umicore
materials for a better life

Creating a world of possibilities

Annual report 2011

Consult the online report
www.umicore.com/reporting

Finding your way

About this report

This Annual Report is an integrated view of our economic, social and environmental performance in 2011. To access the full web-based report please visit our dedicated reporting centre via the link below. For mobile users the QR codes will direct you to relevant parts of our on-line report.

Our report is externally verified and reaches the GRI reporting level B+

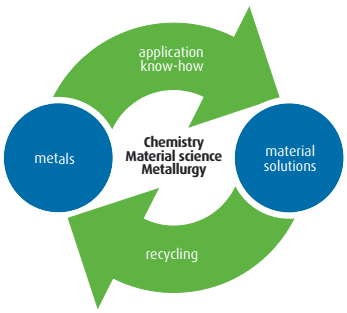
A full overview of the scope of our reporting can be found on page 180.

Consult the online report
www.umicore.com/reporting

Introduction

Our approach

We are a global materials technology company. We focus on application areas where our expertise in chemistry, materials science, metallurgy and recycling makes a real difference.



Our activities

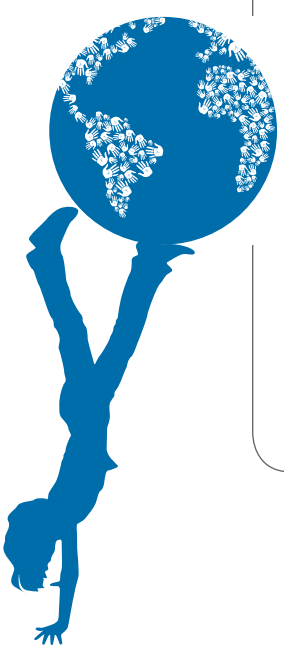
Our activities are centred on four business groups. Each business group is composed of market-focused business units offering materials and solutions that are at the cutting edge of new technological developments and essential to everyday life.

CATALYSIS

ENERGY MATERIALS

PERFORMANCE MATERIALS

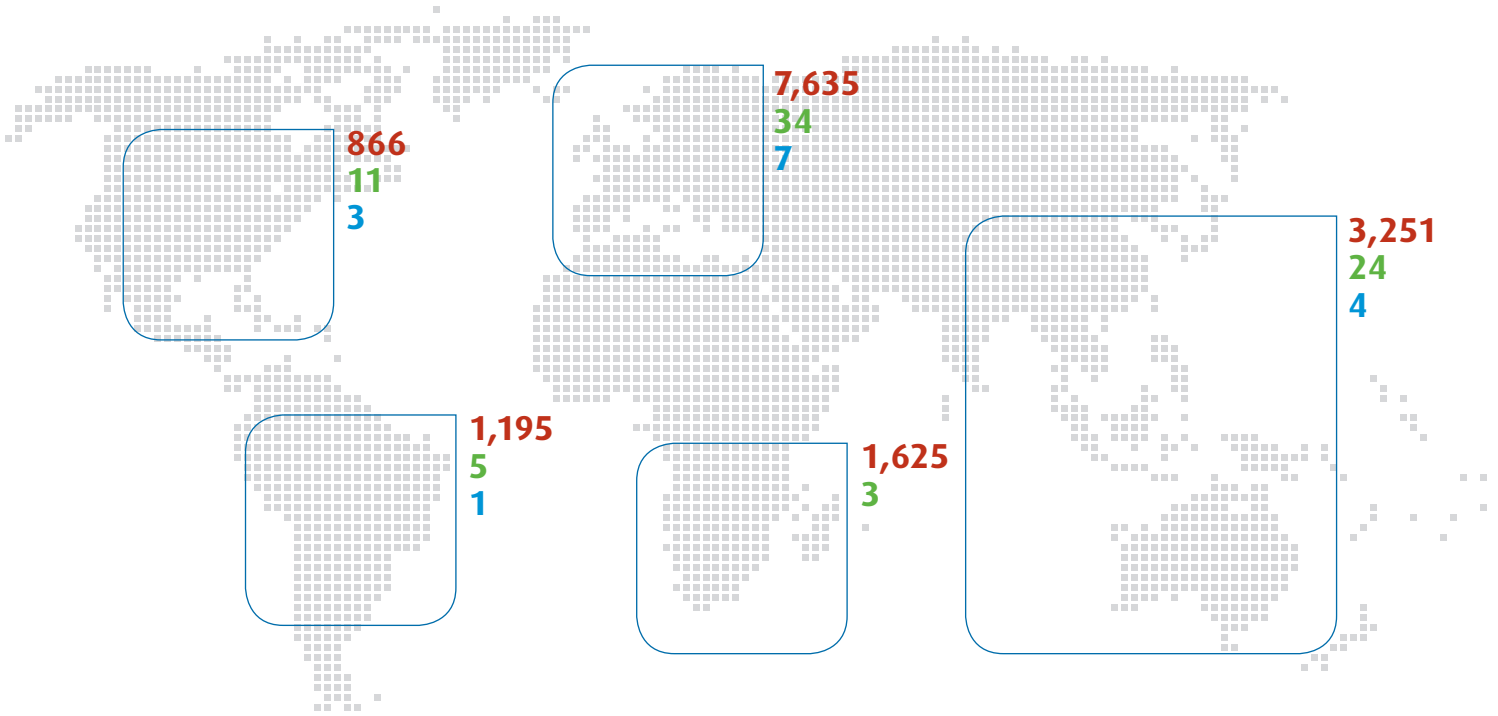
RECYCLING



Materials for a better life

GLOBAL100

Umicore at a glance

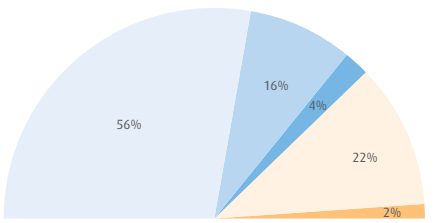


Colleagues
14,572

Industrial sites
77

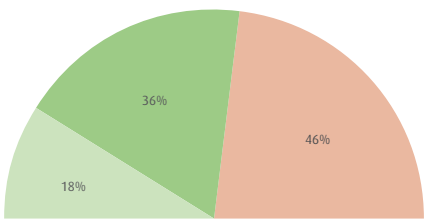
R&D / technical centres
15

REVENUES BY REGION



Europe
North America
South America
Asia-Pacific
Africa

RESOURCE EFFICIENCY



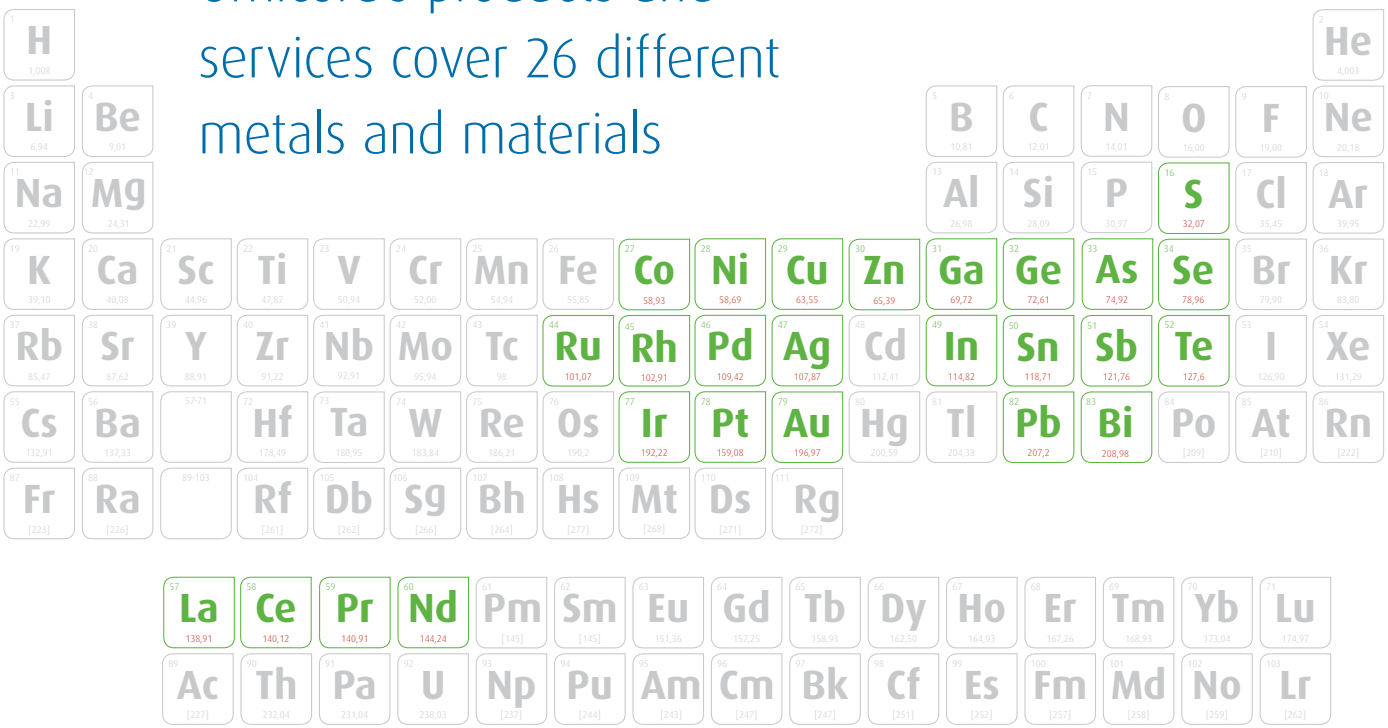
End-of-life materials
Secondary materials
Primary materials

Revenues (in € million)
2,289.8

Recurring EBIT (in € million)
416.1

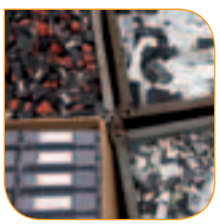
R&D spend in % of revenues
6.2%

Umicore's products and services cover 26 different metals and materials



Umicore, global leader in...

automotive catalysts for passenger cars.



key materials for rechargeable batteries used in portable electronics and hybrid & electric cars.

germanium substrates and other materials which are used in new photovoltaic technologies.

recycling precious metals from electronic scrap, spent catalyst materials and industrial residues.

Key figures and highlights

Economic performance (in € million unless stated otherwise)	2007	2008	2009	2010	2011
Turnover	8,309.9	9,124.0	6,937.4	9,691.1	**14,480.9**
Revenues (excluding metal)	1,910.0	2,100.3	1,723.2	1,999.7	**2,289.8**
Recurring EBIT	359.1	354.6	146.4	342.5	**416.1**
of which associates	26.8	32.0	(6.1)	30.1	**22.9**
Total EBIT	334.4	249.1	141.2	324.0	**432.7**
Recurring EBIT margin (in %)	17.4	15.4	8.9	15.6	**17.2**
Return on Capital Employed (ROCE) (in %)	19.6	17.8	8.1	17.5	**18.6**
Recurring net profit, Group share	225.7	222.1	81.9	263.4	**304.6**
Net profit, Group share, with discontinued operations	653.1	121.7	73.8	248.7	**325.0**
R&D expenditure	124.5	165.0	135.7	139.3	**156.8**
Capital expenditure	152.9	216.0	190.5	172.0	**212.6**
Net cash flow before financing	778.6	195.3	258.4	(68.2)	**308.6**
Consolidated net financial debt of continued operations, end of period	177.9	333.4	176.5	360.4	**266.6**
Gearing ratio of continued operations, end of period (in %)	10.4	20.0	11.4	18.6	**13.4**
Group shareholders' equity, end of period	1,491.2	1,290.7	1,314.2	1,517.0	**1,667.5**
Recurring EPS (in €/share)	1.80	1.93	0.73	2.33	**2.69**
EPS including discontinued operations, basic (in €/share)	5.21	1.06	0.66	2.20	**2.87**
Gross dividend (in €/share)	0.65	0.65	0.65	0.80	**1.00**

Great place to work	2007	2008	2009	2010	2011
Total workforce (incl. associates)	14,844	15,450	13,728	14,386	**14,572**
of which associates	5,018	5,337	4,415	4,828	**4,408**
Lost Time Accidents (LTA)	79	87	48	56	**60**
LTA frequency rate	5.30	5.30	3.10	3.50	**3.60**
LTA severity rate	0.13	0.17	0.08	0.13	**0.11**
Exposure ratio 'all biomarkers aggregated' (in %)	-	-	-	-	**5.10**
Average training hours per employee	52.84	51.21	44.05	43.30	**51.94**
Voluntary leavers - ratio	3.40	3.56	2.59	3.78	**3.84**

Eco-efficiency	2007	2008	2009	2010	2011
CO_2e emissions (scope1+2) (in tonne)	599,362	626,568	529,628	543,807	**695,733**
Metal emission to water (load in kg)	4,858	6,789	5,915	6,495	**5,782**
Metal emission to water (impact units)	299,664	301,271	442,575	389,676	**306,627**
Metal emission to air (load in kg)	14,532	16,152	10,579	11,453	**12,681**
Metal emission to air (impact units)	367,526	243,801	213,279	181,937	**128,714**

Stakeholder engagement	2007	2008	2009	2010	2011
Total donations (in € thousand)	202.3	1,451.5	1,106.5	1,009.4	**1,751.0**

Economic

- Strong revenue growth in all businesses
- Record recurring EBIT and earnings per share. Return on capital reaches 19%
- New strategic investments in all businesses
- Dividend increased

Great place to work

- A higher number of lost time accidents in 2011. Programmes underway to achieve future improvements
- Groundwork laid for further improvements in being considered a preferred employer and in people development

Eco-efficiency

- Strong progress towards CO_2 reduction objective
- Metal emission reductions surpassed our targets
- We further developed our new sustainable product measurement tool

Stakeholder engagement

- We started the systematic introduction of our Sustainable Procurement Charter
- Charitable donations reached a record level

CEO & Chairman's review

Umicore Chairman, Thomas Leysen and CEO Marc Grynberg discuss the highlights and progress made in 2011 and look forward to 2012 and beyond.

What were the highlights for you in 2011?

MG: Well, the fact that we were able to produce record results – both in terms of operating profit and earnings per share – obviously marks 2011 out as a very special year. We were able to achieve strong revenue growth in almost all of our businesses and this growth was generally faster than the market, underscoring the strength of our competitive position. This has not only been a feature in those business areas where we expect rapid growth as part of our Vision 2015 ambitions, such as in Automotive Catalysts or Recycling, it applies to many other parts of Umicore too. The fact that we have been able to get to record levels of revenue and profit so soon after the downturn of 2008-9 has also been a source of great satisfaction and has been achieved a year earlier than we had originally anticipated. Our approach to managing the business through that downturn has stood us in good stead and has enabled us to emerge in an even stronger position.

TL: Combining disciplined capital management and maintaining a strong balance sheet has always been part of our philosophy, also in the heady days of easy credit pre 2008. This has stood us in good stead in recent years. Umicore remains in a position to easily fund its own growth ambitions and this has been the case through the economic cycle. The benefits of such a consistent position are clear and I am glad that, once again, we have been able to increase the dividend and also to complete almost € 100 million of share buy-backs during the course of 2011.

MG: One other highlight for me has been the dedication shown by our colleagues around the world and not only for their contribution to the record results. Sadly many colleagues were affected directly or indirectly by the earthquake and tsunami that hit Japan, the tornadoes in the mid-west of the United States and the floods in Thailand. I was moved and impressed by the sense of community spirit shown by our people in this regard. Whether it was helping a neighbour whose house has been destroyed, delivering provisions to colleagues in need or providing financial support for communities thousands of kilometers away, the sense of togetherness shown was something of which I was very proud.

You completed several investments in 2011 – how will these contribute to future growth?

MG: Indeed our levels of capital expenditure also reached a record level of € 215 million with some

Thomas Leysen - Chairman

Marc Grynberg - Chief Executive Officer

major growth initiatives completed during the year and a new wave of investments announced for the future. The completion of the pilot facility for our new recycling technology was a particular highlight for me. It marks the start of what we expect to be an exciting new phase in the development of Umicore's recycling activities. The technology is meant to generate unprecedented levels of efficiency in terms of both metal recovery rates and energy consumption. We expect that this platform will enable us to recycle a whole new range of input streams in the future, such as rechargeable batteries, and to further position Umicore as the undisputed global leader in this field.

We also established a new battery materials operation in Japan as part of a broader programme of investments in the region aimed at energy-related applications. We have been very successful in developing and qualifying new materials for automotive applications and the new operation in Kobe will provide us with a platform to serve our customers in the automotive rechargeable battery sector even better. This industry is set to grow significantly in the coming years as the world moves towards greater use of electrified transportation. Interestingly, in 2012 Rechargeable Battery Materials will become the first Umicore business unit to have its headquarters in Asia, in the heart of the lithium-ion battery market and close to our operations and research facilities, which should further enhance our speed to market.

Our programme of investments also continued in the Catalysis business with various projects to develop our global network of testing facilities and to further grow our production capabilities around the world – particularly for heavy duty diesel applications. Finally, we are making some sizeable investments in the Performance Materials businesses in order to broaden our product scope and increase our global reach.

TL: The capital investments tend to be the public face of the growth picture. Opening a new plant attracts the attention of the outside world while other essential development work is more removed from the public gaze. Out of the limelight, the research and development efforts have continued at the same levels as in previous years and with fifteen R&D centres around the world – including new facilities in Asia – Umicore is laying the foundations for new products and processes in all of its businesses. I'm also happy that more is being done to seek common themes in the company's research efforts and to create an environment which promotes learning across the various business units.

How do you operate in such times of economic uncertainty?

MG: I take the view that it's best to maintain a consistent strategic course regardless of short term economic conditions. Our aim is to generate strong cash flows and retain the ability to invest in growth initiatives irrespective of where we are in any economic cycle. This consistency is perhaps one of the reasons for our success in navigating the inevitable ups and downs of the global economy. The last time the world experienced a significant slow-down we applied selective and, for the most part, temporary measures to deal with the reduced levels of demand and decided to maintain research programs, growth investments and dividend payments. If we look at what's going on in the world today we clearly see that the sovereign debt crises in the US and Eurozone are causing a high level of economic uncertainty and that many forecasts are suggesting a contraction of demand in these regions. I'm confident that applying the same approach as a couple of years ago will stand us in good stead and will enable us to continue on our strategic path.

TL: Consistency doesn't mean inflexibility, however. Our decentralized approach empowers the businesses themselves to make their own strategic decisions within certain parameters thereby

"Employees, customers, suppliers and other stakeholders around the world are increasingly pushing to see evidence of sustainable business practice. Pre-empting such demand can turn it into another competitive differentiator for Umicore."
Marc Grynberg

ensuring that unwieldy company-wide initiatives are kept to a minimum. This is the case for most aspects of the business and plays a big role in ensuring that Umicore's people feel that they have a real stake in the company's success.

How pleased were you with the progress toward the environmental and social aspects of Vision 2015?

MG: Very pleased overall. You have to remember that 2011 was the first year of our journey towards stretched targets, so it's encouraging to see so much tangible progress so early, particularly the reductions in metal and carbon emissions. In the case of CO_2 emissions the exceptionally good progress reflects, to a certain extent, the benefits of the energy efficiency projects that we implemented in recent years. We also recognize that the reductions are partly due to a more favourable energy supply mix and a different mix of recycling feed, and that we should therefore not expect reductions of this magnitude every year! One of the biggest challenges we have decided to take on is to make Umicore an accident-free workplace. Our businesses have started to implement a range of largely behavioral safety initiatives that will create the right safety culture and – we expect – lead to a breakthrough in performance in the coming years. We need to give such initiatives sufficient time to bear fruit. Several of our industrial sites boast of thousands of consecutive days without any accidents and this goes to show that the goal of zero accidents is not a distant dream but can really be achieved.

After one year of implementing Vision 2015 how much of a challenge has it been to combine economic, social and environmental goals?

MG: The first thing that I would say is that this is not new to us. We have been pursuing this approach for a decade now. In the period from 2006 to 2010 we concentrated on improving our understanding of the social and environmental issues facing Umicore, ensuring that all of our businesses were at a similar level and in setting up the right systems to monitor and measure our progress. Of course there are costs and complexities involved. We're now in a performance-focused delivery phase and the ambitious sustainability targets we have set for the Group do require significant additional resources and, in the smaller units or sites, these requirements have to be balanced against other operational priorities. Looking back on the first year of implementation I can say we are satisfied with our progress and I believe that the balance is just about right.

In taking this combined approach it's been very important to see it as an opportunity. Employees, customers, suppliers and other stakeholders around the world are increasingly pushing to see evidence of sustainable business practice. Pre-empting such demand can turn it into another competitive differentiator for Umicore. Our closed loop business approach, for instance, addresses the issue of materials scarcity while meeting a growing demand from customers to trace the origin of materials. This, together with truly responsible business conduct, makes for an attractive and compelling combination.

What has been the main focus of the Board in 2011?

TL: The bulk of our time – as always – is dedicated to regular reviews of the business strategy and performance, but also to such aspects as the company's risk profile and risk management framework, an annual sustainable development review, an analysis of the company's capital

management processes and acquisition strategy. Perhaps the highlight of our year was our field-trip to Japan. Not only did we get to see the new battery materials operations and other development projects but I think that the Board's visit so soon after the appalling events of the earthquake and tsunami was a clear signal of Umicore's commitment to its customers in Japan. We dedicated a larger than usual portion of our time in 2011 to succession issues on the Board. Jean-Luc Dehaene retired in April 2011 after eleven years of service. Jean-Luc brought rich experience to our Board and I have very much valued his advice and counsel both during my time as CEO and in these first few years as Umicore's chairman. We were delighted that Ines Kolmsee joined the Board during the year. Her background in industry gives us valuable perspective and her incisive questioning is already a feature of our meetings. In 2012, Guy Paquot is also set to retire and we spent part of last year identifying a suitable successor – one who will be proposed at the AGM at the end of April.

What will be your priorities in 2012?

MG: My priority is clearly to execute the strategy that was defined in early 2010. The pipeline of growth projects is full and capital investments are likely to increase further in 2012. Back in 2010 I indicated that our strategic journey would have three distinct phases – one of preparation, another of performance and finally one of acceleration. Next year will mark the transition between the first two of these phases. While it's too early to expect many of our major growth initiatives to already be bearing fruit in 2012, we will need to ensure that we have the right talent and resources in place to perform in this growth environment. It's going to be challenging and fascinating at the same time.

TL: We will continue to monitor the various internal growth initiatives that the company has in store and I am encouraged that Marc has more projects to submit for review in 2012! Beyond the standard reviews, the Board will be encouraging Umicore to look even more proactively at acquisition opportunities in its different businesses. While Umicore certainly does not need such acquisitions to succeed I think that the timing and competitive landscape could well prove favourable, even for acquisitions of a size and importance that would "shift the needle" for Umicore. ■

Scan here or use the url to view Marc Grynberg's review of 2011

www.umicore.com/reporting/ceo

Management discussion
Economic review

Umicore produced record levels of profit in 2011. We also continued to invest in growth initiatives around the world.

For Umicore, 2011 was an outstanding year from an economic and financial perspective. Our revenues increased strongly while earnings reached record levels. This represented a strong start on the journey towards our Vision 2015 growth ambitions. At the same time we generated strong cash flows and were able to combine increased investments in growth projects with share buy-backs and a higher proposed dividend while simultaneously reducing our debt levels.

Revenues, earnings & returns

Revenues increased by 15% compared to 2010, reaching € 2.3 billion. This was due to a combination of buoyant market conditions in the industries which we serve and also Umicore sales in certain businesses outpacing market growth.

Revenue growth reached double digit levels in the Catalysis, Energy Materials and Recycling activities. Performance Materials revenues grew by 6% which is in line with the growth profile of the various activities in this business group.

Our turnover (which includes metal values) was 50% higher year-on-year, reflecting both the higher level of business activity and higher average metal prices compared to 2010. For Umicore, revenue is a more meaningful metric of "top-line" performance than turnover as it excludes the price of metals passed through to customers.

Recurring EBIT reached a record level of € 416.1 million compared to € 342.5 million in 2010 – an increase of 21%. The most significant growth in absolute and relative terms came in the Recycling business group where earnings increased by 37%. The supplies of the various streams of recyclable materials increased through the year creating optimal conditions for the precious metals refining operations. In Catalysis the recurring earnings increased by 15%. The business not only felt the effects of improvements in the automotive sector but also enjoyed the effects of increasingly stringent emission norms and a better product mix. The Performance Materials earnings were down by 11%; earnings in the fully consolidated operations in this business grew by 3% while the negative impact was from significantly lower earnings from our Element Six Abrasives associate. The Energy Materials' earnings were also lower year-on-year and this was largely the result of start-up costs linked to our new investments in rechargeable battery materials and substrates. Net recurring corporate costs were slightly lower than those of 2010 at € 48.6 million.

There was a small positive impact on EBIT from non-recurring elements of € 1 million. Impairments related to the devaluation of permanently tied up metal inventories accounted for € 9.3 million.

"Umicore is built on solid foundations. Our entrepreneurial approach enables us to pursue our growth opportunities and to anticipate the requirements of our customers. This approach is complemented by sound financial management; our strong balance sheet and healthy cash flows enable us to invest for the future and also provide good returns for investors."

Ludo Vandervelden - Chief Financial Officer

These impairments are non-cash in nature. Restructuring charges and provisions totalled € 7.5 million. The sale of the subscription rights from Umicore's stake in Nyrstar and movements in pension provisions had a positive impact of € 10.1 million and € 8.2 million respectively. IAS 39 accounting rules had a positive effect on EBIT of € 15.6 million.

Depreciation charges on property, plant & equipment and intangible assets totalled € 137.1 million compared to € 126.2 million in 2010. This was due to the completion of several new investments in 2011. Overall recurring EBITDA increased by 18% to € 553 million.

Average capital employed was 14% above the levels of 2010, primarily due to an increase in inventory valuations and an increased fixed asset base brought about by some significant capital investment projects coming on-stream. Despite this increased level of capital employed our earnings level was strong enough to generate a return on capital employed (ROCE) of 18.6% compared to 17.5% in 2010.

Financial costs & taxes

Net recurring financial charges totalled € 29.8 million, an increase of € 11.4 million compared to 2010. The difference is mainly explained by foreign exchange differences and a higher average indebtedness. The average weighted interest rate for the period remained stable at 3.7%. The total tax charge for the period was € 76 million, some € 22 million higher than in 2010. This increase was in line with higher profits and the geographical distribution of earnings in 2011. The recurring tax charge for the period of € 72 million corresponded to an overall effective recurring tax rate of 19.9% on recurring pre-tax consolidated income. This was slightly above the level of 2010.

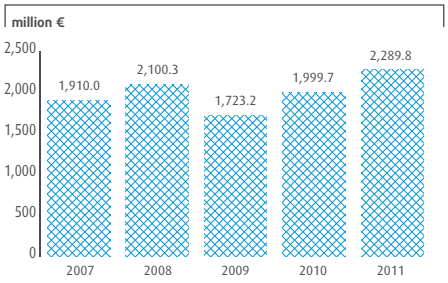
Cashflows

The net cashflow from operations was € 515.5 million. Working capital needs increased by € 48.6 million, resulting primarily from the higher level of revenue generation. Despite the need to finance our growth with additional working capital and the intensification of the capital investments, net cashflow before financing remained highly positive in 2011 at € 308.6 million.

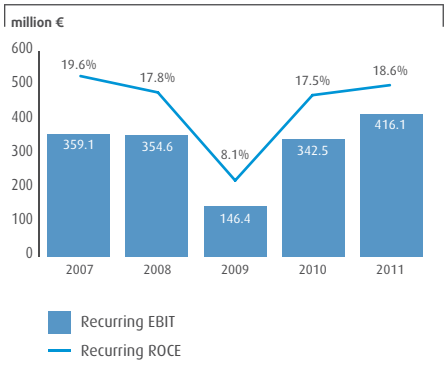
Net debt evolution

At the end of 2011 our net financial debt stood at € 266.6 million versus € 360.4 million a year earlier.

REVENUES (EXCLUDING METAL)

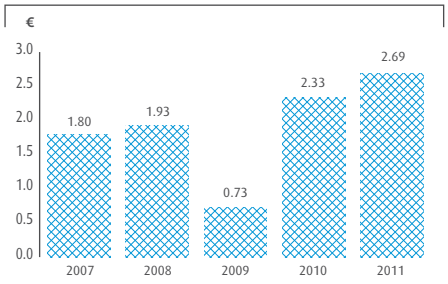


RECURRING EBIT & ROCE

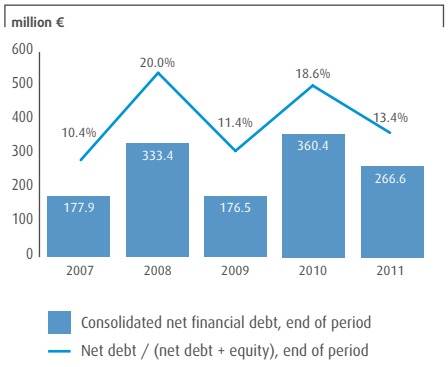


Economic review

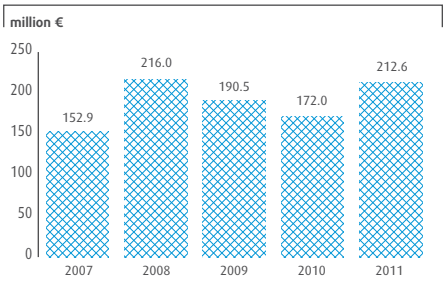
RECURRING EPS



NET FINANCIAL DEBT



CAPITAL EXPENDITURE



With the equity standing at € 1,721.7 million this resulted in a gearing ratio (net financial debt / (net financial debt + equity of the Group) of 13.4%. The net debt to recurring EBITDA ratio was reduced from 0.8x at the end of 2010 to 0.5x at the end of 2011. As part of the existing syndicated credit facility came to maturity in June 2011, a new syndicated loan for a maximum amount of € 250 million was negotiated for a period of five years.

Capital expenditure

Capital expenditures reached € 212.6 million compared to € 172.0 million in 2010. The majority of the capital expenditures were in areas that are directly linked to our Vision 2015 strategy. The most significant increases in capital expenditures came in the Energy Materials business group where we pursued significant growth developments in new battery materials production in Japan, Korea and China and infrastructure developments in Thin Film Products.

In Catalysis the investment level in Automotive Catalysts remained at a high level with investments underway to increase production capabilities in Florange, France, for heavy duty diesel catalysts (HDD) and in Suzhou, China, for both light duty vehicles and HDD applications. It is anticipated that these investments will be operational by mid 2012. We also announced the construction of a new technology development centre in Suzhou which is due to be commissioned in late 2012. In Recycling capital expenditures increased as a result of the completion of the UHT pilot facility and the new investment programme in the sampling operations in Hoboken. In Performance Materials the main increase came in the Platinum Engineered Materials business unit which completed an investment in Yokohama, Japan.

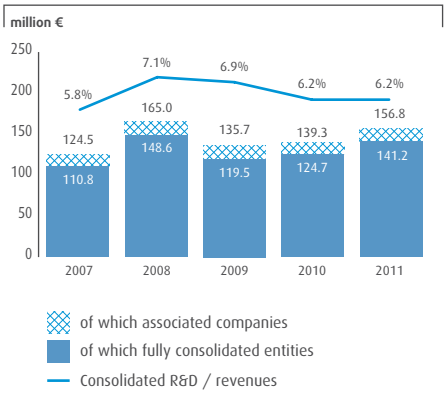
Research and development

Our total R&D expenditure increased to € 156.8 million, an increase of 13% over 2010. Our research efforts were stepped up in Energy Materials and Recycling in particular. Our R&D expenditure corresponds to 6.2% of revenues. Capitalised development costs accounted for € 16.5 million. The figures for 2010 and the first half of 2011 were restated according to the internationally recognised Frascati Manual definition. Corporate level R&D expenditure was in line with 2010 at € 20.0 million. A total of 42 new patent families were filed in the course of 2011 – a similar figure to 2010.

We have prioritized our R&D programmes to offer the best possible support to our Vision 2015 ambitions with a focus on the development of innovative materials and processes in Catalysis, Recycling and Energy Materials. In Catalysis, the increased spending in 2011 related to the development and testing of HDD systems while programmes related to gasoline particulate filters were also stepped up in anticipation of upcoming legislation such as Euro 6 regulations in Europe. In Recycling, testing of the new UHT technology started in the second half of the year, following the inauguration of the pilot plant in Hoboken, Belgium. The purpose of the test programmes is to perfect the process technology itself and experiment on a number of new recycling feed streams and blends.

In 2011 we also stepped up the research efforts in Energy Materials. The main focus has been on materials used in Li-ion batteries to support the penetration of electrified vehicles. Our focus is on materials that provide higher performance while reducing the metal cost for the customer. We are also conducting research projects in other areas in this business group such as rotary targets for sputtering of transparent conductive oxide layers on displays and solar panels. Our fuel cell research efforts continued to make good progress in 2011 primarily through our SolviCore joint venture with Solvay. SolviCore's membrane electrode assemblies attracted growing interest from car manufacturers and in early 2012 were incorporated in the world's largest proton exchange membrane fuel cell – a 1MW system in Lillo, Belgium.

R&D EXPENDITURE



Go straight to the numbers

.XLS

www.umicore.com/reporting/data

Our Group R&D centre deployed its service offering more actively with the various business units. One of the manners in which the Group R&D centre supports the business units is through knowledge sharing and by providing services and competences that are in demand across Umicore. These include analytical services, toxicology studies and high throughput experimentation.

The Executive Committee conducted five dedicated technology reviews in the course of 2011 in addition to the regular technology reviews that are included in the budget and strategic review process for each business unit.

These five reviews focused on testing technology for e-vehicles (battery and emission control), heavy duty diesel catalysis, lithium-ion battery materials, technology innovation and technology-related project portfolio and performance management.

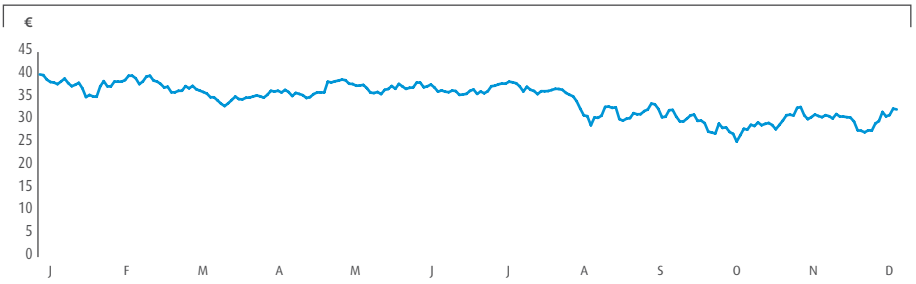
In 2011 we also further strengthened our collaboration with universities and research institutes around the world. We announced an intensification of our partnership with the University of Gent (Belgium) on nanocoatings, sustainable materials processes and recycling. In the area of nanocoatings Umicore will offer structural support to the research group Coating and Contacting of Nanostructures, while in the field of sustainable materials processes and recycling Umicore has sponsored a visiting professorship in the Metal Science and Technology research unit of the Department of Materials Science and Engineering.

In 2011 we joined the new European arm of the Centre for Resource Recovery and Recycling (CR3). CR3 aims to be the premiere industry-university alliance dedicated to the sustainable stewardship of the world's natural resources. The initiative develops and transfers technologies to industry with the goal of achieving materials sustainability from initial product design through manufacture to end-of-life disposal in a manner that yields both energy savings and profitability.

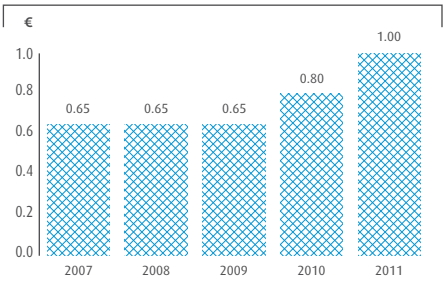
In March we attributed the Umicore Scientific Award to Dr. Damien Debecker from the Institute of Condensed Matter and Nanoscience at the Université Catholique de Louvain (UCL) in Belgium. The prize was given for Damien's PhD work in the field of MoO_3-based heterogeneous catalysts for the metathesis of propylene. Damien's entry was one of 33 entries submitted from all over Europe, including Austria, Belgium, Denmark, Finland, France, Italy, Slovakia, Spain, Switzerland and the United Kingdom.

Economic review

SHARE PRICE



GROSS DIVIDEND



The Umicore Share

In 2011 the world economy was buffeted by the effects of the sovereign debt crises in Europe and the United States. This had a negative impact on equity values in general. Our share price at the end of the year was 20.5% lower than at the beginning of 2011. Most of the decrease was registered in the second half of the year and the share price reached a low of € 25.35 at the beginning of October before recovering to finish the year at € 31.87.

Umicore's share fell some 8.5% more in relative and currency-adjusted terms compared to the Dow Jones Specialty Chemicals Index during 2011. The share price evolved slightly more positively than our "home" Bel20 Index, outperforming the index by 0.34% during the year. During the year we retained our place in the FTSE4Good sustainability index and were also a component of other sustainability funds and indices such as the EPCE Ethical EMU and Kempen SNS Fund. In January 2012 we were selected for inclusion in the Green Index that was launched by the WWF International subsidiary, the Living Planet Fund Management Company and Cheuvreux.

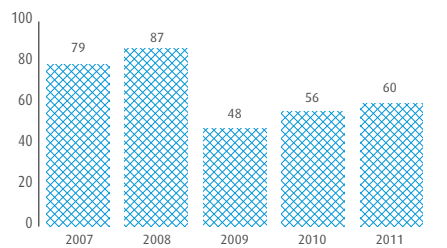
During 2011 four investment companies had declared holdings in Umicore that were above the declaration threshold of 3%. These companies had combined declared holdings of 21.27% of Umicore at year's end. During the course of 2011 we completed the purchase of 3,086,939 of our own shares and used 297,448 treasury shares in the context of the exercise of employee stock options while another 22,200 were used as share grants to the members of the Board of Directors and Executive Committee. At the end of the year we held 7.7% of our own shares in treasury.

If the appropriation of profit proposed to shareholders is approved, a gross dividend of € 1.00 per share will be paid for the financial year 2011. Taking into account the gross interim dividend of € 0.40 paid in September 2011, a balance gross amount of € 0.60 would be paid on 3 May 2012. ■

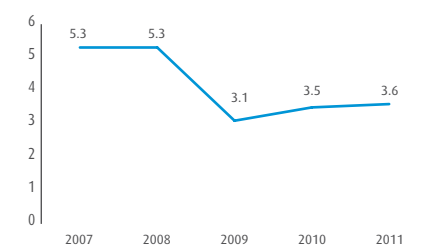
Management discussion
Great place to work

In 2011 we laid solid foundations for further improvements in health & safety performance and employee engagement.

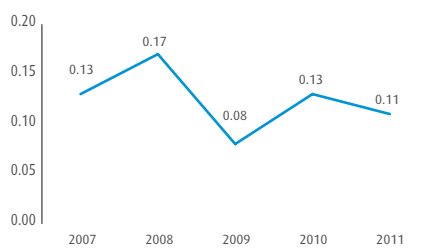
LOST TIME ACCIDENTS (LTA)



ACCIDENT FREQUENCY RATE



ACCIDENT SEVERITY RATE



Zero Accidents

Over the course of the past 15 years our safety performance has improved dramatically. The 2015 target of zero lost time accidents is evidence of our desire to do even better and that we do not accept any accident as being inevitable.

In 2011 our safety performance was mixed. The total number of lost time accidents increased from 56 in 2010 to 60 in 2011. This was reflected in the accident frequency rate which rose to 3.61 from 3.54. The overall accident severity improved to 0.11 from 0.13. The bulk of the accidents occurred in only four business units – Precious Metals Refining (17), Jewellery & Industrial Metals and Cobalt & Specialty Materials (both 9) and Zinc Chemicals (8). Our Catalysis business group registered by far the best safety performance in 2011 with the Automotive Catalysts business unit achieving zero accidents.

Several initiatives were launched or broadened in 2011 with the aim of encouraging a deep-rooted safety culture within Umicore. At Group level we launched a new safety policy which gives a broad context of our approach to safety management. We also published internal guidelines to help the sites in the implementation of procedures on critical safety issues. We held our inaugural Safety Award in 2011 with the winner, Roger Bries, being chosen by a jury from a field of 73 submissions covering more than 300 people. The award is designed to encourage all employees to take ownership of safety in their own workplace and to encourage the sharing of best practices throughout Umicore.

Furthermore, a new programme gives recognition to those sites that surpass three years with no lost time accidents, no recordable incidents and also no accidents to contractors on site. At the end of 2011 seven of our industrial sites had achieved more than three years with no lost time accidents

Great place to work

"I was extremely proud to win the Safety Award. It is the pinnacle of my career at Umicore and also a tribute to all my colleagues who actively contribute to a safety culture in our site. The fact that several colleagues recommended me for the Safety Award means that they appreciate the work that I perform. Safety is a way of life, a natural thing for me personally. Also at home, I find having a safety focus very important."

Roger Bries - Safety Advisor, Olen site

and three of these had gone five years with no lost time accident – evidence that the ultimate goal of zero accidents is an attainable one.

A range of other safety initiatives were either started or intensified; these are predominantly behavioural programmes tailored to each site's requirements. They involve both in-house developed initiatives as well as external programmes.

People development

As an employer we have a responsibility to give our colleagues opportunities to develop and grow. This can cover many aspects - from learning and development possibilities, regular feedback, to talent management and succession planning. One of the objectives to be achieved by 2015 is to ensure that all employees receive an appraisal at least once a year regarding their personal development.

Our initial findings in 2011 showed that 87% of all employees already receive such an appraisal. Although this percentage is high, further efforts will be needed to reach 100% coverage by 2015 and additional efforts will be made in 2012 to analyse the quality of these appraisals.

One indication of people development is the intensity of training. In 2011, the average training hours per employee reached 51.94 hours, the highest level for four years. There were two main reasons for the higher level of training. Firstly, the new investments around the world have meant an influx of new colleagues who need induction and initial technical training. This has been a particular feature in the Asian operations of Energy Materials. Another reason is the intensification of safety training throughout Umicore. In 2011 we took the decision to implement a Learning Management System that will be deployed throughout Umicore in 2012 and 2013. This will provide an on-line platform for all employees for many different types of training. We also expect that the deployment of the learning management system will contribute towards the goal of creating a more collaborative workplace – an aspect that was identified as a key development area in the 2010 People Survey (see Preferred Employer).

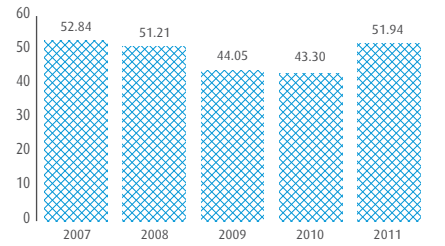
We further developed our talent management and succession planning capabilities in 2011. In addition to the biennial Management Potential & Review Process we also provided the business units with a Umicore HR business partner from outside their organization. These business partners assist business units that have a global footprint to address human resource matters that cut across regions. This is particularly the case in respect of talent management. We also initiated a talent and competence mapping exercise for function families that are common across all business units. The first function family to benefit was Finance where a full competence mapping was conducted for all 400 finance professionals at Umicore.

Preferred employer

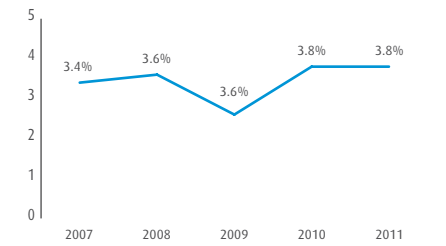
Attracting and retaining people is becoming an ever-greater challenge, particularly in technology-intensive sectors such as the ones in which Umicore is present. We have based our 2015 preferred employer objectives on the results of the 2010 People Survey. Each site is expected to have a plan in place to be considered as a preferred employer in its own operating context. In some countries preferred employer programmes exist that offer high levels of visibility and recognition - this is particularly the case in the European Union. All the sites in Belgium and France obtained national recognition as a Top Employer.

A team of 22 managers analysed four topics during 2011 as potential areas of focus on a Group-wide basis: diversity, the expectations of different generations, mobility and how to increase employee engagement. The Executive Committee chose to pursue the employee engagement topic as a priority. The results from the 2010 People Survey had indicated that while most employees saw Umicore as a good place to work (satisfaction scores in line with our industry average) this was in contrast to

AVERAGE TRAINING HOURS PER EMPLOYEE



VOLUNTARY LEAVERS - RATIO



managers who scored Umicore as a great place to work with scores well above the high-performance norm for our industry.

In the coming years we will focus on how to close that gap with the initial focus being on two themes: "learning & development" and "communication & involvement".

In terms of 2011 performance, our employee turnover rate increased to a level of 3.84%. As in previous years – and in line with regional patterns – the turnover ratio was highest in Asia Pacific where many countries have a highly competitive and fluid labour market.

In 2011, Umicore renewed its Sustainable Development Agreement with the International Metal Workers Federation (IMF) and the International Federation of Chemical, Energy, Mine and General Worker's Unions (ICEM) for period of four years.

Occupational exposure

Umicore is making all efforts to eliminate occupational-related illness and to promote well-being in the workplace. The main occupational health risks are related to exposure to hazardous substances (particularly arsenic, cadmium, cobalt, lead, nickel and platinum salts) as well as physical hazards (mainly noise).

We have established strict reference levels for occupational exposure to potentially hazardous substances. These are inspired by the American Conference of Government and Industry Hygienists (ACGIH) and are all far stricter than any legal limits imposed by any government in a country where we operate. The Vision 2015 objective in respect of occupational exposure is to reduce the number of individual readings that indicate an exposure for an employee that is higher than the internal target levels. While these excess readings do not necessarily indicate a risk for the person concerned they are important indicators of recent or lifetime exposure and are used as the basis for further improvements in that specific workplace. All employees with a potential workplace exposure to one of the target metals (arsenic, cadmium, cobalt, nickel, lead and platinum salts) or other metals are monitored by an occupational health programme.

At group level we detected an excess rate of 5.1% in 2011. This means that, of the 3,825 employees who have a workplace exposure to the metals mentioned above (excluding platinum salts), 195 individuals returned at least one reading that indicated a metal exposure that was above our target level. Most employees are tested at least twice a year. By far the most significant percentage of excess readings came in the Energy Materials business unit Cobalt & Specialty Chemicals where we recorded an excess rate of 22.6% and where all seven sites dealing with cobalt reported excess readings. The nature of the cobalt materials that we produce is a factor in this higher excess level. The products tend to be made up of very fine particles which present particular control challenges in the workplace. The other reason is that we reduced the body burden threshold from 30 microgrammes per gramme of creatinine to 15 microgrammes in 2011 in line with the current scientific literature on cobalt toxicity and workplace exposure. In 2011 four employees were diagnosed with a platinum salt sensitization and moved to a workplace with no platinum salt exposure. ■

Management discussion
Eco-efficiency

The work done in previous years has provided a good platform for the pursuit of our ambitious 2015 eco-efficiency targets.

Carbon emissions

Public policies in many regions of the world are responding to climate change and the challenge to reduce society's carbon footprint. This is apparent from international agreements such as the Kyoto protocol and is supplemented with multiple national or regional initiatives and commitments. Umicore is present in many product and service areas that can make a positive contribution to the world's energy and carbon footprint challenges and our Vision 2015 strategy identifies significant growth opportunities in industries that are linked to the response to these challenges, for example electrified cars, photovoltaics and recycling.

In terms of our operations we have chosen to pursue specific actions to reduce our carbon footprint and to further increase our energy efficiency. In order to frame this approach we introduced an energy efficiency and carbon footprint policy in 2011.

The main pillar of this policy is our group objective to achieve by 2015 a 20% reduction in our CO_2 equivalent emissions compared to the reference year 2006 and using the same scope of activities as 2006.

Other aspects covered by the policy are:

- **Capital investments:** all capital investments must be reviewed for carbon neutrality.
- **Acquisitions:** we will incorporate carbon intensity criteria in our assessment of acquisitions.
- **People and mobility:** all employees are to be encouraged to make use of low carbon or carbon neutral mobility.
- **Scope 3 CO_2 emissions:** we will participate actively in the development of an appropriate accounting system of our Scope 3 emissions so that we can demonstrate the contribution of our products and services to a low carbon economy.

By the end of 2011 we had achieved a 14% reduction compared to our 2006 benchmark year. This means that for equivalent production levels in 2011 compared to 2006 we emitted 14% less in carbon equivalent. Excluding this activity adjustment we have recorded a 6% reduction in absolute emissions since 2006. Please see our environmental statement E3 for full details.

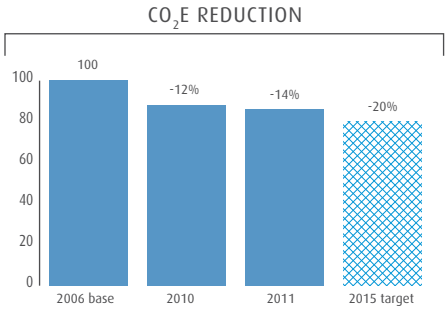
Our strong progress towards our objective is partly the result of specific energy efficiency initiatives in the years 2006-2010 – particularly in the Hoboken and Olen sites. The most significant part of the reduction is, however, attributable to a changing energy mix – with more electricity, for example, being obtained from lower carbon sources. The type of residues processed by the Recycling business group also played a role; higher volumes of materials are now received that require less energy to process.

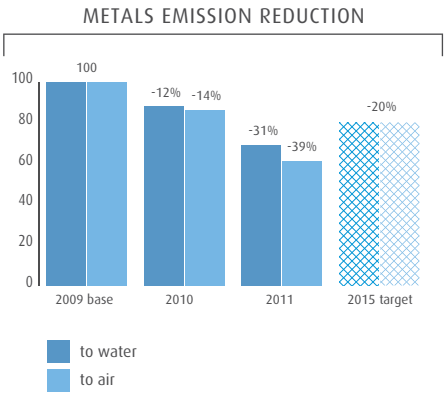
Our focus in the coming years will be to ensure the sustainability of the 14% reductions that we have already achieved compared to 2006 while achieving further reductions towards our target. In this context an assessment programme was launched to cover the 25 sites with the highest contribution to our CO_2 emissions to identify further energy efficiency improvements and CO_2 reduction opportunities.

Metal emissions

As part of our environmental management approach we have for many years been monitoring and taking steps to reduce our emissions of metals into the environment – both to water and the air. Our sites operate well within the established regulatory and permitting requirements in the countries where we are present.

Each of the metals that we emit has a very different level of potential toxicity for the environment and human health. With this in mind we developed an objective for 2015 that seeks a 20% reduction in the environmental impact of the metals we emit compared to the levels emitted in 2009. Although our focus is on minimizing the emissions of those metals with the highest potential toxicity we are also taking steps to reduce the emission volumes of other metals.





We have used a specific methodology for establishing the environmental impact of metals both to air and to water. For air emissions we have been inspired by the workplace threshold limit values of the American Conference of Government and Industry Hygienists (ACGIH) benchmarks to calculate the impact factors as they relate to human health. For water emissions the impact factors are based on the predicted no-effect concentrations (PNEC) that are, among others, used in the EU's REACH regulation.

In 2011 our metal emissions to air in terms of load were 12,681 kg. This represented an 11% increase compared to 2010, largely due to higher activity levels in our operations. The only business group to reduce its metal emission volumes was Catalysis which was able to reduce emission volumes by more than 50%, primarily from lower nickel loadings in Automotive Catalysts.

In terms of impact we registered a 29% reduction in the environmental impact of our metals vs 2010. In comparison with our reference year of 2009 we have achieved a reduction of close to 40%. In terms of absolute impact reduction compared to this reference year the business groups Energy Materials, Performance Materials and Recycling have all made significant contributions. The Catalysis business group has also made significant reductions in terms of percentages although the impact on the group performance is limited as the metals that it processes have a far lower potential impact. We believe these reductions to be sustainable as they have been achieved through targeted emission reduction efforts in the past two years for the most potentially toxic metals such as arsenic and cadmium. This better-than-expected performance surpasses our 2015 target. Nonetheless, further efforts will be made in the coming years to achieve further reductions both in terms of impact and load.

In 2011 our metal emissions to water in terms of load were 5,781kg. This represented an 11% decrease compared to 2010. The Performance Materials business group accounted for the majority of the reduction, primarily as a result of lower emissions of zinc reported for the Building Products business unit largely compensating a slight increase in zinc emissions for Zinc Chemicals.

In terms of impact we registered a 21% reduction in the environmental impact of our metals vs 2010. In comparison with our benchmark year of 2009, we have achieved a reduction of close to 31%. In terms of absolute impact reduction compared to this reference year the business group Energy Materials has made by far the most significant contribution. The Olen site reported emissions of silver (a substance that has a very high impact on aquatic organisms) of 13kg, reduced from 41kg in 2009 while cobalt emissions dropped from 359kg in 2009 to 101kg in 2011. We believe these reductions to be sustainable as they have been achieved through targeted emission reduction efforts in the past two years for the metals that have the highest potential toxicity in water bodies and also due to more accurate sampling methods. This performance also surpasses our 2015 target. As in the case of air emissions, further efforts will be made in the coming years to further reduce the impact and load of the metals that we emit to water and also to test the sensitivity of the impact factors that are applied to each metal.

Umcore's sites have adopted best available technologies for managing emissions to both water and air as part of our 2006-2010 objectives. The focus in the coming years will be to achieve further reductions in emissions both in terms of impact and also absolute volumes emitted.

For more information on the reduction efforts in each business group please see pages 26-49.

Eco-efficiency

"We are developing tools to understand and measure the impact of our products and services. It is important for us to understand the impact from different perspectives – economic, social and, of course, ecological. Our goal is to establish a methodology for Umicore so that by 2015 we will be able to apply this to our many products and services. This will give us an even more in-depth view on Umicore's contribution to sustainability."

Staf Laget - Leader Climate, Recycling & Product Sustainability

Product sustainability

We believe that it is essential to develop a full understanding of the impact that our products have on the world from an ecological, social and economic standpoint. With this in mind we established a specific product sustainability target as part of our Vision 2015 strategy. Our objective requires us to invest in tools to better understand and measure the life cycles and impacts of our products. This understanding can play a critical role in helping us demonstrate the sustainability of our product offering, something that is at the core of product differentiation and competitive advantage for certain applications.

In 2011 our focus was mainly on developing and refining our methodology. We have adopted a methodology that combines the best of current industry practice in this field with in-house expertise. Using this methodology we developed a tool for measuring the sustainability of our very diverse mix of products and services. In order for us to be sure that the tool is robust and valid we became a member of the international chair on Life Cycle Assessment established by the University of Montreal. Our intention is to call upon the experts in this organization to conduct a peer review and provide independent scientific advice on our approach.

Our aim is to test six products or services each year between 2012 and 2015 with each business unit submitting two products to the study. This will provide us with a sustainability profile for a representative portion of our activities. In 2011 we analysed three products and services and their use in specific applications. These were from Zinc Chemicals, Jewellery & Industrial Metals and Electro-Optic Materials. As we develop greater understanding of the results of the product sustainability profiles we will provide further information in future reporting periods.

During the period 2006-2010 we pursued a product sustainability-related objective which required all business units to have a basic EHS data set available for all products. Mainly due to the priorities around REACH compliance we were not able to complete this objective by the end of 2010. Developing such data sets remains an important aspect of our sustainable product approach. The data sets help us improve our hazard communication by enhancing our knowledge about the physical, chemical and toxicological properties of the products beyond the information contained in standard material safety data sheets. At the end of 2010 30% of the products that fall within the scope of this initiative had such a data set available. In 2011 we increased our coverage of products and services with a completed data set to over 40%, representing 385 datasets out of 956. Work is underway on a further 550 (58%) while work is yet to start on 2%. ■

Management discussion
Stakeholder engagement

Our sustainable procurement initiative got off to a good start. Contributions to our communities reached a record level in 2011.

Sustainable supply chain

In 2010 we laid the foundations for further engagement in our supply chain with the introduction of our Sustainable Procurement Charter. The charter outlines Umicore's commitment to its suppliers in terms of conduct and practices. In return it requests that suppliers adhere to specific standards in terms of environmental stewardship, labour practices and human rights, business integrity and supply chain engagement.

Our business units started to implement the charter with their suppliers during 2011. Umicore's Purchasing & Transportation function was selected as the most appropriate entity in Umicore to carry out the first phase of intensive and systematic application of the charter. It is anticipated that this process will provide experience and learning to help the business units in their application of the charter in the coming years.

Sustainable procurement training was one of the first phases in applying the charter. This was designed to raise awareness of potential supply chain issues across the company and to deepen the understanding of such issues with procurement professionals. The training involved a web-based learning module. The sustainable development champion of each business unit selected the employees who were invited to participate – primarily those involved in the procurement process. In total 329 employees completed this web-based training. Information sessions were also organized for 27 Purchasing & Transportation procurement professionals and 69 employees from the Building Products business unit.

By the end of 2011 our regional procurement centres in Belgium, France, Germany and Brazil had made a selection of "key suppliers" based on criteria such as size, geographical location and type of product or service provided (including whether critical to the functioning of a Umicore entity). The companies selected included mainly suppliers of goods and services and some suppliers of raw materials (eg metals). In total 601 suppliers were selected. The suppliers providing indirect goods and services represented € 337 million or 65% of our total spend on such products and services. The suppliers of raw materials (through our regional procurement centres in France and Brazil) represented some € 321 million or 51% of their total spend on raw materials. By the end of 2011, 61% of these 601 suppliers had formally acknowledged their adherence to the terms of the charter.

Umicore used Ecovadis – a sustainable supply chain interface – to create a risk profile for all the companies that were included in the roll-out of the charter (see www.ecovadis.com). This process identified 127 suppliers of the regional procurement centres in Belgium, France and Germany that required further study (the profile of suppliers to the centre in Brazil will be analysed in 2012). These suppliers – representing € 205 million of supplied products and services – were asked to participate in a more detailed direct assessment involving a questionnaire. The responses to this questionnaire led to a ranking of 1 (high risk regarding sustainability issues) to 10 (outstanding sustainability management systems). To place this in context, Umicore's own self-assessment using the Ecovadis methodology produced a score of 6 (appropriate sustainability management systems). The results showed that of the 103 companies that responded to the questionnaire, 76% posted a score of 1 to 4.

The focus towards the end of the year and into the first months of 2012 was to complete the screening and to engage directly with these lower-scoring companies as well as the non-respondents to find out more about the reasons for the low scores or lack of response. Initial feedback from some of the first meetings indicates that while many suppliers have declared to have policies and actions relating to the requirements of the charter, many of them have not yet provided supporting documentation to that effect.

In 2012 the engagement process will continue and we will take steps to develop sustainability improvement action plans with low scoring suppliers. If required we will discontinue the relationship with

Stakeholder engagement

"Stakeholder engagement is about dialogue. At our site in Hanau we continuously inform our community stakeholders about our environmental, social and economic activities and performance. We involve the public authorities, the general public and especially our own employees. We hold public events at our site, which are always good opportunities for getting into contact with people in a relaxed and positive atmosphere. 2011 was a successful year in this respect for Hanau with more than 5,700 visitors during our open day in September."

Katharina Brodt - Communications, Hanau site

any supplier that persistently refuses to participate in the process or, in the case of a lower scoring supplier, is unable to commit to an improvement in performance. The process of sharing the learning with the raw materials purchasers in the business units will also begin in 2012.

Comments on any material sustainable procurement issues at the level of the business units can be found in the relevant segment reporting on pages 26-49 of this report.

In 2011 the Dodd Frank Act was introduced in the United States. Section 1502 of this act requires US-listed companies to declare any sourcing of minerals from the Democratic Republic of Congo (DRC) – specifically tantalum, tin, tungsten and gold. While we do not source conflict minerals and are not ourselves subject to the Dodd Frank Act we are proactively addressing the issue with a number of our customers. We are also monitoring the work that has started through various industry associations such as the Responsible Jewelry Council and London Bullion Market Association to establish an industry-wide approach to the issue of conflict minerals. This work is also guided by the "OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas".

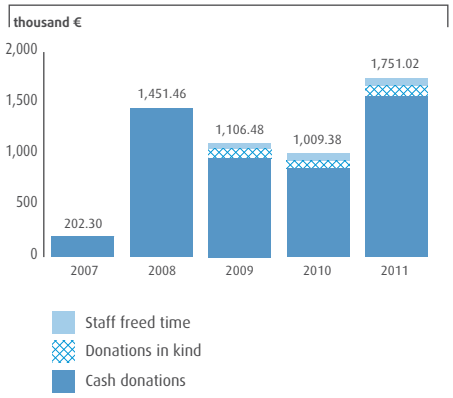
Local community

Umicore's 2006-2010 objective in this area required all industrial sites to develop and implement a plan to address accountability to the local community. In the context of Vision 2015 it was decided that community engagement was sufficiently important to continue working towards further improvements in our dialogue with the communities within which we operate. More focus was placed on the depth of stakeholder analysis and the engagement processes that the sites employ. In applying strict quality-based definitions we identified 57% of our sites as having an engagement plan in place. In 2011, 63% of our sites employed structured communications in their engagement with their local community. Depending on the size of the site, these communications include newsletters, public hearings, meetings with local authorities, plant visits for the local community and press releases provided to local media.

Of our larger sites, Hanau (Germany) intensified its community engagement efforts in 2011. This was partly linked with a desire for Umicore to be more visible and better understood as an employer. The site – which is part of a large industrial park – conducted an advertising and information campaign in the region and also welcomed 5,700 local residents to an open day in September. In Hoboken (Belgium) the site hosted some 200 visits by members of the local community in 2011. The start-up of the new UHT pilot recycling operation resulted in intensive community engagement and the opening of the installations in September attracted hundreds of international and local stakeholders. The Olen site (Belgium) re-started its programme of visits for local schools and neighbours "Umicore te kijk" and also carried out intensive engagement with the community with regards to the demolition of an old part of the site that contained asbestos insulation. In Guarulhos (Brazil) a key focus was on engaging with the local authorities and neighbours to enable the remediation of soil and groundwater pollution around the site. The site also implemented a new management system to better track and address questions of local residents, particularly with regard to environment, health and safety issues.

