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Vision 2015

Marc Grynberg – CEO

Capital Markets Event on Recycling – 18-19 Nov 2010

Agenda

- Strategy 2011-2015 overview
- Growth ambitions in Vision 2015
  - Catalysis
  - Energy Materials
  - Performance Materials
  - Recycling
  - Investment profile and status
- Environmental & social objectives 2011-2015

Strategy 2011-2015 overview

Our journey

1990s	Late'90s-'00s	Mid-'00s	Late'00s-'10s
Industrial Plan Laying the foundations for financial survival	**Product focus** Build the downstream product businesses	**Transformation** Transforming divestments and acquisitions	**Building for the future** Increasing focus on clean technologies
Basic approach Local programmes and limited co-ordination	**Dealing with the past** Tackling the historical environmental legacy	**A common approach** Combining environmental and social aspects	**Setting the standard** Achieving a common level for all businesses
Process innovation • Hoboken flowsheet • NSB (Ge)	**Process innov. & ideation** • Hoboken flowsheet • Umagine	**Materials technology** R&D intensity increases exponentially	**Clean technology** Leveraging common platforms

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Our strategy: Vision 2015

Clear growth focus

- Rechargeable battery materials for (H)EV
- Emission control catalysts
- Materials for PV
- Recycling

+

Innovation as a differentiator for success in all areas

+

Performance-based environmental and social objectives

=

One integrated sustainable development strategy....

Growth opportunities aligned with megatrends

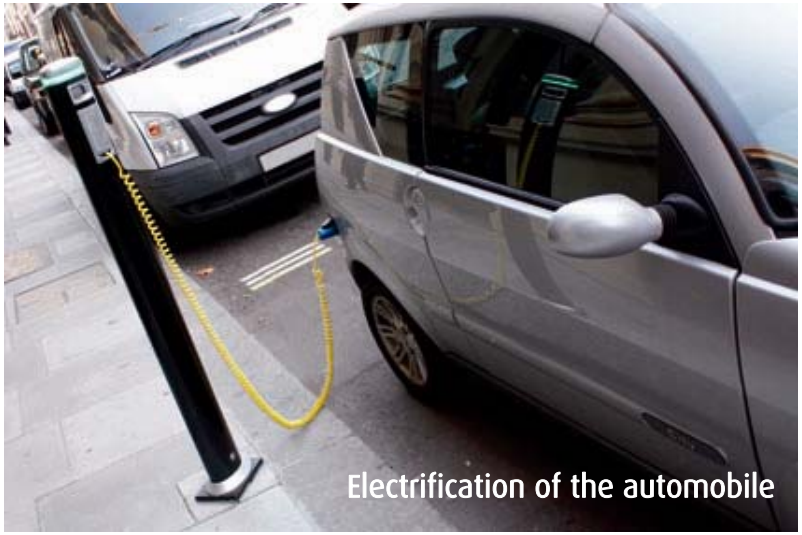
Expand recycling, especially through UHT technology

Expand Automotive Catalysts into new segments

Develop Umicore's presence in materials for photovoltaics

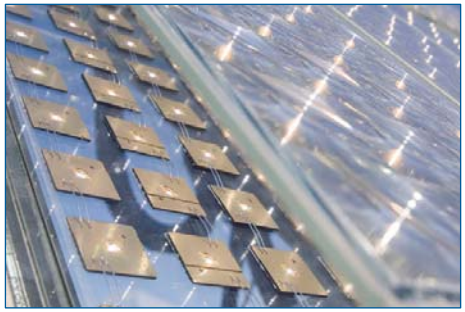
Rechargeable battery materials for electrified vehicles

