Annual report 2014

umicore
materials for a better life

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Check out our overall sustainability performance

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Dig deeper into our businesses

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Full sustainability and financial statements

Consult the online report
http://annualreport.umicore.com/

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About this report

This Annual Report is an integrated view of our economic, social and environmental performance in 2014. To access the full web-based report please visit our dedicated reporting centre via the link below.

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 196.

Consult the online report http://annualreport.umicore.com/

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.

Our Vision

Vision 2015

Umicore's strategy, Vision 2015, is shaped by global economic, social and environmental megatrends. Our competencies, market positions and expertise in metallurgy, materials science, application know-how and recycling give us strong growth potential in the following areas:

Resource scarcity: in today's world metals are in greater demand but are becoming ever scarcer. Umicore's recycling capabilities recover 26 elements including precious and other metals.

Clean air: the drive towards stricter emissions standards provides global growth opportunities in automotive catalysts for both light and heavy duty vehicles.

Vehicle electrification: the growing market for lithium ion batteries used in electrified vehicles is driving demand for our rechargeable battery cathode materials.

Clean energy: Umicore develops materials that form the heart of highly efficient photovoltaic technologies and which enable other energy efficient products.

Our Vision 2015 objectives cover our economic ambitions and also challenging goals for environmental and social performance:

Economic

Growth and returns: our key growth projects have the potential to achieve double digit revenue growth. Our long-term goal is to generate an average return on capital employed of 15-20%.

Great place to work

Safety: we aim to have zero lost time accidents.

Occupational exposure: we will reduce the body concentrations of specific metals to which our employees have an exposure: Cd, Pb, Co, Ni, As, Pt.

People development: all employees worldwide will receive an annual appraisal to discuss individual development.

Preferred employer: we will target specific actions based on the results of the 2010 People Survey.

Eco-efficiency

Reduce carbon footprint: we aim to reduce our CO_2 emissions by 20% vs the level of 2006 and using the same scope of activities as 2006.

Emission reduction: we aim to reduce by 20% the impact of metal emissions to water and air vs 2009 levels.

Product sustainability: we will invest in tools to better understand and measure the life cycles and impacts of our products.

Stakeholder engagement

Sustainable procurement: we will implement our new sustainable procurement charter throughout our business.

Local community: all our sites will be expected to make further steps in identifying key stakeholders and engaging with the local community.

Key figures

Economic performance (in million € unless stated otherwise)	2010	2011	2012	2013	2014
Turnover	9,691.1	14,480.9	12,548.0	9,819.3	**8,828.5**
Revenues (excluding metal)	1,999.7	2,318.6	2,421.4	2,363.4	**2,380.6**
Recurring EBIT	342.5	416.1	372.1	304.0	**273.7**
of which associates	30.1	22.9	22.2	11.8	**28.3**
Total EBIT	324.0	432.7	328.6	260.0	**249.3**
Recurring EBIT margin (in %)	15.6	16.9	14.4	12.4	**10.3**
Return on Capital Employed (ROCE) (in %)	17.5	18.6	16.7	13.6	**12.2**
Recurring net profit, Group share	158.0	304.6	275.2	218.0	**193.1**
Net profit, Group share	248.7	325.0	233.4	179.0	**170.6**
R&D expenditure	119.2	136.7	149.0	140.6	**143.3**
Capital expenditure	156.6	196.2	235.7	279.6	**202.4**
Net cash flow before financing	(68.2)	308.6	150.3	185.9	**139.9**
Consolidated net financial debt of continued operations, end of period	360.4	266.6	222.5	215.0	**298.3**
Gearing ratio of continued operations, end of period (in %)	18.6	13.4	11.0	11.1	**14.6**
Group shareholders' equity, end of period	1,517.0	1,667.5	1,751.7	1,677.1	**1,704.6**
Recurring EPS (in €/share)	2.33	2.69	2.47	1.96	**1.79**
EPS including discontinued operations, basic (in €/share)	2.20	2.87	2.09	1.61	**1.58**
Gross dividend (in €/share)	0.80	1.00	1.00	1.00	**1.00**

Great place to work	2010	2011	2012	2013	2014
Total workforce (incl. associates)	14,386	14,572	14,438	14,057	**14,074**
of which associates	4,828	4,408	4,042	3,867	**3,706**
Lost Time Accidents (LTA)	56	60	49	35	**37**
LTA frequency rate	3.54	3.61	2.86	2.08	**2.16**
LTA severity rate	0.13	0.11	0.11	0.10	**0.94**
Exposure ratio 'all biomarkers aggregated' (in %)	-	5.15	4.32	2.60	**1.91**
Average training hours per employee	43.30	51.94	50.72	45.18	**45.59**
Voluntary leavers - ratio	3.78	3.84	3.20	3.33	**3.42**

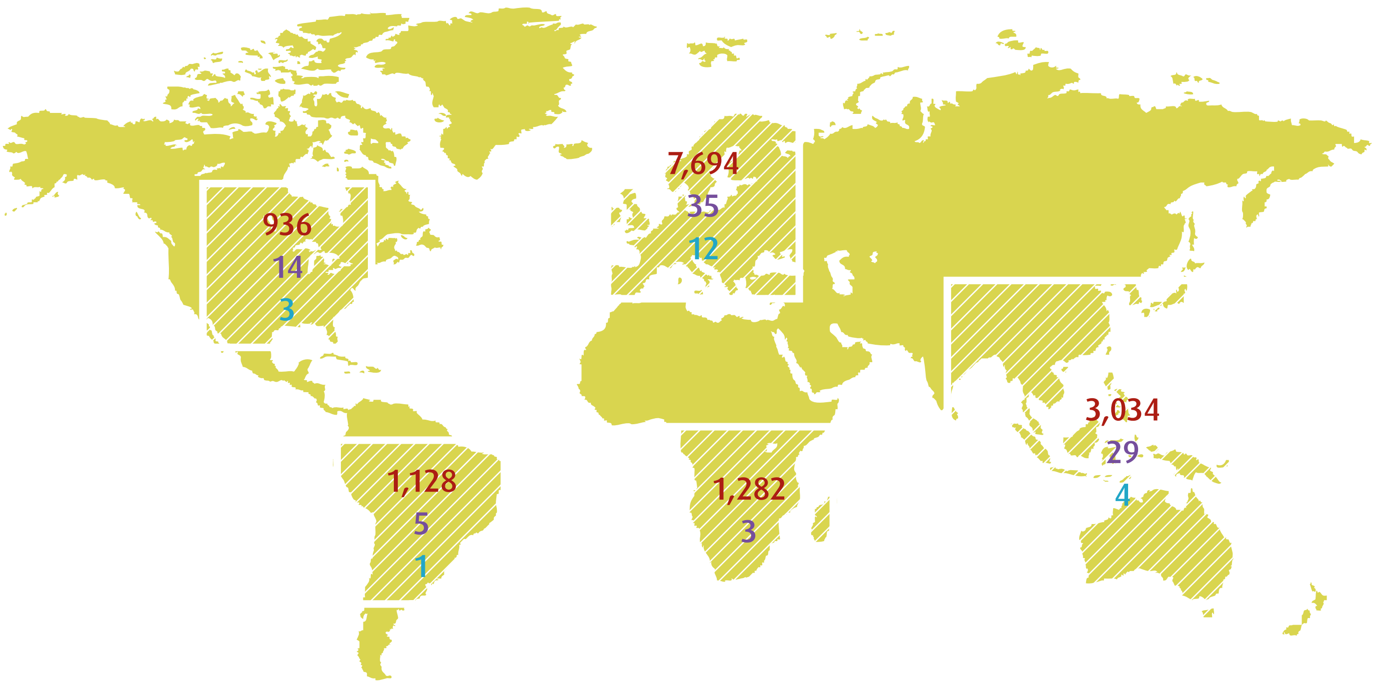
Eco-efficiency	2010	2011	2012	2013	2014
CO_2e emissions (scope1+2) (in tonne)	543,807	695,733	701,898	690,767	**663,959**
Metal emission to water (load in kg)	6,495	5,782	5,701	5,560	**5,639**
Metal emission to water (impact units)	389,676	306,627	245,935	313,883	**543,332**
Metal emission to air (load in kg)	13,582	13,868	16,615	12,522	**13,309**
Metal emission to air (impact units)	184,066	130,440	135,670	130,169	**128,466**

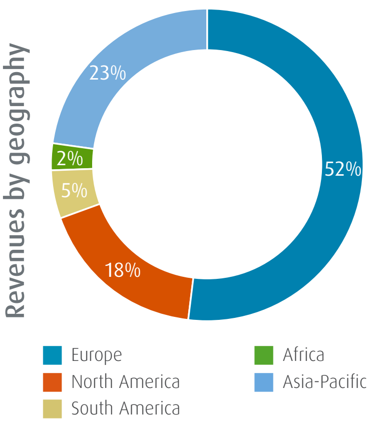
Stakeholder engagement	2010	2011	2012	2013	2014
Total donations (in € thousand)	1,009.4	1,751.0	1,759.2	1,612.8	**1,409.3**

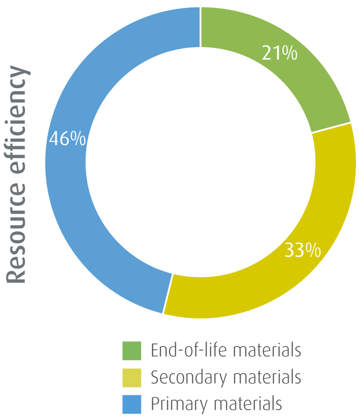
14,074
Colleagues

86
Industrial sites

20
R&D | technical centres







Revenues (in € million)
2,381

Recurring EBIT (in € million)
274

R&D spend in % of revenues
6%

Umicore Chairman, Thomas Leysen and CEO, Marc Grynberg look back on 2014 and take stock of the challenges and opportunities in 2015 and beyond.