Charitable donations make up part of the community engagement programmes of the sites. Each business unit is expected to contribute approximately one third of one percent of its average annual recurring consolidated EBIT for the previous three years to charitable projects – either in cash, volunteer time or in goods or services. Each site then defines its own initiatives and contributions using the guidance of its parent business unit. Overall the business units contributed a total amount of € 1,013,290 in

DONATIONS



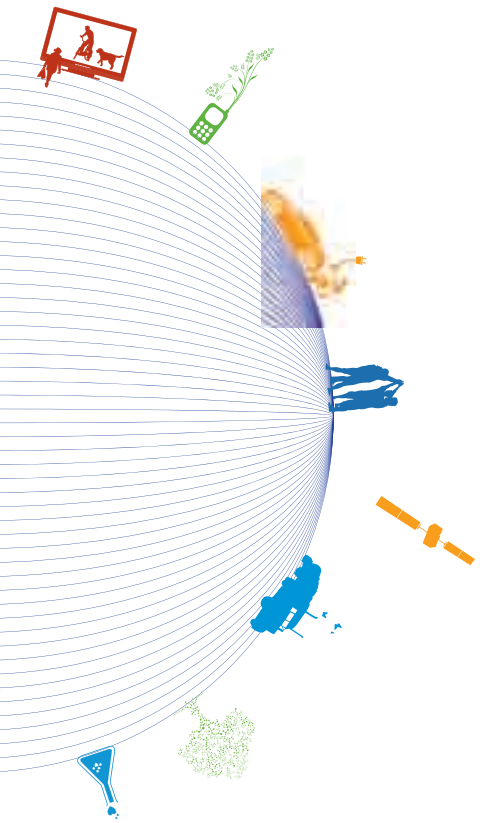
2011 with some 18% of this amount coming in the form of volunteering and donations in kind. More information on the various business unit donations can be found in the Business Group review between pages 26 and 49 of this report.

At Group level our charitable donations totaled € 737,732, the vast majority of which came in the form of financial contributions. In contrast to donations at site level, which have a local focus, the Group level donations have a global reach. We seek to channel most of these contributions to initiatives that have an educational focus or raise awareness of sustainable technologies. Contributions are also directed to disaster relief. In 2011 disaster relief donations were channeled towards Japan, following the tsunami in March, and to the mid-west United States to support communities affected by the tornadoes in April and May. In both cases our employees in sites close to the disaster areas used the funds to supplement their own local initiatives (see our case study on page 37). Umicore was again the main sponsor of the Umicore Solar Team – a team of university students convened every two years to participate in the World Solar Challenge, a grueling 3,000km race for solar-powered cars across the Australian outback. The race aims to raise awareness of the benefits of sustainable transportation. As a founding member of the Corporate Funding Programme – an initiative to pair development charities with corporate donors – we also funded a solar panel project at an educational centre in Rwanda.

In 2011 we entered into a three-year partnership with UNICEF to support educational projects in different parts of the world. The initial projects that we are supporting are an initiative to improve the access to quality education for underprivileged girls in the Rajasthan province of India as well as the "Back to School" campaign in Haiti where we are funding the building of a school for child victims of the 2010 earthquake. ■

unicef

Corporate Funding Programme



Our strategy
Vision 2015

Umicore's strategy sets out economic, social and environmental goals to 2015 and beyond. This Annual Report marks the first year of reporting on progress towards these goals.

Vision 2015 is shaped by global scale political, economic, social and environmental trends, namely:

resource scarcity

increasingly stringent emission control

renewable energy

electrification of the automobile

From these trends we identified four areas for exceptional growth – rechargeable battery materials for hybrid and electric vehicles, new markets for automotive catalysts, new opportunities in recycling and materials for photovoltaics. We have elected to focus our growth strategy on these four areas where we can build on existing competencies, market positions and our long-standing expertise in metallurgy, materials science, application know-how and our closed loop offering. The four areas mentioned have the potential to achieve double digit revenue growth in the coming years. Our ambition is that the other activities in our business will grow at a rate equivalent to that of global GDP and will be managed for optimum performance. As a company we aim to produce an average return on capital employed of 15-20%.

Our long term success also depends on responsible management of the social and environmental aspects of our operations. In this regard we have developed objectives clustered in three areas: being considered as a **Great place to work** (zero accidents, reduction of operational exposure to metals, people development and being a preferred employer), ensuring **Eco-Efficiency** (reducing CO_2 emissions, reducing the impact of metals emissions and product sustainability) and actively pursuing **Stakeholder engagement** (sustainable procurement and engaging with the local community). ■

Business group review

CATALYSIS

Catalysis plays a significant role in the abatement of global automotive emissions. Umicore provides automotive catalysts for gasoline and diesel light duty vehicles as well as for heavy duty diesel applications including trucks and other large vehicles.
The business group also produces precious metals based compounds for use in the fine chemicals, life science and pharmaceutical industries. The business is organized in two business units: Automotive Catalysts and Precious Metals Chemistry. ■

more on page 28

ENERGY MATERIALS

The materials produced by Energy Materials can be found in a number of applications used in the production and storage of clean energy including rechargeable batteries and photovoltaics, as well as in a range of other applications. The majority of the products are high-purity metals, alloys, compounds and engineered products based on cobalt, germanium, nickel and indium. The business group is composed of three business units: Cobalt and Specialty Materials, Electro-Optic Materials and Thin Film Products. ■

more on page 34

PERFORMANCE MATERIALS

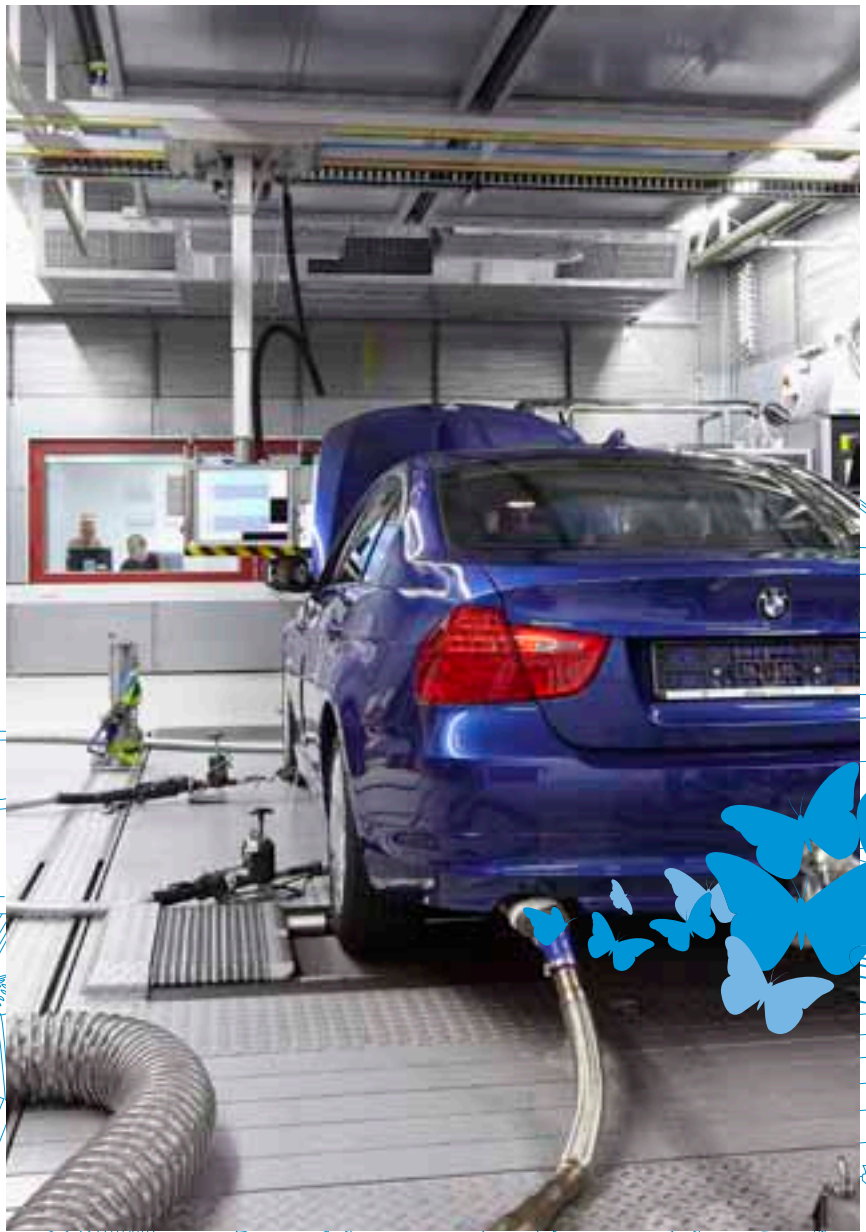
Performance Materials applies its technology and know-how to the unique properties of metals, offering materials that enable its customers to develop better, more sophisticated and safer products. Its zinc products are renowned for their protective properties while its precious metals-based compounds and materials are essential for
applications as diverse as high-tech glass production, electrics and electronics. Performance Materials is organized around five business units: Zinc Chemicals, Electroplating, Platinum Engineered Materials, Technical Materials and Building Products. ■

more on page 40

RECYCLING

Recycling treats complex waste streams containing precious and other non-ferrous metals. The operations can recover some 20 of these metals from a wide range of input materials ranging from industrial residues to end-of-life materials. Recycling is unique in the range of materials it is able to recycle and the flexibility of its operations.
The business group is organized in four business units: Precious Metals Refining, Battery Recycling, Jewellery & Industrial Metals and Precious Metals Management. ■

more on page 46



Catalysis

Automotive Catalysts

Precious Metals Chemistry

Outstanding growth in most markets, high levels of investment in key growth areas and a strong safety performance were highlights of 2011.

Economic performance

Revenues in the Catalysis business group were up 16% year on year. Our revenue growth outpaced that of the automotive market and also benefited from higher demand for catalysts used in life science applications. Recurring EBIT was up 15%. Capital expenditures were up by 8% year on year. The investment level in Automotive Catalysts remained at a high level with investments underway to increase production capabilities in Florange, France, for heavy duty diesel catalysts (HDD) and in Suzhou, China, for both light duty vehicles and HDD applications. It is anticipated that these investments will be operational by mid 2012. We also announced the construction of a new technology development centre in Suzhou which is due to be commissioned in late 2012. You can read more about the Chinese investments in our case study on page 31. Capital expenditure in Precious Metals Chemistry increased due to investments in South America. Research & Development expenditure increased by 9% as a result of further intensification of our technology programmes in HDD and new generations of catalysts for light duty applications.

In **Automotive Catalysts** global light duty vehicle production rose by 3% year on year to reach around 76 million units. Compared to the regional mix before the 2008-9 downturn, emerging automotive economies made up a far greater proportion of the automotive production, with China accounting for 23% of global production compared to 11% in 2008. Our revenue growth outperformed the car market by a significant margin. This was due to a combination of higher growth in volumes and an improvement in our product mix.

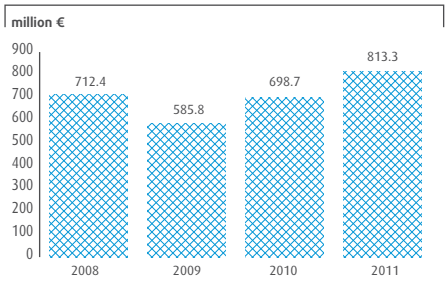
In Europe, light duty vehicle production increased by some 5% in 2011, with the growth entirely concentrated in the first half. Umicore's sales growth outpaced the market thanks to our customer and platform mix. This was especially the case for higher value catalyst systems such as diesel catalysts, including diesel particulate filters. We secured a significant number of contracts for Euro 6 passenger car applications which will support mid-term growth in the region.

Vehicle production in North America was up 10% year on year. This was due to increased production of domestic and South Korean brands. Umicore's sales volumes increased significantly above these levels due to favourable developments in our customer portfolio and the trend to more fuel efficient engines in the market. In South America, vehicle production rose 3%, showing no growth in the second half of the year. Umicore's revenues grew in line with the market.

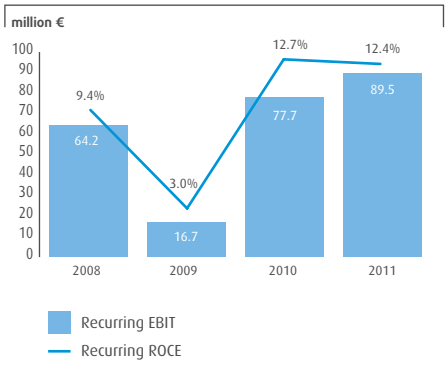
Asian vehicle production was down 1% year on year, primarily as a result of production disruptions following the tsunami in Japan. Although year-on-

Catalysis

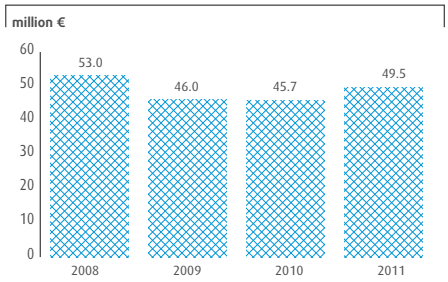
REVENUES (EXCLUDING METAL)



RECURRING EBIT & ROCE



CAPITAL EXPENDITURE



year growth was recorded in the second half of the year, it was not sufficient to offset the severe impact in the first half, resulting in a contraction of 14% over the year in Japan.

The Chinese production growth rate was significantly lower than in previous years, mainly as a result of the discontinuation of government incentives. In Korea, production remained at a high level, growing 9% versus 2010, primarily driven by higher exports. On average, Umicore's sales in Asia were in line with the market, with a strong performance in Japan that was partially linked to diesel platforms destined for export.

Umicore secured a number of additional contracts in 2011 for future heavy-duty diesel (HDD) business and continues to position itself for additional business to be awarded in the near future. Production of catalysts related to some of these new awards will start in 2012. Most of these contracts are in Europe and Asia where more stringent emission norms are soon to become law.

In 2011 the world experienced significant price increases for rare earth elements. Certain rare earth elements are used as ingredients of automotive catalyst formulations. The price increases were the result of a reduction in Chinese export quotas. While we were able to secure physical availability of raw materials, the price increases necessitated negotiations with customers regarding how the higher raw material cost would be incorporated in product prices. By year-end we had successfully negotiated rare earth element price recovery processes with all of our major customers.

In our **Precious Metals Chemistry** operations, revenues increased year on year and a better product mix resulted in higher margins. The increase was most notable for catalysts used in life science applications. The high demand from the automotive catalyst industry also supported the business unit's sales of precursors. The business unit also successfully started up production and sales of a new generation of catalysts for use in fuel cell applications. These catalysts have been developed by Umicore Group R&D and are sold to both the SolviCore joint venture as well as to other producers. In the Brazilian operations we completed significant investments in new production infrastructure to cater for future market growth opportunities. In Japan we were able to record our best-ever performance in this market despite the setbacks that led to a temporary closure of the plant in Tsukuba following the tsunami in March.

Great place to work

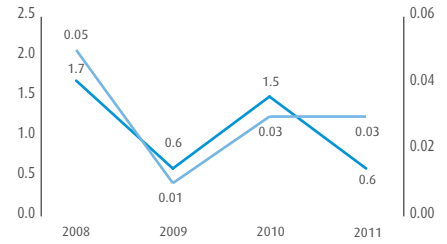
The Catalysis business group reported by far the best safety performance of all of our business groups in 2011. Overall a total of two lost time accidents were recorded compared to five in 2010. This represented a frequency rate of 0.6 accidents per million hours worked and with a severity rate of 0.03. Both Automotive Catalysts and Precious Metals Chemistry are implementing the SafeStart® safety approach to help reduce accidents to zero by 2015 (see case study on page 30). The South Plainfield site in the US had achieved more than three years with no lost time accidents, recordable injuries or accidents to contractors at the end of 2011.

In terms of the metal exposure aspects of occupational health, no activities in the Catalysis business group involve an exposure to the five hazardous metals that are the focus of our Vision 2015 objective. The main occupational health issue for the Catalysis business is that of platinum salt sensitization potentially leading to occupational asthma. In 2011 two employees developed such a sensitization compared to none in 2010. These employees assumed work in another part of their site where there was no platinum salt exposure.

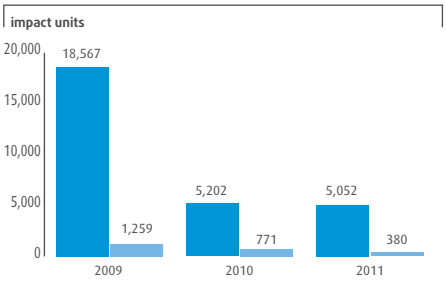
Eco-efficiency

In terms of carbon emissions our Catalysis business group is the lowest emitter, accounting for a total of 12% of our CO_2 equivalent emissions in 2011 or 82,308 tonnes of CO_2 equivalent. The

SAFETY PERFORMANCE



METALS EMISSIONS



contribution of Catalysis to the overall group emission reduction targets has partly been brought about by changes in process technology in the period 2008-2010 which have reduced the energy intensity of some of the Automotive Catalyst operations.

Catalysis does not have an industrial profile that involves significant impact of metals on either water or air with both representing less than 2% of our total group impact.

Stakeholder engagement

Our Automotive Catalysts business unit made preparatory steps in 2011 regarding its contribution to the Umicore sustainable procurement objective. The identification of key suppliers will be completed by mid-2012 by all sites. Screening of the top five raw materials suppliers for each site is scheduled to be completed in the second half of 2012 with screening of remaining suppliers in subsequent years.

In terms of accountability to the local community the business group contributed some € 153,000 in charitable donations in 2011. Of all the business groups, the in-kind and volunteer contributions as a proportion of total donations were by far the highest at close to 30%. The long-standing support by employees at the Suzhou site (China) for the Boai School continued. This is a non-governmental charity organization providing medical care, education and rehabilitative treatment to children with special educational needs. Financial support was complemented by five days where employees volunteered their time to help the school. ■

Go straight to the numbers

.XLS

www.umicore.com/reporting/data

Catalysis

Starting with safety

Colleagues are sharing best practices on safety. One such best practice is generating a lot of enthusiasm. Employees like it because it's based on dialogue and common sense.

On top of overseeing two Umicore Automotive Catalysts plants – one in Burlington, Ontario, and the other in Tulsa, Oklahoma – Marcos Lucchese is strongly involved in implementing the SafeStart® programme. "After assessing different programmes Umicore Automotive Catalysts chose it because the concepts can be immediately applied in all situations," he says. "Also, it includes an important family component."

How does SafeStart work? First, external consultants come and train facilitators for two days. "We pick internal people with good communication skills from all departments and levels," Marcos explains. The facilitators then lead groups of 20-25 people in half-day sessions. It's largely about sharing personal stories: accidents, near misses, what led to them and how they could be avoided. Everyone has these stories so all can take part.

A new safety language

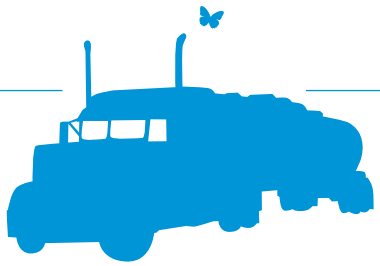
What emerges is that accidents at work, at home or elsewhere are usually triggered by rushing, frustration, fatigue and complacency. To counteract this, a "new language" can be developed, as Marcos puts it. "By talking about it people become more aware and proactive. If you see someone being unsafe, you say something." Follow-up sessions are held to reinforce this safety behaviour. Because strong safety leadership is essential, there are special sessions for managers. "They learn how to support the programme. We also highly recommend that leaders attend all training sessions for facilitators."

The rollout of the SafeStart programme in Tulsa and Burlington started in 2010. Taking part was employee James Cyr, United Auto Workers Chair at Umicore in Tulsa. "In my twenty-five years at this plant I have to say that SafeStart is the best safety awareness programme I have ever seen," he says. "Many other long-time employees tell me the same thing."

Common sense approach

James points out that SafeStart is based on common sense. "Anyone can become complacent. It doesn't matter what the task is. That's where this safety programme comes into play. It helps people develop a habit of thinking about what leads to accidents in the first place, and it provides tools and techniques to prevent them. Until we live in an accident-free society, effective programmes like this should be offered throughout the world."

That is exactly what's happening. In 2011, the programme has also been implemented at additional Automotive Catalysts sites in North America, Argentina, Brazil and South Africa. This year sees launches in China, France, Germany and Sweden. Commenting about the programme's international success, Marcos says simply, "It's the people."



Investing in clean air

Umicore aims to grow its automotive catalyst business in new technologies and in developing markets. Two investments in China are advancing these goals.

Umicore's strategy is aligned with a number of megatrends affecting markets across the world. One is cleaner emissions standards for vehicles. And not just passenger cars. The new rules also apply to trucks, buses and other large diesel-powered vehicles – known as heavy-duty diesel (HDD).

These stricter standards are spreading fast in developing countries, including China. This has an impact on Umicore's Automotive Catalysts business unit, which has highly competitive technology to cut emissions for all types of vehicles. In Suzhou, China, two new investments got underway in 2011. One is the expansion of Umicore's existing automotive catalyst production site. The other is a new technology development centre. Both will contribute to health and sustainability in the region.

A growing market

At Automotive Catalysts, Suzhou, the plant manager is In-Gwan Kim. "This is the fourth expansion since the plant was established in 2005," he explains. "We're adding a fifth production line, which should be finished in mid-2012."

The addition of this new line will enable us not only to produce more catalysts but will also give us the flexibility to produce different types of catalysts, including HDD. "The market is a key growth area for Umicore," says In-Gwan. In Europe each family owns, on average, more than one car. In China there is only one car for every ten families. As vehicle production grows, he says, emissions regulations are sure to tighten.

"Our HDD business is set to grow faster than passenger cars." This is not just because it's a new business, he says, it's also because trucks need bigger catalysts. "Typically, HDD catalysts require much more washcoat." This is the active material that contains precious metals like platinum, palladium and rhodium.

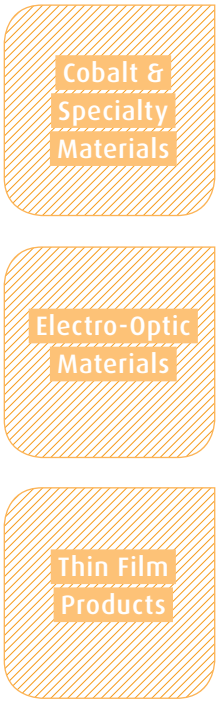
Bringing R&D close to customers

A few kilometres down the road, a new technology development centre is being built. Meanwhile, its engineers are already undergoing training at the AC technical centre in Hanau, Germany. Production manager Spring Jin and his team are scheduled to finish the facility in the second half of 2012.

"The technology development centre will serve the needs of the local light-duty and heavy-duty market," Spring explains. "It will also conduct R&D on other engine types, including hybrid electric vehicles. By providing innovative solutions and being close to customers it will make Umicore more competitive and demonstrate a firm commitment to the Chinese market."

Scan this QR-code to access the full online interview
www.umicore.com/reporting/suzhou

Energy Materials



We recorded strong sales growth. Profitability was lower due to start-up costs of our new investments. Safety performance was mixed.

Economic performance

Revenues of the Energy Materials business group were up 14%, driven by an increase in sales volumes, especially in Cobalt & Specialty Materials and in Thin Film Products. Recurring EBIT decreased by 7%. This was due to the effect of high qualification and start-up costs associated with growth investments – notably in the Cobalt & Specialty Materials business unit – and the contraction seen in the Optics business. The business group was also affected by currency headwinds in 2011. Capital expenditures were up by almost € 30 million as a result of the investment wave in new battery materials production in Asia and infrastructure developments in Thin Film Products. R&D expenditure for the business group increased by 29%, largely due to increased research efforts in rechargeable battery materials.

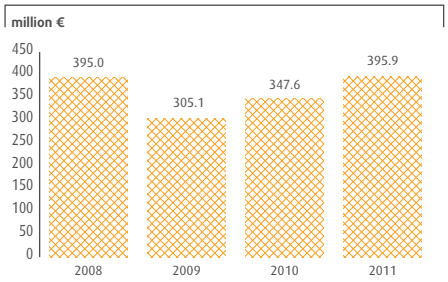
In **Cobalt & Specialty Materials**, sales volumes of rechargeable battery materials increased significantly, especially in the second half of the year, bringing the total sales volumes to a record level. The increase could be attributed to the growing demand for nickel manganese cobalt (NMC) cathode materials used in rechargeable batteries for electrified vehicles as well as portable electronics. The growth also reflected the successful penetration of our products in the Japanese battery market, both for automotive and for portable electronics applications. The new plant in Kobe, Japan, was commissioned in May 2011 and by year-end was well advanced in the qualification phase with customers. The expansion of the Cheonan plant in South Korea was completed at the end of the year and the qualification of the new lines will take place in 2012. Sales of materials used in ceramic and chemical applications were well up, with sales volumes reaching record levels.

Sales volumes of cobalt compounds, including carboxylates, also showed a strong increase. The business line continued to benefit from the success of its well established distribution networks. Order levels for cobalt powders in the Tool Materials business were level with 2010, showing a slight decrease in the second half of the year versus the same period in 2010. This was largely the result of de-stocking by some customers. An improvement in the product mix and increased operational efficiency led to a higher contribution from this activity, however. The cobalt and nickel recycling and refining services achieved high production levels during the year. High levels of industrial activity and long term supply contracts led to an increase in the availability of residues and concentrates.

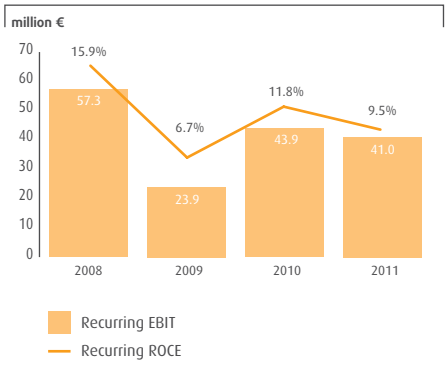
Revenues for the **Electro-Optic Materials** business unit were slightly up compared to 2010. Margins were negatively impacted by the start-up costs for the new production lines in the Quapaw

Energy Materials

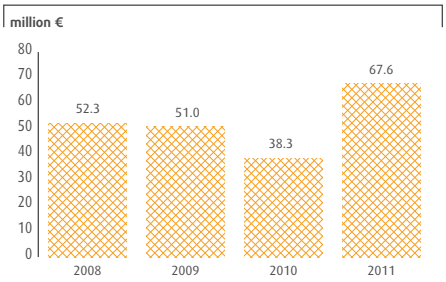
REVENUES (EXCLUDING METAL)



RECURRING EBIT & ROCE



CAPITAL EXPENDITURE



plant in the US, the low demand for optics and currency effects. Sales volumes of germanium substrates were well up due to increased demand from customers in the concentrator photovoltaic sector. Sales volumes of substrates used in LED lighting decreased slightly following a period of overstocking in the lighting sector. Demand for germanium blanks for optics applications decreased significantly as a result of the rapid reduction of government-sponsored programmes. This development affected both sales volumes and premiums. In December Umicore announced its intention to consolidate its optics production in Quapaw, US – the location that is closest to its main customer base. Sales volumes of finished infra-red optics were up year on year, mainly driven by demand for thermographic and other non-automotive night vision systems.

Overall revenues for the **Thin Film Products** business unit were up, driven by increased sales volumes of targets for large area coating applications including computer and television screens and architectural glass. The increase was driven particularly by the acceptance of our new ITO rotary targets that offer greater efficiency in the production of high-end consumer LCD screens and touch panels. Revenues from products used in optics and electronic applications were in line with those of the previous year. Demand from the ophthalmic glass sector as well as other technical applications offset a decrease in the micro-electronics sector, which started weakening towards the end of the period.

Great place to work

The safety performance of the Energy Materials business group was mixed. Twelve lost time accidents were recorded compared to 9 in 2010. This represented a frequency rate of 4.0 – somewhat above the Umicore average. The severity rate for these accidents was also slightly above the group average. Three quarters of the accidents were in the Cobalt & Specialty Materials business unit. The three sites in Umicore with the outstanding achievement of five years without any lost time accidents, recordable injuries or accidents to contractors all come from Energy Materials – Dundee (UK), Fort Saskatchewan (Canada) and Hsinchu Hsien (Taiwan).

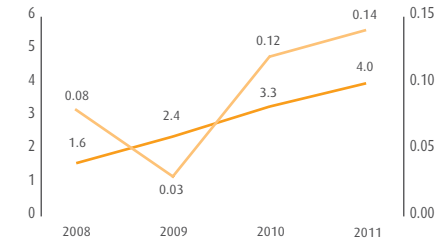
In terms of the metal exposure aspects of occupational health the main substances that represent a potential health risk in Energy Materials are arsenic, cobalt and nickel. The average excess results compared to the thresholds that we have set for these metals were significantly above the Umicore average with the most significant excess level being for cobalt (22.6%). Umicore has for many years been developing an occupational health approach for cobalt based on bio-monitoring and in 2011 we reduced the body burden threshold from 30 microgrammes per gramme of creatinine to 15 microgrammes in line with the current scientific literature on cobalt toxicity and workplace exposure. The CSM business unit is developing action plans to achieve breakthroughs in this area in the coming years. The work with regards to the occupational health effects of indium tin oxide and workplace exposure reduction at the Providence plant continued in 2011.

The rate of voluntary leavers in Energy Materials was well above the Umicore average, primarily because of the proportionately higher presence in Korea and China which have highly competitive labour markets. The training hours per employee were also well above the group average, primarily due to the induction training for new colleagues in Asia.

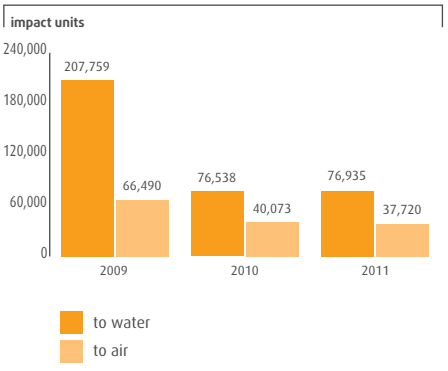
Eco-efficiency

In terms of carbon emissions the Energy Materials business group accounted for 25% of our CO_2 equivalent emissions in 2011 or total of 174,529 tonnes. Of all the sites in Energy Materials the Olen site contributes the highest level of emissions. Since its inclusion in the Flemish Benchmarking Covenant in 2003 the site has implemented a number of energy efficiency initiatives

SAFETY PERFORMANCE



METALS EMISSIONS



that apply the best international standards.

In terms of metal emissions, Energy Materials' emissions to air were up by 60% in load compared to 2010. This was primarily due to the increased activity levels in the various business units. In terms of impact, however, a reduction of 6% was recorded compared to 2010 and a 43% reduction compared to our benchmark year of 2009. One of the key reasons for the reduction compared to the benchmark year was the significant improvements that have been achieved in cobalt emissions since 2009 at the Cheonan site in Korea through the introduction of a new bag filtering system. Water emission load and impact were stable compared to 2010 while impact levels have shown a drop of 63% compared to the benchmark year of 2009 due to lower reported silver and cobalt loads.

Stakeholder engagement

The Cobalt & Specialty Materials business unit has a long experience in managing the sustainability of cobalt supplies from the Democratic Republic of Congo. The unit developed a specific purchasing code in 2004 and only sources materials from established mining companies. Engagement with suppliers involves a documentation-based screening for elements such as child labour, environment, health and safety issues and compliance with the Congolese mining code. Regular on-site supplier visits are carried out by Umicore personnel in order to verify documentation and to engage with suppliers on areas for improvement.

The Thin Film Products operation in Providence, USA achieved the final approvals from the local authorities for a major redevelopment investment that will generate new jobs. The business units in Energy Materials contributed a combined total of € 173,000 in charitable donations in 2011. Two of the huge tornadoes that hit the mid-west US in April and May hit communities where Umicore has Energy Materials operations – Quapaw in Oklahoma and Arab, Alabama. Umicore made donations to support the local relief effort in both locations. Other major community initiatives included a schooling project in Lubumbashi, Democratic Republic of Congo, supported by Cobalt & Specialty Materials. ■

Go straight to the numbers

.XLS

www.umicore.com/reporting/data

Energy Materials

Ready for a battery-powered world

Japan is vitally important to Umicore and its rechargeable battery materials business. Especially since the next generation of vehicles will run on batteries.

As Operations Manager of Umicore's new plant in Kobe, Atsuhisa Kobori witnessed its construction. "Work started in September 2010. Everything went smoothly and the building was finished in just six months. We then began installing equipment and training our 40 employees. At the opening ceremony on 5 October there were almost one hundred guests, including local officials, our CEO and other company leaders."

Atsuhisa oversees a manufacturing process that begins by blending two products: lithium carbonate and a nickel manganese cobalt compound. The mixture is heated to more than 900°C causing a chemical transformation known as calcination. The solidified material is crushed and sieved into a fine powder. "We analyse it carefully to control quality," Atsuhisa explains. "We look at density, purity, particle size distribution and particle surface area." After final mixing the powder is packed for shipping.

Charging up

Umicore cathode materials are crucial ingredients for the rechargeable lithium-ion batteries found in countless mobile phones, laptops and tablet computers. It is a huge market. But a potentially bigger one is literally down the road: batteries for (H)EVs: hybrid and electric vehicles. In fact, some estimates suggest that 10% of all new cars will be (H)EVs by 2020. "That's why at the Kobe facility we also have a technical centre for these applications," says Atsuhisa. "It allows us to test new materials and work closely with automotive companies."

Remaining a leader

Yoshi Shibuki, Manager of Business Development, explains: "The demand for battery materials is set to follow this upward trend. Especially in Japan. The lithium-ion battery industry was born here and Japanese players continue to be at the forefront of technology development. Clearly, for Umicore to remain a world leader in this industry, having production and test facilities in Japan is a must."

Driven by the need to reduce global CO_2 emissions, Umicore's battery materials activities are consistent with Umicore's sustainability aims. But as Yoshi adds, it goes even further. "Umicore offers customers a closed-loop service: we have the capability to recycle the end-of-life batteries." It is a loop that will grow in importance as the world becomes increasingly battery powered and conscious of the scarcity of materials".

Scan this QR-code to access the full online interview
www.umicore.com/reporting/kobe

Mission to Arab

On 27 April 2011, the town of Arab, Alabama, home to a Umicore plant, was hit by a devastating tornado. Among Umicore's assistance initiatives, one deserves special mention.

When the tornado struck, Thomas Vermeire was in Belgium preparing his move to Arab to take up the post as General Manager. "We were very worried about the people there. To get information about the situation we started a daily conference call with Umicore's US headquarters in Raleigh, North Carolina."

Thankfully, the plant itself was not damaged and none among Umicore staff and families were hurt, although some homes were damaged. Yet with roads blocked, shops closed and power out, life suddenly became difficult for everyone. At the Raleigh office employees grew increasingly concerned about the plight of their colleagues in Arab. Among them were Faye Bowen and Meredith Chandler. Faye recounts, "When we heard what had happened we went to our boss and asked if the company truck could take supplies to colleagues in Arab. 'It's yours,' he said. By this time it was late in the day. Nobody else could make the trip. That's how we ended up going."

Emotion and hot food

Meredith takes up the story: "We split up and went out to buy supplies: food, matches and charcoal for cooking, drinking water, things for children. We set out the next morning at 5 AM." It took them ten hours to cover the 575 miles (925 kilometres) to Arab. They began to see the devastation wrought by the tornado. "The closer we got the more desolate it became," says Meredith. "We were driving through ghost towns. It was very eerie."

Informed about the mercy mission many employees were at the plant with their families when Meredith and Faye arrived. "On the way we had picked up additional supplies, including hot food," Faye explains. "When we drove up some people were in tears, others were speechless." Everyone helped unload the truck. Women and children were immediately fed and everyone shared the supplies that had been delivered.

Rebuilding a community

Thomas arrived in Arab three weeks later. "Many trees were down, houses too," he says. But gradually the town is being rebuilt. "Umicore donated $20,000 to the local community. In addition, colleagues in Raleigh organised a collection to help people here. I did the same in Belgium before relocating. Altogether $3,500 was raised. Umicore also helped employees cover basic needs."

In this town of 8,000 inhabitants Umicore is an important employer. "We celebrated our ten-year anniversary on 13 September," says Thomas proudly. "Officials from the local community were also invited. It was really positive." More than an employer, Umicore strives to be a good neighbour too.

Performance Materials

Building Products

Zinc Chemicals

Technical Materials

Electroplating

Platinum Engineered Materials

We recorded solid revenue growth. Profits were lower due to reduced associate contributions. The impact of metal emissions has been reduced significantly.

Economic performance

Revenues of the Performance Materials business group grew by 6%, driven largely by the Building Products and Technical Materials business units. Earnings were down 11%, however, due mainly to a lower contribution from our associate, Element Six Abrasives, and challenging market conditions in Zinc Chemicals. Capital expenditures were higher, largely due to new investments in Platinum Engineered Materials while R&D expenditures were slightly higher than in 2010.

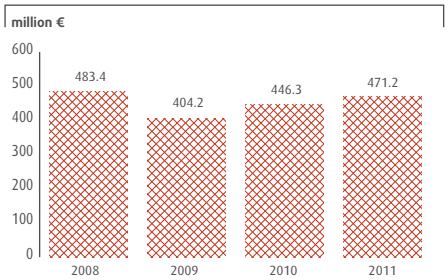
In **Zinc Chemicals** revenues were stable year on year. Earnings, however, were affected by a lower contribution from recycling activities, lower premiums and currency headwinds. Sales volumes of fine zinc powders grew significantly as demand for anti-corrosive paint pigments used on shipping containers as well as industrial infrastructure and equipment grew strongly in Asia. Deliveries of our zinc oxide products also increased in the main application areas such as chemicals, tyres and ceramics. Sales volumes of materials used in primary batteries were well below the historical highs of 2010. Lower availability of recyclable materials led to increased competition and negatively impacted the margins generated by the business unit's recycling activities.

Revenues and profitability of **Building Products** were well up in 2011. The European construction industry showed a recovery from the trough it experienced in 2010 and this growth was strongest in the private housing sector. The recovery was also helped by the milder winter conditions at the beginning and end of the year. Umicore's sales volumes grew in all of its mature markets and particularly well in Germany and the Benelux. The appetite for zinc building products also continued to grow in other regions of the world where we continued to introduce and promote zinc as a new building material. An increase in demand was noted for both natural zinc and pre-weathered or surface-treated products.

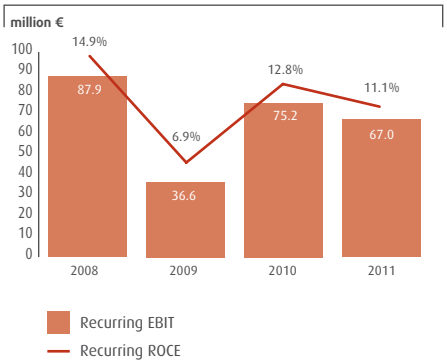
In **Platinum Engineered Materials** revenues were slightly lower than in 2010. The display market continued to grow, particularly in the area of smaller touch panels. The new manufacturing workshop in Yokohama, Japan, was opened at the end of October and is now fully operational in support of the unit's Japanese customer base (see case study on page 43). Sales of products for use in fertilizer production were at similar levels to 2010 and benefited from the successful introduction of a newly developed catalyst alloy that provides longer lifetime and enables lower greenhouse gas emissions in the fertilizer production process. Work on a new production facility in Hanau, Germany, started in 2011. This will lead to further improvements in the production infrastructure and is due to be operational by mid 2013.

Performance Materials

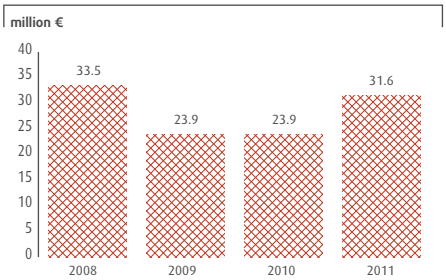
REVENUES (EXCLUDING METAL)



RECURRING EBIT & ROCE



CAPITAL EXPENDITURE



In **Technical Materials** revenues increased significantly driven mainly by the recovery of the electrical equipment industry. Sales of materials for this industry grew in line with increased activity in the industrial and electricity distribution sectors. Sales of brazing products were up with increased demand from the tooling sector being partially offset by a decrease in demand from the electrical industry in the second half of the year. The high silver price created new opportunities for lower silver containing or silver-free alloys to reduce the impact of the higher raw materials costs for customers. At the end of 2011 the European ban on cadmium-containing brazing and contact materials was fully implemented, which we had anticipated in our product offer.

Our **Electroplating** business unit had a strong year. Revenues were well up with sales of precious metal based products outgrowing the market. The business also successfully introduced a new range of rhodium-light alloys. Materials for decorative applications, such as jewellery and lifestyle goods, sold well throughout the year. The strong sales in the first half year for technical applications decreased somewhat in the second half, partly due to reduced demand from printed circuit board manufacturers. Sales of base metal solutions, used in consumer goods such as zippers, were lower as a result of reduced activity in the textile industry.

Sales at our **Element Six Abrasives** associate were up in 2011, although the net result – and therefore contribution to Umicore – was lower, partly due to the weakness of the US dollar. Sales of tungsten carbide products to the mining sector and wear part industry were at a record level. Increased sales were also recorded for high-end precision machining. Lower sales were recorded for products used in oil and gas drilling where the competitive environment was particularly strong.

Great place to work

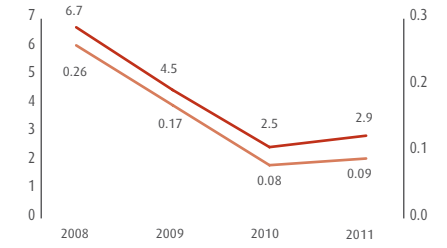
The safety performance of the Performance Materials business group was slightly better than the Umicore average. Fourteen lost time accidents were recorded compared with 12 in 2010. This represented a frequency rate of 2.9 and severity rate of 0.09 – both of which were slightly below the Umicore average. More than half of the accidents occurred in the Zinc Chemicals business unit. All business units have developed specific safety programmes to seek further improvements in safety performance in the coming years. One of these, in Building Products, is featured on page 42. The Sancoale (India) and Vicenza (Italy) sites had achieved more than three years with no lost time accidents, recordable injuries or accidents to contractors at the end of 2011.

In terms of the metal exposure aspects of occupational health the overall excess results for Performance Materials were in line with the Umicore average at 5.1%. The main substance that represents a potential health risk in Performance Materials is cadmium. This substance is alloyed with silver in the Technical Materials business unit, primarily for electrical applications. The Suzhou (China), Glenns Falls (US) and Vicenza (Italy) sites all apply strict process controls allied to workplace precautions such as increased rotation of employees in different workplaces and strict adherence to personal protective equipment programmes to minimize exposure. Umicore has been a leader in developing cadmium-free products and these products are in greater demand from customers partly as a result of legislation. This trend means that volumes of cadmium processed are likely to decrease in the coming years.

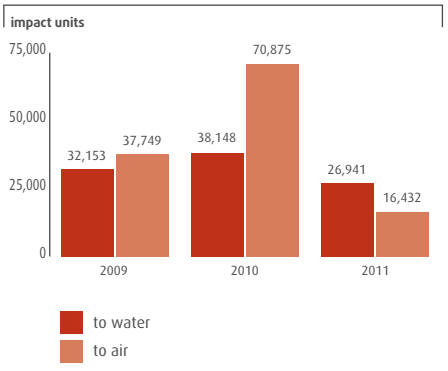
Eco-efficiency

In terms of carbon emissions the Performance Materials business group accounted for a total of 23% of our CO_2 equivalent emissions in 2011 or 156,876 tonnes of CO_2 equivalent. The emissions are spread over 29 different sites with those in Zinc Chemicals accounting for three quarters of the business group total.

SAFETY PERFORMANCE



METALS EMISSIONS



In terms of metal emissions, Performance Materials' emissions to air were up by 3% in load compared to 2010. In terms of impact a reduction of 77% was recorded compared to 2010 and a 57% reduction compared to our benchmark year of 2009. The key reason for the significant reduction is the lower levels of cadmium emissions from the Glens Falls site. We acquired these operations in 2007. We have recently completed investments in new control systems that have reduced emissions from 52 kg in 2010 to below 1 kg in 2011. Water emission loads fell by 23% compared to 2010. In terms of impact, water emissions in 2011 were 16% below the levels of the benchmark year of 2009, again largely due to reduced cadmium emissions at Glens Falls.

Stakeholder engagement

The Building Products and Platinum Engineered Materials businesses adopted the same sustainable procurement initiatives as those of the various procurement centres (see page 21) with suppliers submitted to an in-depth screening in 2011. The other business units took preparatory steps in 2011 regarding their contribution to the Umicore sustainable procurement objective embarking on the identification of key suppliers during 2011.

In terms of community engagement, the soil remediation project close to the Building Products operation in Viviez is a particular highlight. Our project to clean up historical pollution around the site is one of the biggest of its kind in France and involves very close dialogue with the local authorities and community. Excavation of one of the three ponds was completed during 2011. The business units in Performance Materials contributed some € 164,000 in charitable donations in 2011. ■

Go straight to the numbers

.XLS

www.umicore.com/reporting/data

Performance Materials

Safety: everyone's business

Building Products' European sites comprise offices, production sites and logistics centres. Gaétan Pastorelli describes the development of a safety culture across these operations.

Gaétan, who is the unit's Quality, Environment, Health & Safety Director, begins his story in 2008. "That year our Executive Vice-President Pascal Reymondet expressed his total commitment to safety across our organisation. He then asked our team to develop a programme to meet this commitment. Having a strong statement from the leadership was a really important aspect of our success."

When accident statistics were analysed, it was found that the vast majority of incidents, 93%, were linked to behaviour and organisation. Thus, the key to further improvement lay in benchmarking best practices, breaking old habits and establishing new ones.

Mobilising stakeholders

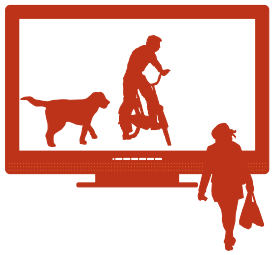
"We looked at successful programmes at a dozen companies," says Gaétan. "There was no need to reinvent the wheel." The best were adapted to fit the Building Products culture. This way everyone could take part. "All our people are stakeholders and we couldn't succeed without them. When it comes to manufacturing excellent products we have very competent personnel. We wanted to mobilise the same good qualities and commitment to focus on safety."

To facilitate we provided extensive training. "First we trained the entire management to raise awareness that their role was not just to boost business results but also to prevent accidents. We then held further sessions for all Umicore workers." Lesson number one was the importance of dialogue. "Communication is key," Gaétan insists. "To create a true culture of safety, we all need to develop a natural habit of talking about it, just like discussing the weekend football or rugby results. The examples we set through our actions are also very powerful."

Safety galleries

Along with training, behaviour change is reinforced through such initiatives as periodic internal benchmarking days and "safety galleries". These bring together representatives from all production sites to share best practices in accident prevention through photos and other visual material. Gaétan also stresses the importance of safety behaviour visits. More than one thousand took place in 2011. They ranged from formal safety assessments to daily walk-arounds. These were headed not by EHS personnel but by all managers, including, of course, the senior management team.

"Since the launch of the initiative we have brought down the number of accidents considerably," Gaétan says. This year sees the expansion of the programme to look at how people can help improve the safety of their team members maintaining the safety of the wider team and, of course, families. Gaétan observes, "It's all about being proactive: anticipating tomorrow's accidents today. Seeing a dangerous condition and reacting now." As Umicore Building Products has shown, when safety becomes the business of everyone it is a powerful force for change.



A great fit

Umicore has opened a new facility in Yokohama, Japan. It will serve local customers in the glass industry and further expand our presence in this important market.

Andreas Stock is Head of Production and Technology at the new facility. "Umicore has been present in the Japanese market for more than 25 years," he explains. "this new investment brings us even closer to our customers, most of whom are located nearby."

The importance of this proximity cannot be overstated. Umicore's business approach involves developing close, long-term relationships with customers. "We need to understand their processes, which demands a large degree of confidence," says Andreas. Building customer confidence is particularly important in Japan, where trust and transparency are regarded very highly.

Engineering advantage

The new workshop manufactures platinum-based equipment that customers then use to make specialty and high-purity glass. Consumers encounter this glass daily when looking at computer and TV screens and through the lenses of their cameras. Ultra-pure glass is also used in the manufacture of a range of technical products, such as laboratory glasses, special lighting systems, and high-end cooking surfaces.

The high technical demands of Japanese companies are a good fit with Umicore's engineering, material, and manufacturing expertise. "We can come up with solutions that no one else can match" Andreas says. "We have all the capabilities to offer our customers the best possible solution for their specific requirements." This requires a high level of technical expertise. "That's why our new Japanese colleagues travel to our business unit headquarters in Hanau, Germany, to receive intensive training," adds Andreas.

A showcase project

The project also demonstrates Umicore's commitment to improving its environmental performance. Umicore's expertly engineered products allow customers to save resources, such as scarce materials like platinum and rhodium, as well as energy in their glass manufacturing processes.

Now into its first year of operation, the workshop is starting to fulfil the business unit's aim of substantially growing its presence in Japan. Andreas sums up: "This is a project that demonstrates Umicore's ability to provide cutting-edge technology and services across the globe."

Scan this QR-code to access the full online interview
www.umicore.com/reporting/yokohama

Recycling

An outstanding economic performance driven by excellent supply conditions. Safety improvement efforts were intensified in 2011.

Economic performance

Recycling revenues were up by 20%, while recurring EBIT was up by 37%. This was driven mainly by excellent availability of supply in Precious Metals Refining. The Jewellery & Industrial Metals and Precious Metals Management operations also performed very well. Overall return on capital employed reached close to 70% - largely reflecting the continued stellar performance from our Precious Metals Refining operations. Capital expenditures increased by almost 11% as a result of the new investment programme in the sampling operations in Hoboken. The business group R&D expenditures increased by close to 50% - this was largely due to the higher level of activity in the pilot UHT recycling operations.

In **Precious Metals Refining**, revenues were well up as a result of higher processed volumes, further improvements in the supply mix and higher received metal prices. The supply of residues from the non-ferrous metal industry was strong and well above the level of 2010. Richer residues were received from the copper and lead industry. We also treated higher volumes of complex by-products from the mining industry. Umicore's recycling technology enables a more efficient treatment of such complex materials compared to other metal refiners, both from a metal extraction perspective and from an environmental viewpoint. The combination of higher processed volumes and richer mix resulted in higher revenue generation. Processed volumes of electronic scrap also increased, driven by more effective collection of these materials on the market.

The recently revised WEEE legislation should further help in increasing the collection rates of these materials in Europe. Arrivals of other end-of-life materials such as automotive and industrial catalysts were somewhat lower, especially in Europe.

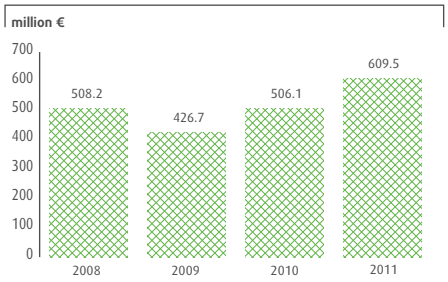
Average received metal prices were higher for most precious metals, with rhodium being the main exception. This was also the case for most specialty metals, in particular for selenium and tellurium. Through 2011 we continued to secure a portion of the metal price component in our long term supply contracts for 2012 and 2013.

In July we announced a major upgrade and expansion of our sampling operations at the main recycling plant in Hoboken. The initial € 25 million investment will increase the capacity and flexibility of the sampling process and will enable us to react even more rapidly to changes in the supply mix. The new facility is expected to be operational by mid 2013.

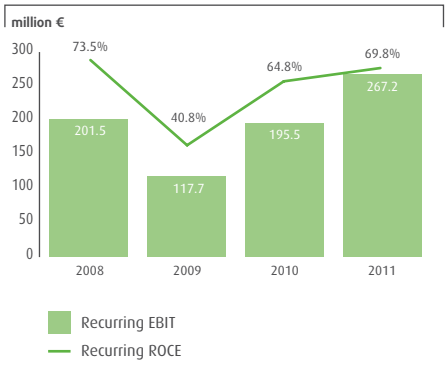
In **Battery Recycling**, the new pilot recycling plant in Hoboken was officially inaugurated in September. The first batches of used Li-ion and NiMH batteries were processed towards the end

Recycling

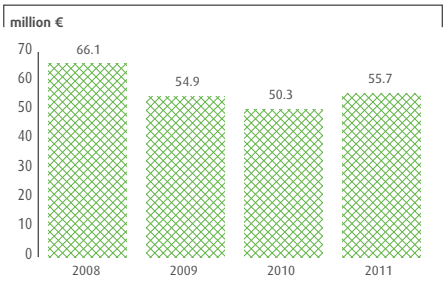
REVENUES (EXCLUDING METAL)



RECURRING EBIT & ROCE



CAPITAL EXPENDITURE



of the year. The UHT technology also offers possibilities to treat other end-of-life and secondary materials and the pilot plant is being used to test several new types of supply streams or blends that are currently not processed by Umicore. In 2011 we also announced that, together with Solvay affiliate Rhodia, we had developed a unique process for the recovery of rare earth elements from nickel metal hydride rechargeable batteries. The implementation of the Battery Directive, with the first collection target to be reached in 2012, and the new WEEE directive will help promote the collection of batteries from portable electronics. We also strengthened our collaboration with (H)EV manufacturers for the processing of their used batteries.

Earnings and revenues increased significantly in **Jewellery & Industrial Metals**. Sales of silver-based products and components for industrial applications remained high in 2011, especially for solar cell production and in chemical processes. The high precious metal prices and the uncertainty in the financial markets stimulated the demand for investment products such as silver coin blanks. Sales volumes of materials for jewellery also increased. We sold more materials for use in luxury products while sales of materials to the fashion jewellery sector were lower. The higher precious metal prices – particularly silver – boosted the availability of supply for our recycling operations in this business.

The price volatility for most precious metals throughout the year provided a favourable environment for **Precious Metals Management**. Solid demand for physical precious metals from almost all industrial sectors, coupled with high investor demand for gold and silver bars, also contributed to the strong performance of this business unit.

Great place to work

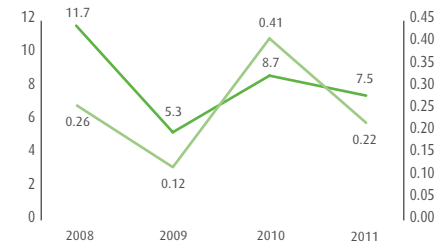
The Recycling business group accounted for almost half of the total lost time accidents in Umicore. The total number of accidents was slightly lower than in 2010 though. The business group's accident frequency (7.45 vs 8.65) and severity (0.22 vs 0.41) rates both showed an improvement compared to 2010. The total number of lost days was down by 40%. Various programmes are underway to achieve a significant improvement. In Hoboken a major initiative has been launched covering eight project areas and involving more than 1,800 hours of safety training in 2011. The Markham (Canada) site had achieved more than three years with no lost time accidents, recordable injuries or accidents to contractors at the end of 2011.

In terms of the metal exposure aspects of occupational health the Recycling business performed better than the Umicore average with an excess rate of 1%. The main substances that represent a potential health risk in Recycling are lead, arsenic, nickel and cadmium. No excess readings were detected for nickel or cadmium. We have a long experience in monitoring and controlling lead exposure at our Hoboken facility and the exposure levels have shown consistent and significant reductions over the years. The excess rate for lead was 1.5%. Arsenic presents different challenges with regards to workplace control as, unlike most other metals, it can be found in very different concentrations depending on the type of feed materials coming into the Hoboken plant. This makes it more difficult to isolate the different areas where potential exposure might take place. This difficulty notwithstanding, the excess readings were comparatively low at 1.6% in 2011. Two employees were diagnosed with a platinum salt sensitization and moved to a workplace with no platinum salt exposure.

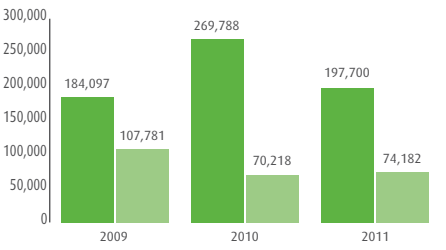
Eco-efficiency

The Recycling operations accounted for a total of 40% of our CO_2 equivalent emissions in 2011 or 281,499 tonnes of CO_2 equivalent. Since its inclusion in the Flemish Benchmarking Covenant in 2003 the Hoboken site has implemented a number of energy efficiency initiatives that apply the best international standards. Another

SAFETY PERFORMANCE



METALS EMISSIONS



contribution of the Recycling business group to the overall Umicore reductions compared to the 2006 reference year is the type of residues processed by the Hoboken site; higher volumes of materials are now sourced that require less energy to process.

In terms of metal emissions, Recycling's emissions to air were up by 32% in load compared to 2010 due to higher emissions in Hoboken and Bangkok. In terms of impact an increase of 6% was recorded compared to 2010 and a 31% reduction compared to our benchmark year of 2009. The key reason for the significant reduction compared to the benchmark year is the lower levels of arsenic emissions from the Hoboken site. Water emission loads fell by 7% compared to 2010. In terms of impact, water emissions in 2011 were 7% above the levels of the benchmark year of 2009. We will invest € 15 million in a new water treatment plant at the Hoboken plant which will allow us to further reduce the metal emissions in the plant's waste water.

Stakeholder engagement

Umicore Precious Metals Refining has been implementing strict supplier checks using an in-house system called Business Partner Screening (BPS). This BPS uses ten metrics to assess supplier risk and is a formal process for entering into a business partnership with any supplier. In addition to this the business unit verifies all batches of incoming materials in order to identify any materials that might have been stolen or originate from conflict zones. For a limited number of larger suppliers the business unit has engaged Ecovadis to carry out a sustainability assessment. Both Precious Metals Refining and Jewellery & Industrial Metals have been working with various industry bodies during the year to develop an industry-wide approach to the issue of conflict minerals.

In 2011 the sites in the Recycling business group contributed a total of € 523,610, with by far the main contributor to this total being the site in Hoboken, Belgium. The main initiative at the Hoboken site involved the sponsoring of the new Antwerp museum "Museum aan de Stroom". In 2011 we opened a silver pavilion in the grounds of the museum. The pavilion combines an exhibition of silver art with educational material about recycling. ■

Go straight to the numbers

.XLS

www.umicore.com/reporting/data

Recycling

Talent makes an impact

Recruiting and retaining talented people is an increasingly important consideration for all companies. Here's a project that is making a real impact for Umicore in this critical area.

A few years ago at Umicore's Precious Metals Refining site in Hoboken, Belgium, employment challenges were becoming more acute. A wave of retirement was taking place at a time of plant expansion. Finding qualified people for increasingly technical jobs was getting harder. And along with the talent squeeze, Hoboken was about to lose the valuable expertise of its retiring employees.

It was these circumstances that gave birth to Project IMPACT (IMProve the Approach on Competences & Talent). It had several goals: identify and transmit the knowledge of retiring employees; help people develop both behavioural and technical competencies; offer career development opportunities in a more structured and transparent way; and base performance management less on evaluations and more on an employee's development.

Into their own hands

"When people had HR questions it was not always obvious whom they could turn to," explains Anne Smekens, HR Project Manager in Hoboken. "We wanted to provide clear processes and tools so that people could take their career into their own hands." Another problem was job descriptions: in discussions between a supervisor and an employee each had his own interpretation. Working with external consultants and representatives from all departments, Anne and her colleagues set about creating what she calls a "common language".

Workshops were held throughout the plant to define the competencies required for all the various jobs. "People of all levels got involved and appreciated the opportunity to take part," Anne says. "It's very important that people themselves clarify what their jobs are about." Once this so-called competency model was defined, the task was to put it all into a software tool. This is now being progressively rolled out.

Fulfilling careers

When finished, all employees will have a clear overview of their current job based on the competencies it entails. They can see what kind of training is available to go further in their job, or how their competencies might fit with other jobs on the site. Safety training will also be integrated into the system. Anne describes it as having benefits for everybody.

Not only does this help Hoboken attract, retain and develop the talent it needs. The new competency model is helping people to find more fulfilment in their jobs, one of Umicore's sustainability objectives. Anne sums up: "It's essential that people are aware of their skills and talents and find fulfilment in their job. When I guide visitors through the site they remark about hearing people refer to the 'Umicore family'. It's very gratifying."

A hot new technology

Umicore's Ultra High Temperature (UHT) technology, is now reaching a new milestone. This breakthrough project opens the door to a promising future for recycling.

September 2011 saw the inauguration of Umicore's UHT pilot plant in Hoboken, Belgium. Representing an investment of some € 25 million, it is the world's first recycling operation of its kind.

What makes this process so special is its operating temperature, very much hotter than other types of metal recycling technology. Also significant is that UHT is perfectly aligned with Umicore's sustainability commitment. Ideally suited for a range of recycling activities, the process is energy efficient and environmentally clean. Moreover, Umicore is the sole owner of UHT technology, as well as a set of patents covering a broad range of applications.

How will this technology breakthrough be used? Marc Cardoen is heading Process and Technology Innovation at Precious Metals Refining. "The first application will be recycling end-of-life, rechargeable batteries," he says, "starting with the ones used in small devices like laptop computers and mobile phones." Many European countries already have battery-collection schemes that can feed the new facility.

