

**MS INTERNATIONAL plc**  
**(the 'Group')**

**AGM Statement**

Executive Chairman, Michael Bell will make the following statement at today's Annual General Meeting of MS INTERNATIONAL plc.

Referring to the 'Outlook' in my statement in the annual report, I highlighted

'that whilst the markets for our largest division, 'Defence', are contending with greatly reduced expenditure budgets, it would be unrealistic to anticipate the current years trading being any easier than the previous year.'

Since making that statement, we have seen nothing that would suggest any improvement in the status of that market, although this week at Farnborough the Prime Minister indicated that there would be some relaxing of the UK defence budget restraints. Nevertheless, the tough times continue and whilst we anticipate the revenue for the 'Defence' division for the year being similar to that reported last year, overall margins in the division are expected to be less favourable, owing to the current product mix. Reassuringly, the number of business opportunities we are either bidding or tracking continues to grow and performance test results from recent new product trials are most encouraging.

By comparison both the 'Forgings' and 'Petrol Station Superstructures' divisions, continue to prosper in line with our expectations.

The Group maintains substantial cash reserves which will see us through these testing times, so that we may continue to invest wisely in the businesses.

Michael Bell  
Executive Chairman  
16 July, 2014

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