The business context in 2014 remained challenging for Umicore. This was mainly due the effects of lower metal prices and currency headwinds. Overall economic growth in many regions of the world was also anaemic, leading to a continued lull in industrial demand. In this context, we successfully managed to stabilize revenues and were even able to secure revenue growth in a large number of businesses. Although cost control measures supported the performance of several business units the overall impact of the external factors – particularly the less supportive metal price environment – meant that we generated a recurring EBIT that was 10% below the level of 2013 and corresponding to a return on capital employed of 12.2%.

Although the Recycling units felt, as expected, the bulk of the impact of the metal price headwinds, they were able to generate a very high return on capital employed of 40%, well ahead of any industry peer. The other three segments grew their earnings. In Catalysis, recurring EBIT was up 13%, driven by the ramp-up of Heavy Duty Diesel catalysts which started in the second half of the year and higher sales of catalysts for passenger cars. Energy Materials continued its recovery with all units performing better than in 2013 and together generating 59% higher earnings, including the contribution of recently acquired businesses. Most units in Performance Materials also increased their earnings, helped by the difficult but necessary cost reduction efforts initiated in recent years. Including a stronger contribution of our Element Six Abrasives joint venture, Performance Materials grew recurring EBIT 12%.

2014 was another important year in the execution of our Vision 2015 strategy. We successfully completed the first major phase of the Hoboken capacity expansion and are confident that we will be able to complete the remaining major investments in the coming year. We also completed or announced major growth initiatives in the Automotive Catalyst activities and the new plant in India came on-stream at the end of the year with new facilities expected to start up in Poland and Korea in 2015. We also announced an investment in a new plant in Thailand to cater for the burgeoning demand in the South East Asian market. The growth in Rechargeable Battery Materials continues to be supported by an almost continuous stream of capacity and capability enhancements, particularly in South Korea and China. In 2014 our organic growth initiatives were nicely complemented by external growth in Energy Materials as we welcomed new colleagues through the acquisitions of Todini and Co and CP Chemicals. Our solid balance sheet can continue to accommodate further sizeable expansion both through organic growth and through acquisitions and we will continue to seek deals where these can generate obvious value for Umicore and our shareholders. Given the financial strength of the Group these deals could range from the potentially transformative to smaller complementary acquisitions for individual business units.

This financial strength also ensured that we were able to balance a continued high level of growth investments with a substantial level of cash returns to our shareholders in 2014. In total share buybacks and dividend payments amounted to € 187 million, which was close to the level of 2013 and represented more than 40% of the cashflow from operations. We also cancelled eight million of our treasury shares

CEO & Chairman's review

"We successfully completed the first major phase of the Hoboken expansion."

back in September. Umicore's Board will propose a stable full year dividend of €1.00 a share for approval by shareholders in April which, based on recurring 2014 EPS of € 1.79 per share, would correspond to a payout ratio of 56%.

In terms of sustainability performance, although we made some further progress, this was overshadowed by the loss of two colleagues in an accident in Olen, Belgium in January 2014. We are determined to reduce the risk of such an accident ever happening again at Umicore. With this in mind, we made a strong and immediate commitment to address process safety in a more systematic way through the company. In the course of 2014 a project team engaged with all business units and visited over 20 sites to increase awareness of process safety and stimulate the exchange of best practices. These are now being shared across sites and business units and consolidated in practical guidance notes to facilitate their implementation. Beyond the effects of the accident in Olen, the safety performance was not satisfactory with accident frequency increasing slightly year-on-year. While this evolution is not positive, there were enough encouraging signs that a breakthrough is within reach. In 2014, for example, seven business units were able to operate for the full year with no lost-time accidents and more sites than ever before were able to operate with no lost-time accidents during the entire year.

On the environmental front, we made further reductions to our CO_2 emissions compared to the baseline year and by the end of 2014 had reached a level that goes beyond the Vision 2015 targets that we set back in 2010. Although the impact of metal emissions to air fell further in 2014, a flood-related incident at our Hoboken plant meant that the impact of metal emissions to water were up significantly. We remain confident, however, that the remedial actions that have been put into place will enable us to reach our metal emission to water reduction objective by the end of 2015.

In terms of people development and employee satisfaction the results of our People Survey gave us a good barometer of progress from the results of the previous survey in 2010. Although, on average, the scores were slightly lower compared to those of the previous survey, this was the case for almost all companies in the reference group, with the effects of the economic downturn having a broad impact on employee satisfaction in most sectors. We did, however, note a steady performance or an improvement in around one third of the categories and, more importantly, recorded results that were above the Chemical Industry Norm and which significantly closed the gap with organizations which are considered to have the highest performance in all sectors. Our efforts in the area of employee health continued to pay off in 2014, particularly in terms of workplace exposure to metals.

Looking forward to 2015, we are seeing positive signs for the evolution of our financial performance. In the outlook that we provided in February we indicated that 2014 was likely to have been a trough year for Umicore and that overall profitability should be higher for Umicore in 2015. We are starting to see the benefits of recent growth investments, as well as the impact of cost-reduction measures. In 2015 we anticipate a higher contribution from the Catalysis and the Energy Materials business groups. In Catalysis, the improvements should come from the ramp up of heavy-duty diesel catalyst production in Europe and China and further growth in demand for emission abatement for light-duty vehicles across regions. In Energy Materials, revenues and profitability are set to increase further reflecting the contribution of recently acquired activities as well as growing demand across business units. We should bear in mind, however, that the global economy remains in a state of flux. The uncertainties prevailing in the Eurozone and the impact of shifting monetary policy on emerging market growth are just two elements that are casting a cloud over what is a broader story of gradual recovery.

"Our sustainability progress was overshadowed by the loss of two colleagues in an accident."

In 2015 we will be fine-tuning Umicore's strategic approach to ensure the best platform for success in the coming years. At the beginning of 2015 we already outlined our plans to realign the portfolio of activities to sharpen the growth focus of Umicore and create for four of our business units the best conditions for a successful further development. For the two zinc business units, Zinc Chemicals and Building Products, this entails that we will be looking at divestment options. In Thin Film Products and Electro-Optic Materials, we should consider strategic partnerships and alliances in order to enable the units to gain critical mass and increase their market presence. We hope to be able to implement these portfolio realignments by the end of 2016. As we pursue this process, we will be guided by the quality and the merits of each project and the timing will remain, of course, subject to the right opportunities presenting themselves and the presence of the right market conditions.

We would like to take this opportunity to extend our thanks and appreciation to our employees for their commitment in 2014, to our shareholders for their continued support and to our customers, suppliers and other business partners for their continued loyalty to Umicore.

Economic review

Profits were lower due to the effect of lower metal prices and currency headwinds.

“Revenues were up 1% compared to 2013, reaching € 2.4 billion. An increase in Catalysis and Energy Materials offset a decrease in Recycling and Performance Materials.”

Overview

While most business units posted a positive performance during the year, this was not enough to offset the impact of lower metal prices on recycling revenues and margins. Recurring EBIT was lower year-on-year due to a combination of this metal price effect, currency headwinds and higher depreciation costs linked to our Vision 2015 growth initiatives.

Revenues, earnings & returns

(See the charts on p 9-10).

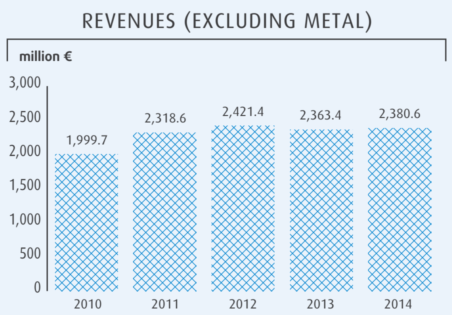
Revenues were up 1% compared to 2013, reaching € 2.4 billion. An increase in Catalysis and Energy Materials offset a decrease in Recycling and Performance Materials.

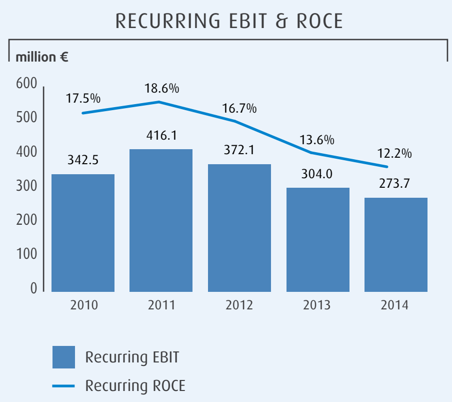
Turnover (which includes metal values) was 10% lower year-on-year. This was due to the decrease in the prices of a number of metals during the course of the year. For Umicore, revenue is a more meaningful metric of “top-line” performance than turnover as it excludes the price of metals passed through to customers.

Recurring EBIT was 10% lower than in 2013 at € 274 million. This primarily reflected the impact of lower precious metals prices, currency headwinds and higher depreciation charges. In Catalysis, recurring EBIT was up by 13%, driven by the ramp-up in catalyst production for heavy duty vehicles in Europe and China and higher sales for catalysts used in passenger cars.