A huge future market

The high-temperature technology allows a range of valuable metals to be extracted in a clean and efficient way. Among them are cobalt and nickel. Further refined by our Cobalt & Specialty Materials business unit, these metals will end up inside new batteries – a perfect example of Umicore's "closed loop" business approach. The leftover material, similar to natural sand or rock, is used in concrete and cement. Stricter climate regulations and high oil prices are pushing carmakers to introduce e-vehicles. UHT technology is ideally placed to profit from this huge future market. While a phone battery weighs a few grams, an e-vehicle battery can be a hefty 200 kilos. "Regulators will oblige car manufacturers to recycle their vehicle's batteries," Marc explains, "so the carmakers will need partners like Umicore. In fact, our services will be worth more than the extracted metal."

UHT technology will have other applications too. Pilot tests are being conducted for the recycling of other supply streams. And in partnership with French company Rhodia the UHT smelter will separate rare-earth metals from end-of-life nickel metal hydride batteries.

Marc concludes, "Our new UHT technology brings together innovation, recycling and low emissions. It's a perfect fit with our strategic vision."

Scan this QR-code to access the full online interview
www.umicore.com/reporting/hoboken

Financial and economic statements

Contents

Consolidated financial statements

Consolidated income statement

(EUR thousand)

	Notes	2010	2011
Turnover	F8	9,691,109	14,480,939
Other operating income	F8	55,107	56,902
OPERATING INCOME		**9,746,216**	**14,537,841**
Raw materials and consumables	F8	(8,338,353)	(12,902,623)
Payroll and related benefits	F9	(636,847)	(672,049)
Depreciation and impairments	F8	(125,696)	(165,264)
Other operating expenses	F8	(343,314)	(402,864)
OPERATING EXPENSES		**(9,444,210)**	**(14,142,800)**
Income from other financial investments	F11	977	10,178
RESULT FROM OPERATING ACTIVITIES		**302,983**	**405,220**
Financial income	F10	3,737	5,125
Financial expenses	F10	(27,854)	(35,005)
Foreign exchange gains and losses	F10	7,442	7,443
Share in result of companies using the equity method	F16	21,022	27,436
PROFIT (LOSS) BEFORE INCOME TAX		**307,330**	**410,218**
Income taxes	F12	(54,211)	(76,006)
PROFIT FROM CONTINUING OPERATIONS		**253,119**	**334,212**
PROFIT (LOSS) OF THE PERIOD		**253,119**	**334,212**
of which: Group share		248,727	324,950
Minority share		4,392	9,262

(EUR)

Total basic earnings per share	F37	2.20	2.87
Total diluted earnings per share	F37	2.19	2.85
Dividend per share		0.80	1.00*

* proposed

The notes on pages 56 to 107 are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

(EUR thousand)

	Notes	2010	2011
Profit (loss) of the period		**253,119**	**334,212**
Changes in available-for-sale financial assets reserves		18,144	(28,939)
Changes in cash flow hedge reserves		(59,862)	62,700
Changes in post employment benefits, arising from changes in actuarial assumptions		(11,043)	(13,661)
Changes in deferred taxes directly recognized in equity		22,538	(17,828)
Changes in currency translation differences		78,629	(3,482)
Other comprehensive income for the period	F22	**48,406**	**(1,210)**
Total comprehensive income for the period		**301,525**	**333,002**
of which : Group share		289,083	329,754
Minority share		12,442	3,248

The deferred tax impact on the consolidated statement of comprehensive income is due to the cash flow hedge reserves for EUR -20.7 million and to employee benefit reserves for EUR 1.9 million.

The notes on pages 56 to 107 are an integral part of these consolidated financial statements.

Consolidated balance sheet

(EUR thousand)

	Notes	31/12/10	31/12/11
NON-CURRENT ASSETS		**1,371,897**	**1,418,510**
Intangible assets	F13, F14	169,497	183,303
Property, plant and equipment	F15	804,510	864,336
Investments accounted for using the equity method	F16	197,758	218,923
Available-for-sale financial assets	F17	76,152	47,730
Loans granted	F17	769	1,096
Trade and other receivables	F19	14,416	14,630
Deferred tax assets	F20	108,795	88,492
CURRENT ASSETS		**2,139,701**	**2,294,649**
Current loans granted	F17	50	1,051
Inventories	F18	1,183,034	1,305,010
Trade and other receivables	F19	811,500	867,530
Income tax receivables		20,363	17,067
Available-for-sale financial assets	F17	37	10
Cash and Cash equivalents	F21	124,717	103,981
Total assets		**3,511,598**	**3,713,160**
EQUITY OF THE GROUP		**1,575,242**	**1,721,708**
Group shareholders' equity		**1,516,961**	**1,667,529**
Share capital and premiums		502,862	502,862
Retained earnings		1,234,242	1,461,047
Currency translation differences and other reserves	F22	(55,541)	(43,620)
Treasury shares		(164,602)	(252,760)
Minority interest		58,281	54,179
NON-CURRENT LIABILITIES		**551,828**	**391,507**
Provisions for employee benefits	F26	190,799	193,023
Financial debt	F23	194,884	23,878
Trade and other payables	F24	6,333	15,084
Deferred tax liabilities	F20	43,702	46,089
Provisions	F28, F29	116,111	113,434
CURRENT LIABILITIES		**1,384,528**	**1,599,945**
Financial debt	F23	290,195	346,654
Trade and other payables	F24	1,022,423	1,148,450
Income tax payable		21,664	57,742
Provisions	F28, F29	50,246	47,099
Total equity & liabilities		**3,511,598**	**3,713,160**

The notes on pages 56 to 107 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

(EUR thousand)

	Part of the Group					
	Share capital and premiums	Reserves	Currency translation and other reserves	Treasury shares	Minority interest	TOTAL EQUITY
Balance at the beginning of previous period	**502,862**	**1,086,036**	**(96,353)**	**(178,356)**	**52,536**	**1,366,726**
Result of the period		248,727			4,392	253,119
Other comprehensive income for the period			40,356		8,050	48,406
Total comprehensive income for the period		**248,727**	**40,356**		**12,442**	**301,525**
Changes in share-based payment reserves			4,018			4,018
Dividends		(110,140)			(1,062)	(111,202)
Transfers		9,619	(3,561)		(5,640)	418
Changes in treasury shares		0		13,754		13,754
Changes in scope			(2)		4	1
Balance at the end of previous period	**502,862**	**1,234,242**	**(55,541)**	**(164,602)**	**58,281**	**1,575,242**
Result of the period		324,950			9,262	334,212
Other comprehensive income for the period			4,804		(6,014)	(1,210)
Total comprehensive income for the period		**324,950**	**4,804**		**3,248**	**333,002**
Changes in share-based payment reserves			8,342			8,342
Capital increase					(6,420)	(6,420)
Dividends		(99,370)			(931)	(100,301)
Transfers		1,225	(1,225)			0
Changes in treasury shares				(88,158)		(88,158)
Balance at the end of the financial year	**502,862**	**1,461,047**	**(43,620)**	**(252,760)**	**54,179**	**1,721,707**

The legal reserve of EUR 50,000 thousand which is included in the retained earnings is not available for distribution.

The share capital of the Group as at 31 December 2011 was composed of 120,000,000 shares with no par value.

The notes on pages 56 to 107 are an integral part of these consolidated financial statements.

Consolidated statement of cash flow

(EUR thousand)

	Notes	2010	2011
Profit from continuing operations		253,119	334,212
Adjustments for profit of equity companies		(21,022)	(27,436)
Adjustment for non-cash transactions	F32	90,099	189,926
Adjustments for items to disclose separately or under investing and financing cash flows	F32	68,156	82,183
Change in working capital requirement	F32	(247,031)	(48,575)
Cash flow generated from operations		**143,321**	**530,309**
Dividend received		8,077	15,915
Tax paid during the period		(47,283)	(34,368)
Government grants received			3,649
NET CASH FLOW GENERATED BY (USED IN) OPERATING ACTIVITIES	F32	**104,115**	**515,505**
Acquisition of property, plant and equipment	F15	(141,478)	(188,018)
Acquisition of intangible assets	F13	(30,554)	(24,556)
Acquisition of / capital increase in associates		(8,582)	(5,500)
Acquisition of financial assets	F17	(380)	(515)
New loans extended	F17	0	(1,018)
Sub-total acquisitions		**(180,993)**	**(219,607)**
Disposal of property, plant and equipment		2,026	2,134
Disposal of intangible assets		32	
Disposal of subsidiaries and associates (net of cash disposed)			258
Disposal of financial fixed assets		23	10,124
Repayment of loans	F17	6,608	163
Sub-total disposals		**8,689**	**12,679**
NET CASH FLOW GENERATED BY (USED IN) INVESTING ACTIVITIES	F32	**(172,305)**	**(206,928)**
Capital increase/decrease minorities			(6,109)
Own shares		13,754	(88,158)
Interest received		3,564	4,757
Interest paid		(15,014)	(20,306)
New loans (repayment of loans)		97,279	(91,480)
Dividends paid to Umicore shareholders		(108,807)	(98,330)
Dividends paid to minority shareholders		(1,332)	(931)
NET CASH FLOW GENERATED BY (USED IN) FINANCING ACTIVITIES	F32	**(10,556)**	**(300,558)**
Effect of exchange rate fluctuations on cash held		(4,856)	(6,235)
NET CASH FLOW FROM CONTINUING OPERATIONS		**(83,601)**	**1,784**
Impact of change in scope on opening cash and cash equivalents		1,675	
NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	F21	**180,347**	**98,421**
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	F21	**98,421**	**100,205**
of which cash and cash equivalents		124,717	103,981
of which bank overdrafts		(26,296)	(3,776)

The notes on pages 56 to 107 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

The company's consolidated financial statements and the management report prepared in accordance with article 119 of the Belgian Companies Code set forth on pages 1-49 and 108-180, for the year ended 31 December 2011 were authorized for issue by the Board of Directors on 16 March 2012. They have been prepared in accordance with the legal and regulatory requirements applicable to the consolidated financial statements of Belgian companies. They include those of the company, its subsidiaries and its interests in companies accounted for using the equity method.

F1 Basis of preparation

The Group presents its annual consolidated financial statements in accordance with all International Financial Reporting Standards (IFRS) adopted by the European Union (EU).

The consolidated financial statements are presented in thousands of euros, rounded to the nearest thousand, and have been prepared on a historical cost basis, except for those items that are measured at fair value.

The Group has adopted IAS 1 (revised), 'Presentation of Financial Statements'. The Group has elected to present two statements: an income statement and a statement of comprehensive income. The statement of changes in equity presents separately the non-owner and the owner related changes in equity.

F2 Accounting policies

2.1 Principles of consolidation and segmentation

Umicore applies a full consolidation for its subsidiaries - entities over which the company has control - i.e. the power to govern the financial and operating policies so as to obtain benefits from its activities. Control is presumed when Umicore owns, directly or indirectly through subsidiaries, more than 50% of the voting rights.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Note F5 lists all significant subsidiaries of the company at the closing date.

To account for an acquisition, the purchase method is used. The assets, liabilities and contingent liabilities of the acquired company are measured at their fair value at the date of acquisition. The cost of acquisition is measured as the fair value of assets given up, shares issued or liabilities undertaken at the date of acquisition, plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the Group's share of the fair value of the net assets of the subsidiary is recognized as goodwill. (see Section 2.6. Intangible Assets). If the Group's share in the fair value of the net assets exceeds the cost of acquisition, the excess is recognized immediately as a profit in the income statement.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated, unless such losses are an indication of impairment. Where necessary, the subsidiaries' accounting policies have been changed to ensure consistency with the policies the Umicore Group has adopted.

An associate is an entity in which the company has a significant influence over the financial and operating policies, but no control. Typically this is evidenced by an ownership of between 20 to 50% of the voting rights. A joint venture is a contractual arrangement whereby the company and other parties undertake, directly or indirectly, an economic activity that is subject to joint control.

Both associates and joint ventures are accounted for using the equity method. Under this method, the Group's share of the post-acquisition profits or losses is recognized in the income statement, and its share of post-acquisition movements in reserves is recognized in reserves.

The company's investments in associates and joint ventures include the goodwill on acquisitions, net of impairment.

Unrealized gains on transactions between the company and its associates or joint ventures are eliminated to the extent of the company's interest in the associates and joint ventures. Unrealized losses are also eliminated, unless the transaction provides evidence of impairment.

Investments in companies that are not consolidated through the equity method or through the full consolidation method are recorded under "available-for-sale financial assets".

Note F16 lists all significant associates and joint ventures of the company as at the closing date.

Note F7 provides the Company's segment information, in line with IFRS 8. Umicore is organised in business units. Operating segments under IFRS 8 at Umicore are differentiated by their growth drivers in the area's of Catalysis, Energy Materials, Performance Materials and Recycling.

The Catalysis segment produces automotive catalysts for emission abatement in light and heavy duty vehicles as well as catalyst products used in chemical processes such as the fine- chemical and life science industries. These catalysts are mainly based on PGM metals. The Energy Materials segment is focused primarily on materials used in the growing markets of rechargeable batteries, in both portable electronics as well as in hybrid electric vehicles and solar energy. Its products are largely based on cobalt, germanium and indium. The Recycling segment recovers a large number of precious and other metals from a wide range of waste streams and industrial residues. The Recycling operations extend also to the production of jewellery materials (including recycling services) as well as the recycling of rechargeable batteries. The Performance Materials segment has a broad product portfolio used in various industries including construction, automotive, electrics and electronics. All these products apply precious metals or zinc to enhance specific product capabilities.

Operating segments are reported in a manner consistent with the internal reporting provided to the Board and the Executive Committee. The Executive Committee reviews the performance of the operating segments primarily based on Earnings before Interest and Tax (EBIT), Capital Employed and Return on Capital Employed.

The segment results, assets and liabilities include items directly attributable to the segment as well as those elements that can reasonably be allocated to a segment.

The pricing of inter-segment sales is based on an arm's length transfer pricing system. In the absence of relevant market price references, 'cost plus' mechanisms are used.

Associate companies are allocated to the business group with the closest fit from a market segment perspective.

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other environments.

2.2 Inflation accounting

For the reported period, there is no subsidiary in the Umicore Group having a functional currency belonging to a hyperinflationary economy.

2.3 Foreign currency translation

Functional currency: items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity. The consolidated financial statements are presented in euros which is the functional currency of the parent. To consolidate the Group and each of its subsidiaries, the financial statements are translated as follows:

* Assets and liabilities at the year-end rate as published by the European Central Bank.
* Income statements at the average exchange rate for the year.
* The components of shareholders' equity at the historical exchange rate.

Exchange differences arising from the translation of the net investment in foreign subsidiaries, joint ventures and associated entities at the period-end exchange rate are recorded as part of the shareholders' equity under "currency translation differences".

When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as local currency assets and liabilities of the foreign entity and are translated at the closing rate.

2.4 Foreign currency transactions

Foreign currency transactions are recognized during the period in the functional currency of each entity at exchange rates prevailing at the date of transaction. The date of a transaction is the date at which the transaction first qualifies for recognition. For practical reasons a rate that approximates the actual rate at the date of the transaction is used at some operations, for example, an average rate for the week or the month in which the transactions occur.

Subsequently, monetary assets and liabilities denominated in foreign currencies are translated at the closing rate at the balance sheet date.

Gains and losses resulting from the settlement of foreign currency transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognized in the income statement as a financial result.

In order to hedge its exposure to certain foreign exchange risks, the Company has entered into certain forward contracts (see Chapter 2.21, Financial instruments).

2.5 Property, plant and equipment

Property, plant and equipment is recorded at historical cost, less accumulated depreciation and impairment losses. Cost includes all direct costs and appropriate allocation of indirect costs incurred to bring the asset to working condition for its intended use.

Borrowing costs that are directly attributable to investments are capitalized together with the costs of the assets in accordance with IAS 23. All borrowing costs that cannot be linked directly to an investment are recognized as expenses in the period when incurred.

The straight-line depreciation method is applied through the estimated useful life of the assets. Useful life is the period of time over which an asset is expected to be used by the company.

Repair and maintenance costs are expensed in the period in which they are incurred, if they do not increase the future economic benefits of the asset. Otherwise they are classified as separate components of items of property, plant and equipment. Those major components of items of property, plant and equipment that are replaced at regular intervals are accounted for as separate assets as they have useful lives different from those items of property, plant and equipment to which they relate. Umicore's PPE, being complex and highly customized industrial assets, typically do not have an individual resale value if put outside the overall context of the operations. Therefore no residual value is taken into account when determining the depreciable value.

The typical useful life per main type of property, plant and equipment are as follows :

Land	**Non-depreciable**
Buildings	
- Industrial buildings	20 years
- Improvements to buildings	10 years
- Other buildings such as offices and laboratories	40 years
- Investment properties	40 years
Plant, machinery and equipment	10 years
- Furnaces	7 years
- Small equipment	5 years
Furniture and vehicles	
- Vehicles	5 years
- Mobile handling equipment	7 years
- Computer equipment	3 to 5 years
- Furniture and office equipment	5 to 10 years

For material newly acquired or constructed assets, the useful life is separately assessed at the moment of the investment request and can deviate from the above standards.

Management determines the estimated useful lives and related depreciation charges for property, plant and equipment. Management uses standard estimates based on a combination of physical durability and projected product life or industry life cycles. These useful lives could change significantly as a result of technical innovations, market developments or competitor actions. Management will increase the depreciation charge where useful lives are shorter than previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

2.6 Intangible assets & equity transaction expenses

2.6.1 Equity transaction expenses

Expenses for formation and capital increase are deducted from the share capital.

2.6.2 Goodwill

Goodwill represents the excess of the cost of an acquisition of a subsidiary, associate or jointly controlled entity over the Group's share in the fair value of the identifiable assets and liabilities of the acquired entity at the date of acquisition. Goodwill is recognized at cost less any accumulated impairment losses.

Goodwill from associates and joint ventures is presented in the balance sheet on the line "Investments accounted for under the equity method", together with the investment itself.

To assess impairment, goodwill is allocated to a CGU. At each balance sheet date, these CGUs are tested for impairment, meaning an analysis is performed to determine whether the carrying amount of goodwill allocated to the CGU is fully recoverable. If the carrying amount is not fully recoverable, an appropriate impairment loss is recognized in the income statement. These impairment losses are never reversed.

The excess of the Group's interest in the fair value of the net identifiable assets acquired over the cost of acquisition is recognized in the income statement immediately.

2.6.3 Research and development

Research costs related to the prospect of gaining new scientific or technological knowledge and understanding are recognized in the income statement as an incurred expense.

Development costs are defined as costs incurred for the design of new or substantially improved products and for the processes prior to commercial production or use. They are capitalized if, among others, the following conditions are met:

* the intangible asset will give rise to future economic benefits, or in other words, the market potential has been clearly demonstrated.
* the expenditures related to the process or product can be clearly identified and reliably measured.

In case it is difficult to clearly distinguish between research or development costs, the costs are considered as being research. If development costs are capitalized they are amortized using a straight-line method over the period of their expected benefit.

2.6.4 CO_2 emission rights

Within the framework of the Kyoto protocol, a second emission trading period started, covering 2008-2012. Therefore the Flemish Government granted emission rights to the Flemish sites of certain companies, including Umicore. Each year, at the end of February, one fifth of these emission rights is put on an official registry account. The release of emission rights to this registry account entails the capitalization in the intangible assets, which is in line with the guidance of the Belgian Accounting Standards Commission. Gains on the recognition of emission rights at fair value are deferred until the certificates are used. Emission rights owned are subject to impairment testing but are not depreciated. If, at a certain closing date, it appears that the closing market price is below the carrying value, a write-down is booked. At each closing date, the group estimates the actual use of rights for the period and recognizes a provision for the rights that will have to be restituted to the Government. The charge related to the impairment loss or the recognition of provisions are fully compensated in the income statement by the release of deferred revenue. Historically, Umicore owns the required rights to ensure its normal operating activities.

2.6.5 Other intangible assets

All of the following types are recorded at historical cost, less accumulated amortization and impairment losses :

* Concessions, patents, licenses: are amortized over the period of their legal protection.
* Software and related internal development costs: are typically amortized over a period of five years
* Land use rights: are typically amortized over the contractual period

2.7 Lease

2.7.1 Financial lease

Leases under which the company assumes a substantial part of the risks and rewards of ownership are classified as financial leases. They are measured at the lower of fair value and the estimated present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of interest on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in long-term payables. The interest element is charged to the income statement over the lease period. Leased assets are depreciated over the shorter of the useful life and the lease term.

2.7.2 Operating lease

Leases under which a substantial part of the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. All payments or receipts under operating lease are recognized as an operating expense in the income statement using the straight-line method.

The group leases metals to and from third parties for specified periods for which the group receives or pays fees. Metal leases contracts are typically concluded for less than 1 year. The metal leases from and to third parties are reported as off-balance sheet commitments.

2.8 Available-for-sale financial assets, loans and non current receivables

All movements in available-for-sale financial assets, loans and receivables are accounted for at trade date.

Financial assets available for sale are carried at fair value. Unrealized gains and losses from changes in the fair value of such assets are recognized in equity as available-for-sale financial assets reserves. When the assets are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses.

Loans and receivables are carried at amortized cost less any impairment.

All write-downs are recorded on a separate account and are netted with the carrying amounts when all chances of recovery are depleted.

Own shares, are deducted from equity.

2.9 Inventory

Inventories are carried at the lower of cost or net realizable value. Cost comprises direct purchase or manufacturing costs and an appropriate allocation of overheads.

Inventories are classified as:

1. Base products with metal hedging
2. Base products without metal hedging
3. Consumables
4. Advances paid
5. Contracts in progress

Base products with metal hedging are metal-containing products on which Umicore is exposed to metal price fluctuation risks and where Umicore applies an active and structured risk management process to minimize the potential adverse effects of market price fluctuations on the financial performance of the Group. The metal contents are classified in inventory categories that reflect their specific nature and business use : ao permanently tied up metal inventories and commercially available metal inventories. Depending on the metal inventory category, appropriate hedging mechanisms are applied. A weighted average is applied per category of inventory.

Base products without metal hedging and consumables are valued using the weighted-average cost method.

Write-downs on inventories are recognized when turnover is slow or where the carrying amount is exceeding the net realizable value, meaning the estimated selling price less the estimated costs of completion and the estimated cost necessary to make the sale. Write-downs are presented separately.

Advances paid are down-payments on transactions with suppliers for which the physical delivery has not yet taken place and are booked at nominal value.

Contracts in progress are valued using the percentage-of-completion method.

2.10 Trade and other receivables

Trade and other receivables are measured at amortized cost, i.e. at the net present value of the receivable amount. Unless the impact of discounting is material, the nominal value is taken. Receivables are written down for irrecoverable amounts. All write-downs are recorded on a separate account and are netted with the carrying amounts when all chances of recovery are depleted.

Trade receivables of which substantially all the risks and rewards have been transferred are derecognized from the balance sheet.

The positive fair value of derivative financial instruments is included under this heading.

2.11 Cash and cash equivalents

Cash includes cash-in-hand and cash with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash, have maturity dates of three months or less and are subject to an insignificant risk of change in value.

These items are carried in the balance sheet at nominal value or amortized cost. Bank overdrafts are included in the current liabilities on the balance sheet.

2.12 Impairment of non-financial assets

Property, plant and equipment and other non-current assets, including intangible assets and financial assets not held for trading, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated.

The recoverable amount is the higher of an asset's net selling price and value in use. To estimate the recoverable amount of individual assets the company often determines the recoverable amount of the cash-generating unit (CGU) to which the asset belongs.

Whenever the carrying amount of an asset exceeds its recoverable value, an impairment loss is recognized as an expense immediately.

A reversal of impairment losses is recognized when there is an indication that the impairment losses recognized for the asset or for the CGU no longer exist or have decreased. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.13 Share capital and retained earnings

A. Repurchase of share capital

   When the company purchases some of its own shares, the consideration paid ' including any attributable transaction costs net of income taxes ' is deducted from the total shareholders' equity as treasury shares. No gain or loss shall be recognized in profit or loss on the purchase, sale, issue or cancellation of own shares. When such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

B. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds of the issue, net of tax.

C. Dividends of the parent company payable on ordinary shares are only recognized as a liability following approval by the shareholders.

2.14 Minority interests

Minority interests include a proportion of the fair value of identifiable assets and liabilities recognized upon acquisition of a subsidiary that is attributable to third parties, together with the appropriate proportion of subsequent profits and losses.

In the income statement, the minority share in the Group's profit or loss is presented separately from the Group's consolidated result.

2.15 Provisions

Provisions are recognized in the balance sheet when:

* There is a present obligation (legal or constructive) as a result of a past event.
* It is probable that an outflow of resources will be required to settle the obligation.
* A reliable estimate can be made on the amount of the obligation.

A constructive obligation is an obligation that derives from company actions where, by an established pattern of past practice or published policies, the company has indicated that it will accept certain responsibilities and, as a result, the company has created a valid expectation that it will discharge those responsibilities.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date and taking into account the probability of the possible outcome of the event. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. The result of the yearly discounting of the provision, if any, is accounted for as a financial result.

The main types of provision are the following:

1. **Provisions for employee benefits** (See Chapter 2.16, Employee benefits)

2. Environmental obligations

Environmental provisions are based on legal and constructive obligations from past events, in accordance with the company's environmental approach and applicable legal requirements. The full amount of the estimated obligation is recognized at the moment the event occurs. When the obligation is production/activity related, the provision is recognized gradually depending on normal usage/production level.

3. Other Provisions

Includes provisions for litigation, onerous contracts, warranties, exposure to equity investments and restructuring. A provision for restructuring is recognized when the company has approved a detailed and formal restructuring plan and the restructuring has either commenced or has been announced publicly before the balance sheet date. Any restructuring provision only includes the direct expenditure arising from the restructuring which is necessarily entailed and is not associated with the ongoing activities of the Company.

2.16 Employee benefits

2.16.1 Short-term employee benefits

These include wages, salaries and social security contributions, paid annual leave and sick leave, bonuses and non-monetary benefits, and are taken as an expense in the relevant period. All company managers are eligible for bonuses that are based on indicators including personal performance and key financial targets. The amount of the bonus is recognized as an expense, based on an estimation made at the balance sheet date.

2.16.2 Post employment benefits (pensions, medical care)

The company has various pension and medical care schemes in accordance with the conditions and practices of the countries it operates in. The schemes are generally funded through payments to insurance companies or trustee-administered funds.

2.16.2.1 Defined benefit plans

The company has accounted for all legal and constructive obligations both under the formal terms of defined benefit plans and under the company's informal practices.

The amount presented in the balance sheet is based on actuarial calculations (using the projected unit credit method) and represents the present value of the defined benefit obligations, adjusted for unrecognized past service costs, and reduced by the fair value of the plan assets.

Unrecognized past service costs result from the introduction of new benefit plans or changes in the benefits payable under an existing plan. The past service costs for which the benefits are not yet vested (the employees must deliver employee services before the benefits are granted) are amortized on a straight-line basis over the average period until the new or amended benefits become vested.

All actuarial gains and losses following changes in the actuarial assumptions of post-employment defined benefit plans are recognized through equity in the period in which they occur and are disclosed in the statement of comprehensive income as post employment benefit reserves.

2.16.2.2 Defined contribution plans

The company pays contributions to publicly or privately administered insurance plans. The payments are recognized as expenses as they fall due and as such are included in personnel costs.

2.16.3 Other long-term employee benefits (jubilee premiums)

These benefits are accrued for their expected costs over the period of employment using an accounting methodology similar to that for defined benefit pension plans. These obligations are in general valued annually by independent qualified actuaries. All actuarial losses or gains are immediately recognized in the income statement.

2.16.4 Termination benefits (pre-retirement plans, other termination obligations)

These benefits arise as a result of the company's decision to terminate an employee's employment before the normal retirement date or of an employee's decision to accept voluntary redundancy in exchange for those benefits. When they are reasonably predictable in accordance with the conditions and practices of the countries the company operates in, future obligations are also recognized.

These benefits are accrued for their expected costs over the period of employment, using an accounting methodology similar to that for defined benefit pension plans. In general, these obligations are valued annually by independent qualified actuaries. All actuarial losses or gains are immediately recognized in the income statement.

2.16.5 Equity and equity-related compensation benefits (share based payments IFRS 2)

Different stock option and share programs allow company employees and company senior management to acquire or obtain shares of the company. The option or share exercise price equals the market price of the (underlying) shares at the date of the grant. When the options are exercised, shares are delivered to the beneficiaries from existing own shares. In both cases, the equity is increased by the amount of the proceeds received corresponding to the exercise price. For the share programs, shares are delivered to the beneficiaries from existing own shares.

The options and shares are typically vested at the moment of the grant and their fair value is recognized as an employee benefit expense with a corresponding increase in equity as share based payment reserves. For the options, the expense to be recognized is calculated by an actuary, using a valuation model which takes into account all features of the stock options, the volatility of the underlying stock and an assumed exercise pattern.

As long as the options granted have not been exercised, their value is reported in the Statement of Changes in Equity as 'share based payments reserve'. The value of the options exercised during the period is transferred to 'retained earnings'.

2.16.6 Presentation

The impact of employee benefits on results is booked under operating results in the income statement, except for the interest and discount rate impacts which are classified under financial results.

2.17 Financial liabilities

All movements in financial liabilities are accounted for at trade date.

Borrowings are initially recognized as proceeds received, net of transaction costs. Subsequently they are carried at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on issue. Any differences between cost and redemption value are recognized in the income statement upon redemption.

2.18 Trade and other payables

Trade payables are measured at amortized cost, i.e. at the net present value of the payable amount. Unless the impact of discounting is material, the nominal value is taken.

The negative fair value of derivative financial instruments is included under this heading.

2.19 Income taxes

Taxes on profit or loss of the year include current and deferred tax. Such taxes are calculated in accordance with the tax regulations in effect in each country the company operates in.

Current tax is the expected tax payable on the taxable income of the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable (or receivable) in respect of previous years.

Deferred taxes are calculated using the liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. These taxes are measured using the rate prevailing at the balance sheet date or future applicable tax rates formally announced by the government in the country the Company operates in.

Deferred tax assets are only recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are offset and presented net only if they relate to income taxes levied by the same taxation authority on the same taxable entity.

2.20 Revenue recognition

2.20.1 Goods sold and services rendered

Revenue from the sale of goods in transformation activities is recognized when significant risks and rewards of ownership have been transferred to the buyer, and no significant uncertainties remain regarding recovery of the consideration due, associated costs or the possible return of the goods.

Revenue from refining activities and services rendered is recognized by reference to the stage of completion of the transaction when this can be measured reliably.

2.20.2 Government grants

A government grant is accounted for in the balance sheet initially as deferred income when there is reasonable assurance that it will be received and that the company will comply with the conditions attached to it. Grants are recognized in the income statement over the period necessary to match them with the costs they are intended to compensate.

2.21 Financial instruments

The company uses derivative financial and commodity instruments primarily to reduce the exposure to adverse fluctuations in foreign exchange rates, commodity prices, interest rates and other market risks. The company uses mainly spot and forward contracts to cover the metal and currency risk, and swaps to hedge the interest rate risk. The operations carried out on the futures markets are not of a speculative nature.

2.21.1 Transactional risks ' fair value hedging

Derivative financial and commodity instruments are used for the protection of the fair value of underlying hedged items (assets, liabilities and firm commitments) and are recognized initially at fair value at trade date.

All derivative financial and commodity instruments are subsequently measured at fair value at the balance sheet date via the "Mark-to-Market" mechanism. All gains and losses are immediately recognized in the income statement - as an operating result, if commodity instruments, and as a financial result in all other cases.

The hedged items (physical commitments and commercial inventory, primarily) are valued at fair value when hedge accounting can be documented according to the criteria set out in IAS 39.

In the absence of obtaining fair value hedge accounting at inception as defined under IAS 39, the hedged items are kept at cost and are submitted to the valuation rules applicable to similar non-hedged items, i.e. the recognition at the lower of cost or market (IAS 2) for inventories, or the recognition of provisions for onerous contracts (IAS 37) for physical commitments (see also Chapter 2.22 - IAS 39 impact).

When there is a consistent practice of trading of metals through the use of commodity contracts by a dedicated subsidiary or a CGU of the Group and by which the entity takes delivery of the underlying commodity to sell it within a short period after delivery for the purpose of generating a profit from short-term fluctuations in price or trading margins, the inventory is valued at fair value through the income statement and the related physical and / or commodity commitments are classified as derivatives and measured at fair value through the income statement.

2.21.2 Structural risks ' cash flow hedging

Derivative financial and commodity instruments used for the protection of future cash flows are designated as hedges under cash-flow hedge accounting. The effective portion of changes in the fair value of hedging instruments which qualify as cash flow hedges are recognized in the shareholders equity as hedging reserves until the underlying forecasted or committed transactions occur (i.e. affect the income statement). At that time the recognized gains and losses on the hedging instruments are transferred from equity to the income statement.

When the underlying hedged transactions are no longer probable or the hedges become ineffective, the corresponding hedging instrument will immediately be terminated and all profits or losses including those which were deferred in equity, are immediately recognized in the income statement.

In the absence of obtaining cash-flow hedge accounting at inception as defined under IAS 39, then the fair value of the related hedging instruments is recognized in the income statement instead of the equity and this prior to the occurrence of the underlying forecasted or committed transactions (see also Chapter 2.22 - IAS 39 impact).

2.21.3 Embedded derivatives

Executory contracts (the "host contract") may sometimes contain embedded derivatives. Embedded derivatives cause some or all of the cash flows that would otherwise be expected from the host contract, to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, or other variable. If it is concluded that such a derivative is not closely related to the host contract, it is separated from the host contract and accounted for under the rules of IAS 39 (fair value through profit or loss). The host contract is accounted for using the rules applicable to executory contracts, which effectively means that such a contract is not recognized in the balance sheet or profit and loss before delivery on the contract takes place. (see also Chapter 2.22 - IAS 39 impact)

2.22 Non-recurring results and IAS 39 effect

Non-recurring results relate primarily to restructuring measures, impairment of assets and other income or expenses arising from events or transactions that are clearly distinct from the ordinary activities of the company

IAS 39 effect relates to non-cash timing differences in revenue recognition due to the non-application of or non-possibility of obtaining IAS 39 hedge accounting at inception to :

a) Transactional hedges, which implies that hedged items can no longer be measured at fair value and must be submitted to the valuation rules applicable to similar non-hedged items, i.e. the recognition at the lower of cost or market (IAS 2) for inventories, or the recognition of provisions for onerous contracts (IAS 37) for physical commitments.

b) Structural hedges, which implies that the fair value of the related hedging instruments are recognized in the income statement instead of equity and this prior to the occurrence of the underlying forecasted or committed transactions.

c) Derivatives embedded in executory contracts, which implies that fair value on the embedded derivatives are recognized in the income statement as opposed to the executory component where no fair value measurement is allowed.

F3 Financial risk management

Each of the Group's activities is exposed to a variety of risks, including changes in metal prices, foreign currency exchange rates, certain market-defined commercial conditions, and interest rates as well as credit and liquidity risks. The Group's overall risk management programme seeks to minimize the adverse effects on the financial performance of the Group by hedging most of these risks through the use of financial and insurance instruments.

3.1 Currency risk

Umicore's currency risk can be split into three distinct categories: structural, transactional and translational risks

3.1.1 Structural risk

A portion of Umicore's revenues are structurally related to the US dollar (USD), while many of the operations are located outside the USD zone (particularly in Europe and Asia). Any change in the USD exchange rate against the Euro or other currencies which are not pegged to the USD will have an impact on the company's results. The largest portion of this currency exposure derives from USD denominated metals prices, which have an impact on the value of surplus metal recovered from materials supplied for treatment.

Umicore has a policy of hedging forward its structural currency exposure, either in conjunction with the hedging of structural metal price exposure or in isolation, when the currency exchange rates or the metal price expressed in euros are above their historical average and at a level where attractive margins can be secured.

At prevailing exchange rates at the end of 2011 and with regard to the non-metal price related structural USD exposure at the end of 2011, a strengthening of the USD by 1 US cent towards the Euro gives rise to an increase in revenues and operating result of slightly less than EUR 1 million on an annual basis. Conversely, a weakening of the dollar by 1 US cent against the Euro gives rise to a decrease of the same magnitude on an annual basis.

The sensitivity level is a short-term guide and is somewhat theoretical since the exchange rate level often impacts changes in commercial conditions negotiated in USD and elements outside Umicore's control, such as the influence that the dollar exchange rate may have on dollar-denominated metals prices, movements in which have an effect on Umicore's earnings (see Metal Price Risk below). To a lesser extent, there is also a sensitivity to certain other currencies such as the Brazilian real, the Korean won, the Chinese Yuan and the South African rand.

Structural currency hedging

Umicore has no structural currency hedging in place relating to its non-metal-price-related currency sensitivity except for some specific Euro/NOK contracts at Umicore Norway and USD/KRW contracts at Umicore Korea.

3.1.2 Transactional risk

The company is also subject to transactional risks in respect of currencies, i.e. the risk of currency exchange rates fluctuating between the time the price is fixed with a customer or supplier and the time the transaction is settled. The Group's policy is to hedge the transactional risk to the maximum extent possible, primarily through forward contracts.

3.1.3 Translational risk

Umicore is an international company and has foreign operations which do not have the Euro as their functional currency. When the results and the balance sheets of these operations are consolidated into Umicore's Group accounts the translated amount is exposed to variations in the value of such local currencies against the Euro, predominantly the USD, the Brazilian real, the Korean won, the Chinese yuan and the South African rand. Umicore principally does not hedge against such risk

3.2 Metal price risk

Umicore's metal price risk can be split into three distinct categories: structural, transactional and inventory risks

3.2.1 Structural risk

Umicore is exposed to structural metals-related price risks. Those risks relate mainly to the impact that metal prices have on surplus metals recovered from materials supplied for treatment or any other revenue component that fluctuates with the metal price. Umicore has a policy of hedging such metal price exposure if forward metal prices expressed in the functional currency of the concerned businesses are above their historical average and at a level where attractive margins can be secured. The extent to which metal price risk can be hedged depends on the liquidity of the relevant markets.

The Recycling segment recycles platinum, palladium, rhodium, gold and silver and a wide range of other base and specialty metals. In this segment the short-term sensitivity of revenues and operating profits to metals prices is material. However, given the variability of the raw-material feed over time and the variable duration of the supply contracts negotiated, it is not suitable to provide a fixed sensitivity to any particular metal. In general terms, higher metals prices tend to be earnings enhancing for the Recycling business. Umicore also has a metal price sensitivity linked primarily to the revenue components that are metal price related in its other business segments (Catalysis, Energy Materials and Performance Materials), and depending the metals used in these segments. Also in these cases a higher metal price tends to carry short term benefits for the profitability of each business. However, other commercial conditions which are largely independent of the metals price, such as product premiums, are also significant and independent drivers of revenues and profitability. The impact of price changes for the other metals and at other segments is not of particular significance at Group level.

Structural metal price hedging

For some metals quoted on futures markets Umicore hedges part of its forward metal exposure. This hedging is based on documentation demonstrating a high probability of future metal price based cash flows originating from commercial contracts. In prior years Umicore hedged part of its forward metal exposure for 2011 and 2012. In the course of 2011, as a result of increased visibility on future commercial agreements, Umicore extended such hedges to cover part of the price risks for 2012 and 2013. These contracts relate primarily to recovery of platinum, palladium, gold, silver and zinc.

3.2.2 Transactional risk

The Group faces transactional price risks on metals. The majority of its metal-based transactions use global metal market references, like the London Metal Exchange. If the underlying metal price were to be constant, the price Umicore pays for the metal contained in the raw materials purchased would be passed through to the customer as part of the price charged for the product. However, because of the lapse of time between the conversion of purchased raw materials into products and the sale of products, the volatility in the reference metal price creates differences between the price paid for the contained metal and the price received. Accordingly, there is a transactional exposure to any fluctuations in price between the moment raw materials are purchased (i.e., when the metal is "priced in") and the moment the products are sold (i.e., when the metal is "priced out").

The Group's policy is to hedge the transactional risk to the maximum extent possible, primarily through forward contracts.

3.2.3 Metal inventory risk

The group faces metal price risks on its permanently tied up metal inventories. This risk is related to the market metal price moving below the carrying value of these inventories. Umicore tends not to hedge against this risk.

3.3 Interest rate risk

The Group's exposure to changes in interest rates relates to the Group's financial debt obligations. At the end of December 2011, the Group's gross financial debt stood at EUR 370.5 million. Taking into account the debt instruments subject to fixed interest rates such as Umicore's 8-year bond issued in 2004, the portion of the financial debt subject to floating rate interest at the beginning of 2012 corresponds to 55% of the total gross financial debt.

3.4 Credit risk

Credit risk and concentration of credit risk

Credit risk is the risk of non-payment by any counterparty in relation to sales of goods or metal lease operations. In order to manage its credit exposure, Umicore has determined a credit policy with credit limit requests, approval procedures, continuous monitoring of the credit exposure and dunning procedure in case of delays.

The credit risk resulting from sales is, to a certain extent, covered by credit insurance, letters of credit or similar secure payment means. One global credit insurance contract has been put in place on a world-wide basis. This contract protects the group companies against insolvency, political and commercial risks with an individual deductible per invoice of 5%. The global indemnification cap is set at EUR 20 million per annum.

Umicore has determined that in a certain number of cases where the cost of credit insurance is disproportionate in relation to the risk to be insured, no credit coverage will be sought. This is primarily in those businesses with a significant level of customer concentration or those with a specific and close relationship with its customers.

It should be noted that some sizeable transactions, such as the sales of precious metals by Recycling, have a limited credit risk as payment before delivery is a widely accepted practice.

Regarding its risk exposure to financial institutions like banks and brokers, Umicore is also establishing internal credit lines. Specific limits are set, per financial instrument, covering the various risks to which it is exposed when transacting with such counterparties.

3.5 Liquidity risk

Liquidity risk is addressed by maintaining a sufficient degree of diversification of funding sources. These include committed and uncommitted short-term bilateral bank facilities, two medium-term syndicated bank facilities and a commercial paper programme (with a maximum amount of EUR 300 million), in addition to the 8-year EUR 150 million bond issued in 2004 and maturing in February 2012.

3.6 Tax risk

The tax charge included in the financial statements is the Group's best estimate of its tax liability but, until such time as audits by tax authorities are concluded, there is a degree of uncertainty regarding the final tax liability for the period. The Group's policy is to submit tax returns within the statutory time limits and engage tax authorities to ensure that the Group's tax affairs are as current as possible and that any differences in the interpretation of tax legislation and regulation are resolved as quickly as possible. Given the scale and the international nature of the Group's business, VAT, sales tax and intra-Group transfer pricing are an inherent tax risk as it is for other international businesses. Changes in tax laws or in their application with respect to matters such as transfer pricing, VAT, foreign dividends, R&D tax credits and tax deductions, could increase the Group's effective tax rate and adversely affect its net results.

3.7 Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may for example adjust the amount of dividends paid to shareholders, return capital to shareholders, buy back its own shares or issue new shares.

The group monitors its capital structure primarily on the basis of the gearing ratio. The ratio is calculated as net financial debt divided by the sum of net financial debt and total Group equity. Net financial debt is calculated as non-current financial debt plus current financial debt less cash and cash equivalents.

The Group aims to retain the equivalent of an investment-grade credit rating. In this context, the Group's strategy in a normal operating environment is to maintain the gearing ratio at a level under 50%. The Group would consider exceeding this level for a short period in the case of an extraordinary event, such as a major acquisition.

3.8 Strategic and operational risks

Umicore faces certain strategic and operational risks that are not necessarily financial in nature but which have the potential to impact the financial performance of the Group. These include technology risk, supply risk and the risk of product substitution by customers. Please refer to the Risk Management pages of the Corporate Governance section (page 154-157) for a description of these risks and an outline of Umicore's general approach to risk management.

F4 Critical accounting estimates and judgments

Estimates and judgments used in developing and applying the consolidated entity's financial statements are continually evaluated and are based on historical experience and other factors, including the expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Assumptions and estimates are applied when:

* Assessing the need for and measurement of impairment losses,
* Accounting for pension obligations,
* Recognizing and measuring provisions for tax, environmental, warranty and litigation risks, product returns, and restructuring,
* Determining inventory write-downs,
* Assessing the extent to which deferred tax assets will be realized,
* Useful lives of Property, Plant and Equipment and Intangible assets excluding goodwill

The critical estimates and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are listed below.

4.1 Impairment of goodwill

The recoverable amount of each cash generating unit is determined as the higher of the asset's fair value less costs to sell and its value in use in accordance with the accounting policy. These calculations, impairment testing, require the use of estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance. Internal estimates of future business performance are based on an analysis of a combination of factors including: market growth projections, market share estimates, competitive landscape, pricing and cost evolution. Such analysis combines both internally-generated estimates and data from external sources. As at 31 December 2011, the carrying amount of the goodwill for the consolidated entity is EUR 98,229 thousand (EUR 97,489 thousand in 2010).

4.2 Rehabilitation obligations

Provision is made for the anticipated costs of future rehabilitation of industrial sites and surrounding areas to the extent that a legal or constructive obligation exists in accordance with accounting policy 2.15. These provisions include future cost estimates associated with reclamation, plant closures, waste site closures, monitoring, demolition, decontamination, water purification and permanent storage of historical residues. These future cost estimates are discounted to their present value. The calculation of these provision estimates requires assumptions such as application of environmental legislation, plant closure dates, available technologies and engineering cost estimates. A change in any of the assumptions used may have a material impact on the carrying value of rehabilitation provisions. As at 31 December 2011, the carrying amount of rehabilitation provisions is EUR 87,162 thousand (EUR 94,314 thousand in 2010).

4.3 Defined benefit obligations

An asset or liability in respect of defined benefit plan is recognized on the balance sheet in accordance with accounting policy 2.16. The present value of a defined benefit obligation is dependent upon a number of factors that are determined on an actuarial basis. The consolidated entity determines the appropriate discount rate to be used at the end of each year. The consolidated entity's employee benefit obligations are discussed in more detail in Note F26. At 31 December 2011, a liability with respect to employee benefit obligations of EUR 193,023 thousand was recognized (EUR 190,800 thousand in 2010).

4.4 Recovery of deferred tax assets

Deferred tax assets are recognized for deductible temporary differences, unused tax losses and fair value reserves entries only if it is probable that future taxable profits (based on Group operational plans) are available to use those temporary differences and losses. The actual tax results in future periods may differ from the estimate made at the time the deferred taxes are recognized.

Other assumptions and estimates are disclosed in the respective notes relevant to the item where the assumptions or estimates were used for measurement.

F5 Group companies

Below is a list of the main operating companies included in the consolidated financial statements.

		% interest 2011
Argentina	Umicore Argentina S.A.	100.00
Australia	Umicore Australia Ltd.	100.00
	Umicore Marketing Services Australia Pty Ltd.	100.00
Austria	Oegussa GmbH	91.29
Belgium	Umicore Financial Services (BE 0428.179.081)	100.00
	Umicore Autocatalyst Recycling Belgium N.V. (BE 0466.261.083)	100.00
	Umicore Marketing Services Belgium (BE 0402.964.625)	100.00
	Umicore Abrasives (BE 0881.426.726)	100.00
	Umicore Specialty Materials Brugge (BE 0405.150.984)	100.00
Brazil	Coimpa Industrial Ltda	100.00
	Umicore Brasil Ltda	100.00
	Clarex Ltda	100.00
Canada	Umicore Canada Inc.	100.00
	Umicore Autocat Canada Corp.	100.00
	Imperial Smelting & Refining Co. of Canada Ltd.	100.00
China	Umicore Hunan Fuhong Zinc Chemicals Co., Ltd.	100.00
	Umicore Marketing Services (Shanghai) Co., Ltd.	100.00
	Umicore Marketing Services (Hong Kong) Ltd.	100.00
	Umicore Shanghai Co., Ltd.	75.00
	Umicore Autocat (China) Co. Ltd.	100.00
	Umicore Technical Materials (Suzhou) Co., Ltd.	100.00
	Umicore Jubo Thin Film Products (Beijing) Co., Ltd.	80.00
	Umicore Jewellery Material Processing (Foshan) Co., Ltd.	91.21
France	Umicore France S.A.S.	100.00
	Umicore Building Products France S.A.S	100.00
	Umicore Climeta S.A.S.	100.00
	Umicore IR Glass S.A.S.	100.00
	Umicore Autocat France S.A.S.	100.00
Germany	Umicore AG & Co. KG (*)	100.00
	Umicore Bausysteme GmbH	100.00
	Umicore Metalle & Oberflächen GmbH	100.00
	Allgemeine Gold- und Silberscheideanstalt AG	91.21
	Umicore Galvanotechnik GmbH	91.21
	Umicore Mining Management GmbH	100.00
Hungary	Umicore Building Products Hungary kft.	100.00
Italy	Umicore Building Products Italia s.r.l.	100.00
	Italbras S.p.A.	100.00
Japan	Umicore Japan KK	100.00
Korea	Umicore Korea Ltd.	100.00
	Umicore Marketing Services Korea Co., Ltd.	100.00
Liechtenstein	Umicore Thin Film Products AG	100.00
Luxemburg	Umicore Finance Luxembourg	100.00
	Umicore Autocat Luxembourg	100.00
Malaysia	Umicore Malaysia Sdn Bhd	100.00
Netherlands	Schöne Edelmetaal BV	91.21
	Umicore Nederland BV	100.00
Norway	Umicore Norway AS	100.00
Philippines	Umicore Specialty Chemicals Subic Inc.	78.20
Polska	Umicore Building Products Polska	100.00
Portugal	Umicore Portugal S.A.	100.00
	Umicore Marketing Services Lusitana Metais Lda	100.00
South Africa	Umicore South Africa (Pty) Ltd.	100.00
	Umicore Autocat South Africa (Pty) Ltd.	65.00
	Umicore Marketing Services Africa (Pty) Ltd.	100.00
	Umicore Catalyst South Africa (Pty) Ltd.	65.00
Spain	Umicore Building Products Iberica S.L.	100.00
Sweden	Umicore Autocat Sweden AB	100.00
Switzerland	Umicore Switzerland Strub	100.00
	Allgemeine Suisse SA	91.21
Taiwan	Umicore Thin Fim Products Taiwan Co Ltd	100.00
United Kingdom	Umicore Coating Services Ltd.	100.00
	Umicore Marketing Services UK Ltd	100.00
USA	Umicore USA Inc.	100.00
	Umicore Autocat USA Inc.	100.00
	Umicore Building Products USA Inc.	100.00
	Umicore Precious Metals NJ LLC	100.00
	Umicore Marketing Services USA Inc.	100.00
	Umicore Optical Materials Inc.	100.00
	Umicore Technical Materials North America	100.00
	Umicore Cobalt and Specialty Materials North America	100.00

An exhaustive list of the Group companies with their registered offices will be filed at the Belgian National Bank together with the consolidated financial statements.

(*) As a result of the integration of Umicore AG & Co. KG in the consolidated accounts of Umicore which is compliant with the Section 325 of the German Commercial Code (HGB), this company is exempted from issuing consolidated financial statements according to Article 264b of the German Commercial Code.

F6 Foreign currency measurement

For the main currencies applicable within the Group's consolidated entities and investments, the prevailing rates used for translation into the Group's presentation currency (EUR), are as set out below. All subsidiaries, associates and joint-ventures have as functional currency the currency of the country in which they operate, except for Element Six Abrasives (Ireland) where the functional currency is the US dollar.

		Closing rates		Average rates	
		2010	2011	2010	2011
American Dollar	USD	1.34	1.29	1.33	1.39
UK Pound Sterling	GBP	0.86	0.84	0.86	0.87
Canadian Dollar	CAD	1.33	1.32	1.37	1.38
Swiss Franc	CHF	1.25	1.22	1.38	1.23
Japanese Yen	JPY	108.65	100.20	116.24	110.96
Brazilian Real	BRL	2.23	2.43	2.33	2.33
South African Rand	ZAR	8.86	10.48	9.70	10.10
Chinese Yuan	CNY	8.82	8.16	8.97	9.00
Korean Won (100)	KRW	14.99	14.99	15.32	15.41

F7 Segment information

INFORMATION 2010 BY BUSINESS GROUP

(EUR thousand)

	Catalysis	Energy Materials	Performance Materials	Recycling	Corporate & Unallocated	Eliminations	Total
Total segment turnover	**1,581,633**	**707,346**	**1,401,589**	**7,269,112**	**23,202**	**(1,291,773)**	**9,691,109**
of which external turnover	1,548,336	702,344	1,296,325	6,120,902	23,202	0	9,691,109
of which inter(segment) turnover	33,297	5,002	105,264	1,148,210	0	(1,291,773)	0
Operating result	**68,584**	**37,358**	**57,862**	**182,207**	**(43,028)**	**0**	**302,983**
Recurring	72,931	38,214	52,051	195,469	(46,261)		312,404
Non-recurring	(1,449)	(539)	2,265	(6,825)	3,233		(3,315)
IAS 39 effect	(2,898)	(317)	3,546	(6,437)	0		(6,106)
Equity method companies	**3,768**	**5,718**	**20,756**	**0**	**(9,220)**	**0**	**21,022**
Recurring	4,779	5,718	23,159	0	(3,523)		30,133
Non-recurring	0	0	(137)	0	(5,697)		(5,834)
IAS 39 effect	(1,011)	0	(2,266)	0	0		(3,277)
Net financial cost					**(16,675)**		**(16,675)**
Income taxes					(54,211)		(54,211)
Minority interest					(4,392)		(4,392)
Net profit for the year					248,727		248,727
Consolidated total assets	**928,703**	**612,843**	**911,727**	**1,088,759**	**432,019**	**(462,453)**	**3,511,598**
Segment assets	885,330	584,951	785,046	1,088,759	432,207	(462,453)	3,313,840
Investments in associates	43,374	27,892	126,680	0	(188)	0	197,758
Consolidated total liabilities	**283,188**	**229,168**	**312,667**	**662,882**	**2,490,353**	**(466,659)**	**3,511,598**
Capital expenditure	**45,711**	**38,308**	**23,852**	**50,327**	**13,809**	**0**	**172,006**
Depreciation and amortization	**26,938**	**23,518**	**26,044**	**41,202**	**8,465**	**0**	**126,167**
Impairment losses/ (Reversal of impairment losses)	**(3,548)**	**151**	**(1,881)**	**4,146**	**276**	**(0)**	**(856)**

GEOGRAPHICAL INFORMATION 2010

(EUR thousand)

	Europe	of which Belgium	Asia-Pacific	North America	South America	Africa	Total
Total segment turnover	6,953,497	474,294	985,601	1,074,194	387,774	290,044	9,691,109
Total non current assets	854,554	269,611	162,301	95,169	55,179	18,606	1,185,809
Capital expenditure	114,641	73,620	23,171	17,878	12,927	3,388	172,006

INFORMATION 2011 BY BUSINESS GROUP

(EUR thousand)

	Catalysis	Energy Materials	Performance Materials	Recycling	Corporate & Unallocated	Eliminations	Total
Total segment turnover	**1,931,964**	**729,258**	**1,618,439**	**11,649,330**	**25,887**	**(1,473,939)**	**14,480,939**
of which external turnover	1,896,115	722,725	1,497,359	10,338,853	25,887		14,480,939
of which inter(segment) turnover	35,850	6,533	121,080	1,310,477	0	(1,473,939)	0
Operating result	**89,915**	**27,824**	**48,376**	**274,266**	**(35,160)**		**405,221**
Recurring	83,709	34,716	53,587	267,170	(46,055)		393,127
Non-recurring	(1,206)	(6,377)	(10,616)	1,286	10,895		(6,018)
IAS 39 effect	7,412	(515)	5,405	5,810	0		18,112
Equity method companies	**6,851**	**6,331**	**16,757**	**0**	**(2,502)**		**27,437**
Recurring	5,743	6,331	13,367	0	(2,502)		22,939
Non-recurring	(46)	0	7,086	0	0		7,040
IAS 39 effect	1,154	0	(3,696)	0	0		(2,542)
Net financial cost					(22,438)		(22,438)
Income taxes					(76,006)		(76,006)
Minority interest					(9,262)		(9,262)
Net profit for the year					**324,952**		**324,952**
Consolidated total assets	**1,166,204**	**735,586**	**876,641**	**1,115,423**	**404,680**	**(585,374)**	**3,713,160**
Segment assets	1,117,921	702,959	743,061	1,115,423	400,248	(585,374)	3,494,237
Investments in associates	48,283	32,627	133,580	0	4,432	0	218,923
Consolidated total liabilities	**399,262**	**277,259**	**315,363**	**791,025**	**2,515,625**	**(585,374)**	**3,713,160**
Capital expenditure	**49,469**	**67,571**	**31,559**	**55,743**	**8,232**		**212,574**
Depreciation and amortization	**29,958**	**26,617**	**26,842**	**43,538**	**10,096**		**137,051**
Impairment losses/ (Reversal of impairment losses)	**3,773**	**7,571**	**9,429**	**5,153**	**2,229**	**0**	**28,155**

GEOGRAPHICAL INFORMATION 2011

(EUR thousand)

	Europe	of which Belgium	Asia-Pacific	North America	South America	Africa	Total
Total segment turnover	11,014,765	473,427	1,034,153	1,685,034	474,021	272,966	14,480,939
Total non current assets	871,718	474,446	230,238	101,700	61,667	15,498	1,280,821
Capital expenditure	124,897	72,056	52,069	17,782	14,858	2,968	212,574

Segment information is presented in respect of the Group's business segments as defined below.

The segment results, assets and liabilities include items directly attributable to the segment as well as those elements that can reasonably be allocated to a segment.

The pricing of inter-segment sales is based on an arm's length transfer pricing system. In the absence of relevant market price references, 'cost plus' mechanisms are used.

Business groups

The Group is organized into the following reporting segments:

Catalysis

The segment comprises the Automotive Catalysts and Precious Metals Chemistry business units. Their activities centre on the development and production of catalyst formulations and systems that are used to abate emissions from combustion engines, as well as in chemical and life science applications. This segment includes the joint-ventures Ordeg, ICT USA and ICT Japan.

Energy Materials

The segment comprises the Cobalt & Specialty Materials, Electro-Optic Materials and Thin Film Products business units. These units develop and produce materials that are primarily used in energy storage (rechargeable batteries) and the production of clean energy. The refining of metals used in these applications and coming from secondary sources belongs to the scope of activity of these units. This segment includes the associates Ganzhou Yi Hao Umicore Industries, Jiangmen Chancsun Umicore Industry and Todini.

Performance Materials

The segment comprises the Building Products, Electroplating, Platinum Engineered Materials, Technical Materials and Zinc Chemicals business units. These units develop and produce functional materials that are used in decorative, electronic, electrical, high purity glass and construction applications, mainly. The Zinc Chemicals business unit also recycles secondary zinc products to secure part of its supply requirements. The segment also includes Umicore's shareholding in Element Six Abrasives, in Rezinal and IEQSA.

Recycling

The segment consists of the business units Precious Metals Refining, Jewellery & Industrial Metals, Precious Metals Management and Battery Recycling. Their activities focus on the recycling of end-of-life products and the refining of industrial residues which contain precious and special metals.

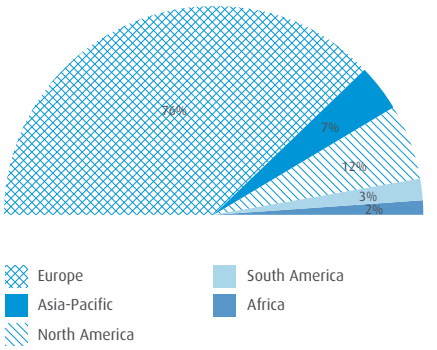
Corporate

Corporate covers corporate activities, shared operational functions and the Group's Research, Development & Innovation unit, which includes the Fuel Cells development program. This fuel cells activity includes the joint ventures Solvicore GmbH and Solvicore Management GmbH.

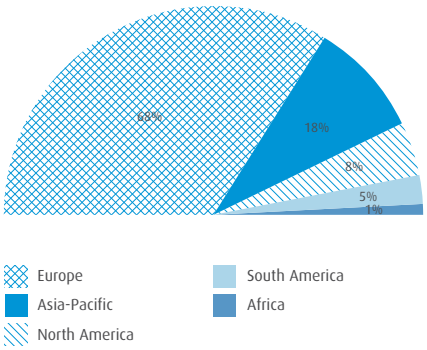
This disclosure only refers to continuing operations except for the balance sheet figures. In the secondary segment information, the figures presented as non current assets exclude the amounts for long term investments, non-current loans granted, non-current receivables, deferred tax assets and assets for employee benefits as required by IFRS 8. Performance of the segments is reviewed by the chief operating decision maker based on the recurring EBIT/operating result. As illustrated in the table above, the difference between the recurring operating result and the operating result as presented in the Income Statement consists in the non-recurring operating result and the IAS 39 effect for which definitions are given in the glossary.

Associate companies are allocated to the business group with the closest fit from a market segment perspective.

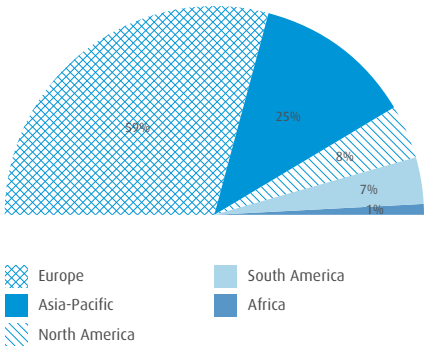
TURNOVER BY REGION



NON CURRENT ASSETS BY REGION



CAPITAL EXPENDITURE BY REGION



F8 Result from operating activities

(EUR thousand)

	2010	2011
TURNOVER (1)		
Sales	9,626,205	14,420,854
Services	64,904	60,085
Turnover	**9,691,109**	**14,480,939**
OTHER OPERATING INCOME (2)	**55,107**	**56,902**
RAW MATERIALS (3)	**(8,338,353)**	**(12,902,623)**
DEPRECIATION AND IMPAIRMENT RESULT (4)		
Depreciation of fixed assets	(126,167)	(137,051)
Impairment loss on fixed assets	(4,745)	(8,705)
Inventory and bad debt provisions	5,215	(19,508)
Depreciation and impairment result	**(125,696)**	**(165,264)**
OTHER OPERATING EXPENSES (5)		
Services and outsourced refining and production costs	(328,365)	(376,287)
Royalties, licence fees, consulting and commissions	(15,342)	(24,009)
Other operating expenses	(9,007)	(6,370)
Increase and decrease in provisions	(16,659)	(16,749)
Use of provisions	28,954	21,470
Capital losses on disposal of assets	(2,893)	(919)
Other operating expenses	**(343,314)**	**(402,864)**

1) Services mainly include the revenues from tolling contracts.

