ANNUAL REPORT 2004

ceradyne, inc.

SALES GROWTH

YEARS 2000-2004

CORPORATE

PROFILE

Ceradyne, Inc. develops, manufactures and markets advanced technical ceramic products and components for defense, industrial, automotive/diesel and commercial applications.

Advanced technical ceramics, because of their lightweight, temperature resistance, hardness and other enhanced properties, permit advancements in many fields as a substitution for less durable metals, plastics and other ceramics.

Ceradyne is a broad-based corporation producing advanced technical ceramic products for defense and industrial applications, ceramic orthodontic brackets, diesel engine components, microwave tube parts, glass making furnace components, evaporation boats for metallizing, industrial functional coatings, industrial seals, fluid handling components, and semiconductor equipment components.

Ceradyne serves a wide range of emerging markets from its domestic and international manufacturing locations and marketing offices.

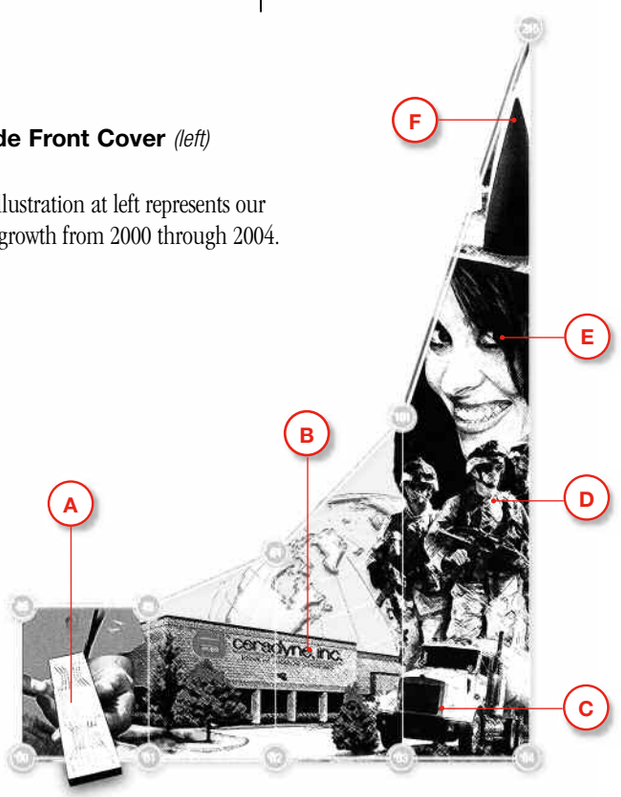
FINANCIAL

HIGHLIGHTS

	Amounts in thousands, except per share data	Years Ended December 31, 2004	2003	2002
For the Year	Net sales	$ 215,612	$ 101,473	$ 61,238
	Income from operations	43,356	16,999	3,969
	Income before provision for income taxes	43,919	17,288	4,132
	Provision for income taxes	16,346	6,051	1,447
	Net income	27,573	11,237	2,685
	Basic net income per share	1.14	0.52	0.14
	Diluted net income per share	1.12	0.51	0.14
	Working capital	78,389	60,519	24,769
	Total assets	316,354	104,207	55,294
	Long-term debt	108,625	0	58
	Stockholders' equity	$ 135,041	$ 86,777	$ 43,088

Inside Front Cover *(left)*

The illustration at left represents our sales growth from 2000 through 2004.



A. **Evaporation boat temperature pattern**
B. **Armor vehicle facility in Wixom, Michigan**
C. **SRBSN Diesel Engine Components**
D. **Lightweight Ceramic Armor**
E. **Clarity™ Ceramic Orthodontic Brackets**
F. **Ceramic Radomes (nose cones) for Tactical Missiles**

LETTER TO OUR SHAREHOLDERS

Joel P. Moskowitz
Chief Executive Officer,
President, Chairman of the Board

Ceradyne was conceived in August 1967 around my kitchen table in Sepulveda, California. Since that moment, over 37 years ago, the Company has progressed from its research origins to its current position as a dynamic growth company focused on the manufacturing, marketing, and research and development of state-of-the-art advanced technical ceramic products. I believe 2004 was not only a banner year for both growth and change, but was also a precursor for the future.

In this annual letter to shareholders, I will review the exciting events of 2004 that led me to make the above statement. I hope you will better understand not only the importance of these events to Ceradyne's performance last year, but also to the Company's forward-looking strategy and the rationale underlying its planned implementation. Specifically discussed in this letter will be:

- **2004 Financial Results**
- **Acquisition of ESK Ceramics (Kempten, Germany)**
- **Acquisition of Quest Technology (San Diego, California)**
- **Facility Expansions, including:** *Kempten, Germany; Bazet, France; Atlanta, Georgia; Lexington, Kentucky; Wixom, Michigan; Alexandria, Virginia; Irvine, California*
- **Strategy**

2004 FINANCIAL RESULTS

Sales in 2004 of $215.6 million were more than double 2003's $101.5 million. Earnings in 2004 were $27.6 million, or $1.12 per diluted share, an increase of more than 100% compared to 2003 earnings of $11.2 million, or $0.51 per diluted share. I call to your attention that the Company effected a 3-for-2 stock split on April 7, 2004, as well as a similar stock split on January 18, 2005, accomplished through the issuance of a 50% stock dividend.

