

# Jewellery & Industrial Metals

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Capital Markets Event on Recycling – 18-19 Nov 2010

## Jewellery & Industrial Metals



Provides gold, silver and other precious metals containing products to the jewellery sector and industrial applications

Closed loop offering for precious metals products, refining and related supply services

- Recycling of high-value scraps & sweeps

Multi-regional business concept, strong in Europe and expanding worldwide

- #1 gold and silver semi-finished products in Europe
- #1 machined platinum alloy products for jewellery in Europe

The business unit includes Allgemeine Gold & Silberscheideanstalt AG (listed company, 91% owned by Umicore)

# Agenda

- Business model
- Key customer groups
  - Jewellery & Lifestyle
  - Industry
- Business strategy

# Business model

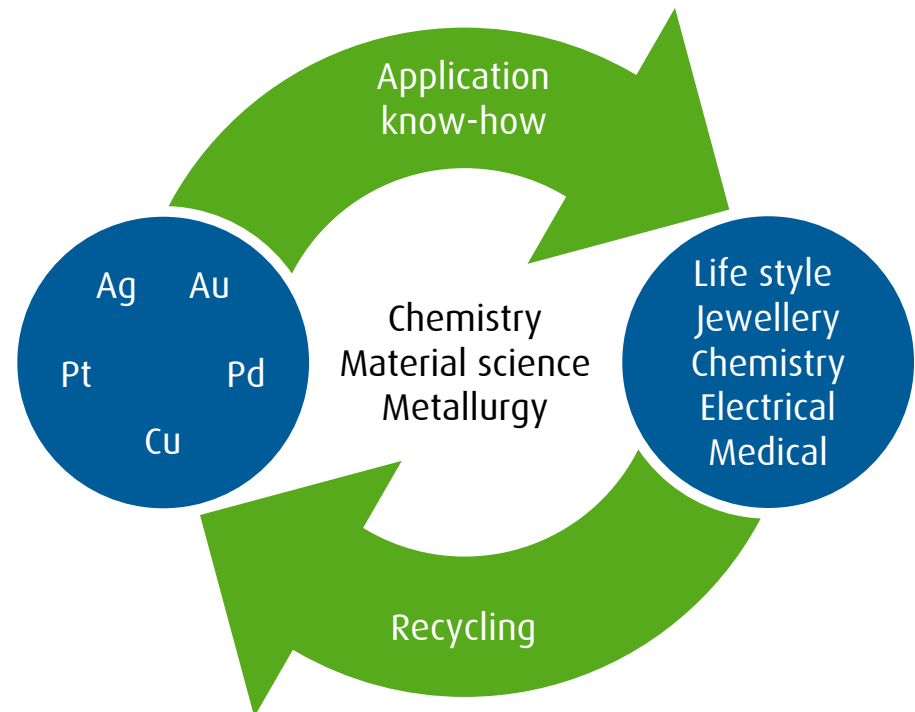
# Business model

Leading supplier of precious metals and products for Jewellery and Industrial Metals

Customer vicinity and presence in relevant regional key markets

Refining and supply services combined with precious metals management

One-stop-shop PM cycle offering with complete customer service leading to competitive advantage



# Business model

Full product and service offering to multi-regional markets offering

- Wide range of customized products
- Refining/Recycling services
- Analytical & Applied Tech services

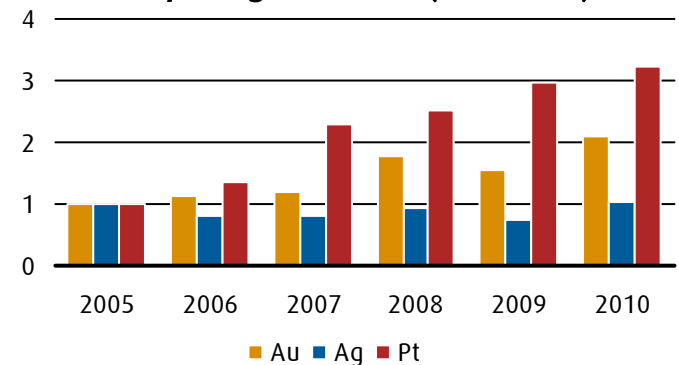
Market leader in Europe in several segments with growing business in Asia and North-America

