

Annual 2012



report

// Teaming up for success //

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Check out our overall sustainability performance
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Dig deeper into our different businesses
- > Explore how teamwork makes us better in six case studies



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Read about
our economic
performance



Read about
our progress in
environmental
and social
matters



Finding your way through this report

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Dig deeper into our different businesses



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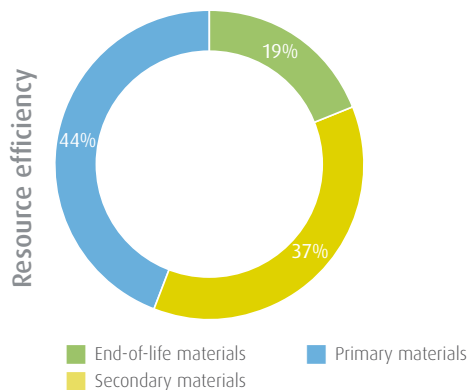
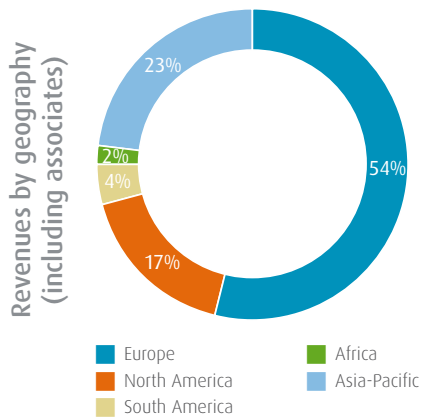
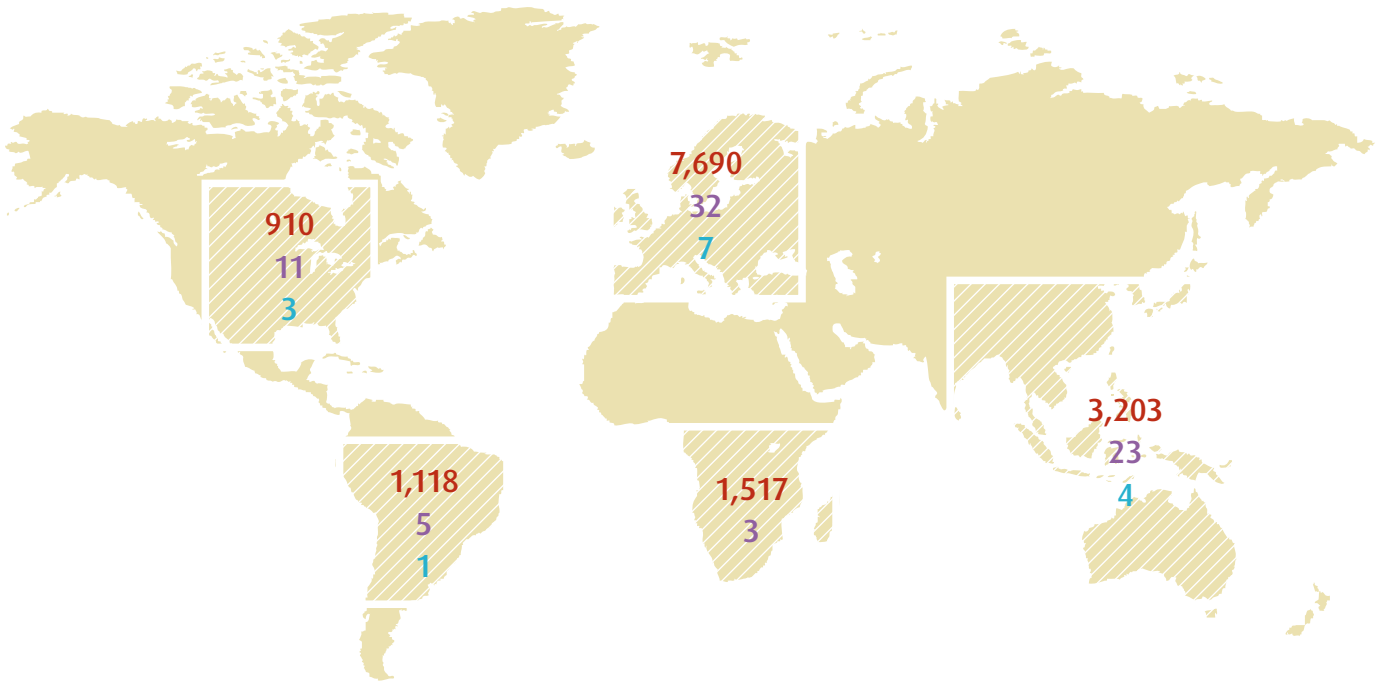
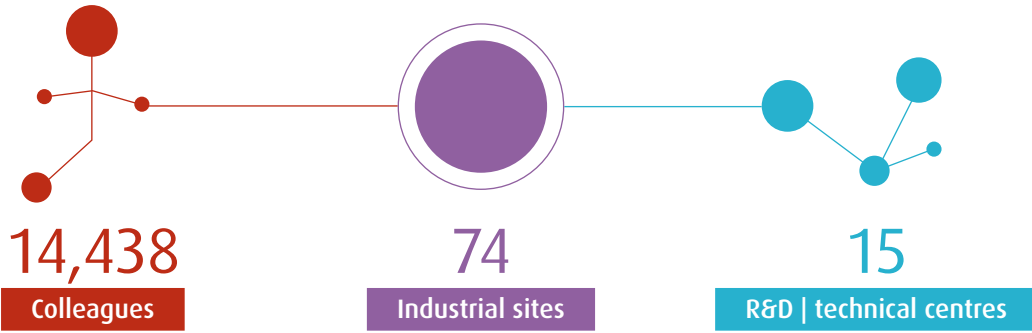
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About this report

This Annual Report is an integrated view of our economic, social and environmental performance in 2012. 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 212.

Consult the online report www.umicore.com/reporting



Revenues (in € million)
2,427.6

Recurring EBIT (in € million)
372.1

R&D spend in % of revenues
6.8%

Umicore at a glance

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

Co Cobalt	Ni Nickel	Cu Copper	Zn Zinc	Ga Gallium	Ge Germanium					
As Arsenic	Se Selenium	S Sulfur	Ru Ruthenium	Rh Rhodium	Pd Palladium	Ag Silver	In Indium	Sn Tin	Sb Antimony	
Te Tellurium	Ir Iridium	Pt Platinum	Au Gold	Pb Lead	Bi Bismuth	La Lanthanum	Ce Cerium	Pr Praseodymium	Nd Neodymium	

Our Businesses



Catalysis



Performance Materials



Energy Materials

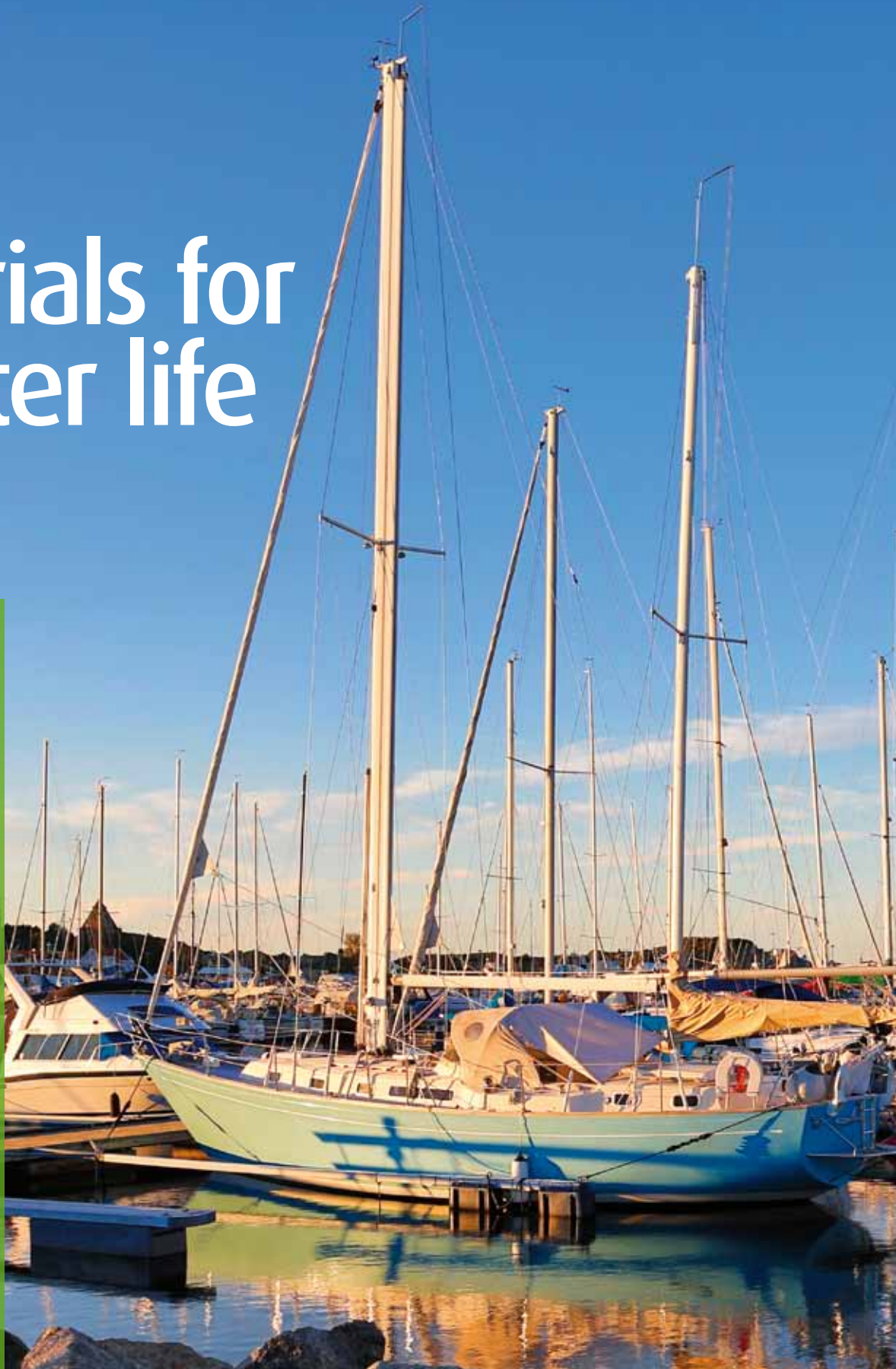


Recycling

Materials for a better life

Our Vision 2015 strategy is focused on growing the business by providing innovative solutions for the global megatrends of resource scarcity, clean mobility and renewable energy. We do this through our expertise in metallurgy, materials science, application know-how and our closed-loop offering. We aim to produce an average return on capital of above 15% over the course of any economic cycle.

We also seek to drive further improvements in our social and environmental performance, with objectives in three areas – being a great place to work, eco-efficiency and stakeholder engagement.



About us

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

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

Key figures

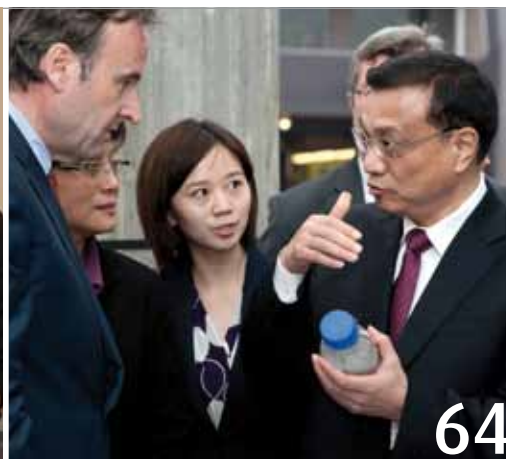
Economic performance (in million € unless stated otherwise)	2008	2009	2010	2011	2012
Turnover	9,124.0	6,937.4	9,691.1	14,480.9	12,548.0
Revenues (excluding metal)	2,100.3	1,723.2	1,999.7	2,318.6	2,427.6
Recurring EBIT	354.6	146.4	342.5	416.1	372.1
of which associates	32.0	(6.1)	30.1	22.9	22.2
Total EBIT	249.1	141.2	324.0	432.7	328.6
Recurring EBIT margin (in %)	15.4	8.9	15.6	17.0	14.4
Return on Capital Employed (ROCE) (in %)	17.8	8.1	17.5	18.6	16.7
Recurring net profit, Group share	222.1	81.9	263.4	304.6	275.2
Net profit, Group share	121.7	73.8	248.7	325.0	233.4
R&D expenditure	165.0	135.7	139.3	162.9	182.1
Capital expenditure	216.0	190.5	172.0	212.6	253.5
Net cash flow before financing	195.3	258.4	(68.2)	308.6	150.3
Consolidated net financial debt of continued operations, end of period	333.4	176.5	360.4	266.6	222.5
Gearing ratio of continued operations, end of period (in %)	20.0	11.4	18.6	13.4	11.0
Group shareholders' equity, end of period	1,290.7	1,314.2	1,517.0	1,667.5	1,751.7
Recurring EPS (in €/share)	1.93	0.73	2.33	2.69	2.47
EPS including discontinued operations, basic (in €/share)	1.06	0.66	2.20	2.87	2.09
Gross dividend (in €/share)	0.65	0.65	0.80	1.00	1.00
Great place to work	2008	2009	2010	2011	2012
Total workforce (incl. associates)	15,450	13,728	14,386	14,572	14,438
of which associates	5,337	4,415	4,828	4,408	4,042
Lost Time Accidents (LTA)	87	48	56	60	49
LTA frequency rate	5.30	3.12	3.54	3.61	2.86
LTA severity rate	0.17	0.08	0.13	0.11	0.11
Exposure ratio 'all biomarkers aggregated' (in %)	-	-	-	5.15	4.32
Average training hours per employee	51.21	44.05	43.30	51.94	50.72
Voluntary leavers - ratio	3.56	2.59	3.78	3.84	3.20
Eco-efficiency	2008	2009	2010	2011	2012
CO ₂ e emissions (scope1+2) (in tonne)	626,568	529,628	543,807	695,733	701,898
Metal emission to water (load in kg)	6,789	5,915	6,495	5,782	5,724
Metal emission to water (impact units)	301,271	442,575	389,676	306,627	249,146
Metal emission to air (load in kg)	-	11,950	13,582	13,867	16,901
Metal emission to air (impact units)	-	214,650	184,066	129,900	135,346
Stakeholder engagement	2008	2009	2010	2011	2012
Total donations (in € thousand)	1,451.5	1,106.5	1,009.4	1,751.0	1,759.2



Some 2012 highlights



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Scientific Awards > P.17

In April we hosted the sixth edition of our prestigious Umicore Scientific Awards.

Zero accidents > P.21

We awarded our second Safety Award to Thomas Alt from the Hanau site.

Top Employer > P.22

We were recognized again as one of the top employers in Belgium, France and Germany.

iMove > P.35

Our Olen site hosted the launch of the iMove project to promote sustainable mobility in Flanders.

Catalysis > P.41

We announced a number of production and testing investments in Automotive Catalysts.

beLife > P.49

We announced a joint venture with Prayon to develop a new generation of rechargeable battery materials.

South Korea > P.49

We announced a major investment in battery materials precursor production in Cheonan, South Korea.

VIP visit > P.64

Chinese Vice-Premier Li Keqiang visited our operations in Hoboken, Belgium.

Award winner > P.65

Our UHT technology won the European Business Award for the Environment in the process category.



Marc Grynberg
Chief Executive Officer

Thomas Leysen
Chairman

CEO & Chairman's review

Umicore Chairman, Thomas Leysen and CEO Marc Grynberg discuss the highlights of 2012 and look forward to 2013 and beyond.

How challenging was the economic environment for Umicore in 2012?

MG: The environment was certainly testing and became increasingly so in the second part of the year, especially in Europe. We should place things in context: we were able to post the second strongest financial performance in our history, despite the deterioration in several of our end markets. This represents a positive achievement.

The challenges were and remain significant, however. In a number of markets demand fell away quite considerably. This was particularly the case in the photovoltaics market where demand for thin film and concentrator technologies almost came to a standstill. In other markets, such as construction and the European automotive market, we also faced a reduction in demand. There were notable bright spots, though. Our Recycling business produced another outstanding performance, demand for our battery materials continued to grow strongly and the automotive markets in North America and Asia performed well during 2012.

TL: Indeed, it was a good showing in a difficult environment. We

increased significantly our spending on research and development. We have also been investing heavily in new technology and production capabilities around the world, particularly in the areas of Energy Materials and Catalysis. This combination obviously places a burden on the cost base.

How does Umicore balance long term growth ambitions with shorter term pressures?

MG: While we remain focused on our growth ambitions we are very mindful of the economic context. Our approach is to anticipate market pressures and to be flexible enough to prepare for and adapt to these pressures in the correct way. In 2012 this meant adapting our industrial footprint in those areas where market demand has fallen furthest. As we invest in various growth initiatives keeping a close eye on costs becomes even more important. Our ultimate aim is to be able to deliver on our growth objectives and to improve our economic performance from one economic cycle to the next. It's not a question of focusing on either long term growth or managing the economic conditions capably – to succeed we must do both.

TL: Umicore is in good shape to emerge stronger from the current economic situation. The company generates strong cash flows and has a very low level of indebtedness. This financial strength should enable management to continue to make substantial and selective investments in key growth areas without recourse to external funding. Given the financial health of the business, the Board of Directors has authorised the continued buy-back of Umicore shares during 2013 in addition to recommending a stable dividend pay out to shareholders. The Board is very supportive of the strategy and the management's ability to deliver long term success.

Will the downturn delay the achievement of the Vision 2015 growth ambitions?

MG: I indicated back in 2010 that Vision 2015 would be made up of three phases – preparation, acceleration and performance. The current economic downturn has prevented us from accelerating as soon as we would have liked in some areas and the preparation phase will likely extend into 2013. The long-term plans remain unchanged. Ultimately, if we deliver on our growth ambitions somewhat earlier or somewhat later is of less importance than the long term drivers remaining in place. Nothing that I have seen in 2012 would indicate that the issues of resource scarcity, the need for cleaner vehicles and more sustainable ways of producing and storing energy have gone away – if anything they have become even more pressing.

“Our approach is to anticipate market pressures and to be flexible enough to prepare for and adapt to these pressures in the correct way.”

TL: Umicore has invested a great deal in innovation and has a well-stocked pipeline of promising technologies. As Marc indicated, the megatrends for which Umicore seeks to provide solutions have not gone away. It will become increasingly important to think about how these trends will evolve and how Umicore positions itself beyond 2015. This is certainly not to downplay the importance of the Vision 2015 targets, simply to recognize that addressing these issues requires a perspective that extends over a number of years. The business and technology reviews conducted by the Board always look further than the horizon of the current strategic plan as we seek to bring our perspective and insight to how Umicore can chart the most suitable course for long term success.

How did you progress towards the environmental and social Vision 2015 goals?

MG: I've been very satisfied with the overall progress. As you know, one of the aspects to which I attach particular importance is safety. We went through a period where safety performance did not improve. We have tried to change the dynamic and promote the creation of a safety culture at Umicore. The results started to come through

in 2012. We had a reduction in the number of accidents and I'm confident that creating a zero accident workplace is achievable. We also made good progress in other areas: we've driven the impact of metal emissions right down over the past two years, introduced initiatives to attract and retain the best talent, improved workplace health and stepped up our sustainability engagement with suppliers. The only area where we did not do equally well was on CO₂ emissions and this was mainly the result of the move away from lower-carbon sources by electricity producers in some European countries – something that is beyond our control.

TL: The integration of sustainability in Umicore's strategic thinking goes back a long way. The company started addressing its historical environmental legacy already quite some years ago. During the period from 2006 to 2010 Umicore took steps to ensure that all sites and business units were dealing with aspects such as energy efficiency, people development and equal opportunities in a similar way. What we see now is a clear move into a period of performance driven by challenging environmental and social goals. Overall, the progress that has been made, both in 2011 and 2012, has been very hearten-

ing. It has also been good to see that Umicore has been recognized for its efforts in many aspects of sustainability during 2012. I know, however, that no-one is getting carried away with this recognition and there is a clear acknowledgment that much work remains to be done.

What was the Board's main focus in 2012?

TL: We had a busy year with six meetings in total and a number of investment projects to review and approve. In addition we undertook a full review of Umicore's risk profile and management systems, a technology review as well as a close look at Umicore's sustainability roadmap and performance.

The highlights of the year for me were the visits to see Umicore's operations in South Korea in June and also to the Hanau site in Germany in September. It was impressive to see the investments that are being made by Umicore in Korea today and also to see customers in the battery industry as well as our joint venture partner and customers in the automotive catalyst activities during the same visit. In 2012 we also welcomed Rudi Thomaes as a new member of the Board. Rudi replaced Guy Paquot who retired in April after seven years of service. In April 2013 we will also be proposing two distinguished new members of the Board to shareholders at the AGM, Barbara Kux, currently executive Board member at Siemens and Frans Van Daele,



Scan here or use the url to view
Marc Grynberg's review of 2012

www.umicore.com/reporting/ceoreview

former ambassador of Belgium and chief of cabinet of the President of the European Council.

What do you think 2013 holds in store for Umicore?

TL: Growth investments look set to remain at a high level and I expect that I and my colleagues on the Board will pay particular attention to how we progress against the Vision 2015 objectives. In terms of the balance between new and on-going projects, Marc and the Executive Committee have identified the need to focus even more on those projects that have the best chance of success. At the same time, the Executive Committee needs to have sharp focus on those businesses which are currently not performing at sufficient levels.

MG: One of the priorities in 2013 will be to ensure a flawless execution of our growth investment projects as we prepare for demand

in new businesses such as HDD catalysis or battery materials for electrified vehicles to ramp up. In Recycling, we have embarked on a significant debottlenecking programme and should soon be in a position to define the next expansion steps. This being said, 2013 looks set to be a challenging year for industry. In the first months of the year we have not yet seen any concrete signs of improvements in our end markets. We will continue to work in a pragmatic and targeted way to bring fixed costs and working capital down in order to ensure all businesses reach sustainable levels of profitability. We will also continue to be selective in our pursuit of investment projects. Striking the right balance between pursuing our long term ambitions and the day-to-day running of the business will be key. Our colleagues throughout Umicore have demonstrated remarkable perseverance and creativity and we will draw on these qualities in 2013 to turn challenge into opportunity.

“Umicore has invested a great deal in innovation and has a well-stocked pipeline of promising technologies.,,”

CEO & Chairman’s review

“One of the priorities in 2013 will be to ensure a flawless execution of our growth investment projects.,,”



Umicore’s Board of Directors visits South Korea

In June Umicore’s Board of Directors visited Umicore’s operations in South Korea. The two-day visit provided the Board with further insights into Umicore’s activities in the country, particularly in the area of rechargeable battery materials and automotive catalysts. The Board members not only visited Umicore’s operations and those of its automotive catalyst joint venture, Ordeg, but also major customers in the automotive and battery industries. Umicore

has had an industrial presence in South Korea since 1987 and the activities have been growing rapidly since then.



Economic review

**Claudio Calardini, Toufik Essaghir,
Jérémy Seelke, Frédéric Cuny,
Gael Mahé** Florange, France



Despite a
challenging
economic climate,
2012 represented
Umicore's second
best ever financial
performance.

Umicore produced a solid performance in 2012 against a backdrop of slowing demand in many markets.

Umicore posted a solid performance in 2012 against a backdrop of slowing demand, particularly in the second half of the year. Earnings were lower year-on-year partly due to the more challenging economic conditions and also due to higher depreciation charges and R&D expenditure linked to our Vision 2015 growth initiatives. We continued to generate good returns as well as positive cash flows. Our capital structure remained very strong and we were able to reduce debt even further during the year.

Revenues, earnings & returns

(See the charts on p.14-15)

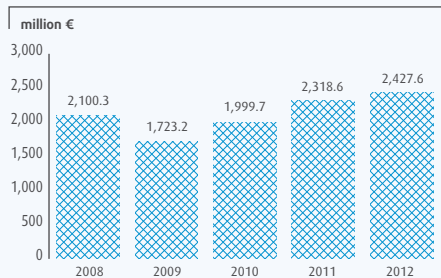
Revenues increased by 5% compared to 2011, reaching

€ 2.4 billion. This was mainly due to increased sales volumes in the Catalysis and Recycling business groups. Revenues were lower in the second half of the year compared to the first as the economic downturn started to have a more significant impact on many of our businesses.

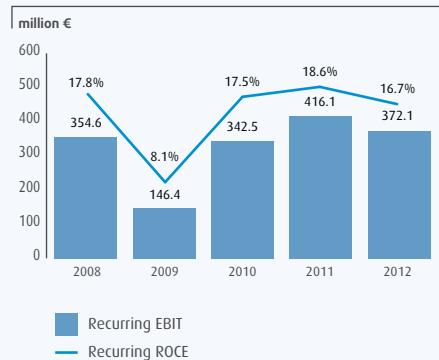
Our turnover (which includes metal values) was 13% lower year-on-year. This was due to the lower levels of physical metal deliveries in Precious Metals Management as well as lower hedging and trading volumes in the same business unit. For Umicore, revenue is a more meaningful metric of "top-line" performance than turnover as it excludes the price of metals passed through to customers.

Recurring EBIT was 11% lower than in 2011 at € 372 million. This reflected a more challenging economic environment, particularly in the second half. We also faced

REVENUES (EXCLUDING METAL)



RECURRING EBIT & ROCE



stronger pressure on margins as a result of a less favourable product and regional mix. The tougher competitive environment in many businesses led to premium pressure and metal prices were also less supportive than they had been in 2011. In Catalysis, recurring EBIT grew at a slower pace than revenues, mainly as a result of a change in the regional sales mix in Automotive Catalysts. Recurring earnings in Energy Materials were less than half the level of 2011 as a result of the general economic downturn and adverse conditions in specific end markets, particularly photovoltaics. In Performance Materials, recurring earnings were down by 19% mainly due to the lower sales volumes in all business units with the exception of the electroplating activities. In Recycling, recurring EBIT decreased by 3% largely as a result of less buoyant conditions in the end markets for Jewellery & Industrial Metals and a lower contribution from the precious metal trading

activities. Net recurring corporate costs were slightly higher than those of 2011 at € 50 million. This was due to higher R&D expenditure at corporate level. For a full discussion of segment economic performance see pages 38 to 67.

Non recurring items had a negative impact of € 47 million on EBIT. These were related primarily to production footprint adjustments and the related reduction in headcount and impairments (€ 42 million). The majority of this amount related to Energy Materials, in response to the weaker market for photovoltaics in particular. Umicore also booked additional environmental provisions for € 2 million, mainly related to the on-going soil sanitation project in Viviez, France. Impairments on permanently tied-up inventories, resulting from lower metal prices, accounted for € 3 million. The impact of non-recurring charges on the net result (Group share) was € 40 million.

IAS 39 accounting rules had a positive effect of € 3 million on EBIT and a negative impact of € 2 million on the net result (Group share). These impacts concern timing differences imposed by IFRS that relate primarily to transactional and structural metal and currency hedges. All such IAS 39 impacts are non-cash in nature.

Depreciation charges on property, plant & equipment and intangible assets totalled € 152 million compared to € 137 million in 2011. This was due to the completion of several new investments in 2012. Overall recurring EBITDA decreased by 5% to € 524 million.

Average capital employed was in line with the levels of 2011. Umicore generated a return on capital employed (ROCE) of 16.7% compared to 18.6% in 2011. To put this in context, our goal as part of the Vision 2015 strategy is to generate a return on capital employed of above 15%.

Financial costs & taxes

Net recurring financial charges totalled € 23 million, a decrease of € 6 million compared to 2011. The difference is mainly explained by the average weighted interest rate for the period decreasing to 1.9%.

The recurring tax charge for the period amounted to € 67 million. The overall recurring effective tax rate for the period was 20.6%, which was slightly above the level of 2011.

Cashflows

Total net cashflow from operations was € 416 million, with net working capital requirements being largely stable over the course of the year. Taxes paid in 2012 totalled € 94 million, including the cash payment of taxes accrued in previous periods. Total net cashflow before financing remained highly positive in 2012 at € 150 million.

“Umicore generated positive cash flows and further strengthened its capital structure in 2012.”

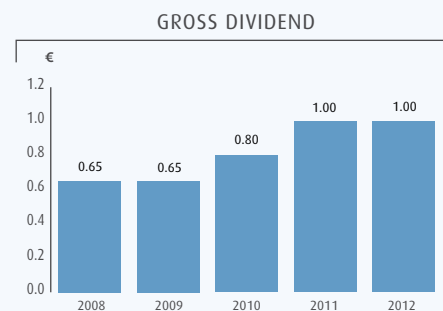
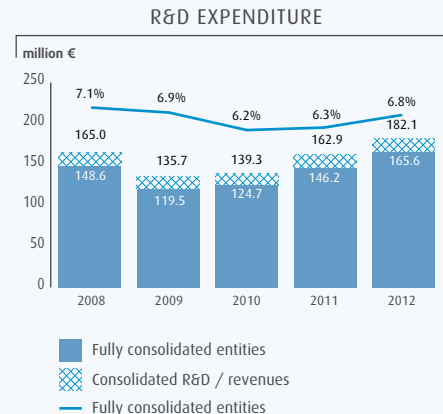
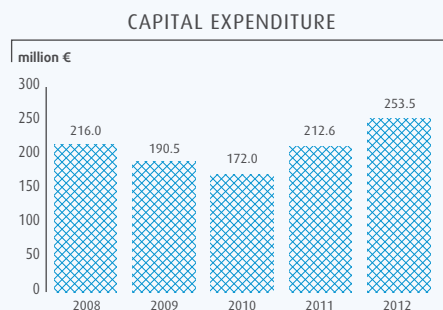
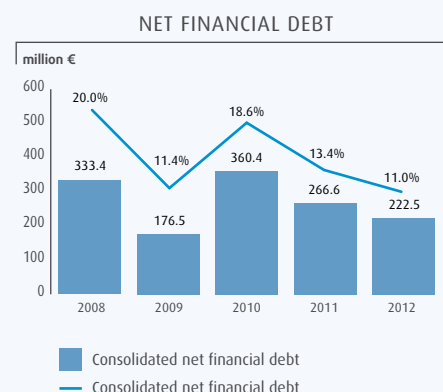
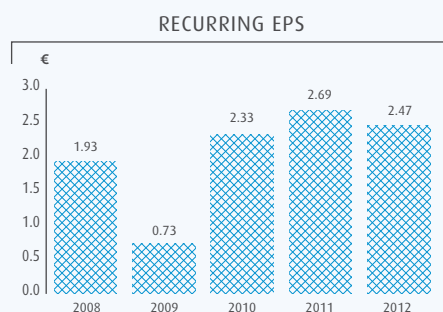
Economic review

Net debt evolution

At the end of 2012 our net financial debt stood at € 222 million versus € 267 million a year earlier. With the equity standing at € 1,806 million this resulted in a gearing ratio (net financial debt / (net financial debt + equity of the Group)) of 11%. The net debt to recurring EBITDA ratio at the end of the year was similar to that of 2011 at 0.5x. In February 2012 a bond that Umicore issued in 2004 for € 150 million expired and was repaid out of existing syndicated loans.

Capital expenditure

Capital expenditures reached € 253 million, compared to € 213 million in 2011. This represented an increase of 19%. The majority of the capital expenditures were in areas directly linked to our Vision 2015 strategy. Investments were up significantly in Catalysis, linked to the addition of light duty and HDD production capabilities in China and Europe and the construction of technology development centres in China, Japan and Brazil. In Energy Materials, investment levels remained high as a result of the continued production capacity expansions in Rechargeable Battery Materials. Investments were somewhat lower in Performance Materials. In Recycling, capital expenditure continued to run at a high level as a result of the expansion of the sampling facilities and new water and gas cleaning equipment in Hoboken, Belgium.





Consult video on
www.umicore.com/reporting/InnovationAward



In June 2012 we held the ceremony of the 2012 Umicore Innovation Awards. The ceremony, which recognizes the company's leading innovators, hosted 17 finalists in six categories.

umivAward
 innovation at umicore

Research, development & innovation

Total R&D expenditure was € 182 million, an increase of 11% over 2011. This corresponds to 6.8% of revenues (excluding the associates' expenditures of € 17 million). Capitalised development costs accounted for € 18 million.

The bulk of the increase came from the Catalysis and Recycling activities. Expenditures were up by 14% in Catalysis. This was due to higher spending in Automotive Catalysts as the business prepared for upcoming legislation changes and further expansion in HDD, and to a lesser extent as a result of the first consolidation of Umicore's Japanese activities in the last quarter of 2012. In Recycling, R&D spending was up by 32% as the UHT pilot line was operational for a full year. This facility in Hoboken alternated technology development work with

testing for both battery recycling and other potential feed material. R&D spending also increased slightly in Performance Materials, mainly in Element Six Abrasives. R&D spending in Energy Materials was slightly lower. At Corporate level, R&D spending was up slightly. The fuel cell activities, which are reported under the Corporate line, continued to make progress in 2012. The SolviCore joint venture intensified its research & development activities and commercial partnerships in stationary and automotive, where a four year funded project was started with a German automotive producer. In the field of hydrogen generation SolviCore supplies its products for hydrogen filling stations and started a funded project in the field of energy storage by means of power to gas. In September, SolviCore launched the new membrane electrode assembly product line Greenerity™ for fuel cell and electrolysis applications.

Over the last two years Umicore has been aligning the R&D definition used within the company with the internationally recognised Frascati Manual. The R&D expenditure figures for 2011 and the first half of 2012 were therefore restated accordingly.

A total of 45 new patent families were filed in the course of 2012 – a similar figure to 2011.

We have prioritized 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 2012 the Executive Committee focused its technology reviews on the top ten innovation projects that form part of these Vision 2015 growth ambitions to ensure quality of implementation and speed of execution. These top ten projects cover product technologies in automotive catalysis, fuel cell catalysis and rechargeable battery materials. They also include recycling technologies as well as processes for the production of catalysts, rechargeable battery materials and thin films. In 2012 the Executive Committee undertook 14 dedicated technology reviews, most of which focused on these top 10 projects.

In June we hosted the third edition of the Umicore Innovation Awards. This was the culmination of a year-long process to identify, recognize and reward excellence in innovation throughout Umicore. The process saw 44 entries submitted across the five main categories of Technical Process Improvement, Non-technical Process

Improvement, New Business Development, Environment Health & Safety and Science & Technology. There were also two Special Jury Prizes for entries that had a specific customer orientation or which showed the successful adoption of concepts or best practices already applied in another Umicore business unit. You can view a summary of the 2012 Innovation Awards by scanning the QR code at the top of the page.

From an open innovation perspective, we continued to develop our collaboration network with universities and research institutes around the world in 2012. We hosted close to one hundred internships for students as part of their masters and bachelors' studies and directly sponsor 26 PhD students over the course of their studies. Umicore holds four guest professorships at universities and Umicore research and technical staff conducted numerous lectures at universities around the world. We also have numerous university partnerships for research and the sharing of services and infrastructure. In 2012 we developed an innovation charter with the University of Hasselt (Belgium) for research into energy storage technologies. This charter was signed on 17 January 2013. We also partnered with the Katholieke Universiteit Leuven (KUL), the University of Gent and TNO to launch an Benelux "Urban Mining" platform as part of the European Institute of Innovation and Technology (EIT) and agreed to house the Fraunhofer Project Group for material life cycles and resource strategy at our site in Hanau.

In April, we hosted the sixth edition of the Umicore Scientific Awards.

Economic review

The winner of the main PhD award was Niels Verellen of the KUL. The award was for Niels' work in the field of plasmonic nanomaterials. His entry was one of 28 entries submitted from all over Europe. The main award is granted to a PhD graduate that, through his or her research, contributes to science in those fields that are crucial both for the growth of Umicore's business and the development of a sustainable society. These areas are: fine particle technology and applications; technology for metal-containing compounds such as recycling; sustainable energy related topics; catalysis and finally, economic or societal issues linked to metal-containing compounds. Three additional awards were granted to masters students.

The Umicore Share

In 2012 equity markets recovered significantly from the declines of the second half of 2011. This recovery was in contrast to the more challenging economic conditions through the year and can, in part, be linked to monetary policy in the US and Europe, where low interest rates encouraged investors to invest in equity markets.

In 2012 Umicore's share price appreciated by 31%, increasing from € 31.87 to € 41.69, which was 8% more than the Dow Jones Specialty Chemicals Index in relative and currency-adjusted terms. The share price evolved 10% more positively compared to our "home" Bel20 Index. During the year we retained our place in the FTSE4Good sustainability index and a number of other sustainability oriented funds.

At the end of 2012 three investment companies had holdings in Umicore that were above the declaration threshold of 3%. These companies had combined declared holdings of 11.32% at year's end. During the course of 2012 Umicore used 1,106,040 treasury shares in the context of the exercise of employee stock options while another 24,450 were used as share grants to the members of the Board of Directors and Executive Committee. At the end of the year we held 8,113,448, or 6.8% 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 2012. Taking into account the gross interim dividend of € 0.50 paid in September 2012, a balance gross amount of € 0.50 would be paid on 8 May 2013.



In April, Niels Verellen of the Katholieke Universiteit Leuven (KUL) won the € 10,000 Umicore Scientific Award for his PhD work in the field of plasmonic nanomaterials. Niels's entry was one of 28 entries submitted from all over Europe.

Umicore CTO Denis Goffaux commented: "Fundamental academic research plays a crucial role in industry and society as a whole. The world needs more talented scientists like Niels and I'm proud to grant him the Umicore 2012 Scientific Award. His work is important because it lays a basis for the design and understanding of new, more advanced plasmonic nano systems with potential applications in among others chemical and biological sensors."

The main Award is granted to a PhD graduate that, through his or her research, contributes to science in those fields that are crucial both for the growth of Umicore's business and the development of a sustainable society. These areas are: fine particle technology and applications; technology for metal-containing compounds such as recycling; sustainable energy related topics; catalysis and finally, economic or societal issues linked to metal-containing compounds.

Since its launch in 2007, Umicore and its partners have judged over 200 entries and awarded approximately € 100,000 to 23 scientists across Europe.



Go straight to the numbers

.XLS

www.umicore.com/reporting/data

Accelerating with HDD



Economic review

CASE

Stricter legislation is coming into force throughout the world to reduce emissions from heavy-duty diesel (HDD) engines. Automotive Catalysts is gearing up to take advantage of this growth opportunity.

Heavy-duty diesel (HDD) engines power trucks, buses, tractors and construction equipment. The industry started with retrofit programs in the US in the '90s. Umicore decided in 2005 to enter this promising field and since then has successfully strengthened its activities in the HDD arena. "It takes time and effort to master new technologies, because it's not a matter of simply upscaling our successful light-duty diesel applications," says Marcus Pfeifer, Global Technical Product Manager Heavy-Duty Diesel.

Legislation driving growth

Umicore has steadily gained HDD customers in recent years. Our technologies to reduce emissions from HDD vehicles are proving highly competitive. New stricter HDD emissions legislation is coming into effect throughout the world. In Europe, the Euro 6

standard rolls out in 2013, the same year that C4 legislation comes into force in China.

This tighter global legislation is creating a growth opportunity for Umicore, especially in Europe and emerging markets. "All this brings greater technological complexity. In 2000 there were three basic catalyst technologies, today we offer over 20 solutions in LDD and HDD," adds Marcus. To cater for the growing demand Umicore has HDD production capabilities in all regions and has invested in dedicated HDD lines in France and China.

Working alongside customers

Umicore's success in Automotive Catalysts is heavily based around understanding customer needs through partnerships. Internally, an optimisation team has been put in place involving teams

from Research & Technology, Industrialisation and Production & Process Development to develop the technology and production capabilities. In parallel, our dedicated customer teams work on introducing the products with existing and potential customers. Externally, a good example is the long-lasting partnership with the Institute for Internal Combustion Engines and Powertrain Systems, part of the University of Darmstadt. The Institute has been doing highly sophisticated HDD engine bench testing for Umicore for years.

Marcus highlights the importance of such partnerships: "More and more truck manufacturers are providing us with development engines so we can develop dedicated catalyst solutions together. This cooperation is a further sign of our growing reputation in the HDD market."

Great place to work

**Michael Lachmann,
Franziska Zimmer, Thomas Alt,
Carolin Fischer** Hanau, Germany

Great place to work



In 2012

85%

of our sites had no lost time accidents.

In 2012 we made progress in all areas. We made notable improvements in our health and safety performance.

Zero Accidents

(See the charts on p.22-23)

While it is often difficult to compare safety statistics between companies, it is evident that Umicore's safety performance ranks among the best in its sector. 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.

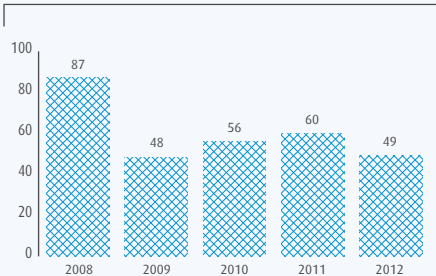
In 2012 our safety performance improved after a period of stagnation. The total number of lost time accidents fell from 60 in 2011 to 49 in 2012. This was reflected in the accident frequency rate which dropped from 3.61 to 2.86, the best

performance ever. The overall accident severity remained stable at 0.11. Almost half of all accidents happened in the operations of the Recycling business group.

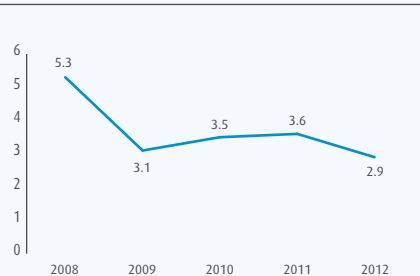
The improved performance suggests that the safety initiatives that were launched or broadened in 2011 and 2012 with the aim of encouraging a safety culture within Umicore are starting to pay off. This is further backed-up by the fact that 85% of our sites were accident-free in 2012.

We held the second edition of our Safety Award in 2012 with the winner, Thomas Alt, being chosen by a jury from a field of 87 submissions covering more than 400 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. We also organized local safety competitions with 199 colleagues

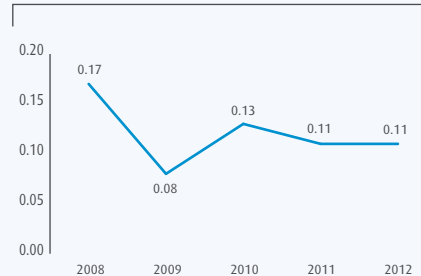
LOST TIME ACCIDENTS (LTA)



ACCIDENT FREQUENCY RATE



ACCIDENT SEVERITY RATE



being nominated as part of these initiatives. In addition to individual awards we have implemented site-level safety recognition. We recognize sites that have achieved the benchmark of three years or five years with no lost time accidents or recordable injuries to Umicore staff and no lost time accidents involving contractors. At the end of 2012, 9 sites had achieved the three year benchmark and six of these sites had also achieved the five year benchmark. You can see a case study on how the Vicenza site has achieved its outstanding safety record on page 25.

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 such as SafeStart®.

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. By the end of 2012 this percentage had been increased to 92%. Increases were registered across all business groups and in all regions (with the exception of South Africa and South America where a level of 100% had been reached in 2011).

One indication of people development is the intensity of training. In 2012, the average training hours per employee reached 50.72 compared to 51.94 hours in 2011. This reflected a somewhat lower level of training in Asia compared to the high levels of 2011 which included induction and on-boarding of new employees as a result of newly-launched growth investments. Excluding this effect the level of training per employee

was largely similar year-on-year. In 2012 we also continued to strengthen our focus on on-the-job training where learning is focused on hands-on practical experience and / or integrated into the day-to-day work environment. Examples include the training visit of operators from the Karlskoga (Sweden) plant of Automotive Catalysts to the Rheinfelden facility in Germany and the introduction of regular "Lunch & Learn" seminars by the Umicore Technical Academy. These seminars involve internal

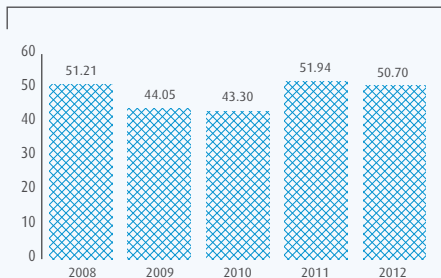
subject experts explaining technical or other topics during lunch breaks.

In 2012 we developed a new learning management platform (My Campus). Deployment of this platform started at the beginning of 2013. This platform aims to create a more collaborative workplace – an aspect that was identified as a key development area in the 2010 People Survey. My Campus provides an on-line platform for employees for many different types of training, personal development and talent

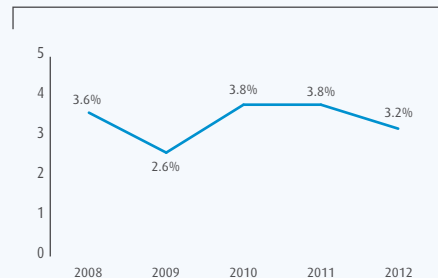


Great place to work

AVERAGE TRAINING HOURS PER EMPLOYEE



VOLUNTARY LEAVERS - RATIO



management as well as a collaborative networking tool.

