5%	-14.1%	-15.6%				

Summary income statement

\$m	2013	2013	2013	2013	2012	2012	2012	2012	Variance Q3	
	Q1	Q2	Q3	YTD	(restated) Q1	(restated) Q2	(restated) Q3	(restated) YTD	\$m	%
Revenue	122.4	123.0	119.9	365.3	141.4	125.7	114.5	381.6	5.4	4.7%
Costs of sales	(94.1)	(92.5)	(90.9)	(277.5)	(107.7)	(94.2)	(84.9)	(286.8)		
Gross margin	28.3	30.5	29.0	87.8	33.7	31.5	29.6	94.8	(0.6)	(2.0%)
<i>Gross margin %</i>	<i>23.1%</i>	<i>24.8%</i>	<i>24.2%</i>	<i>24.0%</i>	<i>23.8%</i>	<i>25.1%</i>	<i>25.9%</i>	<i>24.8%</i>		
Distribution	(1.6)	(1.5)	(1.6)	(4.7)	(1.7)	(1.7)	(1.6)	(5.0)		
Administrative exp	(11.8)	(13.8)	(13.4)	(39.0)	(13.8)	(11.9)	(11.7)	(37.4)		
Share of results of joint venture		0.1		0.1				0.0		
TRADING PROFIT	14.9	15.3	14.0	44.2	18.2	17.9	16.3	52.4	(2.3)	(14.1%)
<i>Group ROS %</i>	<i>12.2%</i>	<i>12.4%</i>	<i>11.7%</i>	<i>12.1%</i>	<i>12.9%</i>	<i>14.2%</i>	<i>14.2%</i>	<i>13.7%</i>		
Restructuring & other	(0.4)	(0.2)	(0.3)	(0.9)				0.0		
OPERATING PROFIT	14.5	15.1	13.7	43.3	18.2	17.9	16.3	52.4	(2.6)	(16.0%)
Finance Costs:										
Acquisitions and disposals			(0.1)	(0.1)		(0.1)	0.3	0.2		
Net interest paid	(1.5)	(1.4)	(1.4)	(4.3)	(1.7)	(1.9)	(1.5)	(5.1)		
IAS 19 finance charge (non-cash)	(0.9)	(0.9)	(0.9)	(2.7)	(0.9)	(0.9)	(0.9)	(2.7)		
PROFIT BEFORE TAX	12.1	12.8	11.3	36.2	15.6	15.0	14.2	44.8	(2.9)	(20.4%)
Taxation	(3.8)	(4.2)	(2.9)	(10.9)	(5.2)	(4.8)	(4.5)	(14.5)		
NET INCOME	8.3	8.6	8.4	25.3	10.4	10.2	9.7	30.3	(1.3)	(13.4%)
<i>EPS £1 Ords (weighted av.)</i>	<i>\$0.62</i>	<i>\$0.64</i>	<i>\$0.63</i>	<i>\$1.89</i>	<i>\$1.05</i>	<i>\$1.03</i>	<i>\$0.98</i>	<i>\$3.07</i>		
<i>EP per ADS</i>	<i>\$0.31</i>	<i>\$0.32</i>	<i>\$0.31</i>	<i>\$0.94</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>			
NET INCOME adj	9.4	10.0	9.3	28.7	11.1	10.9	10.1	32.1	(0.8)	(7.9%)
<i>Adj. EP per ADS</i>	<i>\$0.35</i>	<i>\$0.37</i>	<i>\$0.35</i>	<i>\$1.07</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>			
Adj EBITDA	18.7	19.8	18.3	56.8	21.9	21.4	19.9	63.2	(1.6)	(8.0%)

NOTE: (i) 2012 EPS calculations are based on the Pre-IPO capital structure and therefore only 10 million ordinary shares.

(ii) Adj. EP per ADS – is Adjusted net income divided by 26.8 million, based on 13.4 ordinary shares outstanding and an ADS being ½ of an ordinary £1 share.

IFRS – GAAP measure for EPS is on the £1 ordinary shares and is a weighted average calculation.

