25 August 2011

AZ ELECTRONIC MATERIALS S.A.

RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2011

STRONG GROWTH CONTINUES; EXPECTATIONS UNCHANGED

Highlights

US$m	H1 2011	H1 2010	Change
Revenue	**391.8**	320.7	**+22%**
Adjusted (underlying)[1]:			
EBITDA	**129.5**	109.3	**+18%**
EBITDA margin	**33.1%**	34.1%	**-1.0pt**
Operating Profit	**76.2**	60.9	**+25%**
Operating Cash Flow	**85.0**	94.4	**-10%**
Profit after Tax	**65.7**	28.0	**+135%**
Earnings per Share	**17.2c**	13.2c	**+30%**
Statutory:			
Operating Profit	**76.2**	74.4	**+2%**
Profit/(Loss) after Tax	**40.9**	(321.4)	**+113%**
Basic and Diluted Earnings/(Loss) per Share	**10.7c**	(151.9)c	**+107%**
Net Debt	**402.2**	834.9	**-52%**
Dividend per Share	**3.8c**	-	**-**

- Strong trading performance as the growth trends of 2010 continued into the first half of 2011.
- Total revenue up 22% to US$391.8m (up 16% at constant currencies[2]); Adjusted EBITDA up 18% to US$129.5m (up 10% at constant currencies[2]).
- **IC Materials division** revenue up 31% to US$269.2m, reflecting strength in demand for niche products used in the production of solid state memory.
- **Optronics division** revenue up 9% to US$109.8m, with market share gains and continued growth in flat panel displays driven by consumer demand for mobile devices and TV displays.
- Strong cash flow reduced net debt to US$402.2m; lowering net debt to Adjusted EBITDA[3] multiple from 1.9x to 1.6x.
- Interim dividend declared of 3.8 cents per share, with Board confirming intention of annual payout being circa 35% of 2011 adjusted earnings.
- Expansion of AZ's Korean facility has commenced, targeted at localising supply of several major products from 2013, thereby further strengthening relationships with key customers.

1. See definitions below.
2. Calculated by comparing H1 2011 results with H1 2010 retranslated at weighted average H1 2011 exchange rates.
3. Adjusted EBITDA on a last twelve months basis.

Outlook

The fundamental long-term demand drivers for our business are strong, notwithstanding current global macroeconomic uncertainty. We have seen some softening in demand in certain areas of our business as a result of inventory adjustments impacting utilisation. However, we expect demand for our IC Niche products to remain robust and to also benefit from further market share gains in Optronics during the second half.

AZ has leading market positions in attractive long-term growth markets. We continue to invest in our business and work closely with our customers to capitalise on growth opportunities in a number of areas.

Despite the challenging comparatives in the second half of the year, we expect to make further progress and our expectations for the full year are unchanged.

Geoff Wild, CEO of AZ, commented:

"This strong set of results reflects AZ's ongoing ability to outperform the semiconductor and flat panel industries and benefit from the continued demand for faster, smaller and more powerful electronic devices. Our materials – high quality, high-purity speciality chemicals – are critical to the production process as well as helping our customers develop the next generation of technology. At the same time, our increased investment in innovation, close collaboration with customers and leading market positions are accelerating our progress into new growth markets and new products areas. As a result, we are confident of making further progress this year and believe that AZ is well positioned for long-term success."

For further information, please contact:

AZ Tel +44 (0) 20 8622 3825
Geoff Wild, Chief Executive Officer

Financial Dynamics Tel +44 (0) 20 7269 7275
Charlie Armitstead / Hazel Stevenson

The Company will host a results presentation to analysts today at 9.30am (BST) at the offices of Financial Dynamics, Holborn Gate, 26 Southampton Buildings, London WC2A 1PB. A simultaneous live audiocast of the presentation will be available via the Investors section of the Company's website at www.az-em.com.

Definitions

Adjusted EBITDA is defined as Operating Profit before depreciation, amortisation of intangible assets and exceptional items (and, in the comparative period, monitoring fees). **Adjusted Operating Profit** is defined as Operating Profit before exceptional items (and, in the comparative period, monitoring fees). The requirement to pay monitoring fees to AZ's previous shareholders ceased on 3 November 2010. **Adjusted Operating Cash Flow** is defined as Adjusted EBITDA less any changes in working capital less cash payments in relation to capital expenditure.

Adjusted Profit after Tax is Profit after Tax adding back amortisation of intangible assets and exceptional items (and, in the comparative period, monitoring fees, finance costs in respect of Convertible Preferred Equity Certificates (CPECs) that were capitalised as part of the IPO transaction, and certain non-recurring exchange differences arising on borrowings). **Adjusted Earnings per Share (EPS)** is Adjusted Profit after Tax divided by the weighted average number of shares in issue during the period.

About AZ (www.az-em.com)

AZ is a leading global producer and supplier of high-quality, high-purity speciality chemical materials, operating in the high-growth electronics market. Its materials are used in integrated circuits and devices, flat panel displays, LEDs and photolithographic printing. AZ is a critical partner to the leading global electronic players because our chemical technology allows them to enhance existing processes and enables them to innovate new products. This is critically important in the "digital world" where there is increasing global demand and a drive towards smaller, faster, more powerful and less expensive technology. AZ operates in nine countries, namely China, South Korea, Taiwan, Hong Kong, Japan, Singapore, the USA, France and Germany. It also has corporate and administrative offices in Luxembourg, the UK and Hong Kong, and currently employs some 1,000 people globally.

Cautionary statement regarding forward-looking statements

This document may contain certain forward-looking statements with respect to the operations, performance and financial condition of the Group. These statements are made in good faith and are based on current expectations or beliefs, as well as assumptions about future events. By their nature, future events and circumstances can cause results and developments to differ materially from those anticipated. 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. Nothing in this document should be construed as a profit forecast or an invitation to deal in the securities of the Company.

HALF-YEAR RESULTS

Overview

AZ has continued to deliver strong revenue and profit growth in both of its core business divisions, IC Materials and Optronics, during the six month period to 30 June 2011.

Group revenues in the first half increased by 22% to US$391.8m (H1 2010: US$320.7m). The strong performance in the IC Materials and Optronics divisions was driven by increased trading volumes and product mix benefits, with the IC Niche business once again producing a particularly strong result. Adjusted EBITDA increased by 18% to US$129.5m (H1 2010: US$109.3m). Currency translation contributed US$17.2m to the increase in revenue and US$8.0m to the increase in Adjusted EBITDA.

The Adjusted EBITDA margin was at 33.1% for the period (H1 2010: 34.1%). The margin achieved in H1 2010 was largely driven by the timing of income and foreign exchange movements which, after eliminating these factors, was at around the same level as that achieved for the full 2010 financial year (33.1%).