One of the more important metrics indicating future performance is new order inflow. New orders in 2004 were $276 million, up substantially from 2003's $170 million. Of the $276 million, approximately $48 million was attributable to ESK Ceramics' last four months of 2004. Furthermore, 2004 year-end backlog of $200 million compares favorably with 2003's year end of $104 million.

All of these sales, earnings, new orders and backlog levels represent record substantial increases over past levels and indicate potential continued growth into the future.

Ceradyne took on long-term debt in order to meet its strategic objectives of diversification and a global presence through the acquisition of ESK Ceramics of Kempten, Germany. As a result, we now have a 7-year note of $110 million on our balance sheet. In addition, we have a $50 million revolving line of credit, of which approximately $40 million was available as of December 31, 2004. Our cash and "near cash" at year end was $14.5 million.

I direct your attention to the detailed income statement and balance sheet which are included in this annual report.

ACQUISITION OF ESK CERAMICS (KEMPTEN, GERMANY)

In 1971, Ceradyne was first visited by ESK (then called Elektroschmelzwerk) of Kempten, Germany, with the proposition that Ceradyne purchase ESK's Tetrabor® boron carbide powders for use as the starting material to be hot pressed into ceramic shapes for lightweight ceramic armor. Since boron carbide is the lightest, hardest ceramic, it was a natural relationship, and for 33 years, Ceradyne has successfully used ESK's raw material.

Early in 2004, we became aware that the large German company, Wacker Chemie (former parent of ESK) wished to divest ESK in order to focus on Wacker's core semiconductor business. Ceradyne felt this was a perfect acquisition opportunity, as it would provide Ceradyne with:

- A guaranteed source of its most important raw material, boron carbide powder
- A projected revenue stream of approximately $100 million annually of primarily non-defense business
- A global distribution system with 80% of ESK's sales outside the U.S.
- Reduced reliance on our defense business projected to be about 45% in 2005, down from approximately 65% in 2004
- Earnings accretion based on past performance and internal projections

Ceradyne's acquisition of ESK (founded in 1922) represents a significant milestone in our strategy. The acquisition brings Ceradyne up to a new plateau of product diversification and enhanced global presence. The purchase price was $142 million paid in cash. Included in the acquisition were 22 acres, with 532,000 square feet of manufacturing and office space in Kempten, Germany, and an additional 90,000 square feet in Bazet, France. The acquisition also included a wide variety of technology (including intellectual property and patent portfolio) directly related to, but not competitive with, Ceradyne's (USA) advanced technical ceramic products and markets.

ESK reports to Ceradyne's Chief Financial Officer, Jerrold J. Pellizzon, and since the acquisition in August 2004, the integration of the German ESK operations and Ceradyne's U.S. operations has been progressing smoothly. I believe that potential cultural and lan-

guage differences are minimal and, most important, ESK management is technically and managerially proficient with a sincere desire to make the Ceradyne/ESK team the world leader in our defined core competency of advanced technical ceramics, which are generally structural, non-oxide materials.

ACQUISITION OF QUEST TECHNOLOGY

In May 2004, Ceradyne acquired the assets of Quest Technology located in San Diego, California (2003 sales approximately $1.5 million) for $2.5 million in Ceradyne common stock and cash. This acquisition was made primarily to obtain the technology required to injection mold very complicated, small ceramic shapes for medical applications. Injection molding is an extremely cost-effective method of producing high quality ceramic components without the need for costly post-forming diamond machining.

Since the acquisition, Quest Technology has increased its dedicated marketing force with the objective of designing and marketing a wide variety of medical implants, such as those being used for spinal disc surgery, as well as various disposable medical instruments for surgical procedures.

EXPANSION OF FACILITIES AND CAPABILITIES

During the past few years, Ceradyne has added almost 200,000 square feet of manufacturing and office space in the U.S. and recently added 622,000 square feet in Germany and France through the acquisition of ESK Ceramics. In 2004 alone, the Company invested $26.6 million in capital expense to support our projected continued growth. In 2005, our intention is to invest an additional $33.3 million in plant and equipment.

The following brief descriptions of these expansions will give you a better idea of how we expect to increase production of both our current and future products.

- **ESK Ceramics—Kempten, Germany.** Almost all of ESK's ceramic manufacturing is similar and complementary to Ceradyne. However, in addition to the complementary processes, such as hot pressing, sintering, and precision machining, there are several unique operations I wish to focus on as follows:

  1. *Raw Powder Material Fabrication.* ESK is a primary world supplier of electro formed non-oxide ceramic powders. Utilizing an extremely large electric reaction chamber, ESK can produce approximately 800 tons per year of various state-of-the-art ceramic starting powders. We anticipate using approximately 300 to 400 tons of ESK materials in 2005.

