

Press release
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Regulated Information

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Umicore to invest in significant production capacity expansions for germanium substrates and rechargeable battery materials

Materials technology group Umicore is to increase significantly its production capacity for germanium semi-conductor substrates for use in high-efficiency solar cells. Umicore will also invest in the expansion of its capacity for lithium-ion battery materials. The combined investment level is expected to reach some €45 million. Both investments will strengthen Umicore's offering of materials for usage in fast-growing clean technology applications.

The new production capacity for germanium wafers ⁽¹⁾ is to be set up at the Group's Quapaw site in Oklahoma, United States. Construction will start in July and is scheduled to be completed in the spring of 2010. The facility will complement Umicore's existing production site in Olen, Belgium, effectively doubling the Group's wafer production capacity to 900,000. Quapaw's location has the advantage of being close to the activity's sizeable customer base in the United States.

The new capacity is to support the expected rapid growth of the terrestrial concentrator photovoltaic market which could top 6 gigawatts by 2020 (requiring the equivalent of some 10 million wafers). Concentrator technology ⁽²⁾ has the potential to become the driving force behind the market for germanium wafers. Currently, these are mainly used in solar cells for space applications and to a more limited extent in the production of LEDs (Light Emitting Diodes).

Umicore is the world leader in the production of germanium wafers for use in high-efficiency solar cells, equipping most currently launched satellites and also longer range missions such as NASA's current Phoenix Mars Lander.

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Umicore will also expand its production capacity for cathode materials⁽³⁾ for use in lithium-ion rechargeable batteries at its facilities in Cheonan (South Korea) and Jiangmen (China). This represents the single most significant investment in the history of Umicore's Rechargeable Batteries business line and will lead to capacity rising to approximately 10,000 tonnes per year – an increase of more than 50%. It is anticipated that the new production lines will be installed by the end of 2008 and that they will be fully operational by the second quarter of 2009.

The investments will enable Umicore to keep pace with the fast-growing demand from its key customers and will also provide the production platforms for next generation battery materials and their precursors. The new production lines will offer the ability to produce lithium cobaltite and also new low-cobalt containing compounds containing nickel, manganese and/or aluminium. These compounds will serve customers who are present in the new, high-growth applications for lithium-ion batteries such as cordless power tools and hybrid electric vehicles (HEVs). Such applications demand particularly innovative battery materials solutions which optimize safety, cost and weight whilst also offering outstanding performance characteristics for the battery.

Umicore is a world leader in the development of materials for lithium-ion batteries and also offers the world's most efficient and eco-friendly recycling service for used rechargeable batteries.

Notes

- (1) Germanium wafers (or substrates) constitute the building blocks of multi-layer solar cells. Ultra-thin layers combinations of other materials are "grown" on top of the germanium substrate, each capturing a specific part of the solar spectrum, and converting it into electricity.
- (2) Concentrator technology relies on a set of mirrors or lenses focusing the sunlight (up to a factor 1,000) on tiny solar cells. Under certain conditions, this configuration makes germanium-based solar cells more cost-effective than traditional, but less efficient, photovoltaics. Concentrator technology is already used in regions with a high proportion of direct sunlight such as Australia, the south-western part of the United States and the south of Europe.
- (3) The cathode constitutes the "positive" side of a battery. When charging a rechargeable battery, positively charged ions (an ion is a charged atom) migrate from the cathode to the anode (the "negative" side of the battery). When discharging the battery, the ions move back from the anode to the cathode. The cathode material can therefore be considered as the energy-containing material and forms, together with the membrane separating the anode from the cathode, the most crucial part of the battery. In Li-Ion batteries, the cathode material consists of a lithium compound (in current applications primarily lithium cobaltite), with lithium operating as the ion.

For more information

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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 €8.3 billion (€1.9 billion excluding metal) in 2007 and currently employs some 15,000 people.