Revenues in Energy Materials grew strongly, driven by the acquisitions in Cobalt & Specialty Materials as well as volume growth in all business units and efficiency improvements. Recurring earnings in Energy Materials were up by 59%. In Performance Materials, although revenues were down 3%, recurring EBIT increased by 12% reflecting a higher contribution from Element Six Abrasives and as a result of cost reduction measures that were initiated in 2013. Recycling revenues and recurring EBIT were down 10% and 30% respectively mainly due to the impact of lower metal prices.

Economic review





Lower demand in certain end markets of the business units Jewellery & Industrial Metals and Precious Metals Management also had a negative impact on the revenues and profitability of the business group. Net recurring corporate costs were at the same level as those of 2013 at € 48 million.

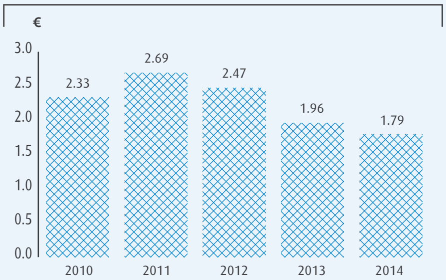
For a full discussion of segment economic performance see pages 28 to 43.

Non-recurring items had a negative impact of € 22 million on EBIT. The majority of the restructuring charges related to the closure of Element Six Abrasives' plant in Sweden, cost-reduction measures in corporate & support functions and adjustments to the production configurations of a number of business units. Umicore also booked environmental provisions of € 7 million related to the remediation of historical pollution. Reversals of impairments on permanently tied-up metal inventories, resulting from an increase in metal prices towards year-end, accounted for a positive impact of € 8 million. The impact of non-recurring charges on the net result (Group share) amounted to € 22 million.

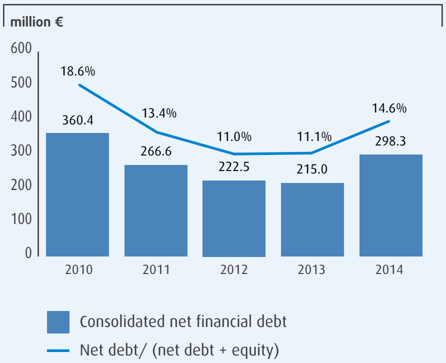
Depreciation charges on property, plant & equipment and intangible assets totalled € 169 million compared to € 159 million in 2013. This was due to the completion of more new growth investments in 2014. Overall recurring EBITDA decreased by 4% to € 442 million.

Average capital employed was almost exactly at the same level as in 2013. Umicore generated a return on capital employed (ROCE) of 12.2% compared to 13.6% in 2013. This was below our Vision 2015 target of generating a return on capital employed of above 15%.

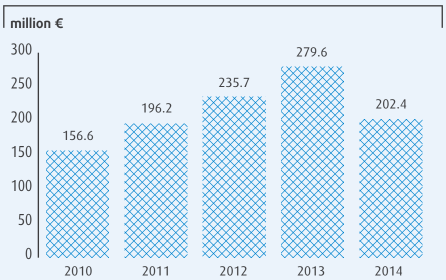
RECURRING EPS



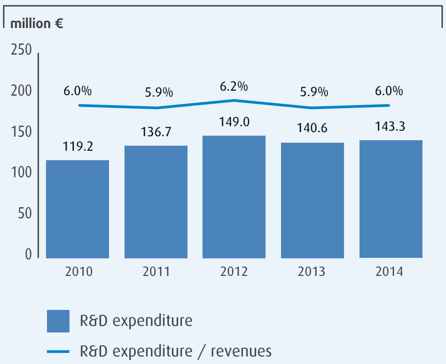
NET FINANCIAL DEBT



CAPITAL EXPENDITURE



R&D EXPENDITURE



SHARE PRICE

GROSS DIVIDEND

Financial costs & taxes

Net recurring financial charges totalled € 25 million, similar to the level of 2013, with negative foreign exchange results offsetting the effect of lower interest charges. The average weighted net interest rate decreased further to 1.56% (compared to 1.61% in 2013).

The recurring tax charge for the period amounted to € 48 million. The overall recurring effective tax rate for the period was 21.8%, compared to 21.3% in 2013.

Cashflows

Cashflow from operations decreased by 11.8% to € 432 million. Umicore further optimised working capital, generating a cash inflow of € 56 million.

Net cashflow before financing decreased to € 140 million, including the amount paid for two acquisitions in Cobalt & Specialty Materials. Total net cashflow for the period stood at € -18 million, including € 187 million of cash returned to shareholders in the form of share buybacks and dividends, which corresponded to 43% of cashflow generated from operations.

Net debt evolution

At 31 December 2014 Umicore's net financial debt stood at € 298 million versus € 215 million at the start of the year. Group equity stood at € 1,705 million and the gearing ratio (net debt / net debt + equity) was 14.6%. The average net debt to recurring EBITDA ratio stood at 0.5x.

Economic review

Capital expenditure

Capital expenditures totalled € 202 million. This was considerably lower than in 2013. The vast majority of capital expenditures relate to Vision 2015 growth projects. Compared to 2013, investments were lower in Catalysis and Energy Materials due to timing effects with a wave of HDD and cathode material production investments having been completed the previous year. In Recycling, capital expenditure focused primarily on the successful completion of a first wave of investments to increase capacity by 40% at the Hoboken plant in Belgium. Investments were largely stable in Performance Materials.

Research, development & innovation

R&D expenditure in fully consolidated companies was € 143 million, corresponding to a stable R&D spend to revenue ratio of 6%. Level of R&D income was stable from 2013 to 2014.

Overall net R&D spending for 2014 was 2% higher than in 2013 mainly due to investments in Recycling and Catalysis.

The main areas of product R&D spending are in automotive catalysis, fuel cell catalysis and rechargeable battery materials. The majority of process-related R&D spending was dedicated to recycling technologies as well as processes for the production of catalysts and rechargeable battery materials. We deduct any research grants that are received from third parties from our reported R&D figures. We also apply the internationally recognized Frascati Manual definitions for R&D expenditure. The reported R&D expenditure in this report exclude R&D of associates.

The fuel cell materials joint venture, SolviCore, continued to develop its presence in projects for sustainable mobility and stationary energy storage.

A total of 43 new patent families were filed in the course of 2014, compared to 36 in 2013. Most of these concern automotive catalysts and rechargeable battery materials.

Umicore has prioritized its R&D programmes to offer the best possible support to the Vision 2015 ambitions with a focus on the development of innovative materials and processes in Catalysis, Recycling and Energy Materials. The Executive Committee focuses its technology reviews on the top eleven innovation projects that form part of these Vision 2015 growth ambitions to ensure quality of implementation and speed of execution. These top projects cover products in automotive catalysis, fuel cell catalysis and rechargeable battery materials. They also include recycling technologies as well as processes for the production of

Winning innovators

The fourth edition of the Umicore Innovation Awards resulted in 15 high-quality finalist projects from around the globe. They demonstrated a high degree of collaboration between employees from different countries, business units and Group R&D. The five winning innovations were initiated by customer demand and unmet market needs. These awards play a key role in fostering Umicore's future growth and development.

CASE

Hoboken expands to meet market needs

In 2014 the green light was obtained for a € 100 million investment in the Precious Metals Refining plant in Hoboken, Belgium. It will increase the refining and recycling capacity from 350,000 to around 500,000 tonnes a year – an increase of some 40%.

The two year expansion programme will enhance the capabilities of the entire plant by incorporating innovative technical improvements. The investments will enable Umicore Precious Metals Refining to build on its unique competence in treating the broadest range of complex materials from around the world.

Increasing complexity and availability

The expansion will allow the business unit to process more complex residue streams from the non-ferrous metals industry. Such materials already account for a substantial part of the input at Hoboken and their availability is set to increase in the coming years. "This is because as resources become scarcer, more complex ore bodies are being mined, resulting in concentrates with a higher impurity content," explains Luc Gellens, Senior Vice-President Precious Metals Refining. "The processing of these complex concentrates by our suppliers is also giving rise to more complex by-products." In addition, end products such as mobile phones, electronic components and industrial catalysts are incorporating ever more complex combinations of metals – and increasing in availability.

More productive processes and people

A further benefit of the expansion project will be enhanced productivity, which will raise Umicore's competitiveness in an increasingly tough marketplace. The preparatory engineering work conducted during 2014 and investments made in the past year have already yielded a higher throughput.

At the same time, expansion will create new jobs. This investment programme involves people at all levels of the organisation: operations, engineering, logistics, R&D as well as service functions in the lab and plant. "Our extremely competent workforce is key to reaching our productivity and efficiency goals," adds Luc.

Ensuring environmental performance

Umicore intends that the impact of the capacity increase on the environment will be minimal and that the plant will continue to attain the highest standards in terms of air and water emissions. In this respect, improvements are being made in a number of areas through the introduction of new equipment and technologies – for example in biological water treatment and gas cleaning.

Another innovation is in logistics. To cope with the significantly higher volumes of material arriving at the Hoboken facility, a completely new transportation channel has been developed: by barge from the Port of Antwerp along the River Schelde. Every year this will lead to at least 5,000 fewer containers arriving by road, reducing congestion, noise, pollution and CO_2 emissions.

The facility also continues to maintain close relationships with the local community, through regular communications, open and transparent information sessions, and a dedicated telephone number to deal with comments and enquiries.