Adjusted Operating Profit of US$76.2m was up 25% on the previous year (H1 2010: US$60.9m).

Statutory profit before tax increased to US$60.9m (H1 2010: loss US$290.8m) and statutory profit after tax was US$40.9m (H1 2010: loss US$321.4m). Basic earnings per share were 10.7 cents (H1 2010: loss per share 151.9 cents). After adding back amortisation (and, in the comparative period, exchange differences arising on borrowings and net exceptional items), Adjusted Profit after Tax was up 135% at US$65.7m (H1 2010: US$28.0m), and Adjusted Earnings per Share were 17.2 cents (H1 2010: 13.2 cents).

In line with our strategy, we continued to invest in the business, spending US$25.2m (H1 2010: US$19.2m) on research and development ("R&D"), representing 6.4% of Group revenue in the period. In addition, capital expenditure for the period was US$25.1m (H1 2010: US$5.2m).

Despite this continued investment, cash generation remained strong in the first six months of 2011. Adjusted Operating Cash Flow was US$85.0m (H1 2010: US$94.4m), representing a 66% (H1 2010: 86%) conversion of Adjusted EBITDA, down from previous periods due to the timing of capital expenditure payments. Net debt reduced to US$402.2m (31 December 2010: US$423.0m) or 1.6 times Adjusted EBITDA, on a last twelve months basis (31 December 2010: 1.9 times). This position reflects the cash-generative nature of the business and underpins the strength of AZ's balance sheet.

Japan earthquake

The tragic events in Japan on 11 March 2011 have had a minimal impact on AZ's operations. All AZ facilities in Japan are operating normally and, as we reported in our Interim Management Statement of 5 May 2011 ("IMS"), our Business Continuity Plan was successfully activated and any potential risks to our supply chain have now been addressed. We have not experienced, and nor do we currently expect, any significant or sustained increase in material costs due to the earthquake. Most of our customers who suffered damage have now resumed full operations and the impact to our revenues from such customers is minimal. The impact on Group revenue of certain customers building up inventory in the immediate aftermath of the earthquake, as reported in our IMS, has broadly unwound itself over the course of H1 2011.

Intellectual property and supply chain management

AZ's intellectual property portfolio continues to grow – our rate of patent filing continues to exceed the rate of patent expiry. In addition, a project to centralise and strengthen the management of intellectual property and the global supply chain within the Group has been initiated. The project will enable the Group to leverage its global systems to achieve operational benefits and will also help to optimise the rate at which the Group's significant investment in R&D translates into new product revenue and valuable intellectual property.

The Board

At our Annual General Meeting in May this year, Adrian Whitfield, Adrian Auer and Dr David Price joined the AZ Board as independent Non-Executive Directors. These appointments add further strength to the AZ Board.

Mike Powell will join the AZ Board as CFO effective from 1 September 2011. Mike joined us at the start of August following five years as Group Finance Director of Nippon Sheet Glass Co Ltd. He will succeed Ken

Greatbatch who is retiring at the end of this month, and once again we thank him for the significant contribution he has made to establishing AZ as the business it is today.

Dividend
The Board has declared its first interim dividend payment, of 3.8 cents per share. The dividend will be paid on 14 October 2011 to shareholders registered at the close of business on 9 September 2011.

The Board has also adopted a progressive dividend policy, reflecting the long-term earnings and cash flow potential of the Group. Pursuant to this, the Board anticipates the total dividend distribution for the current financial year to represent approximately 35% of cash earnings after tax (i.e. profit after tax, with amortisation (net of the related tax credit) added back).

Outlook
The fundamental long-term demand drivers for our business are strong, notwithstanding current global macroeconomic uncertainty. We have seen some softening in demand in certain areas of our business as a result of inventory adjustments impacting utilisation. However, we expect demand for our IC Niche products to remain robust and to also benefit from further market share gains in Optronics during the second half.

AZ has leading market positions in attractive long-term growth markets. We continue to invest in our business and work closely with our customers to capitalise on growth opportunities in a number of areas.

Despite the challenging comparatives in the second half of the year, we expect to make further progress and our expectations for the full year are unchanged.

OPERATING REVIEW

INTEGRATED CIRCUIT MATERIALS ("ICM")
The ICM division, which produces and sells products used in the manufacture of integrated circuits ("ICs"), contributed 69% of the Group's total revenue during the period. ICM comprises the IC Niche materials and IC Conventional materials businesses, where demand for these products is broadly correlated to wafer starts. Increased volumes of the higher value-added IC Niche products led to an increase in the ICM Adjusted EBITDA margin of nearly two percentage points compared to the same period last year.

ICM	**H1 2011**	H1 2010	Increase/(Decrease)	
	US$m	US$m	(as reported)	(at constant currency)
IC Niche	**173.3**	118.7	46%	39%
IC Conventional	**95.9**	87.2	10%	5%
ICM – Total Revenue	**269.2**	205.9	31%	24%
Adjusted EBITDA	**106.6**	77.9	37%	27%
Adjusted EBITDA margin	**39.6%**	37.8%	1.8pts	0.8pts

IC Niche
Revenue increased by US$54.6m (46%), 39% at constant currency, significantly ahead of the 8% estimate made by the independent market forecaster DRAMeXchange for industry growth in memory wafer starts over the same period. This performance was due to AZ's materials being used in new nodes and on additional layers of our customers' products.

Highlights during the period included:

- Our Spinfil® Dielectric materials continue to be used across the memory chip industry for the most advanced NAND flash and DRAM processes. New business wins with two key customers means AZ now serve all of the major global NAND manufacturers;
- Work has started on the first phase of an expansion plan at our Korean facility which will lead to local production of several major products starting from 2013. This investment has been welcomed by customers who, as a result of the earthquake, are seeking to localise key supply sources for business continuity purposes;

- Our Yield Enhancement products continue to drive sales of our lithographic IC products, with strong progress made in both our FIRM® rinse and top anti-reflective coatings (TARC) product areas. We are expecting notable expansion of our TARC business at a major foundry supplier in Asia and multiple customers continue to expand rinse applications for their latest technology nodes. The Board has approved a new manufacturing facility in Taiwan on land adjacent to our existing facility in Hsinchu to produce TARC products;
- Our joint development programme with IBM in respect of Directed Self-Assembly (DSA) is attracting significant interest amongst our customers due to the delay in the commercial manufacture of EUV lithography; and
- Since the half-year end, AZ has renewed its exclusive distribution agreement with Dow Chemical to continue marketing CMP slurries under the Klebosol® brand. Together, Dow and AZ are the global leader in the supply of low-defect colloidal silica to the semiconductor market.

