

Press-release

25 April 2007

2007 FIRST QUARTER TRADING UPDATE

HIGHLIGHTS

Umicore's businesses performed strongly in the first quarter. Overall revenues were up by 14% compared with the same period in 2006.

In Advanced Materials, revenues were down by 4% due to the transfer of Zinc Battery Materials to Zinc Specialties. Excluding this effect, revenues grew by 3%, driven primarily by improvements in Electro-Optic Materials.

In Precious Metals Products and Catalysts, revenues were up by 7%. All businesses continued to perform well.

In Precious Metals Services, conditions remained very buoyant and revenues were up by 18%.

In Zinc Specialties, revenues were up by 40%, driven primarily by stronger premiums and a higher average zinc price. Excluding the effect of the inclusion of Zinc Battery Materials, revenues grew by 35%.

OUTLOOK:

Based on current market trends, Umicore expects full year recurring EBIT of between €410 and €440 million.

The main area of improvement compared with 2006 will be in Zinc Specialties. Earnings of the Zinc Alloys activities and Padaeng (which will become part of Nyrstar) are expected to reach some €80-90 million. The downstream zinc product businesses are expected to continue to perform well. Advanced Materials is expected to be stable year-on-year while Precious Metals Products and Catalysts should show further growth. Precious Metals Services will come close to repeating the outstanding performance of 2006.

The EBIT guidance given above assumes an unchanged scope and excludes any effect from the incorporation of Nyrstar in the third quarter.

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ADVANCED MATERIALS

Cobalt and Specialty Materials

This business combines the former Specialty Oxides and Chemicals and Engineered Metal Powders activities. The primary battery activities have been re-allocated to Zinc Specialties and have been re-named Zinc Battery Materials.

Deliveries of materials for Rechargeable Batteries were well above the levels of the previous year. The high cobalt price has, however, started to lead to a degree of de-stocking by customers in the second quarter. In Ceramics and Chemicals the business performed well. This was primarily due to higher deliveries of advanced products for catalyst and plating applications, mainly in the US and Asia. In Tool Materials overall deliveries were level with previous year despite some customers de-stocking in the face of a high cobalt price. In the refining and recycling activities the margins improved as a result of better market conditions for certain by-products. The business will start to benefit from a higher cobalt price from the second quarter.

Electro-Optic Materials

Deliveries of substrates were well above the levels of the previous year driven by increased demand for both space and terrestrial photovoltaic applications. The Optics business line performed in line with the average levels seen in 2006. Sales volumes of germanium products were up but the benefits of higher volumes were offset by lower premiums. Sales of GASIR[®] based optical assemblies both for driver vision enhancement and non-automotive applications increased year-on-year but were level with the last quarter of 2006. Sales of germanium chemicals for fibre optic applications were slightly up. The newly acquired germanium refining activities in Dong Chuan, China, are now operational.

Element Six Abrasives

Element Six Abrasives recorded an overall revenue growth of 7% year-on-year. Earnings were flat, largely due to a less favourable product mix. Sales of products for woodworking and metalworking applications grew strongly due to increased substitution of traditional carbide-based cutting and drilling equipment for synthetic diamond and cubic boron nitride based materials. The growth in the oil and gas drilling sector slowed somewhat, due primarily to the warm weather in the early part of the winter.

PRECIOUS METALS PRODUCTS & CATALYSTS

Automotive Catalysts

Global automotive production was flat year-on-year. Overall the Asian market continued to grow well, driven once again by China. European production was up slightly while production levels in the US were down by 7%.

Umicore's business performed very well during the period. As in 2006, the main area of volume growth continues to be the Asian market, led by China. Umicore's facility in Suzhou is moving closer to full capacity. Umicore's business in North America benefited from inventory build-up for certain vehicles but it remains to be seen whether this might affect deliveries in the second part of the year. In Europe the business performed well, with sales of Diesel Particulate Filters increasing year-on-year, driven by tax incentives and initiatives undertaken by certain automotive producers.

On the technology front Umicore successfully introduced complex catalyst systems for certain high-performance light duty platforms which use new lean-burn engine technology.

In heavy duty diesel, Umicore continues to position itself for the sourcing decisions that are to be made by the world's major engine producers. The business is building up its global testing and production capabilities in this area.

Catalyst Technologies

In the Precious Metals Chemistry activities, sales volumes of organic and inorganic chemicals continued to grow, particularly for materials sold to the life sciences sector. In Heterogeneous Catalysts, projects for catalyst materials for fuel cells made good progress. In SolviCore, the various MEA development projects also progressed well. Good levels of feed are in the pipeline for the recycling of GTL catalysts. The year started well for the Battery Recycling activities and volumes continue to grow strongly. According to Toyota, Umicore is now the leading recycler of nickel metal hydride batteries from its hybrid electric vehicles in Europe.

Technical Materials

In Platinum Engineered Materials overall deliveries of equipment for the hi-tech glass industry were slightly down on the levels of the previous year. There are a number of customer projects that will see business pick up in the coming months. Sales in Electronic Packaging Materials were slightly down on the equivalent period in 2006. Sales of wire products were stable while sales of pastes were somewhat lower in Asia. Sales of hermetically sealed materials were better in Europe. In Contact Materials, sales grew well. The benefits of the acquisition in the US in January – Umicore Technical Materials North America – started to be felt towards the end of the quarter. BrazeTec performed very well with deliveries in Europe well up year-on-year. This was both the case for traditional brazing alloys but also for other products such as copper-based pastes and fluxes. The full impact of the acquisition in Yangzhou, China started to be felt during the period.