We continued our talent and competence mapping exercise for function families that are common across all business units. The competence framework for finance professionals at Umicore

“Umicore received external recognition as a top employer in 2012 and made further progress in terms of people development.,”

was completed in 2012. We established a new platform in 2012 for commercial functions throughout Umicore. Two key objectives of this platform are to encourage the sharing of best commercial practices across business units and to carry out a competence and skills mapping of the sales and marketing professionals within the company. We also conducted an extensive talent management review in North America ahead of

the company-wide talent management review that is scheduled to take place in 2013.

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, France and the largest sites in Germany obtained national recognition as a Top Employer. The operations in Belgium and Germany conducted new employer branding initiatives to raise awareness of Umicore’s attributes as an employer. By the end of 2012, 76% of sites had developed a plan to be considered as a preferred employer in their local context. This compares to a level of 70% in 2011.

In 2012 the employee turnover rate decreased to 3.20% from a level of 3.84% in 2011. 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 2012 many sites encouraged employees to take part in activities that promote health and wellbeing. These included charity runs (see Stakeholder engagement section), on-site wellbeing sessions, organized sporting outings for employees and free health checks.

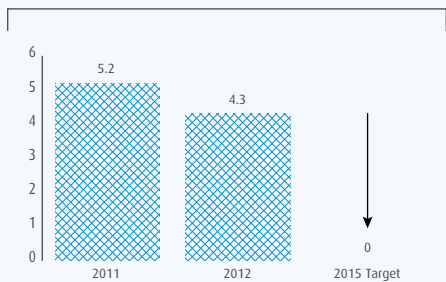
2012 | **WORLD'S MOST ETHICAL COMPANIES**
WWW.ETHISPHERE.COM



Umicore recognised as an ethical company

Umicore was designated as one of the world’s most ethical companies by Ethisphere. The ranking was based on seven key performance indicators including citizenship, corporate governance, innovation and ethical compliance programmes.

EXPOSURE RATIO 'ALL BIOMARKERS AGGREGATED'



As part of the Sustainable Development Agreement with the international union IndustriALL, we hosted a Monitoring Committee visit at our site in Tulsa, USA. As was the case in previous visits to China, Brazil and South Africa, we shared information on topics such as working conditions, training, education and social policies.

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 re-

spect of occupational exposure is to reduce to zero 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 4.3% in 2012 which was an improvement on the 2011 level of 5.2%. This means that, of the 4,511 readings from 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. The most significant percentage of excess readings continued to be

in the Energy Materials business units Cobalt & Specialty Materials and Rechargeable Battery Materials where we recorded an excess rate for cobalt of 14.4%. However, this compares to a level of 22.1% in 2011 and it is evident that the control measures being put into place by the business units are starting to have a positive impact on the level of excess readings.

In 2012 six employees were diagnosed with a platinum salt sensitization and either moved to a workplace with no platinum salt exposure or provided with workplace clothing and equipment that offers an even higher level of protection. Umicore and the US National Institute for Occupational Safety & Health (NIOSH) started work on a project to evaluate the effectiveness of preventive measures to control employee exposure to Indium Tin Oxide (ITO) at our plant in Providence, USA.



Great place to work

CASE

Safety is one of Umicore's sustainable development goals. Last year the Technical Materials site in Vicenza, Italy, celebrated more than three years with no accidents. How was this safety milestone achieved?

**Paola Peserico and
Alessandro Pedrazzoli**
Umicore Technical Materials

A great place
to work is a safe
place to work

About half the 55 employees at Umicore Vicenza work in offices, the rest in the production and warehouse areas. Safety Manager Paola Peserico points out that the risks at Vicenza cannot be compared to those of larger manufacturing sites. "That doesn't mean we can lower our guard," she cautions. "The brazing alloy foundry contains high-temperature equipment, and the warehouse has risks too."

More than forklifts

Warehouse operator Alessandro Pedrazzoli explains. "It's not only watching out for forklifts. There are also hazardous substances like detergents and some corrosive chemicals used for electroplating. You have to pay attention."

Over the past four years the site has worked hard on improving safety behaviour with the support of its business unit's Global Sustainable Development Team. "Every Tuesday morning I meet with the production manager and three supervisors in a safety group," Paola says. "We follow up corrective actions and discuss new proposals."

Safety on screen

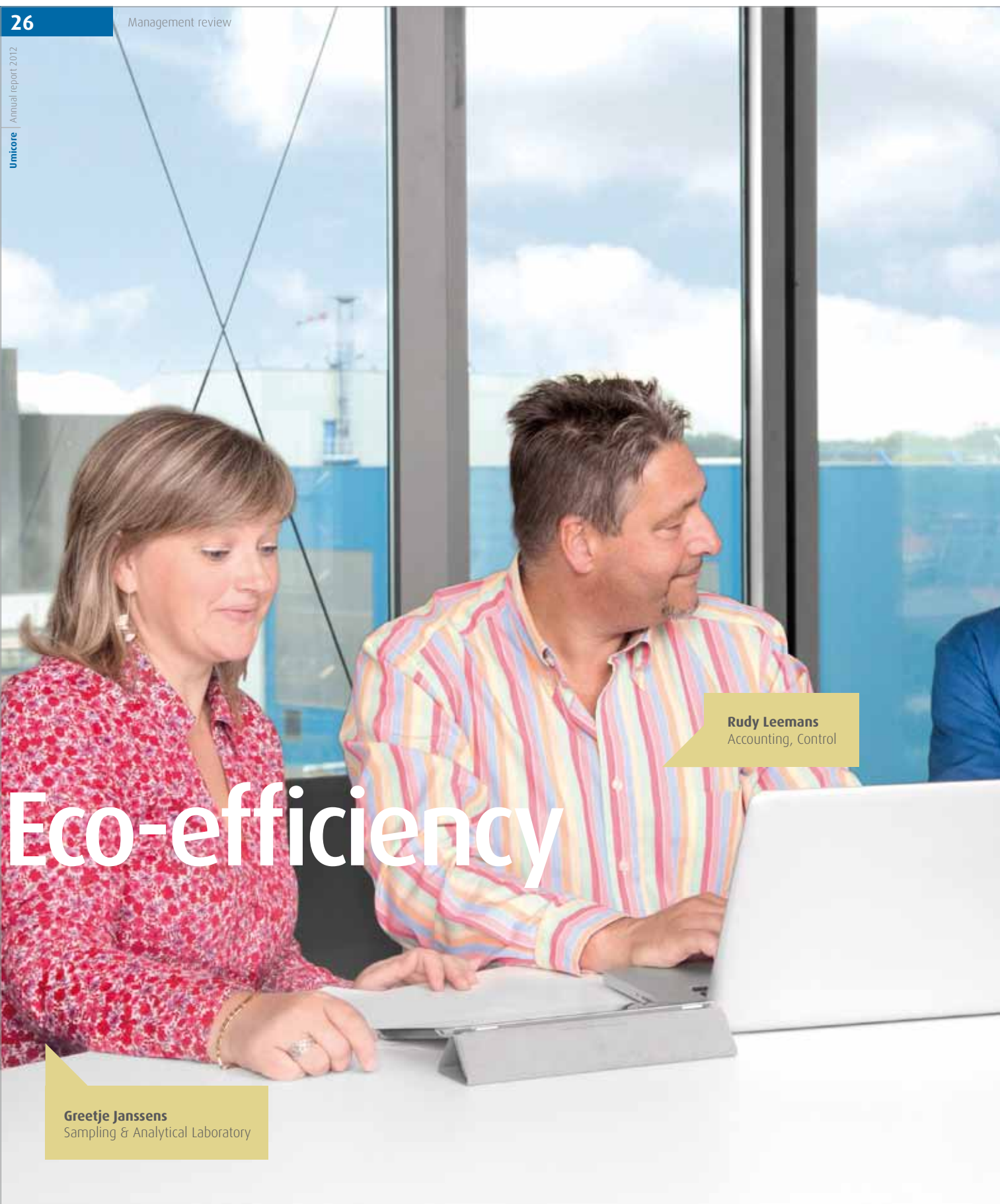
Initiatives focus on training, internal discussion and safety indicators. "We introduced a system for reporting risks and proposing solutions. But the real breakthrough happened when our focus shifted from rules and procedures to behavioural change."

It turns out safety training can be fun. "We made two safety movies," says Paola. "An amazing experience. Our employees were very enthusiastic actors." The first film focused on safety in the warehouse. The sequel featured office personnel. Alessandro says, "My role was showing people how to walk safely through the transit and parking areas."

How have these activities changed safety behaviour at Umicore Vicenza? "There is a growing awareness of safety," answers Paola. "Our managers lead by example and everyone is now actively involved and committed."



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



Rudy Leemans
Accounting, Control

Eco-efficiency

Greetje Janssens
Sampling & Analytical Laboratory

Eco-efficiency



We further reduced the impact of metal emissions to water and tested the sustainability profile of more products.



Our Scope 2 CO₂ emissions increased due to changes in the energy mix from our electricity suppliers.

Carbon emissions

(See the charts on p.28)

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 ex-

ample 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.

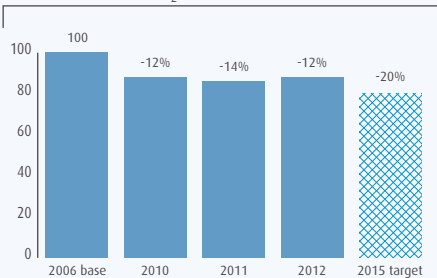
The main pillar of this policy is our group objective to achieve by 2015 a 20% reduction in CO₂ equivalent emissions compared to the reference year 2006 and using the same scope of activities as 2006.

Other aspects covered by the policy are:

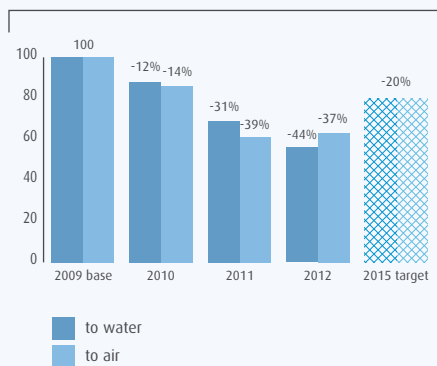
- **Capital investments:** all capital investments must be reviewed for carbon neutrality.
- **Acquisitions:** we will incorporate carbon intensity criteria in our assessment of acquisitions.

Michiel De Coninck
Precious Metals Operations



CO₂E REDUCTION

METALS EMISSION REDUCTION



- **People and mobility:** all employees are to be encouraged to make use of low carbon or carbon neutral mobility.
- **Scope 3 CO₂ 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 2012 we had achieved a 12% reduction compared to our 2006 benchmark year. This means that for equivalent production levels we emitted 12% less in carbon equivalent. This compares to a reduction of 14% that we had achieved by the end of 2011. The reason for the change in 2012 was almost entirely due to a change in energy mix at companies that provide electricity to our German and Norwegian operations. The move away from nuclear power in Germany and the decision of

the Norwegian power providers to sell hydro power to other European countries meant that the carbon footprint of energy purchased by Umicore in these countries was higher. These developments – which are beyond Umicore's control – had a negative impact on our Scope 2 emission profile. Excluding the activity adjustment for measuring progress against the objective we have recorded a 3% reduction in absolute emissions since 2006, compared to a reduction of 6% registered at the end of 2011. Please see the environmental statement E3 for full details.

In 2012 we concluded an assessment programme at the 25 sites with the highest contribution to our CO₂ emissions and to identify the potential for further energy efficiency improvements and CO₂ reduction opportunities. Over 100 projects were identified that have the potential to reduce energy intensity, carbon emissions and

costs. Reaching our objective will depend on the fulfillment of a high percentage of these projects as well as the execution of two initiatives at sites in Belgium and China. The changing energy mix in Europe does present a risk to the delivery of our objective as the move away from lower-carbon sources in some countries has a direct impact on Umicore's Scope 2 emissions (see above).

In certain sites we promoted actions that employees could take to reduce their emissions footprint. There was a high participation rate by employees at the Brussels headquarters in European Mobility Week. This encourages people to use public transport or pedal power instead of the car to get to and from work. At our Hanau site we helped launch a car pooling initiative with the Wolfgang Industrial Park. This uses an internet service and mobile app to help employees find shared rides to and from work.

Metal emissions

As part of our environmental management approach we have for many years been monitoring and taking steps to reduce emissions of metals into the environment – both to water and 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 2012 our metal emissions to air in terms of load were 16,901 kg. This represented a 22% increase

Eco-efficiency

Umicore's ECOS ND15 product is a good example of developing new solutions to meet the environmental challenges of our customers. (See the case study on p.51)



Under its Butterfly™ recycled precious metals product line, Umicore can provide a wide variety of jewellery products and fine metals based on 100% recycled gold, silver or platinum for the North American market. Together with the Responsible Jewellery Council certifications the Butterfly™ recycled precious metals are part of Umicore's initiatives to be recognized as a sustainable source for precious metals.



Umicore is proud to collaborate with the International Life Cycle Chair which conducts research into the ecological, social and economic impact of products and services.

compared to 2011, largely due to higher detected emissions of zinc from our Zinc Chemicals operations (Performance Materials). Of all the metals emitted by Umicore, zinc has the lowest impact on human health and therefore the higher emissions of zinc did not have a meaningful effect on the overall impact of our emissions to air. Emission loads were reduced in Catalysis and Energy Materials and were stable in Recycling. In terms of impact, we registered a 4% increase in the environmental impact of our metal emissions to air vs 2011. In comparison to the reference year of 2009 we had achieved a reduction of 37% by the end of 2012 compared to a reduction of 39% at the end of 2011. The reason for the slight regression is the higher levels of arsenic emissions to air in our Hoboken plant (Recycling). This was linked to the changing mix of materials during the year. A new investment in gas cleaning equipment should reduce significantly such emissions in future years. The other business groups all registered improvements in terms of impact in 2012 compared to 2011.

In 2012 our metal emissions to water in terms of load were 5,724 kg. This represented a 1% decrease compared to 2011. The Catalysis, Energy Materials and Performance Materials business groups all registered a slight decrease in emission load which was largely offset by somewhat higher emissions in Recycling. In terms of impact of metal emissions to water we have achieved a reduction of close to 44% in comparison with our benchmark year of 2009. In terms of year-on-year comparison,

we registered a 19% reduction. In terms of year-on-year comparisons, the Recycling business group made the single most significant contribution to the improvement as a result of reduced thallium emissions from the Hoboken site. In Energy Materials, the Olen site reduced silver emissions further in 2012. In Performance Materials the continued reduction of cadmium emissions at Glens Falls and the reduction in nickel emissions in Viviez enabled the business group to also make a strong contribution to the overall improvement. Although in absolute terms Catalysis is the lowest emitter in terms of impact, its reduced emission of nickel enable it to make a 75% reduction between 2011 and 2012.

The further deployment of investments that use new emission control technologies, such as water and gas treatment plants in Hoboken, are expected to enable us to drive down further our metal emission impacts to both water and air in the coming years.

For more information on the reduction efforts in each business group please see pages 38-67.

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 objective as part of our Vision 2015 strategy. This 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 2012 we continued to develop and refine our methodology. Which 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. We became a member of the International Life Cycle Chair established by the University of Montreal (www.ciraig.com) and we are calling 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 cases to the study. This will provide us with a sustainability profile for a representative portion of our products and services including those that are under development, those deployed in niche markets and those that could be considered as 'flagship' products and services of Umicore. In 2011 we conducted pilot analyses on three products and services and their use in specific applications. In 2012 we extended this to a further seven products and services covering Automotive Catalysts, Precious Metals Chemistry, Thin Film Products, Technical Materials, Building Products and Precious Metals Refining. By the end of 2012 the total number of products and services screened using the tool

amounted to the equivalent of close to 10% of Umicore's revenues.

In 2012 we were able to align the process of developing basic EHS data for all products with the on-going work on REACH registration. This means that we will complete the remaining 571 data sets (60% of the total data sets required) in line with REACH substance registration timings; some are therefore scheduled to be completed in 2013 and the majority by 2018. For comments on our on-going REACH compliance efforts please refer to Environmental note E6.



Eco-efficiency

CASE

Designing a new gas treatment system for the gold refining operation at Guarulhos in Brazil was a tough challenge. It was successfully met through the collaboration of three different teams.

The process used at Guarulhos to refine gold requires several acids that produce toxic fumes. This off-gas must be treated to comply with emissions regulations. The treatment system had a limited capacity, a bottleneck that was constraining gold production.

An upgrade was needed, explains Eduardo Pierré, Industrial Manager at Guarulhos. "The difficulty is that different refining processes require different off-gas treatment systems. You can't just plug something in." After studying the problem and looking at various options, it was decided to redesign a system originally developed for another Umicore site in Hoboken, Belgium.

A double win

That's how Maarten Quix, Project Manager at Hoboken, came to spend some time in Brazil. Three teams from Guarulhos, Hoboken and Group R&D in Olen, Belgium, worked together to take a number of hurdles.

One was the complexity of the off-gas mixture, which contained nitrogen oxides (NO_x) and a number of other chemicals. The solution was to split the scrubbing technology into several steps. "Looking at it now it seems simple," says Maarten. "But at the time we weren't certain it would be possible." The system was also designed to recycle the gasses: transforming harmful NO_x fumes into nitric acid that could be reused in the refining process. "This made it a double win."

The state-of-the-art system became fully operational in 2012 and was accompanied by improvements elsewhere in the plant. "Now we can produce bigger volumes and with reduced emissions," says Eduardo. "The impact has been tremendous and has boosted morale."

Ricardo dos Santos Pereira,
Otaviano Teodoro da Silva,
Filho Telço Santos
Umicore Guarulhos

Golden
teamwork



Stakeholder engagement

Stakeholder engagement



Umicore's sustainable procurement initiative was an **award winner** in 2012.

Umicore's business units started to implement their sustainable procurement projects. Contributions to our communities were at the same level as in 2011.

Sustainable supply chain

Umicore's commitment to its suppliers in terms of conduct and practices is outlined in the Sustainable Procurement Charter. In return Umicore requests that suppliers adhere to specific standards in terms of environmental stewardship, labour practices and human rights, business integrity and supply chain engagement.

Umicore's Purchasing & Transportation function was selected as the most appropriate entity in Umicore to carry out the first phase of intensive and systematic ap-

plication of the charter. This process provided experience and learning to help the business units in their application of the charter.

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. The web-based learning module was migrated to the new group-wide My Campus (see p.22) learning management platform in 2012. No training was conducted in 2012 as it was deemed more effective to start a new wave of training



Hundreds of Umicore employees took part in sporting challenges for charity in 2012. These included the Frankfurt marathon, the Brussels 20km and community aerobics games in Jiangmen.

in 2013 after this migration had taken place.

In the course of 2012 the regional procurement centres in Belgium, France, Germany and Brazil made an updated 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 by the regional procurement centres were mainly suppliers of goods and services and some suppliers of raw materials (eg metals). In total 642 suppliers were selected, compared to 601 at the end of 2011. By the end of 2012, 83% of these 642 suppliers had formally acknowledged their adherence to

the terms of the charter, compared to 61% in 2011. The suppliers providing indirect goods and services represented € 346 million or 72% of the total spend on such products and services by our Purchase and Transportation function. The suppliers of raw materials represented some € 272 million or 72% of the total spend on raw materials by our regional procurement centres in France and Brazil.

Umicore asked Ecovadis to assess the sustainability performance of 194 of the above suppliers. 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. 46 suppliers did not respond to the questionnaire. Of the 148 received score cards (representing € 353 million of supplied goods and services), 114 companies had a score of 3 or 4, meaning that they had taken basic steps on sustainability issues. Only three companies had a score equal to or below 2, representing a high risk regarding sustainability issues. 31 companies scored, overall, higher than 4, meaning that they had “an appropriate sustainability management system”.

All score cards were evaluated with reference to the four sustainability principles from the Sustainable Procurement Charter and a set of minimum requirements. In the course of 2012 we launched a pilot program with 15 low-scoring suppliers to develop an action plan for improvement. Suppliers proved to be open to discuss sustainability with Umicore and several suppliers defined specific actions to improve their sustainability performance. During the feedback sessions, as in 2011, we determined that one reason for low scoring was a lack of documentation to support claims made in the assessment. By mid-2012 the pilot program was expanded to include more suppliers of every regional procurement centre.

Every regional procurement centre will take steps in 2013 to engage with the selected suppliers.

Several business units and Chinese sites also defined their “key suppliers” and asked the selected suppliers to acknowledge the principles of the charter. The business groups and Chinese sites selected 156 suppliers, of which 34% had formally acknowledged their adherence to the charter terms by the end of 2012. Comments on the application of the Charter in the business units and discussion of any material sustainable procurement issues can be found in the relevant segment reporting on pages 38-67 of this report.

In 2012 Umicore’s supply chain project to implement the charter was selected as a finalist in the Supply Chain Award Project of the Year 2012 in Ghent Belgium and won the Audience Award voted on by procurement professionals attending the event. The event was organized by VIB and PICS – the Belgian associations for procurement and supply chain.

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

“We aim to play a positive role in the communities where we operate and to be accountable to local stakeholders.”

Stakeholder engagement

(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 and suppliers. In 2012 we took steps, together with relevant industry associations, to provide assurances to customers about the conflict-free nature of the gold that we recycle or which is used in our products (see the segment review between p.38 and 67 for more details). In early 2013 Umicore formally adopted a policy regarding conflict minerals.

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. Some 60% of our sites had an engagement plan in place by the end of 2012. This was slightly higher than the level of 2011. In 2012, 63% of our sites employed structured communications as part of these engagement plans 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, Hoboken (Belgium) hosted some 96 visits by members of the local community in 2012. The site celebrated 125 years of industrial operations and organized a number of events both in the site and in the local community particularly to highlight how the operations have changed in recent years. The Olen site (Belgium) continued its programme of visits for local schools and neighbours "Umicore te kijk", including science lessons given by management to students in the final two years of high school. The site hosted the launch of iMove, an initiative in Flanders to promote the use of electrified transport (see insert). The Olen site was also the winner of the local Olen environment prize. In Guarulhos (Brazil) we continued

to engage with the local authorities regarding the issue of soil and groundwater pollution around the site and supported the "Better Life" projects for disadvantaged children in the community. The Hanau site (Germany) hosted a family day and hosted a number of internships for students in local schools. The site also registered a

We continued to support a number of sustainable mobility projects run by university students. These initiatives, such as the Thomas More Racing Team (pictured), are intended to promote awareness of sustainable mobility technologies and inspire innovation.



A drive-in for e-cars

Fifty test drivers were invited to test an e-car on a journey from the town of Hasselt to the Umicore site in Olen. There the e-cars were hooked up to the electricity grid to recharge their batteries while the drivers listened to a presentation transmitted on the radio. The event was part of the iMove projects: 18 companies and research organizations who are investing in the introduction of electric cars and sustainable mobility in Flanders.



Back to school in Haiti with UNICEF

As part of its sustainability objectives Umicore began a partnership with UNICEF Belgium to fund education projects in Haiti and India. One of our efforts focuses on rebuilding a school system devastated by a natural disaster.

CASE

On 12 January 2010 Haiti suffered a catastrophic earthquake. It is estimated that 316,000 people died and 300,000 were injured. The quake damaged thousands of buildings, including 3,798 schools. Mohamed Fall, UNICEF Haiti's Senior Advisor on Education, takes up the story. "Before the crisis only 50% of children attended school. The earthquake and frequent flooding made the situation worse."

Learning in tents

Rebuilding the nation's schools is being tackled in three phases. First, more than 300 schools were quickly set up using tents, minimising the disruption to education for children. In the second phase 193 semi-permanent schools were built, one of which financed by Umicore. These have concrete floors, walls and a roof and can accommodate about 50 children. "Sometimes different classes use the space in shifts," says

Mohamed. Phase 3 aims at constructing permanent schools.

Beyond buildings

Tatiana Cervak, Group Social Investment Manager at Umicore, visited UNICEF projects in Haiti. "With help from donors like Umicore, UNICEF not only constructs school buildings. It supplies desks, pens, paper and even a daily meal. Providing these children with a proper education will give them a chance to help rebuild their country." This massive reconstruction programme depends on many partners. "That is why we're so thankful for Umicore's support," Mohamed concludes.





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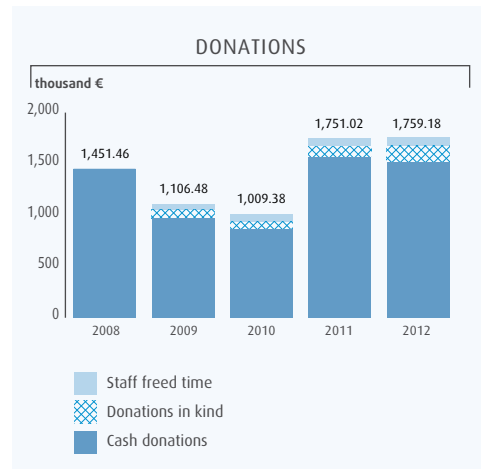
high level of employee participation in local sporting events such as the Frankfurt Marathon and Dragonboat Race.

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 € 1,016,860 in 2012 compared to € 1,013,290 in 2011 with some 23% of this amount coming in the form of volunteering and donations in kind (up from 18% in 2011). More information on the various business unit donations can be found in the Business Group review between pages 38 and 67 of this report.

In addition to the business units' contribution, the Group donated € 742,320, 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.

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

Stakeholder engagement



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. In 2012 we took part in a visit to the UNICEF project in Haiti and you can read more about the progress being made in the case study on the facing page.

As part of our on-going partnership with Entrepreneurs for Entrepreneurs we started a participation in three projects which are supporting entrepreneurs in Cambodia, Philippines and Tanzania. We also supported the Humasol project which selects students from five institutes of higher education to install a fully functional PV-system in Thiès, Senegal, between June and August. We intensified our support for various student clean mobility projects in 2012 and intend to group these in a new way in 2013.

Catalysis



Christian Bach
EMPA Zürich

Raoul Klingmann
Umicore Automotive Catalysts



Catalysis



Catalysis recorded revenue and earnings growth in 2012. Further progress was made in most social and environmental areas.



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.

Economic performance

(See the charts on p.40)

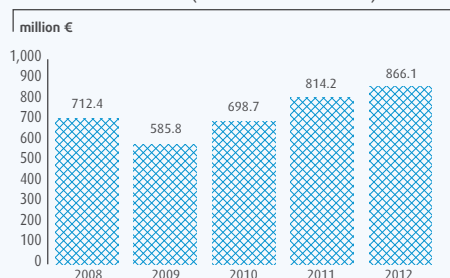
Revenues in the Catalysis business group rose by 6% year on year as a result of increased revenues in both Automotive Catalysts and Precious Metals Chemistry. Recurring EBIT grew less than revenues, mainly as a result of a change in the regional sales mix in Automotive Catalysts. Capital expenditures were significantly higher than in 2011 as we invested in new production and technology capabilities, particularly in Automotive Catalysts. Overall R&D expenditure was also well up year-on-year.



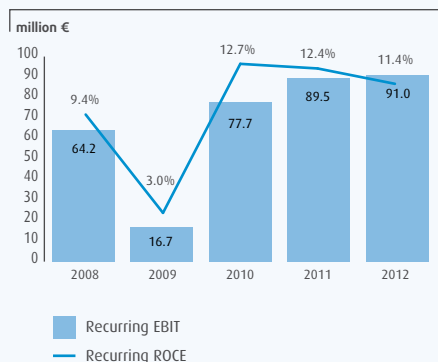
Automotive Catalysts

Precious Metals Chemistry

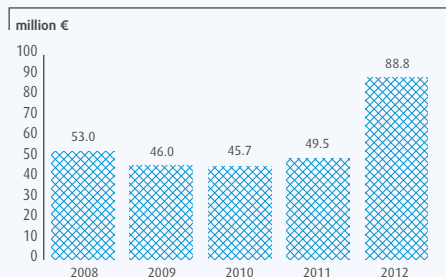
REVENUES (EXCLUDING METAL)



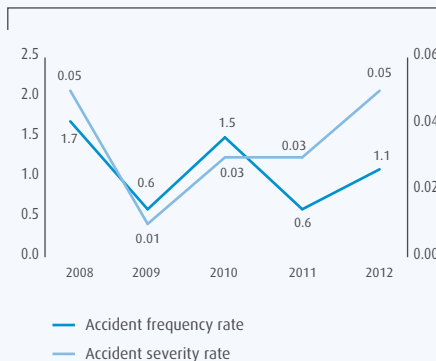
RECURRING EBIT & ROCE



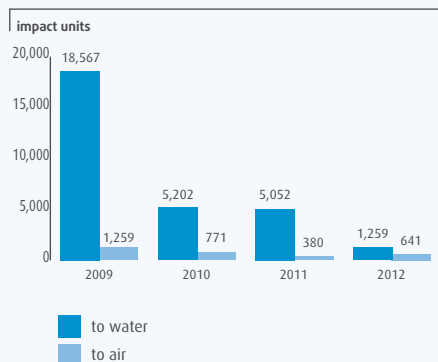
CAPITAL EXPENDITURE



SAFETY PERFORMANCE



METALS EMISSIONS



Global automotive production increased by some 6% year on year, mainly driven by growth in Asia and North America, while the market in Europe was down. Globally, the growth of car production was more pronounced in the first half of the year and started to lose momentum in the second half. The evolution of Umicore's sales volumes and revenues for the **Automotive Catalyst** business unit followed the trend of global car production. The growth in revenues, however, did not fully translate into additional earnings mainly due to the shift in regional mix.

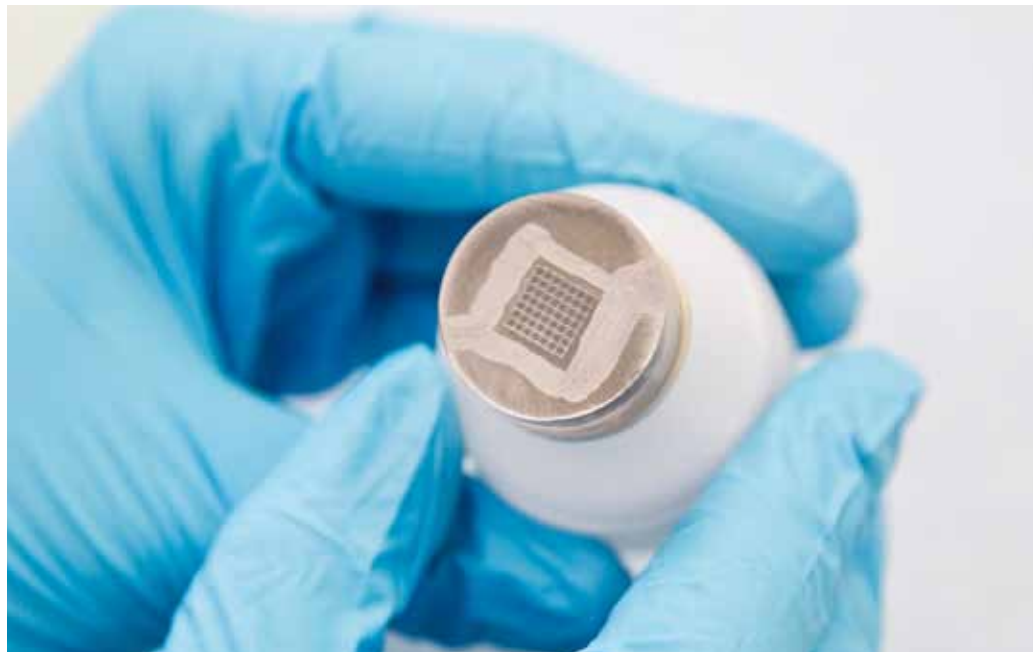
Vehicle production in Europe was down some 5% year on year. Umicore's sales volumes slightly outperformed the market due to a good exposure to better selling platforms. Our revenues and margins, however, reflected an unfavourable change in the product mix, partially linked to the reduced share of diesel powered vehicles in the European car market. The workforce was reduced in South Africa, in line with the reduced levels of demand from Europe. We announced the development of new production capabilities in Germany to cater for contracts as part of upcoming Euro 6 legislation.

Car production in North America grew by 17% compared to the previous year. While Umicore's sales volumes and revenues increased, they grew somewhat less than the market due to a shift in platform and product mix. In South America, Umicore's revenues grew year on year in a flat market. We announced the expansion of Umicore's technology centre in Americana, Brazil, which is due to be operational in 2014.

Go straight to the numbers

.XLSwww.UMICORE.COM/reporting/data

Catalysis



Asian automotive production increased by some 11%, mainly driven by the recovery of the Japanese car industry after the natural disasters in 2011 (+20%) and steady growth in China (+6%). Korean car production was slightly down year on year. Umicore's sales volumes were in line with the market. The effect of the Japanese market growth was limited due to Umicore's smaller market share. This was compensated by an out-performance in the Chinese market due to a favourable customer and platform mix. The new production line and technology development centre in Suzhou, China, which featured in our 2011 report, were commissioned at the end of 2012.

In 2012, Umicore and our long-standing partner Nippon Shokubai, founded Umicore Shokubai, a joint venture which is majority owned by Umicore and will serve the needs of Japanese OEMs globally. The construction of a new technology development centre started near Nagoya, Japan. The production of Umicore Shokubai in Hiimeji, Japan, was interrupted in October 2012 due to a fire that affected a nearby facility. Japanese customers were supplied out of other Umicore sites until production resumed in mid-November. The construction of a new production facility also started in Pune, India. The investment is in line with Umicore's strategy to invest in the key growth markets

for automotive emission control systems. The new plant, which will serve the needs of both global and domestic customers, is expected to be commissioned in mid 2014.

Throughout the year Umicore successfully secured new contracts for heavy duty diesel (HDD) applications. To cater for orders resulting from these contracts, Umicore is investing in additional HDD capabilities in Europe and China. We announced the construction of a new HDD facility to produce Selective Catalytic Reduction systems (SCR) for NO_x aftertreatment in Suzhou, China. Subsequent to the commissioning of a first dedicated HDD production line in France, we decided to install a second line in

order to fulfil the growing number of European HDD contracts.

Revenues for the **Precious Metals Chemistry** business unit increased year on year. The continued success of Umicore's advanced catalytic solutions for life science and pharmaceutical applications and strong sales of catalysts used in bulk applications more than offset the subdued demand for precursors used in the automotive industry and non-catalytic pgm-based products. The business unit also successfully grew its product portfolio in different end markets and is expanding its geographic footprint.



Umicore launched a new range of catalysts for hydrosilylation applications for both silicone and fine chemical industries.

Using Umicore's proprietary intellectual property, this new type of catalyst offers advantages over conventional types of hydrosilylation catalysts in terms of selectivity, activity and productivity. The new catalysts perfectly complement the existing portfolio of products sold by the Precious Metals Chemistry business unit. "Decades of industrial experience as a leading supplier of precious metals chemicals and catalysts to diverse industries provide an invaluable platform for new catalyst developments," said Dr. Volker Raab from Umicore at the time of the launch. Umicore's Precious Metals Chemistry business unit has been developing its business successfully in the life science and fine chemicals industries.



Catalysis

The construction of the new production facility in Tulsa, Oklahoma started in 2012. This facility will manufacture the business unit's entire portfolio of precious metal-based catalysts and chemicals including advanced products such as ruthenium metathesis catalysts and palladium cross-coupling catalysts.

Great place to work

Although the Catalysis business group continued to report by far the best safety performance of all of our business groups, the performance in 2012 was not as strong as in 2011. Overall a total of four lost time accidents were recorded compared to two in 2011. This represented a frequency rate of 1.1 accidents per million hours worked and a severity rate of 0.05. Both Automotive Catalysts and Precious Metals Chemistry continued to implement the SafeStart® safety approach to help reduce accidents to zero by 2015. The South Plainfield site in the US had achieved more than five

years with no lost time accidents or recordable injuries to Umicore staff and no lost time accidents to contractors at the end of 2012, while the Americana and Port Elizabeth sites had achieved the three year milestone.

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 2012 two employees developed such a sensitization – the same number as in 2011. These employees resumed 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 low-

est emitter, accounting for a total of 12% of our CO₂ equivalent emissions in 2012 or 87,135 tonnes of CO₂ equivalent. This compares to 82,308 tonnes emitted in 2011.

Products from both Automotive Catalysts and Precious Metals Chemistry were part of the second wave of product sustainability assessments conducted using Umicore's APS tool. This is part of the on-going process to assess the sustainability of a representative sample of Umicore's products and services (see p.30).

Catalysis does not have an industrial profile that involves significant impact of metals on either water or air with both representing less than half a percent of our total group impact. The business units were able to reduce the overall load of metals emitted to air and water in 2012.

Stakeholder engagement

Our Automotive Catalysts business unit completed its identification of key suppliers by mid-2012 at all sites. Letters introducing the Sustainable Procurement Charter were sent to all key suppliers and screening of the top five raw materials suppliers for each site also started in the second part of 2012. The business unit has in place a system of supplier audits that cover all major suppliers on a global basis with a frequency of every three years and focusing on quality, environment, health and safety issues.

In terms of accountability to the local community the business group contributed some

€ 151,000 in charitable donations in 2012. Major projects included support for the SOS Children's Village and Umicore Schooling project in Port Elizabeth, South Africa, the Boai School for children with special educational needs in Suzhou, China, and Food Bank contributions in Auburn Hills, USA. The Auburn Hills site was recognized as one of the top three companies for community support in the town.

Global automotive production increased by some 6% year on year, mainly driven by growth in Asia and North America.



New technology for a new challenge



Catalysis

CASE

First on the market with a catalysed light duty diesel particulate filter, Umicore is again at the forefront of efforts to make our air cleaner. A particulate treatment for gasoline engines will help carmakers meet upcoming tougher environmental standards.

Starting in 1993 with the Euro 1 directive, the European Union has introduced ever-stricter standards to reduce toxic emissions from vehicles. When limits were imposed on the fine soot produced by diesel engines Umicore was first to introduce a catalysed light duty diesel particulate filter (DPF) on the market. Such filters are now fitted to all new diesel cars.

In 2012 a new directive was approved. Euro 6 sets new emission limits for particle numbers from gasoline engines for the first time. In recent years direct injection has been increasingly used to boost the fuel efficiency of gasoline engines, with the downside that the technology also produces high levels of very tiny soot particles. The good news is that technology now exists to eliminate such particles.

Raoul Klingmann, Director Industrialisation, Automotive Catalysts, recalls that the automotive industry and its development partners like Umicore began to envision a gasoline particulate treatment, like a "filter" (gasoline particulate filter, GPF). "Of course we could benefit from our diesel experience, although the technical requirements are substantially different. Everybody went through a learning curve."

Broad collaboration

Developed at the Automotive Catalyst R&D Centre in Hanau, Germany, Umicore's solutions resulted from close collaboration with suppliers of filter substrates and developers of engine management systems.

One of our first partners in the development was EMPA, a renowned

research institution for material sciences and technology development in Dübendorf, Switzerland. "From the start we knew that the combination of Umicore's prototype technology with our enhanced particle analysis facility would result in strong benefits." Extensive vehicle and engine tests were run together to understand the situation and the challenges.

Based on this, Umicore developed highly effective washcoats (applied to various forms of substrates). "One advantage of our washcoat is that GPF regeneration – cleaning the filter by periodically running the engine hotter – may no longer be needed. This avoids the increase of fuel consumption", Raoul explains.

For Raoul, partnership has been key. "With an emerging technology, internal and external collaboration is very important."



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

Energy Materials

Wouter Ghyoot
Umicore Cobalt &
Specialty Materials

Egil Holtmon
Reichhold





Energy Materials



Profitability was lower due to adverse economic conditions, particularly in the photovoltaic market and also due to start-up costs of our new investments.

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 four business units: Cobalt and Specialty Materials, Electro-Optic Materials, Rechargeable Battery Materials and Thin Film Products.

Economic performance

(See the charts on p. 48)

Revenues for Energy Materials increased by some 2%. Strong growth in Rechargeable Battery Materials was largely offset by a decrease in the other business units. Recurring EBIT for the business group more than halved as a result of the economic downturn. Electro-Optic Materials and Thin Film Products were particularly affected by low demand from the photovoltaic and display industries. Cobalt & Specialty Materials



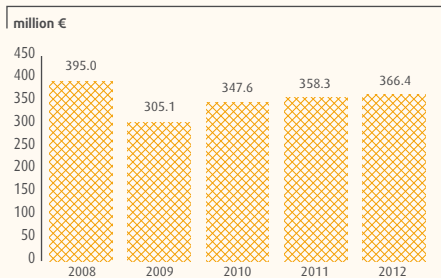
Cobalt & Specialty Materials

Electro-Optic Materials

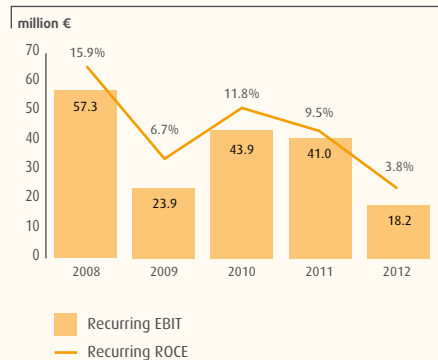
Rechargeable Battery Materials

Thin Film Products

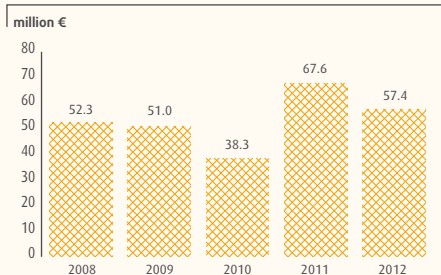
REVENUES (EXCLUDING METAL)



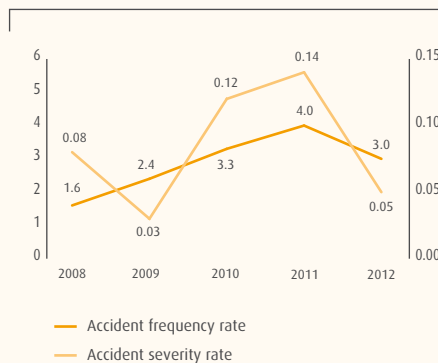
RECURRING EBIT & ROCE



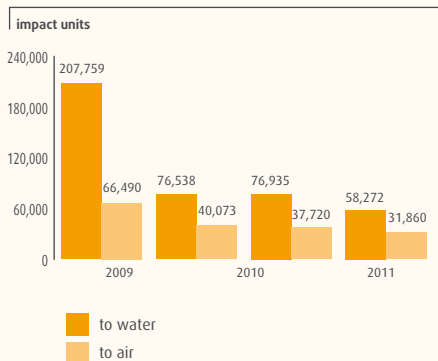
CAPITAL EXPENDITURE



SAFETY PERFORMANCE



METALS EMISSIONS



demonstrated more resilience, but did not replicate the exceptional contribution of 2011. Returns in Rechargeable Battery Materials improved, although depreciation charges and start-up costs continued to weigh on the performance. Capital expenditure was lower than in 2011 as a number of significant investments were completed, notably in Rechargeable Battery Materials. R&D expenditure for the business group decreased by 4% largely due to adjustments made in those areas that were affected by a market slowdown.

Revenues for the **Cobalt & Specialty Materials** business unit were down compared to 2011.

The higher recycling activity was in contrast to the slowdown in several product end markets. The Ceramics & Chemicals activities posted lower revenues, as the economic slowdown impacted most end markets. Sales volumes and revenues for Tool Materials were lower, mainly due to a lower demand from the automotive and construction sectors. Margins for Tool Materials were negatively impacted by fierce competition. Processed volumes in the recycling and refining activities remained at a record high level, although lower prices for cobalt and nickel led to overall lower refining margins. The business unit announced an investment in its fine cobalt powders production in Olen, Belgium. This investment will enable a higher throughput of materials and an improved environmental performance and is scheduled to be commissioned by mid 2014.

Go straight to the numbers

.XLS
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beLife,

a joint venture for the production of new generation materials for rechargeable batteries

Umicore joined forces with Prayon, a leading phosphate producer, in the development of cathode materials based on lithium iron phosphate (LFP). The materials are dedicated to batteries for energy storage applications as well as batteries for hybrid and electric vehicles. The joint venture has established an industrial pilot plant in Engis, Belgium, that started operations in the second half of 2012 with all materials produced being exclusively marketed by Umicore.

Sales volumes and revenues in **Rechargeable Battery Materials** were significantly up compared to the previous year. Strong demand for high-end portable electronics, such as tablets and smart phones, further increased the demand for high energy density cathode materials. Umicore derived particular benefit from this trend due to its clear technology leadership. The demand for materials used in lower-end portable devices remained subdued and prices were lower due to the highly competitive nature of this segment. Although overall demand for automotive applications was higher year on year, ordering patterns remained volatile. While the penetration of Li-ion based H(EV)s in the market increased modestly in 2012, the underlying medium to longer term trend of electrification of the car remained promising. The business unit announced a new wave of investment projects to keep pace with growing demand from battery producers. These covered an expansion project for cathode precursors in Korea as well as investments to

increase cathode material production in Korea and China. Umicore entered into a joint venture with phosphate producer Prayon called beLife for the development of LFP (lithium iron phosphate) materials for rechargeable batteries.

