

Press release

9 December 2003

Umicore to further increase production capacity at Korean battery materials plant

In view of rapid growth in global demand for rechargeable batteries, Umicore has decided for the second time this year to increase the production capacity of lithium-based cathode material - which is key to the production of advanced lithium-ion batteries - at its plant in Cheonan, South Korea. The increase will boost capacity to in excess of 3,000 tonnes per year. This new capacity is expected to come on stream in the first half of 2004.

With its successful Cellcore[®] line of products, Umicore is one of the world's leading producers of lithium cobalt dioxide used as the cathode material in rechargeable lithium ion (Li-ion) batteries.

Strong global sales levels of mobile phones have been driven by growth in fledgling markets such as China and continued consumer demand for new technologies like color screens and camera equipped phones. Similarly, the increasing consumer preference for notebook computers over desktop PCs has led to increased demand for Li-ion batteries.

Worldwide consumption of lithium metal oxides, where the metal used is still primarily cobalt, has been growing in line with this increased demand for Li-Ion batteries. However, the battery industry has voiced concerns about the volatility in the price of cobalt, spurring a renewed interest in alternative compounds using less cobalt – compounds which Umicore has recently developed. Umicore's additional capacity will have the required flexibility to produce these new compounds, thereby addressing the cost and performance requirements of its customers.

Umicore's Cheonan plant was opened in December 2000 and rapidly established a leadership position in the market for lithium-based cathode material. The capacity expansion announced in March 2003 has just been commissioned and is expected to be operating at full capacity in the months to come. Customer demand, however, has already exceeded this increased output.

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PROFILE

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

Umicore focuses on application areas where it knows its expertise in materials science, chemistry 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 Umicore Group has industrial operations on all continents and serves a global customer base; it generated a turnover of EUR 3.2 billion in 2002 and currently employs some 12,500 people.
