

TRADING UPDATE Q3 2011

Highlights

Revenues in the third quarter were up 13% year on year, growing at the same pace as in the first half of the year.

- Catalysis revenues were up by 17%;
- Energy Materials revenues were up by 11%;
- Performance Materials revenues were stable;
- Recycling revenues were up by 22%.

Share buyback in progress since mid-August.

Outlook

Based on the performance in the first nine months and forecast demand levels for the balance of the year, Umicore remains confident of generating record earnings in 2011, with a recurring EBIT between € 400 million and € 425 million, in line with previous guidance.

Note: All comparisons are made with the third quarter of 2010, unless mentioned otherwise.

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CATALYSIS

Overview

Overall revenues for the Catalysis segment were up by 17%, driven by increased demand in both Automotive Catalysts and Precious Metals Chemistry.

Automotive Catalysts

Global light duty vehicle production rose by some 5% year on year. The usual seasonal dip in the quarter was somewhat offset by the gradual recovery in Japan. Umicore's catalyst sales volumes and revenues continued to substantially outperform the global car market.

In Europe, light duty vehicle production increased by some 4% in the third quarter of 2011. Umicore performed much better than the market, which was largely the result of its sales mix and disproportionate growth in fuel efficient and light duty diesel platforms.

The recovery in the North American market continued, with overall light duty vehicle production up 5% year on year. Umicore's volumes and revenues increased significantly above that level, due to a favourable customer exposure and growing demand for fuel

efficient engines. Umicore's revenues also outgrew vehicle production in South America, which was up by 4% year on year.

Overall Asian vehicle production volumes were up 5% in the quarter. Even though the Chinese production growth rate was lower than in previous years, it remained slightly above the global average at some 6%. In Korea, production benefited from strong export demand and grew well above the global market at 14%. The Japanese market remained somewhat depressed at -4% but is gradually recovering from the supply chain disruptions that followed the natural disaster in March. Umicore's sales volumes in the region surpassed the growth in car production.

Precious Metals Chemistry

Revenues were significantly higher year on year. On top of the higher volumes for precursors used in automotive catalysts, the business unit continued to benefit from recent product developments in life science and fine chemistry applications, for which demand is gaining momentum.

ENERGY MATERIALS

Overview

Revenues in the segment were up by 11% compared to the third quarter of 2010, mainly as a result of the increase in sales volumes for Li-ion cathode materials in the Cobalt & Specialty Materials business unit.

Cobalt & Specialty Materials

The business unit revenues increased significantly year on year. Despite lower cobalt prices, supply for the refining and recycling activity was stable.

Sales volumes and revenues of **Rechargeable Battery Materials** were at a record level. On top of sustained demand from the portable electronics segment, sales volumes for automotive applications are gaining in importance and the qualification work for new platforms keeps rising. The proportion of new generation NMC materials in the product portfolio is now close to 50%. Pricing conditions remain highly competitive in all product categories, however. The greenfield plant in Japan was officially opened in October and is ramping up production, while the expansion in Korea is nearing completion.

Revenues in the **Ceramics & Chemicals** business line were up compared to an already strong performance in 2010. Lower sales of cobalt compounds were more than offset by strong sales of nickel salts.

Sales levels for cobalt powders in the **Tool Materials** business were at a somewhat lower level year on year.

Electro-Optic Materials

Revenues for the business unit were in line with the same period in 2010, with an increase in the Substrates business line offsetting a decline in Optics.

Revenues for germanium **Substrates** grew further. On top of strong demand for space solar cells, sales of materials for terrestrial concentrator photovoltaics, are continuously gaining momentum. Demand for substrates used in the LED lighting industry remained subdued.

The demand for germanium blanks in **Optics** was lower year on year as a result of the cuts in government spending. The smaller finished optics activities recorded higher sales volumes, primarily for non-automotive infrared systems. Sales for germanium tetrachloride continued to perform well, mainly linked to optical fibre network projects in China.

Thin Film Products

Revenues for the business unit were in line with those in the third quarter in 2010.

Revenues for **Optics & Electronics** were slightly down. Sales volumes for electronic applications were lower than the high levels seen in 2010, while sales of materials for optical applications were higher, benefiting from the high activity level coming from the deployment of the optical fibre network in China.

In **Large Area Coating** applications, revenues were up significantly as a result of increased sales of rotary targets. While the majority of the display industry is still using planar ITO coating targets, new production expansions, aiming mainly at the high growth market for touch panels, are increasingly using the more efficient rotary technology.

PERFORMANCE MATERIALS

Overview

Business group revenues were in line with those of the third quarter of 2010. An increase of revenues in Building Products and Technical Materials was offset by a decrease in other business units.

Building Products

Sales volumes and revenues grew further due to higher demand for both natural zinc and pre-weathered products in all regions and particularly in the core markets of France, Belgium and Germany. While the recovery in the industry continued, the sales growth of Umicore outperformed the construction market. The higher value coated products gained further weight in the sales mix.

Electroplating

Revenues were in line with revenues of the third quarter of 2010. Sales of precious metal-based plating solutions increased, both for decorative and industrial applications. Umicore's rhodium-based electrolytes were in high demand, while electrolytes for printed circuit board manufacturing remained at a high level, mainly driven by the increased use of electronic components in the automotive industry. The market for non precious metals based electrolytes was more subdued.

Element Six Abrasives

The revenues of Element Six Abrasives' were in line with the third quarter of 2010.