Economic review

catalysts, rechargeable battery materials and reduction of water emission. In 2014, the Executive Committee undertook five dedicated technology reviews.

From an open innovation perspective, we continued to develop our collaboration network with universities and research institutes around the world in 2014. We continued to host close to one hundred internships for students as part of their masters and bachelors' studies and directly sponsor 23 PhDs and post-doctoral students over the course of their studies. Umicore holds six 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 March 2014 we awarded the Umicore Scientific Award to Mehtap Ozaslan, a scientist at the Technical University of Berlin, for her PhD work in the field of catalytic properties of cathode fuel cell electrocatalysts. Mehtap's entry was one of 25 submitted from all over Europe. Four Masters students working in Belgium were also rewarded for their work. The main Award is granted to a PhD graduate who, through his or her research, contributes to science in those fields that are crucial both to 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 220 entries and awarded approximately € 135,000 to 34 scientists across Europe.

In June 2014, the fourth edition of the Umicore Innovation Award took place in Brussels. This was the culmination of a six months long process to identify, recognize and reward excellence in innovation throughout Umicore. Entries were submitted across the five main categories of Technical Process Improvement, Non-technical Process Improvement, New Business Development, Environment Health & Safety and Science & Technology. The Awards resulted in 15 high-quality finalist projects from around the globe. They demonstrated a high degree of collaboration between employees from different countries, business units and Group R&D. The five winning innovations were initiated by customer demand and unmet market needs and had tangible impacts on Umicore growth. These awards play a key role in fostering Umicore's future growth and development.

The Umicore share

Umicore's share price was 1.9% lower at the end of the year compared to the end of 2013, (€ 33.31 vs € 33.96). This was compared to a 3.7% increase in the Euronext 100 Index of the largest 100 companies quoted on the Euronext stock exchanges and an increase in our "home" Bel20 Index of 12.4%. The decrease can be primarily linked to the negative evolution of precious metals prices during the course of the year. During the year we retained our place in the FTSE4Good sustainability index and a number of other sustainability oriented funds.

At the end of 2014, three investment companies had holdings in Umicore that were above the declaration threshold of 3%. These companies had combined declared holdings of 18.62% at year's end. In the course of 2014, Umicore bought back 2,029,345 of its own shares. During the year 314,500 shares were used in the context of exercised stock options, while another 25,834 were used as share grants to the members of the Board of Directors and Executive Committee. Umicore also cancelled 8,000,000 shares and the outstanding share number is 112,000,000 at the end of 2014, out of which 3,914,272 or 3.49% is held in our own treasury.

If the appropriation of profit proposed to shareholders is approved, a stable gross dividend of € 1.00 per share will be paid for the financial year 2014. Taking into account the gross interim dividend of € 0.50 paid in September 2014, a balance gross amount of € 0.50 would be paid in May 2015.

FTSE4Good Index Series

ECPI Sense in sustainability

Go straight to the numbers
.XLS
http://annualreport.umicore.com/home/data-centre/

Great place to work

In 2014 we made good progress in most areas, including people development, being a preferred employer and workplace health.

Safety Award winner Peter Verbraeken briefs Marc Grynberg.

"Umicore made a strong commitment to address process safety in a more systematic way."

Zero accidents

(See the charts on p. 15)

In January 2014 an accident at the Olen plant in Belgium cost the lives of two Umicore employees. The findings indicated that the accident was due to an unexpected accumulation of hydrogen in the storage tank on which the two employees were carrying out maintenance work. Immediately following the accident Umicore made a strong commitment to address process safety in a more systematic way through the company. A dedicated team was appointed to run a Group-wide process safety project. This project aims to increase the focus on process safety at all industrial sites through the integration of best process safety practices in Umicore's existing management systems. In the course of 2014, the project team engaged with all business units and visited over 20 sites to increase awareness of process safety and stimulate the exchange of best practices. These were shared across sites and business units and consolidated in practical guidance notes to facilitate their implementation. In line with our goal to reach a common understanding of process safety, the project team has also developed a simple but effective process safety e-learning for all employees involved in process safety.

In terms of occupational safety performance for 2014, the accident in Olen overshadows everything. This is particularly the case for the severity rate. In terms of accident frequency, the number of lost-time accidents was higher in 2014 (37) compared to 2013 (35) and the accident frequency rate therefore increased from 2.08 to 2.16. Due to the two fatalities, the accident severity rate rose to 0.94. While this evolution is not positive, there were some encouraging signs. In 2014, 84% of the reporting sites were able to operate with no lost-time accidents compared to 79% in 2013 and seven business units were able to operate for the full year with no lost-time accidents. Rechargeable Battery Materials managed to run its sizeable industrial operations with no lost-time accidents in 2014 and Zinc Chemicals recorded only one lost-time accident over its seven sites in spite of the risks usually associated with its industrial operations, which include the handling of molten metal. These examples show that all sites can reach the goal of zero accidents. To reinforce the point, Umicore registered its second-ever accident-free month across all business units in November 2014.

We accord internal recognition for sites that have achieved the benchmark of three years, five years or ten years with no lost time accidents or recordable injuries to Umicore staff and no lost time accidents involving contractors. At the end of 2014, 9 sites had achieved the three year benchmark. Five of those sites had also achieved the five year benchmark.

We held the fourth edition of our Safety Award in 2014 with the winner, Peter Verbraeken, a coach in the maintenance department of the smelter in Hoboken, Belgium. He was chosen by a jury from a field of 50 submissions covering more than 200 people. The jury also decided to give a special recognition to Ricardo Kurihara who is a production supervisor at the plant in Guarulhos, Brazil. 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.

People development

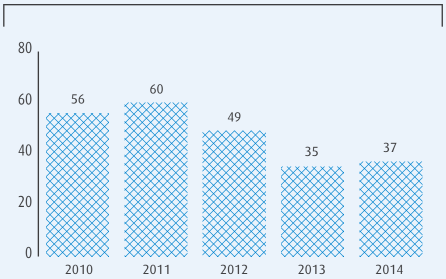
As an employer we have a responsibility to give our colleagues opportunities to develop and grow. This can cover many aspects - from learning and development possibilities, regular feedback, to talent management and succession planning. One of the objectives to be achieved by 2015 is to ensure that all 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 2014, 95.8% of employees had received an appraisal. This was marginally higher compared to the previous year.

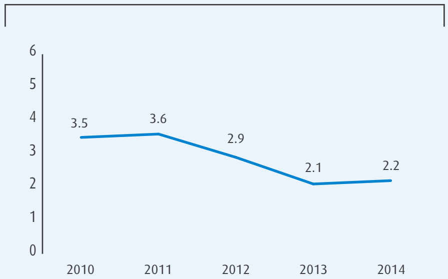
The Umicore People Survey results provided some insight into how well Umicore is performing with regards to people development. In the question category "Development Opportunities" although the scoring was slightly below that of the highest performing organizations that conduct similar surveys, it was slightly better

Great place to work

LOST TIME ACCIDENTS (LTA)



ACCIDENT FREQUENCY RATE



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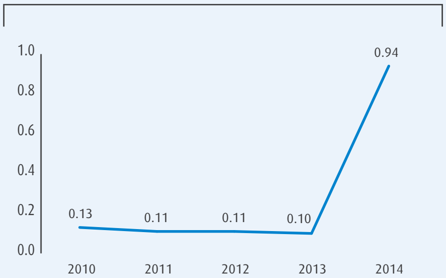
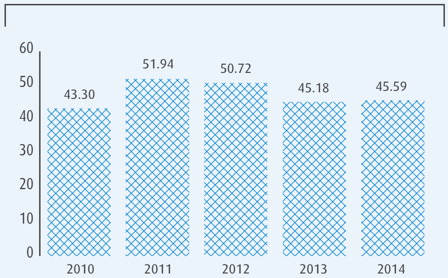
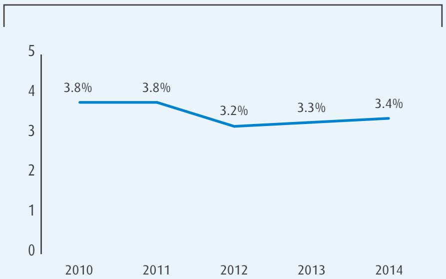


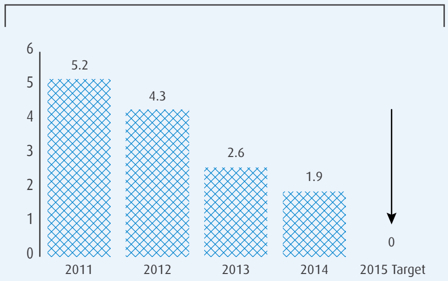
AVERAGE TRAINING HOURS PER EMPLOYEE



VOLUNTARY LEAVERS - RATIO



EXPOSURE RATIO 'ALL BIOMARKERS AGGREGATED'



than the results from Umicore's own 2010 survey and higher than the Global Chemical Norm. In terms of training we showed scores that were higher than both the High Performance Norm and Global Chemical Norm. These results demonstrate that Umicore's people development efforts are bearing fruit.

One indication of people development is the intensity of training. In 2014, the average training hours per employee was 45.6 compared to 45.2 hours in 2013. The reduction from the high levels seen in 2011 / 2012 can be partially attributed to a significantly reduced level of on-boarding training resulting from lower levels of recruitment. In 2014 we continued to 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. We held more than 20 "Lunch & Learn" seminars throughout the year, covering a wide range of topics from electric mobility to x-ray diffraction.