Growth opportunities aligned with megatrends

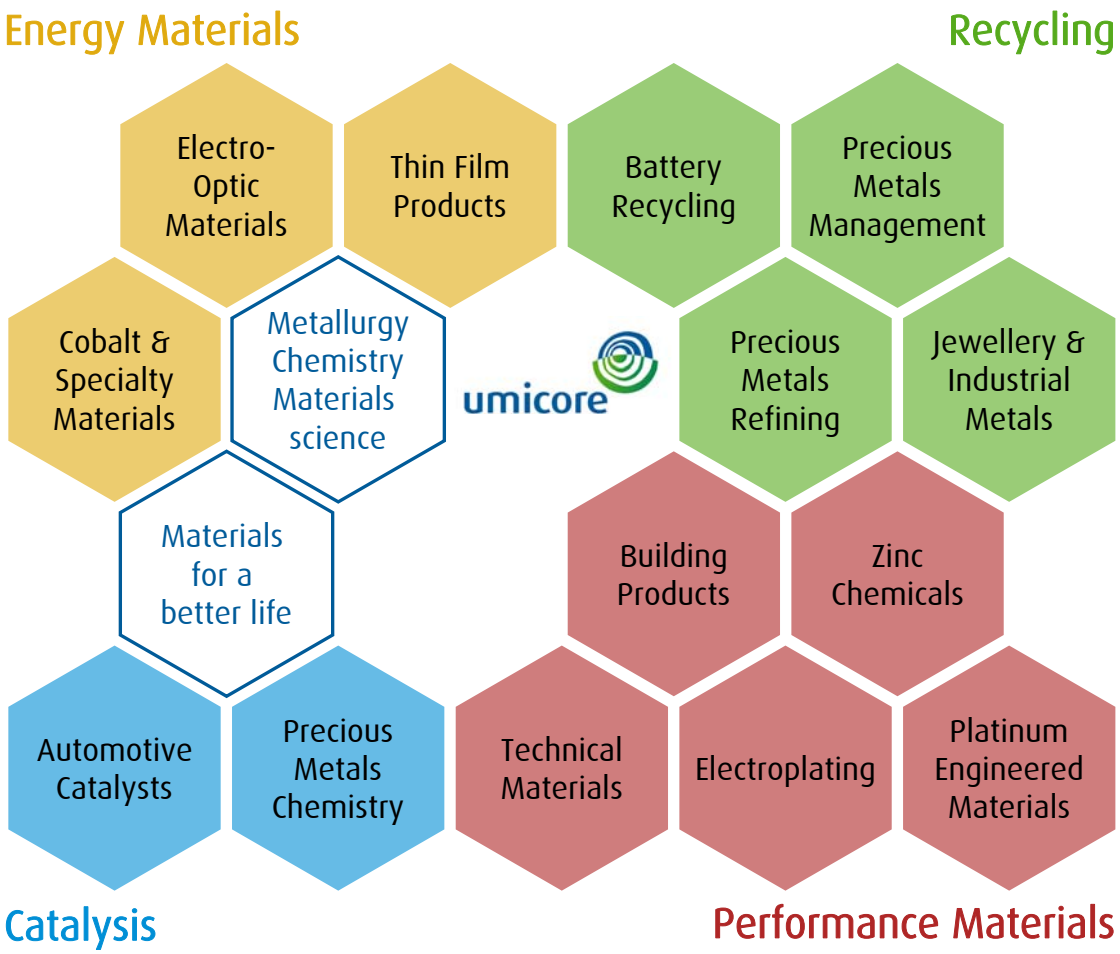


Growth opportunities: selection criteria

- ✓ market potential
- ✓ profitability potential
- ✓ potential to reach a critical size
- ✓ technological competencies
- ✓ distinctive technology edge
- ✓ competitive landscape
- ✓ risks vs reward



Organization adapted to support this focus



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Growth ambitions in Vision 2015

Umicore growth ambitions

- New market developments offer the potential for Catalysis, Energy Materials and Recycling to achieve average annual double digit growth between now and 2015 / 2020
- Performance Materials is expected to develop in order to grow at global GDP rate
- The growth will not be linear
- Growth will not be pursued at the expense of value creation
- Returns remain fundamentally important and Umicore's goal is to generate an average return on capital of 15%+ between now and 2015

Investments

Organic growth investments

- To generate the high levels of growth, major investments will be required and average capital expenditure is expected to increase between 2010 and 2015
- The largest projects will be in areas for exceptional growth
- Ample investments will be made in other businesses to maximize their potential in new geographies and niches

Acquisitions

- Umicore expects to generate enough cash in the coming years to enable acquisitions in any business area to supplement organic growth
- Such acquisitions need to make strategic and financial sense and offer a fit with our group values

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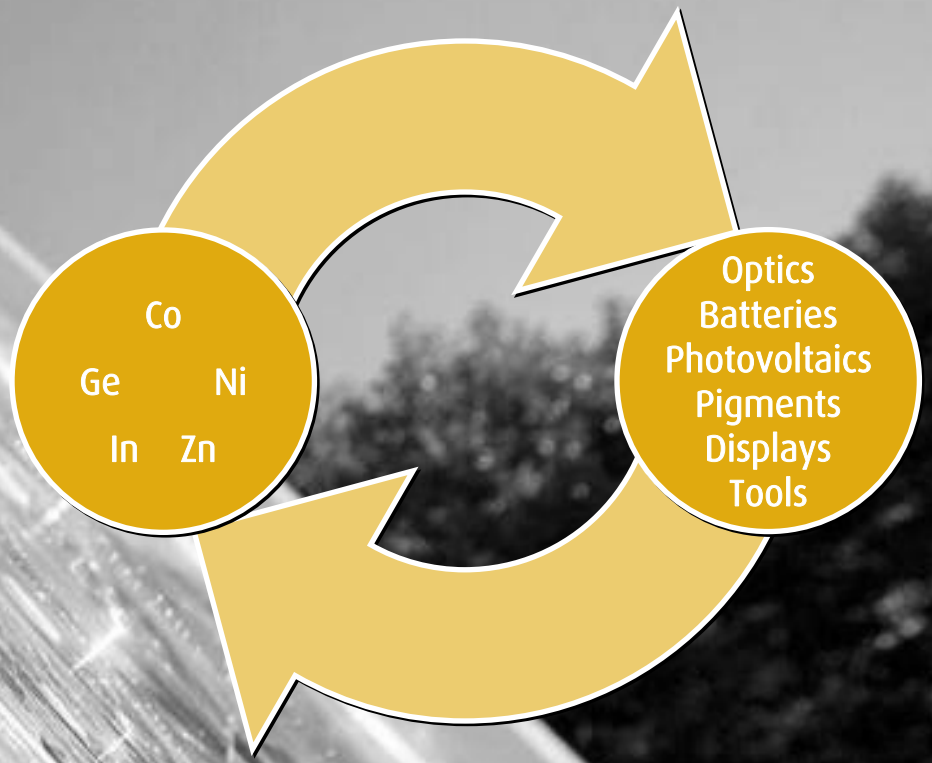
Energy Materials



Key growth area: rechargeable battery materials

The market

- The main growth driver is the electrification of the car
- By 2015 HEV, PHEV and EV are expected to make up 4-5% of vehicle production (>3m)*
- By 2020 estimates suggest 8-9% (7.5m)*
- New chemistries will be required to meet the various challenges
- Intensive development programmes underway at most automotive OEMs