In **Electro-optic Materials**, sales of germanium blanks were significantly lower. Government orders for infrared systems were even lower than in 2011. Revenues for the finished optics activity were slightly higher year on year reflecting a growing demand for GASIR®-based infrared technologies as alternatives for pure germanium lenses. Revenues and sales volumes for germanium substrates were also down. Higher demand for LED applications was in contrast to decreased demand from the photovoltaics sector. Sales for space solar cells decreased due to reductions in the number of satellite launch programmes. The terrestrial solar market began to slow down early in 2012. In response to the challenging market conditions for terrestrial concentrator



photovoltaics, Umicore decided to reduce the germanium substrates production and workforce at its site in Quapaw, Oklahoma.

In **Thin Film Products**, demand for large area coating targets for the display sector remained low as manufacturers further delayed their investment projects for new rotary sputtering equipment. Revenues for optical evaporation materials were stable, while demand from the micro-electronics industry decreased slightly, reflecting volatility in a highly competitive market. Due to unpromising market prospects, the production of AZO targets (Aluminium-doped Zinc Oxide) for the photovoltaic industry was discontinued in Balzers, Liechtenstein.

Great place to work

The safety performance of the Energy Materials business group improved in 2012. Nine lost time accidents were recorded compared to 12 in 2011. This represented a frequency rate of 2.96 – slightly above the Umicore average. The severity rate for these accidents was also below the group average. Three sites in Energy Materials have reached the landmark of five years without any lost time accidents or recordable injuries to Umicore

staff and without lost time accidents to contractors: 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 target values that we have set for these metals remained above the Umicore average with the most significant excess level being for cobalt (16.4%). The action plans to achieve breakthroughs in cobalt exposure have had a positive effect and the 2012 excess rate was substantially below that for 2011. The work with regards to the occupational health effects of indium tin oxide and workplace exposure reduction at the Providence plant continued in 2012.

The Rechargeable Battery Materials business unit was created in 2012, the activities having previously been part of Cobalt & Specialty Materials. This involved significant work to set up the new entity as well as establishing recruitment and development plans, particularly in the context of the new investments in Asia.

Energy Materials



Umicore is a technology and market leader in high density cathode materials. Sales of these materials grew strongly in 2012 as they are used in batteries for tablet computers and smart phones.

Eco-efficiency

In terms of carbon emissions the Energy Materials business group accounted for 24% of our CO₂ equivalent emissions in 2012 or total of 169,955 tonnes, compared to 174,529 tonnes in 2011. Of all the sites in Energy Materials the Olen site (Belgium) 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 that apply the best international standards.

A product from Thin Film Products was part of the second wave of product sustainability assessments conducted using Umicore's APS tool.

This is part of the on-going process to assess the sustainability of a representative sample of Umicore's products and services (see p.30). You can read a case study of how our businesses develop more environmentally responsible products in collaboration with customers on the facing page.

In terms of metal emissions, Energy Materials' emissions to air were down by 16% in load compared to 2011. In terms of impact, a reduction of 16% was also recorded compared to 2011, representing a 52% reduction compared to our benchmark year of 2009. The main reasons for the reduction compared to the benchmark year are 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 as well as a reduction in cobalt emissions in Fort Saskatchewan (Canada) and nickel emissions in Olen (Belgium). Water emission load was down 13% year-on-year while emissions impact dropped by 24% due to further reduction in silver emission at the Olen plant. Impact levels have shown a drop of 72% compared to the benchmark year of 2009.

Stakeholder engagement

Our Cobalt & Specialty Materials business unit further refined its sustainable supply chain approach for cobalt in the Democratic Republic of Congo and continued to screen suppliers for elements such as child labour, environment, health and safety issues and compliance with the Congolese mining code. The Electro-Optic Materials business unit completed its training process for procurement professionals, supplier selection and roll out of the Sustainable Procurement Charter. Thin Film Products had completed its selection of critical suppliers by the end of the year.

The business units in Energy Materials contributed a combined total of € 163,890 in charitable donations in 2012. A sizeable proportion of this amount was related to support by Cobalt & Specialty Materials for a schooling project and hospital maternity unit in Lubumbashi, Democratic Republic of Congo. Other initiatives included educational support in the communities around our sites in Quapaw, Subic and Jiangmen. The Fort Saskatchewan site was awarded an Envirovista award for environmental performance by the authorities in Alberta, Canada.

Energy Materials

The search
for safe solutions

CASE

Cobalt-containing substances are used in many processes and products. A proactive search for safe compounds not only demonstrates our commitment to sustainability. It has also provided a competitive edge.

In 2007 the world's strictest law on chemical substances came into effect. Known as REACH, the EU legislation aims to protect human health and the environment. Of particular interest to Wouter Ghyoot and his colleagues in Cobalt & Specialty Materials was the classification of certain cobalt compounds.

"Five were listed as lung carcinogens," he recalls, "largely because they are water soluble and the cobalt can easily become bio-accessible. We thought this list might grow to include a related group called cobalt carboxylates." These are used in many products.

For example quick-drying ink and paint, and for curing unsaturated polyester resins and gelcoats, used to make everything from car parts to windmill blades.

A team effort

Collaborating with toxicologists and environmental experts, Wouter and his fellow chemical engineers got to work on creating an alternative, highly safe compound. The Umicore team finally found a solution: embedding the cobalt in a polymer structure. "This gives it much lower water solubility," Wouter explains. The new compound, UMICORE® ECOS ND15, is already

being used in inks and paints. To introduce it into the composites market, in 2011 Umicore started working with Reichhold, one of the world's largest producers of unsaturated polyester resins and gelcoats. Alberto Piccinotti is the company's Vice President Sales and Technology Europe. "In our tests, ECOS ND15 met or exceeded expectations as an easy-to-implement, direct replacement for standard cobalt carboxylates." For Alberto the product is a real breakthrough. "This cooperation with Umicore will provide our customers with a long term, safe and effective cobalt-based solution."



Scan this QR-code to access the full online interview
www.UMICORE.com/reporting/ecosND15

Performance Materials



Elodie Colasse
Umicore Building
Products France



Performance Materials



Profits were

down 19%

due to the weaker economic environment.

Good progress was again noted in most areas of environmental and social performance.

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.

Economic performance

(See the charts on p. 54)

Revenues of Performance Materials were in line with those of 2011. Lower revenues in Building Products, Technical Materials and Platinum Engineered Materials were offset by strong growth in Electroplating. Recurring EBIT was down 19% mainly due to the lower sales volumes in the above mentioned business units and a lower contribution from zinc recycling activities. Capital expenditures were

Building Products

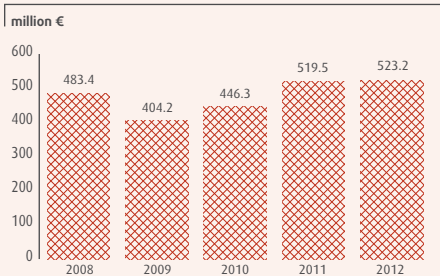
Zinc Chemicals

Technical Materials

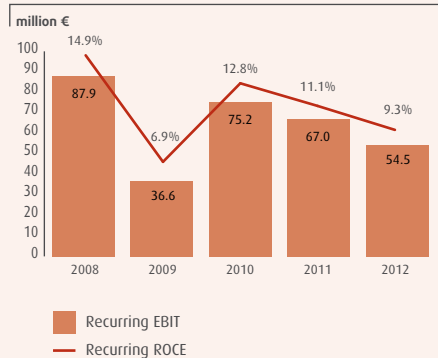
Electroplating

Platinum Engineered Materials

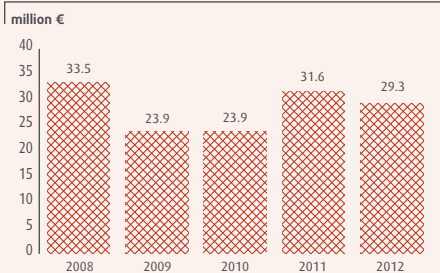
REVENUES (EXCLUDING METAL)



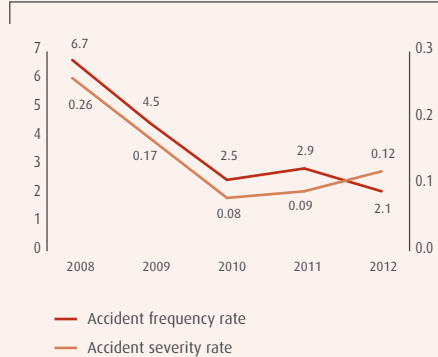
RECURRING EBIT & ROCE



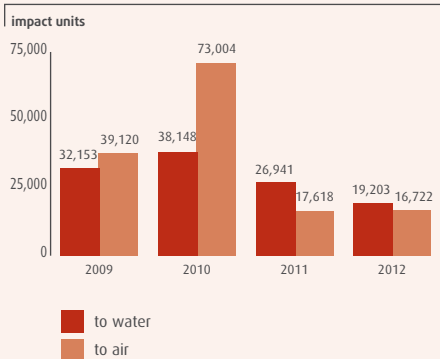
CAPITAL EXPENDITURE



SAFETY PERFORMANCE



METALS EMISSIONS



at similar levels to 2011 while R&D spending was up slightly.

Sales volumes for the **Building Products** business unit were down year on year due to the downturn in the construction industry, particularly in central and southern Europe. The impact on revenues was tempered by increased premiums, especially for higher-end products. The product mix also improved as a result of a less pronounced decrease in sales volumes for surface-treated products, which are sold at a higher premium. The new production line for surface-treated products which is under construction in Viviez, France, is due to be operational in 2014.

In **Electroplating**, despite a weaker economic environment, especially in Europe, revenues increased year on year, mainly due to the successful introduction of a number of new products. Lower demand for precious metal-based solutions used in technical applications, e.g. in the semiconductor industry, was more than offset by the strong customer take-up of Umicore's silver plating solutions used as the back-reflector in LEDs as well as non-precious-metals-based electrolytes. Sales of electrolytes for decorative applications were stable year on year. Although the market for metal coatings used in jewellery and lifestyle goods softened, the business unit benefited from the growing adoption of its recently introduced Rhoduna® alloy. This rhodium-light product is used as a substitute for pure rhodium coatings.

Go straight to the numbers

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Performance Materials

Revenues in **Platinum Engineered Materials** were lower as a result of reduced orders for glass applications. Although the consumer consumption of all types of displays remained high, most high-purity glass manufacturers postponed capacity investments, thereby reducing the demand for new platinum-based manufacturing equipment. Revenues from catalytic platinum gauzes primarily used for producing fertilizers were level with those of 2011.

In **Technical Materials**, revenues were down year on year. The lower level of contact material sales was largely due to lower demand in Europe for low voltage products used in electrical equipment and small scale electrical infrastructure. Sales of products for medium voltage applications increased, primarily as a result of continued growth in electrical distribution systems in China. Demand for brazing alloys was impacted by lower activity lev-

els in Europe, especially in the truck and train construction markets. Revenues generated in the HVACR (Heat Ventilation Air-Conditioning & Refrigeration) industry decreased due to higher competition in non-European markets while revenues linked to the tooling market were stable.

Zinc Chemicals' revenues were largely in line with those of 2011, despite reduced demand in most markets. Sales volumes for fine zinc powders used in anti-corrosive paints decreased in the European market while Asian demand remained good and sales into South America made progress. Sales of products for the chemical industry were level with those of the previous year. Demand in western markets for zinc oxide was lower and this had a negative impact on Umicore's sales. Sales in India, where Umicore is expanding its production capacity, made further progress as a result of higher demand from the tyre industry.

Sales volumes for zinc powders used in primary batteries decreased significantly. Overall zinc recycling margins decreased due to lower availability of residues from the galvanizing industry.

Revenues of **Element Six Abrasives** (a 40% associate) were lower, reflecting the weaker end markets. Overall margins were also negatively impacted by a less favourable product mix. The Advanced Materials business was affected by a slowdown and customer destocking in the tooling and machining markets. The competitive environment in Oil & Gas remained challenging. Despite a slowdown in the mining sector the Hard Materials business performed well. This was due to higher demand for road building tools and the successful launch of new products. In order to realign its footprint to the market, Element Six Abrasives reduced its carbide production in its South African operations. The business completed

construction of a new central R&D facility in the UK at the end of 2012.

Great place to work

The safety performance of the Performance Materials business group was slightly better than the Umicore average. Ten lost time accidents were recorded compared with 14 in 2011. This represented a frequency rate of 2.13 and severity rate of 0.12. The main reason for the improved performance was a better safety record in the Zinc Chemicals business unit. The Electroplating business unit was able to post a zero accident performance in 2012. The Vicenza, Italy, site had achieved more than five years with no lost time accidents or recordable injuries to Umicore staff and no lost time accidents to contractors at the end of 2012 – you can see how the site has achieved this safety record on p.25.

In terms of the metal exposure aspects of occupational health the overall excess results for Performance Materials was well below the Umicore average at 1.4%. This represented a decrease from the level of 2.3% excess readings in 2011 due to lower excess readings for cadmium in urine as well as for lead. The trend towards cadmium-free products coupled with even more stringent workplace controls was the reason for the drop in excess cadmium readings, primarily in the Technical Materials business unit.

Eco-efficiency

In terms of carbon emissions the Performance Materials business group accounted for a total of 23% of our CO₂ equivalent emissions in 2012 or 158,417 tonnes of CO₂ equivalent. This compares to 156,876 tonnes in 2011. The emissions are spread over around 30 industrial sites with those in Zinc Chemicals accounting for the majority of the business group

total. The change in energy mix provided by the electricity provider in Norway to the Zinc Chemicals plant in Larvik was the main reason for the increase in emissions.

Products from both Building Products and Technical Materials were part of the second wave of product sustainability assessments conducted using Umicore's APS tool. This is part of the on-going process to assess the sustainability of a representative sample of Umicore's products and services (see p.30).

In terms of metal emissions, Performance Materials' emissions to air were up by 32% in load compared to 2011. This increase is mainly due to higher zinc emissions. In terms of impact a reduction of 5% was recorded compared to 2011 and a 57% reduction compared to our benchmark year of 2009. Water emission loads fell by 14% compared to 2011. In terms of impact, water emissions in 2012 were 29% below the levels

All business units made progress in further deploying the Sustainable Procurement Charter.

of 2011 and 40% below those of the benchmark year of 2009. The main reasons for the continued improvements were further reductions in cadmium emissions at Glens Falls (Technical Materials) and in nickel emissions at our Viviez site (Building Products).

Stakeholder engagement

All business units made progress in further deploying the Sustainable Procurement Charter. Some business units, such as Building Products and Electroplating had rolled out the charter to a number of critical suppliers while Zinc Chemicals used three of its sites to carry out a trial deployment of the charter. Technical Materials identified its critical suppliers and also focused on obtaining conflict-free documentation from key suppliers for the tin it purchases for incorporation in various products. The Platinum Engineered Materials business unit conducts its procurement through the regional procurement centres and the business unit therefore participated in the efforts of these centres in identifying, assessing and engaging with its suppliers (see page 33-35).

ment (see p.59). Overall, the business units in Performance Materials contributed € 171,456 in charitable donations in 2012. This was the result of numerous actions at the 30 sites that are part of these business units. Examples include the Zinc Chemicals partnership with the Micronutrient Initiative to provide zinc and oral rehydration salt treatment kits to 120,000 children across Uttar Pradesh in India, Building Products' integration of disabled people into the workforce in France and Technical Materials' offering its Suzhou plant as a training base for students at the Suzhou Technical Institute.

In terms of community engagement, the soil remediation project close to the Building Products operation in Viviez made good progress in 2012 and continues to be a good case study for community engage-

Umicore Building Products held the 5th edition of the Trophée

Archizinc

recognizing architectural innovations that promote the use of zinc.



Performance Materials



The majority of the products produced by Performance Materials are used in construction, electrics and electronics.

Listening to stakeholders



Performance Materials

CASE

Engaging with community stakeholders means talking and listening. When Umicore decided to tackle a major industrial remediation project it took years of dialogue. This story shows they were not wasted words.

Part of Umicore's commitment to sustainability is managing and remediating environmental risks from past operations. A good example is the site of Viviez in southern France. A zinc refinery operated at the site from 1855 to 1987 when it was closed. Since then the site focuses exclusively on the transformation of zinc into beautiful building materials.

In 2002 Umicore applied for permission to clean up the site thoroughly. Well over a century of operations had left residues of potentially hazardous substances in a number of locations across several square kilometres.

"It was the largest industrial remediation project in France," says

Gaëtan Pastorelli, EHS Director of the Building Products business unit. "It took five years just to complete negotiations with all the stakeholders." They ranged from national ministries to municipality councils. Interested parties included politicians, doctors, environmental organisations and local residents. "The project attracted a lot of attention," Gaëtan says. "We met with the press regularly."

Dust busting

In 2007 work began on the project. More than a million cubic metres of residue were excavated. To stabilise this material, a temporary storage and treatment site was built. But there was a problem. Gilles Deslauriers, Project Manager at Viviez, explains. "The residue

was largely powder. Transporting it would require 100,000 truck-loads and local residents would suffer from the noise, congestion and dust." The solution? "We constructed a conveyor belt running 1.6 kilometres to the storage site," answers Gilles.

To contain the stabilised residue permanently a vast, watertight storage facility was fashioned out of a natural depression in the terrain.

The project made further progress in 2012. Its scheduled completion in 2016 will be a celebration of more than a century of good relations between the Viviez site and its neighbours. "We'll certainly open some bottles of champagne," Gaëtan smiles. This happy conclusion should mark the start of another neighbourly century.



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

Recycling



Rachid Benali
Umicore Precious
Metals Refining

Stephanie Vervynckt
Group Research
& Development

Jonathan Aerts
Umicore Precious
Metals Refining



Recycling



Another outstanding economic performance with profitability and returns at very high levels. Some progress was noted in safety performance.

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.

Economic performance

(See the charts on p.62)

Recycling revenues were up 7% compared to 2011. The increase was attributable to higher revenues in Precious Metals Refining, driven by better market conditions. Recurring EBIT decreased by 3% as a result of less buoyant conditions in the end markets for Jewellery & Industrial Metals and a lower contribution from the precious metal trading activities. Capital expenditure was well up compared to 2011, largely as a result of increased investments in

Precious Metals Refining

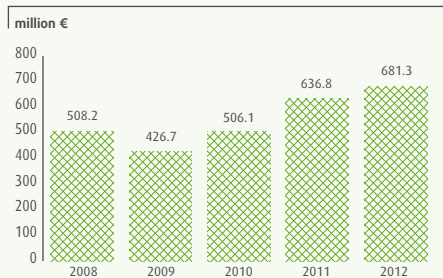
Battery Recycling

Jewellery & Industrial Metals

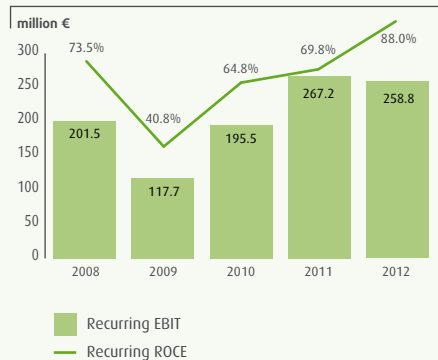
Precious Metals Management



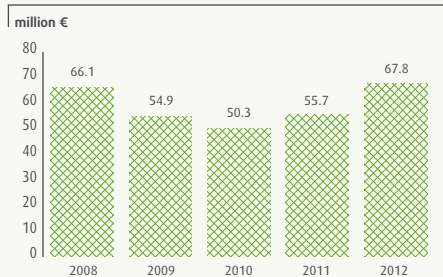
REVENUES (EXCLUDING METAL)



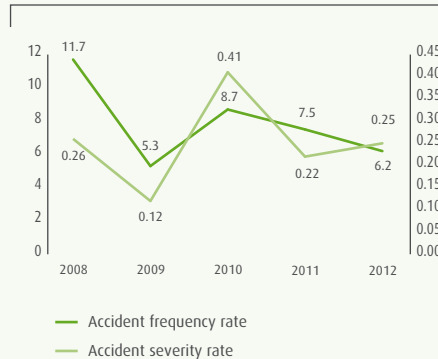
RECURRING EBIT & ROCE



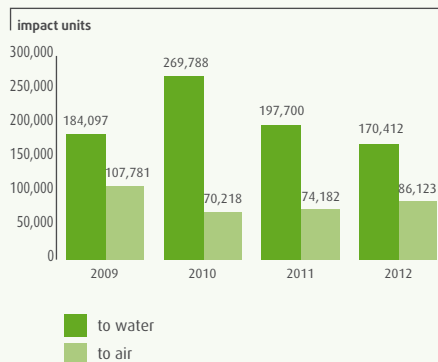
CAPITAL EXPENDITURE



SAFETY PERFORMANCE



METALS EMISSIONS



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the Hoboken plant such as for sampling and assaying. R&D spending was also at a higher level, partly as a result of more intense testing of the UHT technology for battery recycling and other potential feed streams.

In **Precious Metals Refining**, revenues were up year on year. Overall processed volumes were slightly higher than in 2011 and the overall supply environment for different types of complex residues and end-of-life materials remained strong. High activity levels in the non-ferrous metal industry allowed the business to optimise its input of residues coming from these industries. Umicore processed more residues overall with an increase in arrivals from the precious metals refining industry.

Electronic scrap processing capacity increased significantly in the market, largely in anticipation of an expected increase of collection driven by a tightening legislation for WEEE recycling in Europe. Despite increasing competitive pressure, Umicore maintained its strong position as the specialist recycler for more complex and precious metal-rich materials. Supplies of electronic scrap were well up compared to 2011 as were processed volumes of spent industrial catalysts. The supply of spent automotive catalysts on the market remained subdued, both in terms of volumes and commercial conditions.

Average received metal prices for precious and base metals remained largely stable as Umicore had locked in a significant portion of these in previous periods. A slight decrease in spot prices for most of



Recycling

In Recycling we recycle a wide range of materials including spent automotive catalysts, used rechargeable batteries and spent petrochemical catalysts.



these metals in 2012 was thereby offset by higher secured prices. Prices of a number of specialty metals, like tellurium, selenium and indium were significantly lower, mainly as a result of lower demand from high-tech applications such as thin film photovoltaics. These price effects had a negative impact on margins.

The first phase of the upgrade and expansion of the sampling facility was completed by the end of 2012 and a second phase of expansion was initiated which is foreseen to be finalised by mid 2014.

Revenues in **Precious Metals Management** decreased in 2012. Demand for precious metal deliveries was lower as a result of reduced economic activity in Europe and customer destocking at year-end. The demand for investor bars also decreased. Volatility on the precious metal markets remained significantly lower than in 2011, resulting in a lower year-on-year contribution from the trading activity.

Revenues for the **Jewellery & Industrial Metals** business unit were similar to the outstanding levels of 2011. A shift in the product mix meant that margins were below the strong levels of 2011, however. Order levels for coin blanks decreased, while overall sales of cast silver products increased as the business unit increased the capacity to produce LBMA accredited silver ingots. Sales for silver-based industrial applications were at a lower level, mainly due to reduced order levels from the solar industry. In the jewellery segment, an increase in sales of gold and pgm-based products to the luxury goods sector was offset by lower demand for silver-based fashion jewellery applications.

The recycling activities continued to perform strongly, especially for silver. During the year Umicore successfully finalised the first phase of the expansion of its silver refining capabilities in Thailand and Germany. In 2012 the business unit closed its jewellery recycling





In May, as part of a two-day official visit to the EU institutions and Belgium, we had the honour to welcome Vice-Premier of the State Council of the People's Republic of China, Li Keqiang and HRH Prince Philip of Belgium to our recycling plant in Hoboken.

activity in Foshan, China, because the market had not developed sufficiently to justify a continued presence there.

In **Battery Recycling**, the UHT pilot plant ran in campaigns throughout 2012, alternating technology development work and testing for both battery recycling and other potential feed material. The bulk of processed rechargeable battery volumes were from portable electronics with the intake of batteries from (hybrid) electric vehicles remaining limited. In 2012 Umicore signed a contract with Toyota to recycle spent hybrid car batteries in Europe. In 2012 Umicore opened a dismantling centre in Maxton,

North Carolina, for the North American market.

Great place to work

The Recycling business group continued to account for almost half of the total lost time accidents in Umicore. The total number of accidents has continued to decrease gradually with 23 lost time accidents in 2012 compared to 26 in 2011 and 27 in 2010. The business group's accident frequency (6.24 vs 7.45) also showed an improvement, while accident severity (0.25 vs 0.22) was somewhat worse than in 2011. The Precious Metals Refining business unit has adopted the SafeStart® programme

to drive safety improvements, particularly at the Hoboken site. The Markham, Canada, site had achieved more than five years with no lost time accidents or recordable injuries to Umicore staff and no lost time accidents to contractors at the end of 2012.

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, cobalt and cadmium. No excess readings were detected for nickel or cobalt. The excess rate for cadmium was 2.5%, compared to 0.4% in 2011. The excess rate for arsenic was down significantly compared to 2011. Four employees were diagnosed with a platinum salt sensitization and were provided with workplace clothing and equipment that offers an even higher level of protection.

Eco-efficiency

The Recycling operations accounted for a total of 41% of our CO₂ equivalent emissions in 2012 or 285,879 tonnes of CO₂ equivalent. This compares to 281,499 tonnes in 2011. The main contributor to CO₂ emissions is the Hoboken site where studies are underway to identify possibilities for further emission reduction initiatives beyond those projects that were completed since the site's inclusion in the Flemish Benchmarking Covenant in 2003.

The recycling of certain grades of electronic scrap was as part of the second wave of product

sustainability assessments conducted using Umicore's APS tool. This is part of the on-going process to assess the sustainability of a representative sample of Umicore's products and services (see p.30). Umicore won first place in the process category of the prestigious



Gold for gold in Canada

Canadians who wanted to help their country's athletes win gold medals at the 2012 Olympic games had a unique way to support them. A national media campaign urged people to send gold jewellery that was no longer worn for recycling. The jewellery was sold at auction with some of the jewellery being refined at Umicore's Jewellery & Industrial Metals operation in Markham, Ontario. All profits were transferred to the Canadian Athletes Now Fund.

Recycling

“The impact of metal emissions to water was 14% below the levels of 2011.”

European Business Awards for the Environment for its unique UHT recycling technology. The Jewellery & Industrial Metals business unit also launched a certified line of recycled jewellery materials in the North American market (see p.29).

In terms of metal emissions, Recycling's emissions to air in terms of load were stable compared to 2011. In terms of impact, an increase of 16% was recorded compared to 2011 but still down 20% compared to the 2009 baseline. The reason for the year-on-year increase was a higher level of arsenic emissions to air in Hoboken. This was linked to the changing mix of materials treated during the year. A new investment in gas cleaning equipment should reduce significantly such emissions in future years. Water emission loads increased by 11% compared to 2011. In terms of impact, water emissions in 2012 were 14% below the levels of 2011 – due to lower emissions of thallium – and 7% below those of the benchmark year of 2009. The new water treatment plant at the Hoboken plant is scheduled to be commissioned in mid-2013 and will allow us to further reduce the metal emissions in the plant's waste water.

Stakeholder engagement

Umicore Precious Metals Refining continued to implement strict supplier checks using an in-house system called Business Partner Screening (BPS) and trialled the Ecovadis supplier screening tool with four suppliers. We also took further steps to provide comfort to our customers with regards to the conflict-free nature of the gold we recycle and produce. In Precious Metals Refining we worked with the London Bullion Market Association (LBMA) towards a 2013 audit of our processes and supply streams while a similar process

was undertaken by Jewellery & Industrial Metals together with the Responsible Jewelry Council (RJC).

In 2011 the sites in the Recycling business group contributed a total of € 530,490, with by far the main contributor to this total being the site in Hoboken, Belgium. Initiatives included the Ecomagie magic show on environmental awareness that was run in 100 regional schools as well as the sponsorship of the Antwerp Museum aan de Stroom and support for the Casa Blanca festival in nearby Hemiksem.



Technogirls in Hoboken

In February more than 600 young girls aged 11-12 participated in the third edition of Technogirls, an initiative of Agoria, the Belgian federation of technology industries. Thirty girls visited our Hoboken site. The aim was to stimulate their curiosity in technical and technological studies and careers. After some exercises and experiments the day was rounded off with the presentation of diplomas and smiles all round.

An innovative atmosphere



Recycling

CASE

Three Umicore departments joined forces to increase the melting speed of the blast furnace in Hoboken, Belgium. The collaboration led to a surge of innovative ideas and resulted in considerable economic and environmental benefits.

Five years ago, colleagues of Group R&D, Process & Technology Innovation, and Operations sat down to discuss how to increase the melting speed and reduce the energy consumption of the Hoboken blast furnace. "Everyone brought their own strengths and skills to the table and the discussions sparked an explosion of ideas," says Jonathan Aerts, Project Manager, Hoboken. "It was a tremendously exciting start of the project. As one team we selected and began to work out the most promising technological innovations that could be put into practice."

Group R&D set up the scientific and theoretical research, which led to laboratory experiments and a pilot installation. Providing valuable input during this stage

was the Pyrometallurgy Research Centre at the University of Queensland, Australia, globally renowned for its knowledge of non-ferrous processing.

The Process & Technology Innovation department then translated the R&D findings into practical and economically feasible technologies. Operations played a crucial role too, as they had to implement the technological enhancements at the blast furnace.

Continual improvement process

Naturally, challenges arose. Implementing new technologies in an operational environment involves change, both to existing processes and for the people involved. In this respect, the strong leadership of Hoboken management was key. They focused on

the end goals and persevered through some early setbacks.

The technological improvements are leading to impressive results. In 2012, daily production capacity at the blast furnace increased by 10%, while enabling a more flexible mix of materials. Energy consumption fell by 7% and CO₂ and SO_x emissions dropped correspondingly.

The team has no intention of merely sitting back and admiring its achievements. "We are only at the beginning," says Stephanie Vervynckt, Project Leader R&D. "Through excellent cooperation a real innovative atmosphere has been created. We want to make the most of this. The team has been encouraged by the outstanding results achieved to date, and so we intend to keep innovating and achieve additional benefits."



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

Economic statements

Group key figures

KEY FIGURES

(in million EUR unless stated otherwise)	Note	2008	2009	2010	2011	2012
Turnover		9,124.0	6,937.4	9,691.1	14,480.9	12,548.0
Revenues (excluding metal)		2,100.3	1,723.2	1,999.7	2,318.6	2,427.6
Recurring EBITDA	F9	467.3	262.7	468.7	553.0	524.1
Recurring EBIT	F9	354.6	146.4	342.5	416.1	372.1
of which associates	F9	32.0	(6.1)	30.1	22.9	22.2
Non-recurring EBIT	F9	(101.9)	(11.4)	(9.1)	1.0	(46.7)
IAS 39 effect on EBIT	F9	(3.6)	6.2	(9.4)	15.6	3.2
Total EBIT	F9	249.1	141.2	324.0	432.7	328.6
Recurring EBIT margin (in %)		15.4	8.9	15.6	17.0	14.4
Return on Capital Employed (ROCE) (in %)	F31	17.8	8.1	17.5	18.6	16.7
Average weighted interest rate (in %)	F11	5.8	3.9	3.8	3.7	1.9
Effective recurring tax rate (in %)	F13	27.0	20.7	19.1	19.9	20.6
Recurring net profit, Group share	F9	222.1	81.9	263.4	304.6	275.2
Result from discontinued operations, Group share		(2.4)	(4.2)	0	0	0
Net profit, Group share	F9	121.7	73.8	248.7	325.0	233.4
R&D expenditure	F9	165.0	135.7	139.3	162.9	182.1
Capital expenditure	F34	216.0	190.5	172.0	212.6	253.5
Net cash flow before financing	F34	195.3	258.4	(68.2)	308.6	150.3
Total assets of continued operations, end of period		3,024.9	2,826.7	3,511.6	3,713.2	3,667.9
Group shareholders' equity, end of period		1,290.7	1,314.2	1,517.0	1,667.5	1,751.7
Consolidated net financial debt of continued operations, end of period	F24	333.4	176.5	360.4	266.6	222.5
Gearing ratio of continued operations, end of period (in %)	F24	20.0	11.4	18.6	13.4	11.0
Average net debt / recurring EBITDA (in %)		78.0	94.0	54.3	59.8	47.7
Capital employed, end of period	F31	1,902.5	1,781.1	2,181.8	2,168.8	2,259.4
Capital employed, average	F31	1,997.2	1,797.7	1,961.6	2,233.0	2,224.5

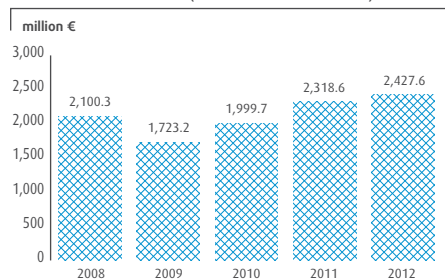
DATA PER SHARE

(in EUR / share)	Note	2008	2009	2010	2011	2012
Earnings per share						
Recurring EPS	F39	1.93	0.73	2.33	2.69	2.47
EPS adjusted excluding discontinued operations	F39					
basic	F39	1.08	0.69	2.20	2.87	2.09
diluted	F39	1.07	0.69	2.19	2.85	2.08
EPS including discontinued operations	F39					
basic	F39	1.06	0.66	2.20	2.87	2.09
diluted	F39	1.05	0.65	2.19	2.85	2.08
Gross dividend		0.65	0.65	0.80	1.00	1.00
Net cash flow before financing, basic	F34	1.69	2.30	(0.60)	2.72	1.35
Total assets of continued operations, end of period		26.95	25.13	30.93	33.53	32.78
Group shareholders' equity, end of period		11.50	11.68	13.36	15.06	15.66
Shareprice						
High		37.10	24.32	40.37	40.09	44.12
Low		10.27	11.89	21.19	25.35	32.30
Average		26.55	17.75	28.58	34.21	38.57
Close		14.07	23.40	38.92	31.87	41.69

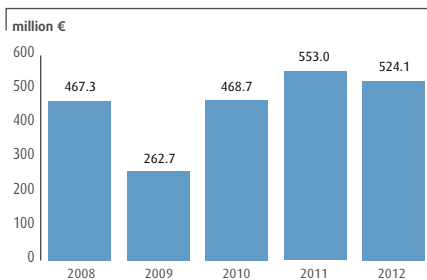
NUMBER OF SHARES

	Note	2008	2009	2010	2011	2012
Total number of issued shares, end of period	F39	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000
of which treasury shares	F39	7,757,722	7,506,197	6,476,647	9,243,938	8,113,488
of which shares outstanding	F39	112,242,278	112,493,803	113,523,353	110,756,062	111,886,512
Average number of shares outstanding, basic	F39	115,263,300	112,350,457	113,001,404	113,304,188	111,593,474
Average number of shares outstanding, diluted	F39	116,259,507	112,884,977	113,724,891	114,208,275	112,346,081

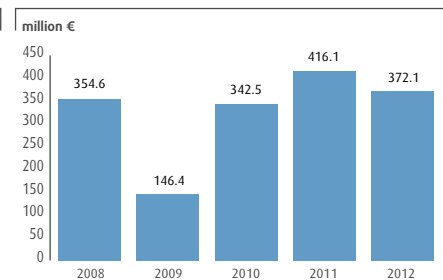
REVENUES (EXCLUDING METAL)



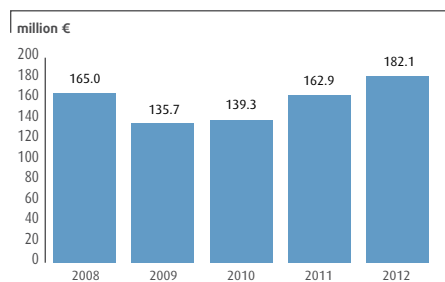
RECURRING EBITDA



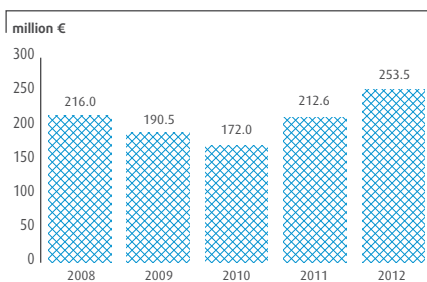
RECURRING EBIT



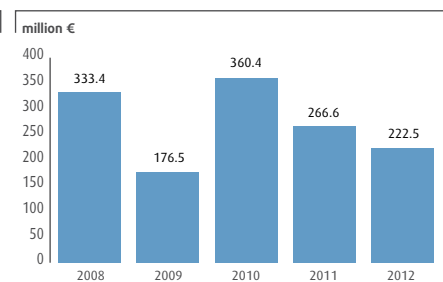
R&D EXPENDITURE



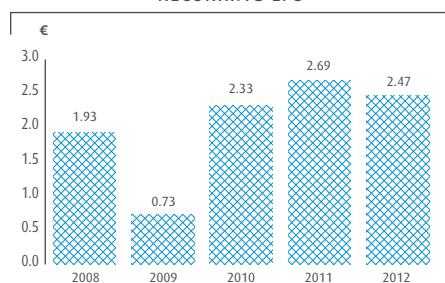
CAPITAL EXPENDITURE



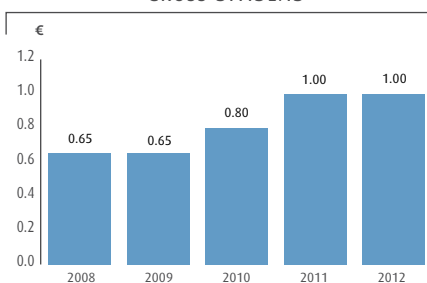
NET FINANCIAL DEBT



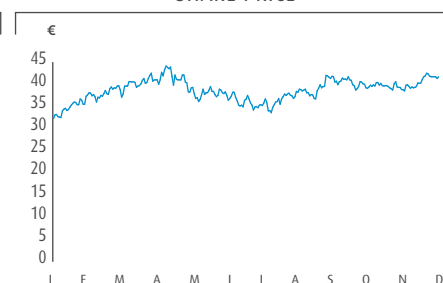
RECURRING EPS



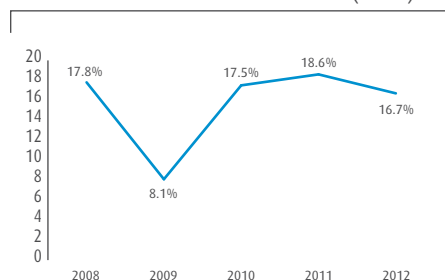
GROSS DIVIDEND



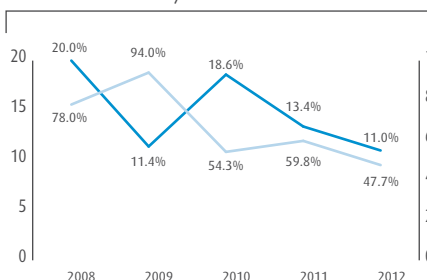
SHARE PRICE



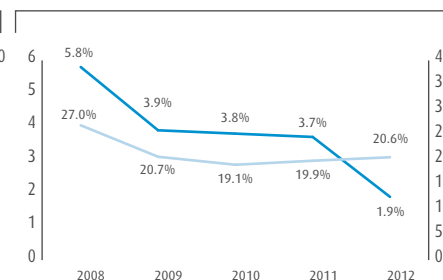
RETURN ON CAPITAL EMPLOYED (ROCE)



GEARING RATIO & AVERAGE NET DEBT/RECURRING EBITDA



INTEREST RATE & TAX RATE



— Gearing ratio of continued operations, end of period
— Average net debt / recurring EBITDA

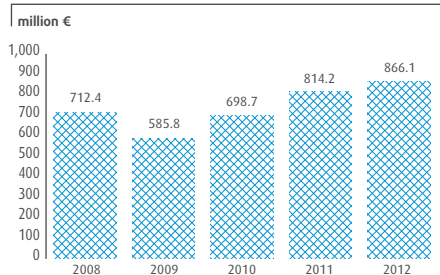
— Average weighted interest rate
— Effective recurring tax rate

Catalysis key figures

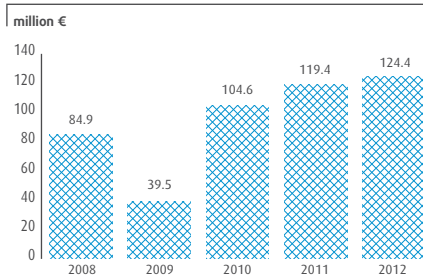
(in million EUR unless stated otherwise)	2008	2009	2010	2011	2012
Total turnover	2,033.9	1,155.7	1,548.3	1,932.0	1,871.9
Total revenues (excluding metal)	712.4	585.8	698.7	814.2	866.1
Recurring EBITDA	84.9	39.5	104.6	119.4	124.4
Recurring EBIT	64.2	16.7	77.7	89.5	91.0
of which associates *	17.1	(7.1)	4.8	5.7	10.5
Total EBIT	58.7	13.2	72.4	96.8	83.8
Recurring EBIT margin (in %)	6.6	4.1	10.4	10.3	9.3
R&D expenditure	112.0	80.8	79.9	87.2	99.2
Capital expenditure	53.0	46.0	45.7	49.5	88.8
Capital employed, end of period	609.0	554.4	640.3	768.2	795.5
Capital employed, average	681.9	558.5	611.3	718.7	797.6
Return on Capital Employed (ROCE) (in %)	9.4	3.0	12.7	12.4	11.4
Workforce, end of period	2,128	1,903	1,921	2,182	2,281
of which associates *	229	241	225	239	161

* Automotive Catalysts: Ordeg Korea, ICT Co. Japan (until September 2012), ICT Inc. USA (until September 2012)

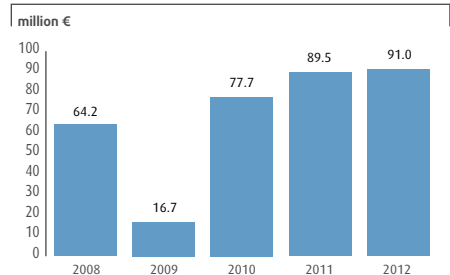
REVENUES (EXCLUDING METAL)



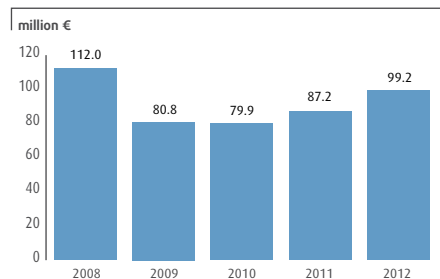
RECURRING EBITDA



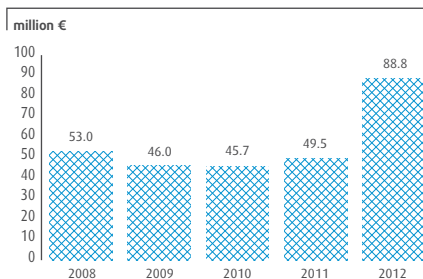
RECURRING EBIT



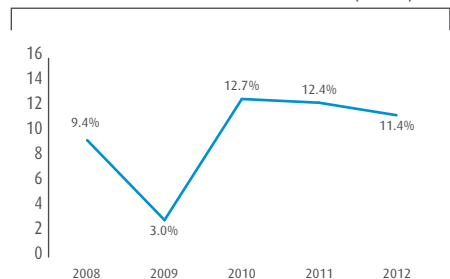
R&D EXPENDITURE



CAPITAL EXPENDITURE



RETURN ON CAPITAL EMPLOYED (ROCE)

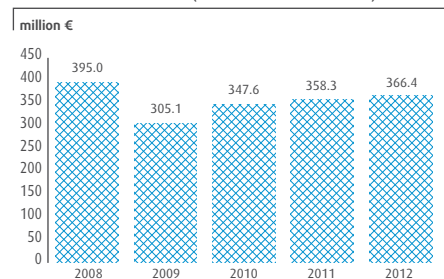


Energy Materials key figures

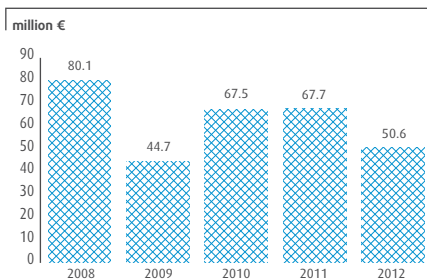
(in million EUR unless stated otherwise)	2008	2009	2010	2011	2012
Total turnover	982.9	541.4	702.3	729.3	763.7
Total revenues (excluding metal)	395.0	305.1	347.6	358.3	366.4
Recurring EBITDA	80.1	44.7	67.5	67.7	50.6
Recurring EBIT	57.3	23.9	43.9	41.0	18.2
of which associates *	5.0	7.4	5.7	6.3	4.2
Total EBIT	52.5	31.7	43.1	34.2	(11.3)
Recurring EBIT margin (in %)	13.3	5.4	11.0	9.7	3.8
R&D expenditure	11.0	12.2	13.1	17.9	17.3
Capital expenditure	52.3	51.0	38.3	67.6	57.4
Capital employed, end of period	355.5	346.2	390.1	457.4	476.3
Capital employed, average	359.9	353.9	371.5	430.2	475.2
Return on Capital Employed (ROCE) (in %)	15.9	6.7	11.8	9.5	3.8
Workforce, end of period	2,909	2,879	3,035	3,033	2,933
of which associates *	1,261	1,232	1,314	1,206	1,057