Strong supply advantage by recycling

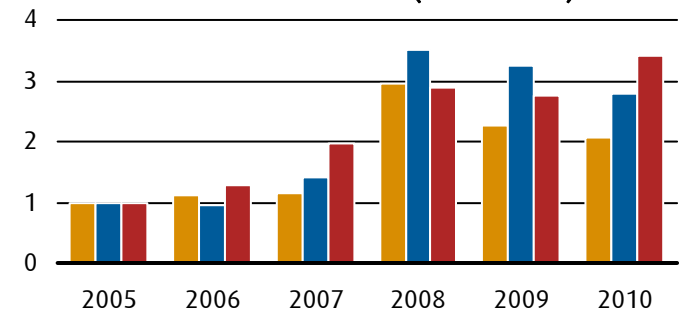
- 70-100% of Au
- 50% of Ag
- 40% of Pt

50% of all refining customers also buy products, 50% of delivered product volume comes back as recycling feed

Recycling volume (indexed)



Product volume (indexed)



Source: Umicore actuals & estimates

*materials for a better life*

# People



# Key customer groups



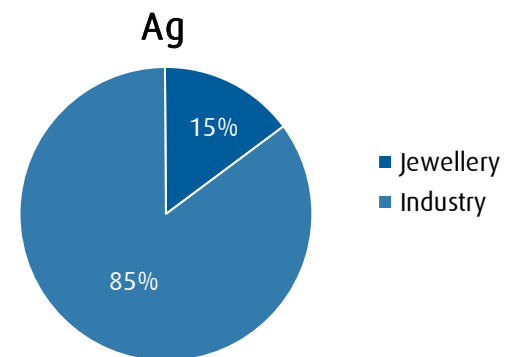
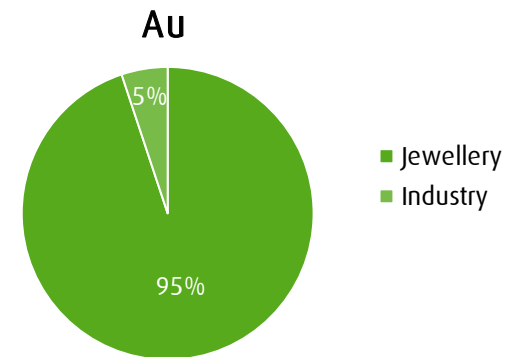
# Key Customer Groups Jewellery & Industrial Metals