IC Conventional

IC Conventional revenues increased by US$8.7m (10%), 5% at constant currency. Underlying growth was in line with total industry wafer starts, which is estimated to have grown by 5% over the same period (based on an estimate made by the independent market forecaster VLSI Research). The Group saw good volume growth from semiconductor packaging customers, particularly in the Thick Film Resist area, and also in sales of Edge Bead Removers (EBR), offset in part by some losses in volume in certain lower margin ancillary products.

OPTRONICS

The Optronics division, which produces and sells products that are critical to the manufacture of flat panel displays ("FPDs"), contributed 28% of the Group's total revenue. There are two product categories within the division: FPD Photoresist, which supplies light-sensitive materials for FPDs, and Optronics Other, which includes photoresist, ancillaries and silicon chemistry-based products for the "Light & Energy" business. Demand for FPD Photoresist products correlates to the area of FPD glass substrate utilised on the industry's manufacturing lines.

Optronics	**H1 2011**	H1 2010	Increase/(Decrease)	
	US$m	US$m	(as reported)	(at constant currency)
FPD Photoresist	**87.8**	77.6	13%	6%
Optronics Other	**22.0**	23.2	(5)%	(11)%
Optronics – Total Revenue	**109.8**	100.8	9%	2%
Adjusted EBITDA	**32.7**	32.8	-	(7)%
Adjusted EBITDA margin	**29.8%**	32.5%	(2.7)pts	(2.9)pts

AZ continued to focus its business on the market leaders in the Asian-based FPD manufacturing industry where the Group's technical expertise, ability to support customers and local presence are key.

Highlights during the period included:

- As a result of significant new business wins in the period, AZ has continued to outperform the market. The rate of growth of the flat panel market has reduced from recent historic levels, largely as a result of weaker demand for televisions from within the developed economies and this has moderated FPD Photoresist revenue growth. However, demand from touch panel customers has grown strongly due to the increasing popularity of products such as smartphones, tablet computers and e-readers;
- Our tandem resist has become the standard half-tone resist for one of our major customer's late-generation plants. Our products are being used by a major customer who is pushing forward with its OLED TV initiative, and a new R&D Centre was opened in Hsinchu, Taiwan, to further strengthen our collaborative R&D activities with customers in the area;
- In China, AZ has won the majority of business at three major new customer fabrication facilities this year;

- Low margin EBR business at one of our major customers was surrendered during the period, enabling us to re-assign resources to the production of photoresist, giving us valuable additional capacity for further growth in the Korean photoresist market;
- We are generating significant interest with our new silicon technology materials and are sampling products for new applications with more customers; and
- Our spin-on glass material for flat panel purposes is being tested by significant industry leaders, and we are well on the way to achieving full qualification for its use in the manufacturing process.

PRINTING AND OTHER
Products in this division are used in the production of printed materials including newspapers, magazines and books.

Printing and Other revenues of US$12.8m were similar to those achieved in the previous year (H1 2010: US$14.0m). Adjusted EBITDA was US$0.8m, a decrease of US$1.6m (67%) on H1 2010. This slowdown in performance is principally due to delays in the switchover from analogue to digital plates at our core printing plate customers. AZ continues to support its customers during this transition period.

FINANCIAL REVIEW

AZ again achieved strong revenue and profit growth. As a specialty chemicals business focused on advanced technology, AZ runs a “capital-light” business model investing primarily in R&D and related equipment which allows a high proportion of profits to be converted into cash. Net debt was reduced by US$20.8m since 31 December 2010 to US$402.2m at 30 June 2011.

Strong operating performance in the period
The revenue of the Group continues to be driven by the growth in IC Niche products (which represented 44% of total revenue in the period) and by the leading market positions of other key products such as FPD Photoresist.

IC Niche products and FPD Photoresist represented 67% of revenue in the period (H1 2010: 61%). This compares with 46% in 2005, which indicates the success of our strategy to focus on market-leading, niche products. This has driven gross profit margin 0.9 percentage points higher to 46.7% (H1 2010: 45.8%), with the impact of improved product mix being partially offset by higher oil price-related raw material prices.

The Adjusted EBITDA margin was at 33.1% (H1 2010: 34.1%) for the period, with increased R&D and corporate costs maintaining the Adjusted EBITDA margin at the same level as in the full 2010 financial year. The margin achieved in H1 2010 was largely driven by the timing of income and foreign exchange movements which, after eliminating these factors, was at around the same level as that achieved for the full 2010 financial year.

Revenue growth continues in each division
Revenue growth and higher profits were achieved in the period in the two principal divisions. However, revenue was stronger in the second quarter as growth in memory wafer starts accelerated, leading to increased IC Materials revenue. In Optronics, a drive by customers to reduce inventory impacted FPD Photoresist revenue in the second quarter and therefore the revenue increase was more modest.

The importance of Asia to the global semiconductor and flat panel display industries is reflected in the fact that 80% of our revenues are to customers who are based there, where growth has been strongest, increasing by 27% compared to the same period last year. Revenue derived from customers in the USA increased by 15% whilst revenue from customers in Europe decreased by 5%.

Continued investment in technology, new applications and production capacity
During the period, AZ invested US$25.2m in R&D (H1 2010: US$19.2m), representing 6.4% of Group revenue overall (H1 2010: 6.0%). Of total R&D expenditure, US$19.1m was in the IC Materials division – primarily in IC Niche products – which represented 7.1% of IC Materials revenue (H1 2010: US$15.5m, 7.5%). R&D expenditure in the Optronics division was US$4.7m, being 4.3% of Optronics revenue (H1 2010: US$2.7m, 2.7%), reflecting the differing dynamics of that business. 59% of R&D costs were incurred in Asia, 29% in the USA and 12% in Europe.

Capital expenditure in the period was US$25.1m (H1 2010: US$5.2m), of which US$16.3m was invested in advanced equipment used in R&D to develop new products (H1 2010: US$1.2m). Capital investment to expand production capacity was US$7.0m (H1 2010: US$3.1m) and a further US$1.8m (H1 2010: US$0.9m) was invested to support the production of AZ's current product portfolio.

Continued strong cash generation

Cash generation has been consistently strong over the past six years, which underpins our ability to invest to meet the needs of our customers and service our shareholders and other stakeholders. The conversion of Adjusted EBITDA into Adjusted Operating Cash Flow has averaged just over 80% since 2009 and in H1 2011 was at 66% due to the timing of capital expenditure payments. This level of cash conversion is a feature of the business and reflects AZ's focus on high value-added products, strong control of working capital and a "capital-light" operating model. In the past six years AZ has invested more in R&D activities and equipment than in capital costs related to production capacity.