  2. *Fabrication of "Diamond" Functional Coatings.* ESK has developed a proprietary process for suspending extremely small diamond bits in a metal matrix. The resulting components exhibit exceptional hardness and have the unique property of being able to "bite" into opposing metal components causing various metal assemblies to bind together, eliminating the need for traditional fasteners such as locknuts. We believe the ESK process and automated manufacturing facilities will allow us to develop significant growth markets in the textile industry (wear resistant manufacturing components) and automotive industry (substituting for more cumbersome locking mechanisms).

  3. *Research and Development Center.* Over the years, ESK has developed a world class R&D center in Kempten, Germany, with state-of-the-art analytical equipment focused on developing new products, as well as quality control for its non-oxide advanced technical ceramic product line. Currently under the leadership of Dr. Chris Lesniak in Germany, we expect to coordinate ESK's R&D efforts with those here in California.

  4. *Manufacturing Facility.* ESK maintains a 90,000 square foot facility in Bazet in southwest France for the manufacture of high volume silicon carbide components for markets requiring inert sealing devices such as automobile engines.

- **Ceradyne Thermo Materials.** Ceradyne Thermo Materials installed two separate manufacturing plants close to its original Scottdale, Georgia, facility (near Atlanta).
  1. Ceramic nose cones for missiles are currently in production in the Company's dedicated state-of-the-art facility. The facility produces nose cones for Lockheed's PAC-3 missile and the Boeing/Israel Aircraft Industries' Arrow missile. Production of these components is expected to continue for at least a decade.
  2. Fused silica ceramic crucibles for photovoltaic applications are produced in a second Georgia plant. These large crucibles are used to melt silicon, which is subsequently fabricated by our customers into solar cells.

  These relatively new plants total almost 70,000 square feet of manufacturing area.

- **Lexington, Kentucky.** Ceradyne has invested approximately $20 million in plant and equipment in its new advanced technical ceramic operation. This 115,000 square foot plant, which is located on 6.5 acres, is designed to produce Sintered Reaction Bonded Silicon Nitride (SRBSN) for use as valve train components in diesel engines and to fabricate hot pressed boron carbide ceramics for Ceradyne's lightweight ceramic armor product line. We began producing diesel engine components in this plant during the third quarter of 2004, and we commenced production of ceramic body armor in this facility during the first quarter of 2005.

- **Wixom, Michigan | Alexandria, Virginia.** In late 2004, Ceradyne opened a 29,000 square foot engineering and prototype plant in Wixom, Michigan, to design and fabricate ceramic armored vehicles. This facility is intended to serve the military's Tank Automotive Command's (TACOM) Detroit operation and is led by Mike Kurilla, Ceradyne's Director of Vehicle Armor.

  Additionally, Ceradyne established an armored vehicle marketing office outside of Washington, D.C., headed by Ceradyne Vice President Armor Operations, Marc King.

- **Irvine, California.** We added two state-of-the-art manufacturing facilities totaling approximately 64,000 square feet dedicated to:

  1. ***Armor Assembly.*** The Company has a 23,000 square foot plant which takes the ceramic plates manufactured in our Costa Mesa operation and assembles them into body armor and various armored vehicle components. This operation began full-scale production in late 2004 and assembles over 25,000 ceramic body armor plates per month, as well as other military armor systems.

  2. ***Diesel Engine Components.*** We are now producing approximately 200,000 SRBSN diesel engine components per month. In order to precision diamond machine these products, we have installed three robot-controlled automated operations in a separate 41,000 square foot plant. The production flow will be to produce the unfinished raw stock in our new Lexington, Kentucky plant, with final finishing performed in our Irvine, California facility.

STRATEGY

In the 2003 annual report, I stated our strategy as follows: "Management's strategy is to aggressively expand production and marketing efforts in defense and armor business, to enhance corporate performance and save American lives. We will also direct our efforts to increase our non-defense business and may potentially seek acquisitions or other shareholder value-enhancing efforts."

The ESK acquisition was clearly a major decision to increase our non-defense business, while the August 2004 "win" of the potential $461 million ceramic body armor contract furthered our defense strategy. As we move into 2005, it is our intent to continue to pursue the above strategy.

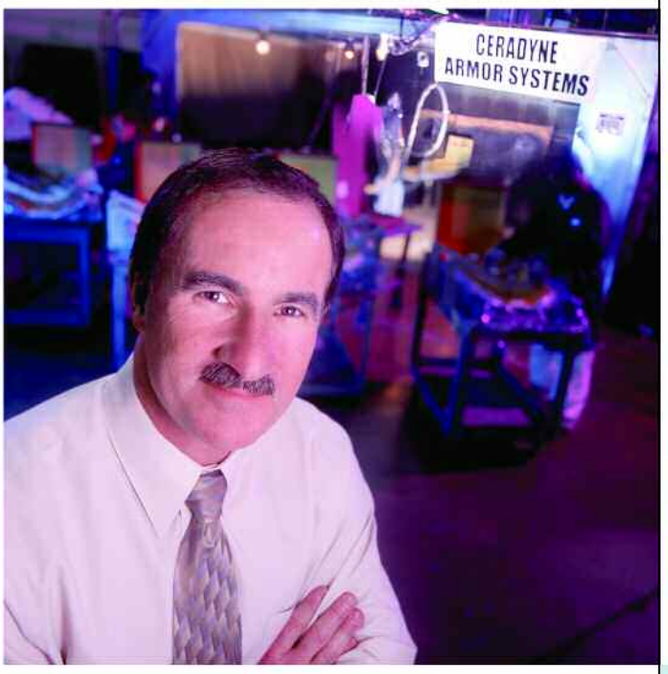
SUMMARY

In August 1967, I couldn't have dreamed Ceradyne would become the company it is today. Although we have the financial resources, the proprietary technology, proven products which have saved our soldiers' lives, and open-ended markets, nothing would be achieved without the dedication and hard work of each of our 1638 employees. It is their focus on quality, productivity and smart thinking that has brought so much success to Ceradyne.

