



 ceradyne, inc.

*Innovation and Business Development
(Montréal International 2008)
Joel P. Moskowitz, Chief Executive Officer
October 6, 2008*



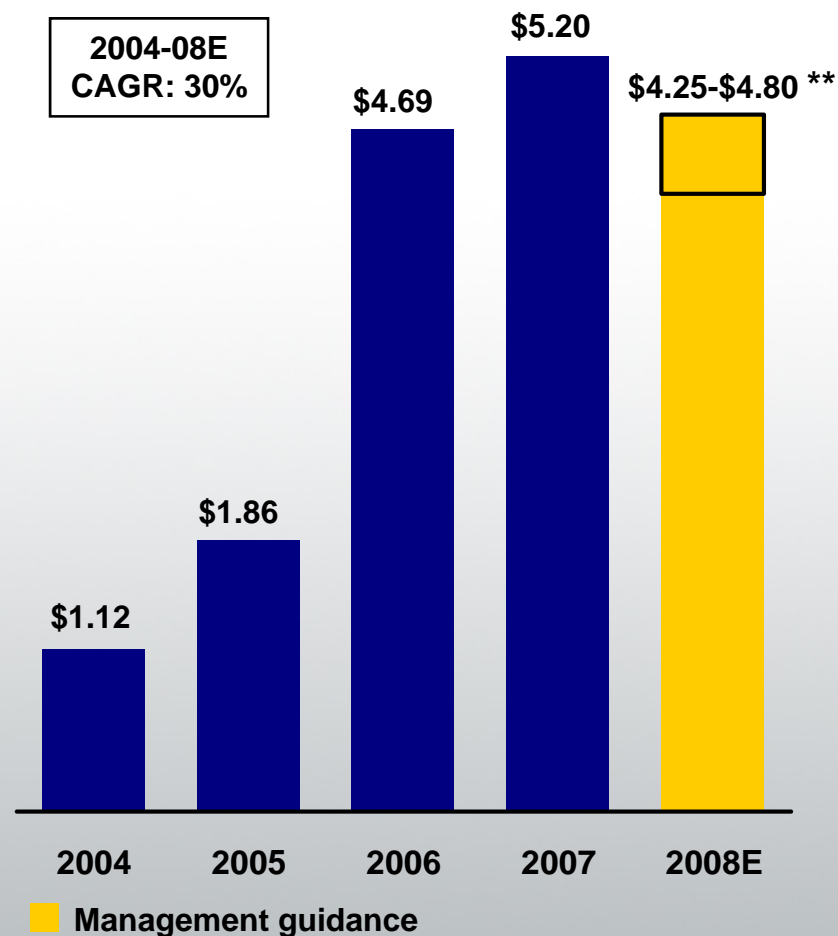
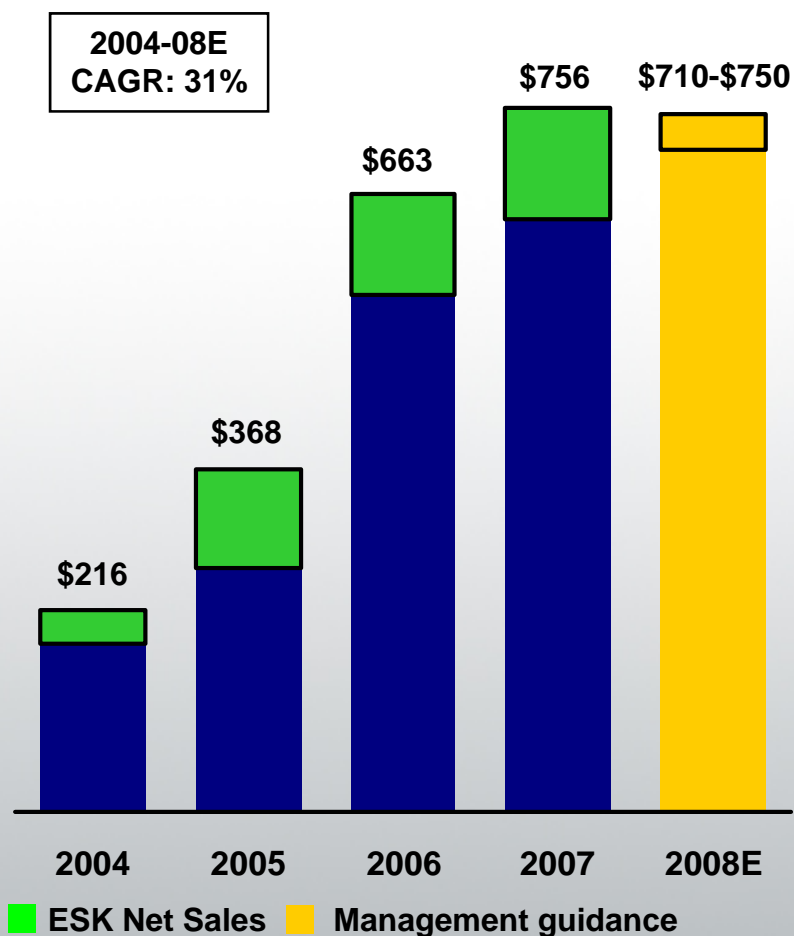
Safe Harbor Statement

