



Investor Release

Q1 2012 Interim Management Statement Unaudited Financial Information

Salford, England: 8 May 2012

Luxfer Holdings PLC, the global materials technology company that specialises in the design and manufacture of high-performance materials, components and gas cylinders supplied for environmental, healthcare and protection applications, today issues the following Interim Management Statement covering the unaudited first quarter of 2012 (Q1 2012) from 1 January 2012 to 31 March 2012.

Overview

Trading conditions for Luxfer remain positive, and our initial performance is slightly above our expectations at the time we announced 2011 full-year results on 9 March 2012. First-quarter trading was as follows:

	2012 Q1	2011 Q1	Change
	£m	£m	%
Sales	88.9	74.2	20
Trading Profit	11.5	8.8	31
Trading Margin %	12.9%	11.9%	1.0 pts
Profit Before Tax	10.4	7.2	44
EBITDA	13.8	11.0	25

Luxfer continued making good progress in the first quarter of 2012. Compared to the equivalent period of 2011, Group revenues were up 19.8% on a reported basis and up 13.1% on an organic basis after adjusting for rare earth surcharges and exchange rate movements.

The increase in sales and a favorable product sales mix, coupled with strong results from our European operations, resulted in net trading profit increasing to £11.5 million in the first quarter of 2012 from £8.8 million in the equivalent period of 2011, a 30.7% improvement. The Q1 2012 trading margin was 12.9% compared to 11.9% in Q1 2011.

There was a net cash inflow of £6.0 million from operating activities in the first quarter of 2012 compared to an outflow of £6.3 million in the same period of 2011, an improvement of £12.3 million. The Group had a drawdown of £4.5 million on its revolving credit facilities and held £6.8 million of cash at 31 March 2012, a net cash position of £2.3 million. At 31 March 2011, the Group had a drawdown of £8.6 million and, with £1.6 million of cash, there was a net drawdown of £7.0 million.

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Net debt at 31 March 2012 was £66.3 million (31 March 2011: £75.1 million). With the last 12-month EBITDA of £52.7 million (31 March 2011: £41.3 million), the ratio of net debt to LTM EBITDA was 1.3x compared to 1.8x at 31 March 2011.

Outlook

Given the strong first-quarter result, which is a record for this business, and based on current market conditions, we remain confident that we will achieve our expectations for this financial year. We believe the key markets in which the Group operates remain attractive with significant long-term growth opportunities.

Summary

Brian Purves, Chief Executive, Luxfer Holdings PLC, commented:

"Luxfer has made an excellent start to 2012 with both sales and profits exceeding the guidance that we gave in December 2011 for Q1 2012. All parts of the Group continue to contribute to a high level, the growth in the Gas Cylinders sales and the margin improvement being especially pleasing. Despite the backdrop of macro-economic uncertainty, we expect 2012 to be a year of good progress for Luxfer. In particular, our range of industrial catalysts, based on environmentally-friendly zirconium technologies, is on track for a record year."

Unaudited Divisional Results & Performance

Gas Cylinders

	2012 Q1	2011 Q1	Change
	£m	£m	%
Sales	38.4	34.7	11
Trading Profit	2.6	1.7	53
Trading Margin %	6.8%	4.9%	1.9 pts

The Gas Cylinder division's first-quarter sales increased by 11% to £38.4 million compared to the equivalent period of 2011. Composite cylinder sales volumes grew by 23%, and strong demand in Europe for our advanced medical composite cylinders was a major factor. Trading profit increased by £0.9 million, or 53%, to £2.6 million. An improvement in trading margin in Q1 2012 to 6.8% from 4.9% in Q1 2011 reflects a beneficial sales mix in both Europe and the US.

Elektron

	2012 Q1	2011 Q1	Change
	£m	£m	%
Sales	37.7	32.4	16
Rare Earth Surcharge	12.8	7.1	80
Total Reported Sales	50.5	39.5	28
Trading Profit	8.9	7.1	25
Trading Margin %	17.6%	18.0%	(0.4) pts

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The Elektron division's first-quarter sales increased by 28% to £50.5 million compared to the same period of 2011. In Q1 of 2011 the rare earth surcharge was £7.1 million, and as the cost of rare earths escalated, the surcharge levied to recover these higher costs rose correspondingly, peaking at £17.4 million in Q3 2011. In late 2011, as costs of rare earths began to fall, the surcharge level was also reduced, and the Q1 2012 surcharge is down to £12.8 million. Underlying sales, excluding the surcharge, strengthened to £37.7 million in Q1 2012 from £32.4 million in Q1 2011, a 16% improvement. Growth was driven by new business in zirconium-based industrial catalysts and speciality ceramic applications, along with higher demand for our light-weighting magnesium alloys and high-performance powders. Trading profit increased by £1.8 million, or 25%, to £8.9 million with the trading margin percentage of 17.6% remaining consistent with the previous year.

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Cautionary Statement:

This announcement contains certain forward-looking statements with respect to the operations, performance and financial condition of the group. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to materially differ from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this announcement and Luxfer undertakes no obligation to update these forward-looking statements. Nothing in this interim management statement should be construed as a profit forecast. The results for the first quarter are unaudited and therefore can be subject to further review at a later date, when audited, as part of the 2012 full year results.