

TRADING UPDATE Q3 2012

Highlights

Umicore's revenues were up 2% compared to the same period in 2011. The slowdown in the global economy was more pronounced in the third quarter with a number of end markets affected by lower demand. Visibility on customer orders has also decreased. The main effects of the slowdown were felt in Performance Materials and in Energy Materials, with the exception of the Rechargeable Battery Materials activity. In Catalysis, revenues increased slightly, although the business started to feel the effects of lower demand in the European automotive sector. The Recycling business continued to benefit from a positive supply environment.

In response to the evolution in specific end markets, Umicore is adjusting its cost base and production footprint. At the same time, Umicore continues to invest for future growth opportunities with new initiatives announced in Jewellery & Industrial Metals, Cobalt & Specialty Materials and Rechargeable Battery Materials.

Cash flows remained highly positive during the third quarter with net debt further reduced by some € 35 million.

Outlook

The more challenging market conditions are likely to persist in most of the Performance Materials and Energy Materials end-markets. Catalysis should continue to feel the effects of the slowdown in the European automotive sector. Supply conditions and profitability in Recycling are expected to remain strong in the fourth quarter.

Despite a more testing economic environment for many of Umicore's businesses, full year recurring EBIT is still expected to be within the range provided in July of between € 370 to 390 million, corresponding to an EBITDA in excess of € 500 million.

Note: All comparisons are made with the third quarter of 2011, unless mentioned otherwise.

Umicore Group Communications

Naamloze vennootschap / Société anonyme
Broekstraat 31 Rue du Marais
B-1000 Brussels
Belgium

phone: +32 2 227 71 11
fax: +32 2 227 79 00
e-mail: info@umicore.com
website: www.umicore.com

VAT: BE0401 574 852
company number: 04001574852
registered office: Broekstraat 31 Rue du Marais
B-1000 Brussels

CATALYSIS

Overview

Revenues in the Catalysis business group rose by 3% as a result of increased revenues in both Automotive Catalysts and Precious Metals Chemistry.

Automotive Catalysts

Global automotive production increased by some 2% year on year. An increase of car production in Asia and the Americas was to a large extent offset by a decrease in Europe. The evolution of Umicore's sales volumes and revenues followed the trend of global car production.

The European automotive market further deteriorated with a decline in production of 8% year on year. Umicore's volumes decreased less sharply than the market. Revenues, however, reflected a change in the product mix, in line with further reductions in the market share of diesel in the European market.

Car production in North America grew by 8%. Umicore's revenues outperformed the market, reflecting a favourable platform and product mix. The South American market grew 8%, while Umicore's sales volume growth was somewhat below this level.

In Asia, vehicle production went up 6% year on year, mainly driven by growth in China (up 8%) and Japan (up 7%) – the latter showing more moderate growth after a period of strong recovery from the effects of the natural disasters in 2011. Overall, Umicore's sales volumes followed the trend of Asian car production.

An explosion has damaged a facility of Nippon Shokubai in Himeji, Japan. The catalyst operations of Umicore Shokubai, which are located on the same site, were not damaged. The catalyst production and testing activities have been unable to operate since 1 October, however, due to the interruption of the power supply on the site.

The new production line and the new technology development centre in Suzhou, China, have now been commissioned.

Precious Metals Chemistry

Revenues for the business unit increased compared to the same period last year. The continued success of Umicore's advanced catalytic solutions for life science and pharmaceutical applications and strong sales of catalysts used in bulk applications more than offset more subdued demand for precursors used in the automotive industry.

ENERGY MATERIALS

Overview

Revenues in Energy Materials were up 8% year on year, driven by increases in Rechargeable Battery Materials. The business units Electro-Optic Materials and Thin Film Products posted lower revenues.

Cobalt & Specialty Materials

The business unit's revenues were higher year on year, due to increased recycling activity. A slowdown in several product end markets and more severe, volume-driven, competition negatively impacted sales volumes and premiums.

In the recycling and refining activities, processed volumes remained at a high level due to the long term contracts in place. The lower prices for cobalt and nickel had a negative impact on the overall refining margins, however.

Sales volumes and revenues for Ceramics & Chemicals were down year on year. While demand in North America and Asia remained stable, European demand was lower, mainly in the southern European construction sector. Activity in the carboxylates market was also lower. Revenues for Tool Materials decreased in line with lower demand for hard metal tools used for industrial steel cutting.

To further strengthen its global leadership position in the production of fine cobalt powders, Umicore will invest in new production infrastructure at its site in Olen, Belgium. The investments will enable higher throughput of materials and improved environmental performance compared to the existing installations.