Cash generated from operations in the period, together with approximately US$20m of existing cash resources, was used to pay interest of US$11.4m and tax of US$41.3m, to repay debt of US$54.7m, and for capital investment of US$33.9m.

Working capital was stable during the period and at 30 June 2011 was equivalent to 21% of revenue in the last twelve months (31 December 2010: 23%). Normal payment terms that impact accounts receivable and payable vary by country and have not changed significantly in 2011. Inventory levels at 11% of revenue in the last twelve months (31 December 2010: 11%) include raw materials, work-in-progress and finished goods, and are the focus of constant attention to optimise levels whilst ensuring security of supply.

Net debt

At 30 June 2011, gross outstanding borrowings were US$508.8m (31 December 2010: US$556.7m) and cash balances amounted to US$106.6m (31 December 2010: US$133.7m). Net debt was therefore US$402.2m, giving a ratio of net debt to Adjusted EBITDA (on a last twelve months basis) of 1.6 times at the end of the period (31 December 2010: 1.9 times).

Covenants attaching to our debt facilities compare EBITDA to net debt and interest costs to EBITDA. At 30 June 2011, AZ's performance was well within the covenant criteria.

At 30 June 2011, 81.8% of borrowings had fixed or capped interest rates averaging 4.0% and 3.0% respectively.

Tax rate reduced as debt is repaid

The tax charge for the period was US$20.0m (H1 2010: US$30.6m). The current year effective tax rate is at 35.3% before the application of prior year tax credits that reduce the headline effective tax rate to 32.8%.

Earnings per Share and Dividend

The Directors believe that Adjusted Earnings per Share, with amortisation of intangible assets and exceptional items added back, provides a better basis for comparison with other companies than statutory earnings per share. Adjusted Earnings per Share, using the weighted average number of shares in issue during the period, is 17.2 cents (H1 2010: 13.2 cents). On a statutory basis, basic and diluted earnings per share are 10.7 cents (H1 2010: loss per share 151.9 cents).

The Board is pleased to announce its first dividend, an interim dividend in respect of the current financial year of 3.8 cents per share. This will be paid on 14 October 2011 to shareholders registered at the close of business on 9 September 2011. The shares will have an ex-dividend date of 7 September 2011.

The Board considers it appropriate to initiate a progressive dividend policy (commencing with this first dividend payment), having taken into account existing cash flow, capex commitments and the Company's current prospects. The Board intends, subject to this year's trading results, to recommend a final dividend for the current financial year which, together with the interim dividend, will represent a total distribution of approximately 35% of cash earnings after tax (i.e. profit after tax, with amortisation (net of the related tax credit) added back).

Dividends are declared in US Dollars and, unless a shareholder elects to receive dividends in US Dollars, will be paid in GB Pounds Sterling. This will be at the exchange rate prevailing on or about 27 September

2011 and confirmed by means of an RNS announcement to the London Stock Exchange on 28 September 2011.

Currency impact on trading
AZ reports its results in US Dollars and conducts its business in many foreign currencies. With 40.4% of AZ revenues in US Dollars, the other important trading currencies are the Japanese Yen (31.6% of revenues), Taiwanese Dollar (15.9% of revenues), Euro (7.0% of revenues) and the Korean Won (2.1% of revenues).

The Group's results are also exposed to the transactional foreign exchange risk that arises when subsidiaries enter sales and/or purchase contracts in currencies other than their local currency. The most significant impacts arise as our Korean and Taiwanese subsidiaries conduct a portion of their trading in US Dollars and Japanese Yen. Group Treasury seeks to manage its transactional foreign exchange risks by managing the net portion in each foreign currency using external forward currency contracts.

Based on the current mix of non-US Dollar denominated revenue and profit, a 1% movement in Japanese Yen (relative to US Dollar) changes revenue by US$2.5m and Adjusted EBITDA by US$0.4m. Similarly a 1% movement in Korean Won relative to US Dollar changes revenue by US$0.2m and Adjusted EBITDA by US$(0.2)m, and a 1% movement in Taiwanese Dollar relative to US Dollar changes revenue by US$1.3m and Adjusted EBITDA by US$0.8m.

Risk management and internal controls
Robust management information systems and business planning have been central to the development of the Group thus far. To ensure the continued resilience of our systems additional resources have been committed to direct a programme of enhanced internal control and risk management. This will involve wider involvement in risk mitigation and targeted reviews of systems and processes as part of a co-ordinated internal audit programme.

Principal risks and uncertainties
The Company has identified certain principal risks that could prevent the Group achieving its strategic objectives and has assessed how these risks could best be mitigated through a combination of internal controls, risk management and external insurance cover purchase. These key financial and non-financial risks were explained in detail in the Company's Annual Report & Accounts for the year ended 31 December 2010 (pages 40 to 42) and can be viewed at www.az-em.com.

A summary of the nature of the risks faced by the Group, based on previous disclosures is as follows:

- Risks related to the Company, including supply chain failure, failure to develop commercially successful new products, failure to protect proprietary technologies, failure to recruit and retain the best talent, and fluctuations in raw material prices; and

- Risks related to the industry, including dependence on the macroeconomic cycle, increased competitor activity, fluctuations in foreign exchange rates and the risks associated with operating in different countries.

The Board considers that this remains a current reflection of the key risks and uncertainties facing the Group.

RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge and belief:

- the accompanying interim financial information has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' as adopted in the European Union;

- this Half-Year Report includes a fair review of the information required by Disclosure and Transparency Rule (DTR) 4.2.7R (indication of important events during the period and description of principal risks and uncertainties for the remainder of the financial year); and

- this Half-Year Report includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein).

This responsibility statement was approved by the Board on 24 August 2011 and is signed on its behalf by:

Geoff Wild
Chief Executive Officer

Ken Greatbatch
Chief Financial Officer

24 August 2011

REVIEW REPORT ON THE INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed consolidated balance sheet of AZ Electronic Materials S.A. as of 30 June 2011, the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six month period then ended, and the other explanatory notes set out from page 16 to page 21 (collectively, the “interim financial information”). The Board of Directors is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard 34, *Interim Financial Reporting*, as adopted in the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor*, as adopted in Luxembourg by the *Commission de Surveillance du Secteur Financier*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim Financial Reporting*, as adopted in the European Union.