In 2014 we made further progress in deploying the My Campus learning management platform. The initial scope of the roll out had been the sites in Belgium and the larger sites in Germany and in 2014 this was followed by the sites in North and South America. 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 blended learning where employees can access many different types of training and personal development possibilities, including e-learning modules such as for sustainable procurement and performance management. The platform also supports the talent and performance management processes and hosts a collaborative networking tool. At the end of 2014 some 80% of all Umicore employees had access to the platform.

The platform for commercial functions at Umicore held a further summit meeting in North America to complement the sessions in Europe and Asia of the previous year. One of the aims of this platform is to further develop the sales and marketing competences within the company.

Preferred employer

Attracting and retaining people is a constant challenge, particularly in technology-intensive sectors such as the ones in which Umicore is present. We 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.

In 2014 we conducted another edition of the Umicore People Survey. This gave all employees the chance to express their views of working at Umicore across a number of different topics. On average, the scores were slightly lower compared to those of the 2010 survey. This was the case for companies in general with the effects of the economic downturn having a broad impact on employee satisfaction in most sectors. We did note a steady performance or an improvement in around one third of the categories. Perhaps most important with regard to our attractiveness as an employer is the performance compared to our peers. Here we posted a strong performance. The scoring showed that in most categories Umicore is now above the Chemical Industry Norm and is closing the gap with organizations who are considered to have the highest performance in all sectors. Each business unit and site has been developing action plans to address the most relevant elements in their specific context. You can read more about the Umicore People Survey results in the case study on the opposite page. All the sites in Belgium, France and Brazil as well as the largest sites in Germany obtained national recognition as a Top Employer. By the end of 2014, 70% of employees worked in a site that was considered as a preferred employer in its local context. This compares to a level of 73% in 2013. By the end of 2014, 81% of the sites had a plan to be considered as a preferred employer, compared to a level of 82% in 2013. The reason for the slight reduction in these two categories is the integration of a newly acquired site during the year. The Hanau site was once again awarded the Berufundfamilie certificate in recognition of its family-conscious approach. The site has been granted this recognition every year since 2007.

In 2014 the employee turnover rate stayed stable at 3.4%. As in previous years – and in line with regional patterns – the turnover ratio was highest in Asia Pacific

CASE

Great place to work

Listening to our people

Being recognized as a great place to work is one of the key elements of Umicore's Vision 2015 strategy. The Umicore 2014 people survey gave employees the opportunity to give their opinions on several important topics associated with their work and Umicore.

Participation in the survey was once again exceptional, with 8,721 employees completing the questionnaire. This equates to 83% of the workforce, which indicates how seriously employees take these surveys.

Positive results
"For the first time since we started conducting people surveys in 1998, we achieved results above those of our peer group," says Mark Dolfyn, Development Director at Corporate Human Resources. "In almost all categories we are now above the 'Chemical Industry Norm'. This is something we have been striving for and is a significant achievement." Also evident is that Umicore is gradually closing the gap with the 'High Performance Norm' which represents the very best performers.

The areas where Umicore scored the highest are quality & customer focus, safety, respect & recognition, and empowerment.

The results show that efforts made in social & environmental responsibility are a source of pride within Umicore. "It's a good sign that the areas where we perform best include many aspects that are at the heart of being a great place to work," adds Mark.

Areas for improvement
The survey reveals a strong need for further guidance on the strategic direction of Umicore. This is no surprise to Mark as the company is close to the horizon line of Vision 2015: "Colleagues around the company are obviously hungry for more insight into Umicore's future direction."

The effort to provide clarity and guidance obviously goes beyond the Umicore vision, but also applies to units and departments. Employees not only want to know what they have to do and how to do it, but also why.

Another clear message is that many employees expressed the desire to contribute more to Umicore by taking up new tasks and accountabilities, within or outside their current roles.

Across the regions
The results show quite some variations across business units, regions and sites. Detailed results have been shared throughout the company so that everyone can contribute to the action plans, building on the strengths and addressing areas for improvement.

As an example, the Umicore site in Olen, Belgium decided to adopt an innovative approach to discuss the people survey results with their employees. Rather than tackling the points for attention in the classical way by looking at the weak areas and coupling these with actions, they chose a method called Appreciative Inquiry. This is about focusing on the positive aspects of the organisation and leveraging them to correct the less positive.

"For the areas where we scored lower, we looked for good examples within the company and the business units," explains Geert Walschap, Manager HR & Communication. "This helped us learn from each other and created more positivity. And when teams learn from each other they stimulate cooperation."

CASE

Making Umicore a safe workplace

A worldwide process safety project aims to further increase the process safety performance at all industrial sites.

Umicore has invested considerably over the years to improve *occupational safety* and reduce the number of lost-time accidents – and such efforts are continuing. In January 2014 two employees lost their lives in an accident at the Olen plant in Belgium. This accident highlighted how critical *process safety* is. In the wake of the accident a major project was launched to review and improve process safety throughout the whole Group.

"We want to reduce the risk of a similar accident happening again in the future," says Guy Haesebroek, Project Director Process Safety.

Structured implementation
"Process safety is not new to Umicore. But we are now giving more guidance for implementing it in a globally structured manner at all our industrial sites," explains Marc Massant, Group Leader Process Safety.

The project will increase the focus on process safety at all industrial sites through the pragmatic integration of best process safety practices in the existing management systems. It will cover all existing activities, greenfield developments and future acquisitions as well as contractors and visitors should they also affect process safety.

All sites will be provided with detailed documentation about process safety and supported with guidelines, benchmarking, training, implementation and troubleshooting.

Common framework
Key to improving process safety is designing and implementing a process safety management system. This will proactively identify any risks or hazard which may occur due to failures in processes, human behaviour or equipment. It includes integrity checks such as technical, operational and design integrity. Work is also going ahead to update the existing guidance note on process safety which describes what is needed to ensure optimal process safety.

Global approach
A further objective is to reach a common understanding of what process safety means to Umicore and its sites. To do this, in 2014 Guy and Marc visited over 20 sites worldwide to increase awareness of process safety, assess what needs to be done, and stimulate the exchange of good process safety practices. Priority was given to those sites with the most potentially hazardous activities.

Customised implementation
"Depending on the activity of the site the focus may be different," explains Marc. "In some cases we will identify safety-critical equipment and introduce procedures to ensure their correct operation and maintenance. In other ones we may have to improve risk prevention measures", adds Guy.

where many countries have a highly competitive and fluid labour market.

As part of the Sustainable Development Agreement with the international union IndustriALL, we participated in a Monitoring Committee meeting at Umicore's Jewellery & Industrial Metals site in Amsterdam where we shared information on topics such as working conditions, training, education and social policies.

The pilot mentoring programme that pairs mid-career women managers with senior management mentors was rated as a success by mentors and mentees alike. The learning from this on-going initiative is being taken up in other areas of the company with mentoring set to be made available in development plans for early and mid-career managers.

Occupational exposure

Umicore makes continuous 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 target reference levels for occupational exposure to potentially hazardous substances. These are inspired by the American Conference of Government and Industry Hygienists (ACGIH) and are at least as strict as any legal limits in force in countries where we operate. The Vision 2015 objective in respect 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 1.9% in 2014 which represents a further improvement on the 2013 level of 2.6% and compares with a level of 5.2% in 2011. This means that, of the 4,303 readings from employees who have a workplace exposure to the metals mentioned above (excluding platinum salts), 82 individuals returned at least one reading that indicated a metal exposure that was above our target level. Once again, the most significant reductions came in the Energy Materials business group and were related to exposure to cobalt and nickel. This has been brought about through the systematic implementation of engineering improvements and workplace hygiene programmes at a number of sites in the Cobalt & Specialty Materials and Rechargeable Battery Materials business units.

In 2014 four 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) continued 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. NIOSH carried out further evaluation of employees and industrial hygiene tests the results of which are anticipated in 2015.

Great place to work

When nickel levels were found to be higher than normal in the urine of employees at the Subic Cobalt & Specialty Materials plant in the Philippines, action was necessary – and taken.

Technical improvements

A range of technical enhancements were implemented to control occupational exposure to nickel-containing dust and its emission to the environment. These included more efficient state-of-the-art dust filters, streamlined packaging, area segregation, and a revamp of the nickel oxide milling equipment. At the same time, measures were introduced to reduce workers propagating nickel dust in the first place.

Improved hygiene

New hygiene facilities were installed in the canteen. "We observed that many operators were eating in the canteen or even elsewhere in the plant without first washing their face and hands," said Tony Wong, General Manager of Umicore Subic. "So we provided more and better wash basins in the canteen entrance, and enforced a 'no eating outside the canteen' rule."

Clearer education

Finally, three short movies featuring a hapless cartoon character called BokBok Alikabok taught workers how to improve their hygiene habits for a safer workplace. The first episode shows him taking a meal without having a wash. The second portrays how easy it is to spread nickel dust to colleagues in the laboratory or administration office, while the third episode focuses on personal hygiene in the locker room and with family at home.

The result of all these measures was a significant drop in the level of nickel found in urine samples. The percentage of workers exceeding the target level fell from 61% in 2012 to just 4% in 2014.

Ni
Nickel

Eco-efficiency

We remain well on track to meet our Vision 2015 environmental goals on emissions and product sustainability.

"Metal emissions to water were higher due to the impact of a one-off incident at the Hoboken plant."

