



April 25, 2013

## **Materion Corporation Reports First Quarter Financial Results**

**In Line with Previously Announced Estimates**

**Confirms Outlook for 2013**

MAYFIELD HEIGHTS, Ohio--(BUSINESS WIRE)-- Materion Corporation (NYSE:MTRN) today reported first quarter 2013 results.

### **FIRST QUARTER 2013 HIGHLIGHTS**

- Net sales \$299.2 million, down 15% from \$353.6 million in the first quarter 2012; value-added sales (sales less the cost of pass-through metals) \$151.3 million, down 4%
- Earnings per share \$0.33 on net income of \$6.8 million; in line with previous estimates and an 11% improvement over the prior year
- Gross margin as a percent of sales was 16.2% in the first quarter of 2013 compared to 14% in 2012. Gross margin as a percent of value-added sales was 31.9%, up 50 basis points compared to first quarter of 2012 and up 280 basis points sequentially compared to the fourth quarter of 2012
- Operating profit as a percent of sales was 3.2% for the first quarter of 2013, compared to 2.8% in the first quarter of 2012. Operating profit as a percent of value-added sales of 6.3% was flat with the first quarter of 2012 but up 560 basis points compared to the fourth quarter of 2012
- Value-added sales were stronger in the medical, consumer electronics, industrial components and commercial aerospace and automotive electronics markets. This was offset by weakness in the telecom infrastructure, energy and appliance markets when comparing to the fourth quarter of 2012
- Production at the beryllium pebble plant was the highest since startup in 2011

### **VALUE-ADDED SALES**

The costs of gold, silver, platinum, palladium and copper are typically passed through to customers and therefore our sales, but not necessarily our margins, can be affected by movements in metal prices. Internally, we analyze our business on a value-added sales basis. Value-added sales is a non-GAAP measure that deducts these pass-through metals from sales and removes the potential distortion in business levels and profit margin percentages caused by differences in metal values sold. Beginning with the first quarter of 2013, the Company is reporting value-added sales and margins. The Company believes that this is informative to the investor. A reconciliation of GAAP sales to value-added sales is provided in this press release.

### **FIRST QUARTER 2013 RESULTS**

Sales for the first quarter were \$299.2 million, down \$54.4 million, or approximately 15%, compared to sales of \$353.6 million for the first quarter of 2012. Value-added sales for the first quarter of 2013 were \$151.3 million, down approximately 4% compared to value-added sales of \$157.4 million for the first quarter of 2012. The reduction in value-added sales was due to lower shipments to the defense and science, consumer electronics, industrial components, energy and appliance markets, which were offset in part by higher shipments to the commercial aerospace, medical and automotive electronics markets. Order entry in the first quarter of 2013 was approximately 6% higher than the levels experienced through the second half of 2012.

Comparing sequentially to the fourth quarter of 2012, first quarter 2013 sales were down \$4.6 million, or approximately 2%, from \$303.8 million. First quarter value-added sales were about equal to the fourth quarter of 2012 levels.

Net income for the first quarter was \$6.8 million, or \$0.33 per share, an improvement of approximately 11%, compared to net income of \$6.1 million, or \$0.30 per share, for the first quarter of the prior year. The net income improvement on the lower value-added sales was due to higher value-added gross margin percentages and a lower effective tax rate.

## **BUSINESS SEGMENT REPORTING**

### **Advanced Material Technologies**

The Advanced Material Technologies' segment sales for the first quarter of 2013 were \$193.9 million compared to sales of \$241.8 million in the first quarter of 2012. Value-added sales were \$68.7 million in the first quarter 2013, down 1% compared to the value-added sales of \$69.5 million for the first quarter of 2012. Weaker demand from the defense and science, industrial components and energy markets offset, in part, by stronger demand from the medical and consumer electronics markets resulted in the slightly lower value-added sales compared to the first quarter of 2012. Sequentially, value-added sales were up \$6.6 million, or 11%, in the first quarter compared to the fourth quarter of 2012, primarily due to improving conditions in the medical and consumer electronics markets. The order entry rate in the first quarter of 2013 grew by 4% from the second half 2012 levels.

