

TRADING UPDATE Q1 2010

Highlights

Umicore's revenues increased by 17 % compared to the same period in 2009. This reflected continuing strong improvements in most market segments. The most striking increase was recorded in Precious Metals Products and Catalysts.

- Advanced Materials revenues were up by 16 %.
- Precious Metals Products and Catalysts revenues were up by 29 %.
- Precious Metals Services revenues were up by 9 %.
- Zinc Specialties revenues were down by 6 %.

In addition to the stronger revenue generation, Umicore benefited from the cost reduction measures implemented in 2009.

With growing activity levels and higher metals prices, working capital requirements increased in the first quarter, As a result, net debt was some € 70 million higher than at the beginning of the year.

Outlook

Based on the first quarter performance and assuming current market conditions continue to prevail, Umicore expects full year recurring EBIT to be in the range of € 260 million to € 290 million. This reflects improving demand in most segments, buoyant supply conditions in Precious Metals Services and the impact of higher precious metals prices.

Note: All comparisons are made with the first quarter of 2009, unless otherwise stated.

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ADVANCED MATERIALS

Overview

Advanced Materials revenues were up by 16 %. The main driver was increased activity in the end-markets of Cobalt & Specialty Materials.

Cobalt & Specialty Materials

Revenues for rechargeable battery materials were up compared to a very weak first quarter in 2009 and in line with the fourth quarter. The ratio of NMC materials to lithium cobaltite (LCO) continues to increase month after month. Umicore has announced capacity expansions for this type of material at its Korean and Chinese plants and will develop a greenfield operation in Japan. These expansions anticipate further growth of the market and more specifically in (H)EV applications.

The Ceramics and Chemicals business line posted continued growth in revenues. This was especially the case in the field of nickel specialties thanks to Umicore's unique service and product portfolio. Umicore raised its participation in Todini & Co., its Italian based associate, from 40 % to 48 %.

Sales of cobalt powders for tooling have increased significantly from the weak levels in 2009. De-stocking in the sector seems to finally have come to an end. The main increase is observed for hard metal applications, used e.g. in automotive, machinery and mining, while for construction end uses, the recovery has been less pronounced.

Capacity utilisation in the cobalt refining activities in Olen, Belgium, was lower, due to limited availability of dedicated feed. The refining activity at Umicore's associate in China was strong.

Electro-Optic Materials

Sales volumes of germanium substrates were up on the first quarter of 2009 and in line with the activity levels seen at the end of the year. Demand from both the space photovoltaics and LED sector was strong. In the new substrates plant in Quapaw, customer qualification of the production lines is on-going.

The germanium optics market was down, as demand for products decreased significantly. Commercial infra-red applications demonstrated growth, albeit from a smaller base. Sales of germanium tetrachloride were at a high level.

Thin Film Products

Sales of materials for use in electronics applications improved significantly year-on-year. Sales of materials for optical applications have grown as well, but to a lesser extent as the downturn in 2009 was less pronounced.

For large area coatings, sales were up year-on-year. Orders for both ITO and AZO targets in planar and rotary format continued to grow, especially for architectural glass applications.

Element Six Abrasives

Element Six Abrasives delivered robust sales in the quarter, well up compared to the first quarter in 2009, as demand for abrasive products was high. On top of the increased volumes and a more attractive product mix, the unit also benefited from a lower cost base, following the cost reductions implemented in 2009. These measures were finalised in January of this year.

Oil & gas activity picked up worldwide, reflected in an increased rig count. Consequently, sales of drill bits to that industry increased. Sales of materials to the mining, stone cutting and road construction sectors grew strongly and the use of Element Six Abrasives' materials in precision grinding increased particularly strongly in the quarter.

PRECIOUS METALS PRODUCTS & CATALYSTS

Overview

Precious Metals Products & Catalysts revenues were up by 29 %. This reflected much improved demand in Automotive Catalysts and a solid pick-up in all other businesses.