Umicore's position

- Umicore is a renowned leader in materials for batteries used in portable electronics
- Umicore is a pioneer in new cathode chemistries including NMC
- New investment wave to serve automotive battery suppliers is underway in Asia
- Umicore is successfully developing its business with a number of key OEMs

* Median market scenario. Li-ion is expected to account for 75% of HEV batteries by 2020 and 100% of PHEV and EV

Cathode material demand projections

Examples of cathode material required

2010

10g x 1.2bn = 12,000 tonnes

2010

100g x 170m = 17,000 tonnes

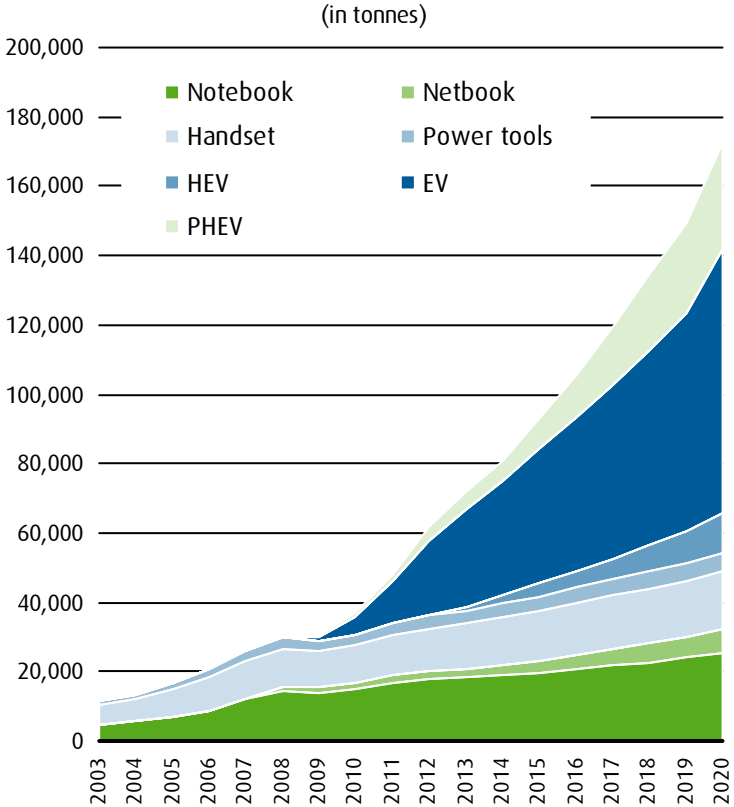
2020

3-5kg x 4.5m = 13,500 - 22,500 tonnes

2020

30-50kg x 1.5m = 45,000 – 75,000 tonnes

Cathode material demand



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Key growth area: materials for photovoltaics (PV)

The market

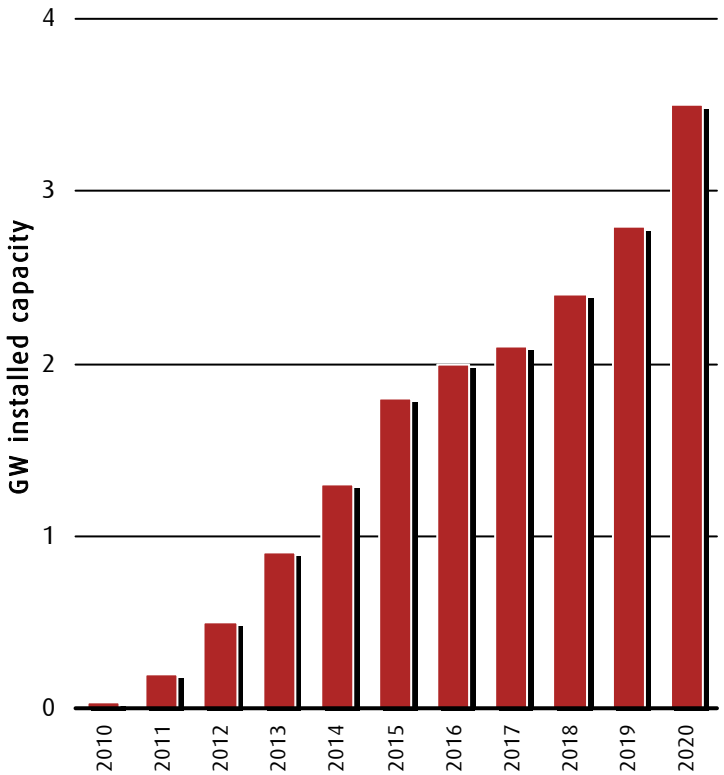
- Photovoltaics set to make up an increasingly significant portion of the energy mix in the coming years
- Currently PV accounts for some 10GW of energy output per year
- Estimates suggest some 30GW by 2015 and 80GW by 2020
- Silicon will remain the predominant technology but new technologies such as thin film and concentrator PV will grow their share appreciably