* Cobalt & Specialty Materials: Ganzhou Yi Hao Umicore Industries Co. Ltd., Todini and Co. ; Electro-Optic Materials: Yamanaka Eagle Picher (only in 2011); Rechargeable Battery Materials: Jiangmen Chancsun Umicore Industry Co. Ltd., beLife

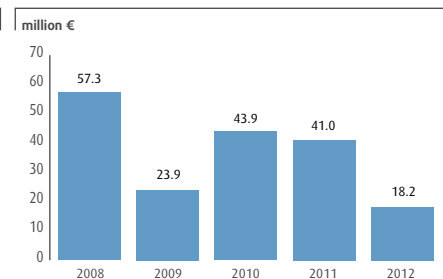
REVENUES (EXCLUDING METAL)



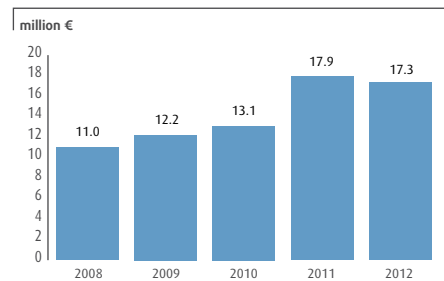
RECURRING EBITDA



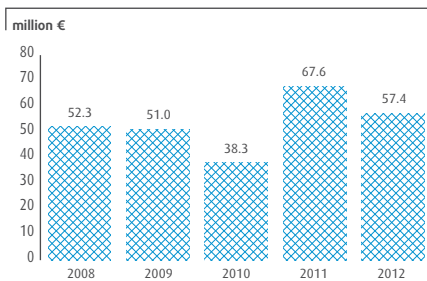
RECURRING EBIT



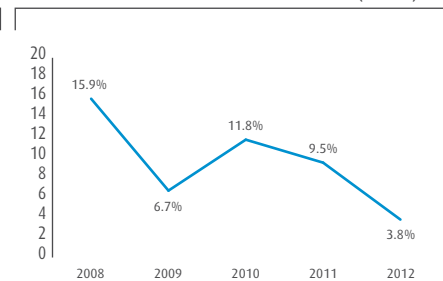
R&D EXPENDITURE



CAPITAL EXPENDITURE



RETURN ON CAPITAL EMPLOYED (ROCE)

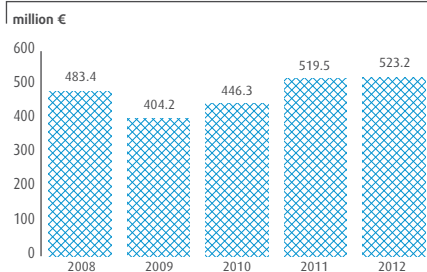


Performance Materials key figures

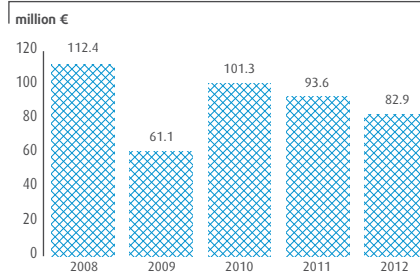
(in million EUR unless stated otherwise)	2008	2009	2010	2011	2012
Total turnover	1,280.2	899.4	1,296.3	1,618.4	1,508.4
Total revenues (excluding metal)	483.4	404.2	446.3	519.5	523.2
Recurring EBITDA	112.4	61.1	101.3	93.6	82.9
Recurring EBIT	87.9	36.6	75.2	67.0	54.5
of which associates *	15.4	0.8	23.2	13.4	9.9
Total EBIT	49.5	38.5	78.6	65.1	57.1
Recurring EBIT margin (in %)	15.0	8.9	11.7	10.3	8.5
R&D expenditure	15.7	11.7	16.0	22.4	24.0
Capital expenditure	33.5	23.9	23.9	31.6	29.3
Capital employed, end of period	548.6	534.1	612.5	572.0	573.0
Capital employed, average	590.2	533.8	589.7	603.9	587.3
Return on Capital Employed (ROCE) (in %)	14.9	6.9	12.8	11.1	9.3
Workforce, end of period	7,037	5,687	6,121	5,845	5,629
of which associates *	3,801	2,888	3,244	2,915	2,775

* Zinc Chemicals: Rezinal; Building Products: Ieqsa; Element Six Abrasives

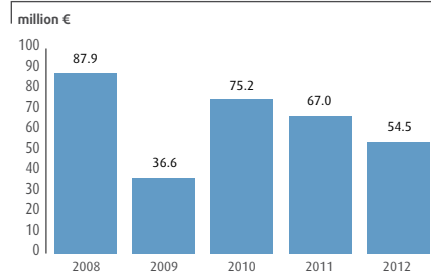
REVENUES (EXCLUDING METAL)



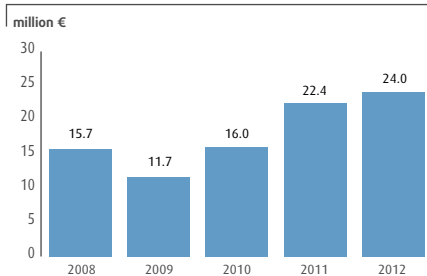
RECURRING EBITDA



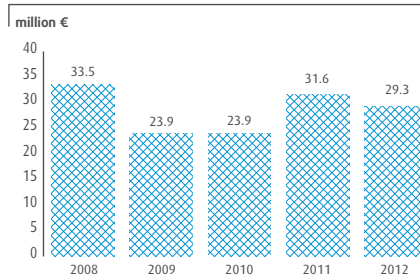
RECURRING EBIT



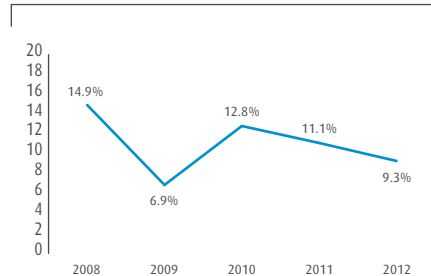
R&D EXPENDITURE



CAPITAL EXPENDITURE



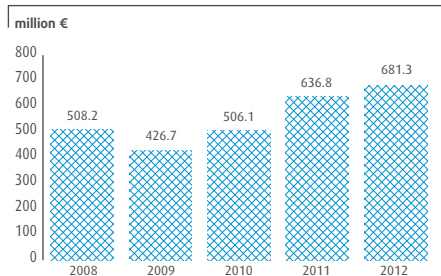
RETURN ON CAPITAL EMPLOYED (ROCE)



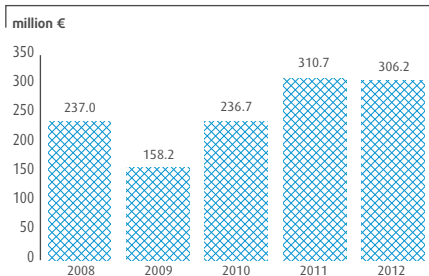
Recycling key figures

(in million EUR unless stated otherwise)	2008	2009	2010	2011	2012
Total turnover	4,788.0	4,323.0	6,120.9	11,649.3	9,589.6
Total revenues (excluding metal)	508.2	426.7	506.1	636.8	681.3
Recurring EBITDA	237.0	158.2	236.7	310.7	306.2
Recurring EBIT	201.5	117.7	195.5	267.2	258.8
Total EBIT	198.6	109.8	182.2	274.3	251.8
Recurring EBIT margin (in %)	39.7	27.6	38.6	42.0	38.0
R&D expenditure	5.1	8.9	10.3	15.4	20.3
Capital expenditure	66.1	54.9	50.3	55.7	67.8
Capital employed, end of period	319.1	273.8	421.0	321.4	327.3
Capital employed, average	274.2	288.6	301.8	383.0	294.2
Return on Capital Employed (ROCE) (in %)	73.5	40.8	64.8	69.8	88.0
Workforce, end of period	2,193	2,162	2,168	2,329	2,394

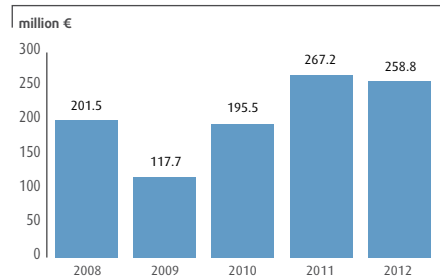
REVENUES (EXCLUDING METAL)



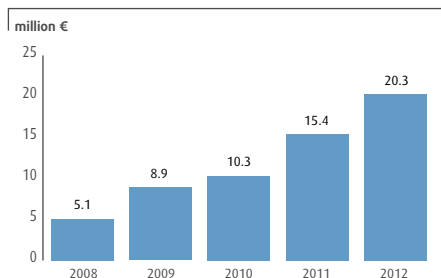
RECURRING EBITDA



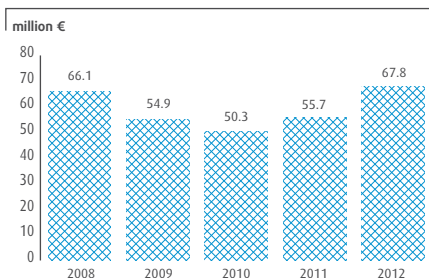
RECURRING EBIT



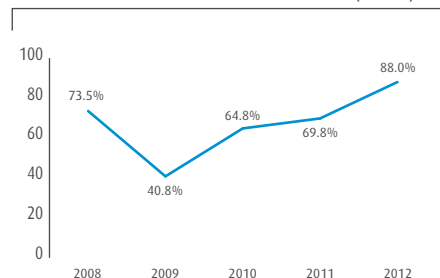
R&D EXPENDITURE



CAPITAL EXPENDITURE



RETURN ON CAPITAL EMPLOYED (ROCE)



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Consolidated financial statements

Consolidated income statement

		(EUR thousand)	
	Notes	2011	2012
Turnover	F9	14,480,939	12,548,014
Other operating income	F9	56,902	62,670
Operating income		14,537,841	12,610,684
Raw materials and consumables	F9	(12,902,623)	(10,996,184)
Payroll and related benefits	F10	(672,049)	(717,025)
Depreciation and impairments	F9	(165,264)	(181,696)
Other operating expenses	F9	(402,864)	(410,388)
Operating expenses		(14,142,800)	(12,305,293)
Income from other financial investments	F12	10,178	988
RESULT FROM OPERATING ACTIVITIES		405,220	306,379
Financial income	F11	5,125	3,288
Financial expenses	F11	(35,005)	(23,946)
Foreign exchange gains and losses	F11	7,443	(10,345)
Share in result of companies using the equity method	F17	27,436	22,218
Profit (loss) before income tax		410,218	297,594
Income taxes	F13	(76,006)	(59,688)
PROFIT (LOSS) OF THE PERIOD		334,212	237,905
	of which: Group share	324,950	233,444
	Minority share	9,262	4,461
			(EUR)
Total basic earnings per share	F39	2.87	2.09
Total diluted earnings per share	F39	2.85	2.08
Dividend per share		1.00	1.00

The notes on pages 80 to 139 are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

		(EUR thousand)	
	Notes	2011	2012
Profit (loss) of the period		334,212	237,905
Changes in available-for-sale financial assets reserves		(28,939)	(10,788)
Changes in cash flow hedge reserves		62,700	7,400
Changes in post employment benefits, arising from changes in actuarial assumptions		(13,661)	(57,316)
Changes in deferred taxes directly recognized in other comprehensive income		(17,828)	14,998
Changes in currency translation differences		(3,482)	(14,021)
Other comprehensive income for the period	F23	(1,210)	(59,726)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		333,002	178,179
	of which : Group share	329,754	176,265
	Minority share	3,248	1,914

The deferred tax impact on the consolidated statement of comprehensive income is due to the cash flow hedge reserves for EUR -2.7 million and to employee benefit reserves for EUR 17.1 million.

The notes on pages 80 to 139 are an integral part of these consolidated financial statements.

Consolidated balance sheet

		(EUR thousand)	
	Notes	31/12/2011	31/12/2012
Non-current assets		1,418,510	1,478,168
Intangible assets	F14, F15	183,303	200,902
Property, plant and equipment	F16	864,336	912,268
Investments accounted for using the equity method	F17	218,923	214,015
Available-for-sale financial assets	F18	47,730	37,105
Loans granted	F18	1,096	5,087
Trade and other receivables	F20	14,630	17,019
Deferred tax assets	F21	88,492	91,772
Current assets		2,294,649	2,189,731
Current loans granted	F18	1,051	4,960
Inventories	F19	1,305,010	1,235,107
Trade and other receivables	F20	867,530	788,377
Income tax receivables		17,067	29,861
Available-for-sale financial assets	F18	10	3
Cash and Cash equivalents	F22	103,981	131,427
TOTAL ASSETS		3,713,160	3,667,899
Equity of the group		1,721,708	1,805,805
Group shareholders' equity		1,667,529	1,751,664
Share capital and premiums		502,862	502,862
Retained earnings		1,461,047	1,577,658
Currency translation differences and other reserves	F23	(43,620)	(102,020)
Treasury shares		(252,760)	(226,836)
Minority interest		54,179	54,141
Non-current liabilities		391,507	422,446
Provisions for employee benefits	F27	193,023	258,975
Financial debt	F24	23,878	2,861
Trade and other payables	F25	15,084	13,922
Deferred tax liabilities	F21	46,089	36,417
Provisions	F29, F30	113,434	110,271
Current liabilities		1,599,945	1,439,648
Financial debt	F24	346,654	351,047
Trade and other payables	F25	1,148,450	1,022,363
Income tax payable		57,742	35,519
Provisions	F29, F30	47,099	30,719
TOTAL EQUITY & LIABILITIES		3,713,160	3,667,899

The notes on pages 80 to 139 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

(EUR thousand)

	Part of the Group					TOTAL EQUITY
	Share capital and premiums	Reserves	Currency translation and other reserves	Treasury shares	Minority interest	
Balance at the beginning 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 previous period	502,862	1,461,047	(43,620)	(252,760)	54,179	1,721,707
Result of the period		233,444			4,457	237,901
Other comprehensive income for the period			(57,183)		(2,543)	(59,726)
Total comprehensive income for the period		233,444	(57,183)		1,914	178,175
Changes in share-based payment reserves			5,325			5,325
Capital increase					6,283	6,283
Dividends		(122,929)			(6,882)	(129,810)
Transfers		6,542	(6,542)			0
Changes in treasury shares				25,924		25,924
Changes in scope		(444)			(1,357)	(1,801)
Balance at the end of the financial year	502,862	1,577,658	(102,020)	(226,836)	54,141	1,805,806

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 2012 was composed of 120,000,000 shares with no par value.

The notes on pages 80 to 139 are an integral part of these consolidated financial statements.

Consolidated statement of cash flow

		(EUR thousand)	
	Notes	2011	2012
Profit from continuing operations		334.212	237.905
Adjustments for profit of equity companies		-27.436	-22.218
Adjustment for non-cash transactions	F34	189.926	166.220
Adjustments for items to disclose separately or under investing and financing cash flows	F34	82.183	64.922
Change in working capital requirement	F34	-48.575	34.060
Cash flow generated from operations		530.309	480.889
Dividend received		15.915	27.015
Tax paid during the period		-34.368	-93.788
Government grants received		3.649	1.394
NET CASH FLOW GENERATED BY (USED IN) OPERATING ACTIVITIES	F34	515.505	415.509
Acquisition of property, plant and equipment	F16	-188.018	-227.770
Acquisition of intangible assets	F14	-24.556	-25.688
Acquisition in new subsidiaries (net of cash acquired)			-11.180
Acquisition of / capital increase in associates		-5.500	-116
Acquisition in additional shareholdings in subsidiaries			-1.181
Acquisition of financial assets	F18	-515	-70
New loans extended	F18	-1.018	-7.531
Sub-total acquisitions		-219.607	-273.535
Disposal of property, plant and equipment		2.134	2.937
Disposal of intangible assets			28
Disposal of subsidiaries and associates (net of cash disposed)		258	2.062
Capital decrease in associates		0	2.409
Disposal of financial fixed assets		10.124	489
Repayment of loans	F18	163	381
Sub-total disposals		12.679	8.306
NET CASH FLOW GENERATED BY (USED IN) INVESTING ACTIVITIES	F34	-206.928	-265.229
Capital increase/decrease minorities		-6.109	5.483
Own shares		-88.158	25.924
Interest received		4.757	2.916
Interest paid		-20.306	-15.950
New loans (repayment of loans)		-91.480	-16.793
Dividends paid to Umicore shareholders		-98.330	-122.468
Dividends paid to minority shareholders		-931	-6.881
NET CASH FLOW GENERATED BY (USED IN) FINANCING ACTIVITIES	F34	-300.558	-127.769
Effect of exchange rate fluctuations on cash held		-6.235	8.271
NET CASH FLOW FROM CONTINUING OPERATIONS		1.784	30.783
Net cash and cash equivalents at the beginning of the period	F22	98.421	100.205
Net cash and cash equivalents at the end of the period	F22	100.205	130.989
of which cash and cash equivalents		103.981	131.427
of which bank overdrafts		-3.776	-438

The notes on pages 80 to 139 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 1-74 and 140-210, for the year ended 31 December 2012 were authorized for issue by the Board of Directors on 14 March 2013. 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.

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 F17 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 areas 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 end of the reporting period

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 CO₂ 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: so 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 end of the reporting period 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 end of the reporting period. 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 end of the reporting period.

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 other comprehensive income (OCI) 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 end of the reporting period, 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 end of the reporting period 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 end of the reporting period 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:

- 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.
- 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.
- 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 2012 and with regard to the non-metal price related structural USD exposure at the end of 2012, a strengthening of the USD by 1 US cent towards the Euro gives rise to an increase in revenues and operating result of slightly more 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/USD contracts at Umicore, Euro/NOK and USD/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.

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 2012 and 2013. In the course of 2012, as a result of increased visibility on future commercial agreements, Umicore extended such hedges to cover part of the price risks for 2013. These contracts relate primarily to recovery of platinum, palladium, gold, silver, zinc and copper.

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 2012, the Group's gross financial debt stood at EUR 351 million, of which 328 million at floating rate. In January 2013, the Group entered in a 5-year interest rate swap fixing the rate for an amount of EUR 150 million.

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).

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.

In an ordinary course of business operating environment, the group aims for a capital structure equivalent to investment-grade credit rating status. The group could consider to temporarily exceed the equivalent level of indebtedness in the case of an extraordinary event, such as for example 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 (pages 186-189) 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 2012, the carrying amount of the goodwill for the consolidated entity is EUR 99,348 thousand (EUR 98,229 thousand in 2011).

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 2012, the carrying amount of rehabilitation provisions is EUR 80,441 thousand (EUR 87,162 thousand in 2011).

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 F27. At 31 December 2012, a liability with respect to employee benefit obligations of EUR 258,975 thousand was recognized (EUR 193,023 thousand in 2011).

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 in 2011	% interest in 2012
Argentina	Umicore Argentina S.A.	100.00	100.00
Australia	Umicore Australia Ltd.	100.00	100.00
	Umicore Marketing Services Australia Pty Ltd.	100.00	100.00
Austria	Oegussa GmbH	91.29	91.29
Belgium	Umicore Financial Services (BE 0428.179.081)	100.00	100.00
	Umicore Autocatalyst Recycling Belgium N.V. (BE 0466.261.083)	100.00	100.00
	Umicore Marketing Services Belgium (BE 0402.964.625)	100.00	100.00
	Umicore Abrasives (BE 0881.426.726)	100.00	100.00
	Umicore Specialty Materials Brugge (BE 0405.150.984)	100.00	100.00
Brazil	Coimpa Industrial Ltda	100.00	100.00
	Umicore Brasil Ltda	100.00	100.00
	Clarex Ltda	100.00	100.00
Canada	Umicore Canada Inc.	100.00	100.00
	Umicore Autocat Canada Corp.	100.00	100.00
	Umicore Precious Metals Canada Inc,	100.00	100.00
China	Umicore Hunan Fuhong Zinc Chemicals Co., Ltd.	100.00	100.00
	Umicore Marketing Services (Shanghai) Co., Ltd.	100.00	100.00
	Umicore Marketing Services (Hong Kong) Ltd.	100.00	100.00
	Umicore Shanghai Co., Ltd.	75.00	75.00
	Umicore Autocat (China) Co. Ltd.	100.00	100.00
	Umicore Technical Materials (Suzhou) Co., Ltd.	100.00	100.00
	Umicore Jubo Thin Film Products (Beijing) Co., Ltd.	80.00	100.00
	Umicore Jewellery Material Processing (Foshan) Co., Ltd.	91.21	91.21
France	Umicore France S.A.S.	100.00	100.00
	Umicore Building Products France S.A.S	100.00	100.00
	Umicore Climeta S.A.S.	100.00	100.00
	Umicore IR Glass S.A.S.	100.00	100.00
	Umicore Autocat France S.A.S.	100.00	100.00
Germany	Umicore AG & Co. KG (*)	100.00	100.00
	Umicore Bausysteme GmbH	100.00	100.00
	Umicore Metalle & Oberflächen GmbH	100.00	100.00
	Allgemeine Gold- und Silberscheideanstalt AG	91.21	91.21
	Umicore Galvanotechnik GmbH	91.21	91.21
	Umicore Mining Management GmbH	100.00	100.00
Hungary	Umicore Building Products Hungary kft.	100.00	100.00
Italy	Umicore Building Products Italia s.r.l.	100.00	100.00
	Italbras S.p.A.	100.00	100.00
Japan	Umicore Japan KK	100.00	100.00
	Umicore Shokubai Japan	0.00	60.00
Liechtenstein	Umicore Thin Film Products AG	100.00	100.00
Luxemburg	Umicore International	100.00	100.00
	Umicore Autocat Luxembourg	100.00	100.00
	Umicore Shokubai	0.00	60.00
Malaysia	Umicore Malaysia Sdn Bhd	100.00	100.00
Netherlands	Schöne Edelmetaal BV	91.21	91.21
	Umicore Nederland BV	100.00	100.00
Norway	Umicore Norway AS	100.00	100.00
	Umicore Finance Norway	100.00	100.00
Philippines	Umicore Specialty Chemicals Subic Inc.	78.20	78.20

		% interest in 2011	% interest in 2012
Polska	Umicore Building Products Polska	100.00	100.00
Portugal	Umicore Portugal S.A.	100.00	100.00
	Umicore Marketing Services Lusitana Metais Lda	100.00	100.00
South Africa	Umicore South Africa (Pty) Ltd.	100.00	100.00
	Umicore Marketing Services Africa (Pty) Ltd.	100.00	100.00
	Umicore Catalyst South Africa (Pty) Ltd.	65.00	65.00
South Korea	Umicore Korea Ltd.	100.00	100.00
	Umicore Marketing Services Korea Co., Ltd.	100.00	100.00
	Umicore Materials Korea Ltd	100.00	100.00
Spain	Umicore Building Products Iberica S.L.	100.00	100.00
Sweden	Umicore Autocat Sweden AB	100.00	100.00
Switzerland	Umicore Strub	100.00	100.00
	Allgemeine Suisse SA	91.21	91.21
Taiwan	Umicore Thin Fim Products Taiwan Co Ltd	100.00	100.00
United Kingdom	Umicore Coating Services Ltd.	100.00	100.00
	Umicore Marketing Services UK Ltd	100.00	100.00
USA	Umicore USA Inc.	100.00	100.00
	Umicore Autocat USA Inc.	100.00	100.00
	Umicore Building Products USA Inc.	100.00	100.00
	Umicore Precious Metals NJ LLC	100.00	100.00
	Umicore Marketing Services USA Inc.	100.00	100.00
	Umicore Optical Materials USA Inc.	100.00	100.00
	Umicore Shokubai USA Inc,	0.00	60.00
	Umicore Technical Materials North America	100.00	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	
		2011	2012	2011	2012
American Dollar	USD	1.294	1.319	1.392	1.285
UK Pound Sterling	GBP	0.835	0.816	0.868	0.811
Canadian Dollar	CAD	1.322	1.314	1.376	1.284
Swiss Franc	CHF	1.216	1.207	1.233	1.205
Japanese Yen	JPY	100.200	113.610	110.959	102.492
Brazilian Real	BRL	2.427	2.696	2.331	2.511
South African Rand	ZAR	10.483	11.173	10.097	10.551
Chinese Yuan	CNY	8.159	8.221	8.996	8.105
Korean Won (100)	KRW	14.987	14.062	15.412	14.477

F7 Segment information

BUSINESS GROUP INFORMATION 2011

(EUR thousand)

	Note	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
External turnover		1,896,115	722,725	1,497,359	10,338,853	25,887		14,480,939
Inter-segment turnover		35,850	6,533	121,080	1,310,477	0	(1,473,939)	0
Total segment revenues		814,241	358,158	519,437	636,769	0	(10,182)	2,318,423
External revenues		813,441	358,158	519,437	627,389	0	(2)	2,318,423
Inter-segment revenues		800	0	0	9,380	0	(10,180)	0
Operating result	F9	89,915	27,824	48,376	274,266	(35,160)		405,221
Recurring operating result		83,709	34,716	53,587	267,170	(46,055)		393,127
Non-recurring operating result		(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	F9	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)
EBIT	F9	96,766	34,155	65,133	274,266	(37,662)		432,658
Recurring EBIT		89,452	41,047	66,954	267,170	(48,557)		416,066
Non-recurring EBIT		(1,252)	(6,377)	(3,530)	1,286	10,895		1,022
IAS 39 effect on EBIT		8,566	(515)	1,709	5,810	0		15,570
Depreciation and amortization	F9	29,958	26,617	26,842	43,538	10,096		137,051
EBITDA	F9	126,724	60,772	91,975	317,804	(27,566)		569,709
Recurring EBITDA		119,410	67,664	93,643	310,708	(38,461)		552,964
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 Employed at 31/12 of previous year	F31	640,291	390,119	612,518	421,017	117,843		2,181,788
Capital Employed at 30/06	F31	733,164	436,614	615,471	394,851	110,535		2,290,635
Capital Employed at 31/12	F31	768,242	457,434	571,967	321,426	49,754		2,168,823
Average Capital Employed in first half year	F31	686,728	413,367	613,995	407,934	114,189		2,236,212
Average Capital Employed in second half year	F31	750,703	447,024	593,719	358,139	80,145		2,229,729
Average Capital Employed in the year	F31	718,715	430,195	603,857	383,036	97,167		2,232,970
ROCE	F31	12.45%	9.54%	11.09%	69.75%	(49.97%)		18.63%
Capital expenditure	F34	49,469	67,571	31,559	55,743	8,232		212,574
Total R&D expenditure	F9	87,167	17,938	22,450	15,372	19,989		162,916
R&D recognised in operating expenses	F9	68,767	14,731	15,010	14,672	17,606		130,786
R&D recognised in result of companies using the equity method		5,838	0	7,440	0	2,383		15,661
R&D capitalised as intangible assets	F34	12,562	3,207	0	700	0		16,469

BUSINESS GROUP INFORMATION 2012

(EUR thousand)

	Note	Catalysis	Energy Materials	Performance Materials	Recycling	Corporate & Unallocated	Eliminations	Total
Total segment turnover		1,871.884	763,694	1,508.441	9,589.561	28,797	(1,214.361)	12,548.014
External turnover		1,845.081	757,176	1,348.793	8,568.167	28,797		12,548.014
Inter-segment turnover		26,802	6,518	159,648	1,021.393		(1,214.361)	0
Total segment revenues		866,147	366,413	523,248	681,257		(9,500)	2,427.565
External revenues		865,347	366,413	523,248	672,557			2,427.565
Inter-segment revenues		800			8,700		(9,500)	0
Operating result	F9	73,980	(15,505)	46,517	251,791	(50,403)		306,379
Recurring operating result		80,410	13,994	44,580	258,775	(47,905)		349,854
Non-recurring operating result		(5,704)	(29,975)	1,223	(7,859)	(2,498)		(44,813)
IAS 39 effect		(726)	476	714	875	0		1,339
Equity method companies	F9	9,850	4,202	10,600		(2,433)		22,219
Recurring		10,546	4,202	9,930		(2,435)		22,243
Non-recurring		(8)		(1,834)		1		(1,841)
IAS 39 effect		(688)		2,504		1		1,817
EBIT	F9	83,830	(11,303)	57,117	251,791	(52,836)		328,599
Recurring EBIT		90,956	18,196	54,510	258,775	(50,340)		372,097
Non-recurring EBIT		(5,712)	(29,975)	(611)	(7,859)	(2,497)		(46,654)
IAS 39 effect on EBIT		(1,414)	476	3,218	875	1		3,156
Depreciation and amortization	F9	33,442	32,378	28,431	47,398	10,310		151,959
EBITDA	F9	117,272	21,075	85,548	299,189	(42,526)	0	480,558
Recurring EBITDA		124,398	50,574	82,941	306,173	(40,030)	0	524,056
Consolidated total assets		1,201.072	765,669	802,992	945,081	441,704	(488,619)	3,667.899
Segment assets		1,153.830	731,683	677,105	945,081	429,896	(488,619)	3,448.976
Investments in associates		47,242	33,986	125,887		11,808		218.923
Consolidated total liabilities		415,472	285,383	244,936	616,138	2,594.588	(488,619)	3,667.899
Capital Employed at 31/12 of previous year	F31	768,242	457,434	571,967	321,426	49,754		2,168.823
Capital Employed at 30/06	F31	813,419	483,506	602,240	264,060	71,636		2,234.861
Capital Employed at 31/12	F31	795,496	476,273	572,949	327,338	87,341		2,259.397
Average Capital Employed in first half year	F31	790,831	470,470	587,104	292,743	60,695		2,201.842
Average Capital Employed in second half year	F31	804,458	479,890	587,595	295,699	79,489		2,247.129
Average Capital Employed in the year	F31	797,644	475,180	587,349	294,221	70,092		2,224.486
ROCE	F31	11.40%	3.83%	9.28%	87.95%	(71.82%)		16.73%
Capital expenditure	F34	88,787	57,378	29,328	67,785	10,340		253,618
Total R&D expenditure	F9	99,241	17,267	23,950	20,328	21,321	0	182,107
R&D recognised in operating expenses	F9	79,995	12,564	15,498	20,328	19,468		147,853
R&D recognised in result of companies using the equity method		6,131	105	8,452		1,853		16,541
R&D capitalised as intangible assets	F34	13,115	4,598					17,713

GEOGRAPHICAL INFORMATION 2011

(EUR thousand)

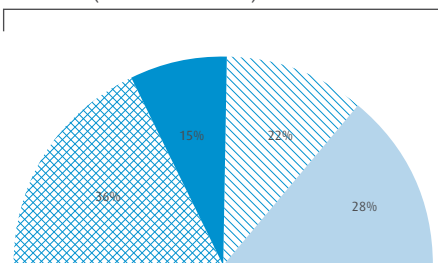
	Note	Europe	of which Belgium	Asia-Pacific	North America	South America	Africa	Total
Total segment turnover		11,014,765	473,427	1,034,153	1,685,034	474,021	272,966	14,480,939
Total non current assets		871,718	474,446	230,238	101,700	61,667	15,498	1,280,821
Capital expenditure	F34	124,897	72,056	52,069	17,782	14,858	2,968	212,574

GEOGRAPHICAL INFORMATION 2012

(EUR thousand)

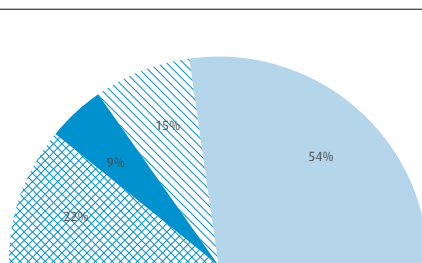
	Note	Europe	of which Belgium	Asia-Pacific	North America	South America	Africa	Total
Total segment turnover		9,463,047	332,547	1,170,643	1,282,130	424,937	207,257	12,548,014
Total non current assets		948,379	541,625	255,944	106,141	19,193	14,095	1,343,752
Capital expenditure	F34	156,033	82,897	63,167	21,992	11,656	770	253,618

REVENUES (EXCLUDING METAL) PER BUSINESS GROUP



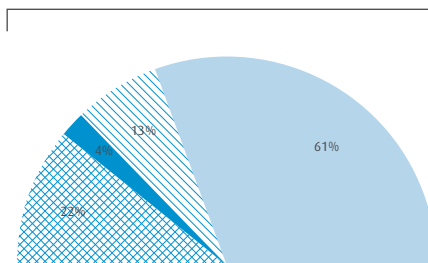
Catalysis
 Energy Materials
 Performance Materials
 Recycling

RECURRING EBITDA PER BUSINESS GROUP



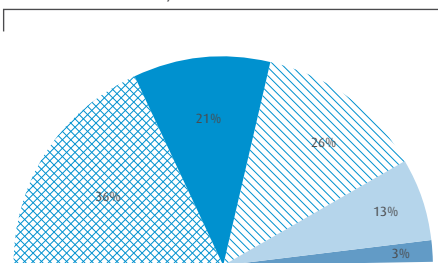
Catalysis
 Energy Materials
 Performance Materials
 Recycling

RECURRING EBIT PER BUSINESS GROUP



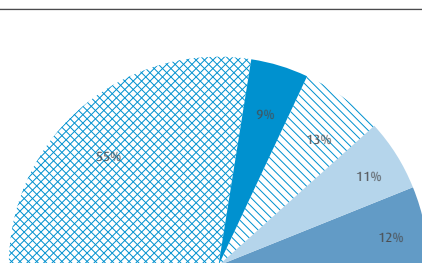
Catalysis
 Energy Materials
 Performance Materials
 Recycling

CAPITAL EMPLOYED, AVERAGE PER BUSINESS GROUP



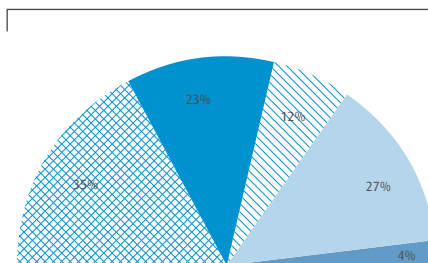
Catalysis
 Energy Materials
 Performance Materials
 Recycling
 Corporate & Unallocated

R&D EXPENDITURE PER BUSINESS GROUP



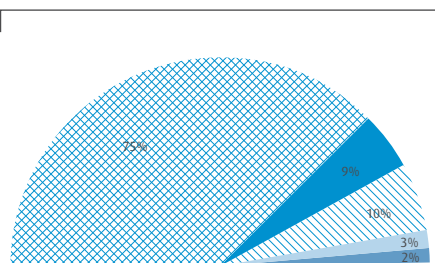
Catalysis
 Energy Materials
 Performance Materials
 Recycling
 Corporate & Unallocated

CAPITAL EXPENDITURE PER BUSINESS GROUP

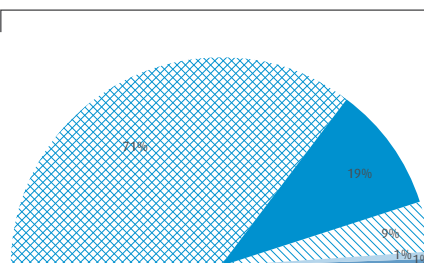


Catalysis
 Energy Materials
 Performance Materials
 Recycling
 Corporate & Unallocated

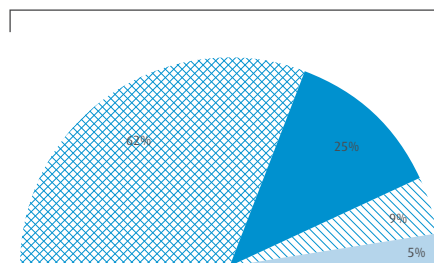
TURNOVER BY REGION



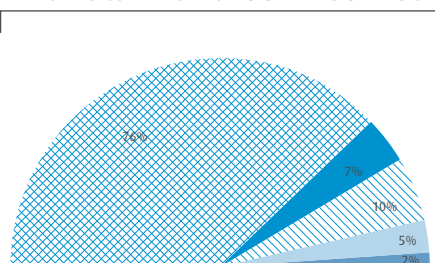
NON CURRENT ASSETS BY REGION



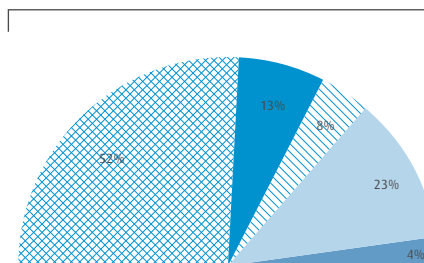
CAPITAL EXPENDITURE BY REGION



EMPLOYEES COMPENSATION & BENEFITS BY REGION



INCOME TAXES BY REGION



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. Segment turnover and revenue is taking into account intragroup operations. Those are mainly related to recycling services and sales of refined metal from the recycling segment to the other group segments and are important to assess the performance of the segments concerned

Since these transactions cannot be considered as external operations, they are eliminated at the group level, to present a the net view

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 Japan which is in liquidation and ICT USA for 9 months referring to the change of the joint venture agreement as explained in note F8.

Energy Materials

The segment comprises the Cobalt & Specialty Materials, Electro-Optic Materials, Rechargeable Battery 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 beLife, beLife Intermediates, 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.

F8 Business combinations and acquisitions of associates and joint ventures

		(EUR thousand)
	Notes	Fair value
Non Current Assets		8,243
Current Assets		110,719
Non Current Liabilities		0
Current Liabilities		99,807
Net assets acquired		19,155
Group Share in net assets acquired		11,493
Goodwill	F15	994
Minority Share in net assets acquired	F15	7,662
Purchase price		(12,487)
Minority Share in purchase price		(8,324)
Net cash & cash equivalent acquired		9,631
Net cash out for acquisition of subsidiaries		(11,180)

Due to a change in the joint venture agreement with Nippon Shokubai, Umicore increased its percentage of interest from 50% towards 60%. This transaction has been treated as partial goodwill. The venture Umicore Shokubai, focusses on providing automotive catalyst systems for Japanese manufacturers of light and heavy duty vehicles around the world. Umicore Shokubai has its manufacturing and R&D centre in Himeji, Japan. It deploys its technology to Japanese customers globally by using Umicore's production and commercial infrastructure in North and South America, Europe and China.

The joint venture will profit from Nippon Shokubai's reputation as a renowned and respected Japanese company with international reach and its established relationships with Japanese OEMs.

The Umicore Shokubai subgroup generated a net loss of EUR 982 thousand in the last quarter of 2012 mainly caused by the fair value adjustment amounting to EUR 1,159 thousand on the commercial opening stock as part of the purchase price allocation.

The sales of the subgroup amounts EUR 64 million in the last quarter of 2012.

F9 Result from operating activities

OPERATING INCOME AND EXPENSES

(EUR thousand)

	2011	2012
Sales	14,420,854	12,476,292
Services	60,085	71,722
Turnover ⁽¹⁾	14,480,939	12,548,014
Other operating income ⁽²⁾	56,902	62,670
OPERATING INCOME	14,537,841	12,610,684
Raw materials and consumables used ⁽³⁾	(12,902,623)	(10,996,184)
Payroll and related benefits	(672,049)	(717,025)
Depreciation of fixed assets	(137,051)	(151,959)
Impairment loss on fixed assets	(8,705)	(29,856)
Inventory and bad debt provisions	(19,508)	119
Depreciation and impairment results ⁽⁴⁾	(165,264)	(181,696)
Services and outsourced refining and production costs	(376,287)	(396,188)
Royalties, licence fees, consulting and commissions	(24,009)	(24,314)
Other operating expenses	(6,370)	(3,230)
Increase and decrease in provisions	(16,749)	(2,980)
Use of provisions	21,470	20,269
Capital losses on disposal of assets	(919)	(3,945)
Other operating expenses ⁽⁵⁾	(402,864)	(410,388)
OPERATING EXPENSES	(14,142,800)	(12,305,293)

1) Services mainly include the revenues from tolling contracts.

2) Other operating income mainly include re-invoicing of costs to third parties (EUR 30.5 million), operating grants (EUR 4.7 million), royalties and licence fees for EUR 4.2 million, EUR 4.7 million linked to emission rights, EUR 2.5 million for insurance recovery and EUR 1.4 million for tax recovery files.

3) Raw materials and consumables used include water, gas and electricity for EUR 80.8 million in 2012 (EUR 82.6 million in 2011).

4) Impairments of fixed assets have been taken and transferred in non-recurring result. Those are mainly related to production footprint adjustments.

5) Taxes other than income taxes included in other operating expenses amount to EUR 16.0 million.

R&D EXPENDITURE

(EUR thousand)

	Note	2011	2012
R&D recognised in Other operating expenses		130,786	147,853
R&D recognised in result of companies using the equity method		15,661	16,541
R&D capitalised as intangible assets	F14	16,469	17,713
Total R&D expenditure		162,916	182,107

Total R&D expenditure was EUR 182.1 million, an increase of 12% over 2011 (EUR 162.9 million in 2011), of which EUR 165.6 million originated in the fully consolidated companies (EUR 147.3 million in 2011). The part of the R&D expenditures that are going directly through the other operating expenses amounts for EUR 147.9 million. Capitalised development costs accounted for EUR 18 million. Over the last two years Umicore has been aligning the R&D definition used within the company with the internationally recognised Frascati Manual. The R&D expenditure figures for 2011 and the first half of 2012 have been restated accordingly.

NON-RECURRING ELEMENTS AND IAS 39 EFFECTS INCLUDED IN THE RESULT

(EUR thousand)

Note	2011				2012			
	Total	Recurring	Non-recurring	IAS 39 effect	Total	Recurring	Non-recurring	IAS 39 effect
Turnover	14,480,939	14,480,939	0	0	12,548,014	12,548,014		
Other operating income	56,902	52,107	4,256	539	62,670	61,071	1,861	(262)
Operating income	14,537,841	14,533,046	4,256	539	12,610,685	12,609,086	1,861	(262)
Raw materials and consumables used	(12,902,624)	(12,933,016)	0	30,392	(10,996,184)	(10,985,023)	(3,116)	(8,045)
Payroll and related benefits	(672,049)	(670,522)	(1,527)	0	(717,025)	(711,950)	(5,074)	0
Depreciation and impairment results	(165,264)	(143,410)	(15,287)	(6,567)	(181,696)	(160,775)	(24,986)	4,065
of which depreciation and amortization	(137,051)	(136,898)	(153)	0	(151,959)	(151,959)		
Other operating expenses	(402,863)	(393,877)	(2,733)	(6,253)	(410,388)	(402,471)	(13,497)	5,580
Operating expenses	(14,142,799)	(14,140,824)	(19,548)	17,572	(12,305,293)	(12,260,220)	(46,674)	1,600
Income from other financial investments	10,178	904	9,274	0	988	988		
Result from operating activities	405,220	393,127	(6,018)	18,112	306,379	349,854	(44,813)	1,339
Net contribution from equity method companies	27,436	22,939	7,040	(2,542)	22,218	22,243	(1,841)	1,817
EBIT	432,656	416,065	1,022	15,570	328,598	372,097	(46,654)	3,155
EBITDA	569,709	552,963	1,175	15,570	480,556	524,055	(46,654)	3,155
Finance cost	F11 (22,437)	(29,839)	7,401	0	(31,004)	(23,388)	0	(7,616)
Income taxes	F13 (76,006)	(72,386)	(7,617)	3,997	(59,688)	(67,325)	5,418	2,219
Net result	334,212	313,841	806	19,567	237,906	281,383	(41,237)	(2,242)
of which minority shares	9,262	9,275	83	(95)	4,461	6,148	(1,733)	46
of which group shares	324,950	304,565	15,271	5,114	233,444	275,235	(39,504)	(2,288)

Non recurring items had a negative impact of EUR 47 million on EBIT. These were related primarily to production footprint adjustments and the related reduction in headcount (EUR 42 million). The majority of this amount relates to Energy Materials, in response to the weaker market, for photovoltaics in particular. The AZO target production in Thin Film Products was closed and germanium substrates production capacity was reduced. The total also includes the impact of the consolidation on one site of germanium optics production as previously announced. Footprint adjustments in other business groups included the closure of the jewellery recycling plant in Foshan, China, the production footprint reduction for Element Six Abrasives in South Africa and the headcount reduction for Automotive Catalysts in South Africa.