2) Other operating income mainly include re-invoicing of costs to third parties (EUR 31.7 million), operating grants (EUR 5.6 million), royalties and licence fees for EUR 4.6 million and EUR 1.8 million for tax recovery files.

   The cash discounts that the authorities give back to Umicore Belgium on the social security contributions, relating to incentives regarding a.o. shift premiums, overtime and R&D are disclosed, as from 2011 in the overall gross cost of social security contributions under the item "Employer's social security" (Note F9). They are not reported anymore under other operating income as it was the case in previous periods.

3) Raw materials and consumables used include water, gas and electricity for EUR 82.6 million in 2011 (EUR 75.0 million in 2010).

4) Inventory and bad debt provisions are mainly due to the devaluation of permanently tied up metal inventories.

5) R&D expenditures for the Group in 2011 amounted to EUR 156.8 million (EUR 139.3 million in 2010), of which EUR 141.1 million originated in the fully consolidated companies (EUR 124.7 million in 2010). The R&D expenditures for 2010 have been restated according to the internationally recognised Frascati Manual definition. Part of the R&D expenditures that are going directly through the other operating expenses amounts for EUR 124.7 million (see also Economic key figures). Taxes other than income taxes included in other operating expenses amount to EUR 16.8 million.

F9 Payroll and related benefits

(EUR thousand)

	Notes	2010	2011
PAYROLL AND RELATED BENEFITS			
Wages, salaries and direct social advantages		(451,581)	(491,798)
Other charges for personnel		(39,025)	(26,941)
Temporary staff		(10,418)	(13,113)
Share-based payments		(4,018)	(8,342)
Employee salaries		**(505,042)**	**(540,194)**
Employer's social security		**(108,899)**	**(105,663)**
Defined benefit contributions		(20,093)	(15,666)
Contribution to defined contribution plan		(7,725)	(15,104)
Employer's voluntary contributions (other)		(1,653)	(2,972)
Pensions paid directly to beneficiaries		(5,362)	(5,105)
Provisions for employee benefits (-increase / + use and reversals)		11,928	12,655
Pensions and other benefits		**(22,905)**	**(26,192)**
Total		**(636,847)**	**(672,049)**
AVERAGE HEADCOUNT IN CONSOLIDATED COMPANIES			
Executives and managerial staff		1,714	1,789
Non managers		7,722	8,072
Total		**9,436**	**9,861**
FAIR VALUES OF THE OPTIONS GRANTED			
Number of stock options granted	F27	691,750	677,375
Valuation model		Present Economic Value	
Assumed volatility (% pa)		30.00	30.00
Risk-free interest rate (% pa)		2.85	3.80
Dividend increase (% pa)		0.10	0.10
Rate of pre-vesting forfeiture		NA	NA
Rate of post-vesting leaving (%pa)		5.00	5.00
Minimum gain threshold (% pa)		50.00	50.00
Proportion who exercise given minimum gain achieved (% pa)		30.00	30.00
Fair value per granted instrument determined at the grant date (EUR)		**5.14**	**11.08**
Total fair value of the options granted (EUR thousand)		**3,556**	**7,506**
FAIR VALUES OF THE SHARES GRANTED			
2,700 shares granted at 36.32 EUR			98
13,500 shares granted at 37.966 EUR			513
3,000 shares granted at 37.95 EUR			114
3,000 shares granted at 37.27 EUR			112
15,000 shares granted at 22.018 EUR		330	
3,000 shares granted at 22.15 EUR		66	
3,000 shares granted at 21.975 EUR		66	
Total fair value of shares granted		**462**	**837**

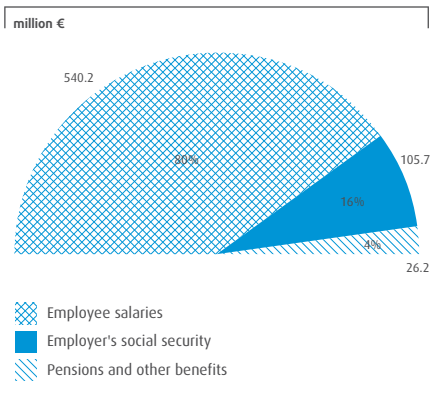
The Group recognized a share-based payment expense of EUR 8,342 thousand during the year.

The part of this expense related to stock options is calculated by an external actuary using the Present Economic Value model which takes into account all features of the stock option plans and the volatility of the underlying stock. This volatility has been determined using the historical volatility of the Group shareholders' return over different averaging periods and different terms. No other market condition has been included on the basis of calculation of fair market value.

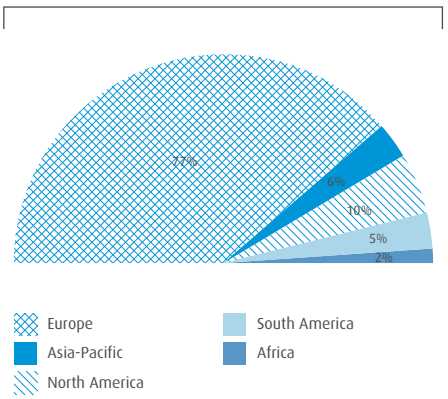
The free share part of the expense is valued at the market price of the shares at the grant date. In 2011, shares have been granted to top management resulting in an extra charge of EUR 837 thousand.

The cash discounts that the authorities give back to Umicore Belgium on the social security contributions, relating to incentives regarding a.o. shift premiums, overtime and R&D are disclosed as from 2011 under the item "Employer's social security". They were previously reported under other operating income (Note F8).

EMPLOYEES COMPENSATION & BENEFITS



EMPLOYEES COMPENSATION & BENEFITS BY REGION



F10 Finance cost - net

(EUR thousand)

	2010	2011
Interest income	3,188	4,646
Interest expenses	(15,800)	(20,658)
Discounting of non-current provisions	(8,262)	(9,811)
Foreign exchange gains and losses	7,442	7,443
Other financial income	549	479
Other financial expenses	(3,792)	(4,536)
Total	**(16,675)**	**(22,438)**

The net interest charge in 2011 totaled EUR 16,012 thousand. This has increased compared with the EUR 12,612 thousand of 2010.

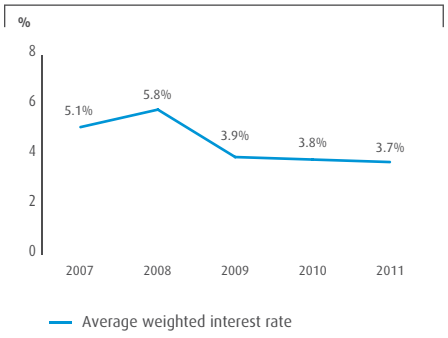
The discounting of non-current provisions relates mainly to employee benefits and, to a lesser extent to environmental provisions. This amount is influenced by the present value of these liabilities, which in turn is influenced by changes in the discount rate, by the cash-out profile and by the recognition of new non-current liabilities. Most of the discounting results in 2011 are booked in Belgium, Germany and France.

Foreign exchange results include realized exchange results and the unrealized translation adjustments on monetary items using the closing rate of the period.

They also include fair value gains and losses on other currency financial instruments (see Note F31).

Other financial expenses include payment discounts, bank expenses and other financial fees incurred.

INTEREST RATE



F11 Income from other financial investments

(EUR thousand)

	2010	2011
Capital gains and losses on disposal of financial investments	8	9,266
Dividend income	566	841
Interest income from financial assets	19	13
Impairment results on financial investments	385	58
Total	**977**	**10,178**

The capital gain on disposal of financial investments is mainly linked to the disposal of the Nyrstar subscription rights.

F12 Income taxes

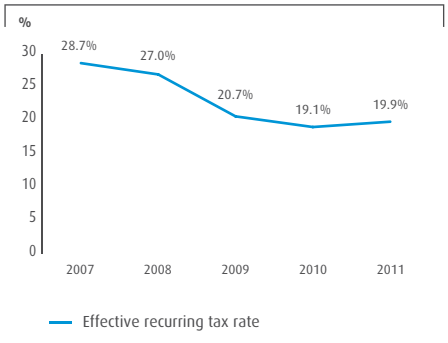
(EUR thousand)

	2010	2011
INCOME TAX EXPENSE		
Recognized in the income statement		
Current income tax	(28,481)	(72,759)
Deferred income tax	(25,730)	(3,247)
Total tax expense	**(54,211)**	**(76,006)**
RELATIONSHIP BETWEEN TAX EXPENSE (INCOME) AND ACCOUNTING PROFIT		
Result from operating activities	302,983	405,220
Financial result	(16,675)	(22,438)
Profit (loss) before income tax of consolidated companies	**286,308**	**382,783**
Weighted average theoretical tax rate (%)	(30.88)	(30.34)
Income tax calculated at the weighted average theoretical tax rate	**(88,421)**	**(116,122)**
TAX EFFECT OF		
Expenses not deductible for tax purposes	(5,649)	(15,359)
Tax-exempted revenues	4,939	8,039
Tax-exempt dividends from consolidates companies & Associates	1,607	(3,250)
Gains & Losses taxed at a reduced rate	52	0
Tax incentives deductible from the taxable base	20,762	33,432
Tax computed on other basis	(1,958)	(1,845)
Utilisation of previously unrecognised tax losses	24,803	27,001
Write down (or rev. of prev. write down) of DTA	(3,934)	(8,755)
Change in applicable tax rate	(121)	559
Tax holidays	4,184	3,221
Other tax credits (excluding R&D tax credits)	78	49
Non recoverable foreign withholding taxes	(3,764)	(2,708)
Previous years adjustments	(7,100)	954
Other	311	(1,224)
Tax expense at the effective tax rate for the year	**(54,211)**	**(76,006)**

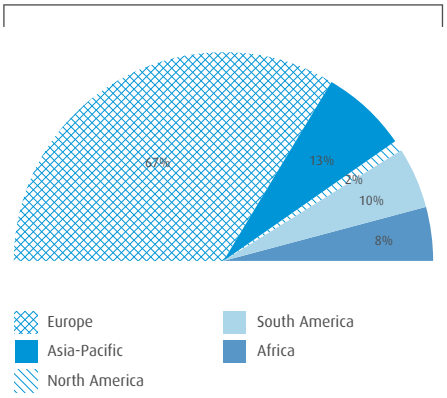
The weighted average theoretical tax rate has lightly evolved from 30.88% in 2010 to 30.34% in 2011

Excluding the impact of non-recurring items and the IAS 39 effect, the recurring effective tax rate for 2011 is 19.9%. This is slightly above the level of 2010 as a result of the slight change in the geographical spread of earnings. The rate is influenced by the net positive impact of tax credits.

TAX RATE



INCOME TAXES BY REGION



F13 Intangible assets other than goodwill

(EUR thousand)

	Development expenses capitalised	Concessions, patents, licences, etc.	Software	CO_2 emission rights	Other intangible assets	Total
At the beginning of previous year						
Gross value	8,857	11,126	80,449	4,479	18,806	123,717
Accumulated amortization		(10,300)	(62,206)	0	(5,298)	(77,804)
Net book value at the beginning of previous year	**8,857**	**826**	**18,243**	**4,479**	**13,509**	**45,914**
. additions	14,914	5	8,880	0	6,755	30,554
. amortization charged (included in "Depreciation and impairments")	(243)	(121)	(6,432)		(234)	(7,030)
. impairment losses recognized (included in "Depreciation and impairments")	(184)	0	(8)	0	0	(192)
. emission rights allowances				1,761		1,761
. translation differences	73	1	253	0	16	343
. other movements	0	323	696	0	(362)	657
At the end of previous year	**23,418**	**1,035**	**21,631**	**6,240**	**19,684**	**72,007**
Gross value	23,842	11,016	89,957	6,240	25,154	156,210
Accumulated amortization	(425)	(9,981)	(68,326)	0	(5,469)	(84,202)
Net book value at the end of previous year	**23,418**	**1,035**	**21,631**	**6,240**	**19,684**	**72,007**
. additions	16,469	1,936	3,340	0	2,810	24,556
. amortization charged (included in "Depreciation and impairments")	(2,139)	(207)	(8,784)		(163)	(11,293)
. impairment losses recognized (included in "Depreciation and impairments")			(253)	(3,842)		(4,095)
. emission rights allowances				1,845		1,845
. translation differences	353	90	(100)		(13)	330
. other movements	1,107		20,266	759	(20,399)	1,732
At the end of the year	**39,208**	**2,852**	**36,092**	**5,003**	**1,919**	**85,074**
Gross value	41,793	12,899	112,930	8,845	7,504	183,971
Accumulated amortization	(2,585)	(10,047)	(76,838)	(3,842)	(5,586)	(98,898)
Net book value	**39,208**	**2,852**	**36,092**	**5,003**	**1,919**	**85,074**

"Additions" are mainly explained by capitalized expenses in new information systems and internally generated developments. EUR 13.5 million are linked to own productions, of which EUR 12.6 million are development expenses and EUR 0.5 million are information systems projects . The part of information system and development projects that were not finalized at the end of December 2011 are reported as intangible assets in progress, included in "Other intangible assets".

There are no pledges on, or restrictions to, the title on intangible assets, other than disclosed in note F33.

F14 Goodwill

(EUR thousand)

	31/12/2010	31/12/2011
At the end of the previous year		
Gross value	95,548	99,991
Accumulated impairment losses	(2,502)	(2,502)
Net book value at the end of previous year	**93,046**	**97,489**
. translation differences	4,487	740
. other movements	(44)	
At the end of the year	**97,489**	**98,229**
Gross value	99,991	100,273
Accumulated impairment losses	(2,502)	(2,044)
Net book value	**97,489**	**98,229**

This table includes goodwill related to fully consolidated companies only. Goodwill relating to companies accounted for by the equity method is detailed in note F16.

The change of the period only relates to exchange differences.

The goodwill has been allocated to the primary segments as follows:

(EUR thousand)

	Catalysis	Energy Materials	Performance Materials	Recycling	Total
31/12/10	36,335	26,932	15,816	18,406	97,489
31/12/11	36,335	27,672	15,807	18,415	98,229

Management tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in note F2. The recoverable amounts of cash-generating units to which goodwill is allocated have been determined based on value-in-use calculations by means of discounted cash-flow modeling on the basis of the Group's operational plans which typically look forward 5 years. On macro economic indicators such as currency and metal prices, the testing uses typically prevailing market conditions. The 2011 modeling used an average tax rate of 25 %, (25% in 2010) and a weighted average cost of capital post-tax of 8.5 % (same as in 2010) in line with prevailing expectations on effective tax rate and capital structure. Terminal values were determined on the basis of a perpetual growth rate of on average 2 % (same as in 2010). Inflation rates are based on guidance coming from national and international institutes like the NBB or ECB.

F15 Property, plant and equipment

(EUR thousand)

	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Other tangible assets	Construction in progress and advance payments	Total
At the beginning of previous year						
Gross value	571,987	1,241,981	172,472	16,786	89,042	2,092,268
Accumulated depreciation	(298,918)	(891,944)	(122,963)	(14,654)		(1,328,479)
Net book value at the beginning of previous year	**273,070**	**350,037**	**49,509**	**2,132**	**89,042**	**763,790**
. additions	12,109	50,138	12,158	704	66,368	141,478
. disposals	(489)	(2,509)	(711)	(20)	(231)	(3,959)
. depreciations (included in "Depreciation and impairments")	(23,325)	(79,802)	(15,017)	(994)		(119,138)
. Net impairment losses recognized (included in "Depreciation and impairments")	(403)	(4,103)	(49)	1	0	(4,554)
. translation differences	7,897	12,855	2,078	207	4,589	27,625
. other movements	12,240	55,148	5,795	98	(74,014)	(732)
At the end of previous year	**281,099**	**381,763**	**53,764**	**2,129**	**85,755**	**804,510**
Gross value	596,960	1,314,086	171,620	17,707	85,755	2,186,127
Accumulated depreciation	(315,861)	(932,323)	(117,856)	(15,578)		(1,381,617)
Net book value at the end of previous year	**281,099**	**381,763**	**53,764**	**2,129**	**85,755**	**804,510**
. additions	11,945	44,728	13,136	2,525	115,684	188,017
. disposals	(678)	(1,191)	(326)	(2)	(212)	(2,408)
. depreciations (included in "Depreciation and impairments")	(25,106)	(84,626)	(15,300)	(563)		(125,595)
. net impairment losses recognized (included in "Depreciation and impairments")	(67)	(3,533)	(1,153)	(11)	0	(4,764)
. translation differences	2,683	2,112	11	127	(915)	4,019
. other movements	32,825	65,143	8,287	(42)	(105,657)	555
At the end of the financial year	**302,701**	**404,396**	**58,420**	**4,164**	**94,655**	**864,335**
of which leasing	1,683	51	96			1,829
Gross value	640,870	1,396,322	184,475	28,414	94,655	2,344,736
Accumulated depreciation	(338,169)	(991,926)	(126,055)	(24,250)		(1,480,400)
Net book value	**302,701**	**404,396**	**58,420**	**4,164**	**94,655**	**864,336**
Leasing						
Gross value	2,406	156	262			2,824
Accumulated amortization	(723)	(105)	(166)			(995)
Net book value	**1,683**	**51**	**96**			**1,829**

The non-maintenance related additions to property, plant and equipment was most pronounced in Energy Materials, due to the expansion of rechargeable battery materials production and R&D facilities in Japan and South Korea. High levels of investments were also recorded in Recycling, following the completion of the UHT plant in Hoboken, and in Catalysis where the global expansion of production and testing capabilities continues. The higher level of investments results from the Vision 2015 related growth initiatives.

The line 'other movements' mainly includes the transfer between tangible assets in progress and the other categories.

There are no pledges on, or restrictions to, the title on property, plant and equipment, other than disclosed in note F33.

F16 Investments accounted for using the equity method

The investments in companies accounted for using the equity method are composed mainly by the following associates and joint ventures :

	Measurement currency	Percentage 2010	Percentage 2011
ASSOCIATES			
Ganzhou Yi Hao Umicore Industries	CNY	40,00	40,00
IEQSA	PEN	40,00	40,00
Element Six Abrasives	USD	40,22	40,22
Jiangmen Chancsun Umicore Industry Co.,LTD	CNY	40,00	40,00
Todini	EUR	48,00	48,00
JOINT VENTURES			
ICT Japan	JPY	50,00	50,00
ICT USA	USD	50,00	50,00
Ordeg	KRW	50,00	50,00
Rezinal	EUR	50,00	50,00
SolviCore GmbH & Co KG	EUR	50,00	50,00
SolviCore Management GmbH	EUR	50,00	50,00
Hycore	NOK	62,82	0,00

(EUR thousand)

	Net book value	Goodwill	TOTAL
At the end of previous year	**151,465**	**46,294**	**197,758**
. capital increase	5,500		5,500
. profit for the year	27,436		27,436
. dividends	(11,703)		(11,703)
. disposal	(1,859)		(1,859)
. change in other reserves	(5,168)		(5,168)
. translation differences	4,791	654	5,445
. transfers	1,514		1,514
At the end of the year	**171,976**	**46,947**	**218,923**
of which joint ventures	63,290	355	63,645

In 2011, a capital increase for EUR 5.5 million was made by the group in the Solvicore GmbH joint-venture in Germany. Hycore has been liquidated and the associate integrated within Umicore Optical Materials USA has been disposed in 2011.

Umicore's share in the aggregated balance sheet and profit and loss items of the associates would have been as follows:

(EUR thousand)

	31/12/10	31/12/11
Assets	243,608	253,259
Liabilities	130,731	125,820
Turnover	255,227	263,791
Net result	24,290	23,263

Umicore's share in the aggregated balance sheet items of the joint ventures would have been as follows:

(EUR thousand)

	31/12/10	31/12/11
Current assets	137,552	164,313
Non-current assets	14,732	13,398
Current liabilities	86,547	112,319
Non-current liabilities	7,535	818

Umicore's share in the aggregated profit and loss items of the joint ventures would have been as follows:

(EUR thousand)

	31/12/10	31/12/11
Operating result	2,193	6,837
Financial result	(1,297)	(1,176)
Tax	(2,098)	(1,622)
Net result Group	(1,202)	4,040

The Group has not acquired additional associates and joint ventures during the financial year.

F17 Available-for-sale financial assets and loans granted

(EUR thousand)

		Availale-for-sale financial assets	Loans granted
NON-CURRENT FINANCIAL ASSETS			
At the beginning of previous year		**57,910**	**8,454**
. change in scope		0	(1,219)
. increase		377	50
. decrease		(2)	(6,608)
. impairment losses (included in "Income from other financial instruments")		(248)	0
. translation differences		33	94
. fair value recognized in equity		18,144	
. other movements		(62)	(1)
At the end of previous year		**76,152**	**769**
. increase		515	45
. decrease		(41)	(13)
. impairment losses (included in "Income from other financial instruments")		63	
. translation differences		(17)	32
. fair value recognized in equity	(a)	(28,939)	
. other movements		(2)	263
At the end of the financial year		**47,730**	**1,096**
CURRENT FINANCIAL ASSETS			
At the end of the preceding financial year		**37**	**50**
. change in scope			173
. increase			974
. decrease		(6)	(150)
. write-downs (included in "Income from other financial instruments")		(5)	
. translation differences		(1)	6
. other		(17)	
At the end of the financial year		**10**	**1,051**

(a) mainly related to the fair value adjustment on the Nyrstar shares.

F18 Inventories

(EUR thousand)

	31/12/10	31/12/11
Analysis of inventories		
Base product with metal hedging - gross value	972,513	1,092,256
Base product without metal hedging - gross value	139,620	154,093
Consumables - gross value	70,401	75,084
Write-downs	(43,389)	(61,291)
Advances paid	41,565	35,332
Contracts in progress	2,325	9,537
Total inventories	**1,183,034**	**1,305,010**

Inventories have increased by EUR 122 million, mainly driven by a combined effect of higher prices for some metals and higher quantities. Impairments related to the devaluation of permanently tied up metal inventories have been taken for EUR 15.0 million.

Based on metal prices and currency exchange rates prevailing at the closing date, the value of metal inventory would be about EUR 993.6 million higher than the current book value. However, most of these inventories cannot be realized as they are tied up in manufacturing and commercial operations.

There are no pledges on, or restrictions to, the title on inventories.

F19 Trade and other receivables

(EUR thousand)

	Notes	31/12/10	31/12/11
NON CURRENT			
Cash guarantees and deposits		5,871	6,576
Other receivables maturing > 1 year		8,172	7,682
Assets employee benefits		373	372
Total		**14,416**	**14,630**
CURRENT			
Trade receivables (at cost)		673,800	748,195
Trade receivables (write down)		(14,606)	(12,309)
Other receivables (at cost)		116,625	78,608
Other receivables (write down)		(6,582)	(7,509)
Interest receivable		257	136
Fair value receivable financial instruments held for cash-flow hedging	F31	7,425	16,537
Fair value receivable other financial instruments	F31	23,460	6,490
Deferred charges and accrued income		11,122	37,380
Total		**811,500**	**867,528**

Current trade receivables have increased by EUR 76.7 million. This increase is mainly due to higher business activity.

(EUR thousand)

			Overdue between			
	Total	Not due	0-30 days	30-60 days	60-90 days	>90 days
AGEING BALANCE ANALYSIS AT THE END OF PREVIOUS YEAR						
Trade receivables (not including doubtful receivables) - at cost	658,074	555,269	79,729	11,304	2,019	9,752
Other receivables - at cost	116,625	110,040	3,422	373	58	2,731
AGEING BALANCE ANALYSIS AT THE END OF YEAR						
Trade receivables (not including doubtful receivables) - at cost	734,919	616,025	88,999	16,100	2,743	11,052
Other receivables - at cost	78,608	74,100	3,258	213	108	930

The decrease in other current receivables is mainly due to VAT receivables.

Other non-current receivables include an amount of EUR 6,004 thousand related to "reimbursement rights" linked to medical plan liabilities that Umicore France took over from Nyrstar France in 2007 and which Nyrstar France will compensate over the lifetime of these liabilities (see also note F26 on Employee Benefits).

Credit risk - trade receivables

(EUR thousand)

	Trade receivables (write-down)	Other receivables (write-down)	TOTAL
AT THE BEGINNING OF PREVIOUS YEAR	**(21,553)**	**(9,369)**	**(30,925)**
. Impairment losses recognized in P&L	(1,974)	(804)	(2,778)
. Reversal of impairment losses	8,110	377	8,487
. Impairment written off against asset carrying amount	2,044	3,378	5,422
. Other mouvements	(35)	(82)	(117)
. Translation differences	(1,197)	(81)	(1,278)
At the end of previous year	**(14,606)**	**(6,581)**	**(21,187)**
AT THE BEGINNING OF THE FINANCIAL YEAR	**(14,606)**	**(6,581)**	**(21,187)**
. Change in scope	594	324	918
. Impairment losses recognized in the P&L	(697)	(2,149)	(2,846)
. Reversal of impairment losses	1,688	13	1,701
. Impairment written off against asset carrying amount	143		143
. Other movements	83	888	974
. Translation differences	487	(3)	484
At the end of the financial year	**(12,309)**	**(7,508)**	**(19,813)**

By default, all units use credit insurance as a means to mitigate the credit risk related to trade receivables. EUR 463 million of the group trade receivables are covered by insured credit limits. The indemnification in case of non payment amounts to 95% with an annual maximum limit of EUR 20 million.

Some specific units operate without credit insurance but set credit limits based on financial information and business knowledge, which are duly approved by management. During 2011, limited write downs were necessary.

F20 Deferred tax assets and liabilities

(EUR thousand)

	31/12/2010	31/12/2011
Tax assets and liabilities		
Income tax receivables	20,363	17,067
Deferred tax assets	108,795	88,492
Income tax payable	(21,664)	(57,742)
Deferred tax liabilities	(43,702)	(46,089)

	Assets		Liabilities		Net	
	2010	2011	2010	2011	2010	2011
At the end of preceding financial year	**96,101**	**108,795**	**(31,381)**	**(43,702)**	**64,721**	**65,093**
Deferred tax recognized in the P&L	(7,447)	(6,544)	(18,283)	3,296	(25,730)	(3,247)
Deferred tax recognized in equity	15,796	(11,843)	6,499	(5,810)	22,295	(17,653)
Translation adjustments	4,352	(1,645)	(478)	(144)	3,874	(1,789)
Transfer	(83)	(272)	(58)	272	(142)	(0)
Other movements	76	(2)	0	0	76	(2)
At the end of financial year	**108,795**	**88,491**	**(43,702)**	**(46,089)**	**65,093**	**42,403**
Deferred tax in respect of each type of temporary difference						
Intangible assets	4,499	11.496	(6,647)	(10.875)	(2,148)	621
Goodwill on fully consolidated companies	145	112	(2,152)	(1,369)	(2,007)	(1,257)
Property, plant and equipment	6,843	5,130	(24,811)	(24,038)	(17,968)	(18,908)
Investments accounted for using the equity method	0	87	(178)	(206)	(178)	(119)
Long term receivables	454	555	(3,302)	(2,914)	(2,848)	(2,359)
Inventories	28,789	28,714	(57,679)	(35,988)	(28,890)	(7,274)
Trade and other receivables	15,493	8,712	(3,771)	(17,230)	11,722	(8,518)
Group Shareholder's equity	7	5	(12,161)	(8,757)	(12,154)	(8,752)
Long Term Financial Debt and other payable	983	666	(535)	(1,281)	448	(615)
Provisions Employee Benefits	31,325	32,089	(502)	(818)	30,823	31,271
Provisions for Environment	17,359	20,346	(2,926)	(2,682)	14,433	17,664
Provisions for other liabilities and charges	3,125	7,401	(416)	(894)	2,709	6,507
Current Financial Debt	317	656	0		317	656
Current Provisions for Environment	7,476	5,458	0		7,476	5,458
Current Provisions for Other Liabilities & Charges	4,578	5,222	(714)	(222)	3,864	5,000
Trade and other payables	41,264	26,353	(24,391)	(7,470)	16,873	18,883
Total deferred tax due to temporary differences	**162,657**	**153,002**	**(140,185)**	**(114,744)**	**22,472**	**38,258**
Tax losses to carry forward	82,506	63,470			82,506	63,470
Investments deductions	4,015	4,006			4,015	4,006
Notional interest carried forward	24,259	23,568			24,259	23,568
Exempted dividends carried forward	43,511	16,413			43,511	16,413
Other	27,674	1,884			27,674	1,884
Deferred tax assets not recognized	(139,344)	(105,195)			(139,344)	(105,195)
Total tax assets/liabilities	205,278	157,148	(140,185)	(114,744)	65,093	42,404
Compensation of assets and liabilities within same entity	(96,483)	(68,656)	96,483	68,656		
Net amount	**108,795**	**88,492**	**(43,702)**	**(46,089)**	**65,093**	**42,404**

	Base	Base	Tax	Tax
Amount of deductible temporary differences, unused tax losses or tax credits for which no deferred tax asset is recognized in the balance sheet				
expiration date with no time limit	433,409	319,701	139,344	105,195

The changes of the period in temporary differences are charged in the income statement except those arising from events that were recognized directly in equity.

The main movements in deferred tax recognized directly in equity are deffered taxes generated by temporary differences included within the lines "Trade and other payables" (negative by EUR 19,130 thousand), "Provisions for employee benefits" (positive by EUR 2,120 thousand) and "Trade and other receivables" (negative by EUR 1,593 thousand).

Deferred tax assets are only recognized to the extent that their utilization is probable, i.e. if a tax benefit is expected in future periods. The Group assesses a recoverability in a range of 5 to 10 years. The actual tax results in future periods may differ from the estimate made at the time the deferred taxes are recognized.

Unrecognized deferred tax assets of EUR 105,195 thousand mainly arise from tax losses (EUR 55,791 thousand), notional interests carried forward (EUR 23,568 thousand), exempted dividends carried forward (16,143 thousand) and temporary differences on property plant and equipment (EUR 2,910 thousand).

In accordance with IAS 12, a deferred tax liability, amounting potentially to EUR 56 million, has not been recognized on untaxed reserves of the Belgian companies because management confirms that this liability will not be incurred in a foreseeable future.

F21 Net cash and cash equivalents

(EUR thousand)

	31/12/10	31/12/11
Cash and cash equivalents		
Short-term investments : bank term deposits	42,453	17,809
Short-term investments : term deposits (other)	3,842	3,439
Cash-in-hands and bank current accounts	78,421	82,733
Total cash and cash equivalents	**124,717**	**103,981**
Bank overdrafts	**26,296**	**3,776**
(included in current financial debt in the balance sheet)		
Net cash as in Cash Flow Statement	**98,421**	**100,205**

All cash and cash equivalents are fully available for the Group.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Due to the dynamic nature of the underlying businesses, the group maintains flexibility in funding by maintaining availability under committed credit lines.

Excess liquidities are invested for very short periods and are spread over a limited number of banks, all enjoying a satisfactory credit rating.

F22 Currency translation differences and other reserves

The detail of the Group's share in currency translation differences and other reserves is as follows:

(EUR thousand)

	Available-for-sale financial assets reserves	Cash flow hedge reserves	Deferred taxes directly recognized in equity	Changes in post employment benefits, arising from changes in actuarial assumptions	Share-based payment reserves	Currency translation differences	TOTAL
Balance at the beginning of previous year	**34,468**	**(6,155)**	**13,749**	**(55,284)**	**24,045**	**(107,176)**	**(96,354)**
Gains and losses recognized in equity	18,144	(59,976)	22,464	(8,456)	4,018		(23,806)
Gains and losses derecognized out of equity	0	312	(195)	(71)	0		45
Transfer from/to retained earnings				(386)	(3,561)		(3,947)
Change in scope	0	0	(2)	0	0	0	(2)
Other movements	0	0	0	(32)		0	(32)
Exchange differences	0	(342)	234	(1,824)	0	70,485	68,554
Balance at the end of previous year	**52,613**	**(66,161)**	**36,250**	**(66,054)**	**24,503**	**(36,691)**	**(55,541)**
Balance at the beginning of the year	**52,613**	**(66,161)**	**36,250**	**(66,054)**	**24,503**	**(36,691)**	**(55,541)**
Gains and losses recognized in equity	(28,939)	21,845	(4,121)	(12,519)	8,342		(15,392)
Gains and losses derecognized out of equity	0	40,238	(13,520)	0	0		26,719
Transfer from/to retained earnings					(1,225)		(1,225)
Exchange differences	0	617	(169)	(1,198)	0	2,570	1,820
Balance at the end of the year	**23,674**	**(3,461)**	**18,440**	**(79,771)**	**31,620**	**(34,121)**	**(43,620)**

Gains and losses recognized in equity on available-for-sale financial assets relate to the fair value adjustments of the period on the Nyrstar shares (refer to note F17 on available-for sale financial assets).

The net gains recognized in equity regarding cash flow hedges (EUR 21,845 thousand) are the changes in fair value of new cash flow hedging instruments or existing ones at opening but which have not yet expired at year end. The net losses derecognized from equity (EUR 40,238 thousand) are the fair values of the cash-flow hedging instruments existing at the opening which expired during the year. EUR 38.6 million went through the income statement, as a result of expired cash-flow hedges.

New net actuarial losses on the defined post-employment benefit plans, have been recognized in equity for EUR 12,519 thousand.

The 2011 shares and stock option plans have led to a share-based payment reserve increase of EUR 8,342 thousand (refer to note F9 on employee benefits). EUR 1,225 thousand, linked to exercized options, have been transfered to retained earnings.

The change in currency translation differences is mainly due to a combined effect of the strengthening of the CNY, KRW, CHF, AUD and USD and the weakening of the ZAR and BRL compared to the EUR currency.

F23 Financial debt

(EUR thousand)

	Bank loans	Other loans	Total
NON-CURRENT			
At the beginning of previous year	**20,511**	**155,261**	**175,771**
. Increase	20,000	574	20,574
. Decrease	(509)	(643)	(1,151)
. Transfers	0	(311)	(311)
At the end of previous year	**40,002**	**154,882**	**194,884**
. Increase	10,000	0	10,000
. Decrease	(30,001)	(994)	(30,995)
. Translation differences	0	(2)	(2)
. Transfers	0	(150,009)	(150,009)
At the end of the financial year	**20,001**	**3,879**	**23,878**

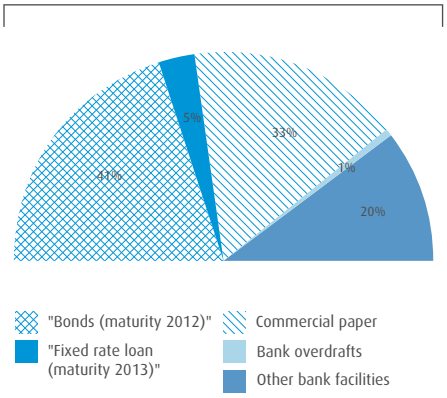
	Bank loans	Other loans	Total
CURRENT PORTION OF LONG-TERM FINANCIAL DEBTS			
At the end of the preceding financial year	**515**	**1,004**	**1,519**
. Increase / decrease	(514)	149,947	149,433
At the end of the financial year	**1**	**150,951**	**150,952**

	Short term bank loans	Bank overdrafts	Short term loan : commercial paper	Other loans	Total
CURRENT					
At the end of the preceding financial year	**167,612**	**26,296**	**90,976**	**3,792**	**288,676**
. Increase / decrease (including CTD's)	(104,166)	(22,520)	30,508	3,205	(92,973)
At the end of the financial year	**63,446**	**3,776**	**121,484**	**6,997**	**195,703**

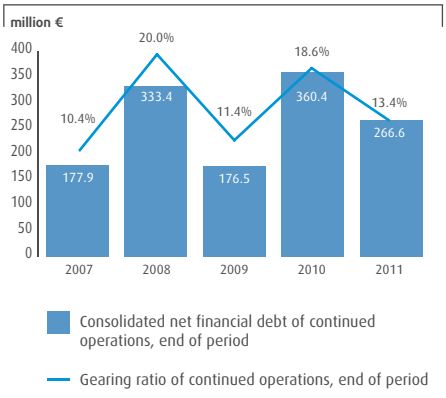
(EUR thousand)

	2010	2011
Non current financial debt	194,884	23,878
Current portion of non current financial debt	1,519	150,952
Current financial debt	288,676	195,703
Cash and cash equivalents	(124,717)	(103,981)
Net financial debt	**360,362**	**266,552**

GROSS OUTSTANDING DEBT



NET FINANCIAL DEBT



The net financial debt of the group has decreased by EUR 93.8 million mainly as a result of the strong cash flow generation in 2011.

The fair value of the EUR 150 million 8-year bond which was issued in 2004 was EUR 156.9 million as at 31 December 2011. The effective interest rate for this bond is 4.875% which is equal to the fixed interest rate.

The long-term bank loans consist of a EUR 20 million bank loan maturing in 2013 bearing an interest of 5.36% per annum. Its fair value was EUR 21.6 million on 31 December 2011.

On 31 December 2011, there were no outstanding advances under the EUR 170 million remaining tranche under the Syndicated Bank Credit Facility maturing in 2013 and under the EUR 250 million new Syndicated Bank Credit Facility maturing in July 2016.

The gearing ratio for 2011 of 13.4% (18.6% in 2010) is well within the company's accepted limits as described in note F3.

The repricing dates of the short term bank loans are very short term and are made at the convenience of the treasury department at market conditions as part of its daily management of treasury operations.

Part of the non-current financial debt is subjected to standard financial covenants included in the loan agreements.

Umicore has not faced any breach of covenants or loan defaults in 2011 or in previous years. The debt covenant monitoring is the responsibility of the Group treasury department. In order to monitor this activity, compliance certificates are issued twice a year by the treasury department and sent to the agent bank. This methodology is a loan agreement condition and requirement as the interest margin is based on the net debt to EBITDA ratio.

(EUR thousand)

	EUR Euro	USD US Dollar	Other currencies	Total
Analysis of long term debts by currencies (including current portion)				
Bank loans	20,001			20,001
Other loans	154,829			154,829
Non-current financial debts (including current portion)	**174,830**			**174,830**

(EUR million)

	2010	2011
Net financial debt	360.4	266.6
Equity	1,575.2	1,721.7
Total	1,935.6	1,988.3
Gearing ratio (%)	18.6	13.4

F24 Trade debt and other payables

(EUR thousand)

	Notes	31/12/10	31/12/11
NON-CURRENT			
Long-term trade payables		517	1,253
Other long-term debts		648	5,105
Investment grants and deferred income from grants		5,168	8,726
		6,333	**15,084**
CURRENT			
Trade payables		655,776	780,536
Advances received on contracts in progress		17,752	30,431
Tax payable (other than income tax)		35,869	13,078
Payroll and related charges		121,451	127,408
Other amounts payable		11,737	28,687
Dividends payable		6,770	7,814
Accrued interest payable		7,064	7,571
Fair value payable financial instrument held for cash flow hedging	F31	73,357	20,620
Fair value payable other financial instruments	F31	17,899	22,106
Accrued charges and deferred income		74,747	110,198
		1,022,423	**1,148,450**

Trade payables increased by EUR 124.8 million, mainly due to higher volumes.

The tax payables (other than income tax) mainly include VAT payables.

F25 Liquidity of the financial liabilities

(EUR thousand)

	Earliest contractual maturity					
	< 1 Month	1 to 3 Months	3 Months - 1 Year	1 to 5 Years	> 5 years	Total
PREVIOUS FINANCIAL YEAR						
Financial debt						
CURRENT						
Short term bank loans	123,451	23,032	21,129			167,612
Bank overdrafts	18,692	37	7,567			26,296
Short-term loan: commercial paper	90,976	0	0			90,976
Other loans	3,418	0	374			3,792
Current portion of long-term bank loans	2	130	382			515
Current portion of other long-term loans	37	145	821			1,004
NON-CURRENT						
Bank loans				40,001	0	40,001
Other loans				153,349	1,534	154,883
Trade and other payables						
CURRENT						
Trade payables	415,981	115,229	124,565			655,776
Advances received on contracts in progress	1,295	9,222	7,234			17,752
Tax payable (other than income tax)	35,541	(19)	347			35,869
Payroll and related charges	82,553	33,765	5,133			121,451
Other amounts payable	6,022	4,774	941			11,737
Dividends payable	6,770	0	0			6,770
Accrued interest payable, third parties	6,699	305	60			7,064
Fair value payable financial instrument held for cash flow hedging	1,170	10,495	61,692			73,357
Fair value payable other financial instruments	3,823	12,957	1,120			17,899
Accrued charges and deferred income	58,527	10,312	5,908			74,747
NON-CURRENT						
Long-term trade payables				30	487	517
Other long-term debts				647	1	648
Investment grants and deferred income from grants				367	4,801	5,168

(EUR thousand)

	Earliest contractual maturity					
	< 1 Month	1 to 3 Months	3 Months - 1 Year	1 to 5 Years	> 5 years	Total
FINANCIAL YEAR						
Financial debt						
CURRENT						
Short term bank loans	32,704	13,382	17,360			63,446
Bank overdrafts	205	0	3,572			3,776
Short-term loan: commercial paper	121,484	0	0			121,484
Other loans	6,842	0	155			6,997
Current portion of long-term bank loans	1	0	0			1
Current portion of other long-term loans	38	150,076	837			150,951
NON-CURRENT						
Bank loans				20,000	0	20,000
Other loans				3,045	832	3,878
Trade and other payables						
CURRENT						
Trade payables	487,191	288,689	4,656			780,536
Advances received on contracts in progress	1,331	22,459	6,641			30,431
Tax payable (other than income tax)	12,048	100	930			13,078
Payroll and related charges	50,303	28,646	48,460			127,408
Other amounts payable	22,159	3,091	3,438			28,687
Dividends payable	7,814	0	0			7,814
Accrued interest payable, third parties	6,923	499	149			7,571
Fair value payable financial instrument held for cash flow hedging	6,550	1,813	12,257			20,620
Fair value payable other financial instruments	9,779	12,278	48			22,106
Accrued charges and deferred income	75,526	14,637	20,035			110,198
NON-CURRENT						
Long-term trade payables				750	503	1,253
Other long-term debts				2,448	2,657	5,105
Investment grants and deferred income from grants				493	8,234	8,726

F26 Provisions for employee benefits

The Group has various legal and constructive defined benefit obligations, the vast majority of them being "final pay" plans situated in the Belgian, French and German operations.

(EUR thousand)

	Post-employment benefits, pensions and similar	Post-employment benefits - other	Termination benefits early retirement & similar	Other long-term employee benefits	Total
At the end of the previous year	**127,222**	**18,674**	**30,748**	**14,155**	**190,799**
. Increase (included in "Payroll and related benefits")	9,437	198	5,713	858	16,206
. Reversal (included in "Payroll and related benefits")	(659)	0	0	(52)	(711)
. Use (included in "Payroll and related benefits")	(16,341)	(1,503)	(9,214)	(1,092)	(28,150)
. Interest and discount rate impacts (included in "Finance cost - Net")	6,237	482	1,154	591	8,465
. Translation differences	242	(307)	8	15	(41)
. Transfers	0	(965)	1,205	(240)	0
. Recognized in equity	4,682	1,774	(0)	0	6,457
At the end of the financial year	**130,820**	**18,354**	**29,614**	**14,236**	**193,023**

The first table shows the balances and the movements in provisions for employee benefits of the fully consolidated subsidiaries only. There is a difference in the line "Recognized in equity" compared to what is shown in note F22 as that note also includes associates and joint ventures that are accounted for according to the equity method.

Management expects cash outflows in the short term to stay in the same order of magnitude as the outflows of prior and current year.

As described in note F19, a non-current receivable has been recognized as "reimbursement rights" linked to medical plan liabilities that Umicore France took over from Nyrstar France in 2007 and which Nyrstar France will compensate over the lifetime of these liabilities. Whenever there is a change in these liabilities this change will affect the reimbursement rights under the non current receivables in the same way. When the change of the period is related to changes in actuarial assumptions, both the liability and the asset are adjusted through the statement of comprehensive income.

The following disclosure requirements under IAS 19 amended were derived from the reports obtained from external actuaries.

Assumptions are recommended by the local actuaries in line with the IAS19. The standard reference for the Eurozone is iBOXX AA Index yield and similar indexes are used for the other regions. Mortality tables used are country specific.

(EUR thousand)

	31/12/10	Movements 2011	31/12/11
Belgium	27,775	(1,272)	26,503
France	20,870	410	21,280
Germany	126,023	899	126,922
Subtotal	**174,668**	**37**	**174,705**
Other entities	16,129	2,189	18,318
Total	**190,797**	**2,226**	**193,023**

(EUR thousand)

Reimbursement rights	
At the end of the previous year	**6,427**
Actual reimbursement	(427)
Expected return	298
Actuarial gains and losses on reimbursement rights	(293)
At the end of the financial year	**6,004**

(EUR thousand)

	2010	2011
Change in benefit obligation		
Benefit obligation at beginning of the year	**294,378**	**312,573**
Current service cost	14,452	15,819
Interest cost	14,102	14,184
Plan Participants' Contributions	453	559
Amendments	2,262	(745)
Actuarial (gain)/loss	9,852	1,132
Benefits paid from plan/company	(27,980)	(24,664)
Expenses paid	(66)	(81)
Net transfer in/(out) (including the effect of any business combinations/divestitures)	783	(68)
Plan combinations	140	
Plan Curtailments	(221)	
Exchange rate changes	4,418	808
Benefit obligation at end of the year	**312,573**	**319,517**

	2010	2011
Change in plan assets		
Fair value of plan assets at the beginning of the year	**110,898**	**120,945**
Expected return on plan assets	**5,314**	**5,252**
Actuarial gain/(loss) on plan assets	780	(6,871)
Employer contributions	27,498	29,796
Member contributions	453	559
Benefits paid from plan/company	(27,980)	(24,664)
Expenses paid	(66)	(81)
Net transfer in/(out) (including the effect of any business combinations/divestitures)	1,037	
Exchange rate changes	3,011	849
Fair value of plan assets at the end of the year	**120,945**	**125,785**

Pension plans mainly in Belgium, France, Liechtenstein, Netherlands, USA, Korea and Norway are wholly or partly funded with assets covering a substantial part of the obligations. All other plans have no material funding or are unfunded.

(EUR thousand)

	2010	2011
Amount recognized in the balance sheet		
Present value of funded obligations	214,160	221,705
Fair value of plan assets	120,945	125,785
Deficit (surplus) for funded plans	**93,215**	**95,920**
Present value of unfunded obligations	98,413	97,812
Unrecognized net actuarial gain/(loss)	12	(1)
Unrecognized past service (cost) benefit	(840)	(707)
Net liability (asset)	**190,800**	**193,024**
Components of pension costs		
Amounts recognized in profit and loss statement		
Current service cost	14,452	15,819
Interest cost	14,102	14,184
Expected return on plan assets	(5,314)	(5,252)
Expected return on reimbursement rights	(304)	(298)
Amortization of past service cost incl. §58(a)	2,027	(612)
Amortization of net (gain) loss incl. §58(a)	(1,225)	1,830
Curtailment (gain)/loss recognized	(221)	0
Total pension cost recognized in P&L account	**23,517**	**25,671**
Actual return on plan assets	6,094	(1,619)
Actual return on reimbursement rights	305	618
Amounts recognized in other comprehensive income		
Cumulative actuarial gains and losses	38,362	49,210
Actuarial gains and losses of the year	10,194	6,457
Transfer from/to retained earnings	386	0
Minorities	(263)	47
Actuarial gains and losses on reimbursement rights	(1)	(1)
Other movements	32	9
Exchange differences	500	184
Total recognized in the OCI at subsidiaries	**49,210**	**55,906**
Actuarial gains and losses at associates and joint ventures	16,844	23,864
Total recognized in the OCI	**66,054**	**79,770**

The interest cost and return on plan assets as well as the discount rate impact on the non-post employment benefit plans included in the amortized actuarial losses or gains, are recognized under the finance cost in the income statement (see note F10). All other elements of the expense of the year are classified under the operating result in the "wages, salaries and direct social advantages".

Actuarial gains of the year recognized in equity originate mainly from a change in discount rates on the pension plans and differences between the expected and actual return on plan assets.

	2010	2011
Principal actuarial assumptions		
Weighted average assumptions to determine benefit obligations at year end		
Discount rate (%)	4.60	4.72
Rate of compensation increase (%)	2.99	3.08
Rate of price inflation (%)	2.06	2.07
Rate of pension increase (%)	1.65	1.56
Weighted average assumptions used to determine net cost		
Discount rate (%)	4.91	4.60
Expected long-term rate of return on plan assets during financial year (%)	4.99	4.60
Rate of compensation increase (%)	2.97	2.99
Rate of price inflation (%)	2.08	2.06
Rate of pension increase (%)	1.56	1.65

	2011	
	Percentage of plan assets	Expected return on plan assets
Plan assets		
Equity securities (%)	18.83	5.19
Debt Securities (%)	56.21	4.37
Real Estate (%)	5.27	4.50
Other (%)	19.68	3.93
Total (%)	**100.00**	**4.44**

Other plan assets are predominantly invested in insurance contracts and bank term deposits. The expected long term rate of return on assets assumptions is documented for the individual plans as recommended by the local actuaries.

	2010	2011
History of experience gains and losses		
Difference between the expected and actual return on plan assets		
Amount	(780)	6,871
Percentage of plan assets (%)	(1.00)	5.00
Experience (gain)/loss on plan liabilities		
Amount	(476)	6,929
Percentage of present value of plan liabilities (%)	(0.15)	2.00

	2010	2011
Required disclosures for post-retirement medical plans		
Assumed health care trend rate		
Immediate trend rate (%)	4.38	2.65
Ultimate trend rate (%)	4.38	2.65
Year that the rate reaches ultimate trend rate	NA	NA

	2011	
	Valuation trend +1%	Valuation trend -1%
Sensitivity to trend rate assumptions on post-retirement medical plans		
Effect on total service cost and interest cost components	55	(42)
Effect on defined benefit obligation	441	(350)

(EUR thousand)

	2010	2011
Balance sheet reconciliation		
Balance sheet liability (asset)	182,874	190,799
Pension expense recognized in P&L in the financial year	23,517	25,671
Amounts recognized in SoCI	10,317	5,841
Employer contributions via funds in the financial year	(13,550)	(16,458)
Employer contributions paid directly in the financial year	(13,949)	(13,338)
Credit to reimbursements	305	618
Net transfer in/(out) (including the effect of any business combinations/diversitures)	(253)	(68)
Amounts recognized due to plan combinations	137	
Other	(4)	
Exchange rate adjustment - (gain)/loss	1,406	(39)
Balance sheet liability (asset) as of end of the year	**190,799**	**193,023**

AT 31 DECEMBER	2007	2008	2009	2010	2011
Present value of defined benefit obligation	275,282	270,134	294,378	312,573	319,517
Fair value of plan assets	102,765	106,650	110,898	120,945	125,785
Deficit (surplus) in the plan	**172,517**	**163,484**	**183,480**	**191,628**	**193,732**
Experience adjustments on plan assets	**789**	**10,020**	**(2,734)**	**(780)**	**6,871**
Experience adjustments on plan liabilities	**9,129**	**6,168**	**1,407**	**(476)**	**6,929**

The contribution expected to be paid to the plans during the annual period beginning after the balance sheet date amounts to EUR 26.3 million.

F27 Stock option plans granted by the company

Plan	Expiry date	Exercise	Exercise price EUR (the exercice price may be higher in certain countries)	Number of options still to be exercised
ISOP 2005	16/06/2012	all working days of	12.92	68,000
		Euronext Brussels	13.66	5,000
				73,000
ISOP 2006	02/03/2016	all working days of	22.55	274,250
		Euronext Brussels	24.00	8,000
	02/03/2013		22.55	80,375
				362,625
ISOP 2007	16/02/2017	all working days of	26.55	393,000
		Euronext Brussels	27.36	10,000
	16/02/2014		26.55	133,500
				536,500
ISOP 2008	14/04/2018	all working days of	32.57	375,750
		Euronext Brussels	32.71	31,000
	14/04/2015		32.57	248,250
			32.71	2,500
				657,500
ISOP 2009	15/02/2016	all working days of	14.44	569,625
		Euronext Brussels	14.68	25,000
				594,625
ISOP 2010	14/02/2017	all working days of	22.30	691,750
		Euronext Brussels		
				691,750
ISOP 2011	13/02/2018	all working days of	38.07	581,375
		Euronext Brussels	39.25	65,000
			38.54	31,000
				677,375
Total				**3,593,375**

ISOP refers to "Incentive Stock Option Plan" (worldwide plan for managers).

The stock options, which are typically vested at the time of the grant, will be settled with existing treasury shares. Options which have not been exercised before the expiry date elapse automatically.

(EUR thousand)

	2010		2011	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
DETAILS OF THE SHARE OPTIONS OUTSTANDING DURING THE YEAR				
Outstanding at the beginning of the year	**3,541,825**	**20.45**	**3,223,625**	**22.98**
Granted during the year	691,750	22.30	677,375	38.20
Exercised during the year	1,009,950	13.63	297,448	17.04
Expired during the year			10,177	
Outstanding at the end of the year	**3,223,625**	**22.98**	**3,593,375**	**26.35**
Exercisable at the end of the year	3,223,625	22.98	3,593,375	26.35

The options outstanding at the end of the year have a weighted average contractual life until October 2016.

F28 Environmental provisions

(EUR thousand)

		Provisions for soil clean-up & site rehabilitation	Other environmental provisions	Total
At the end of previous year		**94,314**	**5,279**	**99,593**
. Increase		4,714	1,576	6,290
. Reversal		(2,842)	0	(2,842)
. Use (included in "Other operating expenses")		(10,085)	(2,769)	(12,854)
. Discounting (included in "Finance cost -Net")		1,350	0	1,350
. Translation differences		(898)	0	(898)
. Other movements		609	(609)	(0)
At the end of the financial year		**87,162**	**3,477**	**90,639**
	Of which - Non Current	72,682	1,969	74,652
	- Current	14,480	1,507	15,987

Provisions for environmental legal and constructive obligations are recognized and measured by reference to an estimate of the probability of future cash outflows as well as to historical data based on the facts and circumstances known at the reporting date. The actual liability may differ from the amounts recognized.

Provisions decreased overall by EUR 8,954 thousand, with additional provisions being more than compensated by uses and reversals of existing provisions reflecting overall the steady execution of identified and committed rehabilitation programs.

The new increase in provisions for soil clean-up and site rehabilitations are mainly related to reviews of the cost estimates of some of the programs in Belgium (Angleur, Olen), in France (Viviez), in Brazil (Pará state) and in the United States (Colorado).

Most of the uses of provisions for the period are linked to the realization during the period of site remediation programs in France (Viviez), in Belgium (Gent and far surrounding of the flemish sites), in Brazil (Guarulhos) and in South Africa. The reversals of provisions for soil clean-up and site rehabiliation have been mainly taken in France (Creil, Calais).

In 2011, no major movements occurred on the provisions that were taken to address the historical radioactive waste material in Belgium (Olen). Further negotiation with all competent authorities to find a sustainable and acceptable storage solution are on-going, however, at a slow pace.

The movements of the other environmental provisions are mainly related to the need for and settlement of CO_2 emission rights in Belgium.

Management expects the most significant cash outflows on these projects to take place within 5 years.

F29 Provisions for other liabilities and charges

(EUR thousand)

		Provisions for reorganization & restructuring	Provisions for other liabilities and charges	Total
At the end of the previous year		**19,283**	**47,480**	**66,763**
. Increase		91	25,000	25,092
. Reversal		(2,576)	(8,047)	(10,622)
. Use (included in "Other operating expenses")		(6,513)	(2,642)	(9,156)
. Translation differences		45	(2,533)	(2,488)
. Transfers		0	(9)	(9)
. Financial charges			312	312
At the end of the financial year		**10,331**	**59,562**	**69,892**
	Of which - Non Current	3,851	34,931	38,782
	- Current	6,480	24,631	31,111

Provisions for reorganization and restructuring and for tax, warranty and litigation risks, onerous contracts and product returns are recognized and measured by reference to an estimate of the probability of future outflow of cash as well as to historical data based on the facts and circumstances known at the reporting date. The actual liability may differ from the amounts recognized.

Provisions increased overall by EUR 3,129 thousand.

The uses and reversals of the provisions for reorganization and restructuring are mainly related to the refining activities in Hanau, Germany that were transferred to Hoboken, Belgium. A new employment on the same site has been found for a number of the employees affected by the restructuring of the refining activities in Hanau, Germany, explaining the amount of the reversals..

The increases and decreases in provisions for other liabilities and charges concern liabilities that are mainly related to warranty risks, onerous contracts and litigations. They affect mainly Germany, the United States and Belgium.

They also include provisions for onerous contracts related to the IAS 39 effect (see Economic key figures). The net increase of the period on these IAS 39 related provisions for onerous contracts is EUR 5,852 thousand, leaving a closing balance of EUR 10,493 thousand.

No assessment is possible regarding the expected timing of cash outflows related to the non-current part of the provisions for other liabilities and charges.

F30 Financial instruments by category

(EUR thousand)

As at the end of previous year	Fair value	Carrying amount: Held for trading - no hedge accounting	Carrying amount: Cash Flow hedge accounting	Carrying amount: Loans, receivables and payables	Carrying amount: Available-for-sale
ASSETS					
Available-for-sale financial assets	**76,189**				**76,189**
Available-for-sale financial assets – Shares	76,189				76,189
Loans granted	**819**			**819**	
Loans to associates and non consolidated affiliates	819			819	
Trade and other receivables	**825,917**	**23,460**	**7,425**	**795,031**	
Non-current					
Cash guarantees and deposits	5,871			5,871	
Other receivables maturing in more than 1 year	8,172			8,172	
Assets employee benefits	373			373	
Current					
Trade receivables (at cost)	673,800			673,800	
Trade receivables (write-down)	(14,606)			(14,606)	
Other receivables (at cost)	116,625			116,625	
Other receivables (write-down)	(6,582)			(6,582)	
Interest receivable	257			257	
Fair value of financial instruments held for cash-flow hedging	7,425		7,425		
Fair value receivable other financial instruments	23,460	23,460			
Deferred charges and accrued income	11,122			11,122	
Cash and cash equivalents	**124,716**			**124,716**	
Short-term investments: bank term deposits	42,453			42,453	
Short-term investments: term deposits (other)	3,842			3,842	
Cash-in-hand and bank current accounts	78,421			78,421	
Total of financial instruments (Assets)	**1,027,641**	**23,460**	**7,425**	**920,566**	**76,189**
LIABILITIES					
Financial debt	**492,339**			**485,080**	
Non-current					
Bank loans	42,018			40,002	
Other loans	160,127			154,883	
Current					
Short term bank loans	168,127			168,127	
Bank overdrafts	26,296			26,296	
Short term loan: commercial paper	90,976			90,976	
Other loans	4,796			4,796	
Trade and other payables	**1,028,755**	**17,899**	**73,357**	**937,499**	
Non-current					
Long term trade payables	517			517	
Other long term debts	648			648	
Investments grants and deferred income from grants	5,168			5,168	
Current					
Trade payables	655,776			655,776	
Advances received on contracts in progress	17,752			17,752	
Tax - other than income tax - payable	35,869			35,869	
Payroll and related charges	121,451			121,451	
Other amounts payable	11,737			11,737	
Dividends payable	6,770			6,770	
Accrued interest payable	7,064			7,064	
Fair value financial instrument held for cash flow hedging	73,357		73,357		
Fair value payable other financial instruments	17,899	17,899			
Accrued charges and deferred income	74,747			74,747	
Total of financial instruments (Liabilities)	**1,521,094**	**17,899**	**73,357**	**1,422,579**	**0**

(EUR thousand)

As at the end of the financial year	Fair value	Carrying amount: Held for trading - no hedge accounting	Carrying amount: Cash Flow hedge accounting	Carrying amount: Loans, receivables and payables	Carrying amount: Available-for-sale
ASSETS					
Available-for-sale financial assets	**47,740**				**47,740**
Available-for-sale financial assets – Shares	47,740				47,740
Loans granted	**2,147**			**2,147**	
Loans to associates and non consolidated affiliates	2,147			2,147	
Trade and other receivables	**882,159**	**6,490**	**16,537**	**859,132**	
Non-current					
Cash guarantees and deposits	6,576			6,576	
Other receivables maturing in more than 1 year	7,682			7,682	
Assets employee benefits	372			372	
Current					
Trade receivables (at cost)	748,195			748,195	
Trade receivables (write-down)	(12,309)			(12,309)	
Other receivables (at cost)	78,608			78,608	
Other receivables (write-down)	(7,509)			(7,509)	
Interest receivable	136			136	
Fair value of financial instruments held for cash-flow hedging	16,537		16,537		
Fair value receivable other financial instruments	6,490	6,490			
Deferred charges and accrued income	37,380			37,380	
Cash and cash equivalents	**103,981**			**103,981**	
Short-term investments: bank term deposits	17,809			17,809	
Short-term investments: term deposits (other)	3,439			3,439	
Cash-in-hand and bank current accounts	82,733			82,733	
Total of financial instruments (Assets)	**1,036,027**	**6,490**	**16,537**	**965,260**	**47,740**
LIABILITIES					
Financial debt	**379,048**			**370,534**	
Non-current					
Bank loans	21,588			20,001	
Other loans	3,879			3,879	
Current					
Short term bank loans	63,447			63,447	
Bank overdrafts	3,776			3,776	
Short term loan: commercial paper	121,484			121,484	
Other loans	164,874			157,947	
Trade and other payables	**1,163,533**	**22,106**	**20,620**	**1,120,807**	
Non-current					
Long term trade payables	1,253			1,253	
Other long term debts	5,105			5,105	
Investments grants and deferred income from grants	8,726			8,726	
Current					
Trade payables	780,536			780,536	
Advances received on contracts in progress	30,431			30,431	
Tax - other than income tax - payable	13,078			13,078	
Payroll and related charges	127,408			127,408	
Other amounts payable	28,687			28,687	
Dividends payable	7,814			7,814	
Accrued interest payable	7,571			7,571	
Fair value financial instrument held for cash flow hedging	20,620		20,620		
Fair value payable other financial instruments	22,106	22,106			
Accrued charges and deferred income	110,198			110,198	
Total of financial instruments (Liabilities)	**1,542,581**	**22,106**	**20,620**	**1,491,341**	**0**

Loans and debt have been issued at market rate which would not create any major differences with effective interest expense. All categories of financial instruments of Umicore are at fair value except the non-current bank and other loans for which the carrying amounts differ from the fair value (see note F23).

