

30 June 2014

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

Trading Update

30 June 2014 – Zotefoams, a world leader in cellular material technology, is issuing this trading update for the first six months ended 30 June 2014.

For the first six months of 2014 the Company expects to have experienced high single-digit percentage volume growth in its Polyolefin business. We also expect a very strong performance in our High-Performance Products ("HPP") business with growth approaching 50% in constant currency. Revenue from our MuCell Extrusion ("MEL") technology licensing business is expected to be at similar levels to the first six months of 2013, although activity levels are high and the forward order book for machinery gives us confidence in our growth expectations for this business.

Recent technical innovations at MEL have shown extremely promising results in foaming a variety of polymers outside MEL's core focus on the consumer packaging market. Many of these materials are used in technical applications and have synergy with Zotefoams' HPP business but require further technical and market development. Given their longer-term nature Zotefoams has decided that the best way to exploit these innovations is to develop further expertise at its Croydon, UK site. This allows MEL to retain focus on existing products and markets while benefiting from our UK-based marketing and technical personnel.

Zotefoams' existing microZOTE® extrusion line, which was initially specified for the dual purposes of development and manufacturing, will now be used as a development line with manufacturing activity on this line curtailed. Following this decision by the Board the Company will take a one-off charge which is expected to be approximately £1.2 million for the write-down of these assets. This charge, which will have no cash effect, will be treated as an exceptional item in the Group's financial results for the six month period to 30 June 2014.

As a predominantly UK-based exporter we are influenced by raw material prices and currency. For the year to date the average euro price of our main raw material, LDPE (low density polyethylene), has been similar to the average euro price for 2013. With the strengthening of sterling in 2014 compared to 2013 we will benefit slightly from purchasing LDPE in euros although this will be outweighed by the impact on our foreign currency sales and assets.

Overall the Board remains confident of a satisfactory outcome for the year and continued progress in the future.

The Company expects to announce its interim results for the six months ended 30 June 2014 and provide an update on current trading on Tuesday, 12 August 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.

www.zotefoams.com

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