Operating profit for the first quarter of 2013 was \$3.4 million, compared to an operating profit of \$5.3 million for the first quarter of 2012. Operating profit was 4.9% of value-added sales in the first quarter of 2013, compared to 7.6% of value-added sales in the first quarter of 2012. Operating profit and operating profit percent of value-added sales were negatively impacted by a weaker product mix, a physical inventory adjustment, the costs of the facility consolidations initiated in 2012 and the costs related to the ongoing investigation of the inventory short, which was previously announced.

### **Performance Alloys**

Performance Alloys' sales for the first quarter of 2013 were \$74.5 million compared to the first quarter of 2012 sales of \$75.2 million. Value-added sales for the first quarter of 2013 were \$59.2 million compared to \$59.4 million for the first quarter of 2012. First quarter 2013 value-added sales for the automotive market grew by 27% from first quarter 2012 levels. This growth was offset largely by a 23% decline in value-added sales to the energy market driven by a reduction in oil and gas rig count. Value-added sales for the first quarter of 2013 were down approximately 3% from the fourth quarter of 2012 levels. First quarter order entry was 4% higher than sales.

Operating profit for the first quarter of 2013 was \$7.2 million, an increase of 14%, compared to an operating profit of \$6.3 million in the first quarter of 2012. Operating profit was 12.2% of value-added sales in the first quarter of 2013, an improvement of 160 basis points as compared to 10.6% of value-added sales in the first quarter 2012. The value-added operating profit percent also improved sequentially by 290 basis points from fourth quarter 2012 levels. The increase in value-added margin is due to a favorable mix, operating efficiencies and price increases.

### **Beryllium and Composites**

Beryllium and Composites' sales for the first quarter of 2013 were \$12.3 million, compared to sales of \$16.1 million in the first quarter 2012. Beryllium and Composites does not directly pass through changes in the costs of its materials sold, and, therefore, value-added sales for this segment are the same as sales. The decline in sales is due to lower shipments into the defense and science market caused in part by manufacturing delays which pushed key shipments into the second quarter of 2013. These manufacturing delays were unrelated to the ramp up of the new beryllium pebble plant. Order entry was 3% higher than sales in the first quarter of 2013. It is anticipated, at this time, based on known government program funding levels, that shipments for defense and science should improve through the remainder of the year.

The operating loss for the first quarter of 2013 was \$1.3 million, unchanged from the \$1.3 million operating loss for the first quarter of 2012. The lower sales volume was the principal reason for the operating loss. The new pebble plant is operating at its highest production level since it was put into operation in 2011. It is anticipated that Beryllium and Composites will return to being profitable, beginning with the second quarter.

### **Technical Materials**

Technical Materials' sales for the first quarter of 2013 were \$18.5 million, compared to \$20.4 million for the same period of last year. Value-added sales were \$11.1 million in the first quarter 2013, approximately 10% below first quarter 2012 levels. Operating profit as a percent of value-added sales also declined to 12.6% from 15.4% when compared to the first quarter of the prior year. The decline in value-added sales and margins was primarily due to the phase out of an existing hard disk drive application. This was expected, and as the application reaches its end of life, it is being replaced with our new DSA product in a new hard disk drive that is ramping up now. Value-added sales to the energy market increased and automotive electronics remained unchanged compared to the first quarter of 2012. Order entry exceeded sales in the first quarter by approximately 10%.

Operating profit for the first quarter of 2013 was \$1.4 million compared to an operating profit of \$1.9 million for the same period of last year. The reduction in operating profit was due to the lower sales volume.

## **OUTLOOK FOR 2013**

Order entry in the first quarter was approximately 6% above the second half of 2012 levels and 4% above the first quarter 2013 sales. It is anticipated, at this time, that the improving order entry trend will continue throughout the year.