Balance sheet analysis

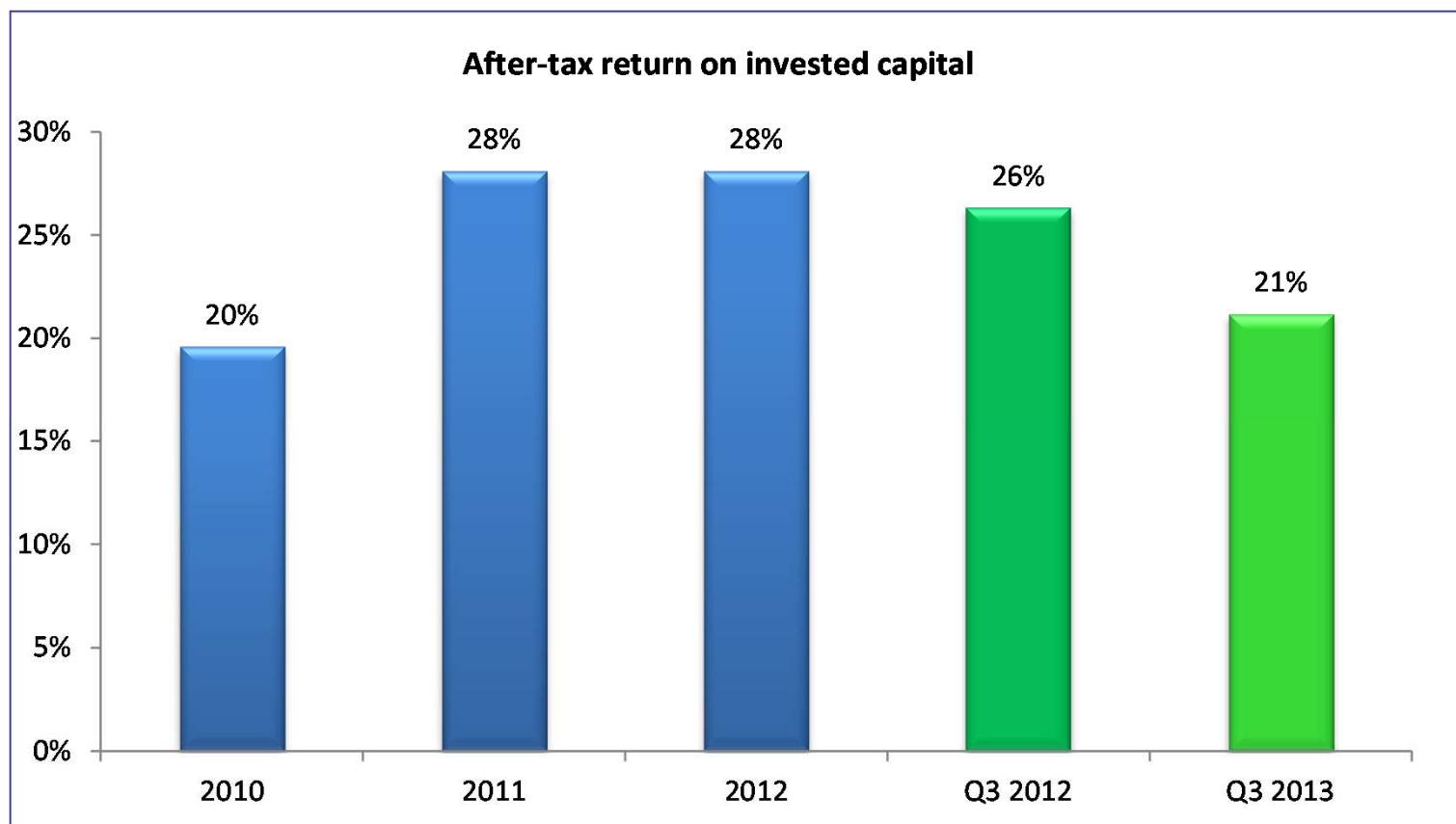
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	December 2012 \$M	Trading & exchange \$M	September 2013 \$M
Long term assets	190.4	2.7	193.1
<i>Inventories</i>	83.8	4.5	88.3
<i>Receivables</i>	74.4	(3.7)	70.7
<i>Payables</i>	(73.7)	7.1	(66.6)
Working capital	84.5	7.9	92.4
Income taxes	(1.4)	(3.0)	(4.4)
Provisions	(4.7)	0.3	(4.4)
Capital employed	268.8	7.9	276.7
Retirement benefit net liabilities	(96.7)	21.8	(74.9)
Invested capital	172.1	29.7	201.8
Net (revolver)/cash position	40.2	(2.1)	38.1
Senior notes 2018 & term loans	(63.5)	(0.2)	(63.7)
Net assets	148.8	27.4	176.2
Total debt	(63.5)	(0.2)	(63.7)
Net debt	(23.3)	(2.3)	(25.6)
Capital & reserves:			
Ordinary share capital	25.3		25.3
Share premium	55.6		55.6
Deferred equity	150.9		150.9
Retained earnings	278.6	25.5	304.1
Other IFRS reserves & ESOP	(27.8)	1.9	(25.9)
Merger reserve	(333.8)		(333.8)
Equity	148.8	27.4	176.2

