

## TRADING UPDATE Q3 2010

### Highlights

Umicore's revenues increased by 20 % compared to the same period in 2009. This reflected the continuing recovery in all segments.

- Catalysis revenues were up by 20 %.
- Energy Materials revenues were up by 18 %.
- Performance Materials revenues were up by 18 %.
- Recycling revenues were up by 22 %.

Net debt decreased slightly in the third quarter and is expected to increase towards year end due to rising working capital requirements.

### Outlook

Based on the performance in the first nine months of the year and the current forecast demand for the last quarter, Umicore expects full year recurring EBIT to be at the top end of the previously communicated range of € 315 million to € 335 million.

### New segmentation

The reporting segments in the press-release are in line with Umicore's new organisation, which was introduced in June 2010. Historic key figures for the new business segments can be found on Umicore's website (<http://www.investorrelations.umicore.com/en/financials/>). These figures also reflect new definitions for EBITDA and net debt.

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

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## CATALYSIS

### Overview

Catalysis revenues were up by 20 %. This reflected continued improved demand in both Automotive Catalysts and Precious Metals Chemistry.

### Automotive Catalysts

Global light duty vehicle production increased by some 10 % year on year in the third quarter. The strong market growth observed during the last twelve months is tapering off as anticipated as sales reach more normalized levels. Umicore's sales volumes of automotive catalysts evolved in line with the market. Revenues outpaced the vehicle market, however, as a result of geographical and engine mix.

In Europe, light duty vehicle production was slightly down year-on-year. Government incentives and scrappage schemes have gradually wound down during the course of the year. Umicore's revenue growth, however, outpaced the vehicle market due to proportionally stronger sales of high added value catalyst systems such as for diesel-powered vehicles.

In North America light duty vehicle production showed a notable year-on-year progression in the third quarter, with 25 % growth. This is expected to taper off in the fourth quarter. Inventory levels of

produced vehicles increased although the average days of inventory remains at a satisfactory level against selling rate and below pre-downturn levels. In South America a similar trend was observed although the year-on-year increase of light duty vehicle production over the quarter was more moderate at 12 %. The market pick-up was reflected in Umicore's volumes and revenues.

In Asia, production of light duty vehicles increased in line with the global market. In China the light duty vehicle build has stabilised, remaining at the same level as in the third quarter of 2009. The new production line in Suzhou is now operational. In Korea a similar stabilisation was noted while in Japan vehicle production volumes were up 15 % year-on-year. Umicore's revenue growth in the region outpaced vehicle production in the Asian market.

### Precious Metals Chemistry

The business unit revenues continued to grow in line with the continued recovery in its end-markets. Sales of products used as precursors for automotive catalysts as well as for non-catalytic applications continued to improve, while sales of catalysts used in life science applications continued to grow as a proportion of the portfolio.

## ENERGY MATERIALS

### Overview

Energy Materials revenues were up by 18 %. Strong growth was noted in Cobalt & Specialty Materials and Thin Film Products especially.

### Cobalt & Specialty Materials

Revenues for the business were up year on year for all business activities. Cobalt refining volumes were up both in Belgium and China.

Revenues for Rechargeable Battery Materials were up compared to the third quarter in 2009 and in line with the first half of 2010. Umicore is participating in an increasing number of customer development programmes for new material grades used in automotive applications. Construction of the greenfield battery materials facility in Japan started in September.

Sales of cobalt powders used in tooling increased significantly from the weaker levels in 2009, both for hard metal and diamond tool applications. Customer de-stocking has come to an end.

Although the Ceramics and Chemicals business line posted year-on-year growth in revenues, it was somewhat down on the first half year. Sales of nickel products, which had been exceptionally high earlier in the year, started to slow down, thereby offsetting higher average premiums and increased sales of cobalt-containing products.

### Electro-Optic Materials

Revenues were in line with 2009. Sales volumes of germanium substrates have continued to increase through the year and were well up on the third quarter of 2009, mainly due to the growth in the LED sector. The new substrates plant in Quapaw, Oklahoma, was officially opened on 12 October. Customer qualification of the production lines is ongoing. The germanium optics market remains subdued. Order levels for government-sponsored programs remain at a low level. The finished optics activities continue to grow from a small base, while sales of germanium tetrachloride were stable.

### Thin Film Products

Revenues for the business unit were well up year on year. Sales of materials for use in optics and electronics continued to benefit from a strong recovery in the market. For Large Area Coatings sales were up, primarily as a result of increased sales volumes of planar ITO targets used in touch-panel manufacturing for consumer electronics. Orders for targets in rotary format continued to increase as rotary ITO technology gets adopted in mainstream display production. Umicore recently announced its intention to invest some €30 million in the expansion of its thin film capacity in its North American, European and Asian operations.

## PERFORMANCE MATERIALS

### Overview

Performance Materials revenues were up 18 % reflecting mainly the growth in Platinum Engineered Materials, Zinc Chemicals and Technical Materials.

### Building Products

Sales volumes were slightly lower in the third quarter compared to 2009. Stable sales volumes in France and in the Benelux were more than offset by a decrease in Germany and the rest of Europe. Sales of pre-weathered products continue to grow in the product mix, with a positive impact on margins. Some positive signs have been detected in the European construction sector with increased numbers of building permit applications indicating a gradual recovery in the residential market which could have a positive impact in one year's time.