Automotive Catalysts

Global light duty vehicle production improved by some 47 % year on year, and was in line with the fourth quarter of 2009. Umicore's sales volumes of catalysts were in line with the car market evolution.. Business unit revenues grew strongly year on year although the global vehicle mix meant that this growth was somewhat less pronounced than for sales volumes. Umicore's global market share remained stable. The unit reaped significant benefits from the cost reduction measures implemented in 2009.

In Europe, light duty vehicle production improved by some 33 %. Government incentives are still in place in several countries but will run out during the course of the year. Umicore's revenue growth outpaced the vehicle market due to proportionally stronger sales of high added value diesel catalyst systems.

As anticipated, North America showed the most notable improvement, from the particularly weak first quarter in 2009. Overall production was up some 70 % year on year. Inventory levels of produced vehicles increased slightly but remain at low levels. The market pick-up was however not reflected to the same extent in Umicore's revenues as a result of its business mix in the region. In South America the year-on-year vehicle production increase was more moderate at 24 %.

In Asia, production of light duty vehicles was up year-on-year. In China production was up some 65 %, mainly as a result of continued and even more attractive government incentives. Umicore's catalyst sales volumes were broadly in line with the market evolution. The announced capacity expansion is currently being implemented in Suzhou. Both in Korea and Japan vehicle production volumes were up significantly (by 42 % and 55 % respectively) compared to a very poor first quarter in 2009.

Precious Metals Chemistry

The end markets for Umicore's catalyst technologies are recovering gradually and show a large improvement versus a particularly weak first quarter in 2009. Sales of products used as precursors for automotive catalysts and other automotive applications improved strongly. Growth continued in life sciences and pharmaceutical applications, which were less affected by the economic downturn.

The fuel cells activity also had a good year start. Good order levels were received for stationary applications. Collaboration with OEMs for automotive applications is developing positively.

Platinum Engineered Materials

Sales of platinum equipment used in glass applications were well up. Growth was observed in all sectors (display, technical and optical glass). Main orders are currently focused on maintenance and replacement of existing equipment, rather than customer capacity increases. Performance catalysts, used primarily in the fertiliser industry, experienced a slower start to the year.

Technical Materials

The business showed a very clear recovery from the levels of 2009 as demand in most applications picked up. The cost reduction measures taken in 2009 complemented the increased revenues. Sales of materials used in power generation/ distribution and the lighting industry benefited from good demand, driven mainly by infrastructural projects. In brazing sales of alloys for most industry applications showed a recovery with the exception of construction-related materials.

Jewellery & Electroplating

Revenues for the Jewellery & Electroplating business unit were well up even compared to the robust performance through 2009.

A clear recovery was seen in sales for decorative precious metal applications like jewellery and luxury goods. Sales volumes of silver products for industrial applications mainly for chemical catalysts were up year on year. Deliveries of coin blanks remained at a

high level. With the rising precious metal prices, demand for recycling remains high. Capacity expansion is planned for the Bangkok operations. Meanwhile the new production facility in Foshan is gradually ramping up production.

In the electroplating activities sales of plating solutions for both decorative and technical applications were well up compared to the same period in 2009.

PRECIOUS METALS SERVICES

Overview

Precious Metals Services revenues were up by 9 % reflecting an improved supply environment, particularly for secondary materials and spent automotive catalysts.

Precious Metals Refining

Precious Metals Refining booked a strong first quarter with revenues up year on year.

Supply of industrial by-products has recovered largely to the same levels as in 2008, following the increase in capacity utilisation at non-ferrous metal refiners around the world. Arrivals of end-of-life-materials such as electronic scrap and industrial catalysts remained at high levels. Arrivals of spent automotive catalysts are recovering although not yet to the levels observed prior to the downturn in PGM prices.

The roll-off of the metal price lock-ins secured in previous period, has largely been compensated by improved supply conditions and an increase in spot metal prices, both for precious metals and several special metals such as selenium and antimony. By using the flexibility in its operations, Umicore was able to benefit especially from the latter trend.

The market for by-products such as sulphuric acid is improving, albeit to lower price levels than before the economic downturn.

The smelter underwent its scheduled maintenance shutdown in March-April.