Core competencies are built on know-how

- Precious metals metallurgy
- Chemistry
- Material science
- Customer service

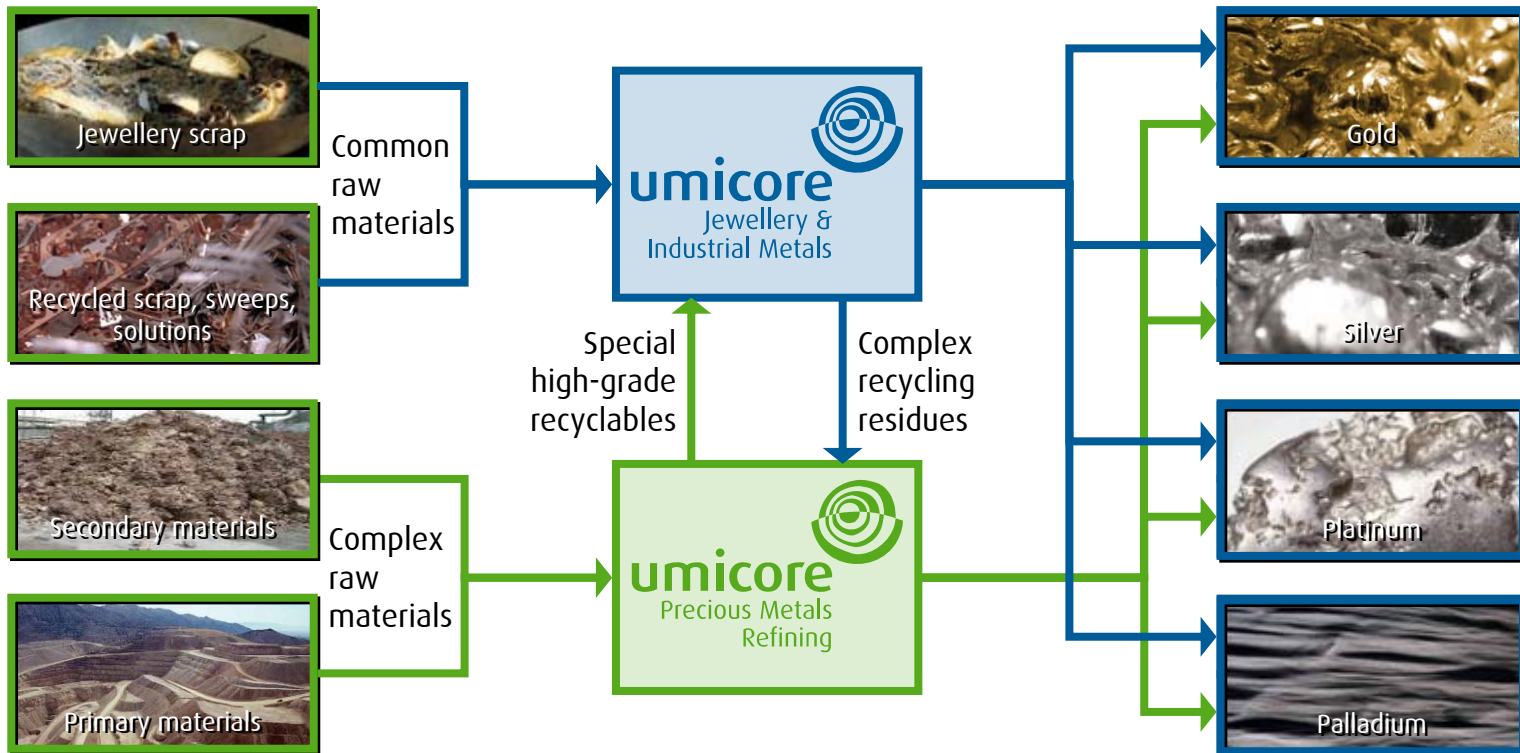
Main presence of gold in jewellery  
and silver in industry segment

BU Jewellery & Industrial Metals gives access to the largest  
segment of gold recycling