The beryllium pebble plant is operating at its highest production levels since the startup in 2011 and shipments for defense applications are scheduled to improve through the remainder of the year. The improved operations and increased sales volume should significantly enhance the profitability of the Beryllium and Composites segment for 2013. This, coupled with the aforementioned improving order entry and margin trend in the Company's other segments, should result in higher profit levels through the remainder of 2013.

The Company, at this time, is confirming its previously announced earnings range for the full-year 2013 of \$1.75 to \$2.00 per share.

## **CHAIRMAN'S COMMENTS**

Richard J. Hipple, Chairman, President and CEO, stated, "After a weak fourth quarter and second half of 2012, we are off to a good start for the first quarter 2013. The actions taken in the fourth quarter of 2012, including the consolidation of several small manufacturing facilities along with other strategic initiatives, are providing the catalyst for achieving our long-term profitability goals. While I remain cautious about the global economic environment for the remainder of 2013, I am encouraged by the sequential improvement in order entry that we are seeing as well as our new product introductions and do expect sequential improvement in our earnings as the year progresses."

## **CONFERENCE CALL**

Materion Corporation will host a conference call with analysts at 10:00 a.m. Eastern Time, April 25, 2013. The conference call will be available via webcast through the Company's website at [www.materion.com](http://www.materion.com) or through [www.InvestorCalendar.com](http://www.InvestorCalendar.com). By phone, please dial (877) 407-0778, callers outside the U.S. can dial (201) 689-8565. A replay of the call will be available until May 9, 2013 by dialing (877) 660-6853 or (201) 612-7415; please reference Conference ID Number 411602. The call will also be archived on the Company's website.

## **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 outlook 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:

- Actual sales, operating rates and margins for 2013;
- Uncertainties relating to the fourth quarter 2012 physical inventory and possible theft at our Albuquerque facility, including (i) the outcome of our investigations and (ii) the timing and amount, if any, of any insurance proceeds that we might receive;
- 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, industrial components and commercial aerospace, defense and science, automotive electronics, medical, energy and telecommunications infrastructure;
- Changes in product mix and the financial condition of customers;
- 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 Limited and Aerospace Metal Composites Limited;
- Our success in moving the microelectronics packaging operations to Singapore;
- Our success in completing the announced facility consolidations and achieving the expected benefits;
- 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 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), physical inventory valuations, 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 product line 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, 2012.

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  
Value-added Sales Ratios  
First Quarter 2013  
Dollars in Millions

	<u>First</u> <u>Quarter 2013</u>	<u>First</u> <u>Quarter 2012</u>	<u>Fourth</u> <u>Quarter 2012</u>
<b>Gross Margin as a Percent of Value-added Sales</b>			
Advanced Material Technologies	36.2%	37.6%	29.6%
Performance Alloys	29.2%	28.7%	28.4%
Beryllium and Composites	22.0%	13.7%	23.7%
Technical Materials	32.4%	35.8%	36.9%
All Other	-	-	-
Total	<u>31.9%</u>	<u>31.4%</u>	<u>29.1%</u>
<b>Operating Profit as a Percent of Value-added Sales</b>			
Advanced Material Technologies	4.9%	7.6%	-8.5%
Performance Alloys	12.2%	10.6%	9.3%
Beryllium and Composites	-10.6%	-8.1%	-0.6%
Technical Materials	12.6%	15.4%	14.4%
All Other	-	-	-
Total	<u>6.3%</u>	<u>6.3%</u>	<u>0.7%</u>

Value-added sales is a non-GAAP measure. See attached reconciliation.