Umicore's position

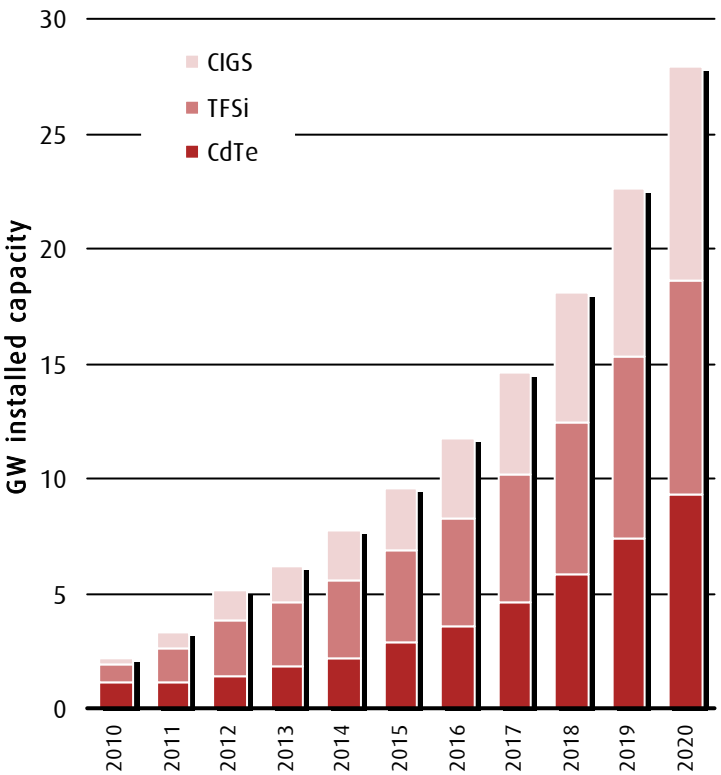
- Umicore is the world leader in germanium substrates used in concentrator PV
- Umicore is introducing new materials / targets for thin film PV
- Investment completed in US to double the substrates capacity for PV and also LED and space markets
- New €30m investment planned to extend capabilities in thin film technologies

Perspectives in main PV areas where Umicore is present

Projected CPV market evolution



Projected thin film market evolution



Median outlook based on a projected 80GW scenario for PV in the global grid by 2020 using the input of 4 banks and 4 industry players / consortia and thin film at 35% of this capacity.

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Overall perspectives in Energy Materials

- Investments have been stepped up to ensure a strong platform for the key growth areas
  - Rechargeable battery materials expansion in Japan, Korea and China
  - New investment wave in TFP
  - Completion of substrates expansion in US
- Other businesses have the opportunity to grow for example, by:
  - Expansion of cobalt-related activities into new product areas eg carboxylates
  - New optics and LED applications for germanium
- Presence in key market segments offers the potential to grow at 10%+ between now and 2015 with a significant portion coming from Asia

Catalysis

Key growth area: heavy duty diesel (HDD)

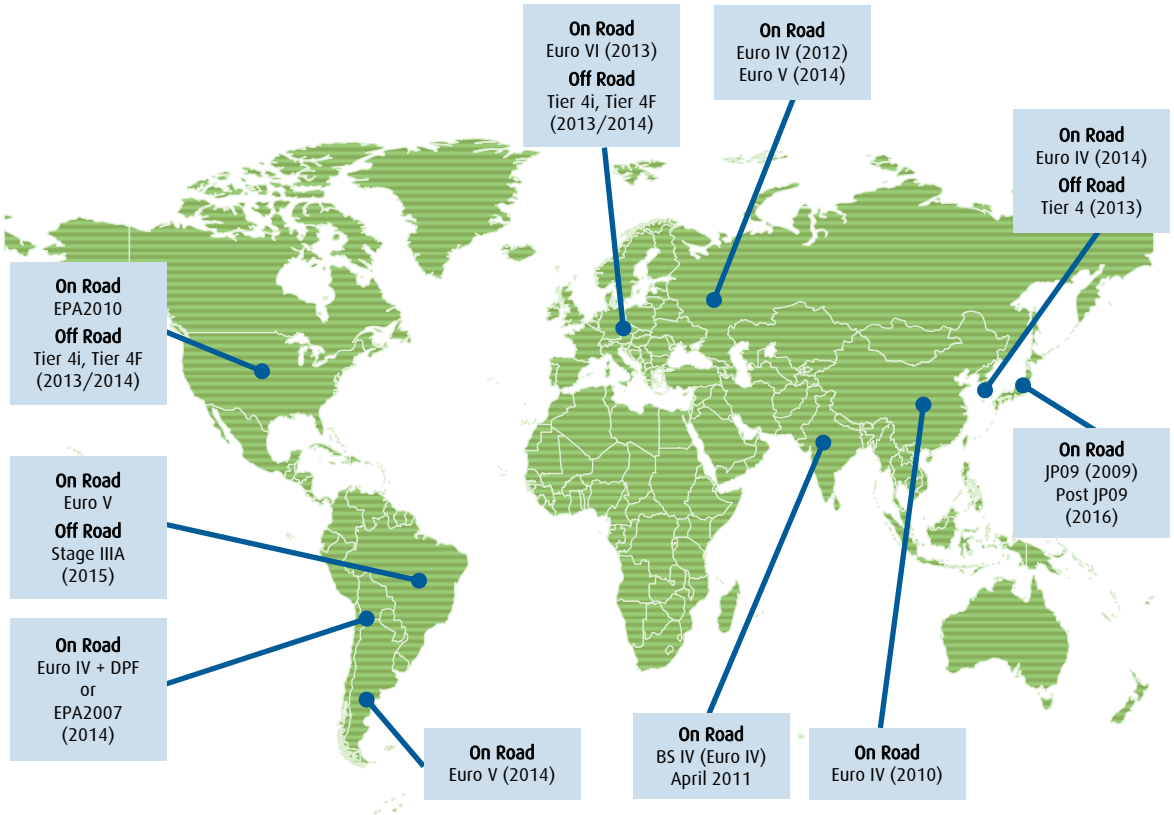
The market

- HDD offers a significant opportunity for incremental growth in medium term for Catalysis
- Tighter emission legislation is being introduced around the world for large diesel engines, starting in Europe, the US & Japan
- Opportunities exist in both on-road and non-road and in all regions