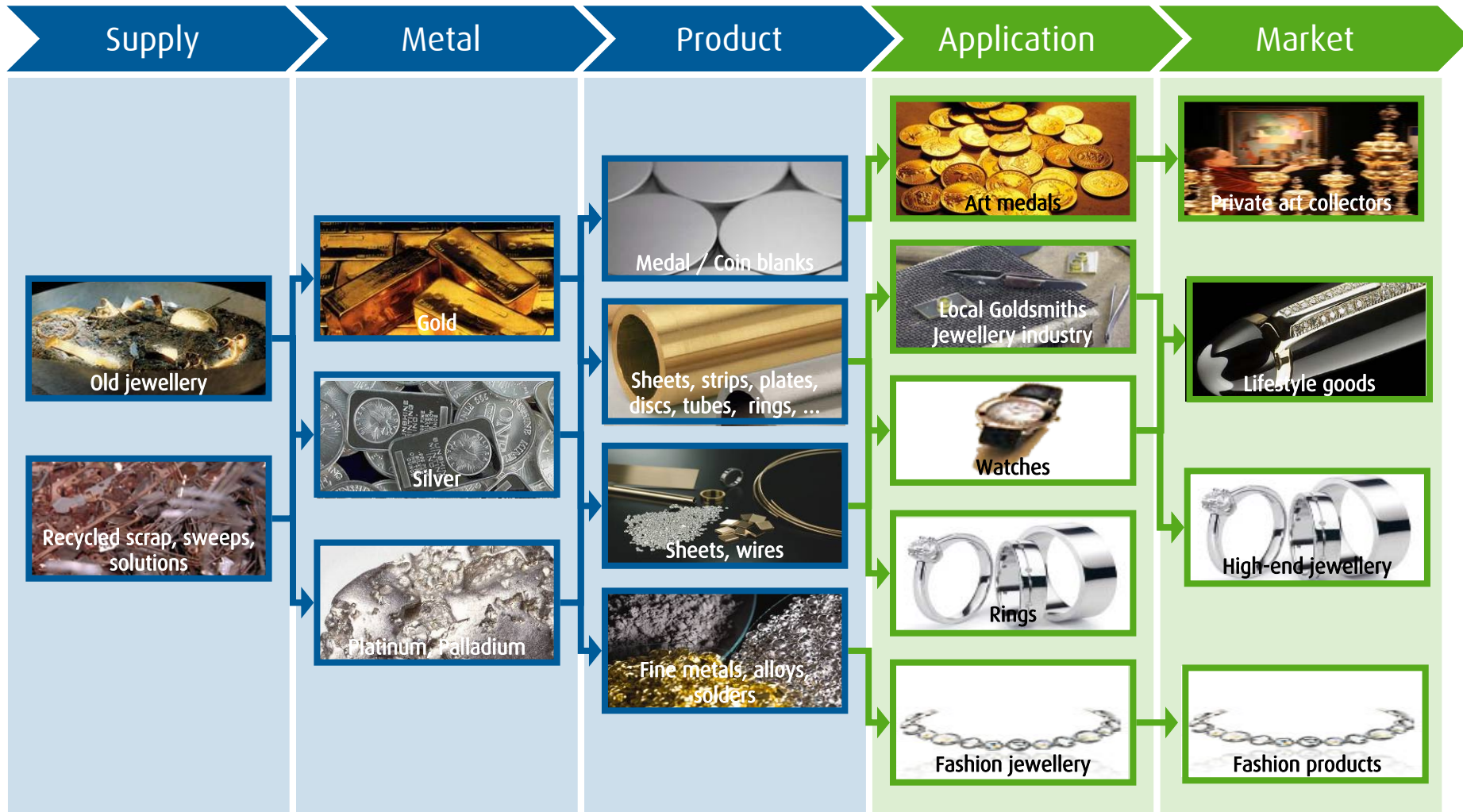


Source: Umicore actuals

# Recycling



# Jewellery - Value Chain



# Jewellery Market dynamics

World jewellery fabrication volume declined significantly in last decade driven by economy and gold price development

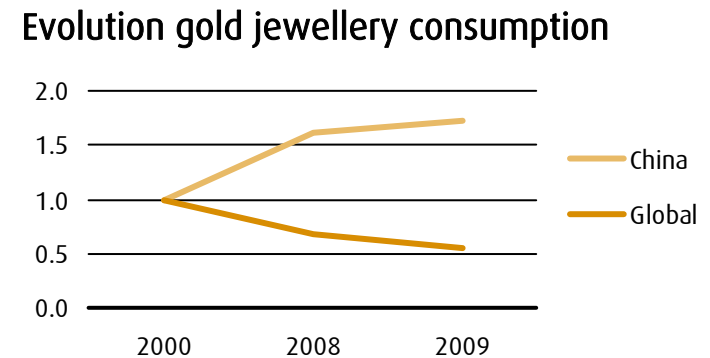
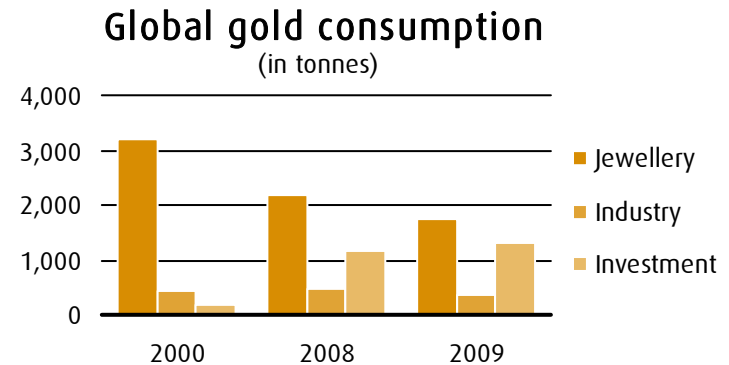
Off-shoring of low price segment jewellery producers to low-cost countries

