



Materion Corporation Acquires EIS Optics Limited

MAYFIELD HEIGHTS, Ohio--(BUSINESS WIRE)-- Materion Corporation (NYSE:MTRN) announced today that the Company, through its wholly owned subsidiary, Materion Advanced Materials Technologies and Services Inc., has acquired EIS Optics Limited.

The transaction, valued at approximately \$24 million, was financed with internally generated cash and borrowings under the Company's \$325 million revolving line of credit. Costs related to the acquisition will negatively impact 2011 earnings by approximately \$0.03 per share in the third quarter and up to approximately \$0.10 per share in the fourth quarter.

EIS Optics is a leading producer of optical thin film filters, glass processing, lithography and optical subassemblies that allow for the precision management of light in a broad range of end-use applications throughout the projection display, entertainment lighting, sensors, medical instruments and gaming industries. Products manufactured with EIS Optics materials and assemblies include projectors, cinema components, HDTV, high-end hand-held cameras and gaming systems. EIS Optics is the world's largest manufacturer of color wheels for color splitting in field sequential lighting management in digital production, video production and video imaging.

EIS Optics operates a modern, 97,000 square foot manufacturing site in Shanghai, China that employs 350. The Shanghai facility includes state-of-the-art clean rooms with vacuum deposition or sputter systems, and adjacent processes, such as assembly, to support a full product offering. EIS Optics and its predecessor companies have more than 60 years experience in the industry.

The acquisition brings an Asian manufacturing base that will enable Materion to better serve their rapidly growing Asian optical coatings businesses. EIS Optics also complements Materion's existing leadership position in thin film optical filters that enable complex technologies and components throughout the defense, aerospace, medical, energy, semiconductor, telecommunications, lighting and astronomy markets. When combined with Materion's knowledge and expertise in materials and optical coatings, the acquisition is expected to enable the development of new technology and extend the range of applications which would drive future growth.

Commenting on the acquisition, Richard J. Hipple, Chairman, President and Chief Executive Officer, said, "We are very pleased to welcome our new associates in Shanghai and continue the transformation of the Materion organization by further broadening our advanced materials technology base and product portfolio. The integration of the EIS Optics manufacturing facility in Shanghai and its talented and dedicated workforce into Materion provides a promising platform for future growth and immediately widens our geographic reach, value add services, and optical materials capabilities in fast-growing global markets."

In recent years, the Company has made a number of strategic acquisitions to augment its precision thin film optical filters and coatings capabilities. These include the purchase of Barr Associates, Inc. of Westford, Massachusetts; Thin Film Technology, Inc. of Buellton, California (both are producers of precision optical coatings, thin film hybrid circuits and highly engineered thin film coatings and services); and Techni-Met, LLC of Windsor, Connecticut, a manufacturer of large area precision thin films (primarily supplying a wide range of high-end medical applications).

FORWARD-LOOKING STATEMENTS

Portions of the narrative set forth in this document that are not statements of historical or current facts are forward-looking statements, in particular the estimated impact of the acquisition on earnings for the third and fourth quarters of 2011 and for 2012 provided above. Our actual future performance may materially differ from that contemplated by the forward-looking statements as a result of a variety of factors. These factors include, in addition to those mentioned elsewhere herein:

- The global economy;
- The condition of the markets which we serve, whether defined geographically or by segment, with the major market segments being: consumer electronics, defense and science, industrial and commercial aerospace, automotive electronics, telecom infrastructure, appliance, medical and energy;
- Changes in product mix and the financial condition of customers;

- Actual sales, operating rates and margins for 2011 and 2012;
- Our success in developing and introducing new products and new product ramp-up rates;
- Our success in passing through the costs of raw materials to customers or otherwise mitigating fluctuating prices for those materials, including the impact of fluctuating prices on inventory values;
- Our success in integrating acquired businesses, including EIS Optics;
- Our success in implementing our strategic plans and the timely and successful completion and start-up of any capital projects, including the new primary beryllium facility being constructed in Elmore, Ohio;
- The availability of adequate lines of credit and the associated interest rates;
- The impact of the results of acquisitions on our ability to achieve fully the strategic and financial objectives related to these acquisitions;
- Other financial factors, including the cost and availability of raw materials (both base and precious metals), metal financing fees, tax rates, exchange rates, pension costs and required cash contributions and other employee benefit costs, energy costs, regulatory compliance costs, the cost and availability of insurance, and the impact of the Company's stock price on the cost of incentive compensation plans;
- The uncertainties related to the impact of war, terrorist activities and acts of God;
- Changes in government regulatory requirements and the enactment of new legislation that impacts our obligations and operations;
- The conclusion of pending litigation matters in accordance with our expectation that there will be no material adverse effects;
- The timing and ability to achieve further efficiencies and synergies resulting from our name change and business unit alignment under the Materion name and Materion brand; and
- The risk factors set forth in Part 1, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2010.

Materion Corporation is headquartered in Mayfield Heights, Ohio. The Company, through its wholly owned subsidiaries, supplies highly engineered advanced enabling materials to global markets. Products include precious and non-precious specialty metals, inorganic chemicals and powders, specialty coatings, specialty engineered beryllium alloys, beryllium and beryllium composites, and engineered clad and plated metal systems.

Materion Corporation

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