Materion Corporation  
Value-added Sales - Reconciliation of Non-GAAP Measure

First Quarter 2013  
Dollars in Millions

	First Quarter 2013	First Quarter 2012	Fourth Quarter 2012
<b>Sales</b>			
Advanced Material Technologies	\$ 193.9	\$ 241.8	\$ 193.6
Performance Alloys	74.5	75.2	76.0
Beryllium and Composites	12.3	16.1	16.9
Technical Materials	18.5	20.4	17.3
All Other	-	0.1	-
Total	<u>299.2</u>	<u>353.6</u>	<u>303.8</u>
<b>Less: Pass-through Metal Cost</b>			
Advanced Material Technologies	125.2	172.3	131.5
Performance Alloys	15.3	15.8	14.8
Beryllium and Composites	-	-	-
Technical Materials	7.4	8.1	6.2
All Other	-	-	-
Total	<u>147.9</u>	<u>196.2</u>	<u>152.5</u>
<b>Value-added Sales (non-GAAP)</b>			
Advanced Material Technologies	68.7	69.5	62.1
Performance Alloys	59.2	59.4	61.2
Beryllium and Composites	12.3	16.1	16.9
Technical Materials	11.1	12.3	11.1
All Other	-	0.1	-
Total	<u>151.3</u>	<u>157.4</u>	<u>151.3</u>
<b>Gross Margin</b>			
Advanced Material Technologies	24.9	26.1	18.4
Performance Alloys	17.3	17.0	17.4
Beryllium and Composites	2.7	2.2	4.0
Technical Materials	3.6	4.4	4.1
All Other	(0.2)	(0.3)	0.1
Total	<u>48.3</u>	<u>49.4</u>	<u>44.0</u>
<b>Operating Profit</b>			
Advanced Material Technologies	3.4	5.3	(5.3)
Performance Alloys	7.2	6.3	5.7
Beryllium and Composites	(1.3)	(1.3)	(0.1)
Technical Materials	1.4	1.9	1.6
All Other	(1.2)	(2.3)	(0.8)
Total	<u>9.5</u>	<u>9.9</u>	<u>1.1</u>

The cost of gold, silver, platinum, palladium and copper is passed through to customers and therefore the trends and comparisons of sales are affected by movements in the market price of these metals. Internally, management reviews sales on value-added basis. Value-added sales is a non-GAAP measure that deducts the value of the pass-through metals sold from sales. Value-added sales allows management to assess the impact of differences in sales between periods or segments and analyze the resulting margins and profitability without the distortion of the movements in pass-through metal prices. The dollar amount of gross margin and operating profit is not affected by the value-added sales calculation. The Company sells other metals and materials that are not considered direct pass throughs and their costs are not deducted from sales to calculate value-added sales.

The Company's pricing policy is to pass the cost of these metals on to customers in order to mitigate the impact of price volatility on the Company's results from operations and value-added information is being presented since changed in metal prices may not directly impact profitability. It is the Company's intent to allow users of the

financial statements to review sales with and without the impact of the pass-through metals.

**Materion Corporation**

**Digest of Earnings**

**March 29, 2013**

	<u>2013</u>	<u>2012</u>
<b>First Quarter</b>		
<b>Net Sales</b>	<b>\$299,169,000</b>	<b>\$353,630,000</b>
<b>Net Income</b>	<b>\$6,785,000</b>	<b>\$6,118,000</b>
<b>Share Earnings - Basic</b>	<b>\$0.33</b>	<b>\$0.30</b>
<b>Average Shares - Basic</b>	<b>20,481,000</b>	<b>20,370,000</b>
<b>Share Earnings - Diluted</b>	<b>\$0.33</b>	<b>\$0.30</b>
<b>Average Shares - Diluted</b>	<b>20,824,000</b>	<b>20,707,000</b>

Materion Corporation and Subsidiaries  
Consolidated Statements of Income  
(Unaudited)

	<b><u>First Quarter Ended</u></b>	
	<b><u>Mar. 29,</u></b>	<b><u>Mar. 30,</u></b>
<b><i>(Thousands, except per share amounts)</i></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
Net sales	\$ 299,169	\$ 353,630
Cost of sales	250,830	304,212
Gross margin	48,339	49,418
Selling, general and administrative expense	32,780	32,654
Research and development expense	3,557	3,092
Other-net	2,480	3,788
Operating profit	9,522	9,884
Interest expense-net	828	698
<b>Income before income taxes</b>	<b>8,694</b>	<b>9,186</b>
Income tax expense	1,909	3,068
<b>Net income</b>	<b><u>\$ 6,785</u></b>	<b><u>\$ 6,118</u></b>
<b>Basic earnings per share:</b>		
Net income per share of common stock	<b><u>\$ 0.33</u></b>	<b><u>\$ 0.30</u></b>
<b>Diluted earnings per share:</b>		
Net income per share of common stock	<b><u>\$ 0.33</u></b>	<b><u>\$ 0.30</u></b>
<b>Cash dividends per share</b>	<b><u>\$ 0.075</u></b>	<b><u>\$ 0.00</u></b>