Emerging jewellery markets in Far East along with economic development and individual wealth increase

Traditional local/regional markets still important

Top luxury brand segments remain strong

Jewellery scrap recycling increased, offering opportunities for Umicore



Source: GFMS

# Jewellery

## Market position & approach

Europe as successful home market

- # 1 Au jewellery refining
- # 1 Pt and Ag semi-finished products

Recent investments in Asia (Thailand and China) and acquisitions (Canada) have complemented the growth of the business

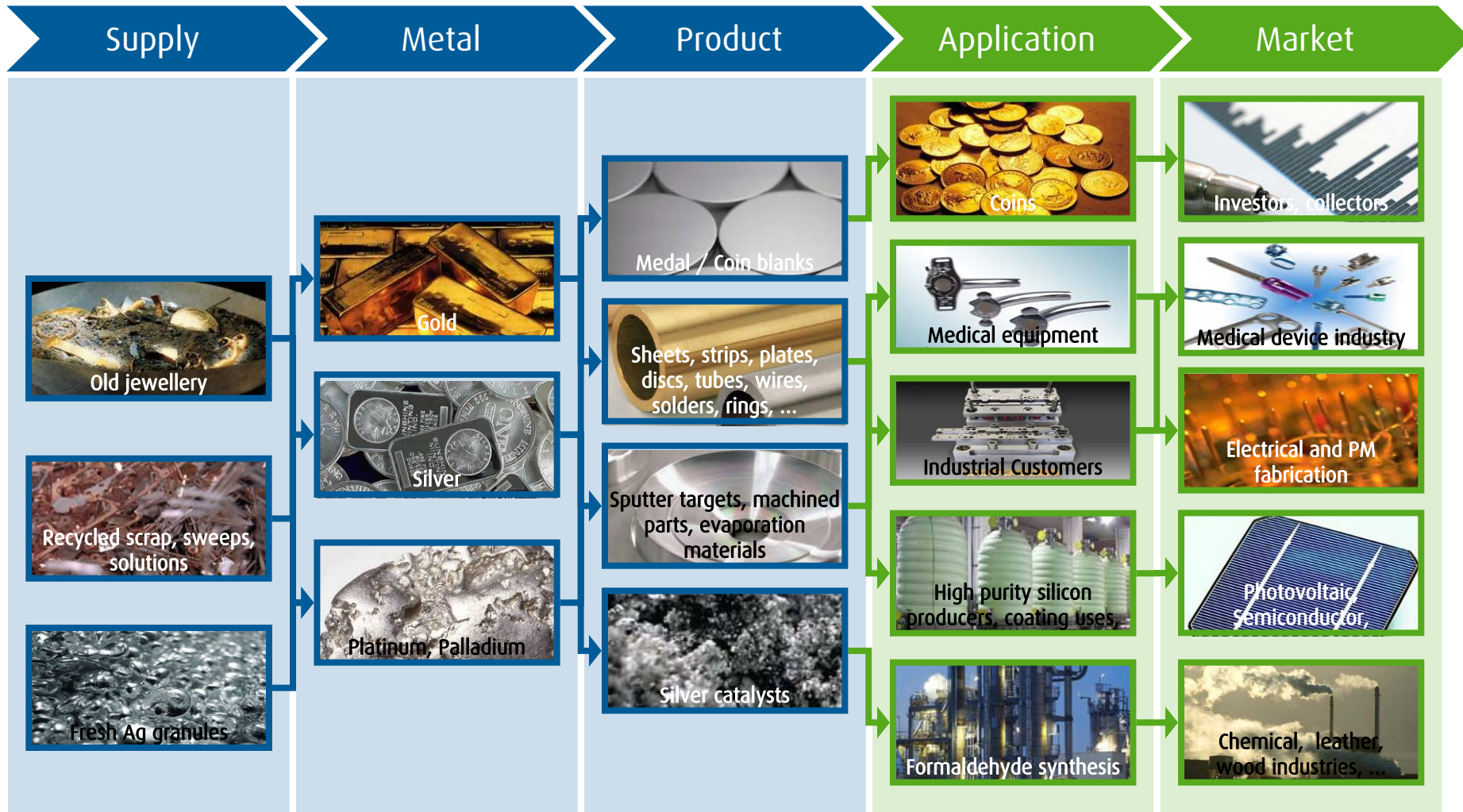
- Thailand has gained importance as manufacturing base for fashion jewellery (e.g. Pandora, Swarovski)
- China is a growing market in both industrial and jewellery segment