Very truly yours,

Joel P. Moskowitz
Chief Executive Officer
President, Chairman of the Board

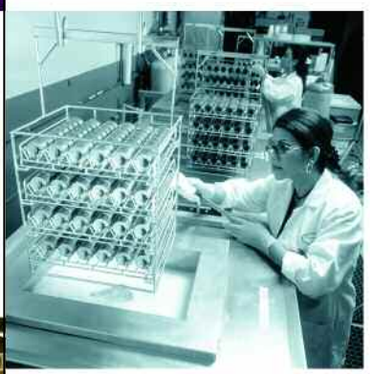
ADVANCED CERAMIC OPERATIONS



In February 2005, the Board of Directors of Ceradyne elected David Reed *(above)* to the newly created position of President, North American Operations. Mr. Reed is a long-time executive with 21 years' experience with Ceradyne, most recently heading our Advanced Ceramic Operations division, particularly the successful lightweight ceramic armor program.

Our Advanced Ceramic Operations division includes those ceramic technologies in the United States which have been the core of the Company since its early beginnings in 1967. In 2005, we consolidated all of our North American divisions under the leadership of veteran Ceradyne manager, David Reed *(left)*. Our North American Operations include the core hot pressing technology of the Advanced Ceramic Operations division, which resulted in Ceradyne's state-of-the-art lightweight ceramic armor systems for our military, as well as Ceradyne Thermo Materials, Scottdale, Georgia; Ceradyne Semicon Associates, Lexington, Kentucky; and Quest Technology, San Diego, California.

These operations accounted for approximately 83.3% of Ceradyne's 2004 revenues and are anticipated to provide the groundwork for future growth in both defense and non-defense markets. The Advanced Ceramic Operations will continue to be a key building block in Ceradyne's long-term strategy.



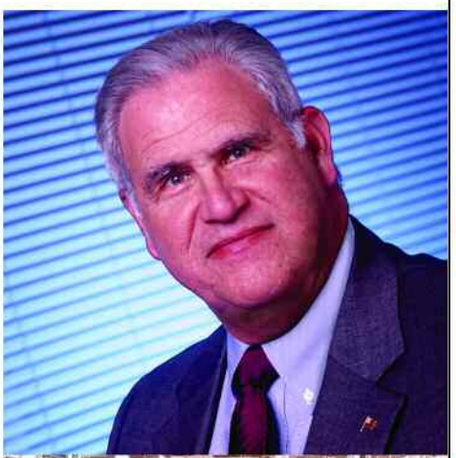
One market that Ceradyne envisions as being fundamental to its future is its Sintered Reaction Bonded Silicon Nitride (SRBSN) diesel engine components. Current manufacturing rates exceed 200,000 components *(above)* per month.

Ceradyne Thermo Materials has installed a state-of-the-art manufacturing plant for its high purity fused silica ceramic crucibles which are used by our customers for the processing of silicon for use in solar cells. Due to the non-reusable nature of these crucibles and a dynamic demand for solar energy, the Company expects continued growth in this area *(above)*.

In May 2004, Ceradyne acquired the ceramic injection molding business from Quest Technology of San Diego, California. The ability to make miniaturized, complicated ceramic parts economically will permit us to participate in technology markets, including medical components *(left)*.

CERAMIC ARMOR

OPERATIONS



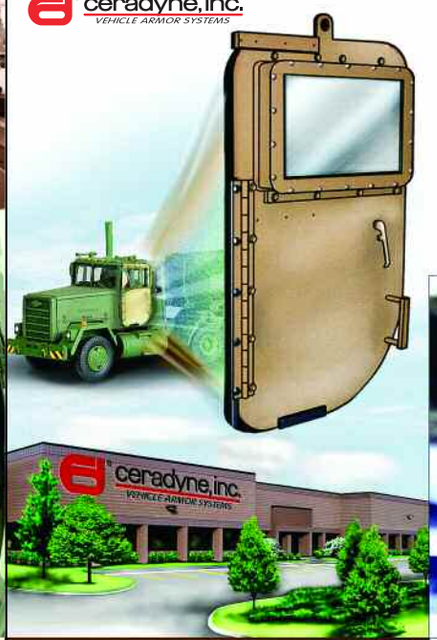
Ceradyne opened a dedicated office for armor operations in Alexandria, Virginia (outside Washington, D.C.), headed by long-time military vehicle expert Marc King *(left)*. Mr. King, whose experience includes military duty, as well as 17 years (after leaving the service) as a manager in military and civilian vehicle programs, is tasked with obtaining vehicle armor business utilizing the Company's proprietary manufacturing techniques.