For Deloitte S.A., *Cabinet de révision agréé*

John Psaila, *Réviseur d’entreprises agréé*
Partner

24 August 2011

Condensed consolidated income statement

	Notes	**Six months ended 30 June 2011 US$m (unaudited)**	Six months ended 30 June 2010 US$m (audited)	Year ended 31 December 2010 US$m (audited)
Revenue	3	**391.8**	320.7	682.1
Cost of goods sold		**(208.9)**	(173.8)	(370.8)
Gross profit		**182.9**	146.9	311.3
Operating costs	4	**(106.7)**	(72.5)	(187.0)
Operating profit		**76.2**	74.4	124.3
Investment income		**1.2**	1.2	1.6
Finance costs	5	**(16.5)**	(366.4)	(216.5)
Profit/(loss) before tax		**60.9**	(290.8)	(90.6)
Tax	6	**(20.0)**	(30.6)	(48.6)
Profit/(loss) for the period		**40.9**	(321.4)	(139.2)
Attributable to:				
Equity holders of AZ Electronic Materials S.A.		**40.9**	(321.4)	(139.2)
Earnings/(loss) per share				
Basic and diluted	8	**10.7c**	(151.9)c	(56.9)c

The accompanying Notes are integral to this interim financial information.

Condensed consolidated statement of comprehensive income/(loss)

	Six months ended 30 June 2011 US$m (unaudited)	Six months ended 30 June 2010 US$m (audited)	Year ended 31December 2010 US$m (audited)
Profit/(loss) for the period	**40.9**	(321.4)	(139.2)
Cash flow hedges: Gains/(losses) arising during the period	**4.2**	(3.9)	(3.4)
Exchange differences on translation of foreign operations	**21.5**	277.9	148.5
Other comprehensive income	**25.7**	274.0	145.1
Tax relating to components of other comprehensive income	**–**	(3.8)	(7.5)
Other comprehensive income for the period	**25.7**	270.2	137.6
Total comprehensive income/(loss) for the period	**66.6**	(51.2)	(1.6)
Attributable to:			
Equity holders of AZ Electronic Materials S.A.	**66.6**	(51.2)	(1.6)

The accompanying Notes are integral to this interim financial information.

Condensed consolidated balance sheet

	Notes	**As at 30 June 2011 US$m (unaudited)**	As at 30 June 2010 US$m (audited)	As at 31 December 2010 US$m (audited)
ASSETS				
Non-current assets				
Goodwill		**419.7**	381.9	410.0
Intangible assets		**687.4**	716.2	721.0
Property, plant and equipment		**217.1**	175.2	201.6
Investments		**7.0**	5.9	6.5
Deferred income tax assets		**9.0**	12.5	13.4
Derivative financial assets		**–**	0.3	0.2
		1,340.2	1,292.0	1,352.7
Current assets				
Inventory		**82.5**	71.3	74.7
Trade and other receivables		**158.7**	139.4	151.2
Derivative financial assets		**–**	0.5	0.3
Current income tax asset		**1.2**	0.4	0.4
Cash and cash equivalents		**106.6**	125.6	133.7
		349.0	337.2	360.3
Total assets		**1,689.2**	1,629.2	1,713.0
EQUITY				
Share capital		**38.1**	1,250.0	38.1
Share premium		**367.7**	–	367.7
Reverse asset acquisition reserve		**–**	(1,244.4)	–
Other reserves		**1,368.6**	260.0	1,342.9
Accumulated deficit		**(1,070.0)**	(1,293.9)	(1,111.1)
Equity attributable to owners		**704.4**	(1,028.3)	637.6
LIABILITIES				
Non-current liabilities				
Borrowings	9	**488.8**	938.0	539.3
Convertible loan notes	10	**–**	1,237.8	–
Deferred income tax liabilities		**288.4**	299.4	304.3
Derivative financial liabilities		**10.5**	14.4	11.5
Liability for share-based payments		**0.3**	–	0.3
Retirement benefit obligations		**15.1**	12.3	13.5
		803.1	2,501.9	868.9
Current liabilities				
Trade and other payables		**111.7**	95.3	129.4
Current income tax liabilities		**45.5**	31.7	51.7
Borrowings	9	**20.0**	22.5	17.4
Derivative financial liabilities		**4.5**	6.0	8.0
Provisions		**–**	0.1	–
		181.7	155.6	206.5
Total liabilities		**984.8**	2,657.5	1,075.4
Total equity and liabilities		**1,689.2**	1,629.2	1,713.0

The accompanying Notes are integral to this interim financial information.

Condensed consolidated statement of changes in equity

	Share capital US$m	Share premium US$m	Reverse asset acquisition reserve US$m	Other reserves US$m	Retained earnings/ (losses) US$m	Total equity US$m
Balance at 1 January 2011	**38.1**	**367.7**	**–**	**1,342.9**	**(1,111.1)**	**637.6**
Profit for the period	**–**	**–**	**–**	**–**	**40.9**	**40.9**
Equity-settled share-based payments	**–**	**–**	**–**	**–**	**0.2**	**0.2**
Other comprehensive income for the period	**–**	**–**	**–**	**25.7**	**–**	**25.7**
Balance at 30 June 2011 (unaudited)	**38.1**	**367.7**	**–**	**1,368.6**	**(1,070.0)**	**704.4**

	Share capital US$m	Share premium US$m	Reverse asset acquisition reserve US$m	Other reserves US$m	Retained earnings/ (losses) US$m	Total equity US$m
Balance at 1 January 2010	1,250.0	–	(1,244.4)	(10.2)	(972.5)	(977.1)
Loss for the period	–	–	–	–	(321.4)	(321.4)
Other comprehensive income for the period	–	–	–	270.2	–	270.2
Balance at 30 June 2010 (audited)	1,250.0	–	(1,244.4)	260.0	(1,293.9)	(1,028.3)

	Share capital US$m	Share premium US$m	Reverse asset acquisition reserve US$m	Other reserves US$m	Retained earnings/ (losses) US$m	Total equity US$m
Balance at 1 January 2010	1,250.0	–	(1,244.4)	(10.2)	(972.5)	(977.1)
Loss for the year	–	–	–	–	(139.2)	(139.2)
Reverse asset acquisition capital adjustment	–	–	1,244.4	(6.9)	–	1,237.5
Capital reduction	(1,222.4)	–	–	1,222.4	–	–
Issue of share capital	10.5	367.7	–	–	–	378.2
Equity-settled share-based payments	–	–	–	–	0.6	0.6
Other comprehensive income for the year	–	–	–	137.6	–	137.6
Balance at 31 December 2010 (audited)	38.1	367.7	–	1,342.9	(1,111.1)	637.6

The accompanying Notes are integral to this interim financial information.

Reverse asset acquisition reserve – The reverse asset acquisition reserve exists as a result of accounting for the acquisition of AZ Electronics Material S.A during 2010 as a reverse asset acquisition.