Cash flow

	2013 Q1 \$m	2013 Q2 \$m	2013 Q3 \$m	2013 YTD \$m	2012 Q1 (restated) \$m	2012 Q2 (restated) \$m	2012 Q3 (restated) \$m	2012 YTD (restated) \$m
Operating profit	14.5	15.1	13.7	43.3	18.2	17.9	16.3	52.4
Depreciation & amortization	3.7	3.9	4.1	11.7	3.7	3.5	3.6	10.8
Share based compensation charges	0.3	0.7	0.3	1.3				0.0
Share of profit of joint venture		(0.1)		(0.1)				0.0
Decrease / (increase) in working capital	(6.8)	(3.5)	1.2	(9.1)	(9.5)	19.3	(7.5)	2.3
Increase / (decrease) in provisions	(0.3)	(0.1)	0.1	(0.3)		(0.1)	0.1	0.0
Income tax paid	(0.2)	(6.4)	(2.4)	(9.0)	(0.1)	(3.1)	(3.6)	(6.8)
Movement in retirement benefit obligations	(1.6)	(2.7)	(3.7)	(8.0)	(2.7)	(2.2)	(2.1)	(7.0)
Net cash from operating activities	9.6	6.9	13.3	29.8	9.6	35.3	6.8	51.7
Purchase of PPE	(3.9)	(4.0)	(6.2)	(14.1)	(3.1)	(2.7)	(4.2)	(10.0)
Investment in joint venture	(2.5)		(3.5)	(6.0)	(0.4)			(0.4)
Purchase of businesses							(11.0)	(11.0)
Disposal costs of Intellectual Property						(0.2)		(0.2)
Proceeds from sale of businesses				0.0	0.8			0.8
Net cash flow before financing	3.2	2.9	3.6	9.7	6.9	32.4	(8.4)	30.9
Net interest paid	(1.2)	(1.1)	(1.1)	(3.4)	(1.5)	(1.6)	(1.2)	(4.3)
Dividends paid	(2.7)	(2.7)	(2.7)	(8.1)			(3.8)	(3.8)
Repayment of bank loans and other facilities				0.0	(17.0)	(8.6)		(25.6)
IPO share issue costs	(0.3)			(0.3)				0.0
Cash flow	(1.0)	(0.9)	(0.2)	(2.1)	(11.6)	22.2	(13.4)	(2.8)

Return on Invested Capital (restated for IAS 19 revised)



Notes:

1. Return on Invested Capital (ROIC) is defined as :
$$\frac{\text{Trading profit} \times (1 - \text{effective tax rate for the period})}{\text{Invested capital}}$$
2. Invested Capital is defined as shareholders' equity plus debt less cash ("Net debt").
3. Invested Capital is seen as a measure of the operating assets employed in the business to generate the trading profit.
4. Please see the appendices for the calculations and reconciliation to the financial statement GAAP figures.