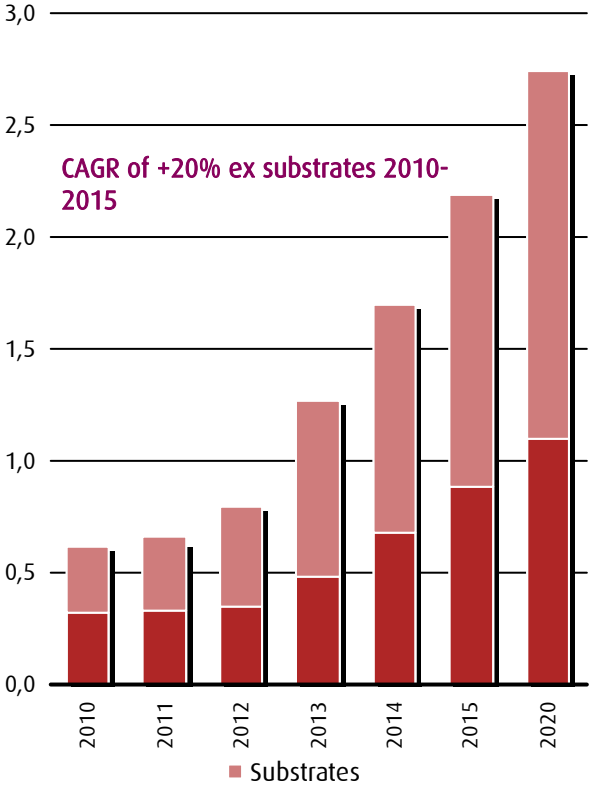
Umicore's position

- Umicore has developed a full and competitive technology portfolio for on-road & non-road applications
- Umicore has been successfully positioning and establishing its market presence in recent months
- Investments are underway to further extend testing and applied technology capabilities
- Focus on full system value proposal for customer
- Umicore targets meaningful earnings contribution from HDD by 2014

The HDD market



Potential evolution of HDD market in €bn (ex pgms)*



* Source: Umicore.
NB: the market does not show marine or locomotive off-road market potential nor complete emerging market developments as legislation steps are not yet fully clear in these markets

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Key growth area: catalysts for light duty vehicles

The market

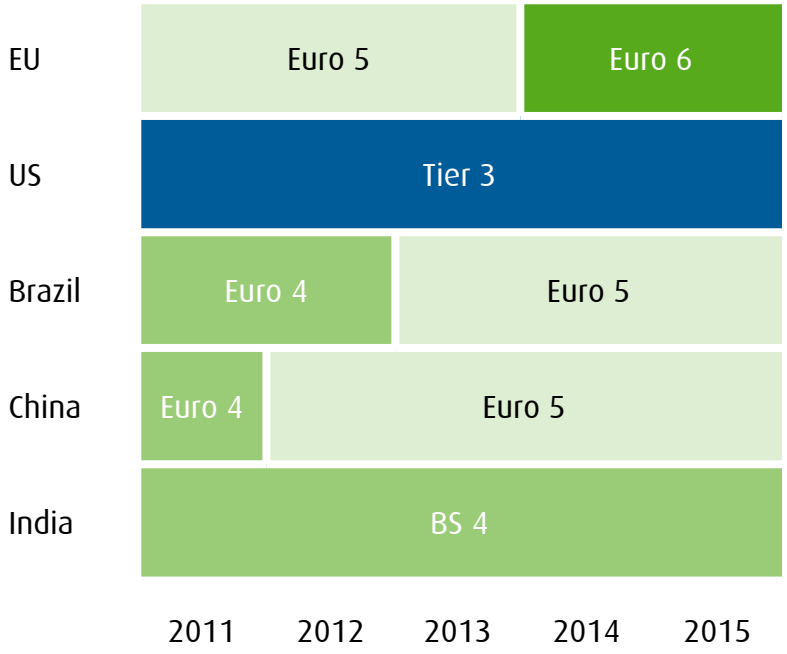
- In addition to the heavy duty diesel opportunity there are new developments in light duty technology requirements
- The next phase of more stringent emission legislation will require the introduction of more complex solutions including gasoline particulate filters and secondary emission control (CH_4, NH_3, and N_2O)
- In terms of volume growth the main driver will be fast-developing automotive economies especially in China, Brazil and to a lesser extent India