Carbon emissions

(See the charts on p. 21)

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

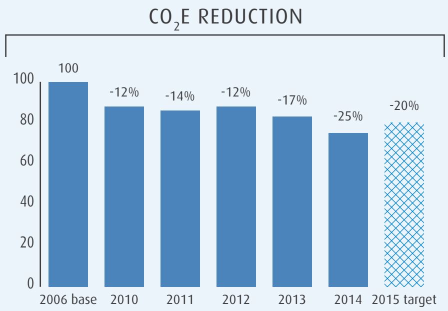
In terms of our operations we have chosen to pursue specific actions to reduce our carbon footprint and to further increase energy efficiency. In order to frame this approach we introduced an energy efficiency and carbon footprint policy in 2011.

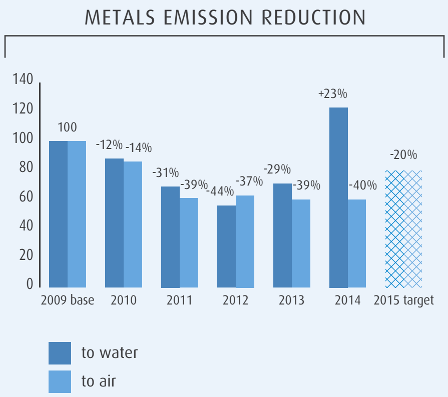
The main pillar of this policy is the Group objective to achieve by 2015 a 20% reduction in CO_2 equivalent emissions compared to the reference year 2006 and using the same scope of activities as 2006 (see note E3 for more details).

Other aspects covered by the policy are:

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

By the end of 2014 we had achieved a 25% reduction compared to the 2006 benchmark year. This means that for equivalent production levels we emitted 25% less in carbon equivalent. This compares to a reduction of 17% that we had achieved by the end of 2013. As in 2013, the improvement in 2014 was largely driven by the Hoboken site in Belgium. Here, the raw materials mix plays a significant role in determining CO_2e emissions with the recycling process for some residue streams – particularly those





from primary sources – requiring less energy and emitting lower levels of CO_2 equivalent than for other residue streams. We also recorded lower emissions from our Automotive Catalyst operations as a result of switching to more efficient production processes at the former Delphi operations and also benefiting from a more energy efficient product mix. We also made some further overall progress in the other sites which, together with Hoboken, have the highest emissions in the Group. The level of scope 2 emissions also fell as a result of a less carbon-intensive energy mix on average in the countries where Umicore operates, particularly in Europe.

For those sites that were part of Umicore at the end of 2010 and excluding the activity adjustment for measuring progress against the objective we have recorded an 8% reduction in absolute emissions since 2006, compared to a reduction of 4% registered at the end of 2013. Please see the environmental statement E3 for full details.

Eco-efficiency

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 2014 metal emissions to air in terms of load were 13,309 kg. This represented an 6% increase compared to 2013 and was almost exclusively due to higher recorded emissions in our Zinc Chemicals business unit. Of all the metals emitted by Umicore, zinc has the lowest impact on human health

CASE

Sustainability under the microscope

The product sustainability objectives of Umicore include investing in tools to better understand and measure the lifecycle and impacts of our products.

With this mind, two sustainability projects were completed during 2014. The results provide us with key data to enable continual improvement in our environmental performance.

Platinum, palladium and rhodium
As long-standing member of the International Platinum Association (IPA), Umicore was one of eleven companies that contributed to the IPA's Life Cycle Assessment of the environmental footprint of Platinum Group Metals (PGMs) in gasoline and diesel automotive catalysts. Three business units were involved in the study – Precious Metals Chemistry, Automotive Catalysts and Precious Metals Refining.

Together they helped generate a reliable, up-to-date and independent industry-wide data set of the environmental footprint of PGMs and PGM-containing products, and identify areas in the PGM lifecycle where environmental performance can be improved.

"The results clearly show that platinum, palladium and rhodium enable clean air and improve our quality of life," explains Benedicte Robertz, Scientist Product Sustainability. "In addition, up to 95% of PGMs can be recovered for subsequent reuse, with secondary production saving energy and minimising overall environmental impact."

Germanium
Germanium is a critical raw material for Europe, and the high price of refined germanium encourages recycling. These factors drove Electro-Optic Materials (EOM) to conduct an internal Life Cycle Assessment of germanium.

"The main objective was to quantify the potential environmental impacts of the production of germanium from production scraps from the photovoltaic industry and to compare them to the potential impacts of the primary production of germanium from coal," says Maarten Schurmans, who has led the project at EOM. The study was performed internally by Umicore's EHS competence platform according to the ISO 14040:14044 LCA methodology and was externally reviewed prior to publication in The Journal of the Minerals, Metals & Materials Society.

The results highlight the benefits of recycling germanium. As with other metals like copper, lead and silver, the secondary production of germanium results in lower impacts than the primary production– by at least 95% across most germanium impact categories.

and therefore the higher emissions of zinc had no material effect on the overall environmental impact of our emissions to air which decreased 1% vs 2013. This was driven by reductions in Energy Materials where the Rechargeable Battery Materials business unit recorded lower cobalt emissions and in Recycling where the Hoboken facility recorded lower emissions of a number of metals. In comparison to the reference year of 2009, by the end of 2014 the overall impact of our emissions to air had been reduced by 40% (35% at the end of 2013), which is well ahead of the 20% reduction target which was defined as part of Vision 2015.

In 2014, metal emissions to water in terms of load were 5,639 kg. This represented a 1% increase compared to 2013. The only business to register a material increase in absolute terms was Energy Materials due to higher emissions of nickel which was partly due to the inclusion of one newly-acquired facility in the reporting during the year. In terms of impact of metal emissions to water, our emissions increased by 73% compared to 2013. This was mainly due to the impact of flooding at the Hoboken plant during heavy summer rains. The volume of water coming through the plant resulted in an overflow from buffer tanks containing untreated water. In turn this resulted in almost one tonne of metals being washed into the River Scheldt. Excluding the impact of this flood-related incident, the impact of the metals emissions to water from the Hoboken plant would have been significantly lower year-on-year. Water emission impact also increased in Energy Materials due to higher emissions of nickel at a number of plants. In comparison to the benchmark year of 2009, by the end of 2014 the overall impact of our emissions to water has increased by 23% (while in 2013, it was reduced by 29% in comparison to 2009). A project to improve the Hoboken plant's ability to cope with storm water is underway and Umicore remains confident of reaching the overall 20% reduction target that was defined as part of Vision 2015.

For more information on the reduction efforts in each business group please see pages 28-43.

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.

Over the last five years, Group R&D and Corporate EHS have been developing a methodology specific to Umicore for assessing the sustainability of products and services. This methodology is called Assessment of Product (and services) Sustainability (APS). The methodology uses a tool consisting of a set of 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. Our aim was to test six products or services each year between 2012 and 2015 with each business unit submitting two cases to the study.

Eco-efficiency

In 2014 seven further cases were assessed in the business units Electro-Optic Materials, Platinum Engineered Materials, Zinc Chemicals, Precious Metals Chemistry, Precious Metals Refining and Rechargeable Battery Materials. The 23 cases assessed in the period 2011-2014 comprise products and services deployed in niche markets, 'flagship' products and services as well as a product under development. By the end of 2014 the number of products and services screened using the tool amounted to the equivalent of 18% of Umicore's revenues.

Now that a representative sample of products and services have been screened using the APS tool, Umicore will use 2015 to reflect on how the methodology might be best deployed in the future and how the understanding developed of the sustainability of our products can drive value with customers and other stakeholders.

In 2014, 46% of Umicore's incoming materials were of primary origin. 54% of the materials were from secondary origin or end-of-life products. The level of primary feed has increased in recent years due to the changing feed mix at the Hoboken plant.

In regard to REACH, in 2014 Umicore submitted 20 upgraded dossiers for complex intermediate materials, prepared by several metals consortia, following a methodology jointly developed with Eurometaux and in dialogue with the European Chemicals Agency (ECHA). In addition, more than 30 dossiers were updated with additional information or newly available data. Most of these updates were proposed by the metal consortia themselves and one at the request of ECHA following a test proposal evaluation For comments on our on-going REACH compliance efforts please refer to Environmental note E6.

World-first certificate

Umicore's facility in Eijsden, the Netherlands is the first plant in the world to receive the Certificate of suitability to the monographs of the European Pharmacopoeia (CEP) for zinc oxide. It recognises Umicore's commitment to guarantee customers the highest quality zinc oxide for their pharmaceutical products. This achievement is an important milestone for Umicore's activities in zinc oxide active pharmaceutical ingredients (APIs). CEP-certificates are issued by the European Directorate for the Quality of Medicines and Healthcare.

Stakeholder engagement

Stakeholder engagement encompasses dialogue with a diverse range of partners and at all levels of the company.

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

In the course of 2014, our regional procurement centres continued to select 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 included many suppliers of goods and services and some suppliers of raw materials (eg.metals). In total, 1,226 suppliers have now been selected, compared to 1,067 at the end of 2013. By the end of 2014, 83% of these 1,226 suppliers had formally acknowledged their adherence to the terms of the charter. The business units selected 429 suppliers, of which 73% had formally acknowledged their adherence to the terms of the charter by the end of 2014.