### Electroplating

Revenues in Electroplating reflected continuing improvements in business conditions. These improvements were noted both in electronic applications and in decorative solutions used for jewellery and luxury & lifestyle goods. The overall market has recovered to pre-downturn levels and the shift to Asia has continued.

### Platinum Engineered Materials

Overall revenues for the business unit were well up, in line with the growth already observed in the first half of 2010. Sales of platinum equipment used in the glass industry were well up, in line with the first half performance. Although all glass applications showed strong demand, this was especially the case for displays. Producers are currently ramping up their existing capacity utilisation and yield, which increases the need for maintenance/replacement of the equipment. The Performance Catalysts activity, which

had experienced a slower start to the year, is now also recovering with increased demand for platinum gauzes mainly for use in the fertiliser industry.

### Technical Materials

The recovery of the business in the first half of the year persisted in the third quarter, with sales levels well up year on year in all geographies. The Contact Materials business line benefited from increased demand from the automotive and electrical sector. Demand for brazing products used in tooling and electrical uses was more subdued.

### Zinc Chemicals

The business unit revenues were significantly up year on year and also improved relative to the levels seen in the first half. Sales volumes of zinc powders were up, primarily for anti-corrosive paint pigments in Asia, where demand from the shipping container market has improved significantly. Sales of fine zinc powders used in chemical applications remained strong. Demand for zinc battery materials was high in the North American and Asian markets. Sales volumes for zinc oxide products also increased, albeit to a lesser extent. Scarcity of secondary materials had a negative effect on the zinc recycling activities.

### Element Six Abrasives

Sales for all Element Six' activities increased significantly in line with the second quarter of 2010, confirming the recovery in demand for abrasive products. This was the case especially for the advanced materials and oil & gas activities. The growth was less pronounced for cemented carbide based products. The net contribution to Umicore is however severely impacted by currency fluctuations and accruals for employee incentive plans reflecting the higher level of performance.

## RECYCLING

### Overview

Recycling revenues were up by 22 % reflecting a favourable supply environment, and the impact of higher metal prices.

### Precious Metals Refining

Precious Metals Refining continued to perform in line with the first half year and well above the levels of the same period in 2009.

Supply conditions for industrial residues remained strong. While activity levels at non-ferrous metal refiners remain at a high level, the unit continued to attract new streams of complex materials. Umicore's competitive advantage is being bolstered in a global environment where more stringent environmental legislation on refining operations is being gradually enforced. Electronic scrap supply remained at high levels. Supplies of industrial catalysts increased with the rising activity level in the chemical industry. The partial recovery of spent automotive catalyst supply observed in the first half year was confirmed in the third quarter.

Spot prices in Euro for all the metals the business unit recovers were significantly higher year on year, both for precious metals and some specialty metals such as indium, tellurium and selenium. Although a large part of the exposure towards precious metals had been secured earlier in the year, further price increases in a number of specialty metals such as tellurium had a positive impact on the business. Umicore continues to pursue its policy of gradually securing the metal price component in its earnings and cash flows and in this context has secured further pricing elements related to certain long-term contracts up to and including 2012.

The market for by-products such as sulphuric acid has shown a notable recovery year on year.

### Precious Metals Management

Overall revenues were significantly higher year on year but lower than in the first half. The physical sales, purchases and leasing activities for precious metals were somewhat lower in the summer months. Price volatility on the metal markets as well as the overall price levels were beneficial. Demand for investor bars decreased compared to the second quarter of 2010 as fears over the state of the European economy receded.

### Jewellery & Industrial Metals

Revenues for Jewellery & Industrial Metals were well up year-on-year. The business continued to benefit from strong volumes and supportive market conditions for its recycling activities. This more than offset the typical seasonal slowdown in the summer months. Jewellery and other decorative products are in strong demand in Europe while silver coins remain attractive for investment purposes. Sales volumes of silver products for industrial applications were also strong.

### Battery Recycling

The construction of the new recycling plant in Hoboken is progressing according to plan and is due to be operational in the third quarter of 2011. Meanwhile the business unit is collecting spent rechargeable batteries, mainly from portable electronics. Umicore is developing its collection mechanism for the larger batteries such as those from hybrid and electrical vehicles. Intake of such batteries will be primarily from production scrap and defective batteries in the initial phase as hybrid and electric cars start to penetrate the automotive market. A dismantling centre for these larger types of batteries is now already in operation in Hanau, Germany.

## 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.

## For more information

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## Financial calendar

10 February 2011	2010 results publication
26 April 2011	Annual General Meeting and 2011 1 <sup>st</sup> quarter trading update
4 August 2011	2011 half year results publication
20 October 2011	2011 3 <sup>rd</sup> quarter trading update

## Umicore profile

Umicore is a materials technology group. It focuses on application areas where it knows its expertise in materials science, chemistry and metallurgy can make a real difference. Its activities are centred on four business areas: Catalysis, Energy Materials, Performance Materials and Recycling. 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 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 14,300 people.

A conference call and audio webcast will take place today at 10:00 CET.

Please visit: <http://www.investorrelations.umicore.com/en/financialCalendar/confCall20101021.htm>