Umicore also booked additional environmental provisions for EUR 2 million, mainly related to the on-going soil sanitation project in Viviez, France. Impairments on permanently tied-up inventories, resulting from lower metal prices, accounted for EUR 3 million. The impact of non-recurring charges on the net result (Group share) was EUR 40 million.

IAS 39 accounting rules had a positive effect of EUR 3 million on EBIT and a negative impact of EUR 2 million on the net result (Group share). These impacts concern timing differences imposed by IFRS that relate primarily to transactional and structural metal and currency hedges. All IAS 39 impacts are non-cash in nature.

F10 Payroll and related benefits

PAYROLL AND RELATED BENEFITS	(EUR thousand)	
	2011	2012
Wages, salaries and direct social advantages	(491,798)	(524,350)
Other charges for personnel	(26,941)	(25,783)
Temporary staff	(13,113)	(10,435)
Share-based payments	(8,342)	(5,325)
Employee salaries	(540,194)	(565,893)
Employer's social security	(105,663)	(112,743)
Defined benefit contributions	(15,666)	(14,438)
Contribution to defined contribution plan	(15,104)	(13,696)
Employer's voluntary contributions (other)	(2,972)	(5,526)
Pensions paid directly to beneficiaries	(5,105)	(5,000)
Provisions for employee benefits (-increase / + use and reversals)	12,655	272
Pensions and other benefits	(26,192)	(38,388)
PAYROLL AND RELATED BENEFITS	(672,049)	(717,025)

AVERAGE HEADCOUNT IN CONSOLIDATED COMPANIES

	2011	2012
Executives and managerial staff	1,789	1,872
Non managers	8,072	8,409
Total	9,861	10,281

SHARE-BASED PAYMENTS

	Notes	(EUR thousand)	
		2011	2012
Number of stock options granted	F28	677,375	603,375
Valuation model		Present Economic Value	
Assumed volatility (% pa)		30.00	30.00
Risk-free interest rate (% pa)		3.80	1.40
Dividend increase (% pa)		0.10	0.10
Rate of pre-vesting forfeiture (%pa)		NA	NA
Rate of post-vesting leaving (%pa)		5.00	10.00
Minimum gain threshold (% pa)		50.00	30.00
Proportion who exercise given minimum gain achieved (% pa)		30.00	100.00
Fair value per granted instrument determined at the grant date (EUR)		11.08	7.36
Total fair value of options granted		7,506	4,439
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	
2,700 shares granted at 37.51 EUR			101
21,750 shares granted at 36.07 EUR			785
Total fair value of shares granted		837	886
SHARE-BASED PAYMENTS		8,343	5,325

The Group recognized a share-based payment expense of EUR 5,325 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 2012, shares have been granted to top management resulting in an extra charge of EUR 886 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".

F11 Finance cost - net

	(EUR thousand)	
	2011	2012
Interest income	4,646	2,903
Interest expenses	(20,658)	(9,006)
Discounting of non-current provisions	(9,811)	(10,937)
Foreign exchange gains and losses	7,443	(10,345)
Other financial income	479	385
Other financial expenses	(4,536)	(4,004)
Total	(22,438)	(31,004)

The net interest charge in 2012 totaled EUR 6,103 thousand. This has decreased compared with the EUR 16,012 thousand of 2011, mainly because of a decreasing average weighted interest rate.

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 2012 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 F33).

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

F12 Income from other financial investments

	(EUR thousand)	
	2011	2012
Capital gains and losses on disposal of financial investments	9,266	(499)
Dividend income	841	913
Interest income from financial assets	13	43
Impairment results on financial investments	58	531
Total	10,178	988

F13 Income taxes

(EUR thousand)

	2011	2012
INCOME TAX EXPENSE		
Recognized in the income statement		
Current income tax	(72,759)	(58,734)
Deferred income tax	(3,247)	(954)
Total tax expense	(76,006)	(59,688)
RELATIONSHIP BETWEEN TAX EXPENSE (INCOME) AND ACCOUNTING PROFIT		
Result from operating activities	405,220	306,379
Financial result	(22,438)	(31,004)
Profit (loss) before income tax of consolidated companies	382,783	275,375
Weighted average theoretical tax rate (%)	(30.34)	(29.86)
Income tax calculated at the weighted average theoretical tax rate	(116,122)	(82,214)
Tax effect of		
Expenses not deductible for tax purposes	(15,359)	(12,917)
Tax-exempted revenues	8,039	1,371
Tax-exempt dividends from consolidates companies & Associates	(3,250)	(1,116)
Gains & Losses taxed at a reduced rate	0	
Tax incentives deductible from the taxable base	33,432	31,956
Tax computed on other basis	(1,845)	(1,100)
Utilisation of previously unrecognised tax losses	27,001	32,769
Write down (or rev. of prev. write down) of DTA	(8,755)	(15,376)
Change in applicable tax rate	559	(65)
Tax holidays	3,221	1,404
Other tax credits (excluding R&D tax credits)	49	230
Non recoverable foreign withholding taxes	(2,708)	(6,831)
Previous years adjustments	954	(1,363)
Other	(1,224)	(6,436)
Tax expense at the effective tax rate for the year	(76,006)	(59,688)

The weighted average theoretical tax rate has lightly evolved from 30.34% in 2011 to 29.86% in 2012

Excluding the impact of non-recurring items and the IAS 39 effect, the recurring effective tax rate for 2012 is 20.6%. This is slightly above the level of 2011 as a result of the change in the geographical spread of earnings. The rate is influenced by the net positive impact of tax assets.

F14 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	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 beginning 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 previous 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 at the end of previous year	39,208	2,852	36,092	5,003	1,919	85,074
. acquisition through business combinations		2	2			5
. additions	17,414	19	1,506		6,748	25,688
. disposals		(640)	(17)	0	(2,257)	(2,914)
. amortization charged (included in "Depreciation and impairments")	(5,585)	(331)	(8,557)		(104)	(14,577)
. impairment losses recognized (included in "Depreciation and impairments")	(401)			(1,899)		(2,300)
. reversal of impairment losses (included in "Depreciation and impairments")			25	321		346
. emission rights allowances				2,419		2,419
. translation differences	(229)	(21)	(376)		(11)	(636)
. other movements		640	9,222		(1,408)	8,453
At the end of the year	50,407	2,521	37,898	5,843	4,887	101,557
Gross value	58,959	12,889	122,068	9,522	10,568	214,006
Accumulated amortization	(8,552)	(10,368)	(84,169)	(3,679)	(5,684)	(112,452)
Net book value	50,407	2,521	37,898	5,843	4,884	101,554

"Additions" are mainly explained by capitalized expenses in new information systems and internally generated developments. EUR 18.3 million are linked to own productions, of which EUR 17.1 million are development expenses and EUR 1.2 million are information systems projects.

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

There are no pledges on, or restrictions to, the title on intangible assets, other than disclosed in note F35.

F15 Goodwill

	(EUR thousand)	
	31/12/2011	31/12/2012
At the end of the previous year		
Gross value	99,991	100,273
Accumulated impairment losses	(2,502)	(2,044)
Net book value at the end of previous year	97,489	98,229
. acquisition through business combinations		993
. translation differences	740	127
. other movements		
At the end of the year	98,229	99,348
Gross value	100,273	101,353
Accumulated impairment losses	(2,044)	(2,005)
Net book value	98,229	99,348

This table includes goodwill related to fully consolidated companies only. Goodwill relating to companies accounted for by the equity method is detailed in note F17.

The change of the period relates to the new goodwill booked in the Umicore Shokubai entities (disclosed in Note F8) and to exchange differences.

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

	(EUR thousand)				
	Catalysis	Energy Materials	Performance Materials	Recycling	Total
31/12/11	36,335	27,672	15,807	18,415	98,229
31/12/12	37,238	27,650	16,038	18,421	99,348

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 2012 modeling used an average tax rate of 25%, (25% in 2011) and a weighted average cost of capital post-tax of 8.5% (same as in 2011) 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 2011). Inflation rates are based on guidance coming from national and international institutes like the NBB or ECB.

F16 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	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 beginning 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)		(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 previous year	302,701	404,396	58,420	4,164	94,655	864,336
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 at the end of previous year	302,701	404,396	58,420	4,164	94,655	864,336
. acquisition through business combinations	42	6,898	569		128	7,636
. additions	32,530	48,246	10,911	566	135,611	227,864
. disposals	(86)	(3,365)	(1,645)	(273)	53	(5,316)
. depreciations (included in "Depreciation and impairments")	(27,322)	(92,567)	(16,539)	(967)		(137,395)
. net impairment losses recognized (included in "Depreciation and impairments")	(8,377)	(18,785)	(728)			(27,890)
. translation differences	(1,749)	(5,035)	(1,022)	(310)	(657)	(8,774)
. other movements	23,268	71,806	8,456	994	(112,719)	(8,195)
At the end of the financial year	321,008	411,595	58,420	4,174	117,070	912,268
of which leasing	1,565		87			1,652
Gross value	691,172	1,473,474	186,519	30,379	117,070	2,498,615
Accumulated depreciation	(370,164)	(1,061,879)	(128,099)	(26,204)		(1,586,346)
Net book value	321,008	411,595	58,420	4,174	117,070	912,268
Leasing						
Gross value	2,406	59	217			2,683
Accumulated amortization	(842)	(59)	(131)			(1,032)
Net book value	1,565	0	87			1,652

The non-maintenance related additions to property, plant and equipment were up significantly in Catalysis, linked to the addition of light duty and HDD production capabilities in China and Europe and the construction of the technology development centres in China, Japan and Brazil. In Energy Materials, capital expenditures were lower than in 2011. The investment level remains high, however, especially with the continued production capacity expansions in Rechargeable Battery Materials. Investments were also somewhat lower in Performance Materials. In Recycling capital expenditure continues to run at a high level as a result of the expansion of the sampling facilities and new water and gas cleaning equipment in Hoboken, Belgium.

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 F35.

F17 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:

INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Country	Measurement currency	Percentage 2011	Percentage 2012
ASSOCIATES				
Ganzhou Yi Hao Umicore Industries	China	CNY	40.00	40.00
IEQSA	Peru	PEN	40.00	40.00
Element Six Abrasives	Luxembourg	USD	40.22	40.22
Jiangmen Chancsun Umicore Industry Co., Ltd.	China	CNY	40.00	40.00
Todini	Italy	EUR	48.00	48.00
JOINT VENTURES				
ICT Japan	Japan	JPY	50.00	50.00
ICT USA	USA	USD	50.00	50.00
Ordeg	South Korea	KRW	50.00	50.00
Rezinal	Belgium	EUR	50.00	50.00
SolviCore GmbH & Co KG	Germany	EUR	50.00	50.00
SolviCore Management GmbH	Germany	EUR	50.00	50.00
BeLife	Belgium	EUR		49.00
BeLife intermediate	Belgium	EUR		51.00

In 2012, the joint-venture beLife has been put in place together with Prayon for the production of LFP (lithium iron phosphate). This joint-venture is reported under the business unit Rechargeable Battery Materials of the Energy Materials segment. ICT USA is not a joint-venture anymore but is now fully integrated under the name of Umicore Shokubai USA. ICT Japan was in liquidation process at the end of December 2012.

The movements in other reserves are mainly related to the changes in defined benefit obligations arising from changes in actuarial assumptions by Element Six Abrasives and SolviCore and to changes in cash flow hedge reserves by Rezinal.

	(EUR thousand)		
	Net book value	Goodwill	Total
At the end of previous year	171,976	46,947	218,923
. capital increase	116		116
. profit for the year	22,218		22,218
. dividends	(24,705)		(24,705)
. additions	2,975		2,975
. disposal	(3,336)		(3,336)
. change in other reserves	(2,046)		(2,046)
. translation differences	(270)	140	(130)
. transfers			
At the end of the year	166,928	47,088	214,017
of which joint ventures	61,095	355	61,450

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

	(EUR thousand)	
	31/12/11	31/12/12
Assets	253,259	230,903
Liabilities	125,820	106,261
Turnover	263,791	299,397
Net result	23,263	13,849

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

	(EUR thousand)	
	31/12/11	31/12/12
Current assets	164,313	112,843
Non-current assets	13,398	24,438
Current liabilities	112,319	65,685
Non-current liabilities	818	7,853

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

	(EUR thousand)	
	31/12/11	31/12/12
Operating result	6,837	12,634
Financial result	(1,176)	(1,359)
Tax	(1,622)	(2,906)
Net result Group	4,040	8,369

F18 Available-for-sale financial assets and loans granted

	(EUR thousand)	
	Available-for-sale financial assets	Loans granted
NON-CURRENT FINANCIAL ASSETS		
At the beginning of previous year	76,152	769
. change in scope		
. 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	(28,939)	
. other movements	(2)	263
At the end of previous year	47,730	1,095
. change in scope		87
. increase	70	3,858
. decrease	(399)	(7)
. impairment losses (included in "Income from other financial instruments")	505	
. translation differences	(19)	54
. fair value recognized in equity (a)	(10,788)	
. other movements	6	
At the end of the financial year	37,105	5,087
CURRENT FINANCIAL ASSETS		
At the end of the preceding financial year	10	1,051
. change in scope		665
. increase		3,673
. decrease	(33)	(374)
. write-downs (included in "Income from other financial instruments")	26	
. translation differences		
. other		(55)
At the end of the financial year	3	4,960

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

F19 Inventories

(EUR thousand)

	31/12/11	31/12/12
ANALYSIS OF INVENTORIES		
Base product with metal hedging - gross value	1,092,256	1,053,766
Base product without metal hedging - gross value	154,093	143,951
Consumables - gross value	75,084	80,377
Write-downs	(61,291)	(59,844)
Advances paid	35,332	11,047
Contracts in progress	9,537	5,811
Total inventories	1,305,010	1,235,108

Inventories have decreased by EUR 69.9 million, mainly driven by lower advances paid and decreased quantities in silver and gold partly offset by higher prices in gold, platinum and palladium. Impairments related to the devaluation of permanently tied up metal inventories have been taken for EUR 3.9 million.

Based on metal prices and currency exchange rates prevailing at the closing date, the value of metal inventory would be about EUR 972.6 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.

F20 Trade and other receivables

(EUR thousand)

	Notes	31/12/11	31/12/12
NON CURRENT			
Cash guarantees and deposits		6,576	8,304
Other receivables maturing > 1 year		7,682	8,261
Assets employee benefits		372	453
Total		14,630	17,018
CURRENT			
Trade receivables (at cost)		748,195	671,963
Trade receivables (write down)		(12,309)	(10,202)
Other receivables (at cost)		78,608	82,782
Other receivables (write down)		(7,509)	(6,905)
Interest receivable		136	124
Fair value receivable financial instruments held for cash-flow hedging	F33	16,537	8,452
Fair value receivable other financial instruments	F33	6,490	8,437
Deferred charges and accrued income		37,380	33,726
Total		867,528	788,377

Current trade receivables have decreased by EUR 79.2 million. This increase is mainly due to lower business activity.

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

Other non-current receivables include an amount of EUR 6,674 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 F27 on Employee Benefits).

	(EUR thousand)					
	Total	Not due	Overdue between			
			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	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
AGEING BALANCE ANALYSIS AT THE END OF YEAR						
Trade receivables (not including doubtful receivables) - at cost	660,721	559,568	75,475	17,316	1,420	6,941
Other receivables - at cost	82,781	76,421	4,050	897	19	1,394

Credit risk - trade receivables

	(EUR thousand)		
	Trade receivables (write-down)	Other receivables (write-down)	Total
AT THE BEGINNING OF PREVIOUS YEAR			
. Change in scope	(14,606)	(6,581)	(21,187)
. Impairment losses recognized in P&L	594	324	918
. Reversal of impairment losses	(697)	(2,149)	(2,846)
. Impairment written off against asset carrying amount	1,688	13	1,701
. Other movements	143		143
. Translation differences	83	888	974
. Translation differences	487	(3)	484
At the end of previous year	(12,309)	(7,508)	(19,813)
AT THE BEGINNING OF THE FINANCIAL YEAR			
. Change in scope	(12,309)	(7,508)	(19,813)
. Impairment losses recognized in the P&L	(994)		(994)
. Reversal of impairment losses	977	504	1,481
. Impairment written off against asset carrying amount	1,498		1,498
. Other movements	89	97	186
. Translation differences	538	3	541
At the end of the financial year	(10,202)	(6,905)	(17,105)

By default, all units use credit insurance as a means to mitigate the credit risk related to trade receivables. EUR 410 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 2012, net write downs decreased.

F21 Deferred tax assets and liabilities

(EUR thousand)

31/12/2011 31/12/2012

TAX ASSETS AND LIABILITIES

Income tax receivables					17,067	29,861
Deferred tax assets					88,492	91,772
Income tax payable					(57,742)	(35,519)
Deferred tax liabilities					(46,089)	(36,417)

	Assets		Liabilities		Net	
	2011	2012	2011	2012	2011	2012
At the end of preceding financial year	108,795	88,491	(43,702)	(46,089)	65,093	42,402
Deferred tax recognized in the P&L	(6,544)	2,509	3,296	(3,463)	(3,247)	(954)
Deferred tax recognized in equity	(11,843)	1,998	(5,810)	12,946	(17,653)	14,945
Acquisitions through business combination		508				508
Translation adjustments	(1,645)	(1,720)	(144)	105	(1,789)	(1,615)
Transfer	(272)	(16)	272	83	(0)	67
Other movements	(2)	3	0	0	(2)	3
At the end of financial year	88,491	91,772	(46,089)	(36,417)	42,403	55,355
DEFERRED TAX IN RESPECT OF EACH TYPE OF TEMPORARY DIFFERENCE						
Intangible assets	11,496	13,244	(10,875)	(14,259)	621	(1,015)
Goodwill on fully consolidated companies	112	186	(1,369)	(1,515)	(1,257)	(1,329)
Property, plant and equipment	5,130	4,595	(24,038)	(22,925)	(18,908)	(18,330)
Investments accounted for using the equity method	87	0	(206)	0	(119)	0
Long term receivables	555	414	(2,914)	(3,075)	(2,359)	(2,661)
Inventories	28,714	27,462	(35,988)	(36,294)	(7,274)	(8,832)
Trade and other receivables	8,712	12,455	(17,230)	(5,243)	(8,518)	7,212
Group Shareholder's equity	5	93	(8,757)	(6,979)	(8,752)	(6,886)
Long Term Financial Debt and other payable	666	448	(1,281)	(1,483)	(615)	(1,035)
Provisions Employee Benefits	32,089	49,761	(818)	(412)	31,271	49,349
Provisions for Environment	20,346	19,289	(2,682)	(2,749)	17,664	16,540
Provisions for other liabilities and charges	7,401	7,970	(894)	(942)	6,507	7,028
Current Financial Debt	656	339		0	656	339
Current Provisions for Environment	5,458	4,510		(153)	5,458	4,357
Current Provisions for Other Liabilities & Charges	5,222	2,885	(222)	(161)	5,000	2,724
Trade and other payables	26,353	15,919	(7,470)	(15,106)	18,883	813
Total deferred tax due to temporary differences	153,002	159,570	(114,744)	(111,296)	38,258	48,274
Tax losses to carry forward	63,470	62,580			63,470	62,580
Investments deductions	4,006	5,023			4,006	5,023
Notional interest carried forward	23,568	17,506			23,568	17,506
Exempted dividends carried forward	16,413	1,603			16,413	1,603
Other	1,884	(1,428)			1,884	(1,428)
Deferred tax assets not recognized	(105,195)	(78,203)			(105,195)	(78,203)
Total tax assets/liabilities	157,148	166,651	(114,744)	(111,296)	42,404	55,355
Compensation of assets and liabilities within same entity	(68,656)	(74,879)	68,656	74,879		0
Net amount	88,492	91,772	(46,089)	(36,417)	42,404	55,355

	2011	2012	2011	2012
	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	319,701	241,120	105,195	78,203

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

The main movements in deferred tax recognized directly in the other comprehensive income are deferred taxes generated by temporary differences included within the lines "Trade and other payables" (negative by EUR 3,637 thousand), "Provisions for employee benefits" (positive by EUR 17,220 thousand) and "Trade and other receivables" (positive by 997 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 78,203 thousand mainly arise from tax losses (EUR 51,010 thousand), notional interests carried forward (EUR 17,506 thousand), exempted dividends carried forward (EUR 1,603 thousand), deductions for investments (EUR 5,023 thousand) and temporary differences on property plant and equipment (EUR 1,798 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.

F22 Net cash and cash equivalents

	(EUR thousand)	
	31/12/11	31/12/12
CASH AND CASH EQUIVALENTS		
Short-term investments : bank term deposits	17,809	11,826
Short-term investments : term deposits (other)	3,439	142
Cash-in-hand and bank current accounts	82,733	119,458
Total cash and cash equivalents	103,981	131,427
Bank overdrafts	3,776	439
(included in current financial debt in the balance sheet)		
Net cash as in Cash Flow Statement	100,205	130,988

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.

F23 Currency translation differences and other reserves

(EUR thousand)

	Available-for-sale financial assets reserves	Cash flow hedge reserves	Deferred taxes directly recognized in OCI	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	52,613	(66,161)	36,250	(66,054)	24,503	(36,691)	(55,541)
Gains and losses recognized in other comprehensive income	(28,939)	21,845	(4,121)	(12,519)	8,342		(15,392)
Gains and losses derecognized out of other comprehensive income	0	40,238	(13,520)	0	0		26,719
Transfer from/to retained earnings					(1,225)		(1,225)
Change in scope	0	0	0	0	0	0	0
Other movements	0	0	0	(0)		0	0
Exchange differences	0	617	(169)	(1,198)	0	2,570	1,820
Balance at the end of previous year	23,674	(3,461)	18,440	(79,771)	31,620	(34,121)	(43,620)
Balance at the beginning of the year	23,674	(3,461)	18,440	(79,771)	31,620	(34,121)	(43,620)
Gains and losses recognized in other comprehensive income	(10,788)	(3,410)	18,829	(57,025)	5,325		(47,069)
Gains and losses derecognized out of other comprehensive income		10,834	(4,063)				6,771
Transfer from/to retained earnings				655	(7,197)		(6,542)
Change in scope				43			43
Exchange differences		(24)	32	370		(11,980)	(11,602)
Balance at the end of the year	12,886	3,939	33,237	(135,728)	29,748	(46,101)	(102,020)

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

Gains and losses recognized in the other comprehensive income (OCI) on available-for-sale financial assets relate to the fair value adjustments of the period on the Nyrstar shares and to the investment in Pangaea (refer to note F18 on available-for sale financial assets).

The net losses recognized in the OCI regarding cash flow hedges (EUR 3,410 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 OCI (EUR 10,834 thousand) are the fair values of the cash-flow hedging instruments existing at the opening which expired during the year. A loss of EUR 13.4 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 OCI for EUR 57,025 thousand mainly coming from decreased discount rates.

The 2012 shares and stock option plans have led to a share-based payment reserve increase of EUR 5,325 thousand (refer to note F10 on employee benefits). EUR 7,197 thousand, linked to exercised options, have been transferred to retained earnings.

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

F24 Financial debt

(EUR thousand)

	Bank loans	Other loans	Total		
NON-CURRENT					
At the beginning of previous year	40,002	154,882	194,884		
. Increase	10,000	0	10,000		
. Decrease	(30,001)	(994)	(30,995)		
. Transfers	0	(150,009)	(150,009)		
At the end of previous year	20,001	3,879	23,878		
. Increase					
. Decrease		(1,007)	(1,007)		
. Translation differences					
. Transfers	(20,000)	(10)	(20,010)		
At the end of the financial year	0	2,862	2,861		
	Bank loans	Other loans	Total		
CURRENT PORTION OF LONG-TERM FINANCIAL DEBTS					
At the end of the preceding financial year	1	150,951	150,952		
. Increase / decrease	100,000	(150,021)	(50,021)		
At the end of the financial year	100,000	930	100,930		
	Short term bank loans	Bank overdrafts	Short term loan : commercial paper	Other loans	Total
CURRENT					
At the end of the preceding financial year	63,446	3,776	121,484	6,997	195,703
. Increase / decrease (including CTD's)	(31,059)	(3,338)	92,081	(3,270)	54,414
At the end of the financial year	32,387	438	213,565	3,727	250,117

The net financial debt of the group has decreased by EUR 44 million mainly due to the positive operating cash flow in 2012.

The EUR 150 million 8-year bond issued in 2004 (coupon 4.875% per annum) was reimbursed in February 2012.

The bank loans consist of:

- a EUR 20 million bank loan maturing in December 2013 bearing an interest of 5.36% per annum. The fair value of the bank loan was EUR 20.99 million on 31 December 2012 based on the DCF-method;
- EUR 80 million outstanding advances under the EUR 170 million remaining tranche of the Syndicated Bank Credit Facility maturing in June 2013. As those advances are short term drawings (1-month), the nominal amounts are to be considered as the fair value.

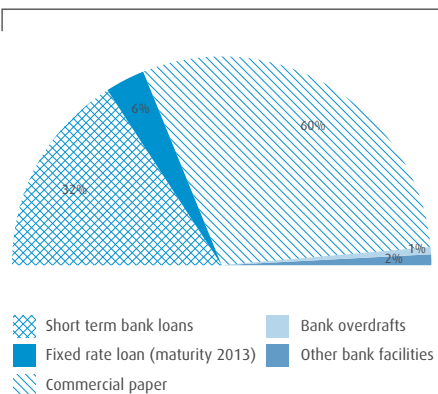
On 31 December 2012, there were no outstanding advances under the EUR 250 million new Syndicated Bank Credit Facility maturing in July 2016.

The gearing ratio end of 2012 of 11.0% (13.4% in 2011) is well within the group's targeted capital structure limits.

The maturity dates of the short term bank loans are very short term and are decided 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 customary financial covenants. Umicore has not faced any breach of those covenants or loan defaults in 2012 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.

GROSS OUTSTANDING DEBT



(EUR thousand)

	EUR Euro	Total
Analysis of long term debts by currencies (including current portion)		
Bank loans	100,000	100,000
Other loans	3,791	3,791
Non-current financial debts (including current portion)	103,791	103,791

(EUR thousand)

	2011	2012
Non current financial debt	23,878	2,861
Current portion of non current financial debt	150,952	100,930
Current financial debt	195,703	250,117
Cash and cash equivalents	(103,981)	(131,427)
Net financial debt	266,552	222,481

(EUR million)

	2011	2012
Net financial debt	266.6	222.5
Equity	1,721.7	1,805.8
Total	1,988.3	2,028.3
Gearing ratio (%)	13.4	11.0

F25 Trade debt and other payables

	Notes	31/12/11	31/12/12
(EUR thousand)			
NON-CURRENT			
Long-term trade payables		1,253	0
Other long-term debts		5,105	4,639
Investment grants and deferred income from grants		8,726	9,283
		15,084	13,922
CURRENT			
Trade payables		780,536	728,311
Advances received on contracts in progress		30,431	21,564
Tax payable (other than income tax)		13,078	16,664
Payroll and related charges		127,408	125,835
Other amounts payable		28,687	18,067
Dividends payable		7,814	7,518
Accrued interest payable		7,571	600
Fair value payable financial instrument held for cash flow hedging	F33	20,620	4,535
Fair value payable other financial instruments	F33	22,106	8,708
Accrued charges and deferred income		110,198	90,559
		1,148,450	1,022,361

Trade payables decreased by EUR 126 million, mainly due to lower volumes.

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

F26 Liquidity of the financial liabilities

Previous financial year	Earliest contractual maturity					Total
	< 1 Month	1 to 3 Months	3 Months - 1 Year	1 to 5 Years	> 5 years	
(EUR thousand)						
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

(EUR thousand)

Previous financial year	Earliest contractual maturity					Total
	< 1 Month	1 to 3 Months	3 Months - 1 Year	1 to 5 Years	> 5 years	
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

(EUR thousand)

Financial year	Earliest contractual maturity					Total
	< 1 Month	1 to 3 Months	3 Months - 1 Year	1 to 5 Years	> 5 years	
FINANCIAL DEBT						
Current						
Short term bank loans	2,535	5,635	24,218			32,387
Bank overdrafts	219	220				439
Short-term loan: commercial paper	213,565					213,565
Other loans	152	3,726	(152)			3,726
Current portion of long-term bank loans			100,000			100,000
Current portion of other long-term loans	39	78	813			930
Non-current						
Bank loans						
Other loans				2,861		2,861
TRADE AND OTHER PAYABLES						
Current						
Trade payables	476,548	245,914	5,849			728,311
Advances received on contracts in progress	3,324	11,645	6,595			21,564
Tax payable (other than income tax)	18,089	(4,225)	2,809			16,673
Payroll and related charges	48,061	28,087	49,686			125,834
Other amounts payable	4,293	11,742	2,032			18,067
Dividends payable	7,518					7,518
Accrued interest payable, third parties	11	571	18			600
Fair value payable financial instrument held for cash flow hedging	153	541	3,841			4,535
Fair value payable other financial instruments	3,283	5,297	128			8,708
Accrued charges and deferred income	71,918	9,341	9,300			90,559
Non-current						
Long-term trade payables						
Other long-term debts					4,639	4,639
Investment grants and deferred income from grants				1,354	7,929	9,283

F27 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	130,820	18,354	29,614	14,236	193,023
. Increase (included in "Payroll and related benefits")	12,716	571	9,657	2,560	25,503
. Reversal (included in "Payroll and related benefits")	(664)			(43)	(707)
. Use (included in "Payroll and related benefits")	(14,781)	(858)	(8,323)	(1,104)	(25,067)
. Interest and discount rate impacts (included in "Finance cost - Net")	6,828	718	1,038	612	9,197
. Translation differences	(6)	(131)	100	(25)	(61)
. Transfers	54	(1,607)	1,120	433	0
. Recognized in other comprehensive income	51,705	5,332			57,037
. Other movements	50				50
At the end of the financial year	186,721	22,379	33,207	16,669	258,975

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 F23 as that note also includes associates and joint ventures that are accounted for according to the equity method. The increase of the provision levels at the end of 2012 is mainly due to a material decrease of the discount rates during the year.

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 F20, 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)

	31/12/11	Movements 2012	31/12/12
Belgium	26,503	13,185	39,688
France	21,280	6,196	27,476
Germany	126,922	47,011	173,933
Subtotal	174,705	66,392	241,097
Other entities	18,318	(440)	17,878
Total	193,023	65,952	258,975

(EUR thousand)

Reimbursement rights	
At the end of the previous year	6,004
Actual reimbursement	(417)
Expected return	261
Actuarial gains and losses on reimbursement rights	826
At the end of the financial year	6,674

	(EUR thousand)	
	2011	2012
CHANGE IN BENEFIT OBLIGATION		
Benefit obligation at beginning of the year	312,573	319,517
Current service cost	15,819	21,526
Interest cost	14,184	14,782
Plan Participants' Contributions	559	553
Amendments	(745)	899
Actuarial (gain)/loss	1,132	66,463
Benefits paid from plan/company	(24,664)	(24,241)
Expenses paid	(81)	(75)
Net transfer in/(out) (including the effect of any business combinations/divestitures)	(68)	(62)
Exchange rate changes	808	(169)
Benefit obligation at end of the year	319,517	399,193
	2011	2012
CHANGE IN PLAN ASSETS		
Fair value of plan assets at the beginning of the year	120,945	125,785
Expected return on plan assets	5,252	5,434
Actuarial gain/(loss) on plan assets	(6,871)	5,834
Employer contributions	29,796	26,397
Member contributions	559	553
Benefits paid from plan/company	(24,664)	(24,241)
Expenses paid	(81)	(75)
Net transfer in/(out) (including the effect of any business combinations/divestitures)		1
Exchange rate changes	849	(115)
Fair value of plan assets at the end of the year	125,785	139,573

Pension plans mainly in Belgium, France, Liechtenstein, Netherlands, USA, Japan 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)	
	2011	2012
AMOUNT RECOGNIZED IN THE BALANCE SHEET		
Present value of funded obligations	221,705	274,941
Fair value of plan assets	125,785	139,571
Deficit (surplus) for funded plans	95,920	135,368
Present value of unfunded obligations	97,812	124,252
Unrecognized net actuarial gain/(loss)	(1)	2
Unrecognized past service (cost) benefit	(707)	(647)
Net liability (asset)	193,024	258,975
COMPONENTS OF PENSION COSTS		
Amounts recognized in profit and loss statement		
Current service cost	15,819	21,526
Interest cost	14,184	14,782
Expected return on plan assets	(5,252)	(5,434)
Expected return on reimbursement rights	(298)	(261)
Amortization of past service cost incl. §58(a)	(612)	959
Amortization of net (gain) loss incl. §58(a)	1,830	3,560
Total pension cost recognized in P&L account	25,671	35,132
Actual return on plan assets	(1,619)	11,268
Actual return on reimbursement rights	618	1,087

	(EUR thousand)	
	2011	2012
Amounts recognized in other comprehensive income		
Cumulative actuarial gains and losses	49,210	55,906
Actuarial gains and losses of the year	6,457	54,872
Transfer from/to retained earnings	0	
Minorities	47	669
Actuarial gains and losses on reimbursement rights	(1)	1
Other movements	9	(698)
Exchange differences	184	121
Total recognized in the OCI at subsidiaries	55,906	110,872
Actuarial gains and losses at associates and joint ventures	23,864	24,856
Total recognized in the OCI	79,770	135,728

The interest cost and return on plan assets as well as the discount rate impact on the non-post employment benefit plans, are recognized under the finance cost in the income statement (see note F11). 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 the other comprehensive income originate mainly from a change in discount rates on the pension plans and differences between the expected and actual return on plan assets.

	2011	2012
PRINCIPAL ACTUARIAL ASSUMPTIONS		
Weighted average assumptions to determine benefit obligations at year end		
Discount rate (%)	4.72	3.29
Rate of compensation increase (%)	3.08	2.95
Rate of price inflation (%)	2.07	2.07
Rate of pension increase (%)	1.56	1.60
Weighted average assumptions used to determine net cost		
Discount rate (%)	4.60	4.72
Expected long-term rate of return on plan assets during financial year (%)	4.60	4.60
Rate of compensation increase (%)	2.99	3.08
Rate of price inflation (%)	2.06	2.07
Rate of pension increase (%)	1.65	1.56

	2012	
	Percentage of plan assets	Expected return on plan assets
Plan assets		
Equity securities (%)	19.88	5.13
Debt Securities (%)	57.65	4.01
Real Estate (%)	5.78	4.50
Other (%)	16.68	4.20
Total (%)	100.00	4.29

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.

	2011	2012			
HISTORY OF EXPERIENCE GAINS AND LOSSES					
Difference between the expected and actual return on plan assets					
Amount	6,871	(5,834)			
Percentage of plan assets (%)	5.00	4.00			
Experience (gain)/loss on plan liabilities					
Amount	6,929	5,515			
Percentage of present value of plan liabilities (%)	2.00	1.00			
	2011	2012			
REQUIRED DISCLOSURES FOR POST-RETIREMENT MEDICAL PLANS					
Assumed health care trend rate					
Immediate trend rate (%)	2.65	2.68			
Ultimate trend rate (%)	2.65	2.68			
Year that the rate reaches ultimate trend rate	NA	NA			
	2012				
	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	(43)	59			
Effect on defined benefit obligation	(165)	227			
	(EUR thousand)				
	2011	2012			
BALANCE SHEET RECONCILIATION					
Balance sheet liability (asset)	190,799	193,023			
Pension expense recognized in P&L in the financial year	25,671	35,132			
Amounts recognized in SoCI	5,841	56,249			
Employer contributions via funds in the financial year	(16,458)	(13,356)			
Employer contributions paid directly in the financial year	(13,338)	(13,042)			
Credit to reimbursements	618	1,087			
Net transfer in/(out) (including the effect of any business combinations/diversitures)	(68)	(65)			
Exchange rate adjustment - (gain)/loss	(39)	(56)			
Balance sheet liability (asset) as of end of the year	193,023	258,975			
	2008	2009	2010	2011	2012
At 31 December					
Present value of defined benefit obligation	270,134	294,378	312,573	319,517	399,193
Fair value of plan assets	106,650	110,898	120,945	125,785	139,573
Deficit (surplus) in the plan	163,484	183,480	191,628	193,732	259,620
Experience adjustments on plan assets	10,020	(2,734)	(780)	6,871	(5,834)
Experience adjustments on plan liabilities	6,168	1,407	(476)	6,929	5,515

The contribution expected to be paid to the plans during the annual period beginning after the end of the reporting period amounts to EUR 24.4 million.

The impact of IAS 19 revised will be insignificant as compared to group equity.

F28 Stock option plans granted by the company

Plan	Expiry date	Exercise	Exercise price EUR (the exercise price may be higher in certain countries)	Number of options still to be exercised
ISOP 2006	02/03/2016	all working days of Euronext Brussels	22.55	95,000
			24.00	7,500
	02/03/2013		22.55	7,500
				110,000
ISOP 2007	16/02/2017	all working days of Euronext Brussels	26.55	183,500
			27.36	10,000
	16/02/2014		26.55	4,500
				198,000
ISOP 2008	14/04/2018	all working days of Euronext Brussels	32.57	232,750
			32.71	26,000
	14/04/2015		32.57	177,750
			32.71	1,250
				437,750
ISOP 2009	15/02/2016	all working days of Euronext Brussels	14.44	351,500
			14.68	21,000
				372,500
ISOP 2010	14/02/2017	all working days of Euronext Brussels	22.30	691,750
				691,750
ISOP 2011	13/02/2018	all working days of Euronext Brussels	38.07	581,375
			39.25	65,000
			38.54	31,000
				677,375
ISOP 2012	12/02/2019	all working days of Euronext Brussels	35.32	514,500
			37.67	56,500
			36.00	32,375
				603,375
Total				3,090,750

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)				
	2011		2012	
	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	3,223,625	22.98	3,593,375	26.35
Granted during the year	677,375	38.20	603,375	35.58
Exercised during the year	297,448	17.04	1,106,000	23.51
Expired during the year	10,177			
Outstanding at the end of the year	3,593,375	26.35	3,090,750	29.17
Exercisable at the end of the year	3,593,375	26.35	3,090,750	29.17

The options outstanding at the end of the year have a weighted average contractual life until July 2017.

F29 Environmental provisions

(EUR thousand)					
	Provisions for soil clean-up & site rehabilitation		Other environmental provisions	Total	
At the end of previous year		87,162	3,477	90,639	
. Increase		4,484	611	5,095	
. Reversal		(1,698)		(1,698)	
. Use (included in "Other operating expenses")		(10,518)	(1,539)	(12,057)	
. Discounting (included in "Finance cost -Net")		1,740		1,740	
. Translation differences		(730)		(730)	
At the end of the financial year		80,441	2,549	82,990	
	Of which	- Non Current	68,143	2,007	70,150
		- Current	12,298	542	12,840

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 end of the reporting period. The actual liability may differ from the amounts recognized.

Provisions decreased overall by EUR 7,649 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 France (Viviez).

Most of the uses of provisions for the period are linked to the realization during the period of site remediation programs in France (Viviez) and in Belgium (Angleur, Olen and Hoboken). The reversals of provisions for soil clean-up and site rehabilitation have been mainly taken in France (Auby)

In 2012, 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 CO₂ emission rights in Belgium.

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

F30 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	10,331	59,562	69,892
. Change in scope		48	48
. Increase	8,916	11,002	19,918
. Reversal	(1,256)	(18,728)	(19,984)
. Use (included in "Other operating expenses")	(4,916)	(3,653)	(8,569)
. Translation differences	(135)	(3,078)	(3,213)
. Transfers			
. Financial charges		(93)	(93)
At the end of the financial year	12,940	45,060	58,000
Of which - Non Current	7,575	32,546	40,121
- Current	5,365	12,514	17,879

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 end of the reporting period. The actual liability may differ from the amounts recognized.

Provisions decreased overall by EUR 11,893 thousand, the new provisions being more than compensated by the reversals and the uses.

Additional provisions for reorganization and restructuring have been taken mainly in the USA (South Plainfield), Foshan (China), Olen (Belgium) and Balzers (Liechtenstein).

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 Belgium, Germany and Brazil.

They also include provisions for onerous contracts related to the IAS 39 effect. The net decrease of the period on these IAS 39 related provisions for onerous contracts is EUR 6,065 thousand, leaving a closing balance of EUR 4,427 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.

F31 Capital employed

CAPITAL EMPLOYED AND ROCE

(EUR thousand)

	Note	31/12/2011	30/06/2012	31/12/2012
Intangible assets	F14, F15	183,303	194,930	200,903
Property, plant and equipment	F16	864,336	882,196	912,268
Investments accounted for under the equity method	F17	218,923	227,132	214,015
Available-for-sale financial assets	F18	47,730	37,903	37,105
Inventories	F19	1,305,010	1,209,452	1,235,107
Non-current receivable (excluding assets employee benefits)	F20	14,258	15,524	16,566
Adjusted current accounts receivable		843,455	933,954	774,633
Income tax receivable		17,067	21,235	29,861
Assets included in capital employed		3,494,082	3,522,326	3,420,458
Non-current trade and other payables	F25	15,084	15,179	13,921
Adjusted current accounts payable		1,127,830	1,106,641	1,017,827
Translation reserves	F23	(34,121)	(23,096)	(46,103)
Non-current provisions	F29, F30	113,434	111,350	110,271
Current provisions	F29, F30	47,099	44,233	30,720
Income tax payable		57,742	33,898	35,519
Liabilities included in capital employed		1,327,068	1,288,205	1,162,155
Capital employed		2,167,018	2,234,121	2,258,303
IAS 39 and eliminations		(1,805)	(739)	(1,094)
Capital employed as published		2,168,823	2,234,860	2,259,397
Average Capital Employed in half year preceding closing date		2,229,729	2,201,842	2,247,129
Average Capital Employed in year preceding closing date		2,232,970		2,224,486
Recurring EBIT in year preceding closing date	F9	416,066		372,097
ROCE in year preceding closing date		18.63%		16.73%

Current account receivable and payable included in 'Capital Employed' do not take into account margin calls and gains and losses booked on the mark-to-market of strategic hedging instruments.

Average capital employed for the half years is calculated as the average of the capital employed at the end of the period and at the end of the preceding period. Average capital employed for the year is calculated as the average of the capital employed of both half years.

F32 Financial instruments by category

(EUR thousand)

As at the end of previous year	Fair value	Carrying amount			
		Held for trading - no hedge accounting	Cash Flow hedge accounting	Loans, receivables and payables	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	

(EUR thousand)					
Carrying amount					
As at the end of previous year	Fair value	Held for trading - no hedge accounting	Cash Flow hedge accounting	Loans, receivables and payables	Available-for-sale
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

(EUR thousand)					
Carrying amount					
As at the end of the financial year	Fair value	Held for trading - no hedge accounting	Cash Flow hedge accounting	Loans, receivables and payables	Available-for-sale
ASSETS					
Available-for-sale financial assets	37,108				37,108
Available-for-sale financial assets – Shares	37,108				37,108
Loans granted	10,047			10,047	
Loans to associates and non consolidated affiliates	10,047			10,047	
Trade and other receivables	805,395	8,437	8,452	788,506	
Non-current					
Cash guarantees and deposits	8,304			8,304	
Other receivables maturing in more than 1 year	8,261			8,261	
Assets employee benefits	453			453	
Current					
Trade receivables (at cost)	671,963			671,963	
Trade receivables (write-down)	(10,202)			(10,202)	
Other receivables (at cost)	82,782			82,782	
Other receivables (write-down)	(6,905)			(6,905)	
Interest receivable	124			124	
Fair value of financial instruments held for cash-flow hedging	8,452		8,452		
Fair value receivable other financial instruments	8,437	8,437			
Deferred charges and accrued income	33,726			33,726	
Cash and cash equivalents	131,426			131,426	
Short-term investments: bank term deposits	11,826			11,826	
Short-term investments: term deposits (other)	142			142	
Cash-in-hand and bank current accounts	119,458			119,458	
TOTAL OF FINANCIAL INSTRUMENTS (ASSETS)	983,976	8,437	8,452	929,979	37,108
LIABILITIES					
Financial debt	354,899			353,909	
Non-current					
Bank loans	0			0	
Other loans	2,862			2,862	
Current					

(EUR thousand)

As at the end of the financial year	Fair value	Carrying amount			
		Held for trading - no hedge accounting	Cash Flow hedge accounting	Loans, receivables and payables	Available-for-sale
Short term bank loans	133,377			132,387	
Bank overdrafts	439			439	
Short term loan: commercial paper	213,565			213,565	
Other loans	4,656			4,656	
Trade and other payables	1,036,283	8,708	4,535	1,023,040	
Non-current					
Long term trade payables					
Other long term debts	4,639			4,639	
Investments grants and deferred income from grants	9,283			9,283	
Current					
Trade payables	728,311			728,311	
Advances received on contracts in progress	21,564			21,564	
Tax - other than income tax - payable	16,664			16,664	
Payroll and related charges	125,835			125,835	
Other amounts payable	18,067			18,067	
Dividends payable	7,518			7,518	
Accrued interest payable	600			600	
Fair value financial instrument held for cash flow hedging	4,535		4,535		
Fair value payable other financial instruments	8,708	8,708			
Accrued charges and deferred income	90,559			90,559	
TOTAL OF FINANCIAL INSTRUMENTS (LIABILITIES)	1,391,182	8,708	4,535	1,376,949	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 F24).