Precious Metals Management

With industrial demand picking up, the activity levels in physical sales and purchases of precious metals increased. Although sales of investor bars were low in the first two months of the year, demand rose significantly in March following the financial market concerns around government credit situations, particularly in Europe. Increased price volatility on the metal markets as well as overall higher prices contributed to the improved performance.

Battery Recycling

Deliveries of spent rechargeable batteries from portable electronics continued to grow. These come mainly from the EU, where legislation is being implemented and member states are starting to organize collection networks. Meanwhile the unit is in discussion with most OEMs active in (H)EV production or development, in order to set up a collection and recycling system for the batteries of these vehicles. The new recycling investment in Hoboken is progressing according to plan.

ZINC SPECIALTIES

Overview

Zinc Specialties revenues were down 6 %. A slight improvement in Zinc Chemicals was more than offset by the sluggish start to the year for the building market, particularly in Europe.

Zinc Chemicals

Revenues of zinc powders were up year on year. Strong demand in the North American and South East Asian markets led to good sales volumes in battery materials. Sales of fine zinc powders used in chemical applications were up. However, demand of paint-grade powders remained low, as the coating market has not significantly improved and competition increased. Revenues for zinc oxide products remained at the same level as in the first quarter of 2009. Stock replenishment in the rubber and tyre industry was offset by lower activity for animal feed. Despite a scarcity of secondary materials, the recycling activity operated well. However, the average received zinc price was at a lower level than the one over the same period in 2009.

Building Products

Sales volumes for all product types were down year-on-year in a depressed European building market. This was particularly the case for new-built residential applications. The impact on Umicore was somewhat mitigated due to its exposure to the renovation market and to construction in the public sector, although these segments were also affected by the extreme weather experienced at the start of the year on most of the European continent. Sales volumes of products outside the traditional European market were stable, as the architectural markets they serve were less affected by the downturn last year.

GROUP ITEMS

Financial debt

The combination of increased activity levels and higher metal prices has led to an increase in working capital requirements in the first quarter. Net debt thereby increased by some € 70 million over the period.

Forward looking statements

This document contains forward-looking information that involves risks and uncertainties, including statements about Umicore's plans, objectives, expectations and intentions. Readers are cautioned that forward-looking statements include known and unknown risks and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of Umicore. Should one or more of these risks, uncertainties or contingencies materialize, or should any underlying assumptions prove incorrect, actual results could vary materially from those anticipated, expected, estimated or projected. As a result, neither Umicore nor any other person assumes any responsibility for the accuracy of these forward-looking statements.

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Financial calendar

27 April 2010	Annual General Meeting
3 May 2010	Ex-dividend trading date
5 May 2010	Dividend record date
6 May 2010	Dividend payment date
6 August 2010	2010 first half results publication
20 October 2010	2010 third quarter trading update publication
10 February 2011	2010 results publication
26 April 2011	Annual General Meeting

Umicore profile

Umicore is a materials technology group. Its activities are centred on four business areas: Advanced Materials, Precious Metals Products and Catalysts, Precious Metals Services and Zinc Specialties. Each business area is divided into market-focused business units, be it in products that are essential to everyday life or those at the cutting edge of new technological developments.

Umicore focuses on application areas where it knows its expertise in materials science, chemistry and metallurgy can make a real difference. Umicore generates approximately 50 % of its revenues and spends approximately 80 % of its R&D budget in the area of clean technology, such as emission control catalysts, materials for rechargeable batteries and photovoltaics, fuel cells, and precious metals recycling. Umicore's overriding goal of sustainable value creation is based on this ambition to develop, produce and recycle materials in a way that fulfils its mission: materials for a better life.

The Umicore Group has industrial operations on all continents and serves a global customer base; it generated a turnover of € 6.9 billion (€ 1.7 billion excluding metal) in 2009 and currently employs some 13,700 people.

A conference call and audio webcast will take place today at 10:30 CET.
Please visit: <http://www.investorrelations.umicore.com/en/financialCalendar/confCall20100427.htm>