Umicore's position

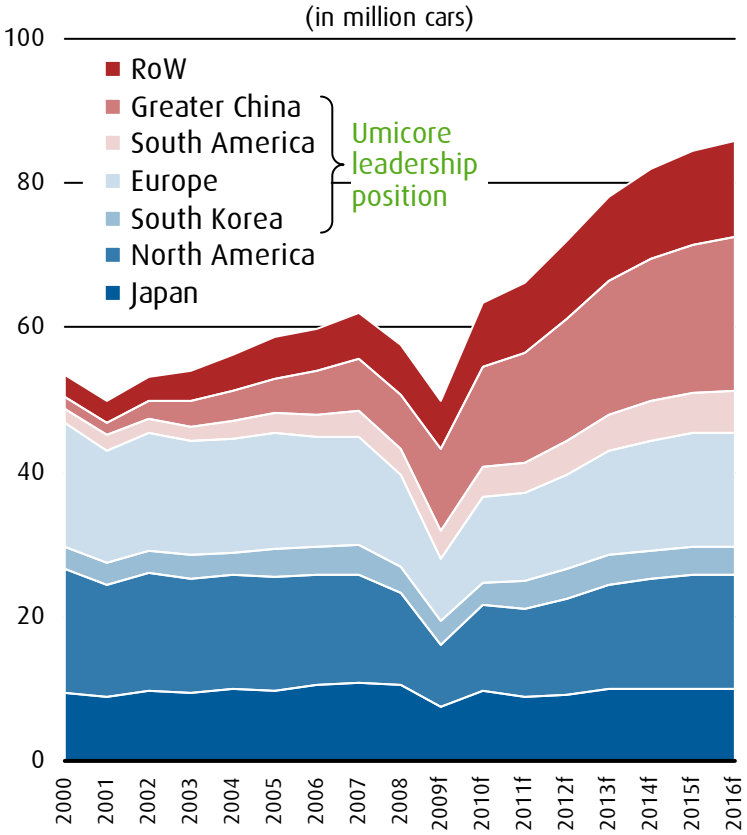
- Umicore is one of three leading players worldwide
- Umicore has a full range of technologies and has made a number of key breakthrough developments in recent years
- Umicore is well placed to capture growth in emerging markets, being market leader in China and Brazil
- Opportunities will be pursued to strengthen Umicore's position with Japanese OEMs

The light duty emission control market

Evolution of emission norms



Vehicle Production



Source: CSM

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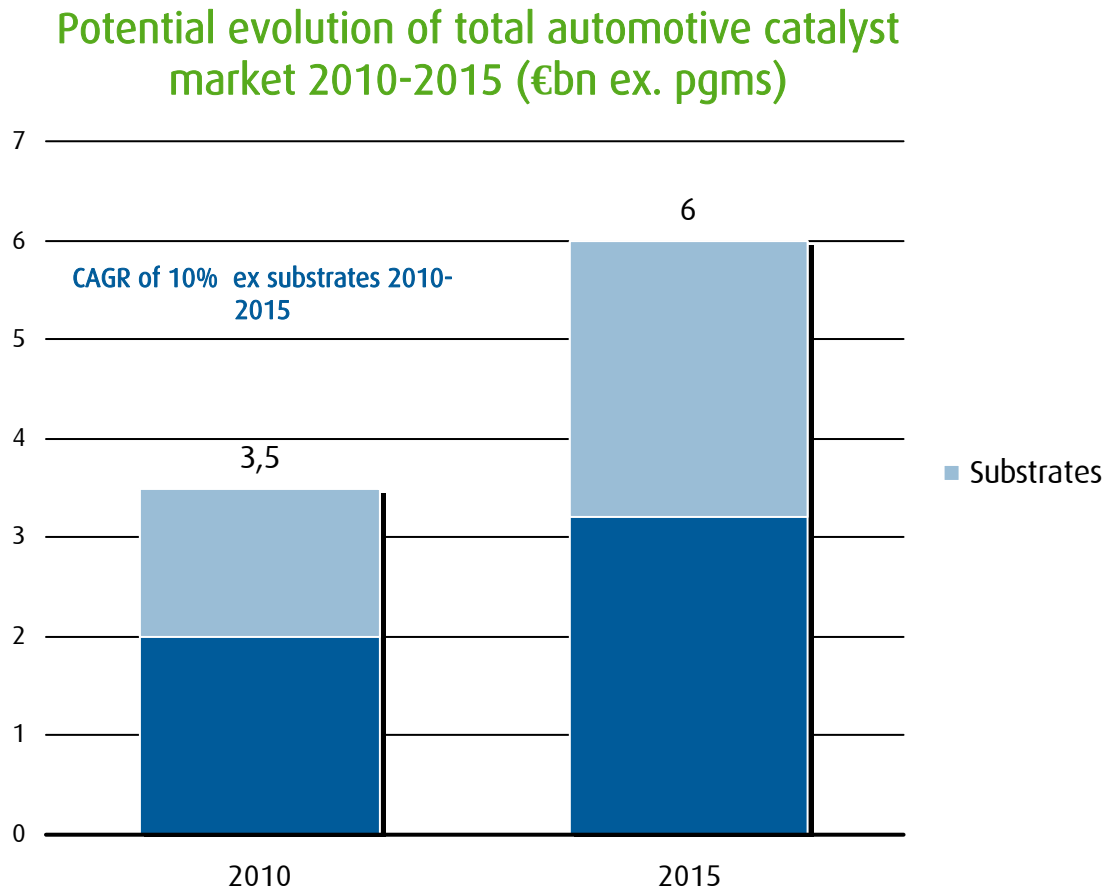
Total growth perspectives in automotive catalyst market



Source: CSM

NB: the market does not show marine or locomotive off-road market potential nor complete emerging market developments as legislation steps are not yet fully clear in these markets

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Overall perspectives in Catalysis

- The largest growth opportunities within the segment exist in Automotive Catalysts
- There are additional growth opportunities in other areas of Catalysis such as homogeneous catalysis and active pharmaceutical ingredients (APIs)
- The presence in new markets provides opportunities to grow the business group at 10%+ between now and 2015