Over the last 5 years, Ceradyne's revenue has grown from $45.9 million in sales in 2000, to $215.6 million in sales in 2004, propelled primarily by our ceramic armor operations. Ceradyne developed much of its lightweight ceramic armor systems technology in the early 1970's in order to protect military attack helicopters. The same criteria of lightweight and bullet stopping power required for helicopters was transformed into body armor in the middle 1990's, which exploded in growth due to the conflicts in Afghanistan and Iraq. Not only is the lightweight ceramic armor ballistically capable of stopping bullets from automatic weapons, it is also economical and has resulted in saving innumerable lives.

The Company is vertically integrated, producing raw materials such as boron carbide powder in its Kempten, Germany facility, the ceramic plates in its Costa Mesa, California and Lexington, Kentucky facilities, and the finished systems are assembled in its Irvine, California facility. We believe that there will be continual development of new iterations of not only body armor, but also other protective elements that use the same technology for a variety of vehicles and critical equipment protection.

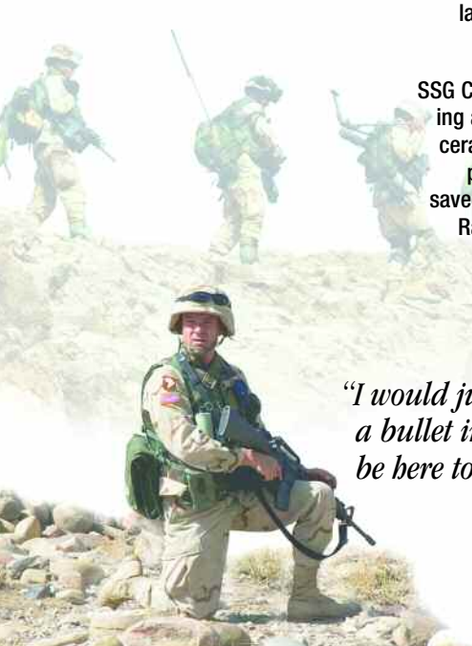
Ceradyne's new Irvine, California facility *(above)* is dedicated to the assembly of lightweight ceramic body armor as well as lightweight ceramic armor systems for vehicles.

Ceradyne's armored vehicle prototype and engineering facility in Wixom, Michigan *(above center)* was established late in 2004.



Dr. Michael Normandia, Ceradyne's Director of Armor Development *(above),* with over 20 years of research and development experience in military armored systems in academia, government and private industry, joined Ceradyne early in 2005.

SSG Castro holding a Ceradyne ceramic armor plate which saved his life in Ramadi, Iraq *(right)*.



"I would just like to thank you for saving my life. The other day, I was hit with a bullet in the chest aimed exactly at my heart with enemy fire. I would not be here today if it were not for your hard work."

SSG, Castro, A Company 1/9
E-mail dated 12/31/04

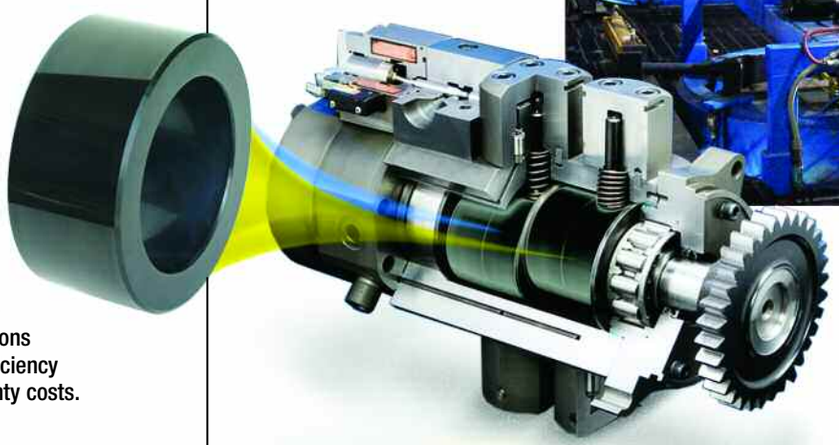
SILICON NITRIDE CERAMICS (SRBSN)

John Mangels *(left)*, **Ceradyne's Director of Sales and Marketing, has been instrumental in the growing use of SRBSN.**

Ceradyne has been developing, manufacturing and marketing SRBSN ceramics since 1986. These ceramics are finding a wide range of applications in industrial uses where low co-efficient of sliding friction and extremely high strength are required. Applications range from diesel engine valve train components, to ball and roller bearing products, to niche markets in oil drilling and recovery operations. Ceradyne's SRBSN may be the most cost-effective way of meeting new pollution requirements in diesel engines, as well as state-of-the-art uses requiring new levels of quality and reliability.

Ceradyne's automated robot-controlled facility in Irvine, California, enables the precision diamond grinding of over 200,000 machined components monthly *(above)*.