Jewellery & Electroplating

The Jewellery & Industrial Metals business continued to grow in the first quarter. There was very positive market feedback from the spring jewellery fairs in Europe. In industrial metals there was continued strong demand from the decorative and consumer goods sectors and a large tender for Euro coin blanks was won in Europe. Revenues in the Electroplating business were well up. This was particularly the case for products used in printed circuit boards and for platinum-based high temperature electrode materials used in chemical processing. The in-house electroplating service recorded high levels of activity in the quarter.

Thin Film Products

Overall revenues were at similar levels to the previous year. The Optics business grew strongly, driven in the first instance by the additional activity generated by the JuBo acquisition in China. General market demand in this business was high but particularly so for Umicore's products. Sales levels in the Optical Data Storage business were somewhat down year-on-year. In Displays volumes were up year-on-year and although pressure on premiums did not increase further compared to the end of last year, it remains a feature of this market.

PRECIOUS METALS SERVICES

Precious Metals Refining

The business unit continued to perform at the exceptionally strong levels seen during 2006. Processed volumes were somewhat lower year-on-year as the Hoboken smelter was shut down in February for scheduled maintenance. However, this was more than compensated as the unit benefited from the continued high metal prices and favourable supply conditions. The prices of a number of precious and specialty metals have risen even higher since the beginning of the year. Supply conditions remained positive and the input of end-of-life materials such as electronic scrap and spent automotive catalysts increased year-on-year. These circumstances allowed for higher overall treatment charges compared to the equivalent period last year.

The construction phase of the announced investment in the pre-concentration step was initiated. The realisation of this project is foreseen for mid 2008. Transfer of the precious metals refining operations from Hanau to Hoboken has been initiated with the first intermediate stocks from Hanau being processed in the Hoboken plant.

Precious Metals Management

The precious metals market remained buoyant in the first quarter. The price of ruthenium showed particular strength, driven by increased demand for the metal in electronics and chemical applications. The volatility of all precious metals prices presented profitable trading opportunities. Sales of physical metal continued at high levels.

ZINC SPECIALTIES

On 23 April, Zinifex and Umicore signed a binding agreement for the formation of Nyrstar, which will become the largest zinc smelter worldwide. Umicore will contribute its consolidated zinc smelting and alloying assets to the joint-venture, as well as part of its stake in Padaeng Industry. It is anticipated that the venture will be incorporated in the third quarter of 2007.

Zinc Alloys

Sales of galvanizing alloys were up slightly year-on-year, driven by increased demand in Europe. Premiums were substantially higher, driven by the shortage of zinc on the market. In diecasting, premiums for Zamak[®], increased significantly on a year-on-year basis. This far more than offset a slight reduction in sales volumes.

Annual negotiations regarding treatment charges are being finalized at terms which are satisfactory for zinc smelting operations. The new mechanisms, which are somewhat more complex than those previously in place, offer more protection against downward movements in the zinc price. Although Umicore has a mix of both longer and shorter-term contracts in place for its concentrate supply, the effect of the new system on the most recent contracts will reduce somewhat the exposure of the Zinc Alloys activities to fluctuations in the zinc price from their current high levels during 2007.

Padaeng

Padaeng's performance in the quarter was affected by continuing low domestic sales volumes and lower premiums. Sales volumes for export markets were up but premiums were also lower.

Production volumes at the Padaeng smelter were lower, primarily as a result of the yearly maintenance shutdown.

Zinc Chemicals

In both business lines the supply of secondary materials proved increasingly difficult in the first quarter and the costs of primary materials remained high. However, the shortage of zinc on the market has led to continued improvements in product premiums.

Sales of fine zinc powders were well up on last year's levels for both chemical and paint-grade products. The capacity increases initiated in 2006 enabled Umicore to deal with increased demand. Sales of zinc oxides were slightly lower. Deliveries to customers in the tyre, ceramics and animal feed sectors in Europe were down while the Asian market remained strong. Overall the business was well placed as a result of the breadth of product grades offered.

Building Products

The European building market got off to a slow start in the first quarter, especially in France and the Benelux countries, although this was partially compensated by improved premiums. Sales in the higher added-value product ranges continued to perform strongly.

Zinc Battery Materials

The business (previously part of Advanced Materials) recorded a mixed start to the year. In Europe sales volumes were lower year-on-year as the business completed its move towards higher-end materials and phased out older generation products. The business did, however, pick up somewhat compared to the last part of 2006. Deliveries from the Chinese operations were negatively impacted by the new export regulations. Efforts are being made to compensate for the reduced export activity through increased sales to the Chinese domestic market.

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.

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Umicore profile

Umicore is a materials technology group. Its activities are centred on four business areas: Advanced Materials, Precious Metals Products and Catalysts, Precious Metals Services and Zinc Specialties. 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 new technological developments. 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 €8.8 billion (€1.9 billion excluding metal) in 2006 and currently employs some 17,000 people.