Electro-Optic Materials

Sales volumes and revenues for Electro-Optic Materials were down year on year.

In the germanium optics business, demand from government programmes for optical blanks remained low in a very competitive market. Demand for high purity germanium for gamma-detector applications was strong. The smaller finished optics activities recorded higher sales for non-automotive applications and sales volumes for germanium tetrachloride, used

in optical fibres, continued to grow. Revenues for Substrates decreased year on year. Sales for space solar cells were lower due to temporary delays in orders for space programmes. Demand for germanium substrates used in the terrestrial concentrator photovoltaic industry was much lower while demand for use in LEDs remained strong.

Rechargeable Battery Materials

Sales volumes and revenues were considerably higher than in the third quarter of last year.

Umicore further benefited from the booming demand for high-end portable electronics, such as smartphones and tablets. These products use batteries that require high energy density cathode materials. The market for materials used in lower-end portable devices was rather subdued. The ordering pattern for automotive applications remained somewhat erratic. Overall demand was higher than in the third quarter of 2011, but not as high as in the first half of 2012.

Umicore decided to expand its production capacity for cathode materials in its Chinese operation. This expansion is expected to become operational at the end of 2013 and comes on top of the previously announced investments for precursors and cathode materials in Korea. The industrial demonstration plant of beLife, the joint-venture between Umicore and Prayon for the production of LFP (lithium iron phosphate), has been commissioned and is due to start its first production run in the coming weeks.

Thin Film Products

Revenues for the business unit were down year on year. Sales for Large Area Coating applications were lower, reflecting further delay in investments in the display sector. Sales of materials used in architectural glass remained stable. Revenues for the optics and electronics activities were level year on year.

To align with current demand trends, the business unit will focus its product offering and technology development efforts in the photovoltaic sector on ITO (Indium Tin Oxide). As a result it was decided to close the production line for AZO targets (Aluminium-doped Zinc Oxide) in Balzers, Liechtenstein.

PERFORMANCE MATERIALS

Overview

Revenues in Performance Materials were down by 9% year on year. An increase in Electroplating was more than offset by a decrease in the other business units.

Building Products

Sales volumes for the business unit were down year on year. The impact on revenues was tempered by a better product mix – the sales of surface-treated products, which are sold at a higher premium, remaining stable.

Sales of building products in the Benelux and French markets were in line with the previous year. A significant decrease was seen in other European markets including Germany, as well as in the overseas markets, where larger architectural projects are being postponed.

The construction of the new production line for surface-treated products in Viviez, France, due to be operational in 2014, is progressing according to plan.

Electroplating

Despite a weaker economic environment, especially in Europe, revenues increased year on year, mainly due to the successful introduction of a number of new products. These include rhodium-light electrolytes used in decorative applications, and silver-based reflective coatings used in LEDs.

Sales of other precious metals-based products for the semiconductor and printed circuit board sector were lower, in line with the market. Sales of non-precious-metals-based electrolytes were stable.

Platinum Engineered Materials

Revenues in the quarter were below those of the previous year as a result of lower revenues in the business line Glass Industry Applications. Despite the high demand for all types of displays, most high-purity glass manufacturers have postponed capacity

investments with a consequent reduction in the ordering of new platinum-based manufacturing equipment.

Revenues in the Performance Catalysts business line were higher as a result of higher demand for platinum catalyst gauzes used in the production of ammonia. This is a direct result of higher demand for fertilizers. Umicore also expanded its customer portfolio to manufacturers of mining explosives.

Technical Materials

Revenues were down year on year, both for the Contact & Power Materials and BrazeTec business lines.

Sales of brazing alloys for tooling applications were stable. Sales of products used in electrical equipment and especially in the HVACR (Heat Ventilation Air-Conditioning & Refrigeration) industry were down significantly, mainly as a result of lower demand from the automotive and building sectors.

The weakness in these sectors also negatively affected the demand for low voltage contact materials. Sales of products for medium voltage applications increased, primarily as a result of continued growth in electrical distribution systems in China. Sales of amalgam spheres used in energy-saving lamps, continued to grow.

Zinc Chemicals

Revenues for most products were down in the period. Supply of zinc residues for the recycling operations was stable.

The decrease in sales in the Zinc Oxides business resulted mainly from lower demand in Europe, and more specifically in ceramics and rubber applications. Sales in India progressed further as a result of higher demand from the tyre industry. Umicore is currently expanding its production capacity in its facility in Goa, India, due to be operational by mid-2013.

Sales of Zinc Battery Materials were stable in Europe and North America. Demand in Asia was lower.