Todd Voiles, Silicon Nitride Operations Manager, heads Ceradyne's SRBSN venture in its new Lexington, Kentucky plant *(right)*.

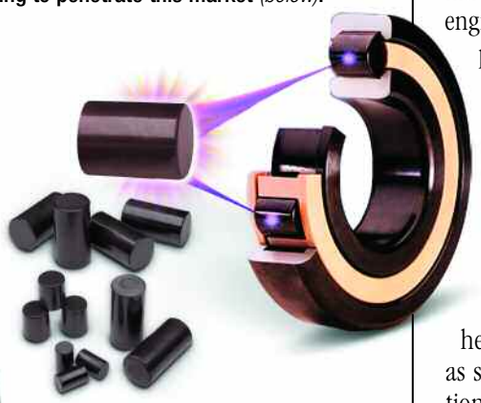


Ceradyne's SRBSN is finding new applications in areas such as diesel engine fuel pump components *(right)* **where high pressure and erosion and corrosion reliability permit operations at new levels of efficiency and reduced warranty costs.**

EMERGING PRODUCTS

Ceradyne's ceramic radomes for tactical missiles *(above)* permit extraordinary velocities and extreme accuracy. Ceradyne Thermo Materials is producing ceramic radomes on two long-term production contracts.

As ball bearings and roller bearings must operate in increasing hostile environments, it is necessary to use materials that are lighter, stronger and more robust than steel. Ceradyne's SRBSN bearing elements are beginning to penetrate this market *(below)*.



With the increased use of 300mm wafers, it becomes necessary for semiconductor manufacturers to utilize components, particularly in the etch process, which will last longer, have a higher stiffness (modulus of elasticity), and be able to operate in an extremely corrosive environment without creating particulates, which can be devastating to the semiconductor manufacturer's yield. Ceradyne's products, such as silicon nitride, aluminum nitride and others, are in their early stage of market acceptance *(right)*.

Particular Ceradyne advanced technical ceramics may find applications in an extremely wide variety of uses. For example, Ceradyne's silicon nitride can be used to allow diesel engine manufacturers to meet new pollution requirements, while the same composition may be used as a radome on a tactical missile. Further examples include products such as boron carbide, whose main use is to stop bullets in Ceradyne's lightweight ceramic armor, yet the same material can be used in heavy industrial applications such as sandblast nozzles to permit operations at lighter weight and longer life, as well as nuclear shielding for nuclear reactors and nuclear waste management.

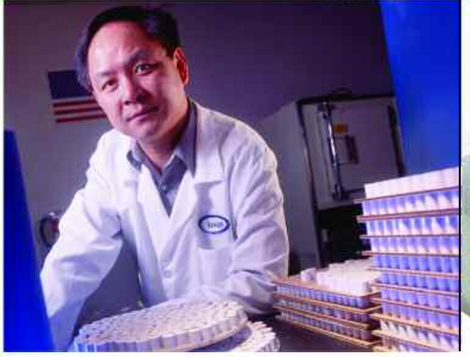
One of Ceradyne's short and longer term strategies is to find new products and markets in both defense and non-defense areas which require cutting edge technologies in materials that operate at higher temperatures, that must be erosion and corrosion resistant and, in many cases, require operation under lubrication "starved" environments.

RESEARCH AND DEVELOPMENT

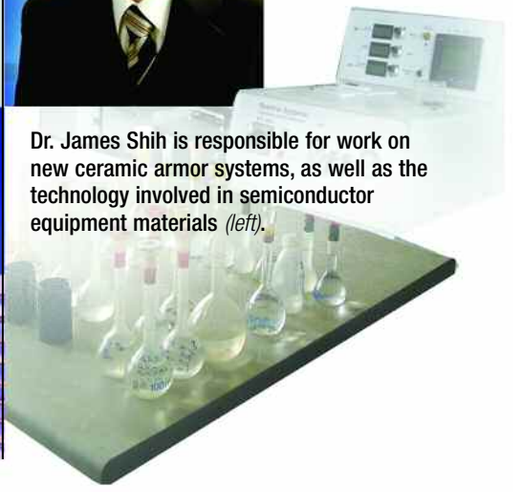
Dr. Biljana Mikijelj *(below)* is responsible for several key technology efforts in new products, as well as SRBSN.

Ceradyne is increasing its focus on research and development, both in the U.S. and in Germany. The Company is directing its scientists to concentrate in developing new products often based on our existing or modified technology. The acquisition of ESK Ceramics in August 2004 brings to Ceradyne a substantive increase not only in scientific personnel, but an extremely well-equipped laboratory, including state-of-the-art analytical equipment, in Kempten, Germany.

Ceradyne will continue to put forth its efforts in areas such as new iterations of lightweight ceramic armor systems, new ceramic compositions for semiconductor equipment uses, increased uses for its SRBSN products, longer life for evaporation boats, as well as providing a technology base to support production and quality control.



Dr. Chris Lesniak, ESK Ceramics Vice President R&D, is head of our German efforts *(left)*.



Dr. James Shih is responsible for work on new ceramic armor systems, as well as the technology involved in semiconductor equipment materials *(left)*.