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques, mainly discounted cash-flow, using for the market assumptions the ones existing at balance sheet date.

In particular, the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange and metal contracts is determined using quoted forward exchange and metal rates at the balance sheet date.

The fair value of quoted financial assets held by the Group is their quoted market price at balance sheet date. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

30.1 Fair value hierarchy

The Group adopted the amendment to IFRS 7 for financial instruments which are measured in the balance sheet at fair value, with effect from January 2009. This amendment requires disclosures of fair value measurements by level, based on the following fair value measurement hierarchy:

- Level 1 : fair value based on quoted prices in active markets for identical assets or liabilities.
- Level 2 : fair value based on inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.
- Level 3 : fair value for the asset or liability valuation are based on unobservable inputs.

In the Group, the fair values on available-for-sale financial assets are measured as level 1 except for the Nyrstar's bond which is level 2. All the metal and foreign currency derivatives are measured as level 2.

30.2 Sensitivity analysis on financial instruments

Umicore is sensitive to commodity prices, foreign currency and interest rate risk on its financial instruments.

30.2.1 Commodity prices

The fair value on financial instruments related to cash flow hedging sales would have been EUR 21.4 million lower/higher if the metal prices would strengthen/weaken by 10%.

The fair value on financial instruments related to cash flow hedging purchases would have been EUR 1.7 million higher/lower if the electricity prices would strengthen/weaken by 10%.

The fair value on other commodity sales financial instruments would have been EUR 13.6 million lower/higher and the fair value on other commodity purchases financial instruments would have been EUR 16.6 million higher/lower if the metal prices would strengthen/weaken by 10%.

30.2.2 Foreign currency

The fair value of forward currency contracts related to cash flow hedging would have been EUR 3.7 million higher if the Euro would strengthen against USD by 10% and would have been EUR 4.5 million lower if the Euro would weaken against USD by 10%.

The fair value of other forward currency contracts sold would have been EUR 30.9 million higher if the Euro would strengthen against USD by 10% and would have EUR 37.8 million lower if the Euro would weaken against USD by 10%.

The fair value of other forward currency contracts bought would have been EUR 6.6 million lower if the Euro would strengthen against USD by 10% and would have been EUR 8.1 million higher if the Euro would weaken against USD by 10%.

The fair value of net position of current assets and liabilities exposed to USD would have been EUR 36.2 million lower if the Euro would strengthen against USD by 10% and would have been EUR 44.2 million higher if the Euro would weaken against USD by 10%.

F31 Fair value of financial instruments

Umicore hedges its structural and transactional commodity (metal and energy), currency and interest rate risks using respectively commodity derivatives (mainly quoted on the London Metal Exchange), currency derivatives and Interest Rate Swaps with reputated brokers and banks.

31.1 Financial instruments related to cash-flow hedging

(EUR thousand)

	Notional or Contractual amount		Fair value	
	31/12/2010	31/12/2011	31/12/2010	31/12/2011
Forward commodities sales	213,746	217,505	(71,901)	3,390
Forward commodities purchases	(3,212)	(18,878)	760	(1,537)
Forward currency contracts sales	124,129	105,966	5,209	(5,936)
Total fair value impact subsidiaries			**(65,932)**	**(4,083)**
Recognized under trade and other receivables			7,425	16,537
Recognized under trade and other payables			(73,357)	(20,620)
Total fair value impact associates and joint ventures			(229)	294
Total			**(66,161)**	**(3,789)**

The principles and documentation on the hedged risks as well as the timing related to the Group's cash flow hedging operations are included in note F3 Financial risk management.

The fair values of the effective hedging instruments are in the first instance recognized in the fair value reserves recorded in equity and are derecognized when the underlying forecasted or committed transactions occur (see note F22).

The forward commodities sales contracts are set up to hedge primarily the following commodities: gold, silver, platinum, palladium and zinc.

The forward commodity purchase contracts are set up to hedge primarily the electricity price risks.

The forward currency contracts are set up to hedge USD towards EUR, KRW, BRL, NOK and AUD and EUR towards NOK.

The average maturity date of financial instruments related to cash-flow hedging is December 2012 for the forward commodities sold and January 2013 for the forward currency contracts.

The terms and conditions of the forward contracts are common market conditions.

In those circumstances whereby the hedge accounting documentation as defined under IAS 39 is not available, financial instruments used to hedge structural risks for metals and currencies are measured as if they were held for trading. However, such instruments are being used to hedge future probable cash-flows and are not speculative in nature.

Umicore has not faced any ineffectiveness on cash flow hedging in P&L in 2010 and 2011.

31.2 Other financial instruments

(EUR thousand)

	Notional or Contractual amount		Fair value	
	31/12/2010	31/12/2011	31/12/2010	31/12/2011
Forward commodities sales	198,210	144,905	(6,349)	447
Forward commodities purchases	(173,953)	(175,586)	15,613	(9,737)
Forward currency contracts sales	291,740	339,767	(2,674)	(8,436)
Forward currency contracts purchases	(84,121)	134,443	(1,030)	2,110
Total fair value impact subsidiaries			**5,560**	**(15,616)**
Recognized under trade and other receivables			23,460	6,490
Recognized under trade and other payables			(17,900)	(22,106)
TOTAL GROUP			**5,560**	**(15,616)**

The principles and documentation related to the Group's transactional hedging are included in note F3 "Financial risk management". In the absence of hedge accounting documentation as defined under IAS 39, financial instruments used to hedge transactional risks for metals and currencies are measured as if they were held for trading. However, such instruments are being used to cover existing transactions and firm commitments and are not speculative in nature.

The fair values are immediately recognized in the income statement under Other operating income for the commodity instruments and the Net Finance cost for the currency instruments.

31.3 Derivatives

Since 2006 a contractual situation has been active whereby variable price adjustments (embedded derivative) occur on the sale (host contract) in 1992 of the participation and loans of Aurifère de Guinée, a gold mining concession in Guinea.

In 2011 nothing was recognized specifically in the income statement. At balance sheet level, no receivable related to Aurifère de Guinée is recorded in the other current receivables anymore.

(EUR thousand)

	Earliest contractual maturity (undiscounted)				
As at the end of previous year	< 1 Month	1 to 3 Months	3 Months - 1 Year	1 to 5 Years	Total
FINANCIAL INSTRUMENTS ASSETS (FAIR VALUE)					
Commodity risk					
Total forward purchases (CFH)	79	125	285	271	760
Total forward sales (other)	4,154	1,763	4		5,921
Total forward purchases (other)	3,381	9,859	3,646	90	16,976
FX Risk					
Forward currency contracts sales (CFH)	358	887	4,057	1,363	6,665
Forward currency contracts sales (other)	563				563
FINANCIAL INSTRUMENTS LIABILITIES (FAIR VALUE)					
Commodity risk					
Total forward sales (CFH)	(1,073)	(10,324)	(34,445)	(26,059)	(71,901)
Total forward sales (other)	(3,618)	(6,241)	(2,411)		(12,270)
Total forward purchases (other)	(1,363)				(1,363)
FX Risk					
Forward currency contracts sales (CFH)	(166)	(146)	(916)	(228)	(1,456)
Forward currency contracts sales (other)	(3,457)	(128)	348		(3,237)
Forward currency contracts purchases (other)	(1,096)	260	(194)		(1,030)

(EUR thousand)

	Earliest contractual maturity (undiscounted)				
As at the end of the financial year	< 1 Month	1 to 3 Months	3 Months - 1 Year	1 to 5 Years	Total
FINANCIAL INSTRUMENTS ASSETS (FAIR VALUE)					
Commodity risk					
Total forward sales (CFH)	0	1,636	4,664	9,966	16,265
Total forward sales (other)	1,723	1,708	257	0	3,688
Total forward purchases (other)	627	74	(6)	(3)	693
FX Risk					
Forward currency contracts sales (CFH)	26	49	190	8	272
Forward currency contracts purchases (other)	1,157	656	297	0	2,110
FINANCIAL INSTRUMENTS LIABILITIES (FAIR VALUE)					
Commodity risk					
Total forward sales (CFH)	(1,638)	(1,837)	(10,714)	1,314	(12,874)
Total forward purchases (CFH)	(29)	(25)	(535)	(949)	(1,537)
Total forward sales (other)	(115)	(1,303)	(1,822)		(3,240)
Total forward purchases (other)	(1,309)	(7,394)	(980)	(748)	(10,430)
FX Risk					
Forward currency contracts sales (CFH)	(100)	(783)	(2,812)	(2,513)	(6,208)
Forward currency contracts sales (other)	(6,515)	(1,401)	(519)	0	(8,436)

F32 Notes to the cash flow statement

32.1 Definitions

The cash flow statement identifies operating, investing and financing activities for the period.

Umicore uses the indirect method for the operating cash flows. The net profit and loss is adjusted for:

* the effects of non-cash transactions such as provisions, impairment losses, mark to market, etc., and the variance in operating capital requirements.
* items of income or expense associated with investing or financing cash flows.

(EUR thousand)

	2010	2011
Adjustments for non cash transactions		
Depreciations	126,167	137,051
Adjustment IAS 39	4,392	(25,513)
(Reversal) Impairment charges	4,194	8,647
Mark to market of inventories and commitments	(26,474)	61,823
Exchange difference on long-term loans	26	12
Inventories and bad debt provisions	(5,786)	12,940
Depreciation on government grants	907	(501)
Share-based payments	4,018	8,342
Change in provisions	(17,346)	(12,876)
	90,099	**189,926**
Adjustments for items to disclose separately or under investing and financing cash flows		
Tax charge of the period	54,211	76,006
Interest (income) charges	12,612	16,012
(Gain) loss on disposal of fixed assets	1,899	(8,994)
Dividend income	(566)	(841)
	68,156	**82,183**
Change in working capital requirement analysis		
Inventories	(323,452)	(121,977)
Trade and other receivables	(296,223)	(52,948)
Trade and other payables	339,264	170,855
As in the consolidated balance sheet	**(280,411)**	**(4,070)**
Non-cash items (*)	(33,955)	8,718
Items disclosed elsewhere (**)	21,410	(47,975)
Currency translation differences	45,925	(5,249)
As in the consolidated cash flow statement	**(247,031)**	**(48,575)**

(*) Non cash items are mainly linked to mark to market of inventories and commitments, strategic and transactional hedging and inventories and bad debt provisions.
(**) Item disclosed elsewhere are mainly due to changes in interest, dividend and tax receivable and payable.

(EUR thousand)

	Net cash and cash equivalent	Loans (w/o bank overdrafts)	Net financial debt
At the end of previous year	98,421	458,783	360,362
Cash flow of the period	1,784	(92,027)	(93,811)
At the end of the financial year	100,205	366,756	266,551

32.2 Net cash flow generated by operating activities

Operating cash flow after tax is EUR 515.5 million. Working capital requirements increased by EUR 48.6 million, primarily resulting from higher volumes.

32.3 Net cash flow used in investing activities

Net cash used in investing activities increased by EUR 34.6 million in 2011. Capital expenditure reached EUR 212.6 million. Investments were up in all business groups and the increase was most pronounced in Energy Materials, due to the expansion of rechargeable battery materials production and R&D facilities in Japan and South Korea. High levels of investments were also recorded in Recycling, following the completion of the UHT plant in Hoboken, and in Catalysis where the global expansion of production and testing capabilities continues. The higher level of investments results from the Vision 2015 related growth initiatives.

The capital expenditures include EUR 24.6 million of intangibles coming mainly from the capitalization of costs linked to new information systems and development expenses (see note F13).

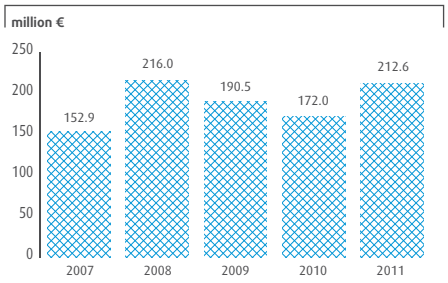
32.4 Net cash flow used in financing activities

The cash used in financing activities is mainly the consequence of the net decrease of indebtedness (EUR 91.5 million), the net buy back of own shares (EUR 88.2 million), the capital decrease in minorities (EUR 6.1 million) and the payment of dividends (EUR 99.2 million) and of interest (EUR 15.5 million).

(EUR thousand)

	2010	2011
Acquisition of tangible assets	141,478	188,018
Acquisition of intangible assets	30,554	24,556
Capital expenditure	**172,032**	**212,574**

CAPITAL EXPENDITURE



F33 Rights and commitments

	(EUR thousand)	
	2010	2011
Guarantees constituted by third parties on behalf of the Group	42,341	71,984
Guarantees constituted by the Group on behalf of third parties	3,313	6,388
Guarantees received	105,879	104,442
Goods and titles held by third parties in their own names but at the Group's risk	585,954	470,002
Commitments to acquire and sell fixed assets	1,144	1,037
Commercial commitments for commodities purchased (to be received)	113,448	141,834
Commercial commitments for commodities sold (to be delivered)	211,397	510,692
Goods and titles of third parties held by the Group	1,981,574	2,147,323
Miscellaneous rights and commitments	4,140	2,734
	3,049,190	**3,456,436**

33.1 Guarantees constituted by third parties on behalf of the Group

are secured and unsecured guarantees given by third parties to the creditors of the group guaranteeing that the Group's debts and commitments, actual and potential, will be satisfactorily discharged.

33.2 Guarantees constituted by the group on behalf of third parties

are guarantees or irrevocable undertakings given by the Group in favour of third parties guaranteeing the satisfactory discharge of debts or of existing or potential commitments by the third party to its creditors.

There are no loan commitments given to third parties.

33.3 Guarantees received

are pledges and guarantees received guaranteeing the satisfactory discharge of debts and existing and potential commitments of third parties towards the Group, with the exception of guarantees and security in cash.

The guarantees received are mainly related to supplier guarantees backed by bank institutions. Those guarantees are set up to cover the good execution of work by the supplier. Some guarantees received are related to customer guarantees, received mainly from a customer's mother company on behalf of one of its subsidiaries. A minor part of the received guarantees is related to rent guarantees.

All guarantees are taken at normal market conditions and their fair value is equivalent to the carrying amount. No re-pledge has been done on any of those guarantees.

33.4 Goods and titles held by third parties in their own names but at the Group's risk

represent goods and titles included in the Group balance sheet for which the Group bears the risk and takes the profit, but where these goods and titles are not present on the premises of the Group . It concerns mainly inventories leased out to third parties or held under consignment or under tolling agreement by third parties.

33.5 Commercial commitments

are firm commitments to deliver or receive metals to customers or from suppliers at fixed prices.

33.6 Goods and titles of third parties held by the Group

are goods and titles held by the group, but which are not owned by the Group. It concerns mainly third party inventories leased in or held under consignment or tolling agreements with third parties.

The Group leases metals (particularly gold and silver) from and to banks and other third parties for specified, mostly short term, periods and for which the group pays or receives fees. As at 31 December 2011, there was a net lease-in position for EUR 772 million vs. EUR 507 million at end of 2010. This increase is mainly caused by higher quantities of leased metals as a result of increased business activity.

F34 Contingencies

The Group has certain pending files that can be qualified as contingent liabilities or contingent assets, according to the definition of IFRS.

34.1 Environmental issues

See note F28 on environmental provisions where the topic is covered in detail including the status from a contingency point of view.

34.2 Former employees of Gécamines

Several former employees of Gécamines, the Congolese state-owned entity which took over the assets of Union Minière in 1967 following its expropriation, filed claims against Umicore for the payment of amounts due by Gécamines following their dismissal by the latter. Société Générale des Minerais, whose rights and obligations have been taken over by Umicore following several reorganizations, had indeed accepted, from 1967 to 1974, to pay certain employees of Gécamines certain elements of their remuneration in the event of default by Gécamines. In 1974, Gécamines had agreed to hold Umicore harmless in this respect. The validity of this guarantee might be contested; however Umicore believes that this position is without any merit.

Even if Umicore would be forced in certain cases to pay certain amounts to former employees, the company believes that overall, and based on current prevailing case law, the outcome of these procedures should not have a major financial impact on the Group. It is, however, impossible to make any prediction on the final outcome of this proceeding.

34.3 Others

In addition to the above, the Group is the subject of a number of claims and legal proceedings incidental to the normal conduct of its business. Management does not believe that such claims and proceedings are likely, on aggregate, to have a material adverse effect on the financial condition of Umicore.

F35 Related parties

(EUR thousand)

	2010	2011
Transactions with joint ventures and associates		
Operating income	52.090	59.265
Operating expenses	(40.660)	(43.863)
Financial income	12	10
Financial expenses	(60)	(81)
Dividends received	(12.280)	(11.703)

	2010	2011
Outstanding balances with joint ventures and associates		
Current trade and other receivables	18.694	12.217
Current trade and other payables	7.219	5.305

(EUR)

	2010	2011
BOARD OF DIRECTORS		
Salaries and other compensation	**452.000**	**535.064**
Fixed portion	200.000	220.000
Variable portion (based on attended meetings)	252.000	217.000
Value of the share grant		98.064

In 2008, the Board of Directors agreed on a four-year consultancy agreement with Booischot n.v., a company controlled by Thomas Leysen.

The four-year agreement started on January 1st 2009 and involves an annual fee of EUR 300,000. At the request of Thomas Leysen and in agreement with the Board, this agreement was terminated with effect as of 31 August 2011.

No variable or other compensation element (apart from attendance-related fees) is associated with directorship. No loan or guarantees have been granted by the company to members of the Board.

(EUR)

	2010	2011
EXECUTIVE COMMITTEE		
Salaries and other benefits	**7,647,949**	**8,901,226**
Short-term employee benefits	3,382,042	3,542,226
Post-employment benefits	1,637,712	790,398
Other long-term benefits	931,950	1,170,913
Share-based payments	1,696,245	3,397,689

The data above shows the accounting view of the Board and Executive Committee remuneration and differs somewhat from the information provided in the Remuneration Report in the Corporate Governance section.

In the tables above, the employer social security contributions, if applicable, are included in the short-term employee benefits. These do not feature in the Remuneration Report.

With regards to share-based incentives the share grant figures included in share-based values above represent the value of the shares granted in 2011 for services rendered in 2010. The remuneration Report shows the value of the shares granted in 2012 for services rendered in the reporting year i.e. 2011.

The figures related to the undeferred portion of the 2011 cash bonus linked to the individual performance 2011 and related to the deferred portion of the 2010 cash bonus linked to the first portion based on the average ROCE for the years 2010 and 2011,, included in short-term employee benefits, represent the level of accruals at balance sheet date. The Remuneration Report features the actual amounts paid.

Accruals booked for the deferred portion of the 2011 cash bonus and for adjustment related to the deferred portion of the 2010 cash bonus linked to the second group portion depending on the average ROCE for the years 2010, 2011 and 2012 are included in the other long-term benefits. The amounts to be paid in 2013 and 2014 will depend on long-term performance measures and the exact amounts paid will be included in the Remuneration Reports for the years in question.

F36 Events after the balance sheet date

Following the Board of Directors meeting of 8 February 2012, Umicore announced that a gross dividend of EUR 1.00 per share would be proposed to the Annual Shareholders Meeting, corresponding to a total dividend payment of EUR 111,797,431 of which EUR 0.40 per share were already paid out as interim dividend in September 2011

F37 Earnings per share

(EUR)

	2010	2011
EPS - basic	2.20	2.87
EPS - diluted	2.19	2.85

The following earnings figures have been used as the numerator in the calculation of basic and diluted earnings per share:

(EUR thousand)

	2010	2011
Net consolidated profit - Group share	248,727	324,950

The following numbers of shares have been used as the denominator in the calculation of basic and diluted earnings per share:

For basic earnings per share:

	2010	2011
Total shares issued as at 1 January	120,000,000	120,000,000
Total shares issued as at 31 December	120,000,000	120,000,000
Weighted average number of outstanding shares	113,001,404	113,304,188

During 2011, no new shares were created as a result of the exercise of stock options with linked subscriptions rights. During the year Umicore used 297,448 of its treasury shares in the context of the exercise of stock options and 22,200 for shares granted. On 31 December 2011, Umicore owned 9,243,938 of its own shares, representing 7.7% of the total number of shares issued as at that date.

Total outstanding shares are after deduction of treasury shares, which are held to cover existing stock option plans or are available for resale.

For diluted earnings per share:

	2010	2011
Weighted average number of outstanding shares	113,001,404	113,304,188
Potential dilution due to stock option plans	723,487	904,087
Adjusted weighted average number of outstanding shares	113,724,891	114,208,275

The denominator for the calculation of diluted earnings per share takes into account an adjustment for stock options.

F38 IFRS developments

The new standards, amendments to standards and interpretations listed below reflect the endorsement status at the end of December 2011.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2012:

* Amendments to IFRS 7 'Financial instruments: disclosures' requiring enhanced disclosures of transferred financial assets. These revisions are effective at the earliest for annual periods beginning on or after 1 July 2011.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2012 but have not yet been endorsed by the European Union:

* Amendments to IFRS 1 'First-time adoption of IFRSs' related to severe hyperinflation and the removal of fixed dates for first-time adopters. These amendments are effective on or after 1 July 2011.
* Amendments to IAS 12 'Deferred taxes', effective on or after 1 January 2012. The amendments provide a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model.

The following new standards, amendments to standards and interpretations have been issued, but are not mandatory for the first time for the financial year beginning 1 January 2012 and have not been endorsed by the European Union:

* IFRS 9 'Financial instruments', effective for periods beginning on or after 1 January 2015. The standard addresses the classification, measurement and derecognition of financial assets and financial liabilities.
* IFRS 10 'Consolidated financial statements', effective for annual periods beginning on or after 1 January 2013. The new standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements.
* IFRS 11 'Joint arrangements', effective for annual periods beginning on or after 1 January 2013. The new standard focuses on the rights and obligations rather than the legal form. Proportional consolidation is no longer allowed.
* IFRS 12 'Disclosure of interests in other entities', effective for annual periods beginning on or after 1 January 2013. This is a new standard on disclosure requirements for all forms of interests in other entities.
* IFRS 13 'Fair value measurement', effective for annual periods beginning on or after 1 January 2013. The new standard explains how to measure fair value for financial reporting.
* IAS 19 Revised 'Employee benefits', effective for annual periods beginning on or after 1 January 2013. Through these amendments significant changes are made to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits.
* IAS 27 Revised 'Separate financial statements', effective for annual periods beginning on or after 1 January 2013. The revised standard includes the provisions on separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10.
* IAS 28 Revised 'Investments in associates and joint ventures', effective for annual periods beginning on or after 1 January 2013. The revised standard now includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.
* Amendments to IAS 1 'Presentation of financial statements', effective for annual periods beginning on or after 1 July 2012. The amendment changes the disclosure of items presented in other comprehensive income (OCI) in the statement of comprehensive income.
* Amendments to IAS 32 'Offsetting financial assets and financial liabilities', effective for annual periods beginning on or after 1 January 2014. The amendments clarify some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position.
* Amendments to IFRS 7 'Disclosures – Offsetting financial assets and financial liabilities', effective for annual periods beginning on or after 1 January 2013. The amendment reflects the joint requirements with the FASB to enhance current offsetting disclosures. The new disclosures are intended to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP.
* IFRIC 20 'Stripping costs in the production phase of a surface mine', effective for annual periods beginning on or after 1 January 2013. IFRIC 20 sets out the accounting for overburden waste removal (stripping) costs in the production phase of a mine. The interpretation may require mining entities to write off existing stripping assets to opening retained earnings if the assets cannot be attributed to an identifiable component of an ore body.

The management is currently assessing the impact of these new standards and amendments on the Group's operations.

F39 Auditors' remuneration

The world-wide audit remuneration for the statutory auditor and its affiliated companies totalled EUR 2.6 million, including an amount of EUR 2.1 million for the statutory audit missions (EUR 0.5 million for the audit of the mother company) and EUR 0.5 million for non-statutory audit services including audit-related and other attestation services (EUR 0.2 million), tax related services (EUR 0.2 million) and other non-audit related services (EUR 0.1 million).

Parent company separate summarized financial statements

The annual accounts of Umicore are given below in summarized form.

In accordance with the Companies code, the annual accounts of Umicore, together with the management report and the statutory auditor's report will be deposited with the National Bank of Belgium.

These documents may also be obtained on request from:

UMICORE
Rue du Marais 31
B-1000 Brussels (Belgium)

The statutory auditor did not express any reservations in respect of the annual accounts of Umicore.

The legal reserve of EUR 50,000 thousand which is included in the retained earnings is not available for distribution.

(EUR thousand)

		31/12/2009	31/12/2010	31/12/2011
SUMMARIZED BALANCE SHEET AT 31 DECEMBER				
1. ASSETS				
Fixed assets		**3,456,279**	**3,730,163**	**3,730,403**
I.	Formation expenses			
II.	Intangible assets	41,970	57,818	72,409
III.	Tangible assets	291,154	298,155	302,174
IV.	Financial assets	3,123,155	3,374,190	3,355,820
Current assets		**837,254**	**1,092,649**	**1,342,747**
V.	Amounts receivable after more than one year	848	838	798
VI.	Stocks and contracts in progress	298,047	407,073	566,508
VII.	Amounts receivable within one year	358,270	506,455	508,993
VIII.	Investments	173,097	158,852	259,349
IX.	Cash at bank and in hand	2,133	4,058	546
X.	Deferred charges and accrued income	4,859	15,373	6,553
Total assets		**4,293,533**	**4,822,812**	**5,073,150**
2. LIABILITIES AND SHAREHOLDERS' EQUITY				
Capital and reserves		**1,153,019**	**1,368,935**	**1,415,121**
I.	Capital	500,000	500,000	500,000
II.	Share premium account	6,610	6,610	6,610
III.	Revaluation surplus	98	91	91
IV.	Reserves	373,189	358,973	446,295
V.	Result carried forward	68,824	193,782	298,383
Vbis.	Result for the period	201,577	303,720	156,153
VI.	Investments grants	2,721	5,759	7,589
Provisions and deferred taxation				
VII.A.	Provisions for liabilities and charges	95,127	90,526	86,205
Creditors		**3,045,386**	**3,363,352**	**3,571,824**
VIII.	Amounts payable after more than one year	868,074	1,888,000	1,528,750
IX.	Amounts payable within one year	2,126,766	1,410,378	1,963,445
X.	Accrued charges and deferred income	50,545	64,974	79,629
Total liabilities and shareholders' equity		**4,293,533**	**4,822,812**	**5,073,150**
INCOME STATEMENT				
I.	Operating income	2,019,945	2,628,689	4,579,923
II.	Operating charges	(1,973,314)	(2,503,054)	(4,421,003)
III.	**Operating result**	**46,631**	**125,635**	**158,920**
IV.	Financial income	129,308	28,116	115,398
V.	Financial charges	(18,002)	(67,675)	(102,423)
VI.	**Result on ordinary activities before taxes**	**157,937**	**86,076**	**171,896**
VII.	Extraordinary income	40,535	219,320	3,212
VIII.	Extraordinary charges	(3,957)	(1,748)	(20,150)
IX.	**Result for the period before taxes**	**194,516**	**303,649**	**154,958**
X.	Income taxes	7,061	72	1,195
XI.	**Result for the period**	**201,577**	**303,720**	**156,153**
XII.	Transfer from/to untaxed reserve			
XIII.	**Result for the period available**	**201,577**	**303,720**	**156,153**

(EUR thousand)

APPROPRIATION ACCOUNT

			2009	2010	2011
A.	**Profit (loss) to be appropriated**		**407,630**	**574,122**	**653,656**
	1.	Profit (loss) for the financial year	201,577	303,720	156,153
	2.	Profit (loss) carried forward	206,053	270,401	497,503
C.	**Appropriation to equity**		**(63,889)**	**14,217**	**(87,322)**
	2.	To the legal reserve	0	0	0
	3.	To the reserve for own shares	(63,889)	14,217	(87,322)
	4.	To the capital	0	0	0
D.	**Profit (loss) to be carried forward (1)**		**270,401**	**497,503**	**454,537**
	2.	Profit (loss) to be carried forward	270,401	497,503	454,537
F.	**Profit to be distributed (1)**		**(73,341)**	**(90,836)**	**(111,797)**
	1.	Dividends			
		- ordinary shares	(73,341)	(90,836)	(111,797)

(1) The total amount of these two items will be amended to allow for the amount of the company's own shares held by Umicore on the date of the Annual General Meeting of Shareholders on 24 April 2012; the gross dividend of EUR 1.00 will not change.

STATEMENT OF CAPITAL

				(EUR thousand)	Number of shares
A.	**Share capital**				
	1.	Issued capital			
		At the end of the preceding financial year		500,000	120,000,000
		At the end of the financial year		500,000	120,000,000
	2.	Structure of the capital			
		2.1.	Categories of shares		
			Ordinary shares	500,000	120,000,000
		2.2.	Registered shares or bearer shares		
			Registered		7,501,900
			Bearer		112,498,100
E.	**Authorized unissued capital (1)**			**50,000**	

		% capital	Number of shares	Notification date
G.	**Shareholder base (2)**			
	Fidelity International Ltd	6.75	8,103,633	13/05/2010
	BlackRock Investment Management	8.33	9,996,285	01/12/2009
	Fidelity Management and Research	3.15	3,778,809	15/09/2011
	Ameriprise Financial Inc	3.04	3,650,564	24/08/2011
	Others	71.02	85,227,523	31/12/2011
	Own shares held by Umicore	7.70	9,243,186	31/12/2011
		100.00	120,000,000	
	of which free float	100.00	120,000,000	

(1) The extraordinary general meeting held on 21 November 2007 authorized the Board of Directors to increase the capital by an amount of EUR 46,000,000.

(2) At 31 December 2011, 3,593,375 options on Umicore shares are still to be exercized. This amount includes 3,593,375 acquisition rights of existing shares held by Umicore.

Economic key figures

(EUR million)

	2007	2008	2009	2010	2011
Turnover	8,309.9	9,124.0	6,937.4	9,691.1	14,480.9
Revenues (excluding metal)	1,910.0	2,100.3	1,723.2	1,999.7	2,289.8
Recurring EBITDA	471.3	467.3	262.7	468.7	553.0
Recurring EBIT	359.1	354.6	146.4	342.5	416.1
of which associates	26.8	32.0	(6.1)	30.1	22.9
Non-recurring EBIT	(28.6)	(101.9)	(11.4)	(9.1)	1.0
IAS 39 effect on EBIT	4.0	(3.6)	6.2	(9.4)	15.6
Total EBIT	334.4	249.1	141.2	324.0	432.7
Recurring EBIT margin (in %)	17.4	15.4	8.9	15.6	17.2
Return on Capital Employed (ROCE) (in %)	19.6	17.8	8.1	17.5	18.6
Recurring net profit, Group share	225.7	222.1	81.9	263.4	304.6
Result from discontinued operations, Group share	425.8	(2.4)	(4.2)	0.0	0.0
Net profit, Group share, with discontinued operations	653.1	121.7	73.8	248.7	325.0
R&D expenditure	124.5	165.0	135.7	139.3	156.8
Capital expenditure	152.9	216.0	190.5	172.0	212.6
Net cash flow before financing	778.6	195.3	258.4	(68.2)	308.6
Total assets of continued operations, end of period	3,220.8	3,024.9	2,826.7	3,511.6	3,713.2
Group shareholders' equity, end of period	1,491.2	1,290.7	1,314.2	1,517.0	1,667.5
Consolidated net financial debt of continued operations, end of period	177.9	333.4	176.5	360.4	266.6
Gearing ratio of continued operations, end of period (in %)	10.4	20.0	11.4	18.6	13.4
Capital employed, end of period	1,888.2	1,902.5	1,781.1	2,181.8	2,168.8
Capital employed, average	1,827.9	1,997.2	1,797.7	1,961.6	2,233.0

NUMBER OF SHARES

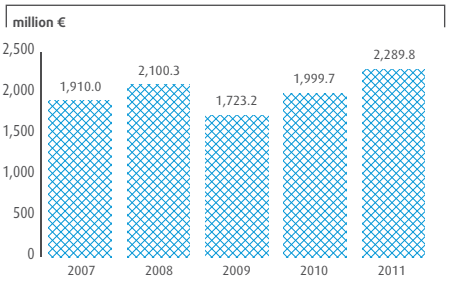
	2007	2008	2009	2010	2011
Total number of issued shares, end of period	130,986,625	120,000,000	120,000,000	120,000,000	120,000,000
of which treasury shares	10,911,770	7,757,722	7,506,197	6,476,647	9,243,938
Average number of shares outstanding, basic	125,233,789	115,263,300	112,350,457	113,001,404	113,304,188
Average number of shares outstanding, diluted	126,850,152	116,259,507	112,884,977	113,724,891	114,208,275

DATA PER SHARE

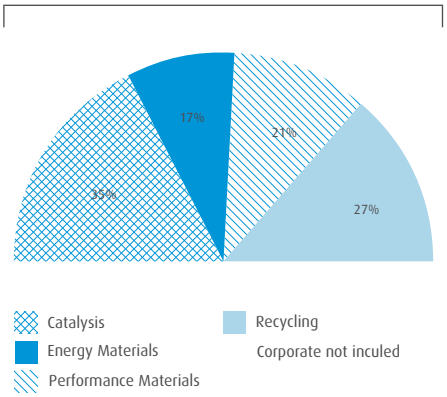
(EUR / share)

	2007	2008	2009	2010	2011
Recurring EPS	1.80	1.93	0.73	2.33	2.69
EPS excluding discontinued operations					
basic	1.81	1.08	0.69	2.20	2.87
diluted	1.79	1.07	0.69	2.19	2.85
EPS including discontinued operations					
basic	5.21	1.06	0.66	2.20	2.87
diluted	5.15	1.05	0.65	2.19	2.85
Gross dividend	0.65	0.65	0.65	0.80	1.00
Net cash flow before financing, basic	6.22	1.69	2.30	(0.60)	2.72
Total assets of continued operations, end of period	26.82	26.95	25.13	30.93	33.53
Group shareholder's equity, end of period	12.40	11.50	11.68	13.36	15.06

REVENUES (EXCLUDING METAL)



REVENUES (EXCLUDING METAL) PER BUSINESS GROUP



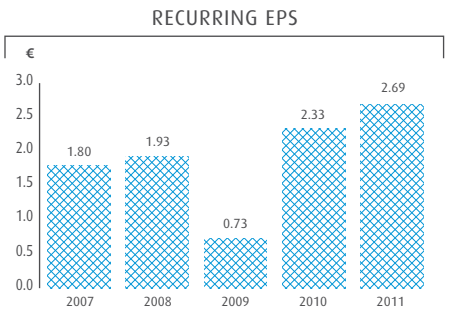
Non recurring results and IAS 39 effect included in the results

(EUR thousand)

	2010				2011			
	Total	Recurring	Non-recurring	IAS 39 effect	Total	Recurring	Non-recurring	IAS 39 effect
Turnover	9,691,109	9,689,798	1,311	0	14,480,939	14,480,939	0	0
Other operating income	55,107	55,013	2,745	(2,651)	56,902	52,107	4,256	539
Operating income	**9,746,216**	**9,744,811**	**4,056**	**(2,651)**	**14,537,841**	**14,533,046**	**4,256**	**539**
Raw materials and consumables used	(8,338,353)	(8,336,497)	(1,045)	(811)	(12,902,624)	(12,933,016)	0	30,392
Payroll and related benefits	(636,847)	(637,491)	644	0	(672,049)	(670,522)	(1,527)	0
Depreciation and impairment results	(125,696)	(121,421)	(3,705)	(570)	(165,264)	(143,410)	(15,287)	(6,567)
Other operating expenses	(343,314)	(337,325)	(3,915)	(2,074)	(402,863)	(393,877)	(2,733)	(6,253)
Operating expenses	**(9,444,210)**	**(9,432,734)**	**(8,021)**	**(3,455)**	**(14,142,799)**	**(14,140,824)**	**(19,548)**	**17,572**
Income from other financial investments	977	327	650	0	10,178	904	9,274	0
Result from operating activities	**302,983**	**312,404**	**(3,315)**	**(6,106)**	**405,220**	**393,127**	**(6,018)**	**18,112**
Net contribution from associates	21,022	30,133	(5,834)	(3,277)	27,436	22,939	7,040	(2,542)
EBIT	**324,005**	**342,537**	**(9,149)**	**(9,383)**	**432,656**	**416,065**	**1,022**	**15,570**
Finance cost	(16,675)	(18,390)	0	1,714	(22,437)	(29,839)	0	7,401
Income taxes	(54,211)	(56,106)	1,302	593	(76,006)	(72,386)	3,997	(7,617)
Net result	**253,119**	**268,042**	**(7,847)**	**(7,076)**	**334,212**	**313,841**	**5,019**	**15,354**
of which minority shares	4,392	4,593	(182)	(20)	9,262	9,275	(95)	83
of which group shares	248,727	263,449	(7,666)	(7,056)	324,950	304,565	5,114	15,271
Number of shares (basic)	113,001,404	113,001,404			113,304,188	113,304,188		
EPS, basic	**2.20**	**2.33**			**2.87**	**2.69**		

Non-recurring EBIT totalled EUR 1.0 million. Impairments related to the devaluation of permanently tied up metal inventories accounted for EUR 9.3 million. These impairments are non-cash in nature. Restructuring charges and provisions totalled EUR 7.5 million. The sale of the subscription rights from Umicore's stake in Nyrstar and movements in pension provisions had a positive impact of EUR 10.1 million and EUR 8.2 million respectively.

IAS 39 accounting rules had a positive effect on EBIT of EUR 15.6 million. The impact concerns timing differences imposed by IFRS that relate primarily to transactional metal and currency hedges. All IAS 39 impacts in the income statement are non-cash in nature.



Bridges from IFRS to non-IFRS performance indicators

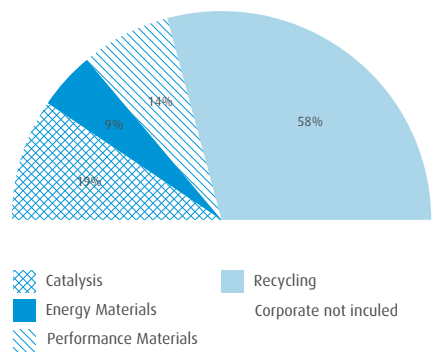
(EUR thousand)

2010	Note	Catalysis	Energy Materials	Performance Materials	Recycling	Corporate & Unallocated	Eliminations	Total
Recurring operating result	F7	72,931	38,214	52,051	195,469	(46,261)	0	312,404
Recurring contribution from associates and joint ventures	F7	4,779	5,718	23,159	0	(3,523)	0	30,133
Recurring EBIT		**77,710**	**43,932**	**75,210**	**195,469**	**(49,784)**	**0**	**342,537**
Non-recurring operating result	F7	(1,449)	(539)	2,265	(6,825)	3,233	0	(3,315)
Non-recurring contribution from associates and joint ventures	F7	0	0	(137)	0	(5,697)	0	(5,834)
Non-recurring EBIT		**(1,449)**	**(539)**	**2,128**	**(6,825)**	**(2,464)**	**0**	**(9,149)**
IAS 39 effect on operating result	F7	(2,898)	(317)	3,546	(6,437)	0	0	(6,106)
IAS 39 effect on contribution from associates and joint ventures	F7	(1,011)	0	(2,266)	0	0	0	(3,277)
IAS39 effect on EBIT		**(3,909)**	**(317)**	**1,280**	**(6,437)**	**0**	**0**	**(9,383)**
Operating result	F7	68,584	37,358	57,862	182,207	(43,028)	0	302,983
Contribution from associates and joint ventures	F7	3,768	5,718	20,756	0	(9,220)	0	21,022
EBIT		**72,352**	**43,076**	**78,618**	**182,207**	**(52,248)**	**0**	**324,005**
Depreciation and amortization	F7	26,938	23,518	26,044	41,202	8,465	0	126,167
Recurring EBITDA		**104,648**	**67,450**	**101,254**	**236,671**	**(41,319)**	**0**	**468,704**
EBITDA		**99,290**	**66,594**	**104,662**	**223,409**	**(43,783)**	**0**	**450,172**

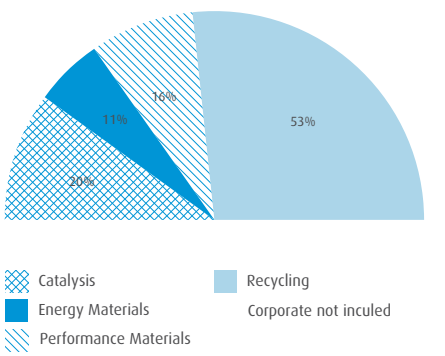
(EUR thousand)

2011	Note	Catalysis	Energy Materials	Performance Materials	Recycling	Corporate & Unallocated	Eliminations	Total
Recurring operating result	F7	83,709	34,716	53,587	267,170	(46,055)	0	393,127
Recurring contribution from associates and joint ventures	F7	5,743	6,331	13,367	0	(2,502)	0	22,939
Recurring EBIT		**89,452**	**41,047**	**66,954**	**267,170**	**(48,557)**	**0**	**416,066**
Non-recurring operating result	F7	(1,206)	(6,377)	(10,616)	1,286	10,895	0	(6,018)
Non-recurring contribution from associates and joint ventures	F7	(46)	0	7,086	0	0	0	7,040
Non-recurring EBIT		**(1,252)**	**(6,377)**	**(3,530)**	**1,286**	**10,895**	**0**	**1,022**
IAS 39 effect on operating result	F7	7,412	(515)	5,405	5,810	0	0	18,112
IAS 39 effect on contribution from associates and joint ventures	F7	1,154	0	(3,696)	0	0	0	(2,542)
IAS39 effect on EBIT		**8,566**	**(515)**	**1,709**	**5,810**	**0**	**0**	**15,570**
Operating result	F7	89,915	27,824	48,376	274,266	(35,160)	0	405,220
Contribution from associates and joint ventures	F7	6,851	6,331	16,757	0	(2,502)	0	27,436
EBIT		**96,766**	**34,155**	**65,133**	**274,266**	**(37,662)**	**0**	**432,656**
Depreciation and amortization	F7	29,958	26,617	26,842	43,538	10,096	0	137,051
Recurring EBITDA		**119,410**	**67,664**	**93,796**	**310,708**	**(38,461)**	**0**	**553,117**
EBITDA		**126,724**	**60,772**	**91,975**	**317,804**	**(27,566)**	**0**	**569,709**

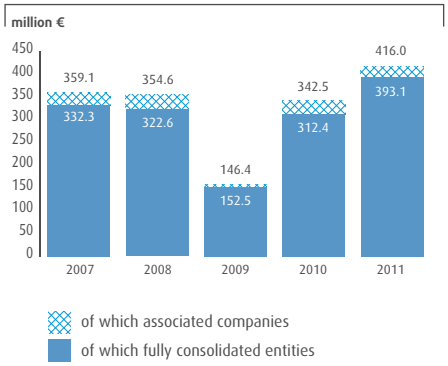
RECURRING EBIT PER BUSINESS GROUP



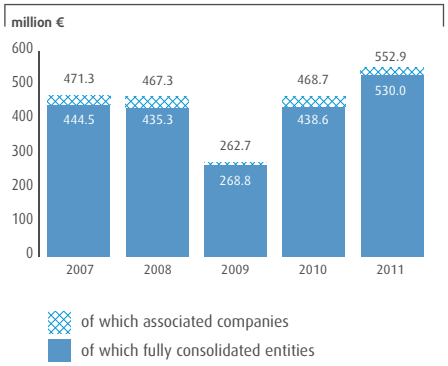
RECURRING EBITDA PER BUSINESS GROUP



RECURRING EBIT



RECURRING EBITDA



(EUR thousand)

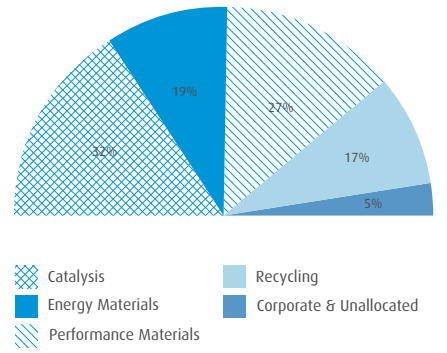
	Note	30/12/2010	30/06/2011	31/12/2011
Intangible assets	F13, F14	169,497	178,512	183,303
Property, plant and equipment	F15	804,510	813,921	864,336
Investments accounted for under the equity method	F16	197,758	193,126	218,923
Available-for-sale financial assets	F17	76,152	70,878	47,730
Inventories	F18	1,183,034	1,275,276	1,305,010
Non current receivable (excluding assets employee benefits)	F19	14,043	14,268	14,258
Adjusted current accounts receivable		801,074	895,941	843,455
Non-current trade and other payables	F24	6,333	6,051	15,084
Adjusted current accounts payable		949,066	1,050,271	1,127,830
Income tax receivable		20,363	16,546	17,067
Translation reserves	F22	(36,693)	(75,632)	(34,121)
Non-current provisions	F28, F29	116,110	119,725	113,434
Current provisions	F28, F29	50,246	38,303	47,099
Income tax payable		21,664	40,253	57,742
Capital employed		**2,159,705**	**2,279,497**	**2,167,018**
IAS 39 and eliminations		(22,084)	(11,137)	(1,805)
Capital employed as published		**2,181,789**	**2,290,634**	**2,168,823**

Current account receivable and payable included in 'Capital Employed' do no take into account margin calls and gains and losses booked on the mark-to-market of strategic hedging instruments.

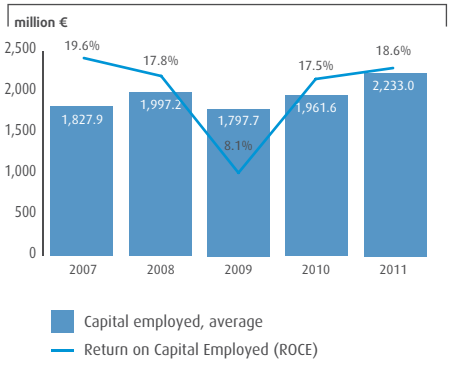
(EUR thousand)

	Catalysis	Energy Materials	Performance Materials	Recycling	Corporate & Unallocated	Total
Capital Employed 31/12/2010	640,291	390,119	612,518	421,017	117,843	2,181,788
Capital Employed 30/06/2011	733,164	436,614	615,471	394,851	110,535	2,290,635
Capital Employed 31/12/2011	768,242	457,434	571,967	321,426	49,754	2,168,823
Average Capital Employed HY1	686,728	413,367	613,995	407,934	114,189	2,236,212
Average Capital Employed HY2	750,703	447,024	593,719	358,139	80,145	2,229,729
Average Capital Employed FY	718,715	430,195	603,857	383,036	97,167	2,232,970
Recurring EBIT	89,452	41,047	66,954	267,170	(48,557)	416,066
ROCE	12.45%	9.54%	11.09%	69.75%	(49.97%)	18.63%

CAPITAL EMPLOYED, AVERAGE PER BUSINESS GROUP



CAPITAL EMPLOYED



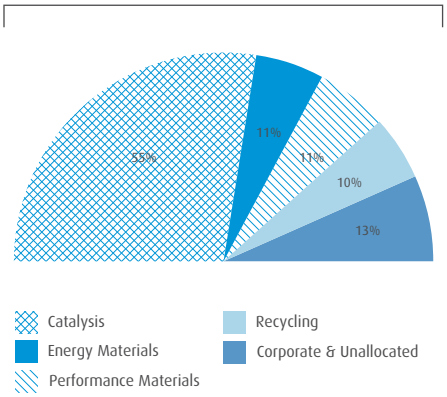
(EUR thousand)

	Note	Catalysis	Energy Materials	Performance Materials	Recycling	Corporate & Unallocated	Total 2010
R&D recognised in Other operating expenses	F8	61,220	11,795	9,585	9,608	17,234	109,442
R&D recognised in result of companies using the equity method		5,452		6,388		2,779	14,619
R&D capitalised as intangible assets	F13	13,244	1,274		732		15,250
Total R&D expenditure		**79,916**	**13,069**	**15,973**	**10,340**	**20,013**	**139,311**

(EUR thousand)

	Note	Catalysis	Energy Materials	Performance Materials	Recycling	Corporate & Unallocated	Total 2011
R&D recognised in Other operating expenses	F8	68,767	13,695	9,944	14,672	17,606	124,683
R&D recognised in result of companies using the equity method		5,838		7,440		2,383	15,661
R&D capitalised as intangible assets	F13	12,562	3,207		700		16,469
Total R&D expenditure		**87,167**	**16,902**	**17,384**	**15,372**	**19,989**	**156,813**

R&D EXPENDITURE PER BUSINESS GROUP



Total R&D expenditure was EUR 156.8 million, an increase of 13% over 2010 as research efforts were stepped up, in Energy Materials in particular. Capitalised development costs accounted for EUR 16.5 million. The figures for 2010 were restated according to the internationally recognised Frascati Manual definition. This impacted the Recycling R&D figures mostly.

Management responsibility statement

We hereby certify that, to the best of our knowledge, the Consolidated Financial Statements as of 31 December 2011, prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, and with legal requirements applicable in Belgium, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the undertakings included in the consolidation taken as a whole, and that the management report includes a fair review of the development and performance of the business and the position of the group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

22 March 2012,

Marc Grynberg
Chief Executive Officer

.

Environmental statements

Contents

Environmental key figures

	unit	notes	2007	2008	2009	2010	2011
Metal emission to water (load)	kg	E2	4,858	6,789	5,915	6,495	5,782
Metal emission to water (impact units)		E2	299,664	301,271	442,575	389,676	306,627
COD (chemical oxygen demand)	kg	E2	268,534	323,653	235,266	258,309	252,681
Metal emission to air (load)	kg	E2	14,532	16,152	10,579	11,453	12,681
Metal emission to air (impact units)		E2	367,526	243,801	213,279	181,937	128,714
SOx emissions	tonne	E2	810	561	408	468	511
NOx emissions	tonne	E2	534	415	369	426	412
CO_2e emissions (scope1+2)	tonne	E3	599,362	626,568	529,628	543,807	695,733
Energy consumption	terajoules	E4	7,637	7,843	7,284	7,597	7,807
Water consumption	thousand m3	E5	4,971	5,220	4,670	4,617	4,567
Product SD analysis	N°	E6	-	-	-	-	3
Total waste produced	tonne	E7	59,058	83,142	54,300	63,993	71,426
Hazardous waste	tonne	E7	27,578	54,405	34,555	38,533	43,588
of which recycled	%	E7	14.0	13.1	6.5	7.7	10.9
Non hazardous waste	tonne	E7	31,481	28,737	19,745	25,460	27,837
of which recycled	%	E7	65.8	70.8	62.3	59.8	64.9
Measurements exceeding limit	N°	E9	763	801	618	878	798
Compliance excess rate	%	E9	1.6	1.3	1.1	1.4	1.4
Sites ISO 14001 certified	%	E9	66	79	86	86	92
Sites in or closeby an area of high biodiversity value	N°	E10	-	-	8	8	11

Notes to the environmental key figures

E1 Scope of environmental statements

The environmental key figures include data from consolidated manufacturing sites where Umicore has operational control. One site (Attleboro, USA, Performance Materials) that started its production was added to this performance analysis bringing the total number of reporting sites for 2011 to 67 compared to 66 in 2010. The energy consumption data also include the two main office buildings in Brussels (Belgium) and Bagnolet (France).

Within the scope of Umicore's reporting framework, the majority of the sites report their environmental data at the end of the 3rd quarter together with a forecast for the 4th quarter. The four sites with the largest environmental impact for 2011: Hanau (Germany, Recycling, Catalysis & Performance Materials), Olen (Belgium, Energy Materials & Group R&D), Hoboken (Belgium, Recycling, Group P&T) and Changsha (China, Performance Materials) report their full-year figures. A sensitivity analysis undertaken for the 2011 data on metals emissions and energy consumption indicate that the potential deviation of the Group environmental performance would be less than 4% in case of a 20% error in the forecasted data.

More details on Umicore's management approach are available on www.umicore.com/sustainability/environment/

E2 Emissions to water and air

It is Umicore's objective to decrease the impact of metal emissions to air and water by 20% at Group level compared to 2009 levels.

Metal emissions to water is defined as the total volume of metals emitted to surface water after treatment at the site's emission point(s) expressed in kg/year. If the site makes use of an external waste water treatment plant, the efficiency of that treatment is taken into account if known to the site.

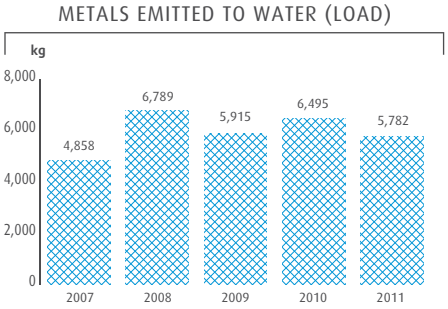
Metal emissions to air is defined as the total volume of metals emitted to air in solid fraction by all point sources expressed in kg/year. For mercury and arsenic, additional vapor/fumes fractions are counted as well.

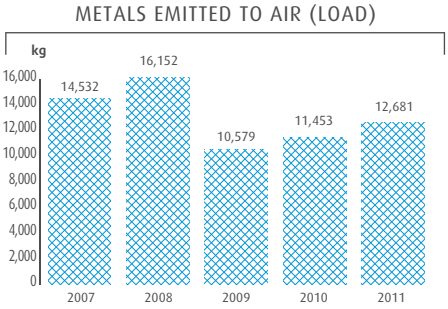
For each of the metals emitted to water and air, an impact factor is applied to account for the different toxicity and ecotoxicity levels of the various metals when emitted to the environment. The higher the impact factor, the higher the toxicity is to the receiving water body (for water emissions) or to human health (for air emissions).

The impact factors for water emissions are based upon scientific data generated ('predicted no effect concentrations' or PNEC's) for the REACH regulation. An impact factor of 1 was attributed to the antimony PNEC of 113 µg/l. The impact factors for emissions to air are based upon the occupational exposure limits (OEL) (reference: American Conference of Industrial and Governmental Hygienists, 2011). An impact factor of 1 was attributed to the zinc (oxide) OEL of 2 mg/m^3. Subsequently, an impact factor for all relevant metals was calculated based upon these references.

The metal impact to air and water is expressed as 'impact units/year'. Metal emission data are not normalized for activity level.

SO_x and NO_x emissions are expressed in tonnes/year.





Metal emissions to water

Metals emissions to water for the Group decreased from 6,495 kg in 2010 to 5,782 kg in 2011, a comparable level to 2009. In terms of metal impact, this corresponds to a 21% reduction compared to 2010 and about 31% compared to the reference year 2009.

Despite a slight increase in 2011, the metal emissions to water from the business group Catalysis are not material compared to the overall Group emissions.

The metal emissions to water from business group Energy Materials remained at the same level compared to 2010 but saw a reduction of about 32% compared to 2009. This was mainly due to lower reported cobalt, copper, nickel and to a lesser extent silver emissions at the site in Olen. However, since cobalt and silver have a relatively high impact factor, the total impact of metal emissions to water dropped by 63% compared to the benchmark year 2009.

The business group Performance Materials decreased its metal emissions to water from 2,174 kg in 2010 to 1,683 kg in 2011, a reduction of 23%. The reduction compared to 2009 was 5%. The metal emission impact to water decreased by 16% compared to 2009.

Metal emissions to water in the Recycling business group decreased by some 7% from 3,351 kg in 2010 to 3,107 kg in 2011 corresponding to a impact reduction of 27%. However, compared to the reference year 2009, impact levels increased by 7% from 184,097 impact units in 2009 to 197,700 impact units in 2011. This was mainly caused by higher selenium, thallium and cadmium water emissions at the Hoboken site while silver emissions were reduced.

Metal emissions to air

The total load of metal emissions to air for the Group increased to 12,681 kg from 11,453 kg in 2010 and 10,579 kg in 2009. Despite this increase in total load, the metal to air emission impact decreased from 213,279 impact units in 2009 to 128,714 impact units in 2011, a reduction of about 40%. This was mainly due to a reduction of some metals with significant impact factors such as cadmium and cobalt.

The metal emissions from the business group Catalysis decreased from 121 kg in 2010 to 60 kg in 2011. This was mainly due to reduced nickel air emissions.

In 2011, the business group Energy Materials reported a total load of metal emissions to air of 1,178 kg, an increase of almost 32% compared to 2009 and 60% compared to 2010. This increase is mainly attributed to higher production volumes. Despite this increase in air emission load, the corresponding metal impact decreased by 43% from 66,490 impact units in the reference year 2009 to 37,720 impact units in 2011. This significant reduction has been achieved mainly due to reduced cobalt air emissions at the Cheonan (Korea, Energy Materials) site through the introduction of a new bag filter type.

Due to increasing production volumes, the total load of metal emissions to air in the business group Performance Materials rose from 7,741 kg in 2009 to 8,781 kg in 2010 and 9,043 kg in 2011. Nontheless, the business group noted a significant 57% decrease of its impact levels compared to 2009 due to almost eliminated cadmium air emissions at its Glens Falls (USA, Performance Materials) site.

The business group Recycling saw an increase in metal to air emissions from 1,813 kg in 2010 to 2,400 kg in 2011. This increase is mainly due to higher emission loads of antimony and lead at the Hoboken site and increased zinc emissions at the Bangkok (Thailand, Recycling) site. Arsenic emissions at the Hoboken site were 57% lower than 2009 levels. This is also the key reason why the impact of metal emissions to air reduced by 31% compared to the benchmark year 2009.

2011 business group data

	unit	Catalysis	Energy Materials	Performance Materials	Recycling	Umicore Group
COD (chemical oxygen demand)	kg	16,355	73,734	8,353	154,240	252,681
SOx emissions	tonne	2	3	139	367	511
NOx emissions	tonne	89	92	115	117	412

The total 'chemical oxygen demand' (COD) emissions were 252,681 kg a slight decrease compared to 258,309 kg in 2010. Total SO_x emissions were 511 tonnes compared to 468 tonnes in 2010. NO_x emissions decreased from 426 tonnes in 2010 to 412 tonnes in 2011.

E3 Greenhouse gases

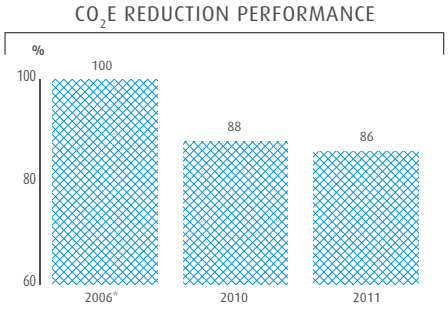
Vision 2015

We have chosen to pursue specific actions to reduce our carbon footprint and to further increase our energy efficiency. In order to frame this approach we introduced an energy efficiency and carbon footprint policy in 2011. The main pillar of this policy is our group objective to achieve by 2015 a 20% reduction in our CO_2 equivalent emissions compared to the reference year 2006 and using the same scope of activities as 2006.

Group data - in the context of CO_2e emissions objective

	unit	baseline 2006 in relation to 2011	2010	2011
CO_2e emissions (scope1+2, objective)	tonne	740,886	597,226(1)	635,136

(1) Baseline 2006 in relation to 2010 was 677,542, leading to a reduction of 12% in 2010 in comparison to 2006.



Definition of the CO_2e emissions in the context of the CO_2 reduction objective:

The CO_2 equivalent (CO_2e) emissions are defined as the scope 1 emissions of CO_2e including the major process emissions (but limited to CO_2, CH_4 and N_2O) and scope 2 emissions of CO_2. A limited number of adjustments that are allowed to be reported as optional information under the Greenhouse Gas Protocol have been taken into account (eg: the exclusion of steam sold to third parties). This metric is abbreviated as: CO_2e (scope1+2, objective).

In order to calculate the emission reduction in the context of our Vision 2015 objective, a 2006 baseline has been established for each site by multiplying the actual activity level of the reporting year (i.e. 2011) by the 2006 CO_2e emission intensity (see example). The group baseline 2006 is then calculated by adding all site-level baselines. Examples of activity parameters at sites are: tonnes produced per year, machine hours per year, tonnes of input material in recycling process per year.

Example:

In 2006 site A produced 1,000 tonnes of metal X and emitted 100 tonnes of CO_2e = intensity of 0.1 tonnes CO_2e / tonne of metal X

In 2011 site A produced 1,100 tonnes of metal X and emitted 100 tonnes of CO_2e =intensity of 0.09 tonnes CO_2e / tonne of metal X

The 2006 baseline reported in 2011 is: activity level of 2011 (1,100 tonnes) x 2006 intensity of 0.1 tonne CO_2e / tonne = 110 tonnes CO_2e.

Therefore the measured 100 tonnes emitted in 2011 represents a reduction of 9% compared to what it would have been under 2006 operating conditions.