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period.

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 the end of the reporting period.

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 end of the reporting period.

The fair value of quoted financial assets held by the Group is their quoted market price at the end of the reporting period. 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.

32.1 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.

32.2 Sensitivity analysis on financial instruments

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

32.2.1 Commodity prices

The fair value on financial instruments related to cash flow hedging sales would have been EUR 9.1 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 2.1 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 15.1 million lower/higher and the fair value on other commodity purchases financial instruments would have been EUR 14.3 million higher/lower if the metal prices would strengthen/weaken by 10%.

32.2.2 Foreign currency

The fair value of forward currency contracts related to cash flow hedging would have been EUR 5.9 million higher if the Euro would strengthen against USD by 10% and would have been EUR 7.3 million lower if the Euro would weaken against USD by 10%.

The fair value of other forward currency contracts sold would have been EUR 32.3 million higher if the Euro would strengthen against USD by 10% and would have EUR 39.5 million lower if the Euro would weaken against USD by 10%.

The fair value of other forward currency contracts bought would have been EUR 7.2 million lower if the Euro would strengthen against USD by 10% and would have been EUR 8.8 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 26.6 million lower if the Euro would strengthen against USD by 10% and would have been EUR 32.5 million higher if the Euro would weaken against USD by 10%.

F33 Fair value of financial instruments

Unicore 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 reputed brokers and banks.

33.1 Financial instruments related to cash-flow hedging

	(EUR thousand)			
	Notional or Contractual amount		Fair value	
	31/12/2011	31/12/2012	31/12/2011	31/12/2012
Forward commodities sales	217,505	97,164	3,390	6,232
Forward commodities purchases	(18,878)	(22,201)	(1,537)	(1,857)
Forward currency contracts sales	105,966	88,980	(5,936)	(458)
Total fair value impact subsidiaries			(4,083)	3,917
Recognized under trade and other receivables			16,537	8,452
Recognized under trade and other payables			(20,620)	(4,535)
Total fair value impact associates and joint ventures			294	22
Total			(3,789)	3,939

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 F23).

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 July 2013 for the forward commodities sold and July 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 2011 and 2012.

33.2 Other financial instruments

	Notional or Contractual amount		Fair value	
	31/12/2011	31/12/2012	31/12/2011	31/12/2012
	(EUR thousand)			
Forward commodities sales	144,905	99,771	447	953
Forward commodities purchases	(175,586)	(118,934)	(9,737)	(4,785)
Forward currency contracts sales	339,767	362,118	(8,436)	3,719
Forward currency contracts purchases	134,443	(115,685)	2,110	(158)
Total fair value impact subsidiaries			(15,616)	(271)
Recognized under trade and other receivables			6,490	8,437
Recognized under trade and other payables			(22,106)	(8,708)
Total Group			(15,616)	(271)

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.

	Earliest contractual maturity (undiscounted)				
	< 1 Month	1 to 3 Months	3 Months to 1 Year	1 to 5 Years	Total
	(EUR thousand)				
As at the end of previous year					
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)

As at the end of the financial year	Earliest contractual maturity (undiscounted)				(EUR thousand)
	< 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)	0	1,668	4,747	0	6,415
Total forward sales (other)	386	899	2,468	0	3,754
Total forward purchases (other)	699	266	19	(27)	957
FX Risk					
Forward currency contracts sales (CFH)	175	358	1,641	1	2,174
Forward currency contracts sales (other)	3,405	(8)	322	0	3,719
Forward currency contracts purchases (other)	4	3	0	0	7
FINANCIAL INSTRUMENTS LIABILITIES (FAIR VALUE)					
Commodity risk					
Total forward sales (CFH)	0	19	(193)	0	(174)
Total forward purchases (CFH)	(2)	(52)	(1,112)	(708)	(1,873)
Total forward sales (other)	(1,329)	(1,288)	(5)	0	(2,621)
Total forward purchases (other)	(1,709)	(2,403)	(1,810)	0	(5,921)
FX Risk					
Forward currency contracts sales (CFH)	0	(466)	(2,166)	0	(2,632)
Forward currency contracts sales (other)	0	0	0	0	0
Forward currency contracts purchases (other)	(63)	(120)	18	0	(166)

F34 Notes to the cash flow statement

34.1 Definitions

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

Unicore 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)	
	2011	2012
ADJUSTMENTS FOR NON CASH TRANSACTIONS		
Depreciations	137,051	151,959
Adjustment IAS 39	(25,513)	6,278
(Reversal) Impairment charges	8,647	29,326
Mark to market of inventories and commitments	61,823	(28,740)
Exchange difference on long-term loans	12	(341)
Inventories and bad debt provisions	12,940	3,946
Depreciation on government grants	(501)	(327)
Share-based payments	8,342	5,325
Change in provisions	(12,876)	(1,206)
	189,926	166,220
ADJUSTMENTS FOR ITEMS TO DISCLOSE SEPARATELY OR UNDER INVESTING AND FINANCING CASH FLOWS		
Tax charge of the period	76,006	59,688
Interest (income) charges	16,012	6,103
(Gain) loss on disposal of fixed assets	(8,994)	43
Dividend income	(841)	(913)
	82,183	64,922
CHANGE IN WORKING CAPITAL REQUIREMENT ANALYSIS		
Inventories	(121,977)	69,903
Trade and other receivables	(52,948)	63,969
Trade and other payables	170,855	(149,473)
As in the consolidated balance sheet	(4,070)	(15,601)
Non-cash items (*)	8,718	21,485
Items disclosed elsewhere (**)	(47,975)	39,665
Impact of business combination		9,131
Currency translation differences	(5,249)	(20,620)
As in the consolidated cash flow statement	(48,575)	34,060

(*) 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	100,205	366,756	266,551
Cash flow of the period	30,784	(13,287)	(44,071)
At the end of the financial year	130,989	353,469	222,480

34.2 Net cash flow generated by operating activities

Operating cash flow after tax is EUR 415.5 million. Working capital requirements decreased by EUR 34.1 million, primarily resulting from lower volumes.

34.3 Net cash flow used in investing activities

Net cash used in investing activities increased by EUR 58.3 million in 2012. Capital expenditure reached EUR 253.5 million. Investments were up significantly in Catalysis, linked to the addition of light duty and HDD production capabilities in China and Europe and the construction of the technology development centres in China, Japan and Brazil. In Energy Materials, capital expenditures were lower than in 2011. The investment level remains high, however, especially with the continued production capacity expansions in Rechargeable Battery Materials. Investments were also somewhat lower in Performance Materials. In Recycling capital expenditure continues to run at a high level as a result of the expansion of the sampling facilities and new water and gas cleaning equipment in Hoboken, Belgium.

The capital expenditures include EUR 25.7 million of intangibles coming mainly from the capitalization of costs linked to new information systems and development expenses (see note F14).

34.4 Net cash flow used in financing activities

The cash used in financing activities is mainly the consequence of the net decrease of indebtedness (EUR 16.8 million), the net sale of own shares (EUR 25.9 million), the capital increase in minorities (EUR 5.5 million) and the payment of dividends (EUR 129.4 million) and of interest (EUR 13.0 million).

(EUR thousand)

	2011	2012
Acquisition of tangible assets	188,018	227,770
Acquisition of intangible assets	24,556	25,688
Capital expenditure	212,574	253,458

F35 Rights and commitments

(EUR thousand)

	2011	2012
Guarantees constituted by third parties on behalf of the Group	71,984	64,008
Guarantees constituted by the Group on behalf of third parties	6,388	8,516
Guarantees received	104,442	105,356
Goods and titles held by third parties in their own names but at the Group's risk	470,002	414,793
Commitments to acquire and sell fixed assets	1,037	225
Commercial commitments for commodities purchased (to be received)	141,834	74,178
Commercial commitments for commodities sold (to be delivered)	510,692	133,512
Goods and titles of third parties held by the Group	2,147,323	1,878,924
Miscellaneous rights and commitments	2,734	3,884
	3,456,436	2,683,396

35.1 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.

35.2 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.

35.3 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.

35.4 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.

35.5 Commercial commitments

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

35.6 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 2012, there was a net lease-in position for EUR 631 million vs. EUR 772 million at end of 2011. This decrease is mainly caused by lower quantities and lower prices of leased metals.

F36 Contingencies

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

36.1 Environmental issues

Soil and groundwater pollution, including some caused by historical activities on the Guarulhos site (Brazil) before it was acquired by Umicore in 2003, was found in adjacent areas, as well as in a public area destined for re-urbanization. However, no specific development plan has yet been concluded. In addition, the Federal Environmental Agency has been consulted on the remediation but no recommendations are available to date. Therefore, any potential contribution from Umicore can not be determined at this point. Under the terms of the agreement pursuant to which Umicore acquired the entity owning the site, Umicore believes it is entitled to recover at least part of any payments it would be required to make.

36.2 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.

36.3 Contingent pension liability at Element Six

Following the winding up of the Element Six Contributory Pension Plan in Ireland in 2011, certain members of the scheme have brought a claim against the trustees of the scheme. Element Six has provided an indemnity to the trustees, which includes this claim and any award of damages or costs which may be made by the Courts should the claim be proven. The trustees are vigorously defending the claim and Element Six believes that the trustees have a strong defence to the claim. Given the uncertainty around the outcome of proceedings and the potential quantum of the claim not having yet been determined, no provision has been made in the Element Six financial statements for 2012.

36.4 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.

F37 Related parties

(EUR thousand)

2011 2012

TRANSACTIONS WITH JOINT VENTURES AND ASSOCIATES

Operating income	59,265	87,885
Operating expenses	(43,863)	(62,788)
Financial income	10	130
Financial expenses	(81)	(62)
Dividends received	(11,703)	(24,705)

2011 2012

OUTSTANDING BALANCES WITH JOINT VENTURES AND ASSOCIATES

Current trade and other receivables	12,217	4,752
Current trade and other payables	5,305	10,341

(EUR)

2011 2012

BOARD OF DIRECTORS

Salaries and other compensation	538,139	530,045
Fixed portion	220,000	220,000
Variable portion (based on attended meetings)	217,000	200,500
Value of the share grant	98,064	101,288
Benefit in kind company car chairman	3,075	8,257

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)

2011 2012

EXECUTIVE COMMITTEE

Salaries and other benefits	8,901,226	8,922,465
Short-term employee benefits	3,542,226	5,040,724
Post-employment benefits	790,398	908,448
Other long-term benefits	1,170,913	864,521
Share-based payments	3,397,689	2,108,772

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. The indemnity of Ludo Vandervelden is included in the short-term employee benefits (see explanation 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 2012 for services rendered in 2011. The remuneration Report shows the value of the shares granted in 2013 for services rendered in the reporting year i.e. 2012.

The figures related to the undeferred part of the variable cash remuneration linked to the individual performance for the reference year 2012, included in short-term employee benefits, represent the level of accruals at the end of reporting period. The Remuneration Report features the actual amounts paid.

Accruals booked for the deferred parts of the variable cash remuneration for the reference year 2012 are included in the other long-term benefits. The amounts to be paid in 2014 and 2015 will depend on long-term performance measures and the exact amounts paid will be included in the Remuneration Reports for the years in question.

F38 Events after the end of the reporting period

Following the Board of Directors meeting of 6 February 2013, 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 111,827 thousand of which EUR 0.50 per share were already paid out as interim dividend in September 2012.

In January 2013, the Group entered in a 5-year interest rate swap fixing the rate for an amount of EUR 150 million.

F39 Earnings per share

EARNINGS PER SHARE	(EUR)	
	2011	2012
Excluding discontinued operations		
EPS - basic	2.87	2.09
EPS - diluted	2.85	2.08
Including discontinued operations		
EPS - basic	2.87	2.09
EPS - diluted	2.85	2.08
Recurring EPS	2.69	2.47

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

NUMERATOR ELEMENTS	Note	(EUR thousand)	
		2011	2012
Net consolidated profit, Group share	F9	324,950	233,444
Without discontinued operations		324,950	233,444
With discontinued operations		324,950	233,444
Recurring net consolidated profit, Group share	F9	304,565	275,235

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

DENOMINATOR ELEMENTS		
	2011	2012
Total shares issued as at 31 December	120,000,000	120,000,000
of which treasury shares	9,243,938	8,113,488
of which shares outstanding	110,756,062	111,886,512
Weighted average number of outstanding shares	113,304,188	111,593,474
Potential dilution due to stock option plans	904,087	752,607
Adjusted weighted average number of outstanding shares	114,208,275	112,346,081

Total outstanding shares are after deduction of treasury shares, which are held to cover existing stock option plans or are available for resale. The denominator for the calculation of diluted earnings per share takes into account an adjustment for stock options.

During 2012, no new shares were created as a result of the exercise of stock options with linked subscriptions rights. During the year Umicore used 1,106,000 of its treasury shares in the context of the exercise of stock options and 24,450 for shares granted. On December 2012, Umicore owned 8,113,488 of its own shares representing 6.76% of the total number of shares issued as at that date.

F40 IFRS developments

The accounting policies adopted are consistent with those of the previous financial year.

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

- 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.
- 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.
- IFRS 10 'Consolidated financial statements', effective for annual periods beginning on or after 1 January [2013/2014]. 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 [2013/2014]. 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 [2013/2014]. 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.

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.
- Amendments to IFRS 10 'Consolidated financial statements', IFRS 11 'Joint arrangements' and IFRS 12 'Disclosure of interests in other entities'. The amendments clarify the transition guidance in IFRS 10, and provide additional transition relief (f.i. by limiting the requirement to provide adjusted comparative information to only the preceding comparative period or, for disclosures related to unconsolidated structured entities, removing the requirement to present comparative information for periods before IFRS 12 is first applied). Those amendments will be effective for annual periods beginning on or after 1 January 2013 which is aligned with the effective date of IFRS 10, 11 and 12.

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

F41 Auditors' remuneration

The world-wide remuneration for the statutory auditor and its affiliated companies totalled EUR 2.6 million, including an amount of EUR 2.2 million for the statutory audit missions (EUR 0.5 million for the audit of the mother company) and EUR 0.4 million for non-statutory audit services including audit-related and other attestation services (EUR 0.2 million), tax related services (EUR 0.1 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.

	31/12/2010	31/12/2011	(EUR thousand) 31/12/2012
SUMMARIZED BALANCE SHEET AT 31 DECEMBER			
1. ASSETS			
Fixed assets	3,730,163	3,730,403	3,787,362
I. Formation expenses			
II. Intangible assets	57,818	72,409	79,483
III. Tangible assets	298,155	302,174	317,085
IV. Financial assets	3,374,190	3,355,820	3,390,794
Current assets	1,092,649	1,342,747	957,086
V. Amounts receivable after more than one year	838	798	783
VI. Stocks and contracts in progress	407,073	566,508	465,396
VII. Amounts receivable within one year	506,455	508,993	259,283
VIII. Investments	158,852	259,349	219,265
IX. Cash at bank and in hand	4,058	546	1,348
X. Deferred charges and accrued income	15,373	6,553	11,011
Total assets	4,822,812	5,073,150	4,744,448
2. LIABILITIES AND SHAREHOLDERS' EQUITY			
Capital and reserves	1,368,935	1,415,121	1,449,756
I. Capital	500,000	500,000	500,000
II. Share premium account	6,610	6,610	6,610
III. Revaluation surplus	91	91	91
IV. Reserves	358,973	446,295	419,413
V. Result carried forward	193,782	298,383	368,999
Vbis. Result for the period	303,720	156,153	146,723
VI. Investments grants	5,759	7,589	7,920
Provisions and deferred taxation			
VII.A. Provisions for liabilities and charges	90,526	86,205	96,967
Creditors	3,363,352	3,571,824	3,197,725
VIII. Amounts payable after more than one year	1,888,000	1,528,750	1,664,000
IX. Amounts payable within one year	1,410,378	1,963,445	1,464,758
X. Accrued charges and deferred income	64,974	79,629	68,967
Total liabilities and shareholders' equity	4,822,812	5,073,150	4,744,448
INCOME STATEMENT			
I. Operating income	2,628,689	4,579,923	4,473,315
II. Operating charges	(2,503,054)	(4,421,003)	(4,313,756)
III. Operating result	125,635	158,920	159,559
IV. Financial income	28,116	115,398	78,640
V. Financial charges	(67,675)	(102,423)	(94,046)
VI. Result on ordinary activities before taxes	86,076	171,896	144,152

	31/12/2010	31/12/2011	(EUR thousand) 31/12/2012
VII. Extraordinary income	219,320	3,212	52,678
VIII. Extraordinary charges	(1,748)	(20,150)	(50,129)
IX. Result for the period before taxes	303,649	154,958	146,701
X. Income taxes	72	1,195	22
XI. Result for the period	303,720	156,153	146,723
XII. Transfer from/to untaxed reserve			
XIII. Result for the period available	303,720	156,153	146,723

	2010	2011	(EUR thousand) 2012
APPROPRIATION ACCOUNT			
A. Profit (loss) to be appropriated	574,122	653,656	600,668
1. Profit (loss) for the financial year	303,720	156,153	146,723
2. Profit (loss) carried forward	270,401	497,503	453,945
C. Appropriation to equity	14,217	(87,322)	26,882
2. To the legal reserve	0	0	0
3. To the reserve for own shares	14,217	(87,322)	26,882
4. To the capital	0	0	0
D. Profit (loss) to be carried forward ⁽¹⁾	497,503	453,945	515,723
2. Profit (loss) to be carried forward	497,503	453,945	515,723
F. Profit to be distributed ⁽¹⁾	(90,836)	(112,389)	(111,827)
1. Dividends			
- ordinary shares	(90,836)	(112,389)	(111,827)

(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 30 April 2013; the gross dividend of EUR 1.00 will not change.

	(EUR thousand)	Number of shares
STATEMENT OF CAPITAL		
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		7,061,498
Bearer		112,938,502
E. Authorized unissued capital	50,000	

	% capital	Number of shares	Notification date
G. Shareholder base ⁽¹⁾			
BlackRock Investment Management	4.96	5,957,971	18/02/2011
Fidelity Management and Research	3.34	4,008,663	13/09/2012
Vanguard Precious Metals and Mining Fund	3.02	3,620,000	07/12/2012
Others	81.92	98,299,878	31/12/2012
Own shares held by Umicore	6.76	8,113,488	31/12/2012
	100.00	120,000,000	
of which free float	100.00	120,000,000	

(1) At 31 December 2012, 3,090,750 options on Umicore shares are still to be exercised. This amount includes 3,090,750 acquisition rights of existing shares held by Umicore.

Management responsibility statement

We hereby certify that, to the best of our knowledge, the Consolidated Financial Statements as of 31 December 2012, 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.

28 March 2013,

Marc Grynberg
Chief Executive Officer

Environmental statements

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Environmental key figures

	unit	notes	2008	2009	2010	2011	2012
Metal emission to water (load)	kg	E2	6,789	5,915	6,495	5,782	5,724
Metal emission to water (impact units)		E2	301,271	442,575	389,676	306,627	249,146
COD (chemical oxygen demand)	kg	E2	323,653	235,266	258,309	252,681	278,131
Metal emission to air (load)	kg	E2	-	11,950	13,582	13,867	16,901
Metal emission to air (impact units)		E2	-	214,650	184,066	129,900	135,346
SO _x emissions	tonne	E2	561	408	468	511	487
NO _x emissions	tonne	E2	415	369	426	412	399
CO ₂ e emissions (scope1+2)	tonne	E3	626,568	529,628	543,807	695,733	701,898
Energy consumption	terajoules	E4	7,843	7,284	7,597	7,807	7,315
Water consumption	thousand m ³	E5	5,220	4,670	4,617	4,567	4,689
Product SD analysis	N°	E6	-	-	-	3	7
Total waste produced	tonne	E7	83,142	54,300	63,993	71,426	69,702
Hazardous waste	tonne	E7	54,405	34,555	38,533	43,588	47,789
of which recycled	%	E7	13.1	6.5	7.7	9.8	7.5
Non hazardous waste	tonne	E7	28,737	19,745	25,460	27,837	21,914
of which recycled	%	E7	70.8	62.3	59.8	64.9	54.7
Measurements exceeding limit	N°	E9	801	618	878	798	926
Compliance excess rate	%	E9	1.3	1.1	1.4	1.4	1.1
Environmental complaints	N°		-	-	-	-	24
Sites ISO 14001 certified	%	E9	79	86	86	92	93
Sites consisting a potential environmental impact on an area of high biodiversity value	N°	E10	-	8	8	11	15

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. Compared to 2011, data of four sites are no longer reported because of plant closure (Cranston, USA and Maintal, Germany, Performance Materials; Foshan, China, Recycling) or cessation of industrial activities at the site (Milano, Italy, Performance Materials). Two sites were added to the reporting scope: Kobe (Japan, Energy Materials) and Yokohama (Japan, Performance Materials). This brings the total number of reporting sites to 65 compared to 67 in 2011. 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. In January, the forecasted values are checked by the site for significant deviations and, if needed, corrected. The four sites with the largest environmental impact for 2012: 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 2012 data on metals emissions to air and energy consumption indicate that the potential deviation of the Group environmental performance would be less than 3% 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 the 2009 levels.

Metal emissions to water are defined as the total amount of metals emitted after treatment to surface water from effluent(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 amount of metals emitted to air in solid fraction by all point sources expressed in kg/year. For mercury and arsenic, additional vapor/fume 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 they are 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).

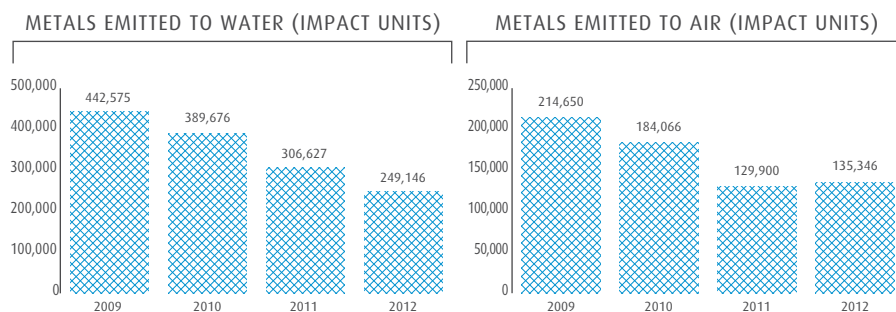
The impact factors for water emissions are based upon scientific data generated ('predicted no effect concentrations' or PNECs) for the REACH regulation. An impact factor of 1 was attributed to the antimony PNEC of 113 µg/l. The impact factors for emissions to air are based upon the occupational exposure 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/m³. Subsequently, an impact factor for all relevant metals was calculated based upon these references.

The metal impact to air and to 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.

Group data

	unit	2008	2009	2010	2011	2012
Metal emission to water (load)	kg	6,789	5,915	6,495	5,782	5,724
Metal emission to air (load)	kg	-	11,950	13,582	13,867	16,901



Metal emissions to water

Metals emissions to water for the Group slightly decreased from 5,782 kg in 2011 to 5,724 kg in 2012. In terms of metal impact, this corresponds to a 19% reduction compared to 2011 and almost 44% compared to the reference year 2009.

While the business group Catalysis reported a significant reduction of metal emissions to water – from 64 kg in 2011 to 29 kg in 2012 – these loads are not a material component of the overall Group emissions to water.

The metal emissions to water from the business group Energy Materials were reduced by some 13% from 927 kg in 2011 to 805 kg in 2012. This was mainly due to lower reported nickel emissions and, to a lesser extent, silver emissions at the site in Olen (Belgium, Energy Materials). The total impact of metal emissions to water from the business group Energy Materials have dropped by 72% compared to the benchmark year 2009.

The business group Performance Materials reduced its metal emissions to water from 1,683 kg in 2011 to 1,444 kg in 2012, a reduction of 14%. For the business group the metal emission impact to water have been reduced by 40% compared to 2009.

Metal emissions to water in the Recycling business group increased by some 11%, from 3,107 kg in 2011 to 3,446 kg in 2012. This was mainly caused by higher selenium and antimony emissions. However, the corresponding impact was reduced by 14% compared to 2011, mainly due to a reduction of thallium, a metal with a high impact factor in the effluents. Compared to the reference year 2009, impact levels decreased by 7%, from 184,097 impact units in 2009 to 170,412 impact units in 2012.

Metal emissions to air

In 2012, the site in Changsha (China, Performance Materials) applied a more complete sampling method to all its point sources. Therefore, in order to ensure comparability, the metal to air emission data reported in the annual reports of 2009 through to 2011 have been recalculated and restated in this report. This recalculation has led to higher reported metal to air loads compared to previously reported values. However, given the low impact factor for zinc, the recalculation only moderately changed the total emitted impact units to air. A sensitivity analysis on the recalculated data shows that the worst case calculation would only lead to a deviation of less than 2% compared to the currently reported impact numbers of metal to air. As we don't have a complete dataset for the year 2008 and comparison can not be established, the load emissions to air for that year are reported as 'not available'.

The total load of metal emissions to air for the Group increased to 16,901 kg from 13,867 kg in 2011. This has led to a slight increase in impact from 129,900 in 2011 to 135,346 impact units in 2012, an increase of 4%. Despite this, compared to the reference year 2009 the impact of metal to air emissions have decreased by 37%. 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 60 kg in 2011 to 6 kg in 2012. This was mainly due to reduced nickel air emissions mainly in the site in Burlington (Canada, Catalysis).

The business group Energy Materials reported a total load of metal emissions to air of 985 kg, down from 1,178 kg in 2011. This represents a decrease of 16%. This decrease is mainly attributed to lower nickel emissions in Olen (Belgium, Energy Materials) and cobalt emissions in Cheonan (Korea, Energy Materials).

The corresponding metal impact decreased by 52% from 66,490 impact units in the reference year 2009 to 31,860 impact units in 2012. This significant reduction has been achieved mainly due to reduced cobalt air emissions at the Cheonan site (Korea, Energy Materials) and Fort Saskatchewan site (Canada, Energy Materials) and nickel emissions at the sites in Olen (Belgium, Energy Materials) and Arab (USA, Energy Materials).

The reported total load of metal emissions to air in the business group Performance Materials rose from 10,229 kg in 2011 to 13,467 kg in 2012, an increase of about 32%. This increase is mainly due to higher zinc emissions to air in Angleur (Belgium, Performance Materials), Eijsden (Netherlands, Performance Materials), Sancoale (India, Performance Materials) in addition to, as mentioned above, the restated numbers for the site in Changsha (China, Performance Materials). Nevertheless, the business group showed a 57% decrease of its impact levels compared to 2009 due to a close to zero emission of cadmium to air at its Glens Falls site (USA, Performance Materials). Despite the increase in total metal load emitted to air, the impact level decreased by 5% compared to 2011 mainly due to a significant reduction of lead to air at the Heusden-Zolder site (Belgium, Performance Materials).

The business group Recycling saw a small increase of metal emissions from 2,400 kg in 2011 to 2,443 kg in 2012 mainly caused by higher emission of arsenic to air. This is also the key reason why the impact of metal emissions to air increased by 16% compared to 2011. However, the impact of metal emissions to air is still down by 20%, from 107,781 impact units in 2009 to 86,123 impact units in 2012.

2012 business group data - other emissions

	unit	Catalysis	Energy Materials	Performance Materials	Recycling	Umicore Group
COD (chemical oxygen demand)	kg	6,585	78,715	9,209	183,621	278,131
SO _x emissions	tonne	1	2	102	383	487
NO _x emissions	tonne	100	86	56	157	399

The total 'chemical oxygen demand' (COD) emissions were 278,131 kg, a slight increase compared to 252,681 kg in 2011. Total SO_x emissions were 487 tonnes compared to 511 tonnes in 2011. NO_x emissions remained stable at 399 tonnes in 2012 compared to 412 tonnes in 2011.

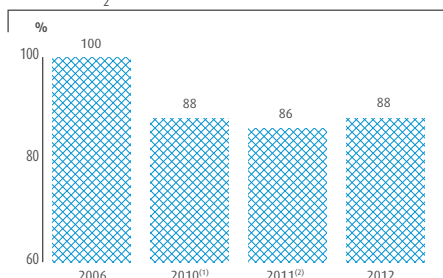
E3 Greenhouse gases

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 CO₂ equivalent emissions compared to the reference year 2006 and using the same scope of activities as 2006.

Group data – in the context of CO₂e emissions objective

	unit	baseline 2006 in relation to 2012	2010	2011	2012
CO ₂ e emissions (scope1+2, objective)	tonne	745,935	597,226 ⁽¹⁾	635,136 ⁽²⁾	655,246

CO₂E REDUCTION PERFORMANCE



Definition of the CO₂e emissions in the context of the CO₂ reduction objective:

The CO₂ equivalent (CO₂e) emissions are defined as the scope 1 emissions of CO₂e including the major process emissions (but limited to CO₂, CH₄ and N₂O) and scope 2 emissions of CO₂. 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: CO₂e (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. 2012) by the 2006 CO₂e 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.

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

(2) Baseline 2006 in relation to 2011 was 740,886, leading to a reduction of 14% in 2011 in comparison to 2006.

Example:

In 2006 site A produced 1,000 tonnes of metal X and emitted 100 tonnes of CO₂e = intensity of 0.1 tonnes CO₂e / tonne of metal X

In 2012 site A produced 1,100 tonnes of metal X and emitted 100 tonnes of CO₂e =intensity of 0.09 tonnes CO₂e / tonne of metal X

The 2006 baseline reported in 2012 is: activity level of 2012 (1,100 tonnes) x 2006 intensity of 0.1 tonne CO₂e / tonne = 110 tonnes CO₂e.

Therefore the measured 100 tonnes emitted in 2012 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 CO₂e emissions that would have been expected with the activity volumes of the reporting year (i.e. 2012) but with the CO₂e 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.

CO₂e emissions objective

CO₂e emissions in 2012 using the objective scope were 655,246 tonnes. CO₂e emissions in 2006 using the objective scope were 673,801 tonnes. For the purpose of assessing progress on our objective this CO₂e emission level normalized for 2012 activity was 745,935 tonnes. By the end of 2012 we have therefore achieved a 12% reduction compared to our 2006 benchmark year. This means that for equivalent production levels we emitted 12% less in carbon equivalent.

This compares to a reduction of 14% that we had achieved by the end of 2011. The reason for the regression in 2012 was almost entirely due to a change in energy mix at companies that provide electricity to our German and Norwegian operations. The move away from nuclear power in Germany and the decision of the Norwegian power providers to sell hydro power to other European countries meant that the carbon footprint of energy purchased by Umicore in these countries was higher. This impact – which is beyond Umicore's direct control – had a negative impact on our scope 2 emission profile. Excluding the activity adjustment that we make as part of our objective we have recorded a 3% reduction in absolute emissions since 2006, compared to a reduction of 6% registered at the end of 2011.

Our focus in the coming years will be to achieve further progress towards our 20% reduction target. In 2012 we concluded our assessment programme at the 25 sites with the highest contribution to our CO₂ emissions to identify further energy efficiency improvements and CO₂ reduction opportunities. Over 100 energy efficiency projects have been identified that have the potential to both reduce energy intensity and reduce costs. Reaching our objective will depend on the realization of a high percentage of these projects as well as the delivery of two initiatives at sites in Belgium and China. The changing energy mix in Europe does present a risk to the delivery of our objective as the move away from lower-carbon sources in some countries has a direct impact on Umicore's scope 2 emissions (see above).

Group data – absolute CO₂e emissions

	unit	2008	2009	2010	2011	2012
Absolute CO ₂ e emissions (scope1+2)	tonne	626,568	529,628	543,262	695,733	701,898

2012 business group data – absolute CO₂e emissions

	unit	Catalysis	Energy Materials	Performance Materials	Recycling	Umicore Group
Absolute CO ₂ e emissions (scope1+2)	tonne	87,135	169,955	158,417	285,879	701,898

Definition of Absolute CO₂e emissions (scope1+2) in the context of GHG reporting scope 1+2:

The absolute CO₂e emission volumes are communicated at Group and at business group level. The CO₂e 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). CO₂e includes the greenhouse gases CO₂, N₂O and CH₄ for scope 1 and major process emissions. Other greenhouse gases are not relevant in Umicore's operations. The scope 2 emissions take only CO₂ into account.

The WBCSD Chemical Sector Working Group on GHG Measurement and Reporting in which Umicore actively contributed, established additional guidance to cope with observed anomalies in GHG reporting. As an active member of this working group, Umicore implemented these guidelines in the 2012 reporting. The publication of the sector guidelines can be found on their website (<http://www.wbcd.org/Pages/EDocument/EDocumentDetails.aspx?ID=15375&NoSearchContextKey=true>).

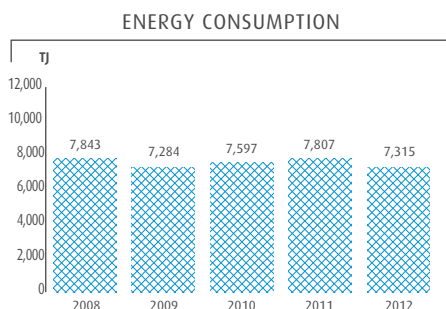
Absolute CO₂e emissions

The absolute greenhouse gas reporting figures of 2012 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 CO₂ factor for electricity has been used as the standard emission factor in cases where in the past "green electricity" had been reported with CO₂ emission factor of 0 tonne CO₂/MWh.

Other minor corrections have been implemented in the 2011 reporting with the aim to establish a clear and stable CO₂e reporting. We have invested in resources to provide 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 CO₂e reporting as a basis for the quantitative CO₂e 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 CO₂e (scope1+2).

The additional modification of the greenhouse gas emission reporting guidelines to take the Chemical Sector Guideline of the WBCSD into account affected the absolute CO₂e emission reporting in 2012. The absolute values are also influenced by the activities of new units such as Kobe, Yokohama and the UHT pilot plant in Hoboken.

E4 Energy**Group data**

The WBCSD Chemical Sector Working Group on GHG Measurement and Reporting, in which Umicore actively contributed, established additional guidance to cope with observed anomalies in GHG reporting. As an active member of this working group, Umicore implemented these guidelines in the 2012 reporting. Publication of the sector guidelines can be found on the WBCSD website.

By following this guideline a discontinuity exists between the 2011 and 2012 figures of energy consumption which makes the comparison of the energy consumption less valuable. The effect is about 300 terajoules occurring in the business group Energy Materials.

Energy efficiency projects have been implemented in the most important sites in line with the sustainable development objective of the period 2006-2010. On top of these sustainable projects, new energy efficiency projects have been identified during the assessments in 2011 and 2012. Minor

2012 business group data

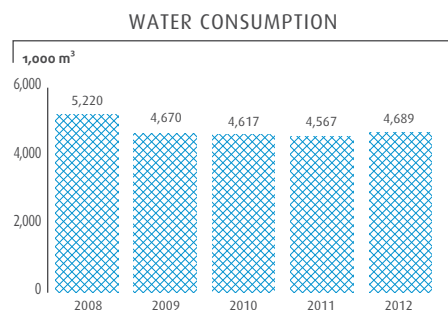
	unit	Catalysis	Energy Materials	Performance Materials	Recycling	Umicore Group
Energy consumption	terajoules	726	2,210	1,841	2,528	7,315

projects with limited investment needs but with limited effect could immediately be implemented. More important projects are still in the engineering phase and will only have an effect once fully implemented.

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 signed up 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 2,592 terajoules. Direct energy consumption by primary energy source (fuel, gas oil, natural gas, LPG, coal and cokes) was 4,721 terajoules.

The energy consumption in the reporting year 2012 in Catalysis is minus 6.5%, in Performance materials minus 6% and in Recycling minus 2% compared to 2011. The comparison in Energy Materials cannot be made due to the application of the new reporting methodology (see above).

E5 Water consumption**Group data**

Water consumption is defined as the total volume of water expressed in thousand m³/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 increased slightly, from 4,567 thousand m³ in 2011 to 4,689 thousand m³ in 2012. For the different business groups no significant trends could be noted.

2012 business group data

	unit	Catalysis	Energy Materials	Performance Materials	Recycling	Umicore Group
Water consumption	thousand m ³	720	1,706	710	1,553	4,689

E6 Product and materials**Group data**

	unit	2008	2009	2010	2011	2012
Product SD analysis	N°	-	-	-	3	7

Over the last three 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 cases to the study. This will provide us with a sustainability profile for a representative portion of our activities.

In 2012 seven cases were assessed in the business units Technical Materials (2 cases), Automotive Catalysts, Precious Metals Chemistry, Thin Film Products, Building Products and Precious Metals Refining.

The ten cases assessed in 2011 and 2012 comprise products and services deployed in niche markets, 'flagship' products and services as well as a product under development. By the end of 2012 the number of products and services screened using the tool amounted to the equivalent of close to 10% of Umicore's revenues.

Umicore has submitted 114 registrations for 100 different substances to the European Chemicals Agency (ECHA) covering 13 European legal entities. The files were either jointly prepared with other companies acting in consortia or by Umicore alone. All costs associated with REACH compliance, including the cost of registration, are covered under normal operating expenditures.

We monitor closely all changes in interpretation as well as guidance documents which might affect our REACH implementation strategy. We are actively involved in industry association working groups to make sure a consistent approach is followed and that the metal specifics are understood by the regulators and the companies.

Following the revised Guidance on Intermediates published by ECHA in 2010, Umicore re-assessed its intermediates against the more stringent "Strictly Controlled Conditions" interpretation and has put an action plan in place to upgrade some 30 dossiers to full dossiers using the methodologies and agreements developed and proposed to ECHA by the metals industry. Due to new insights, 22 of the previously submitted registrations were considered redundant and have been deactivated accordingly. Several registrations were updated in 2012 based on newly available data. Further progress was made with various consortia with regards to registrations due in 2013 and 2018.

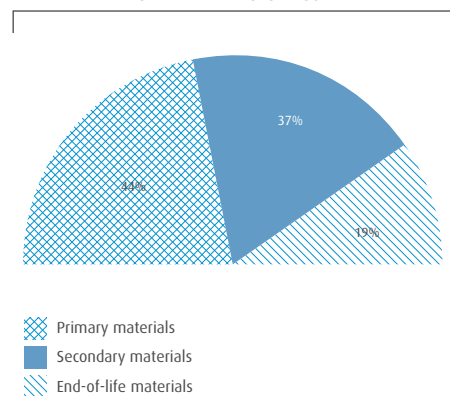
During the period 2006-2010, Umicore had formulated an objective to develop a set of toxicological, ecotoxicological and physico-chemical data required for basic hazard communication such as safety data sheets. However, the implementation of this objective has been substantially influenced by the timelines 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 2012 to reach the set target.

In 2012 we were able to align this process with the on-going work on REACH registration. 959 datasets are required for substances falling within the scope of this objective. At the end of 2012, for 40% of these substances, a complete data set was available. Datasets were actively being developed for 60% under the on-going REACH planning. Some of these are scheduled to be completed in 2013 but the majority will only be finalized by 2018.

By the end of 2012, a total of 4,200 products had been integrated in IPDS, Umicore's Integrated Product Data System, resulting in some 270,000 Safety Data Sheets, covering 111 countries and 41 languages.

Resource efficiency

INPUT MATERIALS UMICORE



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 2012, 44% of Umicore's incoming materials were of primary origin. 56% of the materials were from recycling or secondary origin. These levels are comparable to 2011.

E7 Waste

Group data



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 2012, a total of 69,702 tonnes of waste were generated compared to 71,426 tonnes in 2011, a decrease of 2.5%.

2012 business group data

	unit	Catalysis	Energy Materials	Performance Materials	Recycling	Umicore Group
Total waste produced	tonne	2,652	26,611	11,256	29,182	69,702
Hazardous waste	tonne	1,206	17,876	5,923	22,784	47,789
of which recycled	%	8.95	0.84	40.93	4.01	7.52
Non hazardous waste	tonne	1,446	8,735	5,334	6,399	21,914
of which recycled	%	48.88	13.29	77.82	93.15	54.66

The total volume of hazardous waste rose from 43,588 tonnes in 2011 to 47,789 tonnes in 2012, an increase of 9.6%. This increase is due to a higher hazardous waste volume in the business group Recycling, with increased volumes of poor waste water treatment cakes and calcium arsenite residues from the lead refinery. In addition, the business group Performance Materials reported higher volumes of zinc-containing sintels at its site in Eijsden (Netherlands) while the Olen site (Belgium, Energy Materials) generated larger volumes of liquid waste for external treatment. The recycling rate of hazardous waste decreased from 9.8% in 2011 to 7.5% in 2012.

The total volume of non-hazardous waste decreased from 27,837 tonnes in 2011 to 21,914 tonnes in 2012. A total of 55% of non-hazardous waste was recycled in 2012 compared to 65% in 2011.

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 2012.

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 300m was laid down alongside the river Schelde to prevent infiltration of contaminated groundwater. The remnants, including contamination impact, of a former gas work, were removed by the authorities in the area where the Hoboken plant is planning the construction of a new waste water treatment facility.

In Olen, the on-site groundwater remediation programme continued in 2012. During a further soil investigation, following the remediation of the Bankloop brook, a small contamination spot was identified on the play ground of the nearby school. The spot was removed during the school holidays in order to mi-

nimise any disturbance. Together with the authorities (FANC and NIRAS/ONDRAF) Umicore has elaborated a vision document that would lay down the fundamentals for the development, approval and implementation 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, Umicore started the large-scale remediation programme that will be executed between 2011 and 2016. 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 2012, 390,500 m³ of contaminated soil and waste had been removed and treated. The project was visited by several groups in 2012 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. All information regarding locations of old shafts and tunnels, have now been georeferenced and put in a GIS-system.

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.

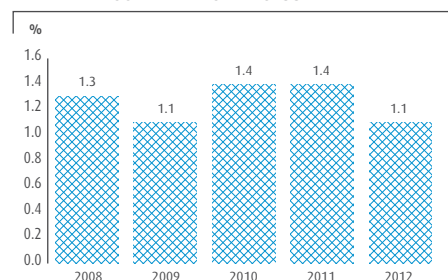
Brazil

During the environmental risk assessment, which is performed on each of Umicore's industrial sites, groundwater pollution had been detected in Guarulhos, Brazil. 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. In 2012, it was decided to tackle the groundwater contamination hot spots, in order to speed up the clean-up. To that end, pilot tests are performed, before going to full scale operations. Further, Umicore is assessing the impact the historical pollution might have had to areas outside the operational plant.

E9 Regulatory compliance and management system

Group data

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.

2012 business group data

	unit	Catalysis	Energy Materials	Performance Materials	Recycling	Umicore Group
Measurements exceeding limit	N°	67	13	811	35	926
Compliance excess rate	%	0.17	0.16	2.86	0.31	1.06

In 2012, around 87,000 environmental measurements were carried out at all of Umicore's industrial sites compared to some 58,500 the year before. This increase is mainly due to enhanced environmental permit requirements at the sites in Larvik (Norway, Performance Materials) and Rheinfelden (Germany, Catalysis). 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 down to 1.1% compared to 1.4% in 2011. No significant trends could be observed for the different business groups.

Six out of the 65 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 59 remaining sites, 55 sites have put in place an environmental management system certified against ISO 14001. The remaining 4 sites are planning the implementation of an environmental management system in 2013. All major sites with significant environmental impacts have been certified against the ISO 14001 management system for many years.

In total, 24 environmental complaints were received. These were mainly related to noise and odour. Twenty-two of the complaint files have already been closed.

E10 Biodiversity

Group data

	unit	2008	2009	2010	2011	2012
Sites consisting a potential environmental impact on an area of high biodiversity value	N°	-	9	9	11	15

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).

Fifteen 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

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Social key figures

	unit	notes	2008	2009	2010	2011	2012
Total workforce (incl. associates)	N°	S2	15,450	13,728	14,386	14,572	14,438
Temporary contracts	% of total workforce (fully consolidated)	S2	4.60	3.83	4.01	4.77	4.21
Average training hours per employee	hours/employee	S3	51.21	44.05	43.30	51.94	50.72
Employees having a yearly appraisal	% of total workforce (fully consolidated)	S3	-	-	-	87.16	91.80
Voluntary leavers - ratio	% of total workforce (fully consolidated)	S4	3.56	2.59	3.78	3.84	3.20
Employees working in a site that has received an external recognition as preferred employer	% of total workforce (fully consolidated)	S4	-	-	-	52.64	68.31
Total donations	€ thousand	S5	1,451.46	1,106.48	1,009.38	1,751.02	1,759.18
Sites having an external communications plan	% sites	S5	-	-	-	59.70	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	70.80
Sickness rate	%	S9	2.71	2.64	2.86	3.03	2.69
Exposure ratio 'all biomarkers aggregated' ⁽¹⁾	%	S10	-	-	-	5.2	4.3
Number of occupational linked diseases	N°	S10	-	-	-	22	20
People with platinum sensitisation	N°	S10	-	-	-	4	6
Fatal accidents	N°	S11	0	0	0	0	0
Lost Time Accidents (LTA)	N°	S11	87	48	56	60	49
Lost Time Accidents (LTA) for sub-contractors	N°	S11	40	26	20	17	33
LTA frequency rate	LTA/million hours worked	S11	5.3	3.1	3.5	3.6	2.9
LTA severity rate	lost days/thousand hours worked	S11	0.17	0.08	0.13	0.11	0.11

(1) Ratio between the number of monitoring results exceeding the Umicore target value, defined for relevant hazardous substances, and the total number of monitoring results.