NEW CONNECTIONS

Jerrold J. Pellizzon *(left)* **is Ceradyne's Chief Financial Officer who negotiated and led the acquisition of our recently acquired subsidiary, ESK Ceramics.**

Michael Kraft, Ceradyne's Vice President of Sales, Marketing and Business Development *(right)* **will be coordinating the Company's sales and marketing efforts both in the U.S. and internationally.**

As Ceradyne has grown more than four-fold in the past five years, it has adopted a policy of both promoting from within as well as hiring key executives with experience that can help the Company move forward.

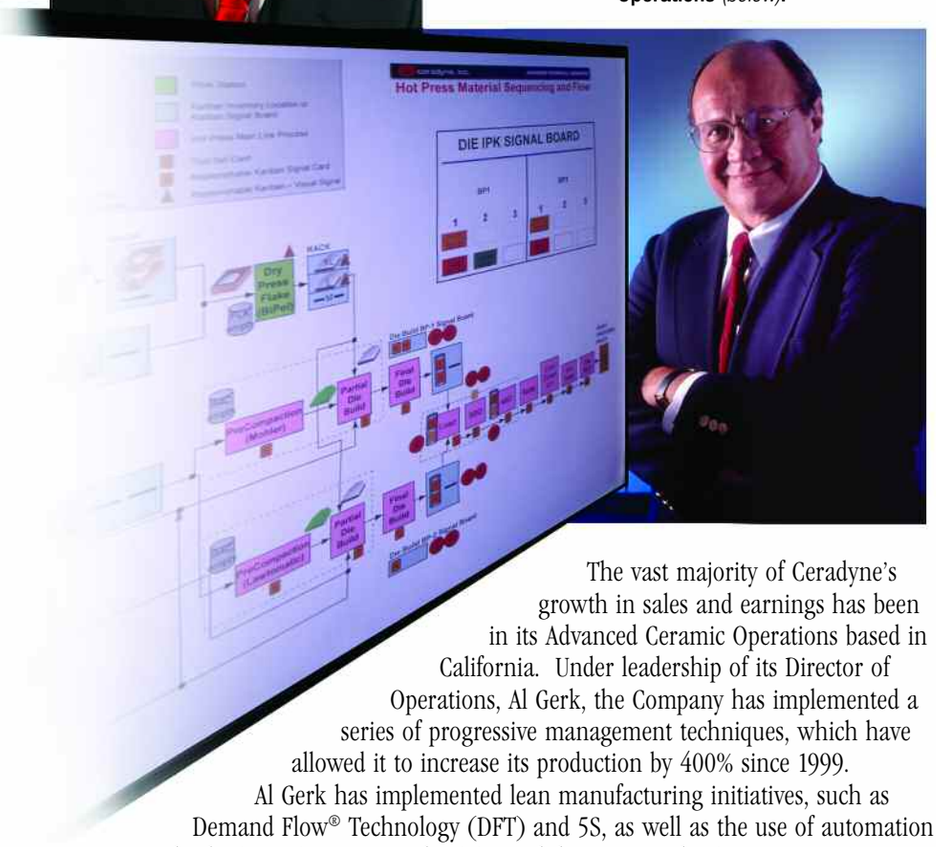
The acquisition of ESK Ceramics brings with it not only an 83 year-old advanced technical ceramic company with all of the facilities, products, markets and intellectual property, but as important, it brings to Ceradyne over 600 new faces.

The strategic direction that Ceradyne has set forth is to create a senior executive staff with sufficient breadth of experience to be able to carry the Company to higher levels of sales and earnings. The Company's growth has been predicated on the expansion of its core advanced technical ceramic technology into new products and new markets, as well as the expansion of existing products and markets. Often, these products and markets are extremely diverse and require a management team that is flexible, and at the same time structured, in order to produce the highest level of results.

As the Company continues to grow, we are dedicated to maintain our entrepreneurial culture, which has been an integral part of Ceradyne from its beginning.

Clemens Kippes *(left)* **is the Chief Financial Officer of ESK Ceramics in Kempten, Germany.**

Dr. Al Gerk, Director of Operations for Ceradyne's Advanced Ceramic Operations *(below)*.



The vast majority of Ceradyne's growth in sales and earnings has been in its Advanced Ceramic Operations based in California. Under leadership of its Director of Operations, Al Gerk, the Company has implemented a series of progressive management techniques, which have allowed it to increase its production by 400% since 1999. Al Gerk has implemented lean manufacturing initiatives, such as Demand Flow® Technology (DFT) and 5S, as well as the use of automation and robotics to increase productivity and decrease production costs.

ESK CERAMICS

GERMANY

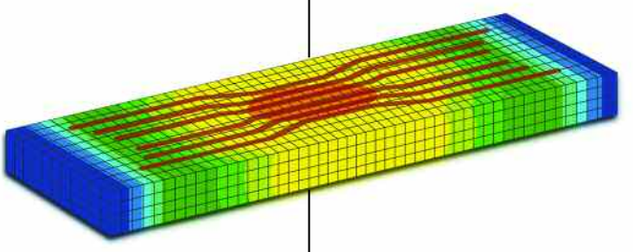
Dr. Peter Hartl, President ESK Ceramics, Kempten, Germany *(left)*.