This presentation may contain forward-looking statements regarding future events and the future performance of the Company that involve risks and uncertainties that could cause actual results to differ materially from those projected. The Company may use words such as “anticipates,” “believes,” “plans,” “expects,” “intends,” “future,” and similar expressions to identify forward-looking statements. These risks and uncertainties are described in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2007, and its Quarterly Reports on Form 10-Q, as filed with the Securities and Exchange Commission.

Strong Sales and Earnings Growth

Net Sales (\$ mm)

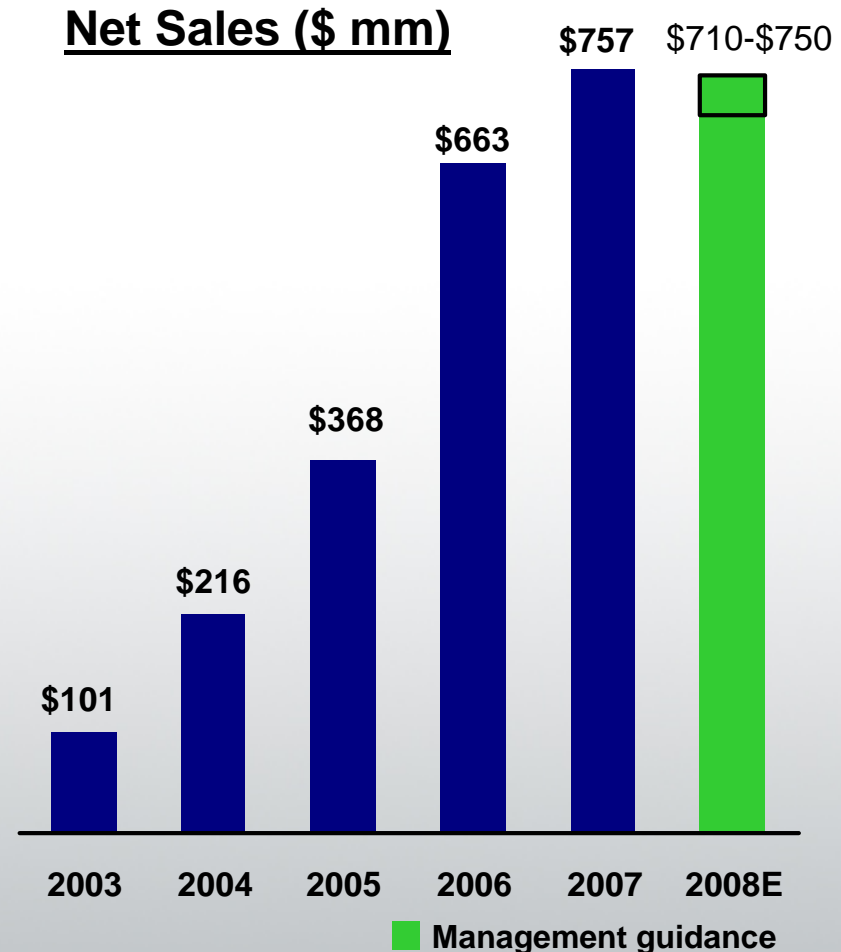
Fully Diluted EPS



** Reflects revised guidance as of Sept. 10, 2008 and does not include approximately \$10 million in non-cash acquisition related charges for SemEquip

Company Background

- **Founded in 1967**
- **Develops, manufactures, and markets advanced technical ceramics materials and products**
- **Profitable growth in multiple market segments customers worldwide**
- **Strong position in military, automotive and consumer markets**
- **Vertically integrated manufacturing approach in key product lines**
- **Operations in North America (Canada, U.S.); Asia (China); and Europe (Germany, France)**

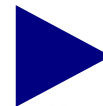


We Are a Leading Manufacturer of Advanced Technical Ceramic Products

Benefits of Advanced Technical Ceramics

Property	High Strength Alloy Steel	High Performance Plastics	Advanced Technical Ceramics
Melting Point (Degrees Fahrenheit)	2,500 to 2,700	275 to 750	2,500 to 6,900
Hardness (Vickers Scale)	Up to 900	Up to 10	Up to 3,200
Density (Grams / cm ³)	7.0 to 9.0	1.0 to 2.0	2.5 to 4.5
Chemical Resistance to Acids	Fair	Good to Excellent	Excellent