The baseline 2006 is re-calculated yearly. It is defined as the CO_2e emissions that would have been expected with the activity volumes of the reporting year (i.e. 2011) but with the CO_2e intensity of the reference year 2006.The performance for each year is expressed as a percentage in comparison to the calculated 2006 group baseline applicable to each year.

The calculation of this objective covers fully consolidated operations and activities that are part of the Group on 31 December of each reporting year (between 2011 and 2015) and that were also part of the Group on 31 December 2010. Performance is reported at Group level.

CO_2e emissions objective

CO_2e emissions in 2011 using the objective scope were 635.136 tonnes. CO_2e emissions in 2006 using the objective scope were 673.801 tonnes. For the purpose of assessing progress on our objective this CO_2e emission level normalized for 2011 activity was 740,886 tonnes. By the end of 2011 we have therefore achieved a 14% reduction compared to our 2006 benchmark year. This means that for equivalent production levels in 2011 compared to 2006 we emitted 14% less in carbon equivalent.

Our strong progress towards our objective is partly the result of specific energy efficiency initiatives in the years 2006-2010 – particularly in the Hoboken and Olen sites. The most significant part of the reduction is, however, attributable to a changing energy mix – with more electricity, for example, being obtained from lower carbon sources. The type of residues processed by the Recycling business group also played a role; higher volumes of materials are now received that require less energy to process.

Our focus in the coming years will be to continue to develop our understanding of the various factors that contribute to our CO_2e emissions. We will seek to ensure not only the sustainability of the 14% reductions that we have already achieved compared to 2006 but also that we can meet the considerable challenge of achieving further reductions towards our target. In this context an assessment programme was launched to cover the 25 sites with the highest contribution to our CO_2 emissions to identify further energy efficiency and CO_2 reduction opportunities.

Group data - absolute CO_2e emissions

	unit	2007	2008	2009	2010	2011
Absolute CO_2e emissions (scope1+2)	tonne	599,362	626,568	529,628	543,262	695,733

Business group data - absolute CO_2e emissions

		Catalysis			Energy Materials			Performance Materials		
	unit	2009	2010	2011	2009	2010	2011	2009	2010	2011
Absolute CO_2e emissions (scope1+2)	tonne	69,921	78,816	82,308	139,649	142,731	174,529	111,637	139,695	156,876

		Recycling			Umicore Group		
	unit	2009	2010	2011	2009	2010	2011
Absolute CO_2e emissions (scope1+2)	tonne	207,918	182,020	281,499	529,125	543,262	695,733

Definition of Absolute CO_2e emissions (scope1+2) in the context of GHG reporting scope 1+2:

The absolute CO_2e emission volumes are communicated at Group and at business group level. The CO_2e emissions are calculated using the Greenhouse Gas Protocol definition and reporting methodology (WBCSD and WRI, revised edition 2004) for scope 1 and 2. Scope 2 for Umicore includes not only purchased electricity but also steam and compressed air purchased from third parties (eg. from industrial parks). CO_2e includes the greenhouse gases CO_2, N_2O and CH_4 for scope 1 and major process emissions. Other greenhouse gases are not relevant in Umicore's operations. The scope 2 emissions take only CO_2 into account.

Absolute CO_2e emissions

The absolute greenhouse gas reporting figures of 2011 cannot be compared with the previous years under this definition.

The 2011 reporting has been adapted to a strict implementation of the GHG protocol revised version of 2004. Process emissions have been reported in 2011 and the average grid CO_2 factor for electricity has been used as the standard emission factor in cases where in the past "green electricity" had been reported with CO_2 emission factor of 0 tonne CO_2/MWh.

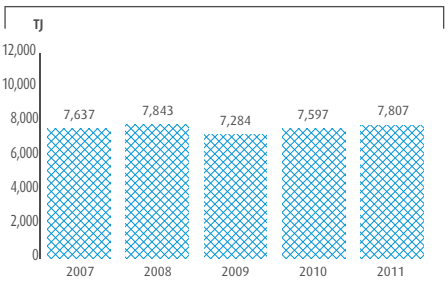
Other minor corrections have been implemented in the 2011 reporting with the aim to establish a clear and stable CO_2e reporting. We have invested in resources to establish clear guidelines to the sites for a common interpretation and implementation of the reporting rules. These changes to the reporting have been imposed with the aim to guarantee a long standing accurate and reproducible CO_2e reporting as a basis for the quantitative CO_2e reduction objective. The drawback of this decision is a discontinuity in the reported figures between 2011 and the previous years in the absolute values of CO_2e (scope1+2).

E4 Energy

2011 business group data

	unit	Catalysis	Energy Materials	Performance Materials	Recycling	Umicore Group
Energy consumption	terajoules	776	2,509	1,949	2,573	7,807

ENERGY CONSUMPTION



The increase in energy consumption between 2010 and 2011 is only 3% while the increase in revenues is 15%. In nearly all activities of the group a better use of capacity results in higher energy efficiency.

On top of this, energy efficiency projects have been implemented in the most important sites in line with the sustainable development objective of the period 2006-2010. Such projects have also contributed to a limited rise in energy consumption compared to the rise in revenues and activity.

The most important energy efficiency projects have been carried out in the Hoboken and Olen sites under the Flemish Energy Efficiency Benchmarking Covenant to which these sites have signed in at the end of 2003. The type of residues processed by the Recycling business group also played a role; higher volumes of materials are now received that require less energy to process.

Indirect energy consumption by primary energy source (purchased electricity, steam and compressed air) for production sites and office buildings was 3,044 terajoules. Direct energy consumption by primary energy source (fuel, gas oil, natural gas, LPG, coals and cokes) was 4,773 terajoules.

At business group level similar patterns are visible as at Umicore group level: growth in activity compared to the previous year accompanied by a limited growth in energy consumption.

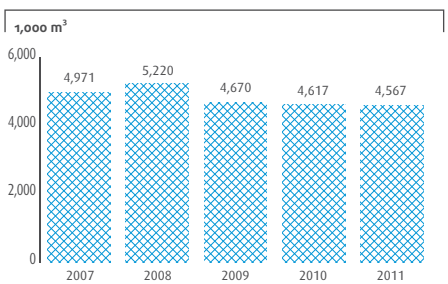
The energy consumption in the reporting year 2011 in Catalysis is minus 1%, in Energy Materials minus 3.5%, in Performance materials up 10% and in Recycling up 6% compared to 2010.

E5 Water consumption

2011 business group data

	unit	Catalysis	Energy Materials	Performance Materials	Recycling	Umicore Group
Water consumption	thousand m^3	424	1,748	763	1,633	4,567

WATER CONSUMPTION



The water consumption is defined as the total volume of water expressed in thousand m^3/year from domestic water supply, groundwater wells, surface water and rainwater. Groundwater extraction for remediation purposes and cooling water returned to its original water body are not counted.

The total water consumption for the Group was at about the same level compared to the two previous years. In 2011, it was 4,567 thousand m^3 compared to a similar consumption of 4,617 thousand m^3 in 2010. For the different business groups, no significant trends could be noted.

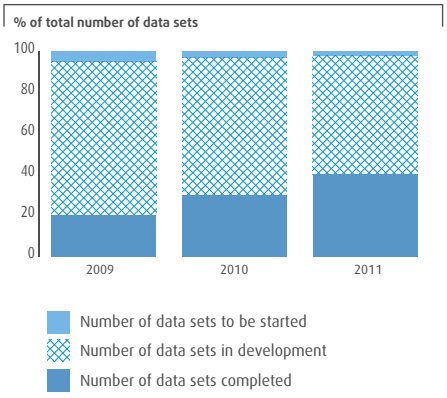
E6 Product and materials

Vision 2015

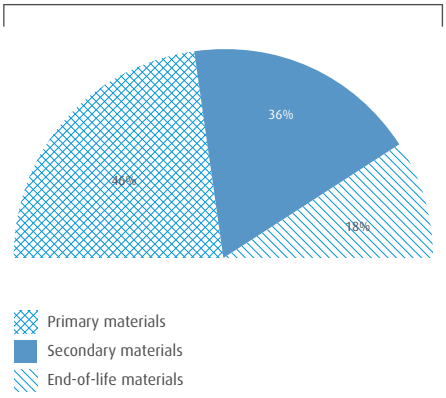
Group data

	unit	2007	2008	2009	2010	2011
Product SD analysis	N°	-	-	-	-	3

ADDITIONAL PRODUCT DATA SETS



INPUT MATERIALS UMICORE



Over the last two years, Group R&D and Corporate EHS have been developing a methodology specific to Umicore for assessing the sustainability of its products and services. This methodology is called Assessment of Product (and services) Sustainability (APS). The methodology uses a tool consisting of 58 preformatted questions and answers with scoring and weighting factors and organized around eight themes. During 2011 a dedicated team of R&D, EHS and business unit experts ran three pilot assessments to establish the workability of APS. The business units involved in these pilot assessments are Zinc Chemicals, Electro-Optic Materials and Jewellery & Industrial Metals.

Our aim is to test six products or services each year between 2012 and 2015 with each business unit submitting two products to the study. This will provide us with a sustainability profile for a representative portion of our activities.

During the period 2006-2010, Umicore had formulated an objective to develop a set of toxicological, ecotoxicological and physico-chemical data required for basic hazard communication such as safety data sheets. However, the implementation of this objective has been substantially influenced by the timelines for registration of substances under the REACH regulation, the timing of the many consortia and the information availability from suppliers. Therefore, further actions were required during 2011 to reach the set target.

956 datasets are required for substances falling within the scope of this objective. At the end of 2011, for 40 % of these substances, a complete data set was available. Datasets were actively being developed for 58% of the substances while for 2% of the substances it has not yet been possible to start the active development of missing data. Further progress will be reported in the next annual report(s) until completion of this objective.

At the end of 2011, a total of 3,650 products have been integrated in IPDS, Umicore's Integrated Product Data System resulting in some 277,000 Safety Data Sets, covering 110 countries and 41 languages.

Resource efficiency

Primary raw materials: are those materials that have a direct relation to their first lifetime hereby excluding streams of by-products.

Secondary raw materials: are by-products of primary materials streams.

End-of-life materials: are those materials that have ended at least a first life cycle and will be re-processed through recycling leading to a 2nd, 3rd...life of the substance.

Incoming materials: are regarded as primary by default if their origin is unknown. The collected data are expressed in terms of total tonnage of incoming material.

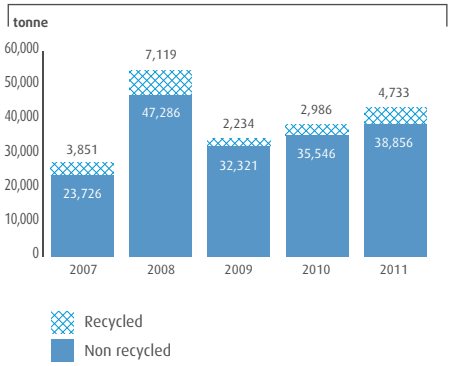
In 2011, 46% of Umicore's incoming materials were of primary origin. 54% of the materials were from recycling or secondary origin. These levels are comparable to 2010.

E7 Waste

2011 business group data

	unit	Catalysis	Energy Materials	Performance Materials	Recycling	Umicore Group
Total waste produced	tonne	3,366	25,112	16,158	26,790	71,426
Hazardous waste	tonne	1,396	16,594	5,271	20,327	43,588
of which recycled	%	40.21	5.63	43.63	4.61	10.86
Non hazardous waste	tonne	1,971	8,518	10,887	6,462	27,837
of which recycled	%	37.34	21.72	89.47	88.87	64.91

HAZARDOUS WASTE PRODUCED



Waste is defined as the total volume of generated waste expressed in tonnes/year.

The waste recycling rate is the ratio of the waste recovered by third parties (including waste recovered as energy through incineration) and the total waste.

The distinction between hazardous and non-hazardous waste is made on the basis of the local regulation for the region where the reporting entity is located.

In 2011, a total of 71,426 tonnes of waste was generated compared to 63,993 tonnes in 2010, an increase of 12%. The total volume of hazardous waste rose from 38,532 tonnes in 2010 to 43,589 tonnes in 2011, an increase of 13%. This increase in mainly due to a higher hazardous waste volume in the business group Recycling, with increased volumes of poor waste water, treatment cakes and filter bags. Contrary to the Group trend, the hazardous waste volumes for the business group Energy Materials decreased from 17,207 tonnes in 2010 to 16,594 tonnes in 2011 as a result of a decreased volume of metal-containing slags and thallium-containing sludge at the site in Olen. The recycling rate of hazardous waste increased from 7.7% in 2010 to about 10.9% in 2011.

The total volume of non-hazardous waste increased from 25,460 tonnes in 2010 to 27,837 tonnes in 2011. A total of 65% of non-hazardous waste was recycled in 2011 compared to 59% in 2010.

E8 Historical pollution

Umicore's programme for assessing and remediating, where necessary, soil and groundwater contamination has made significant progress in the last few years. The following section illustrates the main ongoing programmes and the progress made during 2011.

Belgium

Background: On 23 April 2004, Umicore signed a covenant with the regional waste authorities (OVAM) and the Regional Minister of the Environment in the Flemish Region of Belgium by which Umicore committed to spend € 62 million over 15 years to remediate the historical pollution at four sites, of which two - Balen and Overpelt - now belong to Nyrstar, a business divested by Umicore in 2007.

In Hoboken, as part of the groundwater containment actions, a drain of 100m was laid down alongside the river Schelde. A further 200m section will be installed in 2012.

In Olen, the on-site groundwater remediation programme continued in 2011. The need for further excavation works was identified following the demolition of an old building which stood on contaminated soil. Together with the authorities (FANC and NIRAS/ONDRAF) Umicore is working on a vision document that would lay down the fundamentals for the development, approval and implemetation of a general Waste Management Plan for radium-bearing waste stored at the plant.

Umicore continued with other actions as part of the Covenant including the excavation of zinc ashes from all private driveways in the entire 9km perimeter covered by the covenant., The work is expected to be completed in 2013 with excavated material being stored safely at the Nyrstar plant in Balen.

France

In Viviez (France, Performance Materials), Umicore started the large-scale remediation programme that will be executed between 2011 and 2015. The project consists mainly of removing, rendering inert and restoring safely more than one million cubic metres of contaminated soil and waste. By the end of 2011, following completion of the project infrastructure (eg. neutralisation unit and conveyor belt) 125,000 m³ of contaminated soil and waste had been removed and treated. The project was visited by several groups in 2011 including local residents and the media.

Germany

Umicore and its predecessor companies can look back on a long history of mining in Germany. While the last active mine near Cologne ceased its operations in 1978, a number of underground mining concessions remain in Umicore's possession to this day. Since 2009 they have been managed by Umicore Mining Heritage GmbH & Co. KG.

During 2011, a major project was completed with the reinforcement of a former flotation tailings pond at Friedrichssegen near Koblenz. The project included successful slope stabilisation of a steep dam and deposition of clean topsoil to minimise risk to bypassers and to ensure a good vegetation cover. It was carried out with the approval and support of the local and regional authorities.

USA

Umicore continued to treat drainage water at a former mining site in Colorado (USA). Umicore is reviewing alternative technologies aimed at decreasing the metal concentration in the discharge and thus decreasing the volume of solid waste material produced

Brazil

During the environmental risk assessment, which is performed on each of Umicore's industrial sites, groundwater pollution had been detected in Guarulhos (Brazil, Recycling, Catalysis & Performance Materials). This historical pollution dates from before 2003, when Umicore purchased these operations. Umicore initiated immediate measures to stop the spreading of this contamination to the neighbouring areas. To that purpose, a hydraulic barrier to capture the contaminated groundwater has been installed and put into operation in 2011. Further investigations are progressing to address the overall groundwater pollution in a cost-effective way.

South Africa

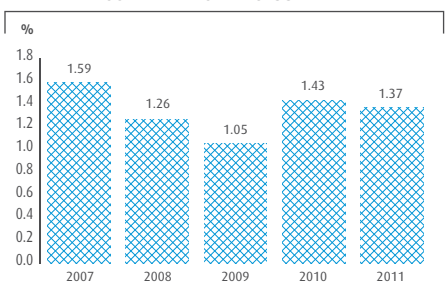
Umicore closed its cobalt facility in Roodepoort in 2005. While preliminary waste removal actions were already undertaken in 2007, demolition of the plant and voluntary soil remediation were completed in 2011. The land is now ready to be re-used.

E9 Regulatory compliance and management system

2011 business group data

	unit	Catalysis	Energy Materials	Performance Materials	Recycling	Umicore Group
Measurements exceeding limit	N°	78	19	677	24	798
Compliance excess rate	%	0.33	0.22	3.77	0.31	1.37

COMPLIANCE EXCESS RATE



The compliance excess rate is the ratio between the total number of excess results and the total number of compliance measurements. An excess result is a monitoring result that violates a limit value defined in a permit, regulation or other relevant regulatory standard.

The total number of measurements is the total number of environmental impact measurements as required by the operational permit, environmental permit or comparable standard in the region the reporting entity is operating. The total number means the number of measurements times the number of parameters per measurement.

In 2011, around 58,500 environmental measurements were carried out at all of Umicore's industrial sites compared to some 61,500 the year before. These measurements are undertaken to verify environmental compliance with applicable regulatory requirements, permits and/or local standards. They typically include waste water sampling and ambient air monitoring as well as environmental noise measurements. The number of measurements that did not meet the regulatory or permit requirements was 1.37% compared to 1.43% in 2010. No significant trends could be observed for the different business groups.

Six out of the 67 manufacturing sites are exempt from implementing a certified environmental management system. This is based on a strict procedure that confirms that the sites in question have no significant environmental impacts and would therefore not benefit substantially from installing such a system. Of the 61 remaining industrial sites, 56 have put in place an environmental management system certified against ISO 14001. The remaining 5 sites are planning the implementation of an environmental management system in 2012. All major sites with significant environmental impacts have been certified against the ISO 14001 management system for many years.

E10 Biodiversity

Group data

	unit	2007	2008	2009	2010	2011
Sites in or closeby an area of high biodiversity value	N°	-	-	9	9	11

The biodiversity indicator reports the number of sites operating in or adjacent to an area of high biodiversity value as defined by regional, national authorities or international conventions.

The company believes that its current activities have little adverse impact on the biodiversity of the environment in which its sites are operating. The historical contamination caused by past activities is dealt with through specific soil and groundwater remediation projects (see note E8).

Eleven sites reported that they are operating close to a classified biodiversity sensitive area.

Umicore's policy includes performing a detailed environmental impact assessment as part of all major investments, acquisitions and transfers of land.

Social statements

Contents

Social key figures

	unit	notes	2007	2008	2009	2010	2011
Total workforce (incl. associates)	N°	S2	14,844	15,450	13,728	14,386	14,572
Temporary contracts	% of total workforce (fully consolidated)	S2	-	4.60	3.83	4.01	4.77
Average training hours per employee	hours/employee	S3	52.84	51.21	44.05	43.30	51.94
Employees having a yearly appraisal	% of total workforce (fully consolidated)	S3	-	-	-	-	87.16
Voluntary leavers - ratio	% of total workforce (fully consolidated)	S4	3.40	3.56	2.59	3.78	3.84
Employees working in a site that has received an external recognition as preferred employer	% of total workforce (fully consolidated)	S4	-	-	-	-	52.64
Total donations	€ thousand	S5	202.30	1,451.46	1,106.48	1,009.38	1,751.02
Sites having an external communications plan	% sites	S5	-	-	-	-	62.69
Employees represented by union or Collective Labour Agreement (CLA)	% of total workforce (fully consolidated)	S6	-	67.81	71.15	68.92	69.81
Employees (1) having received a training on sustainable development and procurement	% of employees (1)	S8	-	-	-	-	36
Sickness rate	%	S9	2.79	2.71	2.64	2.86	3.03
Exposure ratio 'all biomarkers aggregated' (2)	%	S10	-	-	-	-	5.1
Number of occupational linked diseases	N°	S10	-	-	-	-	22
People with platinum sensitisation	N°	S10	-	-	-	-	4
Fatal accidents	N°	S11	1	0	0	0	0
Lost Time Accidents (LTA)	N°	S11	79	87	48	56	60
Lost Time Accidents (LTA) for sub-contractors	N°	S11	-	40	26	20	17
LTA frequency rate	LTA/million hours worked	S11	5.3	5.3	3.1	3.5	3.6
LTA severity rate	lost days/thousand hours worked	S11	0.13	0.17	0.08	0.13	0.11

(1) from those employees which are involved in the procurement process and/or those who have a specific sustainable development responsibility
(2) Exposure ratio: Ratio between the number of employees with a biological monitoring result exceeding the Umicore target value, defined for relevant hazardous substances, and the total number of employees exposed

Notes to the social key figures

S1 Scope of social statements

In total, 99 consolidated sites are included in the social reporting. Two sites started their social reporting in 2011 (Kobe, Japan, Energy Materials & Yokohama, Japan, Performance Materials). The Cranston site (USA, Performance Materials) closed in 2011, the employees and activities being transferred to the site of Attleboro (USA, Performance Materials). Although not reported as an active site at year-end, Cranston did report data during the year that is included in the relevant social indicators.

32 small sites (sites with less than 20 employees) were exempted from reporting on the gender and employee category split concerning training hours and also on the status of the improvement plan for being considered a preferred employer or on the objective regarding stakeholder engagement.

The sites report full year data for the social indicators. Data linked to the progress towards the social objectives are reported in the third quarter with actions planned for the fourth quarter also indicated in this reporting.

The indicators presented are based on data from fully consolidated companies unless indicated otherwise. A note underneath the relevant table or chart has been provided to highlight indicators that have been added for the first time in 2011 – these are mainly linked to the reporting scope of the Vision 2015 strategy. Categories of indicators that are specifically relevant to Vision 2015 are marked with a "Vision 2015" next to the title for easy reference. More information on the progress towards these objectives can be found in the management discussion between pages 10 and 23 and in the business group review between pages 24 and 49 of this report. Additional information on Umicore's social management approach can be found on our website: www.umicore.com/sustainability/social/

S2 Workforce

Group data

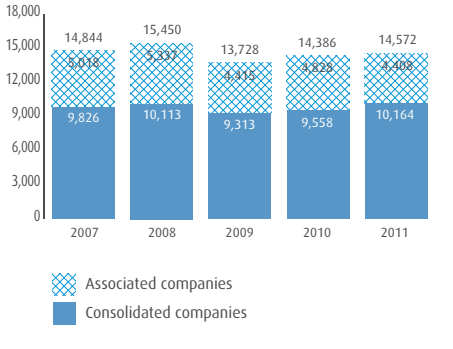
	unit	2007	2008	2009	2010	2011
Total workforce (incl. associates)	N°	14,844	15,450	13,728	14,386	14,572
Workforce from fully consolidated companies	N°	9,826	10,113	9,313	9,558	10,164
Workforce from associated companies	N°	5,018	5,337	4,415	4,828	4,408
Employees men	N°	7,578	7,866	7,353	7,546	7,972
Employees women	N°	2,248	2,247	1,960	2,012	2,192
Employees full time	N°	-	-	-	-	9,494
Employees part time	N°	-	-	-	-	670
Employees <25 years	N°	-	-	-	-	718
Employees between 25 and 35 years	N°	-	-	-	-	2,796
Employees between 36 and 45 years	N°	-	-	-	-	2,749
Employees between 46 and 55 years	N°	-	-	-	-	2,951
Employees > 55 years	N°	-	-	-	-	950
Temporary contracts	% of workforce (fully consolidated)	-	4.60	3.83	4.01	4.77

Total workforce: Number of employees on Umicore payroll at the end of the period in fully consolidated companies and associated companies. The number includes part-time and temporary employees but excludes employees with a dormant contract, employees on long term illness and sub-contracted employees.

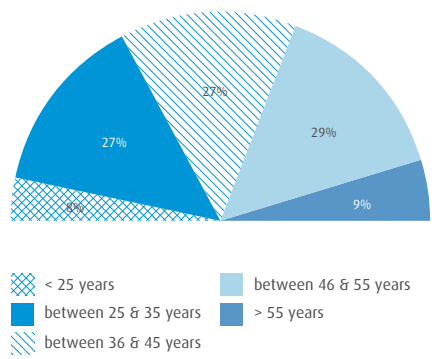
Temporary contract: Umicore employees with a temporary contract, included in the workforce of fully consolidated companies

Part time: Employees working a reduced number of shifts, working days or working hours due to voluntary work time reduction.

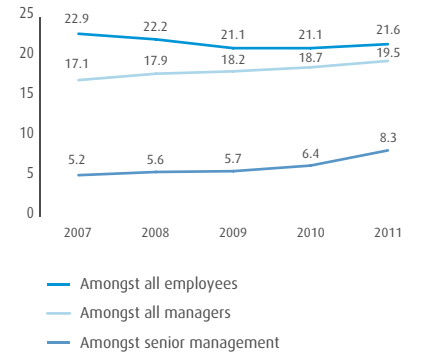
TOTAL WORKFORCE



WORKFORCE – AGE SPLIT



WOMEN REPRESENTATION PER EMPLOYEE CATEGORY



2011 Regional data

	unit	Europe	North America	South America	Asia-Pacific	Africa	Umicore Group
Total workforce	N°	7,635	866	1,195	3,251	1,625	14,572
Workforce from fully consolidated companies	N°	6,693	842	710	1,528	391	10,164
Workforce from associated companies	N°	942	24	485	1,723	1,234	4,408
Employees men	N°	5,400	672	527	1,127	246	7,972
Employees women	N°	1,293	170	183	401	145	2,192
Employees full time	N°	6,051	828	710	1,514	391	9,494
Employees part time	N°	642	14	0	14	0	670
Temporary contracts	% of workforce (fully consolidated)	5.54	0.83	1.41	1.64	18.41	4.77

2011 business group data

	unit	Catalysis	Energy Materials	Performance Materials	Recycling	Corporate	Umicore Group
Total workforce	N°	2,182	3,033	5,845	2,329	1,183	14,572
Workforce from fully consolidated companies	N°	1,943	1,827	2,930	2,329	1,135	10,164
Workforce from associated companies	N°	239	1,206	2,915	0	48	4,408
Employees men	N°	1,501	1,551	2,299	1,928	693	7,972
Employees women	N°	442	276	631	401	442	2,192
Employees full time	N°	1,860	1,703	2,764	2,159	1,008	9,494
Employees part time	N°	83	124	166	170	127	670
Temporary contracts	% of workforce (fully consolidated)	8.65	3.72	3.72	4.59	2.91	4.77

Total workforce

The total workforce grew by 186 employees to a total of 14,572. For the fully consolidated companies, workforce increased by 606 people. This growth comes mostly from the business groups Catalysis (247), Recycling (161) and Energy Materials (106). Amongst the associated companies there was a decrease of 420 employees, mainly coming from reductions in Element Six Abrasives.

Gender split

The current percentage of women is 22% as a proportion of the workforce of fully consolidated companies and it has remained in a narrow range of between 21% and 23% during the last five years. Women are more represented in administrative and commercial functions, compared to functions in the industrial operations. There are significant regional variations with Europe and North America having a lower percentage of women employees compared to rest of the world.

Temporary contracts

Temporary contracts as a percentage of the workforce of fully consolidated companies reached a five-year high of 4.77% in 2011. This rise in temporary contracts was mainly triggered by a conversion of external contracts (outsourcing) to Umicore temporary contracts in the operations in South Africa, resulting in a regional percentage of slightly over 18%.

Gender split - senior managers

While the total percentage of women employees has remained rather stable (see above), the percentage of women managers has shown a steady increase from 17% in 2007 to 20% in 2011. Starting from a much lower level, a similar trend can be observed for women in senior management positions: from 5% in 2007 to 8% in 2011.

General overview of sites and employees

	Productions sites	Other sites	Employees
Europe			
Austria	1		137
Belgium	8 (1)	1	3,170 (65)
Czech Republic		1	5
Denmark		1	14
France	5	2	790
Germany	8 (2)	3 (2)	2,391 (378)
Hungary		1	6
Ireland	1 (1)		244 (244)
Italy	1	3 (1)	80 (10)
Liechtenstein	1		130
Luxemburg		2 (1)	11 (2)
Netherlands	2		137
Norway	1		55
Poland		1	11
Portugal	1		29
Russia		1	7
Slovakia	1		40
Spain		2 (1)	18 (4)
Sweden	2 (1)	1	193 (155)
Switzerland	1	3 (1)	37 (4)
United Kingdom	1	6 (3)	130 (80)
Asia-Pacific			
Australia	1	2	60
China	11 (4)	7 (2)	2,346 (1,466)
India	2	2 (1)	73 (6)
Japan	4 (1)	2 (1)	184 (95)
Malaysia	1		59
Philippines	1		85
South Korea	2 (1)	1	329 (155)
Taiwan	1	2 (1)	26 (1)
Thailand	1	1	89
North America			
Canada	3		217
United States	8	5 (2)	649 (24)
South America			
Argentina	1		45
Brazil	3	1 (1)	670 (5)
Peru	1 (1)		480 (480)
Africa			
South Africa	3 (1)	1	1,625 (1,234)
Total	**77 (13)**	**52 (17)**	**14,572 (4,408)**

Figures in brackets denotes "of which associates and joint venture companies". Where a site has both production facilities and offices (eg Hanau, Germany) it is classified as a production site only.

S3 People development

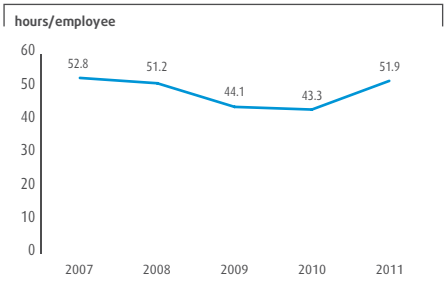
Vision 2015

Group data

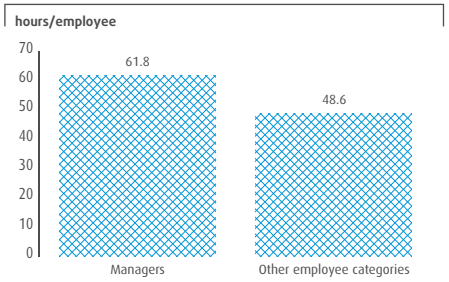
	unit	2007	2008	2009	2010	2011
Sites having a development plan in place for people development	% of total sites	-	-	-	-	59.60
Employees having a yearly appraisal	% of workforce (fully consolidated)	-	-	-	-	87.16
Average number of training hours per employee	hours/employee	52.84	51.21	44.05	43.30	51.94
Average number of training hours per employee – Men	hours/employee	-	-	-	-	53.20
Average number of training hours per employee – Women	hours/employee	-	-	-	-	47.37
Average number of training hours per employee - Managers	hours/employee	-	-	-	-	61.84
Average number of training hours per employee - Other employee categories	hours/employee	-	-	-	-	48.55

Training hours: Average number of training hours per employee, including all types of training (formal, training on the job, E-learning, etc.) in which the company provides support and which are relevant to the business unit or the company. The total number of training hours is divided by the total workforce of fully consolidated companies.

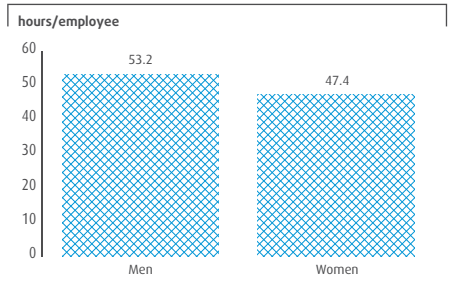
AVERAGE NUMBER OF TRAINING HOURS PER EMPLOYEE



AVERAGE NUMBER OF TRAINING HOURS PER EMPLOYEE CATEGORY



AVERAGE NUMBER OF TRAINING HOURS PER EMPLOYEE - GENDER SPLIT



2011 Regional data

	unit	Europe	North America	South America	Asia-Pacific	Africa	Umicore Group
Average number of training hours per employee	hours/employee	47.95	40.83	66.01	70.27	48.03	51.94
Employees having a yearly appraisal	% of workforce (fully consolidated)	87.45	88.95	100.00	75.00	100.00	87.16

2011 business group data

	unit	Catalysis	Energy Materials	Performance Materials	Recycling	Corporate	Umicore Group
Average number of training hours per employee	Training hours/ total workforce	55.37	56.62	43.94	55.03	53.61	51.94
Employees having a yearly appraisal	% of workforce (fully consolidated)	81.42	90.70	89.66	87.33	84.58	87.16

Training hours

In 2011, the average training hours per employee reached 51.94 hours, about the same level as in 2007 and 2008. During the years 2009 and 2010 the training activity was lower, reflecting the lower activity levels at Umicore. A main driver for the level of training is the number of newly hired employees and the start of greenfield operations. The 6% increase of the workforce of fully consolidated companies and the start-up of new plants in Asia Pacific were the key factors in the increased level of training.

Data shows that managers receive a higher number of training hours (61.84 hours) compared to other employees (48.55 hours). An action plan is being put in place to build a global Learning Management System which will be open for all employees. The higher training intensity for men (53.20 hours) compared to women (47.37 hours) can be linked to the observation that men have a higher representation in the new hires and in today's management population.

Yearly appraisal

This indicator is being reported for the first time. In 2011 already 87.16% of all employees from fully consolidated companies have an appraisal interview to discuss their development at least once a year. Although this percentage is high, further efforts will be needed to reach 100% coverage by 2015.

S4 Preferred employer

Vision 2015

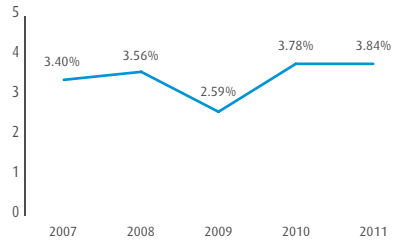
Group data

	unit	2007	2008	2009	2010	2011
Sites having a plan regarding preferred employer in place	% of total sites	-	-	-	-	70.15
Voluntary leavers ratio	% of workforce (fully consolidated)	3.40	3.56	2.59	3.78	3.84
Voluntary leavers men	N°	-	-	-	-	287
Voluntary leavers women	N°	-	-	-	-	96
Voluntary leavers seniority < 3 year	N°	-	-	-	-	222
Voluntary leavers seniority > 3 year	N°	-	-	-	-	161
Employees working in a site that has received an external recognition as preferred employer	% of workforce (fully consolidated)	-	-	-	-	52.64
External recognitions related to preferred employer	N°	-	-	-	-	18

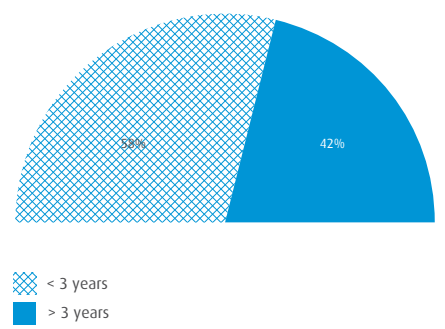
Voluntary leavers: Number of employees leaving the company at their own will (excluding retirement and the expiry of a fixed-term contract). This figure is related to the workforce from fully consolidated companies.

External recognition as a preferred employer: External recognitions or awards that enhance the reputation of the site or Umicore as an attractive employer.

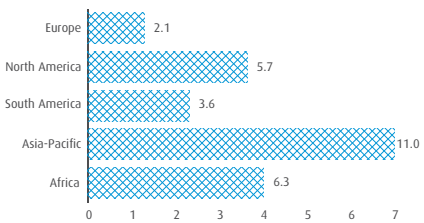
VOLUNTARY LEAVERS RATIO



VOLUNTARY LEAVERS SENIORITY



VOLUNTARY LEAVERS RATIO PER CONTINENT



2011 Regional Data

	unit	Europe	North America	South America	Asia-Pacific	Africa	Total
Voluntary leavers ratio	% of workforce (fully consolidated)	2.05	5.73	3.64	11.01	6.29	3.84

2011 business group data

	unit	Catalysis	Energy Materials	Performance Materials	Recycling	Corporate	Umicore Group
Voluntary leavers ratio	% of workforce (fully consolidated)	4.42	6.21	2.95	2.37	4.43	3.84

Voluntary leavers

In the last five years, the percentage of voluntary leavers has fluctuated between 2.6 and 3.8% reaching a 5-year high of 3.84% in 2011. As was the case in previous years, significant regional differences can be observed with Asia Pacific reporting the highest turnover rate (11%) and Europe the lowest (2%). The high turnover rate in Asia Pacific is not unique to Umicore, can be explained by a highly competitive and fluid labour market in some of the growth markets

Voluntary leavers – seniority

For the first time, additional parameters have been added in the reporting 25% of the voluntary leavers are women, which is a somewhat higher figure than the 22% presence of women in the workforce of fully consolidated companies. 58% of the voluntary leavers in 2011 left during their first three years of service with the company.

External recognition

Umicore stimulates its sites to seek external recognition as a preferred employer. In some countries where Umicore has a significant workforce, preferred employer programmes exist that offer high levels of visibility and recognition - this is particularly the case in the European Union. All the sites in Belgium and France obtained national recognition as a Top Employer. Many of Umicore's sites are small to medium sized operations and their recognition efforts are channeled to the local town or region where official recognition schemes are seldom available. Recognition in such cases can come from local associations, like an industry association, or a local newspaper.

People survey results

A global People Survey is carried out every three years. The previous survey was held in 2010, the next one will be organized in 2013. The 2010 results were reported in Umicore's 2010 annual report. In 2011 all major sites implemented action plans to work on the feedback received, with the goal of further improving the engagement and well-being of the employees. At Group level specific areas were targeted for improvement based on the results and you can read more about these in our management discussion on pages 16-17 of this report.

S5 Accountability to local community

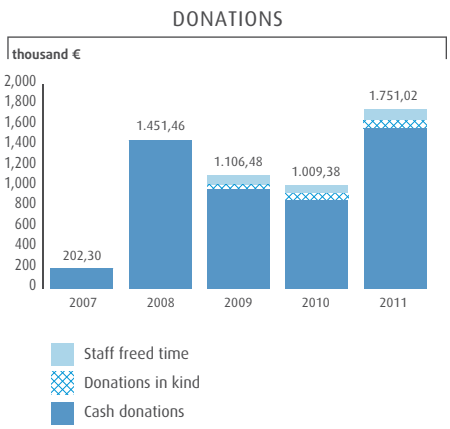
Vision 2015

Group data

	unit	2007	2008	2009	2010	2011
Sites having a plan regarding accountability to local community	% of total sites	-	-	-	-	57.58
Total donations	€ thousand	202.30	1,451.46	1,106.48	1,009.38	1,751.02
Cash donations	€ thousand	-	-	966.61	865.34	1,568.80
Donations in kind	€ thousand	-	-	89.10	73.59	104.97
Staff freed time	€ thousand	-	-	50.78	70.46	77.24
Sites having an external communication plan in place	% of total sites	-	-	-	-	62.69

Donations: Each business unit is expected to allocate an annual budget that provides sufficient donations and sponsorship support to each site's community engagement programme. By way of guidance this budget should equate to an amount corresponding to a third of a percent of the business unit's average annual consolidated recurring EBIT (i.e. excluding associates) for the three previous years.

The donations value mentioned for 2007 and 2008 are total donations. As from 2009 the donations have been subdivided into cash donations, donations in kind and staff time. Group level donations are co-ordinated by a Donations Committee reporting to the CEO.



2011 Regional Data

	unit	Europe	North America	South America	Asia-Pacific	Africa	Umicore Group
Total donations	€ thousand	1,478.78	122.66	56.16	68.79	24.62	1,751.02

2011 business group data

	unit	Catalysis	Energy Materials	Performance Materials	Recycling	Corporate	Umicore Group
Total donations	€ thousand	153.13	172.90	163.65	523.61	737.73	1,751.02

Donations

In 2011, Umicore contributed a total of EUR 1,751 thousand in donations. For the business units the total amount of EUR 1,014 thousand is in line with the guidance of approximately one third of one percent of the unit's average annual recurring consolidated EBIT for the past three years. Additional group level donations were made for an amount of EUR 737 thousand.

Most of the donations of the units go to charity events close to their sites, in support of the local community. However, some business unit headquarters also support charity projects on other continents. At Group level the donations supervised by the Donations Committee have a global reach. The main areas for Group level donations in 2011 included disaster relief in Japan and the mid-west United States, support for a biennal participation by a team of students in the Veolia World Solar Challenge and support for two major Unicef educational projects in Haiti and India.

External communication

62.69% of the sites have an external communication plan in place to ensure a suitable level of engagement with their local community. Depending on the size of the operation and its link to the local community these communication plans include: newsletters, public hearings, meetings with local authorities, plant visits for the local community and press releases provided to local media.

Number of complaints

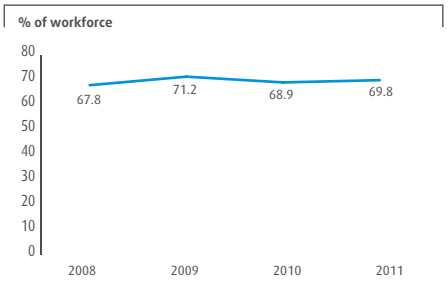
As a new indicator, sites were asked to report the number of complaints they receive from the local neighbourhood. The extremely low number of complaints that were reported through the group reporting system suggests that this reporting was not fully implemented. An attempt will be made to increase the accuracy of the reporting in 2012 to provide meaningful data for the 2012 Annual Report.

S6 Employee relations

Group data

	unit	2007	2008	2009	2010	2011
Employees represented by union or Collective Labour Agreement (CLA)	% of workforce (fully consolidated)	-	67.81	71.15	68.92	69.81

EMPLOYEES REPRESENTED BY UNION OR CLA



2011 Regional Data

	unit	Europe	North America	South America	Asia-Pacific	Africa	Umicore Group
Employees represented by union or Collective Labour Agreement (CLA)	% of workforce (fully consolidated)	86.75	8.55	94.79	22.05	52.94	69.81

2011 business group data

	unit	Catalysis	Energy Materials	Performance Materials	Recycling	Corporate	Umicore Group
Employees represented by union or Collective Labour Agreement (CLA)	% of workforce (fully consolidated)	53.68	54.52	75.22	88.58	69.52	69.81

Union and Collective Labour Agreement

In total, nearly 70% of Umicore employees belong to a trade union organization and/or the level of their wages are negotiated through a collective bargaining agreement. On a regional basis, there are important differences in union representation, with the highest representation in South America and Europe and the lowest in North America and Asia Pacific.

Sustainable Development Agreement

In 2011, Umicore renewed its Sustainable Development Agreement with the International Metal Workers Federation (IMF) and the International Federation of Chemical, Energy, Mine and General Worker's Unions (ICEM) for period of four years. In this agreement, Umicore commits to a number of principles including: the banning of child labour and forced labour, recognizing the right to its employees to organize themselves and to participate in collective bargaining.

As part of the agreement, one non-European site is visited each year by the monitoring committee with representatives both from the international unions and management.

All sites are also screened internally each year. This screening showed that none of Umicore's sites demonstrated a particular risk of infringement in any of the principles of the agreement.

S7 Code of Conduct

In 2011, Umicore organized for the first time a systematic Group-wide internal reporting on Code of Conduct issues. In total 39 cases were reported, involving a total of 51 employees. The type of action taken varies from a warning letter to dismissal.

In 2011 Umicore reissued its Code of Conduct and updated some sections to increase clarity on certain issues for employees, particularly in the area of business ethics and conflicts of interest.

S8 Sustainable procurement

2011 business group data

		Direct procurement				Indirect procurement
	unit	Catalysis	Energy Materials	Performance Materials	Recycling	Corporate
Employees (1) having received a training on sustainable development and procurement	% employees (1)	30	7	36	49	46
Suppliers (2) that have agreed on the Sustainable Procurement Charter	% suppliers	-	-	-	-	61

(1) from those employees which are involved in the procurement process and/or those who have a specific sustainable development responsibility
(2) from those suppliers which Umicore has sent the Sustainable Procurement Charter (only to key suppliers of each business unit)

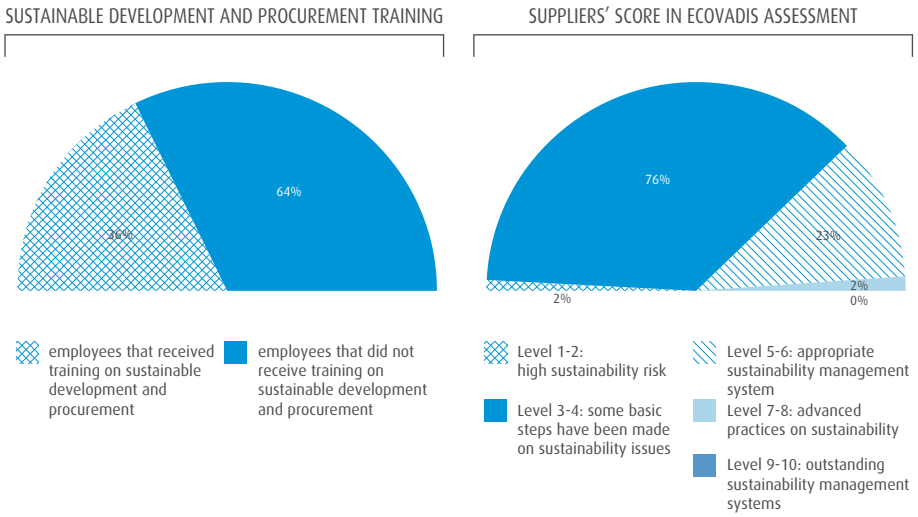
Scope for training indicator: Indicator includes the Umicore employees that are involved in the direct and indirect procurement process in every business unit, corporate department and shared operational department and were invited by its department to participate in the e-learning or attend an information session, worldwide.

Scope for adherence to the charter: Indicator includes key suppliers from the procurement activities of Umicore's Procurement & Transportation department and more specifically the procurement centres in Belgium, Germany, France and Brazil.

Scope for companies assessed by Ecovadis: The indicator comprises 127 suppliers selected from the 601 that were invited to adhere to the Sustainable Procurement Charter. The selection of those suppliers was made based on a risk assessment carried out by Ecovadis in relation to criticality, dependency, duration of relationship and spend with these suppliers. The suppliers relate only to those that serve the procurement centres in Belgium, Germany and France and are primarily related to indirect procurement.

Direct procurement: The purchase of goods and services by the Business Units and sites, such as raw materials and services such as insurance, business development, legal and financial.

Indirect procurement: Purchases of materials, investments and services related to the industrial and administrative activities and management of stock. Usually excludes purchases of raw materials.



Average score of assessed suppliers by topic – 2011 Corporate Data

	Corporate
Environmental	4.4
Labor practices	3.9
Fair business practices	3.6
Suppliers	3.3
Overall	3.9

Sustainable development and procurement training

In order to increase awareness of sustainable procurement within the company a web-based learning module was developed in 2011. 1,172 employees from all the business groups and corporate departments were invited to participate in a training on Sustainable Development and Procurement. 36% of the invited employees attended a training session or followed a specially designed web-based training module.

Sustainable Procurement Charter

By the end of 2011 our regional procurement centres in Belgium, France, Germany and Brazil had made a selection of "key suppliers" based on criteria such as size, geographical location and type of product or service provided (including whether critical to the functioning of a Umicore entity). The companies selected included mainly suppliers of goods and services and some suppliers of raw materials (eg metals). In total 601 suppliers were selected. By the end of 2011, 61% of these 601 suppliers had formally acknowledged their adherence to the terms of the charter.

Assessment of supppliers

Umicore asked Ecovadis to assess the sustainability performance of 127 of its suppliers (see above for selection criteria). The result of the assessment is a score card with an overall score and a score for each of the four sustainability categories: environment, labour, fair business practices and supply chain. The scores range from 1 to 10 with 1 representing a high risk regarding sustainability issues. 24 suppliers did not respond to the questionnaire. Of the 103 received score cards, 76 companies had a score of 3 or 4, meaning that they have taken basic steps on sustainability issues. Only two companies had a score equal to or below 2, representing a high risk regarding sustainability issues. 25 companies scored, overall, higher than 4, meaning that they have "an appropriate sustainability management system".

As to the average score in each category, the 103 suppliers attained the highest average score in environment, while scoring the lowest in promoting sustainability in their own supply chain.

All score cards were evaluated with reference to the four sustainability principles from the Sustainable Procurement Charter and a set of minimum requirements. Umicore will engage with suppliers which did not respond to the questionnaire and with the lower-scoring suppliers to develop an action plan for improvement.

More information on Umicore's relationship with suppliers can be found in the Stakeholder Engagement section in the Corporate governance statements on pages 158-161 and in the management discussion between page 20-21.

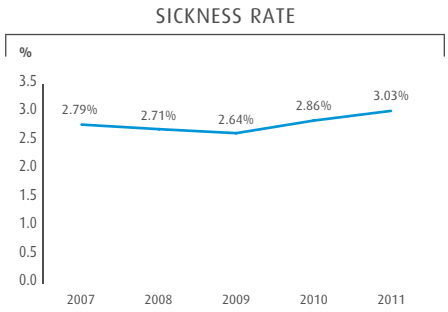
S9 Employees' health

Group data

	unit	2007	2008	2009	2010	2011
Sickness rate	%	2.79	2.71	2.64	2.86	3.03

Sickness rate: Total number of working days lost due to sickness. This excludes long-term sickness and days lost due to maternity leave. This number is related to the total number of working days per year.

Long-term illness is defined as starting after three months of uninterrupted illness.



2011 Regional Data

	unit	Europe	North America	South America	Asia-Pacific	Africa	Umicore Group
Sickness rate	%	3.35	1.44	7.07	0.98	2.48	3.03

Sickness rate

In the last five years the sickness rate has fluctuated between 2.64% and 3.03%. The highest ratio was reached in 2011 and is influenced by an exceptionally high rate of 7.07% in South America. This high number is caused by an epidemic of conjunctivitis that happened in February and March 2011 in Sao Paolo, Brazil.

S10 Occupational health

Vision 2015

All consolidated manufacturing sites where Umicore has operational control and the two main office buidlings are included in the scope of the occupational health reporting. Compared to 2010, one additional site (Attleboro, USA, Performance Materials) has reported its health data bringing the total number of sites reporting health data to 67 in 2011. Attleboro had been reporting data for other social performance indicators since becoming part of Umicore in 2010.

The information in this note only relates to Umicore's employees. Data on sub-contractors' occupational health are not included.Additional information on Umicore's management approach on occupational health can be found on the website www.umicore.com/sustainability/social/

Group data

	unit	2007	2008	2009	2010	2011
Exposure ratio 'all biomarkers aggregated' (1)	%	-	-	-	-	5.1
Exposure ratio lead (blood) (1)	%	-	-	-	-	1.4
Exposure ratio arsenic (urine) (1)	%	-	-	-	-	2.2
Exposure ratio cobalt (urine) (1)	%	-	-	-	-	22.1
Exposure ratio cadmium(blood) (1)	%	-	-	-	-	0.8
Exposure ratio cadmium (urine) (1)	%	-	-	-	-	1.1
Exposure ratio nickel (urine) (1)	%	-	-	-	-	6
Average concentration lead (blood)	µg/100 ml blood	-	-	-	7.2	9.2
Average concentration arsenic (urine)	µg/g creatinine	-	-	-	10.6	9.1
Average concentration cobalt (urine)	µg/g creatinine	-	-	-	12.6	12.6
Average concentration cadmium (blood)	µg/100 ml blood	-	-	-	0.12	0.47
Average concentration nickel (urine)	µg/g creatinine	-	-	-	-	10.9
People with platinum salts sensitisation	N°	-	-	-	-	4
People with noise induced hearing loss	N°	-	-	-	-	9
People with contact dermatitis	N°	-	-	-	-	2
People with occupational asthma other than Pt-salts	N°	-	-	-	-	0
People with muskulo-skeletal ailments	N°	-	-	-	-	11

It is Umicore's objective to achieve in 2015 a biomarker of exposure concentration below the internal Umicore target value for each exposed individual. The following target values have been defined:

Cadmium: 2 microgramme per gramme of creatinine in urine and 0.5 microgramme per 100ml of blood.

Lead: 30 microgramme per 100 ml of blood.

Cobalt: 15 microgramme per gramme of creatinine.

Arsenic and nickel: 30 microgramme per gramme of creatinine.

Platinum salts: no new cases of platinum salt sensitization.

The exposure ratio of metals is defined as the ratio between the number of employees with a biological monitoring result exceeding the Umicore target value and the total number of employees exposed. The Umicore target values are inspired by the biological exposure indices of the American Conference of Governmental and Industrial Hygienists (ref. 2011) and are always stricter than the existing legally imposed limits.

Average concentration is defined as the average concentration (in urine or blood) for a certain substance taking into account all readings.

The number of occupational diseases is the number of employees with a newly-diagnosed occupational disease or occupationally linked symptoms during the reporting cycle.

In 2011, a total of 3,825 employees had an occupational exposure to one of the metals mentioned above (platinum salts excluded). 195 individuals had at least one reading exceeding the internal target value. This brings the total excess rate to 5.1%. All occupationally exposed employees are regularly monitored by an occupational health physician.

Lead

Occupational lead exposure represents a potential health risk in the business groups Energy Materials, Performance Materials and Recycling. In total, 19 of the 1,358 occupationally exposed employees exceeded the target value of 30µg/100ml bringing the excess rate for lead exposure to 1.4%.

In the business group Energy Materials, none of the exposed employees exceeded the target value.

In the business group Performance Materials, two individuals involved in zinc powder production (out of the 222 employees exposed to lead) recorded lead in blood levels that were higher than the internal target value resulting in an excess rate of 0.9%.

The business group Recycling had 17 employees exceeding the target value out of 1,120 employees exposed, resulting in an excess rate of 1.5%. Nearly all excess readings were due to higher body burdens as a result of past exposures in the Hoboken site (Belgium, Recycling).

The average lead in blood value for 2011 was 9.2 microgramme per 100ml of blood.

Employees with excess readings have been allocated to a different workplace and are further monitored by an occupational health physician.

Arsenic

Occupational exposure to arsenic is possible in the business groups Energy Materials, Performance Materials and Recycling. In total, 721 employees are occupationally exposed to arsenic of which 16 had an excess reading during 2011. This brings the excess rate for arsenic to 2.2%.

In the business group Energy Materials, 45 employees have an occupational exposure to arsenic of which 6 had a reading exceeding the target value. All these employees are working in the arsenic production facility of the Olen site (Belgium, Energy Materials). This resulted in an excess rate of 13.3%.

No excess readings were recorded in the business group Performance Materials.

In the business group Recycling, 10 employees out of the 633 exposed to arsenic had an excess result above the internal target value. This resulted in an excess rate of 1.6%.

The average arsenic in urine concentration on 2011 was 9.1 microgramme per gramme of creatinine.

Cobalt

In total, 529 employees are occupationaly exposed to cobalt, mainly in the business group Energy Materials. The number of employees exceeding the target value was 117 bringing the excess rate to 22.1%, substantially higher than the Umicore average.

In the business group Energy Materials, 518 employees are involved in the cobalt production sites of the business unit Cobalt & Specialty Materials. All the 117 excess readings were recorded in this business unit, resulting in an excess rate of 22.6%. The business unit has for many years been developing an occupational health approach for cobalt including biological monitoring. In 2011 the biological target value was lowered from 30 to 15 microgramme per gramme of creatinine in line with the most recent data in the scientific literature on cobalt toxicity and occupational exposure. The business unit is developing action plans to achieve a significant reduction of the cobalt exposure in the coming years.

In the business group Performance Materials, 11 employees are sporadically exposed to cobalt in the business unit Electroplating. None of the exposed employees exceeded the set target values.

In 2011, the average cobalt in urine value was 12.6 microgramme per gramme of creatinine.

Cadmium

Occupational exposure to cadmium represents a potential health risk in the business groups Performance Materials and Recycling.

In 2011, a total of 612 employees had an occupational exposure to cadmium. While cadmium in urine is an excellent biomarker for lifetime exposure, cadmium in blood correlates to more recent occupational exposure.

In the business group Performance Materials, 7 employees exceeded the internal target value of 2 microgramme per gramme of creatinine resulting in an excess rate of 7.4%. Five employees exceeded the cadmium in blood target level (excess rate: 5.3%). All these employees were employed in the business unit Technical Materials. Additional technical measures are being implemented to further decrease the exposure. In addition, workplace precautions such as employee rotation, strict adherence to respiratory protection programmes and personal hygiene measures are in place to minimize exposure.

In the business group Recycling none of the exposed employees exceeded the target values.

In 2011, the average cadmium in urine concentration was 0.71 microgramme per gramme of creatinine and cadmium in blood concentration 0.47 microgramme per 100 ml of blood.

Nickel

The business groups Energy Materials, Performance Materials and Recycling have occupational exposure to nickel. In 2011, a total of 605 employees were exposed to nickel of which 36 exceeded the internal target level. This resulted in an excess rate of 6.0%.

In the business group Energy Materials, a total of 205 employees are exposed to nickel, all involved in the nickel production sites of the business unit Cobalt & Specialty Materials. Thirty six employees exceeded the internal target level brining the excess rate to 17.6%.

In the business groups Performance Materials and Recycling, none of the exposed employees exceeded the target value.

The average nickel in urine concentration was 10.9 microgramme per gramme of creatinine.

Platinum salts

The business groups Catalysis and Recycling have workplaces with exposure to platinum salts.

In 2011, 4 employees were diagnosed with a platinum salt sensitization. Two of these employees were employed in the business group Catalysis, the two others in the business group Recycling. All these employees were allocated to a new workplace without platinum salt exposure.

Other occupational diseases

In 2011, a total of 9 employees were diagnosed with industrial noise-induced hearing loss. Two employees developed a contact dermatitis and 11 developed a musculo-skeletal disorder due to their occupation. All people concerned are followed by an occupational health physician and measures were taken to prevent further deterioration of their conditions.

S11 Occupational safety

Vision 2015

In total, 75 consolidated sites are included in the occupational safety reporting. Compared to 2010, 3 sites (Nurnberg, Germany, Performance Materials; & Alzenau, Germany, Catalysis; & Nashua, USA, Energy Materials) are not included anymore in the safety reporting because of stopped activities while 3 new sites were added (Kobe, Japan, Energy Materials; & Attleboro, USA, Performance Materials; & Yokohama, Japan, Performance Materials). Instead of 71 sites, as stated in the 2010 Report to Shareholder and Society, the scope for occupational safety reporting in 2010 was 75 sites. Additional information on Umicore's management approach on safety can be found on the website www.umicore.com/sustainability/social/Approach.

The Umicore information in this note only relates to Umicore's employees. Data on sub-contractors' occupational safety are reported separately.

It is Umicore's objective to have zero lost time accidents by 2015.

Group data

	unit	2007	2008	2009	2010	2011
Fatal accidents	N°	1	0	0	0	0
Fatal accidents sub-contractors	N°	0	0	0	0	0
Lost Time Accidents (LTA)	N°	79	87	48	56	60
Lost Time Accidents (LTA) sub-contractors	N°	-	40	26	20	17
LTA frequency rate		5.3	5.3	3.1	3.5	3.6
LTA frequency rate sub-contractors		-	14.58	11.08	7.91	5.50
Calendar days lost	N°	1,880	2,840	1,280	2,090	1,771
LTA severity rate		0.13	0.17	0.08	0.13	0.11
Recordable Injuries (RI)	N°	-	371	352	210	221
Recordable Injuries frequency rate		-	22.7	22.9	13.3	13.3
Ratio N° of sites with no LTA / total N° of sites reporting	%	-	-	-	-	77
Sites OHSAS 18001 certified	%	-	-	14.5	28.0	30.0

Umicore's employee: a person belonging to Umicore's total workforce. A Umicore employee can be a full-time, part-time or temporary employee.

Sub-contractor: a person not belonging to Umicore's total workforce, providing services to Umicore in one of its premises under terms specified in a contract.

Fatal accident: a work-related accident with fatal outcome.

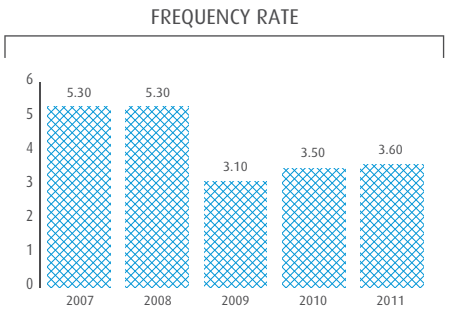
Lost time accident: a work-related injury resulting in more than one shift being lost from work.

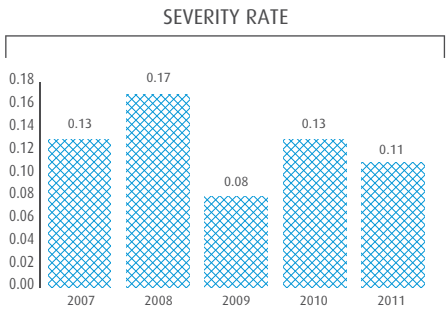
Recordable injury: a work- related injury resulting in more than one first aid treatment or in a modified working program but excluding lost time accidents.

Frequency rate: number of lost time accidents per million hours worked.

Severity rate: number of lost calendar days due to a lost time accident per thousand hours worked.

Accidents to and from work are not part of the scope of the safety data.





2011 Regional Data

	unit	Europe	North America	South America	Asia-Pacific	Africa	Umicore Group
Lost Time Accidents (LTA)	N°	45	4	5	6	0	60

2011 business group data

	unit	Catalysis	Energy Materials	Performance Materials	Recycling	Corporate	Umicore Group
Fatal accidents	N°	0	0	0	0	0	0
Lost Time Accidents (LTA)	N°	2	12	14	26	6	60
LTA frequency rate	per million hours worked	0.6	4.0	2.9	7.4	3.0	3.6
Calendar days lost	N°	113	421	408	776	53	1,771
LTA severity rate	per thousand hours worked	0.03	0.14	0.09	0.22	0.03	0.11

In 2011, a total number of 60 lost time accidents were recorded compared to 56 in 2010. This resulted in a frequency rate of 3.6, up from 3.5 in 2010. In total, 1,771 calendar days were lost due to these lost time accidents. This resulted in a severity rate 0.11, down from 0.13 in 2010.