Shown above and to the left is the extensive manufacturing facility of ESK Ceramics in Kempten, Germany. This state-of-the-art facility covers 22 acres, with 532,000 square feet of manufacturing and office space.

Barbara Schaaf, ESK Ceramics Vice President Sales and Marketing, Kempten, Germany *(right)*.

ESK Ceramics evaporation boats account for approximately 20% of their revenues and are finding increasing markets in emerging countries where food packaging requiring moisture barriers for longer periods of time is essential. These evaporation boats are used to produce the metallized film *(below)*.

Shown below is an "evaporation boat" produced by ESK Ceramics for "metallizing" polypropylene, polyester or paper for a wide range of products such as food packaging and decorative printing.



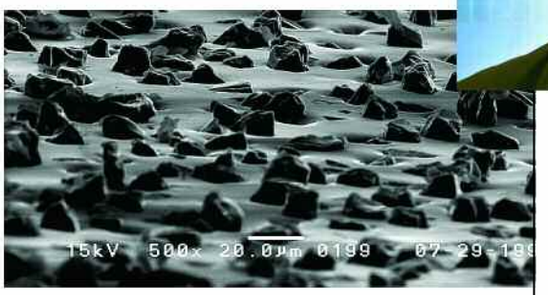
Above is an actual sample of a foil that could be used in food packaging.

ESK Ceramics manufactures primarily non-defense industrial products. These products, which are quite varied, serve consumer, industrial, automotive and textile applications.

ESK Ceramics has developed a proprietary method of coating metal components with a nickel diamond matrix. Utilizing miniscule diamond bits, an extremely hard diamond surface can be created for abrasion and erosion resistant applications. Utilizing the same product, the diamonds themselves can be used as a locking and fastening mechanism, particularly in automotive applications.

(continued lower right)

Ulrich Bencker, ESK Ceramics Vice President Functional Coatings *(left)*.



Magnified micro diamond shaped edges *(above)*.

The above electroless plating line permits the entrapment of diamond particles in a nickel matrix. ESK Ceramics functional coatings are finding increased uses in automotive engine locking mechanisms *(left)*.

Thomas Walz, ESK Ceramics Vice President Production *(below)*.

This is possible since the micro diamond shaped edges will "bite" into two adjoining surfaces creating adhesion as much as 300% greater than other fastening mechanisms.

Using large hot presses, ESK Ceramics is able to transform its powders, which are made in Kempten, Germany, into industrial ceramics. ESK Ceramics also manufactures a line of silicon carbide components which are used as seals in automotive and fluid handling systems. These products are produced both in Kempten, Germany and Bazet, France.

CORPORATE DIRECTORY

Directors

Joel P. Moskowitz	*Chairman of the Board, Chief Executive Officer and President of Ceradyne, Inc.*
Richard A. Alliegro	*Ceramic Technology Consultant*
Eduard Bagdasarian	*Managing Director, Barrington Associates (Investment Bankers)*
Frank Edelstein	*Independant Consultant*
Richard A. Kertson	*Former CFO of Varco International, Inc.*
Milton L. Lohr	*Business and Defense Consultant*

Officers

Joel P. Moskowitz	*Chairman of the Board, Chief Executive Officer and President*
Earl E. Conabee	*Vice President, and Director of Marketing of Ceradyne Thermo Materials*
Dr. Peter Hartl	*Vice President, and President of ESK Ceramics*
Marc A. King	*Vice President of Armor Operations*
Michael A. Kraft	*Vice President of Sales, Marketing and Business Development*
Bruce Lockhart	*Vice President, and President of Ceradyne Thermo Materials*
Jerrold J. Pellizzon	*Chief Financial Officer and Corporate Secretary*
David P. Reed	*Vice President, and President of North American Operations*
Jeff Waldal	*Vice President, and President of Ceradyne Semicon Associates*

Transfer Agent and Registrar

American Stock Transfer and Trust Co.
59 Maiden Lane
New York, NY 10038-4667

General Counsel

Stradling, Yocca, Carlson & Rauth
660 Newport Center Drive, 16th Floor
Newport Beach, California 92660-6401

Independent Public Accountants

PricewaterhouseCoopers LLP
2020 Main Street, Suite 400
Irvine, California 92614

Corporate Offices

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(714) 549-0421
www.ceradyne.com

Manufacturing Facilities

Advanced Ceramic Operations:

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Costa Mesa, CA 92626

Ceradyne Advanced Ceramic Operations
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Ceradyne Advanced Ceramic Operations
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Ceradyne Advanced Ceramic Operations
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Ceradyne Vehicle Armor Systems
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Ceradyne Quest Technology
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Ceradyne Semicon Associates:

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ESK Ceramics:

ESK Ceramics
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87437 Kempten, Germany

ESK Ceramics France
Zone Industrielle
65460 Bazet, France

Annual Meeting

The annual stockholders' meeting will be held at the Radisson Hotel, 4545 MacArthur Blvd., Newport Beach, CA 92660 on Monday, May 23, 2005, at 10:00 A.M.


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