Weighted-average number of shares of common stock outstanding		
Basic	20,481	20,370
Diluted	20,824	20,707

See Notes to Consolidated Financial Statements.

Materion Corporation and Subsidiaries  
Consolidated Balance Sheets  
(Unaudited)

<b>(Thousands)</b>	<b>Mar. 29, 2013</b>	<b>Dec. 31, 2012</b>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 20,242	\$ 16,056
Accounts receivable	129,812	126,482
Other receivables	91	405
Inventories	201,328	206,125
Prepaid expenses	39,240	41,685
Deferred income taxes	8,280	10,236
Total current assets	<u>398,993</u>	<u>400,989</u>
Related-party notes receivable	51	51
Long-term deferred income taxes	20,482	19,946
Property, plant and equipment - cost	787,354	779,785
Less allowances for depreciation, depletion and amortization	<u>(514,321)</u>	<u>(507,243)</u>
Property, plant and equipment - net	273,033	272,542
Intangible assets	27,406	28,869
Other assets	3,682	3,767
Goodwill	88,753	88,753
<b>Total assets</b>	<u><u>\$ 812,400</u></u>	<u><u>\$ 814,917</u></u>
<b>Liabilities and shareholders' equity</b>		
Current liabilities		
Short-term debt	\$ 48,665	\$ 49,432
Accounts payable	25,985	42,281
Other liabilities and accrued items	45,876	55,811
Unearned revenue	1,575	1,543
Income taxes	194	-
Total current liabilities	<u>122,295</u>	<u>149,067</u>
Other long-term liabilities	16,428	16,173
Retirement and post-employment benefits	125,514	125,978
Unearned income	60,011	61,184
Long-term income taxes	1,510	1,510
Deferred income taxes	804	1,130
Long-term debt	64,730	44,880
Shareholders' equity	<u>421,108</u>	<u>414,995</u>
<b>Total liabilities and shareholders' equity</b>	<u><u>\$ 812,400</u></u>	<u><u>\$ 814,917</u></u>

See Notes to Consolidated Financial Statements.

Materion Corporation and Subsidiaries  
Consolidated Statements of Cash Flows  
(Unaudited)

<i>(Thousands)</i>	<b>Three Months Ended</b>	
	<b>Mar. 29, 2013</b>	<b>Mar. 30, 2012</b>
<b>Net income</b>	\$ 6,785	\$ 6,118
<b>Adjustments to reconcile net income to net cash used in operating activities:</b>		
Depreciation, depletion and amortization	8,572	9,281
Amortization of deferred mining costs	-	2,670
Amortization of deferred financing costs in interest expense	162	157
Stock-based compensation expense	1,199	1,411
<b>Changes in assets and liabilities net of acquired assets and liabilities:</b>		
Decrease (increase) in accounts receivable	(4,569)	(21,792)
Decrease (increase) in other receivables	314	2,473
Decrease (increase) in inventory	3,770	(1,381)
Decrease (increase) in prepaid and other current assets	2,390	(988)
Decrease (increase) in deferred income taxes	1,951	(1,295)
Increase (decrease) in accounts payable and accrued expenses	(26,153)	(19,527)
Increase (decrease) in unearned revenue	32	(784)
Increase (decrease) in interest and taxes payable	473	2,276
Increase (decrease) in long-term liabilities	(525)	(1,079)
Other-net	833	(512)
<b>Net cash used in operating activities</b>	<b>(4,766)</b>	<b>(22,972)</b>
Cash flows from investing activities:		
Payments for purchase of property, plant and equipment	(5,781)	(9,282)
Payments for mine development	(3,874)	(159)
Reimbursements for capital equipment under government contracts	-	563
Payments for purchase of business net of cash received	-	(3,955)
Other investments-net	8	1,742
<b>Net cash used in investing activities</b>	<b>(9,647)</b>	<b>(11,091)</b>
Cash flows from financing activities:		
Proceeds from issuance of short-term debt	(678)	17,160
Proceeds from issuance of long-term debt	20,097	20,105
Repayment of long-term debt	(247)	(247)
Principal payments under capital lease obligations	(164)	(191)
Payment of dividends	(1,544)	-
Issuance of common stock under stock option plans	576	128
Tax benefit from stock compensation realization	920	67
<b>Net cash provided from financing activities</b>	<b>18,960</b>	<b>37,022</b>
Effects of exchange rate changes	(361)	(68)
<b>Net change in cash and cash equivalents</b>	<b>4,186</b>	<b>2,891</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>16,056</b>	<b>12,255</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 20,242</b>	<b>\$ 15,146</b>