Condensed consolidated cash flow statement

	Notes	**Six months ended 30 June 2011 US$m (unaudited)**	Six months ended 30 June 2010 US$m (audited)	Year ended 31 December 2010 US$m (audited)
Net cash provided by operating activities	11	**63.1**	59.2	129.4
Cash flows from investing activities				
Purchases of property, plant and equipment		**(32.9)**	(9.4)	(24.1)
Purchases of intangible assets		**(1.0)**	–	(1.3)
Interest received		**0.4**	0.4	0.7
Net cash used in investing activities		**(33.5)**	(9.0)	(24.7)
Cash flows from financing activities				
Proceeds from issuance of ordinary shares		**–**	–	400.5
Costs of issuing shares		**(5.5)**	–	(14.5)
Repayments of borrowings		**(54.7)**	(17.7)	(459.1)
Net cash used in financing activities		**(60.2)**	(17.7)	(73.1)
Net (decrease)/increase in cash		**(30.6)**	32.5	31.6
Cash and cash equivalents at the beginning of the year		**133.7**	99.9	99.9
Effect of foreign exchange rate changes		**3.5**	(6.8)	2.2
Cash and cash equivalents at the end of the period		**106.6**	125.6	133.7

The accompanying Notes are integral to this interim financial information.

1. General information

The information for the year ended 31 December 2010 does not constitute statutory accounts but is derived from those accounts. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified and did not draw attention to any matters by way of emphasis.

Having regard to the financial position and future prospects of the Group, the Directors have concluded that the Group is a going concern and have prepared this interim financial information on that basis.

There is no significant impact of seasonality on the Group results in the interim financial information.

2. Accounting policies

The annual financial statements of AZ Electronic Materials S.A. are prepared in accordance with IFRSs as adopted by the European Union. The interim financial information included in the Half-Year Report has been prepared in accordance with International Accounting Standards 34 'Interim Financial Reporting', as adopted by the European Union. The same accounting policies and methods of computation are followed in the interim financial information as in the most recent annual financial statements.

3. Segment information

The Group has identified its reportable segments, recognising the different characteristics of those segments as reflected in the information provided to the members of the Global Management Team ("GMT") that is responsible for the day-to-day management of the Group. The GMT includes the Chief Executive Officer, Chief Financial Officer and the heads of the Business Divisions.

The Group is focussed on the ultimate end use of the products manufactured and has determined that the appropriate reportable segments are:

IC Materials: being high-purity, advanced technology products for use in integrated circuits and devices;

Optronics: being products used in the production of flat panel displays for use in televisions, computer monitors and similar equipment;

Printing and Other: being mainly printing and similar products used in photo lithographic processes;

Corporate: being staff and running costs of corporate offices:

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2.

The GMT uses Adjusted EBITDA to measure the profitability of each segment. Adjusted EBITDA represents operating profit excluding certain items in order to provide management with a consistent comparison of the Group's business, on a year on year basis and with other businesses. During the periods under review, the items excluded from operating profit in arriving at Adjusted EBITDA were restructuring costs, transaction costs, reversal of impairment of intangible assets, monitoring fees, depreciation and amortisation of intangible assets.

Information regarding the Group's reporting segments is reported as follows:

Segment revenues

The following is an analysis of the Group's revenue generated from external customers by reportable segment:

	Six months ended 30 June 2011 US$m	Six months ended 30 June 2010 US$m	Year ended 31 December 2010 US$m
IC Materials	**269.2**	205.9	448.6
Optronics	**109.8**	100.8	207.4
Printing and Other	**12.8**	14.0	26.1
Total revenue	**391.8**	320.7	682.1

All the revenue is derived from the sale of goods. There are no inter segment sales.

Below is a breakdown of total sales revenue by product type:

	Six months ended 30 June 2011 US$m	Six months ended 30 June 2010 US$m	Year ended 31 December 2010 US$m
IC Niche	**173.3**	118.7	266.4
IC Conventional	**95.9**	87.2	182.2
Total IC Materials revenue	**269.2**	205.9	448.6
FPD Photoresist	**87.8**	77.6	158.9
Optronics Other	**22.0**	23.2	48.5
Total Optronics revenue	**109.8**	100.8	207.4
Total Printing and Other revenue	**12.8**	14.0	26.1
Total revenue	**391.8**	320.7	682.1

IC Niche products comprise a number of speciality materials, specifically spin-on dielectrics, colloidal silica CMP slurries and lithographic process material that facilitate yield and pattern enhancements.

IC Conventional products constitute more widely available, and generally older products for photolithographic processes, specifically photoresists including thick film resists, edge bead removers and other ancillary products.

Segment results

The following is an analysis of the Group's Adjusted EBITDA by reportable segment:

	IC Materials	**Optronics**	**Printing and Other**	**Corporate**	**Total**
Adjusted EBITDA	**106.6**	**32.7**	**0.8**	**(10.6)**	**129.5**
Depreciation	**(8.5)**	**(4.1)**	**(0.4)**	**–**	**(13.0)**
Adjusted EBITA	**98.1**	**28.6**	**0.4**	**(10.6)**	**116.5**
Amortisation of intangible assets	**(27.4)**	**(12.2)**	**(0.7)**	**–**	**(40.3)**
Operating profit/(loss)	**70.7**	**16.4**	**(0.3)**	**(10.6)**	**76.2**
Net investment income and finance costs					**(15.3)**
Profit before tax					**60.9**
Taxation					**(20.0)**
Profit after tax					**40.9**

Six months ended 30 June 2010 (US$m)	IC Materials	Optronics	Printing and Other	Corporate	Total
Adjusted EBITDA	77.9	32.8	2.4	(3.8)	109.3
Depreciation	(6.9)	(3.5)	(0.4)	–	(10.8)
Adjusted EBITA	71.0	29.3	2.0	(3.8)	98.5
Exceptional items:					
– Transaction costs	–	–	–	(0.5)	(0.5)
– Restructuring costs	(0.4)	(0.1)	(0.1)	–	(0.6)
– Reversal of impairment of intangible assets	8.7	–	1.7	5.0	15.4
Monitoring fees	–	–	–	(0.8)	(0.8)
Amortisation of intangible assets	(25.8)	(11.3)	(0.5)	–	(37.6)
Operating profit/(loss)	53.5	17.9	3.1	(0.1)	74.4
Net investment income and finance costs					(365.2)
Loss before tax					(290.8)
Taxation					(30.6)
Loss after tax					(321.4)

Year ended 31 December 2010 (US$m)	IC Materials	Optronics	Printing and Other	Corporate	Total
Adjusted EBITDA	165.6	65.3	3.1	(8.4)	225.6
Depreciation	(13.2)	(7.3)	(0.9)	–	(21.4)
Adjusted EBITA	152.4	58.0	2.2	(8.4)	204.2
Exceptional items:					
– Transaction costs*	–	–	–	(16.4)	(16.4)
– Restructuring costs	(0.4)	(0.1)	(0.1)	–	(0.6)
– Reversal of impairment of intangible assets	8.7	–	1.7	5.0	15.4
Monitoring fees	–	–	–	(1.5)	(1.5)
Amortisation of intangible assets	(52.4)	(23.3)	(1.1)	–	(76.8)
Operating profit/(loss)	108.3	34.6	2.7	(21.3)	124.3
Net investment income and finance costs					(214.9)
Loss before tax					(90.6)
Taxation					(48.6)
Loss after tax					(139.2)

*Transaction costs relate to costs incurred by the Group in relation to the Initial Public Offering undertaken during 2010.