CHIEF EXECUTIVE

BRIAN PURVES

SUMMARY AND OUTLOOK

Summary Q3 2013

- **Gas Cylinders**

- On-going revenue and profit improvements in Gas Cylinders.
- Ex-Dynetek plants now profitable.
- Composite AF and SCBA demand still growing strongly.
- Continued weakness in certain European sectors.
- Growth mainly in North American markets.

- **Elektron**

- Continued drift downwards on rare earth costs and surcharge.
- European automotive market still weak but general view is that recovery is underway.
- Strong sales of high-performance alloys in aerospace and high-end engineering.
- Sales of military powders remain depressed.

- **Summary**

- Q3 2013 trading profit at bottom of expected range, but quarter finished more strongly.
- Q3 Adjusted EPS in line with expectations.

Outlook for 2013

- **Elektron**

- Profitability will be well down on 2012, with weak European markets and lower US defense spending. No recovery in automotive markets expected this side of year-end.

- **Gas Cylinders**

- A year of significant improvement in revenue and profits as a result of strong top-line growth particularly in the AF and SCBA markets and despite weak demand for aluminum cylinders in certain European sectors.
- Ca. \$11m currently being invested over 2013-14 in additional manufacturing capacity to support growth in composite cylinder markets .

- **Group**

- Following Q3, we expect full-year 2013 trading profit to be towards the bottom end of our previously indicated range of between \$60 million and \$63 million, in comparative terms down around \$8m on 2012, of which at least \$2m is post-IPO on-costs.
- First half of 2013 was \$6m down on 2012. Second half of 2013, therefore, expected to be ca. \$2m down on second half of 2012, with Q4 matching last year.

Outlook for 2014

- **Elektron**

- Some recovery in European demand expected, although timing uncertain.
- Defense unlikely to improve, but continued gradual improvement in other markets.
- Little impact yet from strategic projects on aircraft seating and bio-medical alloys, but looking for industrial catalysis growth in the second half.
- Overall, probably starting Q2, modest growth being targeted in both revenue (exc. surcharges) and profit.

- **Gas Cylinders**

- Targeting a further year of significant growth in both revenue and profits, particularly in the composite sectors of AF and SCBA.
- AF capacity improvements available part-way through Q1; additional SCBA capacity available in second half.

- **Group**

- Overall, solid growth expected in sales revenue, mainly from Gas Cylinders.
- Operating profit targeted to improve in both divisions.
- Continuing high level of capital expenditure, mainly driven by carry-over spend on capacity increases in Cylinders.

QUESTIONS?

APPENDICES

Adjusted net income and EBITDA:

	2013 Q1 \$m	2013 Q2 \$m	2013 Q3 \$m	2013 YTD \$m	2012 Q1 (restated) \$m	2012 Q2 (restated) \$m	2012 Q3 (restated) \$m	2012 YTD (restated) \$m
Net income for the period - as reported	8.3	8.6	8.4	25.3	10.4	10.2	9.7	30.3
Restructuring & other (income) / expense	0.4	0.2	0.3	0.9		0.0	0.0	0.0
Acquisitions and disposals			0.1	0.1		0.1	(0.3)	(0.2)
Amortization of share based compensation charge	0.1	0.6	0.2	0.9				0.0
IAS 19 -retirement benefits finance charge (non-cash)	0.9	0.9	0.9	2.7	0.9	0.9	0.9	2.7
Tax thereon	(0.3)	(0.3)	(0.6)	(1.2)	(0.2)	(0.3)	(0.2)	(0.7)
Adjusted net income	9.4	10.0	9.3	28.7	11.1	10.9	10.1	32.1
Add back: tax thereon	0.3	0.3	0.6	1.2	0.2	0.3	0.2	0.7
Tax expense	3.8	4.2	2.9	10.9	5.2	4.8	4.5	14.5
Interest costs	1.5	1.4	1.4	4.3	1.7	1.9	1.5	5.1
Depreciation and amortization	3.7	3.9	4.1	11.7	3.7	3.5	3.6	10.8
Adjusted EBITDA	18.7	19.8	18.3	56.8	21.9	21.4	19.9	63.2