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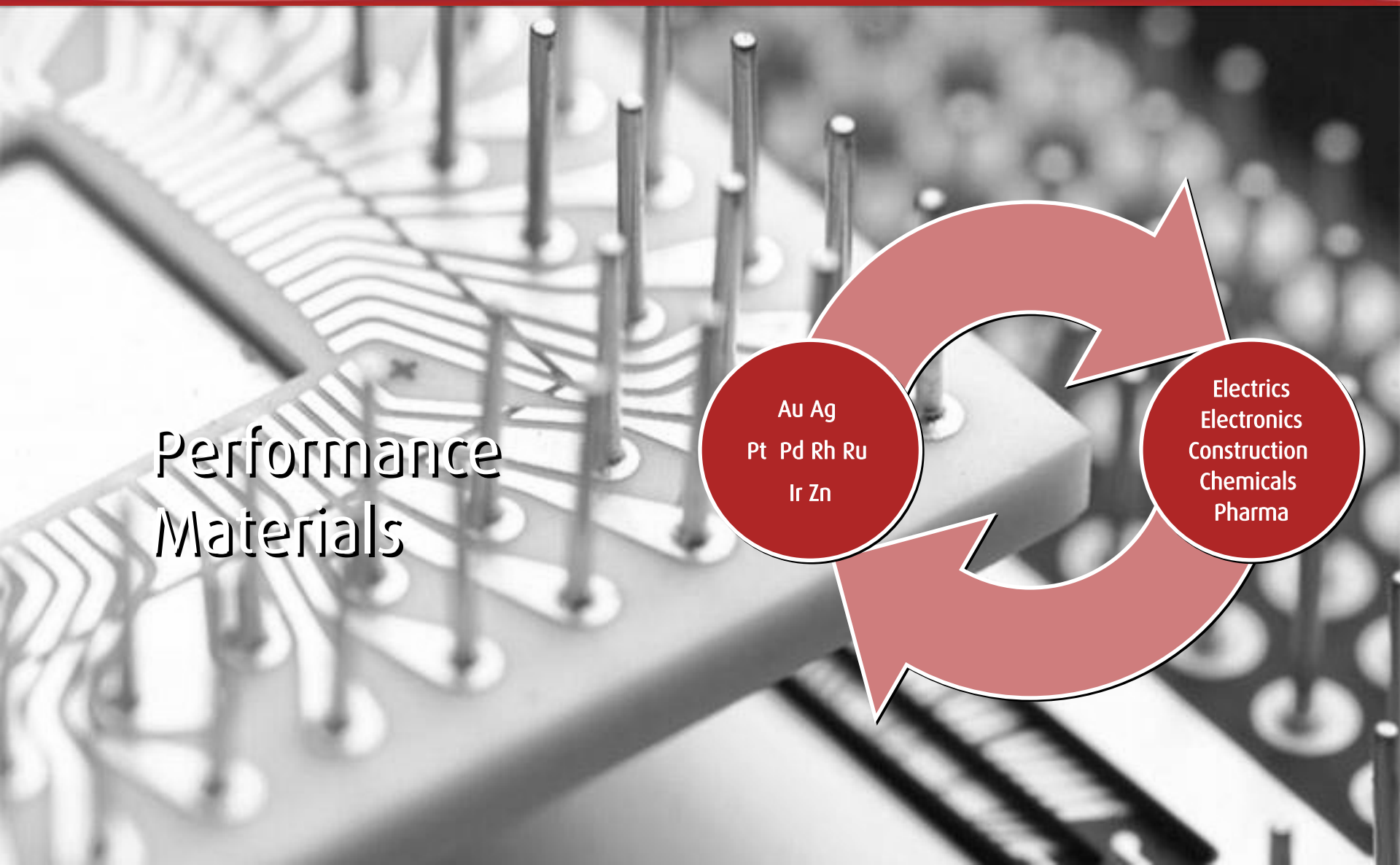
Performance Materials



Overview of Performance Materials

The market

- Application areas served by Umicore are growing
- Health and environmental considerations are driving the need for new material solutions eg:
  - energy efficient building envelopes
  - reduced / zero content of potentially harmful substances such as Cn-free electrolytes and zinc powders for water-based paints

Umicore's position

- Umicore has leadership positions in Europe in most product areas
- Umicore has successfully grown its business outside Europe in recent years
- Umicore has a compelling and profitable closed-loop offering especially in Zinc Chemicals and Platinum Engineered Materials

Performance Materials
Key development opportunities

- Maximize the potential of zinc for use on roofs and façades of energy efficient and environmentally-friendly buildings
- Further development of new geographical markets in Building Products
- Further develop the recycling activities in Zinc Chemicals
- Further expand the Zinc Chemicals activities in new product niches and outside Europe


Facelift in Hoboken using Umicore's zinc products


Zano used in skin care products

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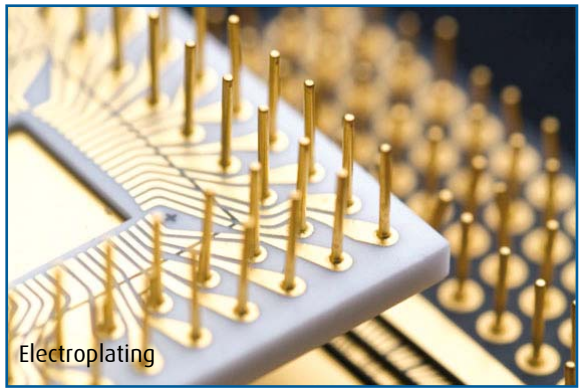
Performance Materials
Key development opportunities