Electrical Properties	Conductors	Good to Excellent Insulators	From Excellent Insulators to Conductors

Benefits of Advanced Technical Ceramics



Withstand Extremely High Temperatures



Combine Hardness...



...With Light Weight



Highly Resistant to Corrosion and Wear



Excellent Electrical Insulation Capabilities, Special Electronic Properties

Advanced Technical Ceramics Meet Specifications That Similar Products Made of Metals or Plastics Cannot Achieve

Building on Innovation for Growth



Advanced Ceramics: a positive addition to Future Aluminum Production



Aluminum Smelting Today

- 37 million tons of installed capacity
- Strong growth driven mainly by China
- Current smelting process energy intensive and significant generator of CO₂ : 13,000 kWh/ton Al and ~ 2 tons of CO₂/ ton Al

Aluminum Smelting in the Future

- Advanced ceramics such as TiB₂, SiC and BN will assist in providing step changes in unit energy consumption and GHG emissions
- Ceradyne is well positioned to play leading role in this new area of opportunity

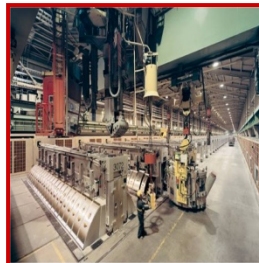
New Product and Market Opportunities

Energy



- Oil production
- Nuclear waste storage and containment

Aluminum



- Hall cell linings
- Forming of molten aluminum

Chemical



- Micro reactors
- Heat exchangers
- High pressure hydraulic valves

Vehicle Armor



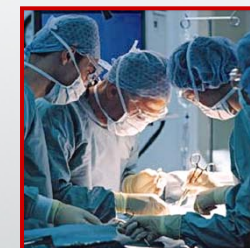
- Lightweight Armor Solution
- Variety of Armor Materials-
Aluminum Metal Matrix
Composites – Proprietary

Automotive



- Engine wear parts
- Functional / frictional
coatings

Medical



- Medical device components

We Continue to Identify New Products and Markets to Meet Evolving Customer Requirements for High Performance Materials

Ceradyne Canada.



Aluminum Metal Matrix Composites.



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