Notes to the social key figures

S1 Scope of social statements

In total, 99 consolidated sites are included in the social reporting. The sites of Himeiji and Tokyo (Japan, Catalysis) were added as a consequence of the 60% stake which Umicore took in the joint venture Umicore Shokubai. These two sites only reported headcount data in the last quarter, no other social indicators were reported for those two sites in 2012. The site of Maintal (Germany, Performance Materials) was closed, while the employees of Warwick (RI, USA) were transferred to the nearby site of Attleboro (MA, USA). The Foshan site (China, Recycling) was closed in 2012, but since some headcount was still reported end of December, the site is still included in the social reporting.

30 small sites (sites with less than 20 employees) were exempt 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 review between pages 12 and 37 and in the business group review between pages 38 and 67 of this report. Additional information on Umicore's social management approach can be found on our web-site: www.umicore.com/sustainability/social/

S2 Workforce

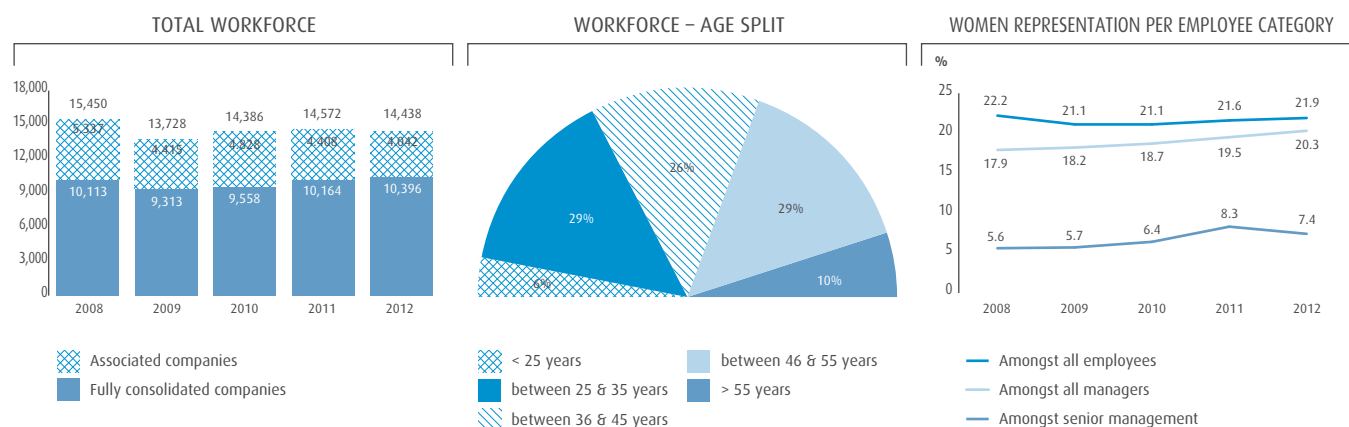
Group data

	unit	2008	2009	2010	2011	2012
Total workforce (incl. associates)	N°	15,450	13,728	14,386	14,572	14,438
Workforce from fully consolidated companies	N°	10,113	9,313	9,558	10,164	10,396
Workforce from associated companies	N°	5,337	4,415	4,828	4,408	4,042
Employees men	N°	7,866	7,353	7,546	7,972	8,121
Employees women	N°	2,247	1,960	2,012	2,192	2,275
Employees full time	N°	-	-	-	9,494	9,699
Employees part time	N°	-	-	-	670	697
Employees <25 years	N°	-	-	-	718	675
Employees between 25 and 35 years	N°	-	-	-	2,796	2,968
Employees between 36 and 45 years	N°	-	-	-	2,749	2,753
Employees between 46 and 55 years	N°	-	-	-	2,951	2,982
Employees > 55 years	N°	-	-	-	950	1,018
Temporary contracts	% of workforce (fully consolidated)	4.60	3.83	4.01	4.77	4.21

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.



2012 regional data

	unit	Europe	North America	South America	Asia-Pacific	Africa	Umicore Group
Total workforce	N°	7,690	910	1,118	3,203	1,517	14,438
Workforce from fully consolidated companies	N°	6,732	884	697	1,742	341	10,396
Workforce from associated companies	N°	958	26	421	1,461	1,176	4,042
Employees men	N°	5,400	695	514	1,297	215	8,121
Employees women	N°	1,332	189	183	445	126	2,275
Employees full time	N°	6,055	875	697	1,731	341	9,699
Employees part time	N°	677	9	0	11	0	697
Temporary contracts	% of workforce (fully consolidated)	5.24	1.70	0.57	2.81	4.99	4.21

2012 business group data

	unit	Catalysis	Energy Materials	Performance Materials	Recycling	Corporate	Umicore Group
Total workforce	N°	2,281	2,933	5,629	2,394	1,201	14,438
Workforce from fully consolidated companies	N°	2,120	1,876	2,854	2,394	1,152	10,396
Workforce from associated companies	N°	161	1,057	2,775	0	49	4,042
Employees men	N°	1,638	1,573	2,232	1,979	699	8,121
Employees women	N°	482	303	622	415	453	2,275
Employees full time	N°	2,029	1,752	2,687	2,213	1,018	9,699
Employees part time	N°	91	124	167	181	134	697
Temporary contracts	% of workforce (fully consolidated)	6.98	1.71	3.85	5.01	2.43	4.21

Total workforce

The total workforce decreased by 134 employees to a total of 14,438. For the fully consolidated companies, the workforce increased by 232 people to 10,396, including the consolidation effect from the Umicore Shokubai joint venture (Catalysis). This growth comes mostly from the business groups Catalysis (177), Recycling (65) and Energy Materials (49). An increase in headcount in those businesses with significant growth investments more than offset the reductions that were made in other areas. Amongst the associated companies there was a decrease of 366 employees as a result of production realignments.

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 Belgium – Northern Europe and North America having a lower percentage of women employees compared to the rest of the world.

Temporary contracts

Temporary contracts as a percentage of the workforce of fully consolidated companies decreased slightly to 4.21% in 2012. Especially during the second half of the year a significant number of temporary contracts were not renewed in the context of the more challenging economic environment and its impact on production requirements.

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 2012. Following a period of gradual increases, the percentage of women in senior management decreased slightly in 2012.

General overview of sites and employees

	Productions sites	Other sites	Employees
Europe			
Austria	1		143
Belgium	8 (1)	3 (2)	3,180 (82)
Czech Republic		1	4
Denmark		1	14
France	5	2	804
Germany	7 (2)	3 (2)	2,468 (385)
Hungary		1	5
Ireland	1 (1)		238 (238)
Italy	1	3 (1)	79 (10)
Liechtenstein	1		111
Luxemburg		2 (1)	9 (1)
Netherlands	2		128
Norway	1		60
Poland		1	10
Portugal		1	16
Russia		1	7
Slovakia	1		35
Spain		2 (1)	17 (4)
Sweden	2 (1)	1	186 (145)
Switzerland	1	3 (1)	32 (1)
United Kingdom	1	7 (4)	144 (92)
Asia-Pacific			
Australia	1	2	57
China	11 (4)	7 (2)	2,158 (1,285)
India	1	2	80
Japan	4	3 (1)	211 (11)
Malaysia	1		60
Philippines	1		82
South Korea	2 (1)	1	423 (161)
Taiwan	1	1	25
Thailand	1	1	103
United Arab Emirates		1 (1)	4 (4)
North America			
Canada	3		233
United States	8 (2)	4	677 (26)
South America			
Argentina	1		43
Brazil	3	1 (1)	655 (1)
Peru	1 (1)		420 (420)
Africa			
South Africa	3 (1)	1	1,517 (1,176)
Total	74 (14)	56 (17)	14,438 (4,042)

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

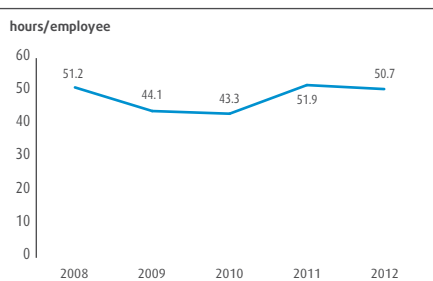


Group data

	unit	2008	2009	2010	2011	2012
Sites having a development plan in place for people development	% of total sites	-	-	-	59.60	70.10
Employees having a yearly appraisal	% of workforce (fully consolidated)	-	-	-	87.16	91.80
Average number of training hours per employee	hours/employee	51.21	44.05	43.30	51.94	50.72
Average number of training hours per employee – Men	hours/employee	-	-	-	53.20	51.75
Average number of training hours per employee – Women	hours/employee	-	-	-	47.37	46.04
Average number of training hours per employee – Managers	hours/employee	-	-	-	61.84	64.15
Average number of training hours per employee – Other employee categories	hours/employee	-	-	-	48.55	45.57

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.

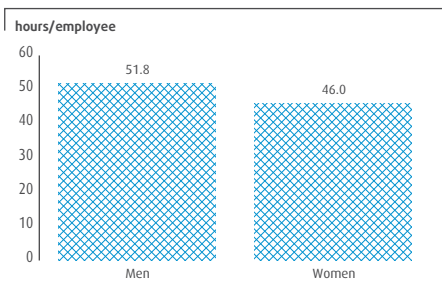
AVERAGE NUMBER OF TRAINING HOURS PER EMPLOYEE



AVERAGE NUMBER OF TRAINING HOURS PER EMPLOYEE CATEGORY



AVERAGE NUMBER OF TRAINING HOURS PER EMPLOYEE - GENDER SPLIT



2012 regional data

	unit	Europe	North America	South America	Asia-Pacific	Africa	Umicore Group
Average number of training hours per employee	hours/employee	46.56	37.75	76.29	60.27	65.41	50.72
Employees having a yearly appraisal	% of workforce (fully consolidated)	93.58	87.33	100.00	81.74	100.00	91.80

2012 business group data

	unit	Catalysis	Energy Materials	Performance Materials	Recycling	Corporate	Umicore Group
Average number of training hours per employee	hours/employee	72.92	47.29	40.18	52.29	40.03	50.72
Employees having a yearly appraisal	% of workforce (fully consolidated)	87.73	91.79	90.50	96.07	93.32	91.80

Training hours

In 2012, the average training hours per employee reached 50.72 hours. This was slightly below the levels of 2011, which was particularly high, partly due to induction and on-boarding training at new sites in Asia.

Data shows that managers receive a higher number of training hours (64.15 hours) compared to other employees (45.57 hours). In 2012 the launch of a global Learning Management System was prepared. The system is called My Campus, and went live in January 2013 for all managers worldwide and other employees in Belgium and Germany. Further roll-out will be done in 2013 and the coming years to gradually reach all employees. The higher training intensity for men (51.75 hours) compared to women (46.04 hours) can be linked to the observation that men have a higher representation in today's management population.

Yearly appraisal

This indicator was reported for the first time last year. In 2012 nearly 92% 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 are being implemented to reach 100% coverage by 2015.

S4 Preferred employer

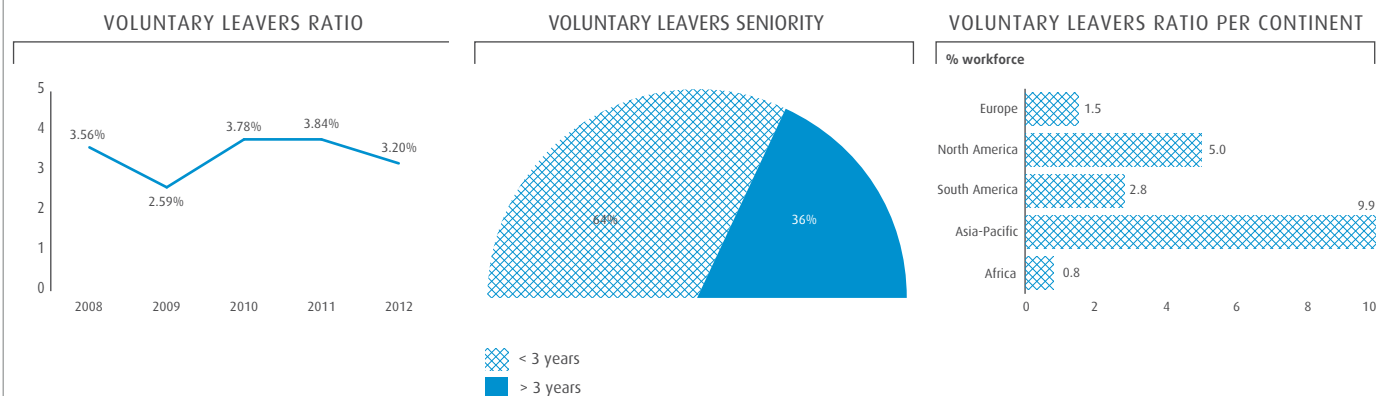


Group data

	unit	2008	2009	2010	2011	2012
Sites having a plan regarding preferred employer in place	% of total sites	-	-	-	70.15	76.12
Voluntary leavers ratio	% of workforce (fully consolidated)	3.56	2.59	3.78	3.84	3.20
Voluntary leavers men	N°	-	-	-	287	251
Voluntary leavers women	N°	-	-	-	96	81
Voluntary leavers seniority < 3 year	N°	-	-	-	222	214
Voluntary leavers seniority > 3 year	N°	-	-	-	161	118
Employees working in a site that has received an external recognition as preferred employer	% of workforce (fully consolidated)	-	-	-	52.64	68.31
External recognitions related to preferred employer	N°	-	-	-	18	31

Voluntary leavers: Number of employees leaving the company of 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.



2012 regional data

	unit	Europe	North America	South America	Asia-Pacific	Africa	Umicore Group
Voluntary leavers ratio	% of workforce (fully consolidated)	1.51	4.96	2.81	9.89	0.79	3.20

2012 business group data

	unit	Catalysis	Energy Materials	Performance Materials	Recycling	Corporate	Umicore Group
Voluntary leavers ratio	% of workforce (fully consolidated)	2.78	6.31	2.83	1.92	2.44	3.20

Voluntary leavers

In the last five years, the percentage of voluntary leavers has fluctuated between 2.6 and 3.8. The 3.20 percentage for 2012 is in line with this trend. As was the case in previous years, significant regional differences can be observed with Asia Pacific reporting the highest turnover rate (10%) and Africa (0.8%) and Europe (1.5%) the lowest. 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 – gender and seniority

24.4% 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. 64.5% of the voluntary leavers in 2012 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, France and the main sites in Germany 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. In total 68.31% of the employees work at a site that received formal external recognition in 2012.

People survey results

A global People Survey is carried out on a regular basis. The previous survey was held in 2010 with the next survey scheduled for 2014. In 2012 all major sites continued to implement the action plans related to the feedback of the 2010 survey, with the goal of further improving the engagement and well-being of the employees.

S5 Accountability to local community

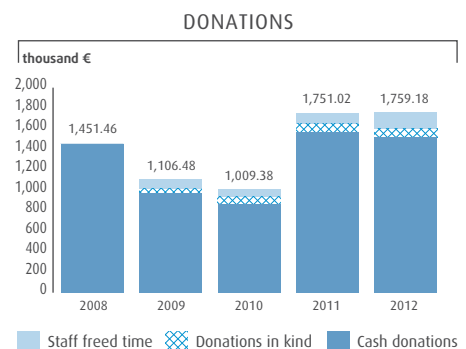


Group data

	unit	2008	2009	2010	2011	2012
Sites having a plan regarding accountability to local community	% of total sites	-	-	-	57.58	60.82
Total donations	€ thousand	1,451.46	1,106.48	1,009.38	1,751.02	1,759.18
Cash donations	€ thousand	-	966.61	865.34	1,568.80	1,514.60
Donations in kind	€ thousand	-	89.10	73.59	104.97	159.98
Staff freed time	€ thousand	-	50.78	70.46	77.24	84.60
Sites having an external communication plan in place	% of total sites	-	-	-	59.70	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.



2012 regional data

	unit	Europe	North America	South America	Asia-Pacific	Africa	Umicore Group
Total donations	€ thousand	1,487.49	97.62	65.30	86.68	22.08	1,759.18

2012 business group data

	unit	Catalysis	Energy Materials	Performance Materials	Recycling	Corporate	Umicore Group
Total donations	€ thousand	151.02	163.89	171.46	530.49	742.32	1,759.18

Donations

In 2012, Umicore contributed a total of EUR 1,759 thousand in donations. For the business units the total amount of EUR 1,017 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 742 thousand.

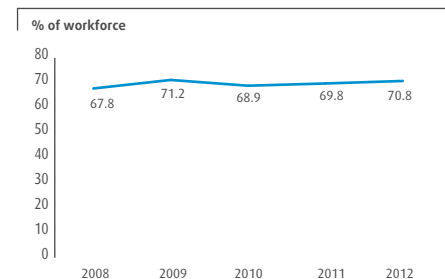
Most of the donations of the units go to charity events close to their sites, in support of the local community. However, some business unit headquarters also support charity projects on other continents. At Group level the donations supervised by the Donations Committee have a global reach. The main areas for Group level donations in 2012 included support for two major UNICEF educational projects in Haiti and in India, three projects co-ordinated by Entrepreneurs for Entrepreneurs and support for student sustainable mobility projects.

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.

S6 Employee relations**Group data**

	unit	2008	2009	2010	2011	2012
Employees represented by union or Collective Labour Agreement (CLA)	% of workforce (fully consolidated)	67.81	71.15	68.92	69.81	70.80

EMPLOYEES REPRESENTED BY UNION OR CLA

2012 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)	87.36	8.94	94.84	30.08	63.05	70.80

2012 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)	62.69	49.68	75.89	89.52	68.58	70.80

Union and Collective Labour Agreement

In total, 70.8% 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 2007, Umicore signed a Sustainable Development Agreement with the International union IndustriALL, which was renewed in 2011 for a 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, in 2012 the site of Tulsa (US) was visited by the monitoring committee with representatives both from the international union 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 2012 a total of 26 cases were reported, involving a total of 29 employees. The type of action taken varies from a warning letter to dismissal.

S8 Sustainable procurement**2012 business group data**

	unit	Direct and indirect procurement				Indirect procurement
		Catalysis	Energy Materials	Performance Materials	Recycling	Corporate ⁽²⁾
Suppliers ⁽¹⁾ that have agreed on the Sustainable Procurement Charter	% suppliers	26	9	38	76	83

(1) From those suppliers to whom Umicore has sent the Sustainable Procurement Charter (only to key suppliers of each business unit)

(2) Corporate includes Procurement & Transportation department and UMS Taiwan

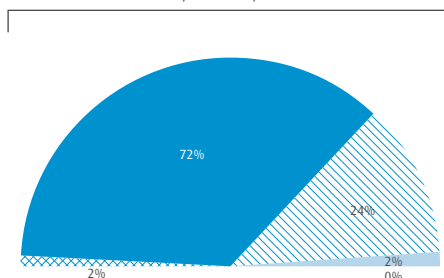
Scope for adherence to the charter: Indicator includes key suppliers from the indirect procurement activities of Umicore's Procurement & Transportation department and more specifically the procurement centres in Belgium, Germany, France and Brazil. Indicator includes key suppliers from the procurement activities by the business units for direct procurement and indirect procurement if the indirect procurement is realized by the business units themselves.

Scope for companies assessed by Ecovadis: The indicator for Belgium, France and Germany comprises 132 suppliers selected from the 577 suppliers that were invited to adhere to the Sustainable Procurement Charter. The indicator for Brazil comprises 62 suppliers from the 65 suppliers 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, France and Brazil and are primarily related to indirect procurement.

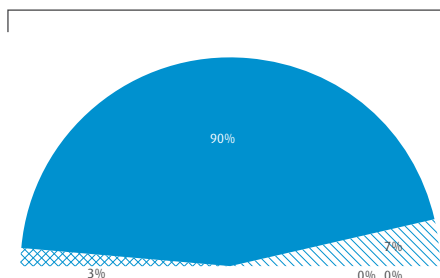
Direct procurement: The purchase of goods and services by the business units and sites, such as raw materials and services such as insurance, business development, legal and financial.

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.

SUPPLIERS' SCORE IN ECOVADIS ASSESSMENT
BELGIUM, FRANCE, GERMANY



SUPPLIERS' SCORE IN ECOVADIS ASSESSMENT - BRAZIL



- Level 1-2: high sustainability risk
- Level 3-4: some basic steps have been made on sustainability issues
- Level 5-6: appropriate sustainability management system
- Level 7-8: advanced practices on sustainability
- Level 9-10: outstanding sustainability management systems

- Level 1-2: high sustainability risk
- Level 3-4: some basic steps have been made on sustainability issues
- Level 5-6: appropriate sustainability management system
- Level 7-8: advanced practices on sustainability
- Level 9-10: outstanding sustainability management systems

Average score of assessed suppliers by topic – 2012 Corporate Data

	Corporate
Environmental	4.2
Labor practices	3.8
Fair business practices	3.5
Suppliers	3.3
Overall	3.8

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. The web-based learning module was due to be migrated to the new My Campus platform. No training was conducted in 2012 as it was deemed more effective to start a new wave of training in 2013 after this migration had taken place.

Sustainable Procurement Charter

In the course of 2012 our regional procurement centres in Belgium, France, Germany and Brazil made an updated 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). Several business units and Chinese sites also defined their “key suppliers” and asked the selected suppliers to acknowledge the principles of the charter.

The companies selected by the regional procurement centres included mainly suppliers of goods and services and some suppliers of raw materials (eg. metals). In total 642 suppliers were selected. By the end of 2012, 83% of these 642 suppliers had formally acknowledged their adherence to the terms of the charter. The four business groups, including the Chinese sites, selected 156 suppliers, of which 34% had formally acknowledged their adherence to the charter terms by the end of 2012. The lower supplier acknowledgement rate in the business units compared to the regional procurement centres is due to the regional procurement centres having started the deployment process one year earlier as part of the initial implementation phase for the charter.

Assessment of suppliers

Umicore asked Ecovadis to assess the sustainability performance of 194 of its suppliers (see above for selection criteria) from the regional procurement centres in Belgium, France, Germany and Brazil. 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. 46 suppliers did not respond to the questionnaire. Of the 148 received score cards, 114 companies had a score of 3 or 4, meaning that they have taken basic steps on sustainability issues. Only 3 companies had a score equal to or below 2, representing a high risk regarding sustainability issues. 31 companies scored, overall, higher than 4, meaning that they have "an appropriate sustainability management system". As to the average score in each category, the suppliers attained the highest average score in environment, while scoring the lowest in promoting sustainability in their own supply chain.

The business units continued the process of identifying their key suppliers in 2012 with some units having proceeded to the assessment phase, either using Ecovadis or another methodology. Please see the management review of the report for more information.

Improvement plans

All score cards were evaluated with reference to the 4 sustainability principles from the Sustainable Procurement Charter and a set of minimum requirements. In the course of 2012 a pilot program was launched with 15 low-scoring suppliers to develop an action plan for improvement. Suppliers proved to be open to discuss sustainability with Umicore and several suppliers defined specific actions to improve their sustainability performance. During the feedback sessions, as in 2011, we determined that one reason for low scoring was a lack of documentation to support claims made in the assessment. By mid-2012 the pilot program was expanded to include more suppliers of every regional procurement centre. Every regional procurement centre will take steps in 2013 to engage with the selected suppliers.

Some business units had reached the stage of dialogue with suppliers based on a sustainability assessment. Please see the management review of the report for more information.

More information on Umicore's relationship with suppliers can be found in the Stakeholder Engagement section in the Corporate governance statements on page 190 and in the management review between pages 33 and 35.

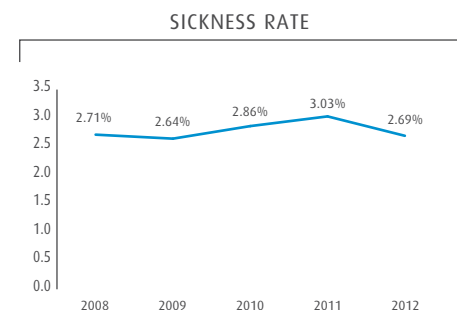
S9 Employees' health

Group data

	unit	2008	2009	2010	2011	2012
Sickness rate	%	2.71	2.64	2.86	3.03	2.69

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.



2012 regional data

	unit	Europe	North America	South America	Asia-Pacific	Africa	Umicore Group
Sickness rate	%	3.34	1.66	1.64	0.94	3.13	2.69

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 Paulo, Brazil. In 2012 the global sickness rate is 2.69%. We observe regional variations with a higher sickness rate in Europe and a lower sickness rate in Asia-Pacific.

S10 Occupational health



All consolidated manufacturing sites where Umicore has operational control and the two main office buildings are included in the scope of the occupational health reporting. Compared to 2011, data of four sites are not reported anymore because of plant closure (Cranston, USA and Maintal, Germany, Performance Materials; Foshan, China, Recycling) or cessation of industrial activities at the site (Milano, Italy, Performance Materials). Two sites were added to the reporting scope: Kobe (Japan, Energy Materials) and Yokohama (Japan, Performance Materials). This brings the total number of reporting sites to 64 compared to 67 last year.

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 web-site www.umicore.com/sustainability/social/

Group data

	unit	2008	2009	2010	2011	2012
Exposure ratio 'all biomarkers aggregated' ⁽¹⁾	%	-	-	-	5.2	4.3
Exposure ratio lead (blood) ⁽²⁾	%	-	-	-	1.4	0.5
Exposure ratio arsenic (urine) ⁽²⁾	%	-	-	-	2.2	1.4
Exposure ratio cobalt (urine) ⁽²⁾	%	-	-	-	22.1	14.4
Exposure ratio cadmium(blood) ⁽²⁾	%	-	-	-	0.8	1.7
Exposure ratio cadmium (urine) ⁽²⁾	%	-	-	-	1.5	3.0
Exposure ratio nickel (urine) ⁽²⁾	%	-	-	-	6	7
People with platinum salts sensitisation	N°	-	-	-	4	6
People with noise induced hearing loss	N°	-	-	-	9	4
People with contact dermatitis	N°	-	-	-	2	2
People with occupational asthma other than Pt-salts	N°	-	-	-	0	1
People with muskulo-skeletal ailments	N°	-	-	-	11	7

(1) Ratio between the number of monitoring results exceeding the Umicore target value, defined for relevant hazardous substances, and the total number of monitoring results.

(2) The exposure ratio of a specific metal is defined as the ratio between the number of employees with a biological monitoring result exceeding the Umicore target value for that specific metal and the total number of employees exposed to that metal. The Umicore target values are inspired by the biological exposure indices of the American Conference of Governmental Industrial Hygienists (ref. 2011) and are always stricter than the existing legally imposed limits.

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 100 ml 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 sensitisation.

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 2012, a total of 4,511 biological samples were taken from employees with an occupational exposure to at least one of the metals mentioned above (platinum salts excluded). 195 readings showed a result in excess of the internal target value. This brings the total excess rate to 4.3%, down from 5.2% in 2011. 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, 8 of the 1,515 occupationally exposed employees exceeded the target value of 30µg/100ml bringing the excess rate for lead exposure to 0.5%, down from 1.4% in 2011.

The majority of the excess readings were at the business group Recycling and were due to higher body burdens as a result of past exposures in the Hoboken site (Belgium, Recycling).

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, 830 employees are occupationally exposed to arsenic of which 12 had an excess reading during 2012. This brings the excess rate for arsenic to 1.4% compared to 2.2% in 2011.

Four excess readings were recorded in Olen (Belgium, Energy Materials) among employees of the arsenic production facility while the site in Hoboken (Belgium, Recycling) counted 8 employees with a reading exceeding the target value.

Cobalt

In total, 695 employees are occupationally exposed to cobalt, mainly in the business group Energy Materials and to a lesser extent in the business groups Recycling and Performance Materials. The number of employees exceeding the target value was 100 bringing the excess rate to 14.4%, significantly lower compared to the excess rate of 22.1% in 2011.

All the excess readings were recorded in the business units Cobalt & Specialty Materials and Rechargeable Battery Materials. These business units have 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 units are developing action plans to achieve a significant reduction of the cobalt exposure in the coming years.

Cadmium

Occupational exposure to cadmium represents a potential health risk in the business groups Performance Materials and Recycling.

Cadmium in urine is an excellent biomarker for lifetime exposure while cadmium in blood correlates to more recent occupational exposure.

In 2012, a total of 702 employees had an occupational exposure to cadmium.

21 employees recorded a cadmium in urine reading in excess of the target value resulting in an excess rate of 3.0% compared to 1.5% in 2011.

In the business group Performance Materials, 6 employees exceeded the internal target value for cadmium in urine. All these employees were employed in the business unit Technical Materials.

In the business group Recycling, 15 of the exposed employees exceeded the target values for cadmium in urine of which 9 in Hoboken (Belgium), mainly in the sampling and smelter department. Six excess readings were recorded in Amsterdam (Netherlands).

Additional technical measures are being implemented to further decrease 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. At the site in Vicenza (Italy, Performance Materials), cadmium is no longer used in the process.

Twelve employees exceeded the target value for cadmium in blood resulting in an excess rate of 1.7%.

Nickel

The business groups Energy Materials, Performance Materials and Recycling have occupational exposure to nickel. In 2012, a total of 769 employees were exposed to nickel of which 54 exceeded the internal target level. This resulted in an excess rate of 7.0% compared to 6.0% in 2011.

Most excess readings occurred in the site in Subic (Philippines, Energy Materials). An action plan is being implemented to further improve the working conditions at the the nickel oxide and acetate production lines.

Platinum salts

The business groups Catalysis and Recycling have workplaces with exposure to platinum salts.

In 2012, 6 employees were newly diagnosed with a platinum salt sensitisation. Two of these employees were employed in the business group Catalysis, the four others in the business group Recycling. These employees were moved to a workplace with no platinum salt exposure or provided with workplace equipment that offers an even higher level of protection. All workers exposed to platinum salts are monitored through an occupational health programme and regularly screened on allergy. Further industrial hygiene sampling will be conducted to better characterize exposure and identify measures to eliminate exposure.

Other occupational diseases

In 2012, a total of 4 employees were diagnosed with industrial noise-induced hearing loss. Two employees developed a contact dermatitis and 7 developed a musculo-skeletal disorder due to their occupation. One employee developed a bronchitis through ammonia inhalation. All people concerned are followed by an occupational health physician and measures were taken to prevent further deterioration of their conditions.

S11 Occupational safety



In total, 74 consolidated sites are included in the occupational safety reporting. Compared to 2011, 2 sites (Cranston, USA, Performance Materials; Maintal, Germany, Performance Materials) are not included anymore in the safety reporting because of stopped activities while 1 new site was added (Suzhou, China, Catalysis). Additional information on Umicore's management approach on safety can be found on the website www.umicore.com/sustainability/social/.

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	2008	2009	2010	2011	2012
Fatal accidents	N°	0	0	0	0	0
Fatal accidents sub-contractors	N°	0	0	0	0	0
Lost Time Accidents (LTA)	N°	87	48	56	60	49
Lost Time Accidents (LTA) sub-contractors	N°	40	26	20	17	33
LTA frequency rate		5.3	3.1	3.5	3.6	2.9
LTA frequency rate sub-contractors		14.58	11.08	7.91	5.50	10.06
Calendar days lost	N°	2,840	1,280	2,090	1,771	1,897
LTA severity rate		0.17	0.08	0.13	0.11	0.11
Recordable Injuries (RI)	N°	371	352	210	221	160
Recordable Injuries frequency rate		22.7	22.9	13.3	13.3	9.3
Ratio N° of sites with no LTA / total N° of sites reporting	%	-	-	-	77	85
Sites OHSAS 18001 certified	%	-	14.5	28.0	30.0	32.0

Definition

Umicore 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.

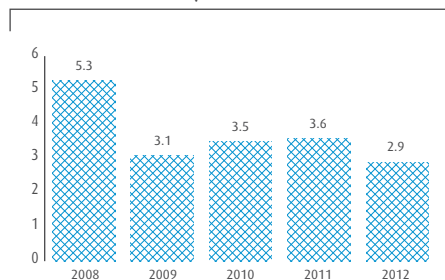
Recordable injury: a work-related injury resulting in more than one first aid treatment or in a modified working program but excluding lost time accidents.

Frequency rate: number of lost time accidents per million hours worked.

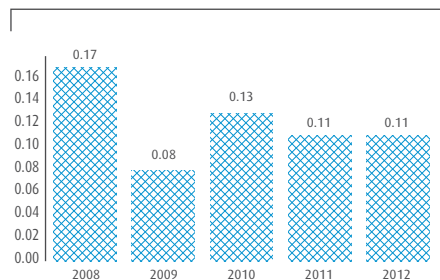
Severity rate: number of lost calendar days due to a lost time accident per thousand hours worked.

Accidents to and from work are not part of the scope of the safety data.

FREQUENCY RATE



SEVERITY RATE



2012 regional data

	unit	Europe	North America	South America	Asia-Pacific	Africa	Umicore Group
Lost Time Accidents (LTA)	N°	36	1	3	9	0	49

2012 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°	4	9	10	23	3	49
LTA frequency rate	per million hours worked	1.1	3.0	2.1	6.2	1.4	2.9
Calendar days lost	N°	195	159	584	928	31	1,897
LTA severity rate	per thousand hours worked	0.05	0.05	0.12	0.25	0.01	0.11

In 2012, a total number of 49 lost time accidents were recorded compared to 60 in 2011. This resulted in a frequency rate of 2.86, down from 3.61 in 2011. In total, 1,897 calendar days were lost due to these lost time accidents. This resulted in a severity rate 0.11, similar to 2011.

The number of reported recordable injuries was 160 compared to 221 in 2011. The recordable injury frequency rate for 2012 was 9.3.

A total of 33 lost time accidents were registered for sub-contractors compared to 17 in 2011. This corresponded to a frequency rate of 10.06 compared to 5.50 in 2011.

During 2012, 85% of the reporting sites operated without a lost time accident compared to 77% in 2011. Twenty of the 63 manufacturing sites are certified using the occupational health and safety management system OHSAS 18001 compared to 19 in 2011.

There were no fatal accidents in 2012.

Thirty-six lost time accidents, or 74% of the total number of lost time accidents, occurred in Europe. Of these 26 occurred in Belgian and 7 in German sites. The Americas accounted for 4 accidents while 9 accidents happened in the Asia-Pacific region.

In 2012, the business group Catalysis recorded 4 lost time accidents of which 3 in the Automotive Catalyst business unit. The total number of days lost was 195. This resulted in a frequency rate of 1.1 and a severity rate of 0.05. The business group continues to implement the SafeStart® programme in all its operating sites. This programme focuses on both habitual and unintentional safety behaviour. In addition, the business group invests heavily in sharing best safety practices and developed safety training matrices for each job. Progress is monitored through a set of leading safety indicators. All Automotive Catalyst production plants are certified using the OHSAS 18001 management system. At year-end, the site in South Plainfield (USA, Recycling and Catalysis) had operated more than 5 years without a lost time accident or recordable injury to Umicore staff and no lost time accident to contractors on site. The sites in Americana (Brazil, Catalysis), Karlskoga (Sweden, Catalysis) and Port Elizabeth, Young Park plant (South-Africa, Catalysis) had operated at least 3 years without a lost time accident or recordable injury to Umicore staff and no lost time accident to contractors on site.

The business group Energy Materials recorded 9 lost time accidents compared to 12 in 2011. In total, 159 calendar days were lost. This resulted in a frequency rate of 3.0 and a severity rate of 0.05. Five accidents occurred in the Rechargeable Battery Materials business unit. The business units Cobalt & Specialty Materials and Electro-Optic Materials recorded 2 accidents each. The business unit Thin Film Products operated without a lost time accident. Besides targeted actions at site level, the business units Cobalt & Specialty Materials and Rechargeable Battery Materials are further implementing a Safety Policy complemented by health and safety principles and a set of leading safety indicators to follow-up on progress made. The business unit Rechargeable Battery Materials also launched a safety leadership program. The Thin Film Products business unit further implemented its safety project in all its sites with focus on leadership aspects, safety training, critical safety procedures such as lock out tagout and housekeeping. As part of the safety project of the business unit Electro-Optic Materials, job risk analyses were conducted for all sites. Three sites have been recognized for their excellent and sustained safety performance, recording at least 5 years with no lost time accident or recordable injury to Umicore staff and no lost-time 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 10 lost time accidents compared to 14 in 2011. A total of 584 calendar days were lost. The frequency rate was 2.1 and the severity rate 0.12. Four of the 10 lost time accidents occurred in the Technical Materials business unit. The Zinc Chemicals business units

recorded 3 lost time accidents. The Building Products business unit recorded 2 accidents and the Platinum Engineered Materials business unit had 1 accident. The Electroplating business unit operated without a lost time accident. The business unit Zinc Chemicals made progress in its safety performance due to a continued implementation of a comprehensive safety programme with active involvement of all staff under the guidance of a business unit safety committee. Key elements of the programme include safety observation tours, training and procedures on key safety aspects. Progress is monitored through a set of leading safety indicators. The business unit Technical Materials reinforced its programme on incident reporting and safety recognition training. The business unit develops in-house safety videos on key safety topics. The other business units are deploying in-house safety programmes that are tailor made to their needs and priorities. Innovative elements of these programmes include business unit safety calendars, safety gallery meetings and a 'Sicherheit im Blick' campaign. At the end of 2012 the site in Vicenza (Italy, Performance Materials) had achieved more than 5 years with no lost time accident or recordable injury to Umicore staff and no lost time accident to contractors on site.

The business group Recycling had 23 lost time accidents, down from 26 in 2011. A total of 928 calendar days were lost. This represents a frequency rate of 6.2 and a severity rate of 0.25. The business unit Precious Metal Refining, with 18 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, cleanliness, sub-contractor safety and leading safety indicators. The site in Hoboken (Belgium, Recycling) is also deploying the SafeStart® program. The business unit Jewellery & Industrial Materials is implementing the DuPont® Safety Programme. At the end of 2012 the site in Markham (Canada, Recycling) had passed more than 5 years with no lost time accident or recordable injury to Umicore staff and no lost time accident to contractors on site.

An additional 3 lost time accidents occurred in general services, administrative buildings and research and development departments.

Corporate governance statements

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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 2012.

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, as well as public and investor relations.

G3 Shareholders

3.1 Issued shares – capital structure

At 31 December 2012 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 2012 can be found in the chapter "parent company separate summarized financial statements" (p. 138-139).

On 31 December 2012 Umicore owned 8,113,488 of its own shares representing 6.76% 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 1,106,000 own shares were used in the context of the exercise of employee stock options and 24,450 shares were used for a share grant, of which 2,700 to the Board members and 21,750 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 2012 Umicore paid a gross dividend of € 1.00 per share relating to the financial year 2011. This represented an increase of € 0.20 per share compared to the gross dividend in respect of the financial year 2010.

In August 2012 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 € 0.50 per share was paid as from 6 September 2012. On 6 February 2013 the Board decided to propose to shareholders a total gross dividend of € 1.00 per share relating to financial year 2012. If the appropriation of profit proposed to shareholders is approved, the gross pay out of the dividend in May 2013 would therefore amount to € 0.50 per share (i.e. the total dividend less the interim payment).

The System Paying Agent designated for the payment of the 2012 dividend is:

KBC Bank
Havenlaan / Avenue du Port 2
1080 Brussels

3.3 Shareholders' meetings 2012

According to Umicore's articles of association, the annual shareholders' meeting takes place on the last Tuesday of April at 5 p.m.

In 2012, the annual shareholders' meeting took place on April 24. At this meeting the shareholders approved the standard resolutions regarding the annual accounts, the appropriation of the result and the discharges to the directors and to the statutory auditor regarding their respective 2011 mandates. In addition the shareholders re-appointed Thomas Leysen and Marc Grynberg as directors for a further three years, and renewed Klaus Wendel's mandate as director for two years. The shareholders appointed Rudi Thomaes as a new, independent director for three years. The annual shareholders' meeting also approved the remuneration of the Board for 2012. Details of the fees paid to the directors in 2012 are disclosed in the Remuneration Report.

A special shareholders' meeting, also held on 24 April 2012, approved change-of-control provisions as provided in a revolving credit facility agreement in accordance with Article 556 of the Belgian Companies Code.

Finally, on 31 May 2012 an extraordinary shareholders' meeting renewed the authorization conferred to the Company and its subsidiaries to acquire, for a duration of 18 months, Umicore shares on a regulated market within a limit of 10% of the subscribed capital, at a price per share between € 4 and € 75.

G4 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, is composed of at least six members. The directors' term of office may normally not exceed four years. In practice, directors are elected for a (renewable) period of three years.

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 2012, the Board of Directors consisted of ten members: nine non-executive directors and one executive director. On the same date 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 2012 are women. Umicore is committed to reach the minimum representation threshold of one-third as imposed by the Belgian Companies Code and the recommendations of the Belgian Corporate Governance Committee well within the imposed time frame, i.e. before 1 January 2017. Both the Nomination & Remuneration Committee and the Board will in this respect seriously take into consideration the gender diversity requirement when examining Board mandate vacancies in the coming years.

The composition of the Board of Directors underwent the following changes in 2012:

- The mandate of Guy Paquot expired at the annual shareholders' meeting held on 24 April 2012 due to the age limit imposed by the Corporate Governance Charter;
- Rudi Thomaes was appointed as new, independent director for a period of three years as of the same date.

4.2 Meetings and topics

The Board of Directors held six regular meetings in 2012. On one occasion the Board also took decisions by unanimous written approval.

Major matters reviewed by the Board in 2012 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;
- Approval of the agenda of the shareholders' meetings and calling of these meetings;
- Budget;
- Vision 2015 progress report;
- Investment projects;
- Sustainable Development review;
- Business risk assessment;
- Business updates and technology review;
- Mergers & acquisitions updates;
- Investment Relations, Human Resources and Tax review;
- Annual performance review of the Chief Executive Officer and the other members of the Executive Committee in respect of 2011;
- Succession planning at the level of the Board and the Executive Committee, including the appointment of Filip Platteeuw and Stephan Csoma as new members of the Executive Committee with effect as of 1 November 2012;
- Distribution of an interim dividend.

The Board also visited the Umicore battery materials facility in Cheonan (South Korea) as well as the Technical Materials and the SolviCore facilities in Hanau (Germany).

4.3 Performance review of the Board and its Committees

The previous assessment of the performance, size and composition of the Board and its Committees took place in 2011. It included individual interviews of the directors and the company secretary and was led by the Chairman, therein assisted by the Nomination & Remuneration Committee and an external advisor. The results of the review were discussed at the level of the Board on 8 June 2011.

The next performance review is scheduled for 2013.

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.

Four Audit Committee meetings were held in 2012. Besides the review of the 2011 accounts and those of the first half of 2012, the Committee also reviewed the following matters: the regulatory compliance in supply chain, the metal leases credit lines process, the changes in the transfer pricing landscape, the foreign exchange risks and related controls, the status on the minimum internal control requirements ("MICR"), an overview of the long term employee benefits liabilities in the Umicore Group 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. Guy Paquot was replaced as Nomination & Remuneration Committee member by Rudi Thomaes with effective date 24 April 2012.

Two Nomination & Remuneration Committee meetings were held in 2012. During the same period the Nomination & 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 2012 as well as of the variable remuneration scheme for 2012.

The Nomination & Remuneration Committee was actively involved in the appointment of Mr Rudi Thomaes as new director. It also assisted the Board in the nomination of Filip Platteeuw and Stephan Csoma as new members of the Executive Committee and in the replacement of William Staron as EVP Catalysis following his retirement.

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 2012 the Executive Committee consisted of eight members including the Chief Executive Officer.

During 2012 the composition of the Executive Committee underwent the following changes:

- The mandate of Ludo Vandervelden as Chief Financial Officer and member of the Executive Committee ended with effective date 1 November 2012;
- Filip Platteeuw was appointed Chief Financial Officer and member of the Executive Committee with effective date 1 November 2012;
- Pascal Reymondet, previously member of the Executive Committee as Executive Vice-President Performance Materials, was appointed Executive Vice-President Catalysis with effective date 1 November 2012.
- Stephan Csoma was appointed Executive Vice-President Performance Materials and member of the Executive Committee with effective date 1 November 2012.

