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The Morgan Crucible Company plc

15<sup>th</sup> June 2004

OFFICE OF INTERNATIONAL  
CORPORATE FINANCE

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Office of International Corporate Finance  
Division of Corporation Finance  
Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, DC 20549



SUPPL  
~~12G32BR~~

Re: The Morgan Crucible Company plc – File No. 82-3387

Ladies and Gentlemen:

The enclosed material is furnished pursuant to Rule 12g3-2(b) on behalf of The Morgan Crucible Company plc (the 'Company'), File No.82-3387.

Such material shall not be deemed to be 'filed' with the Securities and Exchange Commission or otherwise subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended (the 'Act').

The furnishing of any such material shall not constitute an admission for any purpose that the Company is subject to the Act.

Sincerely,

David Coker  
Company Secretary

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FINANCIAL

Enclosure

communicate **RNS**

## Full Text Announcement

**Other Announcements from this Company**

**ISSUER**

The Morgan Crucible Company plc

**FILE NO.**

82-3387

<b>Company</b>	Morgan Crucible Co PLC
<b>TIDM</b>	MGCR
<b>Headline</b>	Disposal
<b>Released</b>	07:00 15 Jun 2004
<b>Number</b>	7604Z

RNS Number: 7604Z  
Morgan Crucible Co PLC  
15 June 2004

## DISPOSAL OF AUTO AND CONSUMER GLOBAL BUSINESS WITHIN ELECTRICAL CARBON DIVISION

The Morgan Crucible Company plc ("Morgan Crucible") today announces that it has reached agreement to dispose of the net operating assets of its Auto and Consumer Global Business to Energy Conversion Systems Holdings, LLC, incorporated in Delaware, USA, for a consideration of US\$60 million (£33 million). Some 80% of this consideration due to Morgan Crucible is payable in cash over the next few days. Of the balance, some 60% will be paid after 3 months, with the remainder payable after 15 months.

In addition, there is an element of deferred consideration of up to US\$17.5 million (£10 million), based upon the Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") performance of the sold entity for 2004 and 2005.

This sale is in line with management's strategy of disposing of non-core businesses to simplify and focus the Group, while raising funds to reinvest in Morgan Crucible's profit improvement programme and reduce debt. Following this disposal the number of Morgan Crucible Global Businesses will be reduced to five, down from nine in early 2003.

The Auto and Consumer business manufactures a wide range of carbon brushes, commutators and energy conversion systems for consumer, automotive, and industrial applications. With operations on three continents, it has a current headcount of approximately 1,800 and in 2003 generated turnover of circa US\$130 million (£80 million), EBITDA of circa US\$11 million (£6.7 million), Earnings Before Interest, Tax and Amortisation of circa US\$4 million (£2.4 million) and had net assets (including goodwill) of circa US\$102 million (£57 million) at 4 January 2004.

The purchaser is backed by a consortium of financial buyers, including MidMark Capital, who provide unique financial and strategic benefits to take advantage of opportunities in the Auto and Consumer Global Business.

Many of the Auto and Consumer locations currently operate on shared sites with businesses from other Morgan Crucible global business units, and therefore the agreement with the purchaser includes some post-closing arrangements to account for this. There will also be a post-closing working capital adjustment. The exceptional loss on disposal is expected to be circa £33 million, of which goodwill accounts for approximately 40% of this amount. In addition the company has given certain representations, warranties and indemnities in connection with the transaction.

Warren Knowlton, Chief Executive Officer said:

"At our recent Annual General Meeting we made it clear that Morgan Crucible's focus on reducing debt would continue assisted by the disposal of those businesses that do not meet its key criteria. The Auto and Consumer business

clearly fits into that category and its disposal will also help to simplify the Group's structure".

For further information please contact:

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This information is provided by RNS  
The company news service from the London Stock Exchange

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