Geographic information

The Group's revenue from external customers by geographic area of the Group's selling locations is as follows:

	Six months ended 30 June 2011 US$m	Six months ended 30 June 2010 US$m	Year ended 31 December 2010 US$m
Taiwan	**108.9**	85.0	181.5
Japan	**69.2**	63.7	135.3
Korea	**90.2**	61.8	136.1
China	**30.1**	25.3	57.1
Singapore	**16.2**	11.5	26.4
Total Asia	**314.6**	247.3	536.4
France	**7.5**	9.5	16.4
Germany	**26.5**	26.3	51.0
Total Europe	**34.0**	35.8	67.4
USA	**43.2**	37.6	78.3
Total USA	**43.2**	37.6	78.3
Total revenue	**391.8**	320.7	682.1

The total assets have not been disclosed in the interim financial information as there have been no material changes to those disclosed in the most recent annual financial statements.

4. Operating costs

	Six months ended 30 June 2011 US$m	Six months ended 30 June 2010 US$m	Year ended 31 December 2010 US$m
Other gains and losses	**(2.8)**	(3.0)	(3.8)
Selling and marketing costs	**53.2**	48.9	102.1
Research & development costs	**25.2**	19.2	42.0
Distribution costs	**3.7**	3.4	7.1
General & administrative costs:			
Reversal of impairment of intangibles	**–**	(15.4)	(15.4)
Other expenses	**27.4**	19.4	55.0
Total general & administrative costs	**27.4**	4.0	39.6
Total	**106.7**	72.5	187.0

5. Finance costs

	Six months ended 30 June 2011 US$m	Six months ended 30 June 2010 US$m	Year ended 31 December 2010 US$m
Interest on bank overdraft and loans	**8.2**	29.6	60.2
Interest imputed on debt component of CPECs	**–**	2.3	3.4
Retirement benefits	**0.3**	0.3	0.7
Fair value losses on interest rate swaps transferred from equity for cash flow hedges of floating rate debt	**6.2**	5.1	10.6
Exchange differences (ineffective net investment hedge)	**1.8**	69.2	24.7
Losses on derivatives designated at fair value through profit or loss:			
– Interest rate derivatives	**–**	0.1	0.3
– Convertible Preferred Equity Certificates (CPECs)	**–**	259.8	116.6
Total finance costs	**16.5**	366.4	216.5

6. Tax

The amounts recognised in the income statement were as follows:

	Six months ended 30 June 2011 US$m	Six months ended 30 June 2010 US$m	Year ended 31 December 2010 US$m
Current tax	**33.5**	25.2	61.1
Deferred tax	**(13.5)**	5.4	(12.5)
Total tax	**20.0**	30.6	48.6

Included in the tax charge above is a credit of $1.4m (30 June 2010: nil, 31 December 2010: credit of $1.4m) in respect of prior year adjustments.

The tax charge is based on the estimated effective tax rate for the year.

7. Dividends

An interim dividend of 3.8 cents per share was approved by the Board on 24 August 2011, based on the interim accounts of the Company at 18 August 2011.

8. Earnings per share

The calculation of basic earnings per share has been based on the loss for the period and the number of shares for the relevant periods set out below.

	Six months ended 30 June 2011	Six months ended 30 June 2010	Year ended 31 December 2010
Profit/(loss) attributed to shareholders (US$m)	**40.9**	(321.4)	(139.2)
Weighted average number of shares for purposes of basic earnings per share	**380,913,552**	211,577,000	244,558,012
Effect of dilutive potential ordinary shares – share options	**44,038**	–	–
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**380,956,435**	211,577,000	244,558,012
Basic and diluted earnings/(loss) per share	**10.7c**	(151.9)c	(56.9)c

The CPECs have not been taken into account when calculating the diluted loss per share in prior periods as their impact was anti-dilutive.

In the calculation of adjusted earnings per share, the loss attributable to shareholders has been adjusted for amortisation of intangible assets, exchange differences on ineffective net investment hedges and fair value movements on the convertible loan notes. Further adjustments have also been made for one-off costs such as, reversal of impairments, restructuring costs, transaction costs, monitoring fees and write-off of deferred fees on termination of loans.

	Six months ended 30 June 2011 US$m	Six months ended 30 June 2010 US$m	Year ended 31 December 2010 US$m
Profit/(loss) after tax from continuing operations	**40.9**	(321.4)	(139.2)
Deduct (after tax):			
reversal of impairment of intangible assets	**–**	(10.0)	(10.0)
Add back (after tax):			
restructuring costs	**–**	0.4	0.4
transaction costs	**–**	0.5	16.4
monitoring fees	**–**	0.8	1.5
Write-off of deferred fees on termination of loans	**–**	–	2.3
amortisation of intangible assets	**24.8**	26.4	49.6
exchange differences (ineffective net investment hedge)	**–**	69.2	24.7
finance costs in respect of CPECs	**–**	262.1	120.0
Adjusted profit after tax from continuing operations	**65.7**	28.0	65.7
Weighted average number of shares	**380,913,552**	211,577,000	244,558,012
Adjusted earnings per share	**17.2c**	13.2c	26.9c

9. Financial liabilities – borrowings

	As at 30 June 2011 US$m	As at 30 June 2010 US$m	As at 31 December 2010 US$m
Non current			
Senior debt	**488.8**	708.5	539.3
PIK debt	**–**	229.5	–
Total	**488.8**	938.0	539.3
Current			
Senior debt	**20.0**	22.5	17.4
Total	**20.0**	22.5	17.4
Total borrowings	**508.8**	960.5	556.7

10. Convertible Preferred Equity Certificates

On 30 March 2007 Ridgefield Holdco (the previous holding company for the Group) issued 418,922,460 Convertible Preferred Equity Certificates (CPECs).

On 12 October 2010 the shareholders contributed the CPECs to the Group in exchange for new shares in Ridgefield Holdco; the CPECs were then cancelled. A total of 64,449,598 new €0.02 shares in Ridgefield Holdco were issued for a total share capital and share premium value of €418,922,460, the total value at cancellation being US$1,237,500,000.