Well positioned at leading luxury brands

Competitors:

- Metalor, Other Swiss, Cookson, local Pforzheim companies, ...

# Industrial Metals – Value Chain



# Industrial Metals

## Market dynamics

Overall significant growth of **silver** demand in industrial fabrication and new energy technologies

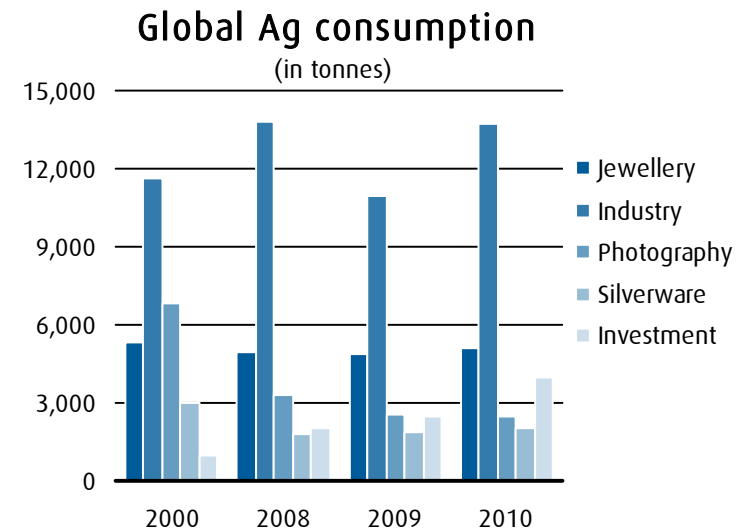
Ongoing demand for **coins** as “safe haven” by investors, with trend towards special alloys with less silver content to compensate for higher PM prices

Demand for PM targets and silver anodes used in **surface technology** expected to grow in line with GDP and poly-silicon industry recovery respectively

Silver catalysts for use in the **formaldehyde industry**, expected to grow according to GDP

Increasing demand from **automotive industry** expected, with recent upswing in production

**Medical industry** expected to continue on a steady growth path



Source: GFMS + 2010 Umicore estimate

# Industrial Metals

## Market position & approach

Europe remains of high relevance i.e. for high quality and technology;  
Umicore is # 1 for silver semi-finished products in Europe

Industry and coins are the two main development and growth segments  
with China being a main growth market

Industrial niche markets in PV, chemical and medical industry with organic growth  
opportunities

Recycling and market knowhow and large manufacturing capability and capacity leads to  
competitive advantage over Metalor, Cookson and several local Pforzheim companies

Source: GFMS



# Business strategy

# Business strategy

Europe is Umicore's successful home market

Strengthen and broaden current position by leveraging

- Presence with top brand customers
- Industrial opportunities in photovoltaic, chemical, electrical, automotive and medical industries
- Expansion into other regions, in particular Asia and North America

Pursuing front-end outsourcing opportunities

Development of jewellery and industrial refining business (scrap, sweep)

## Forward-looking statements

This presentation contains forward-looking information that involves risks and uncertainties, including statements about Umicore's plans, objectives, expectations and intentions.

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As a result, neither Umicore nor any other person assumes any responsibility for the accuracy of these forward-looking statements.

# Dietmar Becker

## Senior Vice President Jewellery & Industrial Metals



Dietmar Becker holds a university degree in Economics and Organisational Sciences. He started working for Degussa AG – part of which was acquired by Umicore in 2003 - in 1988, heading a number of businesses in Germany as well as in Italy, prior to being appointed Senior Vice-President Technical Materials in 2007. He became Senior Vice-President of the newly created business unit Jewellery & Industrial Metals in 2010.