Sales volumes of Fine Zinc Powders increased, with higher demand for materials used in the production of bleaching agents in North America. Sales of anti-corrosive paint pigments were stable in Asia, in contrast to lower sales in Europe and North America.

Element Six Abrasives

Element Six Abrasives revenues were down in the third quarter, as a result of lower sales volumes in Advanced Materials and the Oil & Gas business.

In the Advanced Materials segment, a slowdown in the tooling and machining market, especially for automotive end-use, was exacerbated by customer destocking.

Demand from the Oil & Gas sector was also somewhat lower than in the third quarter of 2011. The shift in focus in North America to shale gas, which requires less intensive drilling, has affected demand from the gas drilling sector in particular.

Overall sales volumes in the Hard Materials activity were stable, supported by the successful introduction of new diamond road picks, which prolong life and improve efficiency compared to carbide equivalents.

In order to realign its footprint to the market, Element Six Abrasives intends to shut carbide production at its operations in Springs, South Africa. The construction of the new central R&D facilities in the UK is reaching completion.

RECYCLING

Overview

Revenues for Recycling were up by 8%. An increase in the Precious Metals Refining activity was tempered by a decrease in Jewellery & Industrial Metals and in Precious Metals Management.

Precious Metals Refining

Revenues were up year on year. Overall processed volumes were in line with the third quarter of 2011, and on a higher level than in the first half of this year, when the smelter was shut down for maintenance.

The intake of industrial residues was stable with strong supply conditions persisting. The availability of residues from the non-ferrous mining and refining industry remained high.

Despite increasing competition in the e-scrap supply market, Umicore maintained its strong position in the high end of the market. The supply of spent industrial catalysts was also strong. In this market Umicore benefits in particular from its superior processing capabilities for certain residue types. The supply of spent automotive catalysts remains subdued, despite increasing pgm prices in the quarter.

Average received metal prices for precious and base metals remained largely stable as Umicore has locked in a significant portion of these in previous periods. Market demand and prices of a number of specialty metals, like tellurium, were down, mainly as a result of lower demand from the photovoltaics industry.

During the period new gas cleaning equipment was installed in the lead operations. This investment enables further substantial reductions in metal emissions, in anticipation of tightening regulations. The expansion and refurbishment of the sampling facility in Hoboken as well as the construction of the new biological water treatment plant are on-going.

Jewellery & Industrial Metals

Revenues for the business unit decreased year on year. Although the demand for gold, silver and pgm

recycling remained at similar levels to the first half, it was lower than the very strong levels of 2011.

Sales to customers in the luxury gold jewellery market remained at a high level and an improvement was recorded for products used in pgm-based jewellery. Demand for silver-based products, used mainly in fashion jewellery, decreased due to the combination of reduced consumer spending and a higher silver price.

The higher silver price also negatively affected orders from state mints for coin blanks. Sales for industrial applications remained low largely as a result of the continued weakness in the European photovoltaics industry.

Besides the expansion of the silver refining capacity in its plant in Bangkok, Thailand, Umicore has decided to expand the silver refining activities at the unit's headquarters in Pforzheim, Germany. This investment is due to be finalised in the course of 2014. Umicore has closed its facility in Foshan, China, the activities at the plant having been suspended earlier in 2012.

Precious Metals Management

Revenues from precious metals deliveries were lower in the quarter due to reduced orders for metals in industrial and decorative applications. The high gold price proved to be a barrier to retail investors in Europe, resulting in lower demand for investment bars. Although volatility in the precious metals markets increased compared to the first half of the year, it remained well below that of the third quarter of 2011, resulting in a lower year-on-year contribution from the trading activity.

Battery Recycling

Toyota Motor Europe selected Umicore as its partner for the recycling of Li-Ion batteries for two of its new models in Europe. This agreement further underlines Umicore's strong collaboration with (hybrid) electric vehicle manufacturers for the processing of their used batteries.

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

Investor Relations:

Geoffroy Raskin	+32 2 227 71 47	geoffroy.raskin@umicore.com
Evelien Goovaerts	+32 2 227 78 38	evelien.goovaerts@umicore.com

Media Relations:

Elcke Vercruyssen	+32 2 227 71 29	elcke.vercruyssen@umicore.com
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Financial calendar

7 February 2013	2012 results publication
30 April 2013	2013 first quarter trading update
30 April 2013	Annual General Meeting
30 July 2013	2013 first half 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 € 14.5 billion (€ 2.3 billion excluding metal) in 2011 and currently employs some 14,600 people.

A conference call and audio webcast will take place today at 14:00 CET in Brussels.
Please visit: <http://www.investorrelations.umicore.com/en/financialCalendar/ConfCall20121023.htm>