See Notes to Consolidated Financial Statements.

(Unaudited)

## Note A - Accounting Policies

In management's opinion, the accompanying consolidated financial statements contain all adjustments necessary to present fairly the financial position as of March 29, 2013 and December 31, 2012 and the results of operations for the first quarter ended March 29, 2013 and March 30, 2012. All adjustments were of a normal and recurring nature.

## Note B - Inventories

Inventories on the Consolidated Balance Sheets are summarized as follows:

<i>(Thousands)</i>	Mar. 29, 2013	Dec. 31, 2012
Principally average cost:		
Raw materials and supplies	\$ 38,689	\$ 42,751
Work in process	200,979	203,179
Finished goods	51,113	51,094
Gross inventories	290,781	297,024
Excess of average cost over LIFO inventory value	89,453	90,899
Net inventories	\$ 201,328	\$ 206,125

## Note C - Pensions and Other Post-employment Benefits

The following is a summary of the first quarter 2013 and 2012 net periodic benefit cost for the domestic pension plans (which include the defined benefit plan and the supplemental retirement plans) and the domestic retiree medical plan.

<i>(Thousands)</i>	Pension Benefits		Other Benefits	
	First Quarter Ended		First Quarter Ended	
	Mar. 29, 2013	Mar. 30, 2012	Mar. 29, 2013	Mar. 30, 2012
<b>Components of net periodic benefit cost</b>				
Service cost	\$ 2,356	\$ 1,966	\$ 76	\$ 93
Interest cost	2,353	2,341	311	360
Expected return on plan assets	(2,996)	(2,926)	-	-
Amortization of prior service cost	(86)	(118)	29	-
Amortization of net loss	1,933	1,402	-	-
Net periodic benefit cost	\$ 3,560	\$ 2,665	\$ 416	\$ 453

The Company made contributions to the domestic defined benefit pension plan of \$1.7 million in the first quarter 2013.

## Note D - Segment Reporting

<i>(Thousands)</i>	Advanced Material Technologies	Performance Alloys	Beryllium and Composites	Technical Materials	Subtotal	All Other	Total
<u>First Quarter 2013</u>							
Sales to external customers	\$ 193,853	\$ 74,522	\$ 12,322	\$ 18,472	299,169	\$ -	\$299,169
Intersegment sales	748	430	70	230	1,478	-	1,478
Operating profit (loss)	3,351	7,236	(1,296)	1,436	10,727	(1,205)	9,522
Assets	334,325	272,245	135,166	23,417	765,153	47,247	812,400
<u>First Quarter 2012</u>							
Sales to external customers	\$ 241,806	\$ 75,228	\$ 16,117	\$ 20,400	\$353,551	\$ 79	\$353,630
Intersegment sales	665	697	200	264	1,826	-	1,826
Operating profit (loss)	5,285	6,260	(1,291)	1,893	12,147	(2,263)	9,884
Assets	358,933	238,471	129,033	24,560	750,997	45,313	796,310

Materion Corporation

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