In 2014, Umicore asked Ecovadis to assess the sustainability performance of 100 of the 1,226 suppliers highlighted above. The selection of those suppliers by Umicore was based on the above mentioned risk assessment in relation to critical dependency, geographical presence and spend with these 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 ranged from 1 to 100 with 1 representing a high risk regarding sustainability issues.

Of the 100 selected suppliers, 10 suppliers did not respond to the questionnaire. Of the 90 received score cards, 44 companies had a score between 25 and 44, meaning that they have taken basic steps on sustainability issues. Only 1 company had a score equal to 20, representing a high risk regarding sustainability issues. 42 companies scored, overall, between 45 and 64, meaning that they have "an appropriate sustainability management system" and 3 companies scored higher, showing advance practices on sustainability. 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 Umicore Group was assessed by Ecovadis and was scored 67, which classifies the company in the advanced category with a "structured and proactive CSR approach, engagements / policies and tangible actions on major issues with detailed implementation information and significant CSR reporting on actions & performance indicators".

In 2014 the Purchasing & Transportation function further fine-tuned the above mentioned methodology for screening suppliers for sustainability and other criteria. This places more emphasis on a structured screening of all suppliers before they are accepted as business partners of Umicore.

Stakeholder engagement

Hands-on sustainability

The Umicore site in Hanau, Germany, financially supported the Hanau Environmental Centre, which teaches children through hands-on experiments. At the end of the year-long programme on water and the closed-loop concept of recycling, Umicore colleagues brought along a remote-controlled mini-car powered by fuel cells. It filled up its tank at a mini-gas station that uses solar power to extract hydrogen from water. Not surprisingly, it was a big hit with the kids.

Umicore conducted a survey of all business units as part of the annual business risk assessment (see page 171) to determine the level of adoption of the Sustainable Procurement Charter for direct procurement ie mainly metals. This survey indicated a varying level of adoption rates of the Sustainable Procurement Charter between business units. In 2015 the focus will be on developing a better understanding of the sustainable procurement needs in those business units that have identified any specific sustainability risks within their metal supply chain.

In order to increase awareness of sustainable procurement within the company a web-based learning tool is available on the My Campus learning platform.

In 2012 the U.S. Securities and Exchange Commission (SEC) issued a final rule on conflict minerals based on section 1502 of the Dodd-Frank Act. This rule obliges US stock listed companies to declare whether the tin, tantalum, tungsten and gold in their products have originated from the Democratic Republic of Congo or an adjoining country. While Umicore is not itself subject to the reporting requirements of Dodd-Frank, we use the above rulings as a guideline for our business. In this regard, our Precious Metals Refining operations in Hoboken and Guarulhos are certified as "conflict-free smelters" in 2014 for their operations of the previous year by the London Bullion Market Association (LBMA). The Jewellery & Industrial Metals operations in Pforzheim, Vienna and Bangkok are certified as part of the Responsible Jewellery Council's (RJC) Chain of Custody programme until 2016. The sites in Guarulhos, Amsterdam, Pforzheim and Bangkok are also accredited by the LBMA as Good Delivery refiners. In 2014 the business unit also passed the audit for responsible platinum sourcing by the RJC. Both the RJC Chain of Custody and LBMA Good Delivery accreditations qualify the accredited sites for listing in the EICC (Electronic Industry Citizenship Coalition) Conflict Free Smelter List.

In addition to existing policies and charters such as the Umicore Code of Conduct, Human Rights Policy and Sustainable Procurement Charter, Umicore also has a specific policy regarding "Responsible global supply chain of minerals from conflict-affected and high-risk areas".

http://www.umicore.com/en/media/topicsofinterest/conflictMinerals/

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 74% of our sites had an accountability plan in place by the end of 2014. This was higher than the level of 2013. In 2014, the number of sites employing structured communications as part of these engagement plans with their local community was lower partly due to the integration of newly-acquired sites that do not yet have such plans in place. 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 561 visits involving 3,821 people in 2014. Initiatives included a fifth year of support for 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 among others. The site also supported the Engage+ initiative of the City of Antwerp to combat youth unemployment. A community engagement effort was also undertaken to address questions of neighbours around the on-going expansion of the site's production capacity. The Olen site (Belgium) continued its programme of visits for local schools and neighbours "Umicore te kijk". The site conducted a thorough stakeholder engagement

A meeting of Presidents

Along with ten other leaders of global companies, Ravila Gupta, President of Umicore USA, met with US President Barack Obama at the White House. It was part of SelectUSA, a government initiative to encourage firms to invest in the United States. The discussion centred on what the US administration is doing to create more jobs in the country, and how to encourage young people to study technical subjects. Ravila mentioned to the President her long-standing interest in promoting engineering as a career for young women.

survey with the local community involving over 600 face-to-face interviews with people living close to the plant. A new magazine was also launched to keep the community up to date with developments in the plant. 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 more than 100 disadvantaged children in the community.

A case study highlighting community engagement can be found on the opposite page. The Hanau site (Germany) held an open day in 2014 as part of a broader Wolfgang Industrie Park event. The Umicore operations also hosted a number of internships for students in local schools. The site registered a high level of employee participation in local sporting events such as the JP Morgan Corporate Challenge and Hanau City Run with Umicore being main sponsor of the latter. The site also provided support to the provincial Albert Schweitzer-Kinderdorf that is situated in Hanau. These establishments provide education to children who, for whatever reason, cannot grow up in their own families.

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 € 872,416 in 2014 compared to € 1,044,840 in 2013. More information on the various business unit donations can be found in the business group

CASE

Powered by Umicore

The Powered by Umicore programme was launched in 2013 to support engineering students working on clean mobility projects. Two new teams, from Belgium and Germany, joined this year's programme.

No fewer than 61 engineering students from four universities are involved in the Powered by Umicore programme. In 2014 they rose to the challenge to build clean vehicles and participate in international competitions such as Formula Student, Shell Eco-Marathon and the Dong Energy Solar Challenge.

The students demonstrated a high level of engagement and a strong awareness of sustainability throughout the realisation of their projects. Their innovative vehicles spread the message that sustainable mobility can be a reality.

Enthusiastic teams

The new e-cars are the German Umicore EcoBee and the Belgian Umicore Electra. The Umicore EcoBee is built by 25 students from the Technical University of Chemnitz, Germany. They designed a fuel-cell car to compete in the 'urban concept car' category of Shell's Eco-Marathon.

The Umicore Electra is built by seven students from the University of Liège, Belgium. Their battery-powered urban concept car also competed in the Shell Eco-Marathon in Rotterdam, although in a different category from the Umicore EcoBee.

Futuristic vehicles

These two new teams complement the two existing ones. The Thomas More University College and the University of Leuven, Belgium cooperated in the design of the Umicore Thomas More E-car. This new electric car participated in Europe's largest educational motorsport event – the Formula Student challenge on the UK's Silverstone circuit and Spain's Catalunya circuit.

Meanwhile, a team from the University of Antwerp, Belgium entered the Umicore Solar Boat in the biennial Dong Energy Solar Challenge in the Netherlands.

Through the efforts of these teams, the Powered by Umicore programme continues to raise awareness of clean mobility and stimulate research in sustainable technologies, while enhancing Umicore's image as a sustainable, innovative and responsible company.

Stakeholder engagement

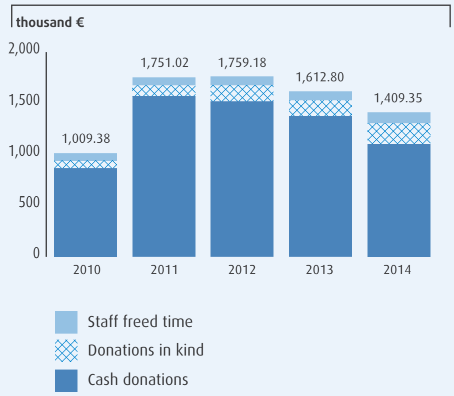
review between pages 28 and 43 of this report.

In addition to the business units' contribution, the Group donated € 536,929, 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. Some 22% of the total amount donated (Group and business units combined) came in the form of volunteering and donations in kind. The total donation amount as a percentage of Umicore's fully consolidated recurring EBIT remained stable compared to 2013 at 0.6%.

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 supported were an initiative to improve the access to quality education for underprivileged girls in the Rajasthan province of India as well as the "Back to School" campaign in Haiti where we funded the building of a school for child victims of the 2010 earthquake. In 2014, with the schools in Haiti having been constructed, we elected to start supporting a new educational project in Madagascar while continuing to support the project in Rajasthan.

We continued to support the initiatives of Entrepreneurs for Entrepreneurs (www.entrepreneurspourentrepreneurs.be) in the Philippines, Cambodia, Togo and Haiti and Humasol's programmes for groups of engineering students to install solar energy in remote areas of Uganda (www.humasol.be). We developed our "Powered by Umicore" sustainable mobility initiative further in 2014. This initiative provides financial and other support to student projects to develop vehicles powered by batteries, solar energy or fuel cells. You can find out more about Powered by Umicore on our website http://www.umicore.com/en/cases/powered-by-you/ or via the teams' Facebook page https://www.facebook.com/#!/UmicorePoweredByYou

DONATIONS



A home for David

When employees in Guarulhos, Brazil, heard that the family of 10-year old David Valdir Santos was to be evicted from its rented house in the local neighbourhood, they sprang into action. Not wanting this promising boy's future wasted, they made a deal with the landlord. They would help with the payments and renovate the house if the landlord promised to cease eviction.

The Umicore Guarulhos team worked relentlessly to completely renovate the house and secure a better life for David and his family.