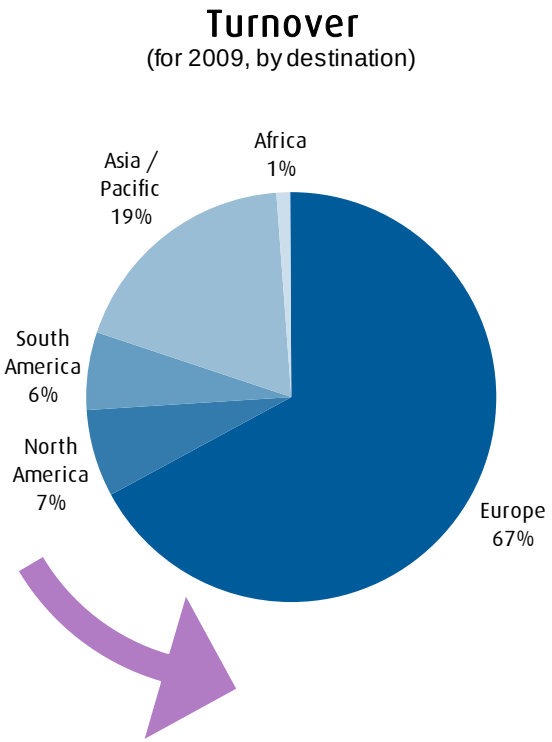
- Potential expansion of the Platinum Engineered Materials business in Asia and Eastern Europe
- New product development in the Electroplating business towards environmentally-friendly electrolytes
- Introduction of increasingly customized silver products in Technical Materials for key customers in all relevant world markets


Electroplating


Contact materials

Overall perspectives in Performance Materials

- In Performance Materials we are developing the business to grow in line with global GDP
- In many instances this will require businesses to further develop their presence in non-European markets
- Ample funds will be available to support value-enhancing growth investments
- It is possible that Umicore could play a role in the consolidation of some business areas and geographies



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Recycling

Key growth area: battery recycling

The market

- The increasing use of rechargeable batteries requires new recycling solutions especially for larger battery types used in electrified vehicles
- Initially the market will centre on maximizing recycling from batteries used in portable electronics and production scrap from larger batteries
- Availability of materials from service repairs and end-of-life (H)EV batteries to pick up from 2013
- The market is supported by legislation (eg EU Battery Directive)

Umicore's position

- Umicore has a unique, patented technology
- The process is effective, efficient and environmentally friendly
- Construction of new €25m pilot facility is underway in Hoboken: to be operational H2 2011

Overall perspectives in Recycling

- The unique Precious Metals Refining operation is set to continue its excellent performance and generate outstanding returns
- Possibilities are being explored to apply UHT technology to other input streams than rechargeable batteries
- Supply conditions are set to remain supportive driven by more stringent legislation (eg EU Raw Materials Initiative)
- Jewellery & Industrial Metals operations to continue to extend geographical presence and leverage closed-loop offering
- Structural scarcity of metals set to increase demand for recycling and offer support to metals prices

Key messages for Recycling

- Uniqueness in:
  - Technology
  - Complexity of materials treated
  - Number of metals recovered
- Supportive environment:
  - Scarcity of materials
  - Increasing materials complexity
  - Legislation and other social / environmental pressures

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Environmental & social objectives 2011-2015

New environmental and social objectives

- The current set of 10 environmental and social objectives run from 2006-2010
- These objectives were designed to raise the level of awareness and preparedness through the Group and were qualitative in nature
- Excellent progress with most objectives met or close to being met by the end of 2009
- Stakeholder engagement process launched in 2009
- New set of 9 ambitious and largely quantitative objectives have been set for 2011-2015 and will equip Umicore to demonstrate excellence in:
  - Promoting a safe and healthy workplace
  - Talent attraction and retention
  - Environmental responsibility and risk management
  - Product responsibility
- Grouped in three themes

Great place to work

ZERO lost time accidents	We aim to have **ZERO** lost time accidents
Occupational exposure reduction	We will reduce the body concentrations of specific metals to which our employees have an exposure: Cd, Pb, Co, Ni, As, Pt
People development	**All** employees will receive an annual appraisal to discuss individual development
Preferred employer	We will target our actions based on the results of the 2010 People Survey. Subsequent surveys will be used as the benchmark to measure future performance

Eco-efficiency

Reduce carbon footprint	We will reduce our CO_2 emissions by **20%** = a reduction of some 100,000 tonnes per year vs 2006 levels and based on 2006 industrial scope
Emission reduction	We will reduce by **20%** the impact of metal emissions to water and air vs 2009 levels and based on 2009 industrial scope
Product sustainability	We will invest in tools to better understand and measure the life cycles and impacts of our many products

Stakeholder engagement

Sustainable procurement	We will implement the new Sustainable Procurement Charter throughout the Group
Local community	All our sites will be expected to make further steps in identifying key stakeholders and engaging with the local community

Summary

Strategic roadmap

2010-2012

Prepare

Regain profitability of 2007-2008

Lay the foundations for certain major growth initiatives (eg.battery materials, HDD)

Demonstrate the feasibility of others (eg battery recycling)

Prepare for new breakthrough areas in environmental and social objectives

2012-2015

Focus

Intensification of investment efforts

Initial pay-off for major growth initiatives in terms of market position and profitability

Successfully deliver on all environmental and social objectives

2015+

Accelerate

Acceleration of growth

Optimum economic, environmental and social performance

Further investments in chosen areas

Forward-looking statements

This presentation 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.

Marc Grynberg
Chief Executive Officer

Marc Grynberg was appointed Chief Executive Officer of Umicore in November 2008, succeeding Thomas Leysen. He joined Umicore in 1996 as Group Controller. He was Umicore's CFO from 2000 until 2006, after which he became the head of the Group's Automotive Catalysts business unit until his appointment as Chief Executive Officer. Marc holds a Commercial Engineering degree from the University of Brussels (Ecole de Commerce Solvay) and, prior to joining Umicore, worked for DuPont de Nemours in Brussels and Geneva.