

9 January 2012

**Zotefoams plc**  
("Zotefoams" or "the Company")

### **Trading Update**

Zotefoams, which manufactures and sells high-performance foams, today provides a trading update following the Company's financial year end on 31 December 2011.

Since the Interim Management Statement dated 24 October 2011, the business has once again performed in line with our expectations.

Sales growth for the year has been approximately 9%, mainly driven by an increase in volumes. The average price of LDPE, our major raw material, in 2011 was approximately 13% higher than in 2010. Increases in selling prices and cost management maintained margins, whilst allowing continued investment in our business and the Board therefore expects profit before tax and exceptional items for the year ended 31 December 2011 will be in line with market expectations.

Sales of Azote® polyolefin foams for the year were around 10% higher than in 2010. HPP (high-performance polymer) sales were marginally below the levels recorded in 2010, with underlying growth in 2011 replacing a large one-off aerospace programme completed in the prior year. MuCell Extrusion LLC ("MEL") is making encouraging progress with increasing numbers of customer trials of our patented technology. Engineering and equipment revenues, related to timing of project start-ups, fell by approximately \$0.6m but license and royalty income grew strongly improving the overall sales mix. We are continuing to increase the resources within MEL to support and deliver the opportunities that we are creating.

The Company intends to announce its preliminary results for the year ended 31 December 2011 on Tuesday, 6 March 2012.

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