

12 July 2013

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

Joint Venture in Asia

12 July 2013 – Zotefoams, which manufactures and sells high-performance foams, announces that it has entered into a joint venture with Inoac Corporation of Japan for the manufacture and exclusive sale of its Azote® polyolefin products in Asia and Australasia

On 11 July 2013, Zotefoams signed a joint venture agreement with Inoac Corporation ("Inoac") for the manufacture and exclusive sale of its Azote® cross-linked polyolefin foam products ("Products") in Asia and Australasia (the "Territory"). Inoac Corporation has been a distributor of Zotefoams' Products in the region since 2007.

Zotefoams and Inoac ("the Parties"), effective from 1 July 2013, have established a 50/50 owned sales joint venture company in Hong Kong ("S-JV"). The S-JV will be managed by Zotefoams' existing Asian polyolefin sales team. Initially, the S-JV will sell Products manufactured at Zotefoams' Croydon site in the UK and shipped direct to the S-JV's customers in the Territory.

In parallel, the Parties will invest in a new manufacturing facility in South Korea to supply the S-JV with Products. This facility, based adjacent to an existing Inoac manufacturing site, will be similar to Zotefoams' factory in Kentucky, USA. Non-expanded intermediate product will be supplied from the UK for expansion in South Korea, which significantly improves the economics of foam supply to customers in the Territory. The Parties will establish a 50/50 owned manufacturing joint venture ("M-JV") managed by Inoac. It is anticipated that the M-JV factory, with a total investment of approximately US\$ 8 million, will commence operations during 2015.

Zotefoams initial capital contribution to the S-JV is US\$0.3m and to the M-JV US\$0.5m, which is expected to be followed by a further contribution of US\$1.4m to the M-JV around the end of 2014. Zotefoams expects these contributions to be made from existing cash facilities. Inoac's contribution to the two companies will match that of Zotefoams and in addition Inoac will purchase the major capital machinery for lease to the M-JV.

The Territory covers Japan, South Korea (Republic of Korea), People's Republic of China, Hong Kong, Malaysia, Indonesia, Singapore, Thailand, Vietnam, Philippines, Taiwan, Laos, Australia, New Zealand, Myanmar (Burma) and Cambodia (to the extent that there are no trade sanctions prohibiting sales in any particular country).

Commenting on the joint venture, David Stirling, Managing Director of Zotefoams plc said:

"Demand for our Azote® polyolefin products in Asia is growing and this joint venture demonstrates our commitment to develop this market. I am delighted that we have entered into this joint venture agreement with Inoac, with its strong manufacturing and market presence in Asia."

Mr Soichi Inoue, Chairman of Inoac Corporation, said:

"Inoac have been a Zotefoams' customer for a number of years and we are impressed by the technological advantages of their Azote® product range. We are pleased that we are entering into an agreement with Zotefoams to share in this exciting next phase of market development in the Asian region."

Enquiries:

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About Zotefoams plc

Zotefoams plc (LSE - ZTF) is a world leader in cellular material technology. Using a unique manufacturing process with environmentally friendly nitrogen expansion, Zotefoams produces lightweight foams in Croydon, UK and Kentucky, USA for diverse markets worldwide through its global sales force. Zotefoams also owns and licenses patented MuCell[®] microcellular foam technology from a base in Massachusetts, USA to customers worldwide and sells T-Tubes[®] advanced insulation systems made from its patented ZOTEK[®] fluoropolymer foams.

Azote[®] and ZOTEK[®] are registered trademarks of Zotefoams plc.
MuCell[®] is a registered trademark of Trexel Inc.
T-Tubes[®] is a registered trademark of UFP Technologies Inc.

www.zotefoams.com

About Inoac Corporation

Inoac Corporation is a Japanese corporation formed in 1954, whose headquarters are based in Tokyo, has over 25,800 employees worldwide, had US\$3,300 million of sales worldwide in 2012, which develops and manufactures materials based on polyurethane, rubber, plastic and synthetic materials for automotive and motorcycle components, information technology, industrial products, housing and construction products, as well as household related products. Inoac has locations in Japan, China, South Korea, Southeast Asia, North America and Germany.

<http://www.inoac.co.jp/en/corporate/index.html>

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This document may contain forward-looking statements which are made in good faith and are based on current expectations or beliefs, as well as assumptions about future events. You can sometimes, but not always, identify these statements by the use of a date in the future or such words as "will", "anticipate", "estimate", "expect", "project", "intend", "plan", "should", "may", "assume" and other similar words. By their nature, forward-looking statements are inherently predictive and speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. You should not place undue reliance on these forward-looking statements, which are not a guarantee of future performance and are subject to factors that could cause our actual results to differ materially from those expressed or implied by these statements. The Company undertakes no obligation to update any forward-looking statements contained in this document, whether as a result of new information, future events or otherwise.