	Six months ended 30 June 2011 US$m	Six months ended 30 June 2010 US$m	Year ended 31 December 2010 US$m
At start of period	**–**	1,154.8	1,154.8
Fair value adjustment through profit or loss	**–**	259.8	116.6
Interest imputed (not paid)	**–**	2.3	3.4
Foreign exchange	**–**	(179.1)	(37.3)
Contribution of CPECs for shares and cancellation	**–**	–	(1,237.5)
At end of period	**–**	1,237.8	–

11. Cash generated from operations

	Six months ended 30 June 2011 US$m	Six months ended 30 June 2010 US$m	Year ended 31 December 2010 US$m
Profit/(loss) for the period	**40.9**	(321.4)	(139.2)
Adjustments for:			
Income tax expense	**20.0**	30.6	48.6
Depreciation on property, plant & equipment	**13.0**	10.8	21.4
Amortisation of intangible assets	**40.3**	37.6	76.8
Reversal of impairment of intangible assets	**–**	(15.4)	(15.4)
Loss on sale of property, plant and equipment	**–**	1.3	1.3
Valuation and other losses	**–**	(0.4)	–
Share-based payments charge	**0.2**	–	0.6
Finance costs	**14.7**	297.2	191.8
Investment incomes	**(0.4)**	(0.4)	(0.7)
Decrease in provisions	**–**	(0.6)	(0.7)
Exchange differences on financial liabilities	**1.8**	69.2	24.7
Changes in working capital:			
Increase in inventories	**(5.0)**	(9.8)	(6.9)
Increase in trade and other receivables	**(4.3)**	(8.2)	(9.5)
(Decrease)/increase in trade and other payables	**(5.4)**	12.5	21.9
Cash generated from operations	**115.8**	103.0	214.7
Income taxes paid	**(41.3)**	(21.5)	(41.2)
Interest paid	**(11.4)**	(22.3)	(44.1)
Net cash from operating activities	**63.1**	59.2	129.4

12. Subsequent event

Since the half-year end, the Group has renewed its exclusive distribution agreement with Dow Chemical to continue marketing CMP slurries under the Klebosol® brand. Together, Dow and AZ are the global leader in the supply of low-defect colloidal silica to the semiconductor market.

SHAREHOLDER INFORMATION

1. Company website: www.az-em.com

The Company's Half-Year and Annual Reports to shareholders, and results announcements and presentations, are available to view and download at our website, www.az-em.com. Shareholders can also access current AZ share price information, the latest news about the Company, its products and operations, and details of future events and how to obtain further information.

2. Company registrar: Capita Registrars www.capitaregistrars.co.uk

Enquiries concerning shareholdings, dividends and changes in personal details should be referred to the Company's registrar, Capita Registrars ("Capita") in the first instance. They can be contacted at ssd@capitaregistrars.com or otherwise as follows:

Telephone:

- 0871 664 0300 (calls cost 10p per minute plus network extras)
- +44 (0) 20 8639 3399 (from outside the UK)
- Lines are open from 9.00am to 5.30pm, Monday to Friday, excluding public holidays

Share Registrar (Shareholders):

Capita Registrars (Jersey) Limited
12 Castle Street
St Helier
Jersey JE2 3RT
United Kingdom

Depositary Interests (Depositary Interest holders):

Capita IRG Trustees Limited
The Registry
34 Beckenham Road
Kent BR3 4TU
United Kingdom

Alternatively, shareholders can view and manage their shareholding through AZ's share portal which is hosted by Capita - simply log on to www.capitashareportal.com and follow the registration instructions.

3. 2011 Interim Dividend and related services

Shareholders and Depositary Interest holders were written to (and an RNS announcement made) by the Company on 17 August to provide advanced notice about the proposed 2011 interim dividend timetable and the related new services (briefly described below) which are to be offered in support of the inaugural dividend, and any future dividends which the Company may declare from time to time. Full details are available on the Investors section of the Company's website at www.az-em.com. This includes a direct link to the AZ share portal hosted by Capita (through whom the services are to be provided) and from where reference booklets and application forms can be downloaded and services applied for online.

- **Currency election for cash dividends**

  The interim dividend has been declared in US Dollars but will be paid in GB Pounds Sterling unless a currency election is made to receive the dividend in US Dollars. The US$:GB£ exchange rate to be used will be that prevailing on or about 27 September 2011 and notified by the Company by means of a public announcement to the London Stock Exchange the following day. To be valid in respect of the interim dividend, completed currency election forms must be returned to Capita by 19 September 2011. Depositary Interest holders who wish to make a currency election should either

reference their CREST Manual (if they are CREST participants) or contact their CREST sponsor (if they are CREST members), who will be able to take appropriate action on their behalf.

- **Dividend payments to UK shareholders – Dividend Mandates**

  UK shareholders may request that their dividends be paid direct into a nominated UK bank or building society account through the Bankers' Automated Clearing System (BACS). This arrangement is only available in respect of dividends paid in GB Pounds Sterling. To take advantage of this facility in respect of the interim dividend, completed mandate forms must be received by Capita by 19 September 2011.

- **Dividend payments to overseas shareholders – International Payment Service**

  For international shareholders who would prefer to receive payment of their dividends in local currency and direct into their local bank account, an International Payment Service ("IPS") is available. To be valid in respect of the interim dividend, completed IPS application forms must be received by Capita by 19 September 2011.

- **Dividend Reinvestment Plan**

  A Dividend Reinvestment Plan ("DRIP") is a simple and convenient means by which shareholders can increase their holding in the Company by using dividends to buy more shares instead of receiving the cash payment. To be valid in respect of the interim dividend, completed DRIP mandates must be received by Capita by 19 September 2011.

4. Interim Dividend timetable

	2011
Half-Year results announced, including interim dividend declared in US Dollars*	25 August
Ex-dividend date	7 September
Record date	9 September
Half-Year Report mailed to Shareholders and Depositary Interest holders	12 September
Deadline for return of currency election, dividend mandate, DRIP and IPS forms	19 September
Exchange rate announced for GB Pound Sterling payment of interim dividend	28 September
Payment date	14 October

* The interim dividend will be paid by the Company without deduction of Luxembourg withholding tax.

The tax outcomes of receiving a dividend from the Company will depend on the specific circumstances of Shareholders and Depositary Interest holders. If you are in any doubt as to your tax position, you should consult an appropriately qualified professional advisor.

5. Investor and media enquiries

For any investor or media enquiries, please contact Charlie Armitstead or Hazel Stevenson at Financial Dynamics, by telephone on +44 (0) 20 7269 7275 or by email at charles.armitstead@fd.com.

— ENDS —