Revenues for **Advanced Materials** were up year on year, following further market penetration for grinding applications used mainly in the automotive industry.

Revenues for **Hard Materials** increased driven by a growth in wear parts sales and a stable performance for the mining equipment and road construction sectors.

Demand from the **Oil & Gas** drilling industry contracted somewhat.

Platinum Engineered Materials

Business unit revenues were down on the level of the third quarter of 2010. The difference is however not reflecting the underlying business, as the project nature of the industry causes an uneven spread over the periods.

The market for high-purity **Glass Applications** continued to grow driven primarily by new production capacity for touch panels. The new workshop in Yokohama, Japan, which will open at the end of October, will enable the unit to further broaden its customer exposure to technical and optical glass applications.

The fertiliser industry, which is the end market for most of the products of **Performance Catalysts**, operated at a high level, in line with increased crop prices.

Technical Materials

Revenues were up compared to the third quarter of 2010, despite the high silver price which led some customers to reduce their inventory levels.

Sales of **Contact & Power Technology Materials** grew in line with increased activity, especially for medium voltage applications, which is mainly driven by demand from the global electricity distribution sector. Umicore's business for materials used in energy saving lamps, remained strong.

In the **BrazeTec** business line, which is typically more seasonal, sales growth was more tempered. The business line is successfully introducing a number of new low silver-content and eco-friendly brazing pastes and fluxes.

Zinc Chemicals

Revenues were down year on year. Despite the increased competition in the zinc recycling activity, the supply of galvanising residues has been steady, benefiting from longer term contracts.

Fine Zinc Powders recorded lower sales volumes and premiums. Demand for anti-corrosive paint used in

coatings was down in Europe and China, while volumes were up in other regions. Sales for chemical applications and electrolysis were stable following a recovery in the previous quarters.

Volumes were down for **Zinc Oxide** products. Sales for ceramic, tyre and fertilizer applications were stable, while the sales volumes for animal feed were lower.

Revenues of **Zinc Battery Materials** were lower compared to the historical high levels of 2010. Continued growth in Asia, China in particular, could not fully compensate the decrease in demand in the North American and European markets.

RECYCLING

Overview

Recycling revenues were up by 22%, reflecting buoyant market conditions in Precious Metals Refining and a strong performance in Jewellery & Industrial Metals.

Precious Metals Refining

Revenues were up year on year, in line with the growth achieved in the first half of the year. This was the result of an increase in processed volumes and improved supply conditions.

The volume of residues processed from the non-ferrous metal industry was higher and a further improvement in the supply mix resulted in an increase of the average recycling income. Umicore's customers in the industry are increasingly confronted with the treatment of more complex raw materials, which increases the availability of complex residues for Umicore to recycle. The volumes of end-of-life materials were up as well, especially for electronic scrap, where the collection of high-end materials has been highly successful since the beginning of the year. Volumes of processed automotive catalysts also increased, while industrial catalysts volumes were somewhat lower.

Average received prices for most metals were up versus the third quarter of 2010. In line with the high level of activity in the fertiliser industry, sales of sulphuric acid, a by-product of the operations, were stable.

Precious Metals Management

Overall sales of precious metals to industrial users increased and the investor appetite for small gold and silver bars was exceptionally strong, against the backdrop of renewed investor concern over sovereign debt defaults. Higher volatility on the metal markets also benefited the proprietary trading operations.

Battery Recycling

The new recycling facility in Hoboken was officially inaugurated in September. It will be used both to process spent rechargeable batteries and conduct pilot tests for the recycling of potential new supply streams.

Jewellery & Industrial Metals

Revenues increased significantly compared to the third quarter of 2010. The recycling activity for gold and silver strengthened further driven by high metal prices and good supply availability.

The market for semi-finished products for **Jewellery** and lifestyle goods was stable. The demand for silver fashion jewellery parts remained high, despite higher metal prices, while the demand for gold pre-forms was somewhat lower.

Demand for silver-based **Industrial Metals** continued to increase, driven by a recovery in demand for coin blanks and the demand for products for the photovoltaics market.

CORPORATE ITEMS

Share buybacks

Umicore has purchased 1,384,996 of its own shares, or 1.2% of the issued shares, between 16 August and 19 October for a total amount of € 41 million. On 19 October the company held a total of 7,575,245 shares in treasury, or 6.3% of the issued shares.

Cashflows and net debt

Strong operating cashflows were generated in the period. Net working capital needs increased somewhat with revenue and metal prices. In September the interim dividend of € 0.40 per share was paid out, totalling some € 45 million, while the cash outflow related to the share buybacks up to the end of September amounted to some € 25 million.

As a result net debt in the quarter moved up slightly to some € 380 million.

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

9 February 2012	2011 full year results publication
24 April 2012	AGM and 2012 first quarter trading update
30 July 2012	2012 half year results publication

Umicore profile

Umicore is a global materials technology group. It focuses on application areas where its expertise in materials science, chemistry and metallurgy makes 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 offering materials and solutions that are at the cutting edge of new technological developments and essential to everyday life.

Umicore generates the majority of its revenues and dedicates most of its R&D efforts to clean technologies, such as emission control catalysts, materials for rechargeable batteries and photovoltaics, fuel cells, and recycling. Umicore's overriding goal of sustainable value creation is based on an 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 € 9.7 billion (€ 2.0 billion excluding metal) in 2010 and currently employs some 14,400 people.

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

Please visit: <http://www.umicore.com/investorrelations/en/financialCalendar/confCall20111020.htm>