Return on Invested Capital (ROIC):

		2010 (restated)	2011 (restated)	2012 (restated)	Q3 2012 (restated)	Q3 2013
		\$M	\$M	\$M	\$M	\$M
Trading profit - per income statement		44.7	63.7	68.5	16.3	14.0
<i>Effective rate tax per income statement</i>		27.8%	23.7%	28.8%	31.7%	25.7%
Notional tax		-12.4	-15.1	-19.7	-5.2	-3.6
Trading profit after notional tax		32.3	48.6	48.8	11.1	10.4
Annualised after tax trading profit	(A)	32.3	48.6	48.8	44.4	41.6
Bank and other loans		115.9	132.5	63.5	109.3	63.7
Cash		-10.3	-22.2	-40.2	-20.5	-38.1
Net debt		105.6	110.3	23.3	88.8	25.6
Total shareholders equity		65.2	64.8	148.8	92.2	176.2
Invested capital		170.8	175.1	172.1	181.0	201.8
Average invested capital	(B)	164.8	173.0	173.6	168.6	196.5
Return on invested capital	(A) / (B)	20%	28%	28%	26%	21%

IAS 19 revised – restatement of 2012 results

	AS PREVIOUSLY STATED					REVISED				
	2012 Q1 \$m	2012 Q2 \$m	2012 Q3 \$m	2012 Q4 \$m	2012 FY \$m	2012 Q1 \$m	2012 Q2 \$m	2012 Q3 \$m	2012 Q4 \$m	2012 FY \$m
Net income for the period - as reported	11.1	10.9	10.5	9.9	42.4	10.4	10.2	9.7	9.2	39.5
Acquisition and disposals	0.0	0.1	(0.3)	1.0	0.8	0.0	0.1	(0.3)	1.0	0.8
Restructuring & other income/expense	0.0	0.0	0.0	2.1	2.1	0.0	0.0	0.0	2.1	2.1
IAS 19 revised - changes to finance costs					0.0	0.9	0.9	0.9	0.9	3.6
Tax thereon				(0.3)	(0.3)	(0.2)	(0.3)	(0.2)	(0.6)	(1.3)
Adjusted net income	11.1	11.0	10.2	12.7	45.0	11.1	10.9	10.1	12.6	44.7
Add back: tax thereon	0.0	0.0	0.0	0.3	0.3	0.2	0.3	0.2	0.6	1.3
Tax expense	5.5	5.1	4.7	1.7	17.0	5.2	4.8	4.5	1.5	16.0
Net finance costs	1.7	1.9	1.5	1.4	6.5	1.7	1.9	1.5	1.4	6.5
Trading profit - as reported	18.3	18.0	16.4	16.1	68.8	18.2	17.9	16.3	16.1	68.5
Depreciation and amortization	3.7	3.5	3.6	3.9	14.7	3.7	3.5	3.6	3.9	14.7
Adjusted EBITDA	22.0	21.5	20.0	20.0	83.5	21.9	21.4	19.9	20.0	83.2
NON GAAP: Net income per ADS - based on POST IPO 31 Dec 2012 outstanding share count:										
Net income divided by 26.8m	\$0.41	\$0.41	\$0.39	\$0.37	\$1.58	\$0.39	\$0.38	\$0.36	\$0.34	\$1.47
Adjusted net income divided by 26.8m	\$0.41	\$0.41	\$0.38	\$0.47	\$1.68	\$0.41	\$0.41	\$0.38	\$0.47	\$1.67
IFRS - EPS based on £1 ordinary shares (weighted average calculation):	\$1.12	\$1.10	\$1.06	\$0.74	\$3.95	\$1.05	\$1.03	\$0.98	\$0.69	\$3.68