Following William Staron's retirement as Executive Committee member with effective date 1 January 2013 the Executive Committee will consist of seven members from that date 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 8 February 2012.

G6 Relevant information in the event of a takeover bid

6.1 Restrictions on transferring securities

Umicore's articles of association do not impose any restriction on the transfer of shares or other securities.

The Company is furthermore not aware of any restrictions imposed by law except in the context of market abuse regulations.

The options on Umicore shares as granted to the CEO, to the members of the Executive Committee and to designated Umicore employees in execution of various Umicore incentive programs may not be transferred inter vivos.

6.2 Holders of securities with special control rights

There are no such holders.

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 2012, save for the 8,113,488 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 Company's articles of association were not amended in 2012.

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 2012 this authorization had not been used. It will lapse on 9 June 2016.

Following a resolution of the extraordinary shareholders' meeting held on 31 May 2012 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 30 November 2013. The same authorization was also granted to the Company's subsidiaries. No own shares were purchased by the Company or any of its subsidiaries in implementation of the above authorization (or of the previous authorization granted on 29 October 2010) during 2012. The Board will propose to the extraordinary shareholders' meeting of 30 April 2013 or, in the event that the legal presence quorum will not be met, 23 May 2013 to renew this authorization for a period ending on 30 June 2015.

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. 185).

G7 Conflicts of interests (Art. 523 – 524ter Companies Code)

On 8 February 2012, prior to the Board discussing or taking any decision, 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 his performance assessment and to his remuneration (including the grant of shares and options).

In accordance with Article 523 of the Belgian Companies Code, 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 2012, 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 Statutory auditor

At the annual shareholders' meeting held on 26 April 2011 the statutory auditor's mandate of PricewaterhouseCoopers Bedrijfsrevisoren/Réviseurs d'Entreprises BCVBA/SCCRL was renewed for a period of three years. The statutory auditor is jointly represented by BVBA Marc Daelman, represented by Marc Daelman, and 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 carry out 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 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.

2012 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. 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 operating 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

The remuneration of the non-executive Board members in 2012 was maintained at the same level as in the prior year and comprised the following elements:

- **Chairman:** annual fixed fee: € 40,000 + € 5,000 per meeting attended + 300 Umicore shares.
- **Director:** annual fixed fee: € 20,000 + € 2,500 per meeting attended + 300 Umicore shares.

The remuneration of the Board Committee members was the following in 2012:

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.

2012 Board remuneration overview

Name		(in €)	Meetings attended
Thomas Leysen (Chairman) (non-executive director)	<i>Board</i>		
	Fixed annual fee	40,000	
	Fee per attended meeting	5,000	6/6
	Value of 300 granted shares	11,254	
	<i>Nomination & remuneration Committee</i>		
	Fee per attended meeting	5,000	2/2
	Total remuneration	91,254	
	Benefits in kind company car	8,257	
Marc Grynberg (executive director)	<i>Board</i>		
	No remuneration as a director (see hereafter 2012 CEO remuneration)	None	6/6

Name		(in €)	Meetings attended
Isabelle Bouillot (independent, non-executive director)	<i>Board</i>		
	Fixed annual fee	20,000	
	Fee per attended meeting	2,500	6/6
	Value of 300 granted shares	11,254	
	<i>Nomination & Remuneration Committee</i>		
	Fee per attended meeting	3,000	2/2
	<i>Audit Committee</i>		
	Fixed annual fee	5,000	
	Fee per attended meeting	3,000	4/4
	Total remuneration	69,254	
Uwe-Ernst Bufe (independent, non-executive director)	<i>Board</i>		
	Fixed annual fee	20,000	
	Fee per attended meeting	2,500	5/6
	Value of 300 granted shares	11,254	
	Total remuneration	43,754	
Arnoud de Pret (non-executive director)	<i>Board</i>		
	Fixed annual fee	20,000	
	Fee per attended meeting	2,500	6/6
	Value of 300 granted shares	11,254	
	<i>Audit Committee</i>		
	Fixed annual fee	10,000	
	Fee per attended meeting	5,000	4/4
	Total remuneration	76,254	
Ines Kolmsee (independent, non-executive director)	<i>Board</i>		
	Fixed annual fee	20,000	
	Fee per attended meeting	2,500	5/6
	Value of 300 granted shares	11,254	
	<i>Audit Committee</i>		
	Fee per attended meeting	3,000	3/4
	Total remuneration	54,190	
Shohei Naito (independent, non-executive director)	<i>Board</i>		
	Fixed annual fee	20,000	
	Fee per attended meeting	2,500	6/6
	Value of 300 granted shares	11,254	
	Total remuneration	46,254	
Jonathan Oppenheimer (non-executive director)	<i>Board</i>		
	Fixed annual fee	20,000	
	Fee per attended meeting	2,500	3/6
	Value of 300 granted shares	11,254	
	Total remuneration	38,754	
Guy Paquot (independent, non-executive director) Mandate as Director expired at the AGM of 24 April 2012	<i>Board</i>		
	Fixed annual fee	6,230	
	Fee per attended meeting	2,500	2/2
	Value of 95 granted shares	3,564	
	<i>Nomination & Remuneration Committee</i>		
	Fee per attended meeting	3,000	1/1
	Total remuneration	17,794	

Name		(in €)	Meetings attended
Rudi Thomaes (independent, non-executive director) Appointed by the AGM of 24 April 2012	<i>Board</i>		
	Fixed annual fee	13,770	
	Fee per attended meeting	2,500	4/4
	Value of 205 granted shares	7,690	
	<i>Nomination & Remuneration Committee</i>		
	Fee per attended meeting	3,000	1/1
	Total remuneration	34,460	
Klaus Wendel (non-executive director)	<i>Board</i>		
	Fixed annual fee	20,000	
	Fee per attended meeting	2,500	6/6
	Value of 300 granted shares	11,254	
	Total remuneration	46,254	

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 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, 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 variable remuneration 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 the payment of half of the variable remuneration and make it subject to multi-year targets or criteria.

Changes to CEO and Executive Committee remuneration as from 1 January 2012

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 as from 1 January 2012 the annual fixed remuneration of the CEO from € 520,000 to € 660,000 and the annual variable cash remuneration potential from € 520,000 to € 540,000 of which half is subject to deferral. In parallel, the number of stock options offered annually is reduced from 90,000 to 75,000 as from 2012. 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 members of the Executive Committee are eligible for the same annual variable cash remuneration potential of € 300,000 (compared to € 280,000 previously), half of which is subject to deferral.

Furthermore, as mentioned above, the number of stock options offered annually to each member of the Executive Committee is reduced from 25,000 to 17,500 as from 2012. The other components and rules linked to the remuneration package remain unchanged.

For the reported year the individual data for the CEO related to all remuneration components are reported in table on page 182 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 gross remuneration of € 660,000 in 2012.

Variable cash remuneration scheme and evaluation criteria

As from the reference year 2012 the CEO's annual variable cash remuneration potential amounts to € 540,000, half of which relates to an undeferred payout based on the 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 variable remuneration, for which the pay-out is deferred, is based on the Umicore Group profitability criterion, i.e. the Return on Capital Employed (ROCE), as 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 year average ROCE. The other half is paid after a period of three years using as a reference the three year average ROCE. The ROCE range is set between 7.5% (= payout of 0%) and a maximum of 17.5% (= payout of 100%). When the achieved ROCE percentage falls between any of the above targets, the payout will be pro-rated. The payout percentage will be applied on the relevant annual variable cash remuneration potential i.e. a quarter of the annual variable cash remuneration potential of the reference year for each deferred pay-out year.

The variable cash remuneration may be converted partly or totally into Umicore shares at the discretion of the CEO.

There are no provisions allowing the Company to reclaim any variable remuneration paid to the CEO.

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 2013 the CEO will receive a gross cash variable remuneration totaling € 150,000. This represents the undeferred individual component of his variable cash remuneration in respect of the performance achieved in 2012.

In addition to the undeferred individual 2012 variable cash remuneration, the CEO will also receive in 2013 the 2nd half of the deferred payment of his variable cash remuneration for the reference year 2010 based on the three year average ROCE for the years 2010, 2011 and 2012. The Group ROCE averaged 17.6% over these 3 years, giving rise to a percentage payout of 100% which applies to one quarter of the annual variable cash remuneration potential for the year 2010, corresponding to € 125,000.

The CEO will also receive in 2013 the first half of the deferred payment of his variable cash remuneration for the reference year 2011 based on the two year average ROCE for the years 2011 and 2012. The Group ROCE averaged 17.7% over these two years, giving rise to a percentage payout of 100% which applies to one quarter of the annual variable cash remuneration potential for the year 2011, corresponding to € 130,000.

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 2013 for services rendered in 2012 was 3,000 with a price at grant of € 36.375 per share and a total value at grant of € 109,125. The grant was decided by the Board of Directors on 6 February 2013 and the shares are subjected to a three year lock-up and are not subjected to forfeiture conditions.

In 2012, 75,000 stock options were granted to the CEO as part of the Umicore Incentive Stock Option Plan 2012, implemented by the Board of Directors on 8 February 2012. These options have a strike price of € 35.32 and had a notional value (calculated on the basis of the Present Economic Value model) at grant of € 551,768. There is no vesting period and the options can be exercised from 1 March 2015 until 12 February 2019. 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.

Shares and 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 2012

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	2012
Status of the CEO		Self-employed	Self-employed
Fixed Remuneration		520,000	660,000
Variable Remuneration			
Current year		255,000	150,000
Deferred from previous year		125,000	130,000
Deferred from year prior to previous year			125,000
Total gross cash remuneration		900,000	1,065,000
Non-cash elements			
- Notional value of the free shares granted (services rendered in the ref. year)		108,000	109,125
- Notional value at grant of the incentive stock options		997,200	551,768
- Pension			
Defined contribution plan		185,534	195,030
Defined benefits plan (service cost)		50,274	52,807
- Other Benefits : Representation allowance, company car, insurance		30,747	47,092
Total		2,271,755	2,020,822

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 2012 the Executive Committee (excluding the CEO) received € 3,029,251 in fixed gross remuneration including the indemnity that was paid to Ludo Vandervelden when his contract as Chief Financial Officer was terminated.

Variable cash remuneration scheme and evaluation criteria

Umicore has adopted a variable cash remuneration scheme 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 are eligible for the same annual variable cash remuneration potential for the reference year 2012 amounting to € 300,000, half of which 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, involving a deferred pay-out, is based on the Umicore Group ROCE profitability criterion, i.e. the Return on Capital Employed (ROCE), as 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% (= payout of 0%) and a maximum of 17.5% (= payout of 100%). When the achieved ROCE percentage falls between any of the above targets, the payout will be pro-rated. The payout will be applied to the relevant annual variable cash remuneration potential i.e. a quarter of the annual variable cash remuneration potential of the reference year for each deferred pay-out year.

There are no provisions allowing the Company to reclaim any variable remuneration paid to the Executive Committee members.

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 individual variable cash remuneration proposals are presented by the CEO to the Nomination & Remuneration Committee before approval by the Board.

In 2013 the Executive Committee members will receive an aggregate variable cash remuneration totaling € 395,000 in respect to the undeferred individual component of their 2012 variable cash remuneration. In case of incomplete reference year 2012 a pro-rata is applied.

In addition to the undeferred individual payment, the Executive Committee members will also receive in 2013 the 2nd half of the deferred payment of their variable cash remuneration for the reference year 2010 based on the three year average ROCE for the years 2010, 2011 and 2012. The Group ROCE averaged 17.6% over these 3 years, giving rise to a percentage payout of 100% which applies to one quarter of the annual variable cash remuneration potential for the year 2010, corresponding to € 70,000 for each member of the Executive Committee having served as Executive VP for the full year 2010, or a pro-rata of that amount in case of an incomplete year of service. The aggregate amount is € 315,000.

The Executive Committee members will also receive in 2013 the first half of the deferred payment of their variable cash remuneration for the reference year 2011 based on the two year average ROCE for the years 2011 and 2012. The Group ROCE averaged 17.7% over these years, giving rise to a percentage pay-out of 100% which applies to one quarter of the annual variable cash remuneration potential for the year 2011, corresponding to € 70,000 for each member of the Executive Committee having served as Executive VP for the full year 2011, or a pro-rata of that amount in case of an incomplete year of service. The aggregate amount is € 350,000.

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 2013 for services rendered in 2012 was 16,000 (3,000 per member with the exception of Stephan Csoma and Filip Platteeuw who each received 500 shares as they assumed their position as Executive Committee member on 1 November 2012). The total aggregate value at grant was € 581,745. The price at grant was € 36.375 per share with the exception of William Staron (€ 36.29). The grant was decided by the Board of Directors on 6 February 2013 and the shares are subjected to a three year lock-up and are not subjected to forfeiture conditions.

In 2012, 105,000 stock options (17,500 options per member) were granted to the Executive Committee members as part of the Umicore Incentive Stock Option Plan 2012, implemented by the Board of Directors on 8 February 2012. The options have a strike price of € 35.32 for each Executive Committee members except for Pascal Reymondet who follows the French rules with a strike price of € 37.67. The total notional value at grant (calculated on the basis of the Present Economic Value model) amounted to € 772,476. There is no vesting period and the options can be exercised from 1 March 2015 until 12 February 2019.

Shares and 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, indemnity 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 William Staron who retired as Executive Committee member on 31 December 2012, pension commitments linked with his employment contract were executed without any additional cost. In aggregate the pension costs of the Executive Committee members amounted to € 507,875 in 2012. On 5 September 2012 the Board discussed the composition of the Executive Committee. Following these discussions the Board approved changes to the composition of the Executive Committee as of 1 November 2012 subject to the absence of any objections of the Nomination & Remuneration Committee. On 18 September 2012 the Nomination & Remuneration Committee did not make any objections about the proposed changes as described in the corporate governance review (page 175). In this respect Ludo Vandervelden took up a leadership role outside the Executive Committee and therefore his contract as Chief Financial Officer ended on 31 October 2012. As specified in his contract signed in 2011 a compensation equivalent to 12 months of his annual base salary was paid. As approved by the Nomination & Remuneration Committee of 18 September 2012 a prorata variable cash remuneration based on his individual performance for the year 2012 formed part of this settlement.

Total aggregate Executive Committee remuneration for 2012

Total remuneration earned, in aggregate, by members of the Executive Committee in 2012 (not including the CEO) - in €

	2011	2012
Fixed Remuneration (including termination indemnity)	2,005,260	3,029,251
Variable Remuneration		
Current year	655,000	395,000
Deferred from previous year	385,000	350,000
Deferred from year prior to previous year		315,000
Total gross cash remuneration	3,045,260	4,089,251
Non-cash elements		
- Notional value of the free shares granted (services rendered in the ref. year)	676,530	581,745
- Notional value at grant of the incentive stock options	1,662,000	772,476
- Pension		
Defined contribution plan	197,854	238,364
Defined benefits plan (service cost)	238,884	269,511
- Other Benefits : Representation allowances, company car, insurance, benefits linked to expatriation	351,054	394,701
Total	6,171,582	6,346,048

G14 Share and share option ownership and transactions 2012

Executive Committee share option ownership and transactions 2012

Name	Options at 31 Dec 2011	Options granted in 2012	Number of options exercised	Average exercise price (in €)	Year of grant of options exercised	Number of options forfeited	Options at 31 Dec 2012**
Marc Grynberg	330,000	75,000	15,000	31.77	2007 / 2008	0	390,000
Stephan Csoma **	30,000	6,000	15,000	23.51	2008 / 2009	0	21,000
Denis Goffaux	28,500	17,500	0			0	46,000
Hugo Morel	125,000	17,500	75,000	24.52	2007 / 2008 / 2009	0	67,500
Filip Platteeuw **	16,500	4,500	3,500	32.57	2008	0	17,500
Pascal Reymondet	100,000	17,500	25,000	14.44	2009	0	92,500
William Staron	50,000	17,500	0			0	67,500
Marc Van Sande	90,000	17,500	15,000	26.55	2007	0	92,500

* These options can be exercised at strike prices between € 14.44 and € 39.25

** Options granted in their capacity prior to appointment to the Executive Committee

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 2012

Name	Shares owned at 31/12/2011	Shares owned at 31/12/2012
Marc Grynberg	143,000	146,000
Stephan Csoma	2,000	0
Denis Goffaux	5,000	4,500
Hugo Morel	27,250	6,000
Filip Platteeuw	3,600	1,000
Pascal Reymondet	14,750	17,750
William Staron	8,250	9,250
Marc Van Sande	21,800	15,000
Total	225,650	199,500

Board of Directors share ownership 2012

Name	Shares owned at 31/12/2011	Shares owned at 31/12/2012
Thomas Leysen	871,320	626,620
Isabelle Bouillot	300	600
Uwe-Ernst Bufe	300	600
Arnoud de Pret	5,300	5,600
Ines Kolmsee	205	505
Shohei Naito	300	600
Jonathan Oppenheimer	300	600
Rudi Thomaes	-	905
Klaus Wendel	7,425	7,725
Total	885,450	643,755

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 employment 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 variable cash remuneration 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, Ludo Vandervelden whose employment agreement was signed on 1 October 2011, and Stephan Csoma and Filip Platteeuw whose employment agreement was signed on 1 November 2012.

Individual arrangements in case of termination of the contract by Umicore

Stephan Csoma and Filip Platteeuw were appointed Executive Committee members on 1 November 2012. Taking into account their seniority in the Umicore Group a total compensation equivalent to 18 months of their annual base salary will be paid in case of contract termination. In line with the Belgian Corporate Governance Law of 6 April 2010, these arrangements were approved by the Nomination & Remuneration Committee of 18 September 2012 subject to the absence of any objections of the Board. It is at the Board of Directors' discretion as to whether the variable cash remuneration would form part of any final indemnity.

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 case of contract termination. 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 variable cash remuneration 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. In case of termination the compensation is based on age, seniority in the Umicore Group and the total compensation and benefits.

Pascal Reymonet has a German employment agreement signed on 1/3/1989. There is no contractual arrangement in case of termination and German law will therefore be applicable.

William Staron had a US employment agreement. There was no contractual arrangement in case of termination and no payments were made upon his retirement on 31 December 2012 other than those related to pension commitments.

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 variable cash remuneration would form part of any final indemnity. His contract ended on 31 October 2012 and as stated before an indemnity was paid.

G15 Remuneration policy for the next two years (2013-2014)

The Board of directors does not expect to make any fundamental changes to the remuneration policy in the current and next year.

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 management with reasonable assurance of the company's ability to achieve its objectives. These controls cover the effectiveness and efficiency of 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 action 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 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.

Umicore operates 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 majority of entities made further progress in 2012 with the total average compliance scores improving by 5 percentage points. Priority was given to reach the target control maturity in those processes that are of particular importance to Umicore such as metal hedging and inventory management; in these two areas the improvement was above average. MICR compliance is monitored by means of annual self assessments to be signed off by the senior management and their outcome is reported 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 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. 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 2012: More challenging economic conditions developed in many of Umicore's end markets, particularly in the second half of 2012. This led to a decrease in sales volumes and product premiums in some of Umicore's business units, particularly those in Performance Materials and Energy Materials.

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 has implemented a Group-wide Technology Innovation Management process and 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 2012: In 2012 the Executive Committee undertook 14 dedicated technology reviews. This compares to five reviews in 2011. These reviews focused on the technology developments that will be key to achieving Vision 2015 growth ambitions and covered both product and process developments in automotive catalysis, fuel cell catalysts, rechargeable battery materials and recycling technologies.

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 2012: Umicore made further progress in 2012 with regards to its efforts to demonstrate compliance with the Dodd Frank Act in the US (see also our 2011 Annual Report - page 156). While Umicore does not source conflict minerals and is not itself subject to the Dodd Frank Act, the company is proactively addressing the issue with a number of its customers and suppliers. In 2012 Umicore took steps, together with relevant industry associations, to provide assurances to customers about the conflict-free nature of the gold that it recycles or which is used in its products. In Precious Metals Refining the company worked with the London Bullion Market Association (LBMA) towards a 2013 audit of its processes and supply streams while a similar process was undertaken by Jewellery & Industrial Metals together with the Responsible Jewelry Council (RJC). In Technical Materials, which purchases tin from suppliers for incorporation in various products, the focus was on obtaining conflict-free documentation from key suppliers. In early 2013 Umicore formally adopted a conflict minerals policy. For general comments on the progress in implementing Umicore's Sustainable Procurement Charter please see page 33 and note 58.

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 2012: No specific developments took place with regards to substitution risk during 2012.

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.

However, some environmental legislation does present operational challenges. 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 from all of its business units, coordinated by a corporate REACH implementation manager.

Umicore has submitted 114 registrations for 100 different substances to the European Chemicals Agency (ECHA) covering 13 European legal entities. The files were either jointly prepared with other companies acting in consortia or by Umicore alone. All costs associated with REACH compliance, including the cost of registration, are covered under normal operating expenditures.

Umicore monitors closely all changes in interpretation as well as guidance documents which might affect its REACH implementation strategy. Umicore is actively involved in industry association working groups to make sure a consistent approach is followed and that the metal specifics are understood by the regulators and the companies.

Comments on 2012: With regards to REACH, following the revised Guidance on Intermediates published by ECHA in 2010, Umicore has re-assessed its intermediates against the more stringent "Strictly Controlled Conditions" interpretation and has put an action plan in place to upgrade some 30 dossiers to full dossiers, using the methodologies and agreements developed and proposed to ECHA by the metals industry. Due to new insights, 22 of the previously submitted registrations were considered redundant and have been deactivated accordingly. Several registrations were updated in 2012 based on newly available data. 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. Umicore has 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 2012: No material changes took place with regards to the nature or management of the financial risks faced by Umicore during 2012.

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.

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 through 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 2012 Umicore paid these suppliers some € 11.4 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 forms the basis for the Vision 2015 objective on sustainable procurement. For information on the progress towards this objective please see page 33-35 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 international customer base, with 46% of 2012 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 14,400 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 2012 Umicore paid a total of € 566 million in the form of salaries and other benefits to the employees of its fully consolidated companies. Social security payments totalled € 113 million.

Umicore is committed not only to providing competitive 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. Umicore has signed a sustainable development agreement with the international union IndustriALL 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, company and business unit newsletters and a world-wide in-house magazine "umicore.link" published in six languages. In 2012 Umicore developed a Group-wide learning management platform to support its Vision 2015 objectives of People Development and being considered a Preferred Employer. This platform – which also incorporates a social collaboration tool that facilitates knowledge sharing through the company – was launched at the beginning of 2013 and will be gradually implemented through the Group.

G22 Investors and funders

Umicore provides: return on investment

Investors provide: capital and funds

Umicore's investor base is largely diversified. At the end of 2012 the company's shareholders were 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 2012 Umicore's analyst coverage remained stable with 19 brokerage firms publishing equity research notes on Umicore.

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.

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. Umicore manages Group-level engagement efforts through 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 2012 please see pages 35-37 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 107 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 € 76 million in taxes as a result of its operations in 2012. Umicore and its employees also contributed a total of some € 113 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 € 7 million of grants were awarded in 2012 relating primarily to planned R&D projects. Some € 15 million of cash relating to previously-awarded grants was received in 2012. The company has a policy of not making donations to political parties or organizations.

In 2012 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, North America and the People's Republic of China. 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 of which Umicore is currently member (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)
- Energy Materials Industrial Research Initiative (EMIRI)

Performance Materials

- International Zinc Association
- International Platinum Association
- European Precious Metals Federation
- German Precious Metals Federation

Recycling

- European Electronics Recyclers Association
- International Association of Portable Rechargeable Batteries (RECHARGE)
- International Platinum Association
- International Precious Metals Institute
- International Antimony Association

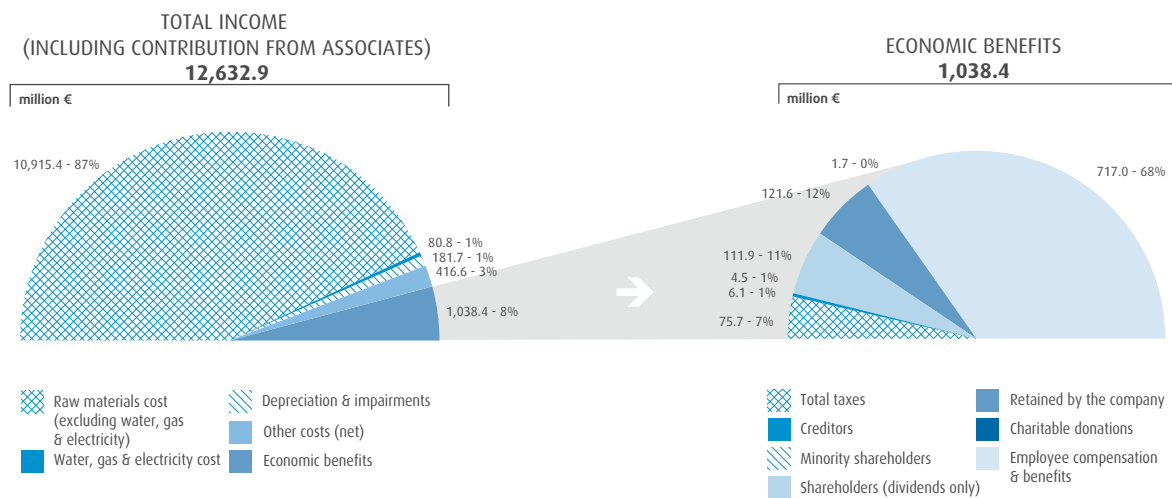
Several of Umicore’s business units are signatories of the “Responsible Care” programme for the chemicals industry and some are also members of the European Chemical Industry Council (CEFIC).

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 is 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 € 1,038 million.

The biggest portion (€ 717 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 to creditors amounted to € 6 million, while taxes to the governments and authorities in the places where it operates, totalled € 76 million. The earnings attributed to minority shareholders were € 4.5 million.

Subject to approval by shareholders at the AGM in April 2013, a gross dividend of € 1.00 per share will be distributed for the year 2012, resulting in a total provisional pay-out of € 112 million (using the number of shares outstanding at the end of 2012). Of this figure a portion was already paid out in September 2012 in the form of an interim dividend, and the remainder will be paid out in 2013. This is in line with Umicore’s policy of paying a stable or gradually increasing dividend. Umicore spent some € 1.8 million on charitable donations, of which € 1.7 million were financial contributions and donations in kind.



Board of Directors



Thomas Leysen



Marc Grynberg



Isabelle Bouillot



Jonathan Oppenheimer



Uwe-Ernst Bufe

Thomas Leysen, 52

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 group, and a member of the supervisory Board of Bank Metzler (Germany).

Director since:

10 May 2000

Expiry of mandate: Ordinary General Meeting of 2015

Chairman since:

19 November 2008

Chairman of the Nomination & Remuneration Committee since:

19 November 2008

Marc Grynberg, 47

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 Chief Financial Officer 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 2015

Chief Executive Officer since:

19 November 2008

Isabelle Bouillot, 63

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 Board of Saint-Gobain.

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

Jonathan Oppenheimer, 43

Non-Executive Director

Jonathan Oppenheimer joined the De Beers Group in 1994 and was a Director of De Beers S.A. from 2006 to August 2012. He was Managing Director of De Beers Consolidated Mining between 2004 and 2006, a member of the Executive Committee of De Beers S.A., as well as chairman of De Beers Canada Inc. and of Element Six Abrasives Group of companies until 2012.

Director since:

5 September 2001

Expiry of mandate: Ordinary General Meeting of 2014

Uwe-Ernst Bufe, 68

Independent, Non-Executive Director

Uwe-Ernst Bufe was CEO of Degussa until May 2000. He is a member of the Supervisory Board of Akzo Nobel N.V. (Netherlands).

Director since:

26 May 2004

Expiry of mandate: Ordinary General Meeting of 2014

Arnoud de Pret, 68

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 and L'Intégrale. 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)

Ines Kolmsee, 42

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 is also a member



Arnoud de Pret



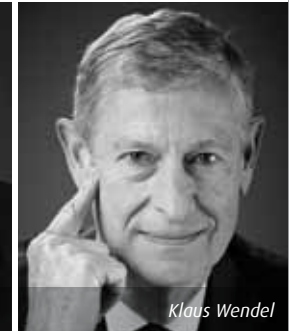
Ines Kolmsee



Shohei Naito



Rudi Thomaes



Klaus Wendel

of the Supervisory Board of Fuchs Petrolub AG. In the past she 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

Shohei Naito, 69

*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.

Director since:

25 April 2007

Expiry of mandate: Ordinary General Meeting of 2013

Rudi Thomaes, 60

*Independent,
Non-Executive Director*

Mr. Thomaes studied law at the University of Antwerp. From 2004 until September 2012 he was the Chief Executive Officer of the Belgian employers' federation (FEB-VBO). He previously served as Managing Director and Chairman of the management committee of Alcatel Bell. He is currently Secretary General of the International Chamber of Commerce in Belgium and is a member of the Board of Regents of the National Bank of Belgium. His other mandates include being the Chairman of the Board of RESTORE, an Antwerp-based energy technology start-up company as well as serving as President of Healthcare Belgium, a non-profit organization promoting the internationalization of the Belgian medical sector.

Director since:

24 April 2012

Expiry of mandate: Ordinary General Meeting of 2015

Member of the Nomination and Remuneration Committee since: 24 April 2012

Klaus Wendel, 69

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 2014

Karel Vinck

Honorary Chairman



Karel Vinck

Executive Committee



Marc Grynberg



Hugo Morel



Marc Van Sande



Pascal Reymonet



Denis Goffaux



Stephan Csoma



Filip Platteeuw

Marc Grynberg, 47 *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 Contoller. 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, 62 *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, 60 *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 headed the Energy Materials business group.

Pascal Reymonet, 53 *Executive Vice-President Catalysis*

Pascal Reymonet 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. From June 2010 to October 2012 he assumed responsibility for the Performance Materials business group. In November 2012 he took up the function of EVP Catalysis.

Denis Goffaux, 45 *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 South 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.

Stephan Csoma, 48 *Executive Vice-President Performance Materials*

Stephan Csoma joined Umicore in 1992. He holds diplomas in economics from the UCL University of Louvain and Chinese/Mandarin from Fudan University in Shanghai. He has extensive strategic and operational and commercial experience. He set up Umicore's first industrial operations in China in the mid-1990s and ran Umicore's former South African cobalt operations. Between 2001 and 2005 he led the Zinc Chemicals business unit and from 2005 to 2009 he was SVP for Umicore South America.

Afterwards he became SVP Government Affairs. In November 2012 he took up the function of EVP of Performance Materials and retains oversight responsibility for Government Affairs.

Filip Platteeuw, 40 *Chief Financial Officer*

Filip Platteeuw joined Umicore in 2004 and was instrumental in the Cumerio spin-off in 2005. He then led the project team for the creation of Nyrstar and its successful IPO in 2007. He became Vice President of Corporate Development in 2010. He took up the position of Chief Financial Officer (CFO) in November 2012. Filip holds a master's degree in Applied Economics from the University of Ghent and a master's degree in Financial Management from the Vlerick Management School. Filip has extensive financial experience including nine years in investment banking, corporate banking and equity research with KBC bank. He is also responsible for Corporate Development.

Senior Management

Catalysis



Dieter Lindner
Automotive Catalysts
Research & Technology



Michael Neisel
Automotive Catalysts
Europe & Africa



Joerg Von Roden
Automotive Catalysts
Asia Pacific



Matthias Grehl
Precious Metals Chemistry

Energy Materials



Michel Cauwe
Thin Film Products



Klaus Ostgathe
Rechargeable Battery Materials



Jan Vliegen
Cobalt & Specialty Materials



Arjang Roshan
Electro-Optic 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

Recycling



Dietmar Becker
Jewellery & Industrial Metals



Ralf Drieselmann
Precious Metals Management



Koen Demesmaeker
Precious Metals Refining



Sybolt Brouwer
Battery Recycling

Regions



Bernhard Fuchs
Greater China



Marcos Lucchese
South America



Luc Gellens
Japan



Ravila Gupta
North America

Corporate



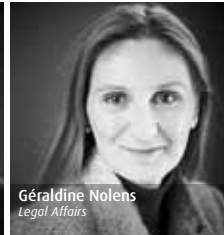
Ludo Vandervelden
Chief Information Officer



Ignace De Ruijter
Human Resources



Guy Ethier
Environment, Health & Safety



Géraldine Nolens
Legal Affairs



Wilfried Müller
Group R&D



Egbert Lox
Government Affairs

Assurance reports



STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING ON THE CONSOLIDATED ACCOUNTS AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2012

In accordance with the legal requirements, we report to you on the performance of our mandate of statutory auditor. This report includes our report on the consolidated financial statements for the year ended 31 December 2012 as defined below, as well as our report on other legal and regulatory requirements.

Report on the consolidated financial statements

We have audited the consolidated financial statements of Unilever SA/NV ("the Company") and its subsidiaries (jointly "the Group"), 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 financial statements comprise the consolidated balance sheet as at 31 December 2012 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, and notes, comprising a summary of significant accounting policies and other explanatory information. The total of the consolidated balance sheet amounts to EUR (000) 3,667,899 and the consolidated income statement shows a profit for the year (group share) of EUR (000) 233,444.

Board of directors' responsibility for the preparation of the consolidated financial statements

The Company's board of directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determine, is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements. We have obtained from the company's officials and the board of directors the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified opinion.

Unmodified Opinion

In our opinion, the consolidated financial statements set forth on pages 75 to 137 of the Annual Report 2012 give a true and fair view of the Group's net equity and consolidated financial position as at 31 December 2012 and of its consolidated financial performance and its consolidated 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.

Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the annual report on the consolidated financial statements.

In the framework of our mandate our responsibility is to verify compliance with certain legal and regulatory requirements. On this basis, we provide the following additional statements which do not modify our opinion on the consolidated financial statements:

- The annual report on the consolidated financial statements set forth on pages 1 to 74 and 138 to 203 of the Annual Report 2012 includes the information required by law and is consistent with the consolidated financial statements. We are, however, unable to comment on the description of the principal risks and uncertainties which the group is facing, and on its financial situation, its foreseeable evolution or the significant influence of certain facts on its future development. We can nevertheless confirm that the matters disclosed do not present any obvious inconsistencies with the information that we became aware of during the performance of our mandate.

Sint-Stevens-Woluwe, 27 March 2013.

The Statutory Auditor
PwC Bedrijfsrevisoren BCVBA
Represented by


Marc Daelman
Registered Auditor


Emmanuelle Attout
Registered Auditor

PwC Bedrijfsrevisoren cvba, burgerlijke vennootschap met handelsvorm - PwC Reviseurs d'Entreprises scrl, société civile à forme commerciale - Financial Assurance Services
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BTW/TVA BE 0429.501.944 / RPR Brussel - RPM Bruxelles / ING BE43 3101 3811 9501 - BIC BBRUBEBB / RBS BE89 7205 4043 3185 - BIC ABNABEBR



INDEPENDENT ASSURANCE REPORT ON THE ENVIRONMENTAL AND SOCIAL STATEMENTS OF THE ANNUAL REPORT 2012 OF UMICORE NV/SA AND ITS SUBSIDIARIES

This report has been prepared in accordance with the terms of our engagement contract dated 4 March 2013, 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 2012 in the Annual Report 2012 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 141 to 169 and 204 to 208 ("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 2012 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 2012 on pages 141 to 169 of the Annual Report 2012;
- 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 2012 on pages 141 to 169 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, 27 March 2013.

PwC Bedrijfsrevisoren cvba
Represented by

Marc Daelman
Registered auditor

PwC Bedrijfsrevisoren cvba, burgerlijke vennootschap met handelsvorm - PwC Reviseurs d'Entreprises scrl, société civile à forme commerciale - Financial Assurance Services
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RBS BE89 7205 4043 3185 - BIC ABNABEBB

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 'salts').

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.

Cross coupling

In organic chemistry is a catch-all term for a variety of reactions where two hydrocarbon fragments are coupled with the aid of a metal catalyst.

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.

Electrolysis

In chemistry electrolysis is a method of using a direct electric current (DC) to drive an otherwise non-spontaneous chemical reaction.

Electroplating

Electroplating is a plating process in which metal ions in a solution (electrolyte) 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.

LFP

Lithium iron phosphate – a type of cathode chemistry for lithium ion rechargeable batteries.

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 other side of the cell via an external channel, creating electricity on the way.

(Olefin) metathesis

An organic reaction which involves redistribution of olefinic (alkene) bonds typically catalyzed by a metal catalyst.

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 Cooperation and Development.

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.

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.

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 passed 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 non-application of or non-possibility of obtaining IAS hedge accounting to:

- transactional hedges, which implies that hedged items can no longer be measured at fair value, or
- 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 occurrence of the underlying forecasted or committed transactions, or
- Derivatives embedded in executory contracts, which implies that the change in fair value on the embedded derivatives must be recognized in the income statement 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 per-

manently 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 geography

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

APS (Assessment of Product (and services) Sustainability)

This Umicore specific methodology is used for assessing the sustainability of Umicore's products and services and uses a tool consisting of 58 preformatted questions and answers with scoring and weighting factors and organized around eight themes.

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.

CO₂ 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.

Conflict minerals

Minerals mined in conditions of armed conflict or human rights abuses, particularly gold, tin, tungsten and tantalum in the context of the Dodd Frank Act (see above).

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 CO₂.

Greenhouse gases

GHGs are the six gases listed in the Kyoto Protocol: carbon dioxide (CO₂); methane (CH₄); nitrous oxide (N₂O); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); and sulphur hexafluoride (SF₆).

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.

Intermediate

A substance that is manufactured for and consumed in or used for

chemical processing in order to be transformed into another substance.

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.

OHSAS 18001

'Occupational Health and Safety Assessment Series': a Health & Safety management system.

Process emissions

Emissions generated from manufacturing processes, such as the CO₂ that is arising from the breakdown of calcium carbonate (CaCO₃).

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.

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.

SafeStart®

An advanced safety awareness training and skills development program.

Salts

In chemistry, salts are ionic compounds that can result from the neutralization reaction of an acid and a base.

Scope 1, 2, 3 CO₂e emissions

Scope 1 CO₂e emissions: A reporting organization's direct GHG emissions.

Scope 2 CO₂e emissions: A reporting organization's GHG emissions associated with the generation of electricity, heating/ cooling, com-

presses air or steam purchased for own consumption.

Scope 3 CO₂e emissions: A reporting organization's indirect emissions other than those covered in Scope 2.

Scrubbing

A process using air pollution control devices to remove some particulates and/or gases from industrial exhaust streams.

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 2012
General		
Strategy and analysis		
1.1	CEO and Chairman statement	8-11
1.2	Description of key impacts, risks, and opportunities.	8-11; 4; Corporate governance statements: G18
Organizational profile		
2.1	Name of the organization	Front cover
2.2	Primary brands, products and services	1-5; 25
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	1-5; 29; 39; 47; 49; 53; 57; 61; 63
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	2-5; 13-14; 19; 29; 39-41; 45; 47-49; 51; 53-55; 57; 61-63
2.8	Scale of the organization	2-3; Social statements: S2; Economic and financial statements: consolidated balance sheet
2.9	Significant changes in size, structure or ownership	41; 49; 212; Social statements: S1, S10, S11; Environmental statements: E1
2.10	Awards received in 2012	5; 7; 17; 22-23; 33-35; 43; 50; 65; Social statements: S4
Report parameters		
3.1	Reporting period	Front cover; Inside front cover; 212; Environmental statements: E2
3.2	Date of most recent report	Annual reports: http://www.unicore.com/reporting/Home/Archive/
3.3	Reporting cycle	Front cover; Inside front cover; Annual reports: http://www.unicore.com/reporting/Home/Archive/s
3.4	Contact points for questions regarding the report or its content	Inside back cover; General: tim.weekes@unicore.com ; Financial: geoffroy.raskin@unicore.com ; Social: mark.dolfyn@unicore.com ; Environmental: bert.swennen@unicore.com ;
3.5	Process for defining report content	212; Corporate governance statements: Stakeholder engagement
3.6	Boundary of the report	212; Social statements: S1, S8, S10, S11; Environmental statements: E1, E3, E8, E9
3.7	Limitations on the scope or boundary of the report	212; Social statements: S1, S8, S10, S11; Environmental statements: E1, E3, E8, E9
3.8	Basis for reporting on joint ventures & subsidiaries	212; Social statements: S1; Environmental statements: E1; Financial and economic statements: F17; Corporate governance statements: G24
3.9	Data measurement techniques and the bases of calculations	212; 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	212; Social statements: S1, S10, S11; Environmental statements: E1; General management approach: http://www.unicore.com/sustainability/
3.11	Significant changes from previous reporting period in scope, boundary or measurement	212; Social statements: S1, S8, S10, S11; Environmental statements: E1, E2; E3

GRI Reference	Indicator	Page reference in Annual Report 2012
3.12	GRI Index	212; This page
3.13	Assurance	212; 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	194; Corporate governance statements: G2
4.3	Number, gender and status of Board members as independent and executive / non-executive	194-195; 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/
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/
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/

GRI Reference	Indicator	Page reference in Annual Report 2012
Economic indicators		
Economic performance		
EC1 (CORE)	Economic value generated and distributed	2; 6; 13-17; 39-41; 47-49; 53-55; 61-64; Economic and financial statements: F8, F9, F39; Corporate governance statements: G26
EC2 (CORE)	Financial implications and other risks and opportunities for the organization's activities due to climate change	27-28; 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 statements: F27
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	6; 34-37; 43; 50; 56; 65; Social statements: S5; Environmental statements: E8; Corporate governance statements: G25
Environmental indicators		
Materials		
EN2 (CORE)	Percentage of materials used that are recycled input materials	2; 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	14; 28; 49; 67; Environmental statements: E4; Umicore's position statements on carbon footprint reduction: http://www.umicore.com/sustainability/environment/positionStatements/carbonReduction.htm (partially reported)
EN7 (ADDITIONAL)	Initiatives to reduce indirect energy consumption and reductions achieved	28; Social statements: S8; Umicore's position statements on carbon footprint 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	27-28; 43; 49-50; 56; 64-67; Environmental statements: E3
EN20 (CORE)	NOx SOx and other significant air emissions by type and weight	Environmental statements: E2

GRI Reference	Indicator	Page reference in Annual Report 2012
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	19; 29-30; 45; 51; 67; Environmental statements: E2, E6 (partially reported)
Labour practices and decent work		
Employment		
LA1 (CORE)	Total workforce by employment type and region	2; 6; Social statements: S2
LA2 (CORE)	Total number and rate of employment turnover	6; 23; 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	6; 21-22; 24-25; 43; 49; 55-56; 64; Social statements: S9, S10, S11 (partially reported)
LA9 (ADDITIONAL)	Health and safety topics covered in formal agreements with trade unions	23-24; 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	6; 22-23; Social statements: S3
LA12 (ADDITIONAL)	Percentage of employees receiving regular performance and career development reviews	22; 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	194-196; 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	33-34; 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	33-34; 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

GRI Reference	Indicator	Page reference in Annual Report 2012
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		
S01 (CORE)	Percentage of operations with implemented local community engagement, impact assessments, and development programs	35; 37; Social statements: S5
Corruption		
S02 (CORE)	Percentage and total number of business units analysed for risks related to corruption	Corporate governance statements: G15; G24; Umicore is signatory of PACI
S03 (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		
S05 (CORE)	Public policy positions and participation in public policy development and lobbying	Corporate governance statements: G25
S06 (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	30; 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	30; Environmental statements: E6

About this report

Umicore's Annual Report 2012 offers a comprehensive and integrated view of Umicore's economic, financial, environmental and social performance for 2012.

The report consists of two sections – a Management Review and a statements section. The Management Review (pages 1 to 67) provides an introduction to Umicore and focuses on the key performance aspects of 2012 as they relate to Umicore's Vision 2015 strategy. The statements section (pages 68 to 212) includes full financial, environmental, social & governance statements and notes. All elements of the Annual Report 2012 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. Umicore's approach aims to integrate reporting on 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 2012 covers Umicore's operations for the financial / calendar year 2012. No major changes of scope took place in 2012. This report represents the second year in which Umicore reports on its progress towards its 2015 objectives. 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 2008.

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 76 to 139 and page 198 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 141 to 169. The independent auditor's report of PwC on the social and environmental statements can be found on page 199 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 204 to 208. 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⁾

30 April 2013

General meeting of shareholders (financial year 2012)
Trading update for the first quarter of 2013

3 May 2013

Share traded ex-dividend

8 May 2013

Payment of dividend starts

30 July 2013

Interim results for the first half of 2013

23 October 2013

Trading update for the third quarter of 2013

Feedback

Let us know what you think about
this report.
Send an email to
stakeholder@umicore.com

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Languages

This report is also available in French and Dutch

Internet

This report can be downloaded from the Umicore
website: www.umicore.com/reporting

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Concept & realization

The Crew

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Printing

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(1) Dates are subject to change. Please check the Umicore website for updates to the financial calendar.

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