

15 January 2014

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

Trading Update

15 January 2014 – Zotefoams, a world leader in cellular material technology, today provides a trading update following the Company's financial year end on 31 December 2013

In the fourth quarter Zotefoams continued to experience good growth in sales of High-Performance Products ("HPP"), which was augmented by strong growth in our MuCell Extrusion ("MEL") technology licensing business. However, as anticipated in our Third Quarter Interim Management Statement dated 23 October 2013, the fourth quarter saw lower levels of shipments of polyolefin foams to Europe. This fall is, in the main, related to inventory adjustments at a single large customer who reports that this is due to improved lead times from Zotefoams and continued destocking in their downstream market, affecting their demand levels in the short-term. As stated on 23 October 2013, with the benefit of our shorter lead times, we expect to progress in this market in 2014.

For the 2013 full year we expect to see growth in HPP and MEL, although overall Group sales are expected to show a decline of approximately 5% compared with 2012, mainly as a result of lower polyolefin sales in continental Europe.

For the fourth quarter the euro-denominated price of low density polyethylene (LDPE), our major raw material, remained at a similar average price to the first nine months of the year. Exchange rates were similar to those reported in October with a slight strengthening of sterling in the period, particularly against the US dollar.

Overall the Board expects an outcome for 2013 broadly in line with management expectations.

The Company intends to announce its preliminary results for the year ended 31 December 2013 on Tuesday, 18 March 2014.

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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.

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