The number of reported recordable injuries was 221 compared to 210 in 2010. The recordable injury frequency rate for 2011 was 13.3.

A total of 17 lost time accidents were registered for sub-contractors compared to 20 in 2010. This corresponded to a frequency rate of 5.5 compared to 7.9 in 2010.

During 2011, 77% of the reporting sites operated without a lost time accident. Thirty sites are certified against the occupational health and safety management system OHSAS 18001.

There were no fatal accidents in 2011.

Forty-five lost time accidents or 75% of the total number of lost time accidents occurred in Europe of which 29 were in Belgian sites. The Americas accounted for 9 accidents while 6 accidents happened in the Asia- Pacific region.

In 2011, the business group Catalysis counted two lost time accidents. Both accidents occurred in the Precious Metal Chemistry business unit and resulted in 113 calendar days lost from work. The business unit Automotive Catalysts operated without a lost time accident. This resulted for the business group in a frequency rate of 0.6 and a severity rate of 0.03. The business group is implementing in all its operating sites the SafeStart® program which is focusing on both habitual and unintentional safety behaviour. In addition, the business group invests heavily in sharing best safety practices as well as lessons learned from near misses. Progress is monitored through a set of leading safety indicators. The site in South Plainfield (USA, Recycling and Catalysis) had operated three years without a lost time accident, recordable injury or accident to contractors on site.

The business group Energy Materials recorded 12 lost time accidents compared to 9 in 2010. In total, 421 calendar days were lost. This resulted in a frequency rate of 4.0 and a severity rate of 0.14. Nine accidents occurred in the Cobalt & Specialty Materials business unit while two accidents happened in the business unit Electro-Optic Materials and one in the business unit Thin Film Products. Besides targeted actions at site level, the business unit Cobalt & Specialty Materials is implementing a Safety Policy and a set of leading safety indicators to follow-up on progress made. All the sites of the business unit Thin Film Products are implementing a balanced safety project with focus on leadership aspects, safety training, critical safety procedures and resources. As part of the safety project of the business unit Electro-Optic Materials, a risk recognition training program has been launched for all employees. Three sites have been recognized for their excellent and sustained safety performance, recording 5 years with no lost time accidents, recordable injury or accident to contractors on site: Dundee (UK, Energy Materials), Fort Saskatchewan (Canada, Energy Materials) and Hsinchu Hsien (Taiwan, Energy Materials).

The business group Performance Materials recorded 14 lost time accidents leading to a loss of 408 calendar days. The frequency rate was 2.9 and the severity rate 0.09. Eight of the 14 lost time accidents occurred in the Zinc Chemicals business unit while the Technical Materials and Building Products business units recorded two lost time accidents each. The Electroplating business unit operated without a lost time accident. Despite the overall higher number of lost time accidents, the business unit Zinc Chemicals is implementing a comprehensive DuPont ® Safety programme with active involvement of all staff. Key elements of the programme include a renewed Safety Policy, safety observation tours and procedures on key safety aspects. Progress is monitored by a business unit safety committee through a set of leading safety indicators. The other business units are deploying in-house developed safety programs that are tailor made to their needs and priorities. Innovative elements of these programmes include home made safety videos, business unit safety calendars and safety gallery meetings. At the end of 2011 the sites in Sancoale (India, Performance Materials) and Vicenza (Italy, Performance Materials) passed more than three years with no lost time accident, recordable injury or accident to contractors on site.

The business group Recycling had 26 lost time accidents with a total loss of 776 calendar days. This represents a frequency rate of 7.5 and a severity rate of 0.22. The business unit Precious Metal Refining, with 17 lost time accidents, is implementing an extensive safety program focusing on eight areas: roles and responsibilities, communication, procedures on key safety aspects, training, incident investigation, cleanness, sub-contractor safety and leading safety indicators. The business unit Jewellery & Industrial Materials is implementing the DuPont® Safety Programme. At the end of 2011 the site in Markham (Canada, Recycling) passed more than three years with no lost time accident, recordable injury or accident to contractors on site.

An additional 6 lost time accidents occurred in general services, administrative buildings and research and development departments.

Corporate governance statements

Contents

Corporate governance review

G1 Corporate Governance framework

Umicore has adopted the 2009 Belgian Code on Corporate Governance as its reference code.

The English, Dutch and French versions of the Code can be found on the website of the Belgian Corporate Governance Committee (www.corporategovernancecommittee.be).

The Corporate Governance Charter describes in detail the governance structure of the Company, the policies and procedures of the Umicore Group. The Charter is available on the Umicore website (www.umicore.com/governance) and may be obtained on request from Umicore's Group Communications Department.

Umicore has articulated its mission, values and basic organizational philosophy in a document called "The Umicore Way". This document spells out how Umicore views its relationship with its customers, shareholders, employees and society.

In terms of organizational philosophy, Umicore believes in decentralization and in entrusting a large degree of autonomy to each of its business units. The business units in turn are accountable for their contribution to the Group's value creation and for their adherence to Group strategies, policies, standards and sustainable development approach.

In this context, Umicore believes that a good corporate governance structure is a necessary condition to ensure its long term success. This implies an effective decision-making process based on a clear allocation of responsibilities. It has to allow for an optimal balance between a culture of entrepreneurship at the level of its business units and effective steering and oversight processes. The Corporate Governance Charter deals in more detail with the responsibilities of the shareholders, the Board of Directors, the Chief Executive Officer and the Executive Committee and also the specific role of the Audit Committee and of the Nomination & Remuneration Committee. This Statement provides information on governance issues which relate primarily to the financial year 2011.

G2 Corporate structure

The Board of Directors is the ultimate decision-making body of Umicore save for those matters reserved to the shareholders by the Belgian Companies Code or by Umicore's articles of association. The Board is assisted in its role by an Audit Committee and a Nomination & Remuneration Committee. The day-to-day management of Umicore has been delegated to the Chief Executive Officer who is also the chairman of the Executive Committee. The Executive Committee is responsible for elaborating the overall strategy of Umicore and for submitting it to the Board for review and approval. It is responsible for implementing such strategy and for ensuring the effective oversight of the business units and corporate functions. The Executive Committee is also responsible for screening the various risks and opportunities that the Company might encounter in the short, medium or longer term (see Risk Management section) and for ensuring that systems are in place to address these. The Executive Committee is jointly responsible for defining and applying Umicore's approach to sustainable development.

Umicore is organized in business groups which in turn comprise business units that share common characteristics in terms of products, technologies and end-user markets. Some business units are further subdivided into market-focused business lines. In order to provide a Group-wide support structure, Umicore has regional management platforms in South America, China, North America and Japan. Umicore's corporate centre is based in Belgium. This centre provides a number of corporate and support functions in the areas of finance, human resources, internal audit, legal and tax, and public and investor relations.

G3 Shareholders

3.1 Issued shares – capital structure

At 31 December 2011 there were 120,000,000 Umicore shares in issue. The history of the Umicore capital representation can be found at www.umicore.com/investorrelations. The identity of shareholders having declared a participation of 3 % or more as of 31 December 2011 can be found in the chapter "parent company separate summarized financial statements" (p. 106-107) .

On 31 December 2011 Umicore owned 9,243,938 of its own shares representing 7.70 % of its capital. Information concerning the shareholders' authorization for Umicore to buy back its own shares and the status of such buy-backs can be consulted in the Corporate Governance Charter and on Umicore's website respectively.

During the year 297,448 own shares were used in the context of the exercise of employee stock options and 22,200 shares were used for a share grant, of which 2,700 to the Board members and 19,500 to the Executive Committee members.

3.2 Dividend policy and payment

Umicore's policy is to pay a stable or gradually increasing dividend. There is no fixed pay-out ratio. The dividend is proposed by the Board at the ordinary (or annual) general meeting of shareholders. No dividend will be paid which would endanger the financial stability of the Company.

In 2011 Umicore paid a gross dividend of € 0.80 per share relating to the financial year 2010. This represented an increase of € 0.15 per share compared to the gross dividend in respect of the financial year 2009.

In August 2011 the Board, in line with the Umicore dividend policy, decided to pay an interim dividend, equal to 50 % of the total dividend declared for the previous financial year. As a result a gross interim dividend of € 0.40 per share was paid as from 14 September 2011. On 8 February 2012 the Board decided to propose to shareholders a total gross dividend of € 1.00 per share relating to financial year 2011. If the appropriation of profit proposed to shareholders is approved, the gross pay out of the dividend in May 2012 would therefore amount to € 0.60 per share (i.e. the total dividend less the interim payment).

The System Paying Agent designated for the payment of the 2011 dividend is:

KBC Bank
Havenlaan / Avenue du Port 2
1080 Brussels

3.3 Shareholders' meetings 2011

According to Umicore's articles of association, the annual shareholders' meeting takes place on the last Tuesday of April at 5 p.m.

In 2011, the annual shareholders' meeting took place on April 26. At this meeting the shareholders approved the standard resolutions regarding the annual accounts, the appropriation of the results and the discharges to the Directors and to the statutory auditor regarding their respective 2010 mandates. In addition the shareholders re-appointed Messrs Uwe-Ernst Bufe, Arnoud de Pret and Jonathan Oppenheimer as Directors for a further three years, and renewed Mr Guy Paquot's mandate as Director for one year. The shareholders furthermore appointed Mrs Ines Kolmsee as a new Director for three years. The annual shareholders' meeting also approved the remuneration of the Board for 2011. Details of the fees paid to the Directors in 2011 are disclosed in the Remuneration Report. Finally the annual shareholders' meeting renewed the mandate of PricewaterhouseCoopers Bedrijfsrevisoren/Réviseurs d'Entreprises BCVBA/SCCRL as statutory auditor for three years.

Also on 26 April 2011 an extraordinary shareholders' meeting approved: 1) the renewal of the authorization conferred to the Board to increase the share capital, now by a maximum amount of € 50,000,000, for a duration of five years, and 2) amendments to the articles of association in implementation of the Laws of 20 December 2010 and 5 April 2011 on the exercise of certain rights of shareholders in listed companies.

G4 The Board of Directors

4.1 Composition

The Board of Directors, whose members are appointed by the shareholders' meeting resolving by a simple majority of votes without any attendance requirement, must consist of at least six members. Their term of office may normally not exceed four years In practice, they are elected for a period of three years and may be re-elected.

Directors can be dismissed at any time following a resolution of a shareholders' meeting deciding by a simple majority of the votes cast. There are no attendance requirements for the dismissal of directors. The articles of association provide for the possibility for the Board to appoint Directors in the event of a vacancy. The next general shareholders' meeting must decide on the definitive appointment of the above Director. The new Director completes the term of office of his or her predecessor.

On 31 December 2011, the Board of Directors consisted of ten members: nine non-executive directors and one executive director. On 31 December 2011, five of the ten directors were independent in accordance with the criteria laid down in Article 526ter of the Belgian Companies Code and provision 2.3 of the 2009 Belgian Code on Corporate Governance.

Two (i.e. 20 %) of the ten Board members in function on 31 December 2011 are women. Umicore is committed to reach the minimum representation level imposed by the Belgian Companies Code (as amended by the Law of 28 July 2011) and the recommendations of the Belgian Corporate Governance Committee well within the imposed time frame. Both the Nomination and Remuneration Committee and the Board will in this respect take into account the gender diversity requirement when examining the Board mandate vacancies in the coming years.

The composition of the Board of Directors underwent the following changes in 2011: the mandate of Mr Jean-Luc Dehaene expired at the annual shareholders' meeting held on 26 April 2011 due to the age limit imposed by the Corporate Governance Charter. Mrs Ines Kolmsee was appointed as new, independent Director as of the same date.

4.2 Meetings and topics

The Board of Directors held seven regular meetings and one extraordinary conference call meeting in 2011. On one occasion the Board also took decisions by unanimous written approval.

Major matters reviewed by the Board in 2011 included:

- Financial performance of the Group;
- Approval of the annual and half-year financial statements;
- Adoption of the statutory and consolidated annual accounts including the result allocation and annual dividend proposal, as well as the statutory and consolidated annual reports;
- Budget;
- Board evaluation (see following section of the Corporate Governance Statement);

- Investment projects;
- Sustainable Development performance;
- Business risk assessment;
- Business updates and technology reviews;
- Mergers & acquisitions and Human Resources review;
- Annual performance review of the Chief Executive Officer and the other members of the Executive Committee in respect of 2010;
- Succession planning at the level of the Board and the Executive Committee, including the appointment of Mr Ludo Vandervelden as new member of the Executive Committee with effect as of 1 October 2011.;
- Distribution of an interim dividend.
- Implementation of the share-buy back authorization;
- Authorisation limits Executive Commitee.

The Board also visited the Umicore battery materials facility in Kobe Port Island and the automotive catalyst facilities in Himeji (both in Japan).

4.3 Performance review of the Board and its Committees

The Chairman, herein assisted by the Nomination & Remuneration Committee and an external expert, conducted a review of the performance, size and composition of the Board and its Committees in 2011. This performance review included individual interviews of the directors and of the company secretary. The results of this review were the object of an in-depth discussion at the Board meeting of 8 June 2011.

4.4 Audit Committee

The Audit Committee's composition and the qualifications of its members are fully in line with the requirements of Article 526bis of the Belgian Companies Code and the 2009 Belgian Code on Corporate Governance.

The Audit Committee consists of three non-executive directors, two of them being independent. Mr Klaus Wendel was replaced as Audit Committee member by Mrs Ines Kolmsee with effective date 26 April 2011. Mr Arnoud de Pret, who was already a member of the Audit Committee, became Chairman of this Committee with effective date 26 April 2011 also in replacement of Mr Klaus Wendel.

Four Audit Committee meetings were held in 2011. Besides the review of the 2010 accounts and those of the first half of 2011, the Committee also reviewed the following matters: the status of internal control projects, the corporate security officer activity report, the information system roadmap and security, the risk assessment process, and the internal audit activity reports. Furthermore, the Audit Committee conducted a review of its own performance and the fees paid to the statutory auditor.

4.5 Nomination & Remuneration Committee

The Nomination & Remuneration Committee consists of three members who are all non-executive directors, two of them being independent. It is chaired by the Chairman of the Board.

One formal Nomination & Remuneration Committee meetings was held in 2011. During 2011 the Nomination and Remuneration Committee reviewed the remuneration policy for the Board members, the Board Committees members and Executive Committee members and the rules of the stock grant and option plans offered in 2011 as well as of the variable remuneration scheme for 2011.

The Nomination & Remuneration Committee was actively involved in the appointment of Mrs Ines Kolmsee as new Board member and in the Board performance review. It also assisted the Board in the context of the appointment of Mr Ludo Vandervelden as new member of the Executive Committee and subsequently as new Chief Financial Officer.

G5 Executive Committee

5.1 Composition

The Executive Committee has the form of a "Comité de Direction/Directiecomité" as meant under Article 524bis of the Belgian Companies Code.

The Executive Committee is composed of at least four members. It is chaired by the Chief Executive Officer, who is appointed by the Board of Directors. The members of the Executive Committee are appointed by the Board of Directors upon proposal by the Chief Executive Officer and recommendation of the Nomination & Remuneration Committee.

On 31 December 2011 the Executive Committee consisted of eight members including the Chief Executive Officer.

Mr Ludo Vandervelden was appointed member of the Executive Committee with effective date 1 October 2011 and he became Chief Financial Officer with effective date 1 November 2011 in replacement of Mrs Verluyten, who also resigned as Executive Committee member with effect as of 1 January 2012. Following Mrs Verluyten's resignation the Executive Committee will consist of seven members from 1 January 2012 onwards.

5.2 Performance Review

A review of the performance of each Executive Committee member is conducted annually by the Chief Executive Officer and discussed with the Nomination & Remuneration Committee. The results are presented to the Board of Directors and discussed by the Board.

The Board also meets annually in non-executive session (i.e. without the Chief Executive Officer present) to review and discuss the performance of the Chief Executive Officer.

The above performance reviews took place on 9 February 2011.

G6 Relevant information in the event of a takeover bid

6.1 Share transfer restrictions

Umicore's articles of association do not impose any restriction on the transfer of shares. The Company is furthermore not aware of any restriction imposed by law except in the framework of market abuse regulations.

6.2 Securities with special rights

The Company has not issued securities with special rights.

6.3 Voting right restrictions

The Company's articles of association do not contain any restriction on the exercise of voting rights by shareholders, providing the shareholders concerned are admitted to the shareholders' meeting and their rights are not suspended. The admission rules to shareholders' meetings are laid down in Article 17 of the articles of association. According to Article 7 of the articles of association the rights attached to shares held by several owners are suspended until one person is appointed as owner vis-à-vis the Company.

To the Board's best knowledge none of the voting rights attached to the shares issued by the Company were suspended by law on 31 December 2011, save for the 9,243,938 shares held by the Company itself on that date (Article 622 §1 of the Belgian Companies Code).

6.4 Employee stock plans where the control rights are not exercised directly by the employees

The Company has not issued such employee stock plans.

6.5 Shareholders' agreements

To the Board's best knowledge there are no shareholders' agreements which may result in restrictions on the transfer of securities and/or the exercise of voting rights.

6.6 Amendments to the articles of association

Save for capital increases decided by the Board of Directors within the limits of the authorized capital, only an extraordinary shareholders' meeting is authorized to amend Umicore's articles of association. A shareholders' meeting may only deliberate on amendments to the articles of association – including capital increases or reductions, as well as mergers, de-mergers and a winding-up – if at least 50 % of the subscribed capital is represented. If the above attendance quorum is not reached, a new extraordinary shareholders' meeting must be convened, which will deliberate regardless of the portion of the subscribed capital represented. As a general rule amendments to the articles of association are only adopted if approved by 75 % of the votes cast. The Belgian Companies Code provides for more stringent majority requirements in specific instances, such as the modification of the corporate object or the company form.

The extraordinary shareholders' meeting held on 26 April 2011 amended some provisions of the articles of association in alignment with the Laws of 20 December 2010 and 5 April 2011 relating to the exercise of specific rights of shareholders in listed companies.

6.7 Authorized capital – Buy-back of shares

The Company's share capital may be increased following a decision of the Board within the limits of the so-called "authorized capital". The authorization must be granted by an extraordinary shareholders' meeting; it is limited in time and amount and is subject to specific justification and purpose requirements. The extraordinary shareholders' meeting held on 26 April 2011 (resolutions published on 10 June 2011) has authorized the Board to increase the Company's share capital in one or more times by a maximum amount of € 50,000,000. Up until 31 December 2011 this authorization had not been used. It will lapse on 9 June 2016.

Following a resolution of the extraordinary shareholders' meeting held on 29 October 2010 the Board is authorized to acquire own Company shares on a regulated market within a limit of 10 % of the subscribed capital, at a price per share comprised between € 4.00 and € 75.00 and for a duration of 18 months which will lapse on 28 April 2012. The same authorization was also granted to the Company's subsidiaries. In implementation of the above authorization the Company purchased a total of 3,086,939 own shares on the NYSE Euronext Brussels stock exchange between 16 August 2011 and 31 December 2011. The Board will propose to the extraordinary shareholders' meeting of 21 March 2012 or, in the event that the legal presence quorum will not be met, 24 April 2012 to renew this authorization.

6.8 Agreements between the Company and its Board members or employees providing for compensation if they resign, or are made redundant without valid reason, or if their employment ceases because of a take-over-bid

All the senior vice-presidents of the Group are entitled to a compensation equivalent to 36 months base salary in the event of a dismissal within twelve months of a change of control of the Company. As far as the members of the Executive Committee are concerned, reference is made to the Remuneration Report (p. 152-153).

G7 Art. 523 – 524ter Companies Code

On 9 February 2011, prior to the Board discussing or taking any decision, Mr Marc Grynberg declared that he had a direct conflicting interest of a proprietary nature in the implementation of the decisions taken by the Board relating to the assessment of his performance and to his remuneration (including the grant of shares and options).

In accordance with Article 523 of the Belgian Companies Code, Mr Marc Grynberg did not take part in the Board's discussions concerning this decision and did not take part in the voting.

The financial consequences of the above decisions are described in the Board's annual report on the statutory accounts in accordance with the Belgian Companies Code.

During 2011, no specific transactions or contractual commitments occurred between a Board member or an Executive Committee member on the one hand and Umicore or one of its affiliated companies on the other hand.

G8 The statutory auditor

The annual shareholders' meeting held on 26 April 2011 renewed the statutory auditor's mandate of PricewaterhouseCoopers Bedrijfsrevisoren/Réviseurs d'Entreprises BCVBA/SCCRL for a period of three years. PricewaterhouseCoopers Bedrijfsrevisoren/Réviseurs d'Entreprises BCVBA/SCCRL is jointly represented by BVBA Marc Daelman, represented by Marc Daelman, and Mrs Emmanuèle Attout for the exercise of this mandate.

The Umicore policy detailing the independence criteria for the statutory auditor may be requested from the Company or accessed via www.umicore.com/governance/.

G9 Code of Conduct

Umicore operates a Code of Conduct for all employees, representatives and Board members. This Code of Conduct is fundamental to the task of creating and maintaining a relation of trust and professionalism with its main stakeholders namely its employees, commercial partners, shareholders, government authorities and the public.

The main purpose of Umicore's Code of Conduct is to ensure that all persons acting on behalf of Umicore perform their activities in an ethical way and in accordance with the laws and regulations and with the standards Umicore sets through its present and future policies, guidelines and rules. The Code of Conduct contains a specific section on complaints and expressions of concern by employees and "whistleblower" protection.

The Code of Conduct was amended in the course of 2011 following the launch of Vision 2015. It is published in Appendix 4 to Umicore's Corporate Governance Charter.

G10 Market Manipulation and Insider Trading

Umicore's policy related to market abuse including insider trading can be found in Appendix 5 to the Corporate Governance Charter.

G11 Compliance with the 2009 Belgian Code on Corporate Governance

Umicore's corporate governance systems and procedures are in line with the 2009 Belgian Code on Corporate Governance with the exception of provisions 5.3./6 and 5/4./5 regarding the minimum number of meetings of the Nomination & Remuneration Committee to be held. As indicated above the Nomination & Remuneration Committee only held one formal meeting in 2011. In addition and outside the context of formal meetings, all members of the Nomination & Remuneration Committee were actively involved in the selection process that led to the hiring of Mr Ludo Vandervelden as new Chief Financial Officer and the appointment of Mrs Ines Kolmsee as new Board member.

2011 Remuneration Report

G12 Board of Directors' remuneration

Remuneration policy for the Board of Directors

As a principle the remuneration of the non-executive members of the Board should be sufficient to attract, retain and motivate individuals who have the profile determined by the Board. The remuneration level should take into account the responsibilities and the commitment of the Board members. On the basis of the recommendation made by the Nomination & Remuneration Committee as to the form and structure of remuneration, the Board of Directors adopts the policy for remuneration of the non-executive Directors. In addition to this principle, the Nomination & Remuneration Committee bases its proposals on a review of prevailing market conditions for quoted companies which are part of the BEL 20 index as well as other European companies of similar size acting in the Chemicals, Metals and Materials sectors. The results of the survey are discussed within the Nomination & Remuneration Committee and the Board determines the remuneration for non-executive Directors and Board Committee's members to be proposed to the annual shareholders' meeting.

Non-executive directors' remuneration

A survey conducted in early 2011 among a benchmark group of companies having a market capitalization of between € 4 and € 6 billion showed that Umicore Board fees are low in comparison to the benchmark. The Board therefore proposed to the shareholders to add an annual grant of restricted shares to the current fee structure starting in 2011. This motion was approved by the annual shareholders' meeting held on 26 April 2011. The grant amounts to 300 shares per non-executive Board member (as the case may be, calculated on a pro rata temporis basis). The shares are subject to a three year lock-up.

Moreover, based on a proposal of the Board following a recommendation of the Nomination and Remuneration Committee, the annual shareholders' meeting of 26 April 2011 approved the following changes to Board and Committee fees:

The Chairman of the Audit Committee receives a fixed fee of € 10,000 per year compared to no fixed fee in 2010. The fee per attended meeting is reduced from € 6,000 to € 5,000. The other members of the Audit Committee receive a fixed fee of € 5,000 compared to no fixed fee in 2010. Their fee per attended meeting amounts to € 3,000 compared to € 4,000 in 2010.

The Nomination & Remuneration Committee Chairman receives a fee of € 5,000 per meeting compared to € 4,000 in 2010.

The remuneration of the non-executive Board members was as follows in 2011:

- **Chairman:** annual fixed fee: € 40,000 + € 5,000 per meeting attended + 300 shares.
- **Director:** annual fixed fee: € 20,000 + € 2,500 per meeting attended + 300 shares.

The remuneration of the Board Committee members was the following in 2011:

Audit Committee

- **Chairman:** annual fixed fee: € 10,000 + € 5,000 per meeting attended.
- **Member:** annual fixed fee: € 5,000 + € 3,000 per meeting attended.

Nomination and Remuneration Committee

- **Chairman:** € 5,000 per meeting attended.
- **Member:** € 3,000 per meeting attended.

2011 Board remuneration overview

Name		(in €)	Meetings attended
Thomas Leysen * (Chairman)	*Board*		
(non-executive director)	Fixed annual fee	40,000	
	Fee per attended meeting	5,000	7/7
	Value of 300 granted shares	10,896	
	Nomination & remuneration Committee		
	Fee per attended meeting	5,000	1/1
	Total remuneration	**90,896**	
Marc Grynberg	*Board*		
(executive director)	No remuneration as a director	None	7/7
	(see hereafter 2011 CEO remuneration)		
Isabelle Bouillot	*Board*		
(independent, non-executive director)	Fixed annual fee	20,000	
	Fee per attended meeting	2,500	7/7
	Value of 300 granted shares	10,896	
	Nomination & Remuneration Committee		
	Fee per attended meeting	3,000	1/1
	Audit Committee		
	Fixed annual fee	5,000	
	Fee per attended meeting	3,000	4/4
	Total remuneration	**68,396**	
Uwe-Ernst Bufe	*Board*		
(independent, non-executive director)	Fixed annual fee	20,000	
	Fee per attended meeting	2,500	6/7
	Value of 300 granted shares	10,896	
	Total remuneration	**45,896**	
Jean-Luc Dehaene	*Board*		
(independent, non-executive director)	Fixed annual fee	6,301	
Mandate as Director expired at the	Fee per attended meeting	2,500	2/2
AGM of 26 April 2011	Value of 95 granted shares	3,450	
	Total remuneration	**14,751**	
Arnoud de Pret	*Board*		
(non-executive director)	Fixed annual fee	20,000	
	Fee per attended meeting	2,500	7/7
	Value of 300 granted shares	10,896	
	Audit Committee		
	Fixed annual fee	8,425	
	Fee per attended meeting as Chairman	5,000	3/3
	Fee per attended meeting as Member	3,000	1/1
	Total remuneration	**74,821**	
Ines Kolmsee	*Board*		
(independent, non-executive director)	Fixed annual fee	13,699	
Appointed by the AGM of 26 April 2011	Fee per attended meeting	2,500	4/5
	Value of 205 granted shares	7,446	
	Audit Committee		
	Fixed annual fee	3,425	
	Fee per attended meeting	3,000	2/3
	Total remuneration	**40,570**	
Shohei Naito	*Board*		
(independent, non-executive director)	Fixed annual fee	20,000	
	Fee per attended meeting	2,500	7/7
	Value of 300 granted shares	10,896	
	Total remuneration	**48,396**	
Jonathan Oppenheimer	*Board*		
(non-executive director)	Fixed annual fee	20,000	
	Fee per attended meeting	2,500	5/7
	Value of 300 granted shares	10,896	
	Total remuneration	**43,396**	

Guy Paquot	*Board*		
(independent, non-executive director)	Fixed annual fee	20,000	
	Fee per attended meeting	2,500	7/7
	Value of 300 granted shares	10,896	
	Nomination & Remuneration Committee		
	Fee per attended meeting	3,000	1/1
	Total remuneration	**51,396**	
Klaus Wendel	*Board*		
(non-executive director)	Fixed annual fee	20,000	
	Fee per attended meeting	2,500	7/7
	Value of 300 granted shares	10,896	
	Audit Committee		
	Fixed annual fee	3,151	
	Fee per attended meeting	5,000	1/1
	Total remuneration	**56,547**	

* Benefits in kind: company car € 3,075.08

In 2008, the Board of Directors agreed on a four-year consultancy agreement with Booischot n.v., a company controlled by Thomas Leysen. The four-year agreement started on 1 January 2009 and involved an annual fee of € 300,000. At the request of Thomas Leysen, and in agreement with the Board, this agreement was terminated with effect as of 31 August 2011.

G13 CEO and Executive Committee remuneration

Remuneration policy for the CEO and Executive Committee

The Nomination & Remuneration Committee defines the remuneration policy principles for the CEO and Executive Committee and submits them to the Board of Directors for approval. It strives to have a fixed remuneration to reflect the level of responsibility and in line with average market practices, as well as an attractive variable remuneration to reward the performance of the company against financial and sustainability criteria.

The compensation & benefits package for the CEO and Executive Committee members includes the following components: fixed remuneration, variable remuneration (cash bonus), share based incentives subject to a lock-up period (share grant and incentive stock option plans), pension plans and other benefits.

The remuneration of the CEO and Executive Committee members is reviewed on an annual basis by the Nomination & Remuneration Committee. A survey is conducted every year to assess the competitiveness of the remuneration packages. Umicore benchmarks the total direct remuneration of the Executive Committee members against BEL 20 companies and European peer companies.

Anticipating the changes in Belgian Corporate Governance law relating to variable remuneration of the Executive Committee members, the Board of Directors approved on 10 February 2010 a new cash bonus policy for the Executive Committee, to apply as from the reference year 2010. The new policy is in line with the Belgian law of 6 April 2010, which amongst others makes it mandatory to defer half of the bonus payments to Executive Committee members and to connect the payment to multi-year targets or criteria.

For the reported year the individual data for the CEO related to all remuneration components are reported in table on page 150 of this remuneration report. For the other Executive Committee members the data regarding fixed remuneration, variable remuneration, pension and other benefits are provided in aggregate while data related to share based incentives (shares and incentive stock option plans) are provided on an individual basis.

CEO's compensation & benefits

Fixed remuneration

The CEO received a fixed remuneration of € 520,000 in 2011.

Variable remuneration scheme (cash bonus) and evaluation criteria

The CEO's annual cash bonus can range from 0% to 100% of the annual fixed remuneration of the reference year, half of which relates to an undeferred pay-out based on the annual individual performance including the annual overall financial performance of the Group, the progress achieved against Group strategic and sustainable development objectives, and adherence to the values of the Group.

The other half of the bonus, for which the pay-out is deferred, is based on the Umicore Group profitability criterion, i.e. the Return on Capital Employed (ROCE), published in the annual report. The deferred pay-out is assessed over a multi-year timespan, with half of it paid after a period of two years based on the two years average ROCE. The other half is paid after a period of three years using as a reference the three years average ROCE. The ROCE range is set between 7.5 % (= score of 0%) and a maximum of 17.5 % (= score of 100%). When the achieved ROCE percentage falls between any of the above targets, the score will be pro-rated. The score will be applied on the relevant target i.e. a quarter of the annual fixed remuneration of the reference year for each deferred pay-out year.

The cash bonus may be converted partly or totally into Umicore shares at the discretion of the CEO.

There is no claw back provision.

At the beginning of every reference year the individual objectives are discussed during a session of the Nomination & Remuneration Committee. During a Board session they are presented by the Chairman, discussed and approved by the Board.

The annual performance of the CEO is assessed by the Nomination & Remuneration Committee and the results of this assessment are presented by the Chairman and discussed during a Board session where the CEO is not present.

In 2012 the CEO will receive a cash bonus totaling € 255,000. This represents the undeferred individual component of his 2011 bonus.

In addition to the undeferred individual 2011 bonus, the CEO will also receive in 2012 the first half of his deferred Group bonus for the reference year 2010 based on the two years average ROCE for the reference years 2010 and 2011. The Group ROCE reference year 2010 amounts to 17.5% and for the reference year 2011 to 18.6%. Therefore the first half deferred Group bonus for the reference year 2010 amounts to € 125,000 based on his annual fixed remuneration of € 500,000 for the reference year 2010.

Share based incentives (share grant and stock options)

Umicore shares are granted to the CEO at the discretion of the Board of Directors in recognition of services rendered in the previous year. The number of shares granted to the CEO in 2012 for services rendered in 2011 was 3,000 with a price at grant of € 36.00 per share and a total value at grant of € 108,000. The grant was decided by the Board of Directors on 8 February 2012 and the shares are subjected to a three year lock-up.

In 2011, 90,000 stock options were granted to the CEO as part of the Umicore Incentive Stock Option Plan 2011, implemented by the Board of Directors on 9 February 2011. These options have a strike price of € 38.07 and had a notional value (calculated on the basis of the Present Economic Value model) at grant of € 997,200. The options can be exercised from 1 March 2014 until 13 February 2018. Stock options allow the beneficiary to acquire a specific number of Umicore shares at a fixed price (the exercise price) within a specific period of time. Stock options are not linked to individual or business performance criteria and as such should not be considered as a variable remuneration as meant under the Belgian Corporate Governance law of 6 April 2010.

Pension and other benefits

Pensions include both defined contribution plans and the service cost of defined benefit plans. Other benefits are representation allowance, benefits in kind (company car), and insurance.

Total CEO remuneration for 2011

All components of the remuneration earned by the CEO for the reported year are detailed in the table below:

Total remuneration earned by the CEO Marc Grynberg in 2011	(in €)
Status of the CEO	Self-employed
Fixed Remuneration	520,000
Variable Remuneration (including € 125,000 deferred 2010 bonus)	380,000
Total gross cash remuneration	**900,000**

Non-cash elements	(notional value in €)
- Value of the free share grant 2012	108,000
- Notional value at grant of the incentive stock options 2011	997,200
- Pension	
Defined contribution plan	185,534
Defined benefits plan (service cost)	50,274
- Other Benefits : Representation allowance, company car, insurance	30,747

Executive Committee Members compensation & benefits

Fixed remuneration

The fixed remuneration can be different for each Executive Committee member and depends on criteria such as experience. In aggregate in 2011 the Executive Committee (excluding the CEO) received € 2,005,260 in fixed remuneration.

Variable remuneration scheme (cash bonus) and evaluation criteria

Umicore has adopted a variable remuneration scheme in the form of a cash bonus which aims to ensure that all Executive Committee members are rewarded in line with their annual individual performance as well as the overall performance of the Umicore Group.

All the members of the Executive Committee will be eligible for the same gross bonus potential for the reference year 2011, in a range from € 0 to € 280,000. Half of the bonus involves an undeferred pay-out, based on the annual individual performance (including adherence to the values of the Group, environmental and social performance).

The other half of the bonus, involving a deferred pay-out, is based on the Umicore Group ROCE profitability criterion, i.e. the Return on Capital Employed (ROCE), published in the annual report. The deferred pay-out is assessed over a multi-year timespan, with half of it paid after a period of two years, using the two years average ROCE as the reference. The other half is paid after a period of three years based on the three years average ROCE. The ROCE range is set between 7.5% (= score of 0%) and a maximum of 17.5% (= score of 100%). When the achieved ROCE percentage falls between any of the above targets, the score will be pro-rated. The score will be applied to the target bonus of € 70,000 for each deferred pay-out year.

There is no claw back provision.

At the beginning of every reference year the annual individual objectives of each Executive Committee member are fixed by the CEO on basis of their areas of responsibility. The annual individual objectives are specific, measurable, agreed, realistic, time bound and take into account the group's sustainability objectives.

The annual performance of each Executive Committee member is initially assessed by the CEO. The results of the assessments and the corresponding score, varying from 0% to 100%, are presented by the CEO to the Nomination & Remuneration Committee before approval by the Board. The approved score will be applied to the target bonus of € 140,000 for each Executive Committee member.

In 2012 the Executive Committee members will receive aggregate cash bonuses totaling € 655,000 in respect to the undeferred individual component of their 2011 bonuses.

In addition to their undeferred individual 2011 bonus, the Executive Committee members will also receive in 2012 the first half of their deferred Group bonus for the reference year 2010 based on the two years average ROCE for the reference years 2010 and 2011. The Group ROCE reference year 2010 amounts to 17.5% and for the reference year 2011 to 18.6%. Therefore the first half deferred Group bonus for the reference year 2010 amounts to € 70,000 for each Executive Committee member. In case of incomplete reference year 2010, a pro-rata is applied. In aggregate the first half of the deferred Group bonus for the reference year 2010 granted to the Executive Committee members amounts to € 385,000.

Share based incentives (share grant and stock options)

Umicore shares are granted to the Executive Committee members at the discretion of the Board of Directors in recognition of services rendered in the previous year. The number of shares granted to the Executive Committee in 2012 for services rendered in 2011 was 18,750 (3,000 per member with the exception of Ludo Vandervelden who received 750 shares as he assumed his position as Executive Committee member on 1 October 2011). The total aggregate value at grant was € 676,530. The price at grant was € 36.00 per share with the exception of William Staron and Pascal Reymondet (€ 36.255). The grant was decided by the Board of Directors on 8 February 2012 and the shares are subjected to a three year lock-up.

In 2011, 150,000 stock options (25,000 options per member) were granted to the Executive Committee members as part of the Umicore Incentive Stock Option Plan 2011, implemented by the Board of Directors on 9 February 2011. The options have a strike price of € 38.07 for each Executive Committee members except for Pascal Reymondet who follows the French rules with a strike price of € 39.25. The total notional value at grant (calculated on the basis of the Present Economic Value model) amounted to € 1,662,000. The options can be exercised from 1 March 2014 until 13 February 2018.

Pension and other benefits

Pensions include both defined contribution plans and the service cost of defined benefit plans. Other benefits include representation allowances, company cars, insurance and expatriation benefits. In relation to the latter, two members of the Executive Committee receive the usual expatriate perquisites in accordance with local market practices. For Martine Verluyten who resigned as Executive Committee member with effect as of 1 January 2012 her pension commitments linked with her employment contract were executed without any additional cost. In aggregate the pension costs of the Executive Committee members amounted to € 436,738 in 2011.

Total aggregate Executive Committee remuneration for 2011

Total remuneration earned, in aggregate, by members of the Executive Committee in 2011 (not including the CEO)	(in €)
Fixed Remuneration	2,005,260
Variable Remuneration (including € 385,000 deferred 2010 bonus)	1,040,000
Total gross cash remuneration	**3,045,260**

Non-cash elements	(notional value in €)
- Value of the free share grant 2012	676,530
- Notional value at grant of the incentive stock options 2011	1,662,000
- Pension	
Defined contribution plan	197,854
Defined benefits plan (service cost)	238,884
- Other Benefits : Representation allowances, company car, insurance, benefits linked to expatriation	351,054

G14 Share and share option ownership and transactions 2011

Executive Committee share option ownership and transactions 2011

Name	Options at 31 Dec 2010	Options granted in 2011	Number of options exercised	Average exercise price (in €)	Year of grant of options exercised	Number of options forfeited	Options at 31 Dec 2011*
Marc Grynberg	240,000	90,000	0			0	330,000
Denis Goffaux	14,000	25,000	10,500	24.52	2007 / 2008 / 2009	0	28,500
Hugo Morel	100,000	25,000	0			0	125,000
Pascal Reymondet	87,500	25,000	12,500	26.55	2007	0	100,000
William Staron	57,500	25,000	32,500	18.62	2008 / 2009	0	50,000
Marc Van Sande	100,000	25,000	35,000	17.90	2007 / 2009	0	90,000
Ludo Vandervelden	-	-	-	-	-	-	-
Martine Verluyten	114,625	25,000	0			0	139,625

* These options can be exercised at strike prices between € 14.44 and € 39.25.

Details of all options exercised and other share-related transactions of Executive Committee or Board members can be found on www.fsma.be

Executive Committee share ownership 2011

Name	Shares owned at 31/12/2010	Shares owned at 31/12/2011
Marc Grynberg	136,000	143,000
Denis Goffaux	0	5,000
Hugo Morel	24,250	27,250
Pascal Reymondet	11,750	14,750
William Staron	5,250	8,250
Marc Van Sande	18,800	21,800
Ludo Vandervelden	-	50
Martine Verluyten	15,500	20,900
Total	**211,550**	**241,000**

Board of Directors share ownership 2011

Name	Shares owned at 31/12/2010	Shares owned at 31/12/2011
Thomas Leysen	1,001,020	871,320
Isabelle Bouillot	0	300
Uwe-Ernst Bufe	0	300
Arnoud de Pret	5,000	5,300
Ines Kolmsee	-	205
Shohei Naito	0	300
Jonathan Oppenheimer	0	300
Guy Paquot	2,000	15,300
Klaus Wendel	7,125	7,425
Total	**1,015,145**	**900,750**

Contractual relationships

Contract between Umicore and Marc Grynberg, Chief Executive Officer

Taking into account Marc Grynberg's seniority in the Umicore Group, the Board resolved as follows in 2008:

- In case of termination of the contract by Umicore, a total compensation equivalent to 18 months of his annual base salary will be paid.
- A total compensation of three years of annual base salary as minimum indemnity will be paid to the Chief Executive Officer if his function as Chief Executive Officer would be terminated within a 12 month period following a change of control due to a takeover bid (not cumulative with the previous provision).
- It is at the Board of Directors' discretion as to whether the cash bonus would form part of any final indemnity.

Contracts between Umicore and Executive Committee members

Following a Board decision taken in 2007, in case the employment of an Executive Committee member should be terminated within twelve months of a change of control of the Company, that member would stand to receive a total compensation equivalent to 36 months' base salary. This applies for all Executive Committee members with the exception of Denis Goffaux whose employment agreement was signed on 1 July 2010 and Ludo Vandervelden whose employment agreement was signed on 1 October 2011.

Individual arrangements in case of termination of the contract by Umicore

Denis Goffaux was appointed Chief Technology Officer on 1 July 2010. Taking into account Denis Goffaux's seniority in the Umicore Group a total compensation equivalent to 18 months of his annual base salary will be paid. In line with the Belgian Corporate Governance Law of 6 April 2010, the Nomination & Remuneration Committee recommended this arrangement and this was approved by the Board of Directors on 1 June 2010. It is at the Board of Directors' discretion as to whether the cash bonus would form part of any final indemnity.

The contracts of Hugo Morel and Marc Van Sande were signed before the Belgian Corporate Governance Law of 6 April 2010 came into force. The total compensation is based on age, seniority in the Umicore Group and the total compensation and benefits.

Pascal Reymondet has a German employment agreement. There is no contractual arrangement in case of termination and German law will therefore be applicable.

William Staron has a US employment agreement. There is no contractual arrangement in case of termination and the Umicore US Termination and Severance Policy will therefore be applicable.

Martine Verluyten's employment contract was signed in 2006. The total compensation in case of termination is equivalent to 12 months of total compensation and benefits.

Ludo Vandervelden's employment contract was signed in 2011. In line with the Belgian Corporate Governance Law of 6 April 2010, the total compensation in case of termination is equivalent to 12 months of his annual base salary. It is at the Board of Directors' discretion as to whether the cash bonus would form part of any final indemnity.

G15 Changes to CEO & Executive Committee Remuneration since the end of 2011

In order to determine adequate remuneration levels for its CEO and Executive VP's, Umicore conducted end 2011 surveys against the remuneration package of Executive Directors of quoted companies on the BEL 20 index as well as other multinational companies that are comparable to Umicore in terms of size and complexity.

The results of these surveys which were reviewed by the Nomination & Remuneration Committee of 7 February 2012 demonstrated that the positioning of the annual fixed remuneration was at the low end of the range, well below the median, while the total remuneration package was adequately positioned. In particular, the surveys showed that the value of stock options relative to the fixed remuneration was too high in comparison with the market values.

Based on a proposal of the Nomination & Remuneration Committee, the Board of Directors on 8 February 2012 decided to rebalance certain components of the remuneration package while maintaining the value of the total package, and approved the following changes to take effect in January 2012.

CEO's remuneration package

The Board of Directors decided to increase the annual fixed remuneration of the CEO to € 660,000 and the maximum bonus target to € 540,000 as from 1 January 2012. In parallel, the number of stock options offered as from 2012 is reduced from 90,000 to 75,000. The other components and rules linked to the remuneration package remain unchanged.

Executive Committee Members remuneration package

The Board of Directors decided to adjust the annual fixed remuneration with the cost of living and to convert 7,500 options into a mix of fixed and variable remuneration for each Executive Committee member. Consequently, as from the reference year 2012, all the members of the Executive Committee are eligible for the same gross bonus potential in a range from € 0 to € 300,000 of which half is subject to deferral. Furthermore, as mentioned above, the number of stock options offered as from 2012 to each member of the Executive Committee is reduced from 25,000 to 17,500. The other components and rules linked to the remuneration package remain unchanged.

Risk management and internal control framework

G16 Risk management

Taking calculated risks is an integral part of the development of any company. Umicore's Board of Directors is ultimately responsible for assessing the risk profile of the company within the context of the company strategy and external factors such as market conditions, competitor positioning, technology developments etc and ensuring that adequate processes are in place to manage these risks. Umicore's management is tasked with successfully exploiting business opportunities whilst at the same time limiting possible business losses. In order to achieve this, Umicore operates a comprehensive risk management system. The aim of this system is to enable the company to identify risks in a proactive and dynamic way and to manage or mitigate these identified risks to an acceptable level wherever this is possible. Internal control mechanisms exist throughout Umicore to provide the management with reasonable assurance of the company's ability to achieve its objectives. These controls cover the effectiveness and efficiency of its operations, the reliability of financial processes and reporting, the compliance with laws and regulations, and provide for the mitigation of errors and fraud risks.

16.1 Risk management process

Each of Umicore's business units operates in an environment which carries specific growth expectations and differing degrees of market and technological uncertainty. Therefore, the primary source of risk identification lies with the business units themselves.

The first step in the risk management process is to enable and channel the identification of the various material risks. Umicore has established a business risk assessment process to be undertaken by each business unit and corporate department. The process requires that all units carry out a risk scan in order to identify all significant risks (financial and non-financial) that might affect the ability of the business unit to meet its objectives as set out in its strategic plans. The process then requires that each of these risks be described in detail in a risk card. Besides the assessment of potential impact and likelihood, the risk card also contains information on the the status of any management or mitigation plan and the ownership thereof.

These risk cards are then fed back to the member of the Executive Committee responsible for that peculiar business area. A consolidated review takes place at the level of the Executive Committee, the outcome of which is presented to the Audit Committee and to the Board of Directors. The Audit Committee, on behalf of the Board of Directors carries out an annual review of the company's internal control and risk management systems and looks into specific aspects of internal control and risk management on an on-going basis.

Each business unit and corporate department is responsible for the mitigation of its own risks. The Executive Committee, however, intervenes in cases where managing a certain risk is beyond the capacities of a particular business unit. The Executive Committee and the Chief Executive Officer are also responsible in a broader context for identifying and dealing with those risks that affect the broader group such as strategic positioning, funding or macroeconomic risks. A specific monitoring role is given to Umicore Internal Audit department in order to provide oversight for the risk management process.

16.2 Internal control system

Umicore adopted the COSO framework for its Enterprise Risk Management and has adapted its various controls constituents within its organization and processes. "The Umicore Way" (www.umicore.com/en/aboutUs/umicoreWay/) and the "Code of Conduct" are the cornerstones of the Internal Control environment; together with the concept of management by objectives and through the setting of clear roles and responsibilities they establish the operating framework for the company.

Specific internal control mechanisms have been developed by business units at their level of operations, while shared operational functions and corporate services provide guidance and set controls for cross-organizational activities. These give rise to specific policies, procedures and charters covering areas such as supply chain management, human resources, information systems, environment, health and safety, legal, corporate security and research and development.

In 2008, Umicore introduced a system of Minimum Internal Control Requirements (MICR) to specifically address the mitigation of financial risks and to enhance the reliability of financial reporting.

Umicore's MICR framework requires all Group entities to comply with a uniform set of internal controls covering 164 control activities in 12 processes and 134 Group control entities. Within the MICR framework specific attention is paid to the segregation of duties and the definition of clear roles and responsibilities. A compliance threshold is established for each control activity with the ultimate goal being to achieve the target compliance level in all Umicore entities.

The process is now embedded and the majority of entities have moved in 2011 from the implementation phase towards the sustainability phase. Priority is given to reach the target control maturity in those processes that are of particular importance to Umicore such as metal hedging and inventory management. MICR compliance is monitored by means of annual self assessments to be signed off by the senior management and their outcome is reported to Group Financial Compliance, which presents an annual consolidated report to the Executive Committee and to the Audit Committee of the Board of Directors. The compliance assessments are also reviewed by the Internal Audit department during its missions.

G17 Risk categorization

Umicore faces risks that in broad terms can be categorized as follows:

Strategic: including risks related to macro-economic and financial conditions, technological changes, corporate reputation, political and legislative environment.

Operational: including risks related to changing customer demand, supply of raw materials, distribution of products, credit, production, labour relations, human resources, IT infrastructure, occupational health and safety, emission control, impact of current or past activities on the environment, product safety, asset and data security, disaster recovery.

Financial: including risks related to treasury, tax, forecasting and budgeting, accuracy and timeliness of reporting, compliance with accounting standards, metal price and currency fluctuation, hedging.

Most industrial companies would normally expect to face a combination of the risks similar to that listed above. It is not the intention to provide exhaustive details on each risk posed to the company in this report. However, the most noteworthy strategic and operational risks either in their relevance to Umicore and its Vision 2015 targets or in the company's way of dealing with them have been highlighted below. All financial risks are discussed in greater detail in note F3 to the Consolidated Financial Statements.

G18 Risk descriptions

18.1 Strategic and operational risks

18.1.1 Market risk

Umicore has a diverse portfolio of activities serving a number of different market segments and in most of its business has a truly global presence. No one end-user market segment or industry accounts for more than 50 % of Umicore's sales. In terms of overall exposure the main end markets served by Umicore are automotive, consumer electronics and construction. Umicore's business model also focuses on sourcing secondary or end-of-life materials for recycling. In many instances the availability of these materials is dependent on the levels of activity in specific industries or at specific customers where Umicore provides closed-loop recycling services. A diverse portfolio and wide geographical presence help to mitigate the risk of over-exposure to any one particular market.

Comments on 2011: Signs of an economic slowdown were observed in Europe and the US in the latter part of 2011 following the sovereign debt crises. Despite this slowdown, the markets served by Umicore were generally supportive throughout the whole of the year.

18.1.2 Technology risk

Umicore is a materials technology Group with a strong focus on the development of innovative materials and processes. The choice and development of these technologies represents the single biggest opportunity and risk for Umicore. In order to manage this risk and to enhance the effectiveness of technology screening and implementation processes Umicore carries out technology reviews at Executive Committee level every year. All business units are also expected to carry out an annual technology review. The purpose of these technology reviews is to verify the suitability, potential and risks of those technologies that are screened and pursued and to ensure that they are in line with Umicore's strategic vision. In 2009 Umicore adopted a system to track the quality of its research and development efforts. This system is primarily based on a self-assessment tool for the business units and Group R&D.

In terms of organization Umicore's R&D efforts comprise initiatives at both Group and business unit level. The position of Chief Technology Officer (CTO) was created in 2005. with the aim of stimulating the various R&D efforts through the Group, ensuring the alignment of the R&D roadmap with strategic priorities and achieving a balance between current technology needs and longer-term opportunities. Five R&D platforms provide a framework for those elements that have a high degree of relevance across the Group namely Fine Particle Technology, Recycling & Extraction Technology, Scientific and Technical Operations Support, Environment Health and Safety and Analytical Competences. Efforts are also made to promote best practice in knowledge management, information sharing, training and networking throughout the R&D community at Umicore.

To the greatest extent possible, the financial support for the Group's R&D efforts is maintained irrespective of short-term fluctuations in the financial performance of the Group. With regard to intellectual property (IP) risk, a Group IP committee co-ordinates the protection of IP at Group level and promotes best practice in this regard at the level of the business units, which have their own IP committees.

Comments on 2011: In 2011 the Executive Committee undertook five dedicated technology reviews in addition to the standard technology reviews that are included in the annual budget and strategic review process for each business unit. These five reviews focused on testing technology for e-vehicles (battery and emission control), heavy duty diesel catalysis, lithium ion battery materials, technology innovation and technology-related project portfolio and performance management.

18.1.3 Supply risk

Umicore is reliant on supplies of certain metals or metals-containing raw materials in order to manufacture its products. Some of these raw materials are comparatively rare. In order to mitigate the risk of supplies becoming difficult to source Umicore enters into longer-term contracts with its suppliers wherever possible. In some cases the company holds strategic reserve stocks of certain key raw materials. The company also attempts to source its materials from a geographically diverse range of locations. Umicore's focus on recycling also means that its supply needs are only partially dependent on supplies of virgin material from mines - a significant proportion of the company's feed coming from secondary industrial sources or end-of-life materials. Where possible Umicore seeks to partner with customers in a "closed-loop" business model thereby integrating sales and the recycling of the customer's residues in one package. Umicore has developed a Sustainable Procurement Charter that has been designed to drive further improvements in the company's approach to sustainable procurement and is being rolled out towards Umicore's suppliers.

Comments on 2011: Two supply-related issues are worthy of mention. The first concerned the significant price increases for rare earth oxides that are used as ingredients of automotive catalyst formulations. The price increases were the result of a reduction in Chinese export quotas. While Umicore was able to secure physical availability of raw materials, the price increases necessitated negotiations with customers regarding how the higher raw material cost would be incorporated in product prices. By year-end Umicore had successfully negotiated rare earth element price recovery processes with all of its major customers.

In 2011 the Dodd Frank Act was introduced in the United States. Section 1502 of this act requires US-listed companies to declare any sourcing of minerals from the Democratic Republic of Congo (DRC) – specifically tantalum, tin, tungsten and gold. While we do not source conflict minerals and are not ourselves subject to the Dodd Frank Act we are proactively addressing the issue with a number of our customers. We are also monitoring the work that has started through various industry associations such as the Responsible Jewelry Council and London Bullion Market Association to establish an industry-wide approach to the issue of conflict minerals. This work is also guided by the "OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas".

18.1.4 Substitution risk

Achieving the best cost-performance balance for materials is a priority for Umicore and its customers. There is always a risk that customers will seek alternative materials to integrate in their products should those of Umicore not provide this optimum balance. The risk is especially present in those businesses producing materials containing expensive metals (especially those with historically volatile pricing characteristics). Umicore actively seeks to pre-empt this search for substitute materials by developing such substitutes itself using less costly materials with lower pricing volatility and where possible without impacting the performance provided for the customer's product.

Comments on 2011: No specific developments took place with regards to substitution risk during 2011.

18.1.5 Regulatory risk

Like all companies, Umicore is exposed to the evolution of the regulatory environment in the countries or regions within which it does business. It should be noted that Umicore's businesses stand to benefit from certain regulatory trends, notably those regarding more stringent emission controls for vehicles and enforced recycling of end-of-life products such as electronic goods.

Some environmental legislation does present operational challenges, however. The REACH Directive came into force in the European Union in June 2007 and it introduced the need for new operational procedures regarding the registration, evaluation and authorization of chemical substances. Umicore has created an operational network of REACH managers at business unit level coordinated by a REACH implementation manager.

Umicore has submitted 108 registrations for 95 different substances to the European Chemicals Agency (ECHA) covering 13 European legal entities. The files have been either jointly prepared together with other companies acting in consortia or by Umicore itself. All costs associated with REACH compliance, including the cost of registration, are covered under normal operating expenditures.

Comments on 2011: With regards to REACH several of the previously submitted registrations were updated based on newly available data. Two notifications for Process and Product Oriented Research and Development (PPORD) were also submitted. Further progress was made with various consortia with regards to registrations due in 2013 and 2018.

18.2 Financial risk

As indicated above, Umicore has implemented a specific series of Minimum Internal Control Requirements to mitigate financial risks. The 12 specific areas covered by MICR are: Internal Control Environment, Financial Closing & Reporting, Fixed Assets, Procure-To-Pay, Order-To-Cash, Inventory Management, Hedging, Treasury, Tax, Information Systems Management, Human Resources, Travel & Entertainment. An internal guide - the Umicore Financial Reporting Standard – provides the framework for common understanding of Umicore's accounting policies, application of IFRS, and general reporting practices. Below three of the most salient financial risks have been summarized. A full description of pure financial risks and their management can be found in note F3 to Consolidated Financial Statements.

18.2.1 Debt and credit risk

Umicore aims to safeguard the business through sound financial management and by maintaining a strong balance sheet. Although there is no fixed target regarding debt levels the company aims to maintain an investment grade status at all times. We also seek to maintain a healthy balance between short term and longer term debt and between debt secured at fixed and floating interest rates. Since 2008 Umicore has adopted a monitoring process to screen banks for counterparty risk. Umicore is exposed to the risk of non-payment from any counterparty in relation to sales of goods or other commercial operations. Umicore manages this risk through application of a credit risk policy. Credit insurance is often used to reduce the overall level of risk but in certain businesses no insurance is used. This is primarily in those businesses with a significant level of customer concentration or those with a specific and close relationship with their customers and where the cost of insurance is not deemed justifiable in proportion to the risks involved. Business managers are also encouraged to pay particular attention to the evolution of trade receivables. This is done in the broader context of working capital management and Group efforts to reduce capital employed. The largest part of the variable pay of managers is linked to return on capital employed (ROCE).

18.2.2 Currency risk

Umicore is exposed to structural, transactional and translational currency risks. Structural currency risk exists where the company generates more revenues in one currency compared to the costs incurred in that currency. The single biggest sensitivity of this nature exists for the US dollar. Transactional currency exposure is hedged systematically while the company sometimes engages in structural currency hedges that help secure future cash flows.

Umicore also faces translational currency risks where it consolidates the earnings of subsidiaries not using the Euro as their reporting currency. This risk is typically not hedged.

18.2.3 Metal price risk

Umicore is exposed to risks relating to the prices of the metals which it processes or recycles. The structural metals-related price risks relate mainly to the impact that metal prices have on surplus metals recovered from materials supplied for treatment. Transactional metals price risks are linked to the exposure to any fluctuations in price between the moment raw materials are purchased (i.e., when the metal is "priced in") and the moment the products are sold (i.e., when the metal is "priced out"). A risk also exists in the company's permanently tied up metal inventories. This risk is related to the market metal price moving below the carrying value of these inventories. Transactional metal price exposure is hedged systematically while the company sometimes engages in structural metal price hedges that help secure future cash flows.

18.2.4 Taxation

The tax charge included in the financial statements is the Group's best estimate of its tax. There is a degree of uncertainty regarding the final tax liability for the period until completion of tax audits by the authorities. The Group's policy is to submit tax returns within the statutory time limits and engage tax authorities to ensure that the Group's tax affairs are as current as possible and that any differences in the interpretation of tax legislation and regulation are resolved as quickly as possible. Given the scale and the international nature of the Group's business, VAT, sales tax and intra-Group transfer pricing are an inherent tax risk as it is for other international businesses. Changes in tax laws or in their application with respect to matters such as transfer pricing, VAT, foreign dividends, R&D tax credits and tax deductions, could increase the Group's effective tax rate and adversely affect its financial results.

Comments on 2011: No material changes took place with regards to the nature or management of the financial risks faced by Umicore during 2011.

Stakeholder engagement

Umicore is a publicly listed company. As such, it interacts with a number of parties who have an interest in the way in which the company conducts business. The relationship that the company is able to foster with these parties or stakeholders has a direct impact on the company's success.

Stakeholder engagement at Umicore is, in the first instance, based on a localized approach whereby all sites are required to identify their respective stakeholders and to establish suitable ways of engaging with local stakeholders. This approach is formalized in the Vision 2015 objective relating to local communities. In many instances, such as the dialogue with customers and suppliers, the stakeholder relationships are primarily managed by the business units themselves, in line with Umicore's de-centralized approach to managing its businesses.

At Group level the Vision 2015 objectives were developed partly from the lessons learned from an external sounding board in 2009 to review Umicore's sustainability approach and reporting. This sounding board complemented an internal exercise conducted with representatives of business units, shared operational functions and corporate departments. The focus in 2011 was on making these objectives operational through the organization.

Umicore is an active participant in various industry associations through which it engages with policy makers in order to contribute to the better understanding of industry-related issues. These associations are also important platforms for Umicore to contribute to broader, industry-wide action on sustainable development. On a less formal level, members of Umicore's senior management are often called upon or volunteer to participate in public fora to discuss Umicore's business performance and sustainable development approach. Such events provide the opportunity to interact with various groups including business leaders, academics and civil society.

Highlighted below are Umicore's main stakeholder groups. These have been categorized in broad terms using generic stakeholder categories that apply to most industrial organizations. Also shown are the nature of the transactions that occur and a brief description of how the dialogue between Umicore and the stakeholders operates.

G19 Suppliers

Umicore provides: revenues

Suppliers provide: raw materials, transportation, energy and other goods and services

Umicore operates four business groups on five continents. These business groups not only require materials to make their products but also energy, transportation and a range of other services. Overall Umicore has more than 10,000 suppliers world-wide. These suppliers benefit from Umicore's presence as a customer; during 2011 Umicore paid these suppliers some € 12.2 billion (including the metal content of raw materials).

Umicore is engaged in constant dialogue with its suppliers, primarily to define technical specifications as well as to ensure mutually acceptable terms and conditions for continued partnership such as prompt and uninterrupted delivery of materials / services and timely payment. The business units are primarily responsible for the purchases of raw materials while the corporate Purchasing and Transportation department is involved in ensuring the Group's transportation, energy and other provisioning needs are met.

Umicore's approach is shaped by its Sustainable Procurement Charter (www.umicore.com/sustainability/sustProcCharter/). This charter was introduced in 2010 and forms the basis for the Vision 2015 objective on sustainable procurement. For information on the progress towards this objective please see page 21-22 of this report.

