

## Press release

18 April 2002

### **Umicore Agrees to Terms for Purchase of Sterling Semiconductor**

Umicore's subsidiary, Umicore USA, has entered into an agreement to purchase the outstanding shares of Sterling Semiconductor Inc. – a subsidiary of Uniroyal Technology Corporation. The sale is contingent upon certain regulatory requirements and other customary closing conditions. It is anticipated that the sale will be completed in May 2002.

The purchase price to be paid by Umicore, prior to any possible closing adjustments, includes a cash payment of approximately USD 13 million, including the refinancing of existing indebtedness. The agreement also provides for certain contingent earnout arrangements tied to both short term events and longer term operating results of the acquired business. In addition, Umicore USA will be issued a five-year warrant for approximately 3% of UTCI's common stock.

Headquartered in Sterling, Virginia (USA), Sterling Semiconductor specializes in the development and production of silicon carbide (SiC) substrates and is the world's number two supplier to this promising market. The acquisition involves three production sites in Virginia, Connecticut and Florida and approximately 50 people.

Umicore has a highly successful track record and is the market leader in the production of germanium substrates that are currently used in the solar panels which power satellites. In addition to extending the use of germanium to other applications, it is Umicore's strategy to broaden its expertise in substrates technology by entering the market for the most advanced, generation of compound semiconductor substrates. Umicore is already engaged in a number of research projects involving the development of indium phosphide (InP) and SiC substrates.

SiC possesses unique physical and electrical properties which enable devices to operate at higher temperatures and frequencies and to generate greater power amplification. It is expected that SiC will play a key role in the development of new technologies in wireless communications, electronics and opto-electronics. Sterling Semiconductor provides an excellent entry into this market, as it is currently the world's second largest producer of SiC substrates.

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Umicore is also assessing the potential of activities downstream in the value chain such as epitaxy. This involves the deposition of thin layers on substrates using sophisticated methods and is also an area in which Umicore has been conducting research. Sterling Semiconductor provides excellent synergies in this regard as it possesses the technology and equipment for the production of epitaxial layers.

In 2001 Sterling Semiconductor achieved a turnover of USD 3.7 million. This is expected to grow significantly as from 2002. In connection with its product development, the company has attracted key funding from certain United States government agencies. Sterling Semiconductor is expected to make a positive contribution to Umicore's earnings commencing in 2004.

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**For more information:**

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## PROFILE

Umicore is an international metals and materials group. Its activities are centred on four business areas: Advanced Materials, Copper, Precious Metals and Zinc. Each business area is divided into market-focused business units.

Umicore focuses on application areas where it knows its expertise in materials science and metallurgy can make a real difference, be it in products that are essential to everyday life or those at the cutting edge of exciting, new technological developments. Umicore's overriding goal of sustainable value creation is based on this ambition to develop, produce and recycle metals in a way that fulfils its mission: materials for a better life.

The Advanced Materials business group produces high-purity metals, alloys, compounds and engineered products for a wide range of applications, and is the world leader in cobalt compounds and germanium products. The business group is divided into two business units, Cobalt & Energy Products and Electro-Optic Materials, and also contains a specialist venture unit devoted to identifying and nurturing new business opportunities and projects.

The Umicore Group has industrial operations on all continents and serves a global customer base; it generated a turnover of EUR 3.5 billion in 2001 and currently employs some 9,000 people.

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