G20 Customers

Umicore provides: materials and services

Customers provide: revenues

Umicore's ambition is to produce "materials for a better life". The company's materials can be found in a wide variety of applications that make day-to-day life more comfortable and which help contribute to a cleaner environment.

Umicore has an increasingly international customer base, with 44 % of 2011 revenues being generated outside Europe.

Umicore's customer base tends to be other industrial companies who use Umicore's materials to make products. Only in a very few instances does Umicore make products that are sold directly to the public. The business units are responsible for providing support to their customers in order to better understand the hazards and risks of any products that are either in the market or in development. Interaction with customers is an on-going process and is managed by the business units. All business units have a customer feedback process where they are able to gauge periodically the level of customer satisfaction with their products and services. In the most technologically advanced businesses the relationship with the customer is often closely integrated. Developing advanced products often involves years of research and development work in direct collaboration with such customers.

G21 Employees

Umicore provides: remuneration, training and learning opportunities

Employees provide: skills, competences & productivity

Umicore and its associates employ some 14,600 people around the world. The company invests significant resources in ensuring its status as an employer of choice in all the regions in which it operates. During 2011 Umicore paid a total of € 543million in the form of salaries and other benefits to the employees of its fully consolidated companies. Social security payments totalled € 106 million.

Umicore is committed not only to providing good salaries and working conditions to its employees but also to providing the necessary occupational and professional training opportunities. Employees are expected to adhere to the principles and policies outlined in The Umicore Way and Umicore's Code of Conduct. Open dialogue is promoted between the company and its employees. This dialogue includes a three-yearly employee opinion survey.

Umicore respects the principle of collective bargaining wherever it is requested. While such practice is commonplace in Europe, in some other locations collective bargaining mechanisms and trade unions are less common or face local legal restrictions. In 2011 Umicore signed a renewed sustainable development agreement with the International Metalworkers' Federation and the International Federation of Chemical, Energy, Mine and General Workers' Unions on the global Group-wide implementation of its policies on human rights, equal opportunities, labour conditions, ethical conduct and environmental protection. The agreement allows both trade unions to participate constructively in the pursuit of these objectives. A joint monitoring committee composed of both parties sees to the implementation of the agreement.

Supplementary channels of company-wide communication include the Group intranet and a world-wide in-house magazine "umicore.link".

G22 Investors and funders

Umicore provides: return on investment

Investors provide: capital and funds

Umicore's investor base has diversified significantly in recent years. At the end of 2011 the company's shareholders remained primarily situated in Europe and North America. For the latest information on the shareholder base please see www.umicore.com/investorrelations.

Umicore strives to provide timely and accurate company information to the investment community. These communication efforts include management roadshows and site visits, conferences, investor fairs for individual investors, webcasts and conference calls. During 2011 Umicore increased its analyst base with 21 brokerage firms published equity research notes on Umicore (up from 16 in 2010). In 2011 Umicore was awarded the prize for Best Investor Relations by a Belgian Company and Best Investor Relations in its sector at the European Investor Relations Awards in London.

Banks make up the vast majority of the company's creditors and debt investors. Umicore has credit lines with numerous banks both in Belgium and elsewhere.

Dialogue with the banks is primarily the responsibility of the corporate Finance Department although each legal entity within Umicore maintains business relationships with the banking community. Umicore also has in issue a € 150 million bond with a maturity date of 18 February 2012. The bond was listed on the Brussels stock exchange.

G23 Society

Umicore provides: wealth and innovative products and processes

Society provides: licence to operate

Through employment Umicore participates in the generation of wealth in the areas in which it operates. Although wealth generation is an obvious benefit, the manner in which this wealth is generated is also of great importance. Ultimately Umicore can only continue operating if it has the licence to do so from society. In order to maintain this licence, Umicore does the utmost to operate in a way which promotes sustainable development. This goes beyond operating within the legally defined boundaries set for all companies. Umicore sets its own standards which are applicable across the Group and which frequently surpass the demands of legislation in many areas where the company operates. In addition to this commitment to sound operating practices, Umicore also strives to develop materials which will enhance peoples' quality of life.

Contact with the communities in which Umicore operates is the most direct way in which the company can interact with society. Open and transparent dialogue with such communities is an integral part of Umicore's stakeholder engagement and makes up one of the Vision 2015 objectives. Certain civil society groups (known as non-governmental organizations) also periodically declare a stake in Umicore's operations and the way the company does its business. Umicore welcomes such interest and attempts to engage with such groups in an open and constructive manner.

Umicore makes voluntary contribution at site and Group level to a range of charitable causes in line with an internal policy and guidelines. In 2011 Umicore established a Group Donations Committee which has the mandate of engaging with civil society groups and determining the extent of partnerships at Group level. For information on these initiatives in 2011 please see page 22-23 of this report.

G24 Associate and joint venture companies

Umicore provides: investment and guidance

Associate and joint venture companies provide: contribution to Umicore profits, technological complementarities, market access

Umicore has investments in various business activities over which it does not exercise full management control. Associate companies are those in which Umicore has a significant influence over the financial and operating policies, but no control. Typically this is evidenced by ownership of between 20 and 50 % on the voting rights, while joint ventures usually entail a 50:50 split in ownership and control. Joining forces is seen as a way to speed up technological developments or gain access to specific markets. Umicore has effective management control in half of the ten associate and joint venture companies in which it holds a stake. Where management control is not exercised by Umicore, representation on the Board of Directors is the way in which Umicore is able to guide and control the management and monitor business developments. Although Umicore cannot impose its own policies and procedures on any associate (or indeed any joint venture where it does not possess majority voting rights) there is a clear communication of Umicore's expectation that the operations be run in accordance with the principles of the Umicore Way.

Umicore is rigorous in safeguarding any intellectual property that it shares with associate or joint venture partners. A full list of associate and joint venture companies can be found on page 78 of this report.

G25 Public sector and authorities

Umicore provides: taxes

Public sector and authorities provide: services and formal licence to operate

Umicore paid a total of € 93 million in taxes as a result of its operations in 2011. Umicore and its employees also contributed a total of some € 106 million in social security payments. Umicore periodically enters into partnerships with public institutions such as universities with the primary aim of furthering certain research projects. Similarly, partnerships and research grants are occasionally contracted with public organizations. A total of some € 19 million of grants were awarded in 2011 relating primarily to planned R&D projects. Some € 13 million of cash relating to previously-awarded grants was received in 2011. The company has a policy of not making donations to political parties or organizations.

In 2011 Umicore further intensified its efforts to foster contacts with public authorities worldwide. These efforts are co-ordinated through the Government Affairs department and focus primarily on Europe and North America. Umicore aims to raise the profile and understanding of Umicore's technologies, and to add its voice to the discourse about materials-related issues. In Europe this has centred on the availability of raw materials (particularly from the perspective of a "circular" economy), resource efficiency and waste legislation. Umicore's initiatives also encompass gaining access to EU and national government funding, particularly in the context of programmes to support the development of breakthrough technologies with environmental benefits.

When specific issues arise which are of interest to Umicore the company usually communicates its position through the industry groups to which it is affiliated. The company is mindful of the sensitivity of taking positions on issues of public interest. With this in mind Umicore has developed Group-wide guidelines regarding how this should be done in a responsible way (these can be downloaded on the Group website). The main organizations on which Umicore is currently (both at corporate and business unit level) are listed below:

Corporate:

- World Business Council for Sustainable Development (WBCSD)
- European Round Table of Industrialists (ERT)
- Eurometaux
- TransAtlantic Business Dialogue (TABD)
- French Federation of Minerals and Non-Ferrous Metals (FEDEM)
- Agoria (Belgian multi-sector federation for the technology industry)
- Fuel Cells Europe

Catalysis:

- Emission control associations at regional and national level (US, SA, Brazil, China, European Union) – see www. automotivecatalysts.umicore.com/en/links/ for a selection of links
- German Chemical Federation (VCI)

Energy Materials:

- Cobalt Development Institute
- Nickel Institute
- European Photovoltaic Industry Association (EPIA)

Performance Materials:

- International Zinc Association
- International Platinum Association
- European Precious Metals Federation
- German Precious Metals Federation

Recycling:

- European Electronics Recyclers Association
- International Association of Electronics Recyclers
- International Association of Portable Rechargeable Batteries (RECHARGE)
- International Platinum Association
- International Precious Metals Institute
- International Antimony Association

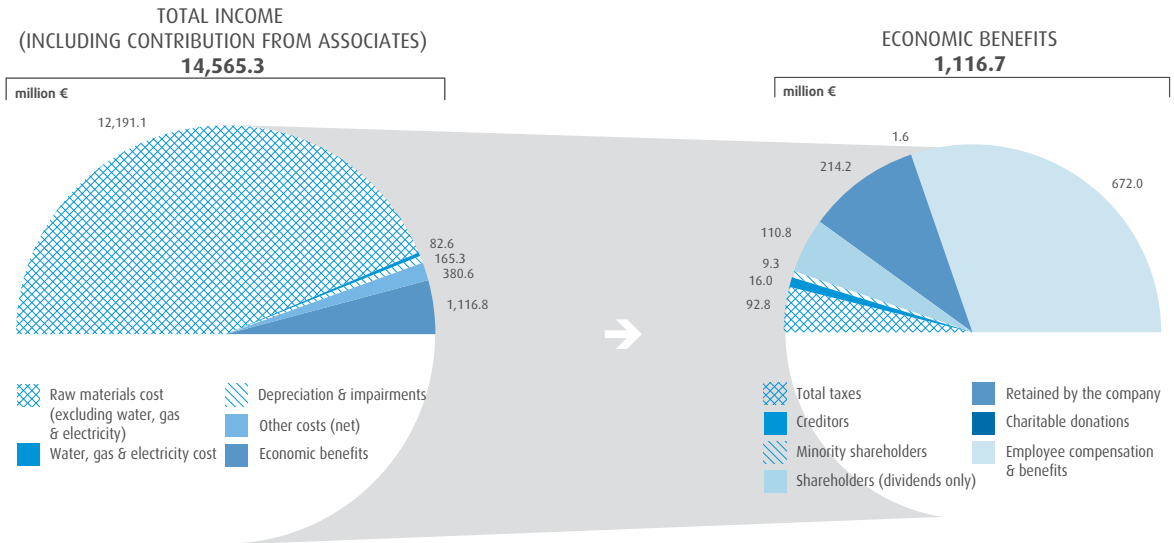
Several of Umicore's business units are signatories of the "Responsible Care" programme for the chemicals industry and some are also members of the European Chemical Industry Council (CEFIC).

G26 Distribution of economic benefits

Of Umicore's total income, the most significant portion was used to secure the metal component of raw materials (the cost of which are usually passed through to the customer). After subtracting other raw materials costs, energy-related costs and depreciation, the remaining economic benefits available for distribution stood at € 1,117 million.

The biggest portion (€ 672 million) was distributed to employees in the form of salaries and other benefits. The bulk of employee benefits were in the form of salaries, with the balance being in the form of national insurance contributions, pensions and other benefits. Net interest paid to creditors amounted to €16 million. Umicore paid taxes to the governments and authorities in the places where it operates, totalling € 93 million. The earnings attributed to minority shareholders totalled € 9 million.

Subject to approval by shareholders at the AGM in April 2012, the gross proposed dividend for the year was raised to € 1.00 per share, resulting in a total provisional pay-out of € 111 million (using the number of shares outstanding at the end of 2011). Of this figure a portion was already paid out in September 2011 in the form of an interim dividend, and the remainder will be paid out in 2012. This is in line with Umicore's policy of paying a stable or gradually increasing dividend. Umicore bought back 2.6% of its own shares in 2011 for a total sum of € 93 million. Although this is not included in the distribution charts it can also been considered as an indirect return to shareholders. Umicore spent some € 1.8 million on charitable donations, of which € 1.6 million were financial contribution.



Board of Directors

Thomas Leysen, 51

Chairman, Non-Executive Director

Thomas Leysen became Chairman of Umicore in November 2008 after having served as Chief Executive Officer of Umicore since 2000. Since 1 October 2011 he is Chairman of KBC Group, a banking and insurance group. He is also Chairman of Corelio, a Belgian media company, a member of the supervisory Board of Bank Metzler, (Germany), and a member of the board of UCB.

Director since: 10 May 2000
Expiry of mandate: Ordinary General Meeting of 2012
Chairman since: 19 November 2008
Chairman of the Nomination & Remuneration Committee since: 19 November 2008

Marc Grynberg, 46

Chief Executive Officer, Executive Director

Marc Grynberg was appointed Chief Executive Officer of Umicore in November 2008. He was head of the Group's Automotive Catalysts business unit from 2006 to 2008 and served as Umicore's CFO from 2000 until 2006. He joined Umicore in 1996 as Group Controller. Marc holds a Commercial Engineering degree from the University of Brussels (Ecole de Commerce Solvay) and, prior to joining Umicore, worked for DuPont de Nemours in Brussels and Geneva.

Director since: 19 November 2008
Expiry of mandate: Ordinary General Meeting of 2012
Chief Executive Officer since: 19 November 2008

Isabelle Bouillot, 62

Independent, Non-Executive Director

Isabelle Bouillot holds a diploma of the French "National School of Administration". She has occupied different positions in French public administrations, among them economic advisor for the President of the Republic between 1989 and 1991 and Budget Director at the Ministry of Economy and Finance between 1991 and 1995. She joined the Caisse des Dépôts et Consignations as Deputy Chief Executive Officer in 1995 and was in charge of financial and banking activities. Between 2000 and 2003, she was Chief Executive Officer of the Investment Bank of the Group CDC IXIS. She is presently President of China Equity Links and a member of the boards of Saint-Gobain and Dexia.

Director since: 14 April 2004
Expiry of mandate: Ordinary General Meeting of 2013
Member of the Audit Committee since: 13 April 2005
Member of the Nomination & Remuneration Committee since: 13 April 2005

Guy Paquot, 70

Independent, Non-Executive Director

Guy Paquot joined the Bank Nagelmackers group in 1969 and became Chairman and managing director of Financière Lecocq (a Nagelmackers subsidiary) in 1986. In 1994 Financière Lecocq became known as Compagnie Mobilière et Foncière du Bois Sauvage. In 2003 he left his position as managing director and on 30 June 2010 he resigned as Chairman of the Board of Compagnie du Bois Sauvage where he still held a mandate of Board member until 30 June 2011. He is Chairman of Neuhaus and a member of the Boards of Recticel, Noel Group and Serendip as well as the Quartier des Arts foundation.

Director since: 13 April 2005
Expiry of mandate: Ordinary General Meeting of 2012
Member of the Nomination and Remuneration Committee since: 13 April 2005

Jonathan Oppenheimer, 42

Non-Executive Director

Jonathan Oppenheimer joined the De Beers Group in 1994 and became a Director of De Beers S.A. in 2006. He is also a member of its Executive Committee. He is also the chairman of De Beers Canada Inc. and of Element Six Abrasives Group of companies. In view of his chairmanship of Element Six (in which Umicore has a stake), he is considered to be a non-independent Director.

Director since: 5 September 2001
Expiry of mandate: Ordinary General Meeting of 2014

Uwe-Ernst Bufe, 67

Independent, Non-Executive Director

Uwe-Ernst Bufe was CEO of Degussa until May 2000. He is a member of the Board of Akzo Nobel N.V. (Netherlands).
Director since: 26 May 2004
Expiry of mandate:
Ordinary General Meeting of 2014

Arnoud de Pret, 67

Non-Executive Director

Arnoud de Pret was with Morgan Guaranty Trust Company in New York from 1972 until 1978. From 1978 until 1981 he was group treasurer of Cockerill-Sambre, and until 1990 he was group finance manager and member of the Executive Committee of UCB. He was Chief Financial Officer and member of the Executive Committee of Umicore from 1991 until May 2000. He is a member of the Board of Sibelco, UCB, L'Intégrale and of the French company Lesaffre & Cie. He is a member of the Supervisory Board of Euronext B.V. Amsterdam.

Director since: 10 May 2000
Expiry of mandate: Ordinary General Meeting of 2014
Member of the Audit Committee since:
1 January 2001 (Chairman since 26 April 2011)

Shohei Naito, 68

Independent, Non-Executive Director

Shohei Naito started his career at the Japanese Ministry of Foreign Affairs. At the Ministry he served as Director General for Consular Affairs & Migration and as Chief of Protocol. Mr Naito has filled several diplomatic functions overseas and he was appointed as Ambassador in 1996. Since that date he has served as Japan's ambassador to Cambodia, Denmark concurrently with Lithuania and Belgium. He left the diplomatic service at the end of 2006. He is now Senior Fellow at The Japan Institute of International Affairs.

Director since: 25 April 2007
Expiry of mandate:
Ordinary General Meeting of 2013

Klaus Wendel, 68

Non-Executive Director

Klaus Wendel, after a career in financial management with General Electric (USA), Siemens, Cockerill Sambre and CBR, joined Société Générale de Belgique in 1988 as member of the Executive Committee, responsible for group control. Since 2000 he has been an independent consultant.

Director since: 26 July 1989
Expiry of mandate: Ordinary General Meeting of 2012

Ines Kolmsee, 41

Independent, Non-Executive Director

Ines Kolmsee holds several degrees in engineering (TU Berlin, Germany and Ecole des Mines de Saint-Etienne, France) as well as an MBA degree (Business School INSEAD – France/Singapore). Since 2004 she has been CEO of SKW Stahl-Metallurgie Group, a specialty chemicals company with operations worldwide. She previously occupied different positions, including as CFO at Arques Industries AG.

Director since: 26 April 2011
Expiry of mandate:
Ordinary General Meeting of 2014
Member of the Audit Committee since:
26 April 2011

Karel Vinck

Honorary Chairman

Executive Committee

Marc Grynberg, 46
Chief Executive Officer

Marc Grynberg was appointed Chief Executive Officer of Umicore in November 2008. He was head of the Group's Automotive Catalysts business unit from 2006 to 2008 and served as Umicore's CFO from 2000 to 2006. He joined Umicore in 1996 as Group Controller. Marc holds a Commercial Engineering degree from the University of Brussels (Ecole de Commerce Solvay) and, prior to joining Umicore, worked for DuPont de Nemours in Brussels and Geneva.

Hugo Morel, 61
Executive Vice-President Recycling

Hugo Morel holds a Masters degree in Metallurgical Engineering from the University of Leuven. He joined Umicore in 1974 and held several positions in production, commercial, strategy and general management. He headed the Zinc Chemicals business unit from 1996 to 1997 and was appointed to his present position in 1998. He joined the Executive Committee in 2002. Besides heading the Recycling business group, he is also responsible for Purchasing & Transportation.

Marc Van Sande, 59
Executive Vice-President Energy Materials

Marc Van Sande holds a PhD in Physics from the University of Antwerp as well as an MBA. He joined Umicore in 1980, and held several positions in research, marketing and production. In 1993 he was appointed Vice-President of the Electro-Optic Materials business unit and he joined the Executive Committee as Executive Vice-President of Advanced Materials in 1999. He assumed the role of Chief Technology Officer between 2005 and 2010 after which he took the helm of the Energy Materials business group.

Pascal Reymondet, 52
Executive Vice-President Performance Materials

Pascal Reymondet holds an MSc from Stanford University and an Engineering degree from the Ecole Centrale in Paris. He held different management positions within the Degussa group including management of the Port Elizabeth and Burlington automotive catalyst plants. He joined the Umicore Executive Committee in 2003 to be in charge of the Precious Metals Products group. In September 2007, he was appointed to head the Zinc Specialties business group. In June 2010 he assumed responsibility for the Performance Materials business group.

William Staron, 63
Executive Vice-President Catalysis

William Staron holds a degree in Mechanical Engineering from Ohio University and has a long experience in the catalyst industry. During his time at Engelhard (now BASF), he headed the Environmental Catalyst, Specialty Minerals & Colors, and the Chemical Catalyst Groups. William joined Umicore in 2003 as Senior Vice-President for Automotive Catalysts in North America. In 2007 he was appointed Head of Global Research & Technology for the Automotive Catalysts division. In October 2008 he became head of that business unit and member of the Executive Committee.

Denis Goffaux, 44
Chief Technology Officer

Denis Goffaux holds a degree in mining engineering from the University of Liège. He joined Umicore Research in 1995 and has lived and worked in Belgium, Chile, China and Korea. Denis was previously head of the Rechargeable Battery Materials business line and Country Manager Japan, where he laid strong foundations for Umicore to grow its industrial presence and commercial activities in the country. He was appointed to his present post in July 2010. Besides his position as Chief Technology Officer, he also is responsible for Environment, Health & Safety.

Ludo Vandervelden, 56
Chief Financial Officer

Ludo Vandervelden joined Umicore in October 2011 as Chief Financial Officer. Before joining Umicore, he was Senior Vice-President Accounting, Finance, Information Systems & Legal at Toyota Motor Europe. He previously also held senior management positions at Daimler / Mercedes Benz in Belgium and Germany. Ludo holds a Commercial Engineering degree from the Vrije Universiteit Brussel as well as a management degree from Boston University School of Management. He has expertise in areas such as marketing, strategy and supply chain management. He is also responsible for Information Systems.

Senior Management

Catalysis

Dieter Lindner
Automotive Catalysts
Research & Technology

Michael Neisel
Automotive Catalysts
Europe & Africa

Arjang Roshan
Automotive Catalysts
Asia Pacific

Matthias Grehl
Precious Metals
Chemistry

Recycling

Dietmar Becker
Jewellery & Industrial
Metals

Ralf Drieselmann
Precious Metals
Management

Koen Demesmaeker
Precious Metals
Refining

Sybolt Brouwer
Battery Recycling

Energy Materials

Michel Cauwe
Electro-Optic
Materials

Klaus Ostgathe
Thin Film Products

Jan Vliegen
Future Business
for Energy Materials

Dirk Uytdewilligen
Colbalt & Specialty
Materials

Performance Materials

Pierre Van de Bruaene
Building Products

Guy Beke
Zinc Chemicals

Joerg Beuers
Technical Materials

Jürgen Leyrer
Platinum Engineered Materials

Thomas Engert
Electroplating

Regions

Bernhard Fuchs
Greater China

Franz-Josef Kron
South America

Luc Gellens
Japan

Ravila Gupta
North America

Corporate

Stephan Csoma
Government Affairs

Edwin D'Hondt
Information Systems

Ignace De Ruijter
Human Resources

Guy Ethier
Environment, Health & Safety

Géraldine Nolens
Legal Affairs

Egbert Lox
Group R&D

Assurance reports

pwc

STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING ON THE CONSOLIDATED ACCOUNTS OF THE COMPANY UMICORE SA/NV AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2011

As required by law and the company's articles of association, we report to you in the context of our appointment as the company's statutory auditor. This report includes our opinion on the consolidated accounts and the required additional disclosures and information.

Unqualified opinion on the consolidated accounts

We have audited the consolidated accounts of Umicore SA/NV (the 'Company') and its subsidiaries (the "Group") as of and for the year ended 31 December 2011 prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated accounts are included in the Annual Report 2011 and comprise the consolidated balance sheet as of 31 December 2011, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The total of the consolidated balance sheet amounts to EUR (000) 3.713.160 and the consolidated statement of income shows a profit for the year (group share) of EUR (000) 324.950.

The company's board of directors is responsible for the preparation of the consolidated accounts. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these consolidated accounts based on our audit. We conducted our audit in accordance with the legal requirements applicable in Belgium and with Belgian auditing standards, as issued by the "Institut des Reviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". Those auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated accounts are free of material misstatement.

In accordance with the auditing standards referred to above, we have carried out procedures to obtain audit evidence about the amounts and disclosures in the consolidated accounts. The selection of these procedures is a matter for our judgment, as is the assessment of the risk that the consolidated accounts contain material misstatements, whether due to fraud or error. In making those risk assessments, we have considered the Group's internal control relating to the preparation and fair presentation of the consolidated accounts, in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. We have also evaluated the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the company, as well as the presentation of the consolidated accounts taken as a whole. Finally, we have obtained from the board of directors and Group officials the explanations and information necessary for our audit. We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

In our opinion, the consolidated accounts set forth on pages 52 to 107 of the Annual Report 2011 give a true and fair view of the Group's net worth and financial position as of 31 December 2011 and of its results and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Additional remarks and information

The company's board of directors is responsible for the preparation and content of the management report on the consolidated accounts.

Our responsibility is to include in our report the following additional remarks and information, which do not have any effect on our opinion on the consolidated accounts:

- The management report on the consolidated accounts set forth on pages 1 to 51 and 108 to 173 of the Annual Report 2011 deals with the information required by the law and is consistent with the consolidated accounts. However, we are not in a position to express an opinion on the description of the principal risks and uncertainties facing the companies included in the consolidation, the state of their affairs, their forecast development or the significant influence of certain events on their future development. Nevertheless, we can confirm that the information provided is not in obvious contradiction with the information we have acquired in the context of our appointment.
- In the context of our audit of the annual accounts of Umicore SA/NV, we ascertained that the board of directors of the company had complied with the legal provisions applicable to cases of conflicting interest of a financial nature. In conformity with the Companies' Code, these transactions have been covered explicitly in our report on the annual accounts of Umicore SA/NV.

Sint-Stevens-Woluwe, 22 March 2012

The statutory auditor
PricewaterhouseCoopers Reviseurs d'Entreprises / Bedrijfsrevisoren
Represented by

Emmanuële Attout
Registered auditor

Marc Daelman
Registered auditor

PwC Bedrijfsrevisoren cvba, burgerlijke vennootschap met handelsvorm - PwC Reviseurs d'Entreprises scrl, société civile à forme commerciale - Financial Assurance Services
Maatschappelijke zetel/Siège social: Woluwe Garden, Woluwedal 18, B-1932 Sint-Stevens-Woluwe
T: +32 (0)2 710 4211, F: +32 (0)2 710 4299, www.pwc.com
BTW/TVA BE 0429.501.944 / RPR Brussel - RPM Bruxelles / ING BE43 3101 3811 9501 - BIC BBRUBEBB / RBS BE89 7205 4043 3185 - BIC ABNABEBR

pwc

INDEPENDENT ASSURANCE REPORT ON THE ENVIRONMENTAL AND SOCIAL STATEMENTS OF THE ANNUAL REPORT 2011 OF UMICORE NV/SA AND ITS SUBSIDIARIES

This report has been prepared in accordance with the terms of our engagement contract dated 4 March 2011, whereby we have been engaged to issue an independent assurance report in connection with the Environmental and Social Statements as of and for the year ended 31 December 2011 in the Annual Report 2011 of Umicore NV/SA and its subsidiaries (the "Report").

Responsibility of Board of Directors

The Board of Directors of Umicore NV/SA ("the Company") is responsible for the preparation of the information and data in the Environmental and Social Statements included in the Report of Umicore NV/SA and its subsidiaries and the declaration that its reporting meets the requirements of the Global Reporting Initiative (GRI) G3.1 application level B+, as set out on pages 115 to 140 and 174 to 178 ("the Subject Matter Information"), in accordance with the criteria disclosed in the Environmental and Social Statements and with the recommendations of the GRI (the "Criteria").

This responsibility includes the selection and application of appropriate methods for the preparation of the Subject Matter Information, for ensuring the reliability of the underlying information and for the use of assumptions and estimates for individual sustainability disclosures which are reasonable in the circumstances. Furthermore, the responsibility of the Board of Directors includes the design, implementation and maintenance of systems and processes relevant for the preparation of the Subject Matter Information.

Independent Auditor's Responsibility

Our responsibility is to express an independent conclusion about the Subject Matter Information based on our work performed. Our assurance report has been made in accordance with the terms of our engagement contract. Our report is intended solely for the use of the Company, in connection with their Environmental and Social Statements as of and for the year ended 31 December 2011 and should not be used for any other purpose. We do not accept, or assume responsibility to anyone else, except to the Company for our work, for this report, or for the conclusions that we have reached.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 "Assurance Engagements other than Audits or Reviews of Historical Information". This standard requires that we comply with ethical requirements and that we plan and perform the engagement to obtain limited assurance as to whether the Subject Matter Information has been prepared, in all material respects, in accordance with the Criteria issued by the Company.

The objective of a limited assurance engagement is to reduce the assurance risk to an acceptably low level in the circumstances of the engagement by performing procedures we consider necessary in order to obtain sufficient and appropriate evidence as the basis for a negative form of expression of our conclusion on the Subject Matter Information.

The scope of our work included, amongst others the following procedures:

- assessing and testing the design and functioning of the systems and processes used for data-gathering, collation, consolidation and validation, including the methods used for calculating and estimating the information and data presented in the Environmental and Social Statements as of and for the year ended 31 December 2011 on pages 115 to 140 of the Annual Report 2011;
- conducting interviews with responsible officers including site visits;
- inspecting internal and external documents.

We have evaluated the Subject Matter Information against the Criteria. The accuracy and completeness of the Subject Matter Information are subject to inherent limitations given their nature and the methods for determining, calculating or estimating such information. Our Assurance Report should therefore be read in connection with the Criteria.

Conclusion

Based on our work, as described in this Independent Assurance Report, nothing has come to our attention that causes us to believe that the information and data presented in the Environmental and Social Statements as of and for the year ended 31 December 2011 on pages 115 to 140 of the Annual Report of Umicore NV/SA and its subsidiaries, and Umicore's assertion that the report meets the requirement GRI G3.1 application level B+ has not been prepared, in all material respects, in accordance with the Criteria.

Sint-Stevens-Woluwe, 22 March 2012

PwC Bedrijfsrevisoren bcvba
Represented by

Marc Daelman
Registered auditor

PwC Bedrijfsrevisoren cvba, burgerlijke vennootschap met handelsvorm - PwC Reviseurs d'Entreprises scrl, société civile à forme commerciale - Risk Assurance Services
Maatschappelijke zetel/Siège social: Woluwe Garden, Woluwedal 18, B-1932 Sint-Stevens-Woluwe
T: +32 (0)2 710 4211, F: +32 (0)2 710 4299, www.pwc.com
BTW/TVA BE 0429.501.944 / RPR Brussel - RPM Bruxelles / ING BE43 3101 3811 9501 - BIC BBRUBEBB / RBS BE89 7205 4043 3185 - BIC ABNABEBR

Glossary

Economic definitions

Associate

An entity in which Umicore has a significant influence over the financial and operating policies but no control. Typically this is evidenced by an ownership of between 20% and 50%. Associates are accounted for using the equity method.

Blanks

A product that is close to its finished state and requires limited further working by the customer. Examples include germanium blanks that require further polishing for use in optical applications or silver coin blanks that require stamping.

Brazing

A metal-joining process whereby a filler metal is heated above melting point and distributed between two or more metal parts.

Catalysis / catalyst

Catalysis is a chemical process whereby one of the elements used in the reaction process, the catalyst, makes this chemical reaction possible, or speeds up this process, without being consumed in the reaction process, and therefore can be re-used.

Carboxylate

A carboxylate is a salt of a carboxylic acid (see "salt").

Cathode

The cathode is the positive side in a (rechargeable) battery. In the charging phase ions are released from the cathode and migrate to the anode (negative side), thereby storing electricity. In the discharging phase, the ions move back to the cathode, thereby releasing electricity.

Charitable donation

A donation to a not-for-profit organization that is not for the commercial benefit of Umicore. Donations can be in cash or in kind. Political donations are not permitted.

Closed loop

For Umicore a "closed loop" involves taking back secondary materials from customers (eg production residues) or end-of-life materials (eg used mobile phones, automotive catalysts) to recover the metals to be fed back into the economic cycle.

Concentrator photovoltaics

A technique to concentrate solar energy in a photovoltaic panel using magnifying lenses or mirrors.

Contact material

Materials (usually containing silver) that are used for their conductive properties in electrical applications eg for switches.

Diesel particulate filter (DPF)

A device designed to remove diesel particulate matter or soot from the exhaust gas of a diesel engine.

Dodd Frank Act

Full title: Dodd–Frank Wall Street Reform and Consumer Protection Act. The Dodd Frank Act aims to promote the financial stability of the United States by improving accountability and transparency in the financial system.

Electroplating

Electroplating is a plating process in which metal ions in a solution are moved by an electric field to coat another material. The process is primarily used for depositing a layer of material to bestow a desired property on that other material.

Euro 6

European emission standard for exhaust emissions of new vehicles set for implementation in 2014.

Fashion jewellery

Mass-produced jewellery.

Frascati Manual

The Frascati Manual is a document prepared and published by the Organisation for Economic Co-operation and Development that sets forth the methodology for collecting statistics about research and development.

Gasoline particulate filter

A device designed to remove particulate matter or soot from the exhaust gas of a gasoline engine.

GDP

Global domestic product (recognized indicator of economic growth).

HDD - Heavy Duty Diesel

Large diesel vehicles – either on-road, such as trucks and buses, or non-road such as heavy plant and mining equipment or locomotives and agricultural equipment.

(H)EV - (Hybrid) Electrical Vehicle

Vehicle (passenger car or other) that runs fully or partially (hybrid) on electricity, rather than on conventional fuel.

ITO – Indium Tin Oxide

A transparent conducting oxide used in specific layers for its electrical conductivity and optical transparency. It is used in diverse applications, such as flatscreen displays, photovoltaics and architectural glass.

Joint venture

A contractual arrangement whereby Umicore and another party undertake an economic activity that is subject to joint control. Joint ventures are accounted for using the equity method.

LCD

Liquid crystal display.

LDV - Light Duty Vehicle

Primarily passenger cars – using either diesel or gasoline fuel, or other.

LED - Light Emitting Diode

LEDs are a semiconductor-based light source offering many advantages over traditional incandescent light sources, among which long lifetime and energy efficiency.

Life science industry

Also known as biotechnology industry: the field of applied biology that involves the use of living organisms and bioprocesses in engineering, technology, medicine and other fields.

Li-ion – Lithium ion battery

Lithium ion is a technology for rechargeable batteries in which lithium ions move from the positive electrode (the cathode) to the negative electrode (the anode) during the charging phase, thereby storing electricity. In the discharging phase, the lithium ions move back to the cathode, thereby releasing electricity.

Membrane Electrode Assembly (MEA)

The heart of a PEM fuel cell. The catalyst-coated membrane separates the positive and negative sides of the cell. The catalyst causes hydrogen to split into protons and electrons. The electrons cannot pass through the membrane and need to travel to the to the other side of the cell via an external channel, creating electricity on the way.

NiMH (Nickel metal hydride)

A type of rechargeable battery used in older-generation portable electronics and some hybrid vehicles.

NMC – Lithium (Nickel-Manganese-Cobalt) oxide

Relatively new type of cathode material, which is used in the emerging (H)EV market and also more and more in portable electronic applications.

OECD

Organization of Economic Co-operation and Development.

Proton Exchange Membrane fuel cell (PEMFC)

A type of fuel cell that uses membrane electrode assemblies (see MEA).

pgm - platinum group metals

Platinum, palladium, rhodium, ruthenium, iridium and osmium (in Umicore's case it refers mainly to the first three).

Platform (automotive)

A combination of chassis and engine type that is used on one or more models of passenger car, sometimes between different manufacturers.

PV - Photovoltaics

Photovoltaics is a method of generating electrical power by converting solar radiation directly into electricity.

Pre-weathered zinc

A surface finishing technique for zinc which gives the new product the aspect of having already been exposed to the elements.

Printed circuit board (PCB)

A printed circuit board is used in computers and other electronic products to mechanically support and electrically connect electronic components using conductive pathways.

Rotary target

A cylindrical material composite used in thin film deposition by sputtering. It allows better total material deposition efficiencies than conventional targets.

Salts

In chemistry, salts are ionic compounds that can result from the neutralization reaction of an acid and a base.

Sputtering

Sputtering is a process whereby atoms are ejected from a solid target material due to bombardment of the target by energetic particles. It is commonly used for thin-film deposition.

Substrate

A surface onto which a layer of another substance is applied. In automotive catalysts the substrate is the honeycomb structure, which enhances the surface area, on which the catalytic solution is deposited. In photovoltaics, semiconductors such as germanium are used as substrates, on which the rest of the solar cell layers are deposited.

Thermographics

Also known as thermal imaging.

Transparent conductive oxide (TCO)

A thin layer of transparent and conductive material (usually a metal oxide like indium tin oxide) that is used in optoelectronic devices such as flat panel displays and photovoltaics.

Tungsten carbide

A very hard inorganic compound consisting of tungsten and carbon and used in industrial machinery and tools.

UHT - Ultra High Temperature

Umicore patented Ultra high temperature process (>3000°C°) using plasma technology to treat and recycle materials using less energy than traditional processes.

WEEE

Waste Electrical and Electronic Equipment Directive. It is a European Community directive which became European Law in February 2003, setting collection, recycling and recovery targets for all types of electrical goods. It has been modified several times with the latest modifications scheduled to pass into law in 2012.

Financial definitions

Average capital employed

For half years: average of capital employed at start and end of the period; For full year: average of the half year averages.

Capital employed

Total equity (excluding fair value reserves) + net financial debt + provisions for employee benefits – deferred tax assets and liabilities – IAS 39 impact.

Capital expenditure

Capitalized investments in tangible and intangible assets.

Cash flow before financing

Net cash generated by (used in) operating activities + net cash generated by (used in) investing activities.

EBIT

Operating profit (loss) of fully consolidated companies, including income from other financial investments + Group share in net profit (loss) of companies accounted for under equity method.

EPS

Earnings per share for equity holders.

EPS, basic

Net earnings, Group share / average number of outstanding shares.

EPS, diluted

Net earnings, Group share / (average number of outstanding shares + number of potential new shares to be issued under the existing stock option plans x dilution impact of the stock option plans).

Gearing ratio

Net financial debt / (net financial debt + equity of the Group).

IAS 39 effect

Non-cash timing differences in revenue recognition in case of nonapplication of or non-possibility of obtaining IAS hedge accounting to:

a) transactional hedges, which implies that hedged items can no longer be measured at fair value, or

b) structural hedges, which implies that the fair value of the related hedging instruments are recognized in the income statement instead of the equity and this prior to the occurance of the underlying forecasted or committed transactions, or

c) Derivatives embedded in executory contracts, which implies that the change in fair value on the embedded derivatives must be recognized in the income instatement as opposed to the executory component where the fair value change in the income statement cannot be recognized.

Market capitalization

Closing price x total number of outstanding shares.

Net financial debt

Non-current financial debt + current financial debt - cash and cash equivalents.

Non-recurring EBIT

Includes non-recurring items related to restructuring measures, impairment of assets, and other income or expenses arising from events or transactions that are clearly distinct from the ordinary activities of the company. Any writedowns on those metal inventories permanently tied up in operations are part of the non-recurring EBIT of the business groups.

Outstanding shares

Issued shares– treasury shares.

Recurring EBIT

EBIT - non-recurring EBIT - IAS 39 effect.

Recurring EBIT margin

Recurring EBIT of fully consolidated companies / revenues excluding metals.

Recurring EBITDA

Recurring EBIT + recurring depreciation and amortization of fully consolidated companies.

Recurring effective tax rate

Recurring tax charge / recurring profit (loss) before income tax of fully consolidated companies.

Recurring EPS

Recurring net earnings, Group share / average number of (issued shares – treasury shares).

Return on capital employed (ROCE)

Recurring EBIT / average capital employed.

Revenues (excluding metal)

All revenue elements - value of purchased metals.

Revenues by region

Group revenues attributable to a geographic destination, including associates and joint ventures revenues adjusted for Umicore's shareholding. This means that for recycling activities the revenue component is based on the location of the suppliers of raw materials, as determined by the refining charges.

R&D expenditure

Gross research and development charges, including capitalised costs.

The above financial definitions relate to non-IFRS performance indicators except for EPS, basic and EPS, diluted.

Social, environmental and other definitions

Biodiversity

The variability among living organisms from all sources including, inter alia, terrestrial, marine, and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems.

Best available technology (BAT)

A term relating to technology used to limit pollutant discharges.

Biomarker of exposure

Substance or its metabolite that is measured in biological fluids (e.g. blood) to assess internal body exposure.

Chemical Oxygen Demand

Indirect measure of the amount of organic pollution that cannot be biologically oxidized in a sample of water.

CO_2 equivalent

The universal unit of measurement to indicate the global warming potential (GWP) of each of the six greenhouse gases, expressed in terms of the GWP of one unit of carbon dioxide. It is used to evaluate releasing (or avoiding releasing) different greenhouse gases against a common basis.

Combined Heat Power Cogeneration

The use of heat to generate electricity.

Concentrates

Ore or metal separated from its containing rocks or earth.

COSO framework

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) is a voluntary private-sector organization which has established a common internal control model against which companies and organizations may assess their control systems.

Dataset (EHS)

A defined set of data on the the physical, chemical and toxicological properties of a product.

Decibel

Unit of noise level.

EHS

Environment, health & safety.

Employee turnover

Expressed in terms of voluntary leavers: number of employees leaving at their own will (excluding lay-offs, retirement, and end of fixed-term contract). This number is related to the total workforce.

Excess reading

A result of a biological monitoring analysis that exceeds the (internal) target level.

Frequency rate lost time accidents

Number of lost time accidents per million hours worked. Accidents on the road to and from work are excluded.

Global warming potential

A factor describing the radiative forcing impact (degree of harm to the atmosphere) of one unit of a given greenhouse gas relative to one unit of CO_2.

Greenhouse gases

GHGs are the six gases listed in the Kyoto Protocol: carbon dioxide (CO_2); methane (CH_4); nitrous oxide (N_2O); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); and sulphur hexafluoride (SF_6).

Hours of training per person

Average number of training hours per employee - including internal and external training and training on-the-job. Training on-the-job can include the hours a person is being trained on the shop-floor, without being fully productive. The total number of training hours is divided by the total workforce.

ISO 14001

'International Standards Organisation' specification for environmental management systems (ref. ISO).

Kyoto Protocol

A protocol to the United Nations Framework Convention on Climate Change (UNFCCC). It requires countries listed in its Annex B (developed nations) to meet reduction targets of GHG emissions relative to their 1990 levels during the period of 2008–12.

Life-cycle (assessment)

Assessment of the sum of a product's effects (e.g. GHG emissions) at each step in its life cycle, including resource extraction, production, use and waste disposal.

Lost-time accident

A work related injury resulting in more than one shift being lost from work.

Microgramme per gramme creatinine

Unit of metal content in urine

Microgramme per deciliter blood

Unit of metal content in blood.

Nano material

Materials consisting of microscopic particles with at least one dimension less than 100 nanometers.

OHSAS 18001

'Occupational Health and Safety Assessment Series': a Health & Safety management system.

Process emissions

Emissions generated from manufacturing processes, such as the CO_2 that is arising from the breakdown of calcium carbonate ($CaCO_3$).

Process safety

Safety issues related to the use and storage of hazardous chemical substances that may present a hazard to the employees, neighbouring people and the environment.

REACH

'Registration, Evaluation and Authorization of Chemicals'; EU chemicals policy.

Recordable injury

A work related injury resulting in more than one first aid treatment or in a modified working programme but excluding lost-time accidents.

Recovery

The collection of waste materials recovered by third parties with the aim of returning them to the recycling process.

Recycled materials

Materials that have ended a 1st life cycle and will be re-processed through recycling leading to a 2nd, 3rd ...lifetime.

Risk assessment

the evaluation of the risks of existing substances to man, including workers and consumers, and to the environment, in order to ensure better management of those risks.

Scope 1, 2, 3 CO_2e emissions

Scope 1 CO_2e emissions: A reporting organization's direct GHG emissions.

Scope 2 CO_2e emissions: A reporting organization's GHG emissions associated with the generation of electricity, heating/ cooling, compresses air or steam purchased for own consumption.

Scope 3 CO_2e emissions: A reporting organization's indirect emissions other than those covered in scope 2.

Secondary raw materials

By-products of primary material streams.

Severity rate lost time accidents

Number of calendar days lost per thousand hours work. Accidents on the road to and from work are excluded.

Sickness rate

Total number of working days lost due to sickness; excluding long term sickness and days lost due to maternity leave. This number is related to the total number of working days per year.

Temporary workers

Umicore employees with a temporary contract. They are not considered part of the stable workforce, but are included in the total workforce.

Voluntary leavers

Number of employees leaving at their own will (excluding lay-offs, retirement, and end of fixed-term contract). This number is related to the total workforce.

GRI Index

GRI Reference	Indicator	Page reference in Annual Report 2011
General		
Strategy and analysis		
1.1	CEO and Chairman statement	6-9
1.2	Description of key impacts, risks, and opportunities.	6-9; 24; Corporate governance statements: G18
Organizational profile		
2.1	Name of the organization	Front cover
2.2	Primary brands, products and services	1-3; 25
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	1-3; 25
2.4	Location of organization's headquarters	Inside back cover; back cover
2.5	Number of countries where the organization operates and names of countries with major operations	2; Social statements: S2
2.6	Nature of ownership and legal form	Back cover
2.7	Markets served	2; 24; 27; 31; 33-34; 36; 39-40; 43; 45-46; 49
2.8	Scale of the organization	1-2; Social statements: S2; Financial and economic statements: consolidated balance sheet
2.9	Significant changes in size, structure or ownership	6-9; 180; Social statements: S1, S10, S11; Environmental statements: E1
2.10	Awards received in 2011	14; 16; Social statements: S4; Corporate governance statements: G22
Report parameters		
3.1	Reporting period	Front cover; Inside front cover; 180
3.2	Date of most recent report	Annual reports: http://www.umicore.com/sustainability/reports
3.3	Reporting cycle	Front cover; Inside front cover; Annual reports: http://www.umicore.com/sustainability/reports
3.4	Contact points for questions regarding the report or its content	Inside back cover; General: tim.weekes@umicore.com; Financial: geoffroy.raskin@umicore.com; Social: mark.dolfyn@umicore.com; Environmental: bert.swennen@umicore.com;
3.5	Process for defining report content	180; Corporate governance statements: Stakeholder engagement
3.6	Boundary of the report	180; Social statements: S1, S8, S10, S11; Environmental statements: E1, E3, E8, E9
3.7	Limitations on the scope or boundary of the report	180; Social statements: S1, S8, S10, S11; Environmental statements: E1, E3, E8, E9
3.8	Basis for reporting on joint ventures & subsidiaries	180; Social statements: S1; Environmental statements: E1; Financial and economic statements:F16, F37; Corporate governance statements: G24
3.9	Data measurement techniques and the bases of calculations	180; Social statements: S1-S11; Environmental statements: E1-E10; Financial and economic statements: F1
3.10	Explanation of the effect of any restatements of information provided in earlier reports, and the reason for such re-statement	180; Social statements: S1, S10, S11; Environmental statements: E1; General management approach: http://www.umicore.com/sustainability/
3.11	Significant changes from previous reporting period in scope, boundary or measurement	180; Social statements: S1, S8, S10, S11; Environmental statements: E1, E3
3.12	GRI Index	180; This page
3.13	Assurance	180; General management approach: http://www.umicore.com/sustainability/; Supervision and compliance: http://www.umicore.com/governance/en/supervision/

Governance, commitments and engagement		
4.1	Governance structure of the organization	Corporate governance statements: G2, G4, G5; General management approach: http://www.umicore.com/sustainability/
4.2	Non-executive status of Chairman	162; 164; Corporate governance statements: G2
4.3	Number, gender and status of Board members as independent and executive / non-executive	162-163; Corporate governance statements: G2, G4
4.4	Mechanisms for shareholders and employees to provide recommendations to the Board	Corporate governance statements: G3, G9, G10, G11, G21; Corporate Governance Charter and Code of Conduct: http://www.umicore.com/governance/en/
4.5	Linkage between compensation and the organization's performance (including social and environmental performance)	Corporate governance statements: G12-G15; Corporate Governance Charter and Code of Conduct: http://www.umicore.com/governance/en/
4.6	Processes in place to ensure conflicts of interest are avoided	Corporate governance statements :G7, G9-G11; Corporate Governance Charter and Code of Conduct: http://www.umicore.com/governance/en/
4.7	Process for determining the qualifications or expertise of the members of the highest governance body	Corporate Governance Charter: http://www.umicore.com/governance/en/charter/2011-04-26CorpGovCharterEN.pdf
4.8	Internal guidelines and policies	Corporate governance statements: G1; G9; The Umicore Way: http://www.umicore.com/en/aboutUs/umicoreWay/; Corporate Governance Charter and Code of Conduct: http://www.umicore.com/governance/en/
4.9	Procedures for identifying risks and opportunities	Corporate governance statements: G16-G18
4.10	Process for evaluating the Board's own performance	Corporate governance statements: G4, G5; Corporate Governance Charter: http://www.umicore.com/governance/en/charter/2011-04-26CorpGovCharterEN.pdf
4.11	Explanation of how the precautionary principle is addressed	Corporate governance statements: G16, G18
4.12	Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or endorses	COSO; OECD Guidelines; ILO Human Rights; Responsible Care; SRI, FTSE; PACI; GRI; WBCSD
4.13	Membership of industry associations	Corporate governance statements: G24
4.14	List of stakeholder groups engaged by the organization	Corporate governance statements: G19-G26
4.15	Basis for identification and selection of stakeholders	Corporate governance statements: Stakeholder engagement, G19-G26; Approach to Stakeholder engagement: http://www.umicore.com/sustainability/stakeholders/
4.16	Approach to stakeholder engagement, including frequency of engagement	Corporate governance statements: Stakeholder engagement, G19-G26; Approach to Stakeholder engagement: http://www.umicore.com/sustainability/stakeholders/
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	Corporate governance statements: stakeholder engagement; General management approach: http://www.umicore.com/sustainability/; Approach to Stakeholder engagement: http://www.umicore.com/sustainability/stakeholders/
Disclosure on management approach		
5		Disclosures on management approach: http://www.umicore.com/sustainability/context/

Economic indicators

Economic performance

EC1 (CORE)	Economic value generated and distributed	4; 10-14; Financial and economic statements: F2; F8, F9, F36; Corporate governance statements: G26
EC2 (CORE)	Financial implications and other risks and opportunities for the organization's activities due to climate change	8; 18; Corporate governance statements: G18; Environmental Management Approach: http://www.umicore.com/sustainability/environment/Approach/; The Umicore Way: http://www.umicore.com/en/aboutUs/umicoreWay/
EC3 (CORE)	Coverage of the organization's defined benefit plan obligations	Financial and economic statements: F26
EC4 (CORE)	Significant financial support received from government	Corporate governance statements: G25

Indirect economic impacts

EC8 (CORE)	Development and impact of investments for public benefit	4; 22-23; 29; 35; 37; 41; 47; Social statements: S5; Environmental statements: E8; Corporate governance statements: G25

Environmental indicators

Materials

EN2 (CORE)	Percentage of materials used that are recycled input materials	Environmental statements: E6

Energy

EN3 (CORE)	Direct energy consumption by primary energy source	Environmental statements: E4
EN4 (CORE)	Indirect energy consumption by primary energy source	Environmental statements: E4
EN5 (ADDITIONAL)	Energy saved due to conservation and efficiency improvements	Environmental statements: E4
EN6 (ADDITIONAL)	Initiatives to provide energy-efficient or renewable energy based products and services	18; 32-37; Environmental statements: E4; Umicore's position statements on carbon foorprint reduction: http://www.umicore.com/sustainability/environment/positionStatements/carbonReduction.htm (partially reported)
EN7 (ADDITIONAL)	Inititatives to reduce indirect energy consumption and reductions achieved	18; Social statements: S8; Umicore's position statements on carbon foorprint reduction: http://www.umicore.com/sustainability/environment/positionStatements/carbonReduction.htm (partially reported)

Water

EN8 (CORE)	Total water withdrawal by source	Environmental statements: E5

Biodiversity

EN11 (CORE)	Location and size of operations in or adjacent to protected areas and areas of high biodiversity value outside protected areas	Environmental statements: E10 (partially reported)

Emissions, effluents and waste

EN16 (CORE)	Total direct and indirect greenhouse gas emissions by weight	Environmental statements: E3
EN17 (CORE)	Other relevant indirect greenhouse emissions by weight	Environmental statements: E3
EN18 (ADDITIONAL)	Initiatives to reduce greenhouse gas emissions and reductions achieved	18; 28; 34-35; 40; 46-47; Environmental statements: E3
EN20 (CORE)	NOx SOx and other significant air emissions by type and weight	Environmental statements: E2
EN21 (CORE)	Total water discharge by quality and destination	Environmental statements: E2
EN22 (CORE)	Total weight of waste by type and disposal method	Environmental statements: E7

Products and services

EN26 (CORE)	Initiatives to mitigate environmental impacts of products and services	20; 40-41; Environmental statements: E2, E6 (partially reported)

Labour practices and decent work

Employment		
LA1 (CORE)	Total workforce by employment type and region	2; 4; Social statements: S2
LA2 (CORE)	Total number and rate of employment turnover	4; 17; 34; 48; Social statements: S4
Labour/management relations		
LA4 (CORE)	Percentage of employees covered by collective bargaining agreements	Social statements: S6
Occupational health and safety		
LA7 (CORE)	Rates of injury, occupational diseases, lost days and absenteeism and number of work-related fatalities by region	4; 15-16; 28; 30; 34; 40; 42; 46; Social statements: S9, S10, S11 (partially reported)
LA9 (ADDITIONAL)	Health and safety topics covered in formal agreements with trade unions	16-17; Social statements: S6; Sustainable Development Agreement: http://www.umicore.com/sustainability/social/sustDevAgreement/2011SDAgreement.pdf
Training and education		
LA10 (CORE)	Average hours of training per year per employee by employment category	16-17; Social statements: S3
LA12 (ADDITIONAL)	Percentage of employees receiving regular performance and career development reviews	16-17; Social statements: S3 (partially reported)
Diversity and equal opportunity		
LA13 (CORE)	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	162-167;Corporate governance statements: G4, G5; Social statements: S2. Minority groups are not identified in Umicore considering that in some countries where Umicore operates, it is forbidden to ask questions related to this topic (eg. U.S.A. and France)

Human Rights

Investment and procurement practices		
HR2 (CORE)	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken	21-22; Social statements: S8; Corporate governance statements: G18
HR3 (CORE)	Total hours of employee training on policies and procedures concerning aspects of human rights including percentage of employees trained	21-22; Social statements: S8; All employees receive informal training on the Code of Conduct: http://www.umicore.com/governance/en/CodeOfConduct/
Freedom of association and collective bargaining		
HR5 (CORE)	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk and actions taken	Social statements: S6, S8; Sustainable Development Agreement: http://www.umicore.com/sustainability/social/sustDevAgreement/2011SDAgreement.pdf
Child labour		
HR6 (CORE)	Operations identified as having significant risk for incidents of child labour and measures taken to contribute to the elimination of child labour	Social statements: S6, S8; Sustainable Development Agreement: http://www.umicore.com/sustainability/social/sustDevAgreement/2011SDAgreement.pdf
Forced and compulsory labour		
HR7 (CORE)	Operations identified as having significant risk for incidents of forced or compulsory labour and measures taken to contribute to the elimination of forced or compulsory labour	Social statements: S6, S8; Sustainable Development Agreement: http://www.umicore.com/sustainability/social/sustDevAgreement/2011SDAgreement.pdf

Society

Local communities

SO1 (CORE)	Percentage of operations with implemented local community engagement, impact assessments, and development programs	22-23; Social statements: S5

Corruption

SO2 (CORE)	Percentage and total number of business units analysed for risks related to corruption	Corporate governance statements: G15; G24; Umicore is signatory of PACI
SO3 (CORE)	Percentage of employees trained in organization's anti-corruption policies and procedures	All employees receive informal training on the Code of Conduct: http://www.umicore.com/governance/en/CodeOfConduct when joining the company

Public policy

SO5 (CORE)	Public policy positions and participation in public policy development and lobbying	Corporate governance statements: G25
SO6 (ADDITIONAL)	Total value of financial and in-kind contribution to political parties, politicians and related institutions	Corporate governance statements: G25

Product responsibility

Customer health and safety

PR1 (CORE)	Life cycle stages in which health and safety impacts of products and services are assessed for improvement and percentage of significant products and service categories subject to such procedures	20; Environmental statements: E6 (partially reported)

Product and service labeling

PR3 (CORE)	Type of product and service information required by procedures and percentage of significant products and service categories subject to such information requirements	20; Environmental statements: E6

Notes

About this report

Umicore's Annual Report 2011 offers a comprehensive and integrated view of Umicore's economic, financial, environmental and social performance for 2011.

The report consists of two sections – a strategy section and a statements section. The strategy section (pages 1 to 49) provides an introduction to Umicore and focuses on the key performance aspects of 2011 as they relate to Umicore's Vision 2015 strategy. The statements section (pages 51 to 180) includes full financial, environmental, social & governance statements and notes. All elements of the Annual Report 2011 can be consulted at Umicore's on-line reporting centre at www.umicore.com/reporting.

An integrated approach

One of the key objectives of Umicore's Annual Report has been to reflect Umicore's strategic approach – Vision 2015. This strategy integrates clear economic, environmental and social objectives. From 2011 Umicore has therefore adapted its reporting approach to achieve even greater integration of its economic, environmental and social performance. This approach to reporting is the result of a period of consultation with internal and external stakeholders between 2009 and 2011 and is inspired by the concept of "integrated reporting" as being developed by the International Integrated Reporting Council.

Reporting scope

In terms of overall scope, Umicore's Annual Report 2011 covers Umicore's operations for the financial / calendar year 2011. No major changes of scope took place in 2011. This report represents the first year in which Umicore reports on its progress towards its 2015 objectives. It also represents the first time that certain key performance indicators have been used – reflecting the move towards more integrated reporting. The scope of all objectives and a brief description of the methodology behind all performance indicators are included in the statements section of the report. Where data is available, the performance indicators in the document are reported with a comparison base going back five years to 2007.

The economic scope of the report covers all fully consolidated operations. In addition, the financial contributions of all associate and joint venture companies are included in the financial reporting. The scope of the environmental and social elements of the report is limited to the fully consolidated entities – any divergence from this scope is explained in the relevant chapter or note in the report.

Data

The data for the economic and financial elements of the report are collected through the company's financial management and consolidation process. The environmental and social data is collected through environmental and social data management systems and integrated into a central reporting tool, along with the economic and financial data.

Assurance

This report has been independently verified by PwC Bedrijfsrevisoren/Réviseurs d'Entreprises (PwC). PwC's audit of financial information is based on full set of IFRS consolidated financial statements on which it has expressed an unqualified opinion. This full set of IFRS consolidated financial statements and the auditor's report thereon, can be found on pages 52 to 107 and page 168 of the report. The social and environmental information included in this report has been prepared on the basis of the same recognition and measurement principles that have been used to prepare the environmental and social statements that can be found on pages 115 to 140. The independent auditor's report of PwC on the social and environmental statements can be found on page 169 of the report.

The report has achieved the B+ level of application of the Global Reporting Initiative (GRI). A full GRI index can be found on page 174 to 178. The Global Reporting Initiative (GRI) is a network-based organisation that pioneered the world's most widely used sustainability reporting framework which sets out the principles and performance indicators that organisations can use to measure and report their economic, environmental, and social performance.

Presentation & feedback

Umicore seeks to improve its reporting through a continuous process of stakeholder engagement and dialogue. The key social elements of the report are presented to the international trade unions during the joint monitoring committee in March, while the entire document is presented to shareholders at the Annual General Meeting in late April. Umicore also commits to consider all improvement points recommended by the independent auditor (PwC) in its subsequent reporting cycles. General reader feedback is encouraged through both the print and on-line versions of the report (see facing page for details).

Other information

Other additional information includes a summary of Umicore's approach to economic, environmental and social management. These elements have been provided on Umicore's website (www.umicore.com/sustainability) and should be considered as part of this report.

Financial Calendar[1]

24 April 2012
General meeting of shareholders (financial year 2011)
Trading update for the first quarter of 2012

27 April 2012
Share traded ex-dividend

3 May 2012
Payment of dividend starts

30 July 2012
Interim results for the first half of 2012

23 October 2012
Trading update for the third quarter of 2012

Feedback

Let us know what you think about this report. Send an email to stakeholder@umicore.com or scan the QR code / use the url below to access our feedback survey.

www.umicore.com/reporting/feedback

Additional information

Stock
Euronext Brussels

General information
Tim Weekes
Phone: 32-2-227.73.98
E-mail: tim.weekes@umicore.com

Financial information
Geoffroy Raskin
Phone: 32-2-227.71.47
E-mail: geoffroy.raskin@umicore.com

Social information
Mark Dolfyn
Phone : 32-2-227.73.22
E-mail : mark.dolfyn@umicore.com

Environmental information
Bert Swennen
Phone: 32-2-227.74.45
E-mail: bert.swennen@umicore.com

Languages
This report is also available in French and Dutch

Internet
This report can be downloaded from the Umicore website: www.umicore.com/reporting

Registered office Umicore
Rue du Marais 31, B-1000 Brussels – Belgium
Phone: 32-2-227.71.11
Fax: 32-2-227.79.00
Internet: www.umicore.com
E-mail: info@umicore.com
Company Number: 0401574852
VAT No: BE 0401 574 852

Publisher responsible at law
Umicore Group Communications
Tim Weekes
Phone: 32-2-227.73.98
E-mail: tim.weekes@umicore.com

Production
The Crew

Photographs
Umicore, Dimitri Lowette
Picture p.38 Architect: CPG Consultants, Photographer: Paul Kozlowski

Printing
Albe De Coker

(1) Dates are subject to change. Please check the Umicore website for updates to the financial calendar.

This document has been produced using Heaven 42 Superwhite paper. This paper is produced in a process which is constantly developed to reduce the impact on the environment as much as possible. The mills used to produce the paper are all certified FSC (Forest Stewardship Council) or PEFC (Programme for the Endorsement of Forest Certification Schemes).

Umicore
Société Anonyme / Naamloze Vennootschap
Broekstraat 31 rue du Marais
B-1000 Brussels, Belgium

Tel +32 2 227 71 11
Fax +32 2 227 79 00
e-mail info@umicore.com
www.umicore.com

VAT BE 0401 574 852
Company Number 0401574852
Registered Office: Broekstraat 31 rue du Marais
B-1000 Brussels - Belgium