Catalysis

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

Automotive Catalysts

Precious Metals Chemistry

Revenues and earnings in Catalysis were up, driven by higher sales of catalysts for both light and heavy duty applications.

Economic performance

(See the charts on p. 29)

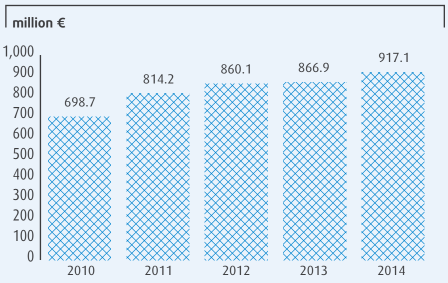
Revenues and earnings for the **Automotive Catalysts** business unit were up year on year due to the ramp-up of catalyst production for HDD vehicles in Europe and China and higher sales of catalysts for passenger cars.

The most significant growth in HDD catalysts was in Europe, driven by the introduction of Euro VI-compliant platforms and where a third HDD production line in Florange, France, became operational towards the end of the year.

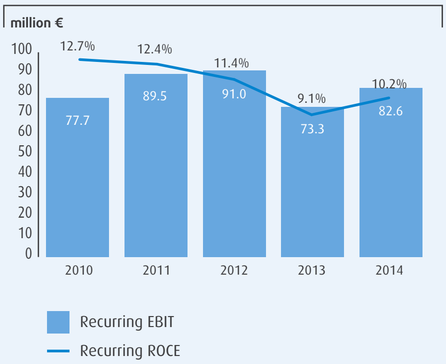
Light duty vehicle production rose by 3% globally, supported by a recovery in the European market and continued growth in North America and China. Umicore's sales volumes broadly tracked the global market growth. Revenues were also up despite an unsupportive mix.

In Europe, sales volumes for passenger cars slightly outperformed the market which was up by 3%. Revenue growth for Umicore was lower, however, due to a less favourable product mix. Although the overall share of diesel in Umicore's sales in 2014 was lower than the previous year, some of the Euro 6 platforms which were delayed in the third quarter of 2014 were successfully introduced in the last quarter. Umicore's gasoline catalysts business grew faster than the market and Umicore successfully secured major awards for upcoming gasoline platforms with key European players. Construction of the new production facility in Nowa Ruda, Poland, progressed well during the year and production is expected to start at the beginning of 2016.

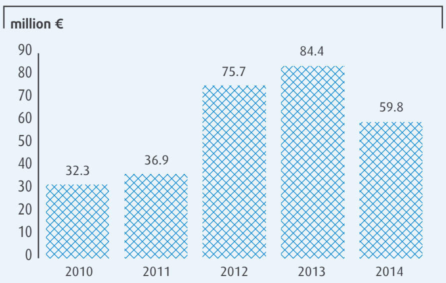
REVENUES (EXCLUDING METAL)



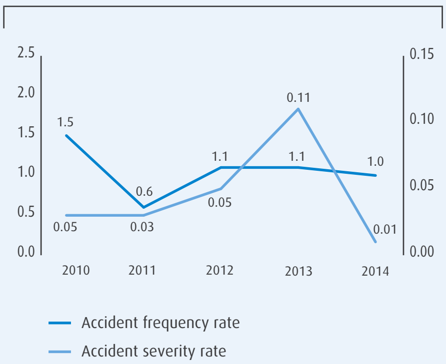
RECURRING EBIT & ROCE



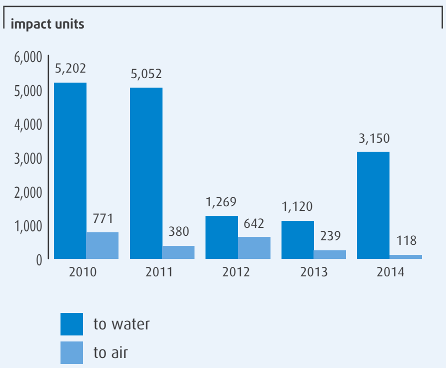
CAPITAL EXPENDITURE



SAFETY PERFORMANCE



METALS EMISSIONS



Go straight to the numbers

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http://annualreport.umicore.com/home/data-centre/

Catalysis

Sales volumes and revenues were down in North America, where light duty vehicle production grew by 5%. This was the result of an unsupportive vehicle mix as small and medium sized vehicles, to which Umicore is less exposed, gained market share. Umicore felt the continuing impact of low demand in South America, where car production fell by 16%. While the market remains generally depressed in this region, the first signs of stabilisation started to be seen towards the end of 2014.

Umicore outperformed the thriving Chinese market in both revenues and volumes due to its strong exposure to international brands which continued to take market share away from domestic producers, and a favourable engine mix. In South Korea, Umicore's volumes and revenues stayed in line with the fairly stable market. Construction progressed well at Ordeg's new technology development centre in Incheon City and the facility is due to be commissioned by the end of 2015. Umicore was successful in securing additional market share with Japanese OEM's globally. In 2014, Umicore announced that it will build a new facility in Hemaraj, Thailand, to produce catalysts for light duty vehicles, with commissioning anticipated in the second half of 2016. This investment will allow Umicore to meet the increasing demand for automotive catalysts in the fast-growing South East Asian market and the facility will mainly serve Japanese OEM's which have a high presence in that region. The new plant in Pune, India, was commissioned in 2014 and production of catalysts for light duty vehicles started at the beginning of 2015.

Revenues for the **Precious Metals Chemistry** business unit were lower year on year. This was due to lower order levels for precursors used in catalytic applications,

New plant in Tulsa

Umicore Precious Metals Chemistry (PMC) expanded its production capacity during 2014 with the successful commissioning of a state-of-the-art manufacturing facility in Tulsa, Oklahoma to produce the most advanced organometallic catalysts. These are used, for example, in the industrial synthesis of new pharmaceutical ingredients and new generation polymers and insecticides. The Tulsa plant will support PMC growth in North America and will increase global production flexibility to more efficiently service Umicore's customers throughout the world.

particularly in the Brazilian automotive market which contracted significantly in 2014. Demand for precursors used in non-catalytic applications were up compared to the previous year with demand increasing in the second half. This was particularly the case for bulk chemical applications, for example in the synthesis of silicones. Sales of API's (Active Pharmaceutical Ingredients) continued to show good volume growth and the business unit is successfully securing sales contracts in the European and Asia-Pacific markets.

Customer qualification continued for the products at the new plant in Germany for metal deposition chemicals and high purity MOCVD (Metal Organic Chemical Vapour Deposition) precursors. The start-up costs for this facility and the new plant in Tulsa, Oklahoma, weighed on earnings.

Great place to work

The Catalysis business group continued to report by far the best safety performance of all of our business groups. As in 2013, the operations recorded a total of four lost time accidents. The resulting frequency rate of 1 accident per million hours worked was a slight improvement on 2013. The severity rate was 0.01, which was markedly better than that of the previous year. Both Automotive Catalysts and Precious Metals Chemistry continued to implement the SafeStart® safety approach to help reduce accidents. The Karlskoga site in Sweden 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 2014, while the sites in Port Elizabeth (South Africa), Tsukuba (Japan) and Suzhou (China) had reached the three year milestone.

In terms 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 2014 three employees developed such a sensitization compared to two in 2013. These employees resumed work in another part of their site where there was no platinum salt exposure.

Eco-efficiency

In terms of carbon emissions the Catalysis business group is the lowest emitter, accounting for a total of 13% of our CO_2 equivalent emissions in 2014 or 87,118 tonnes of CO_2 equivalent. This compares to 86,928 tonnes emitted in 2013.

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 the total group impact.

A product family from Precious Metals Chemistry was part of

Catalysis

the fourth wave of product sustainability assessments conducted using Umicore's APS tool. This is part of the on-going process to assess the sustainability. Automotive Catalysts and Precious Metals Chemistry also participated in an International Platinum Association Life Cycle Assessment of the environmental footprint of platinum group metals in gasoline and diesel automotive catalysts (see case study on page 22).

Stakeholder engagement

The business units made further progress in deploying the Sustainable Procurement Charter. In 2012 the proportion of selected suppliers to whom the charter had been sent and who had signed up stood at 26%. By the end of 2014 this proportion was 76%. The Automotive Catalysts business unit has a system in place 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 € 259,263 in charitable donations in 2014. Major projects included support for the SOS Children's Village and Umicare Schooling project in Port Elizabeth (South Africa) and the Boai School for children with special educational needs in Suzhou (China). The Burlington site continued to support the United Way – an organization that engages individuals and mobilizes collective actions to generate funds for those that are most vulnerable in the community. In 2014 the site linked its sponsorship to the on-site safety campaign. The site in Florange hosted six interns from six local schools for work experience.

CASE

A first footprint in Poland

Umicore is constructing a new production facility in Poland for emission control catalysts used in cars and trucks.

The market for automotive catalysts in Europe continues to grow – driven largely by the recent introduction of new emission legislation in the EU. To meet demand, Umicore is investing in a new catalyst facility in Europe. Construction started in July and completion is planned for early 2016. It will initially create over 80 new jobs.

Attractive investment environment

Poland was selected for the new facility because of its favourable investment environment. The plant is being built in Nowa Ruda in Lower Silesia – a region with a strong footprint in the automotive industry and consequently a skilled local workforce. It is close to many of Umicore's major European automotive customers and has good transport links with the rest of Europe.

"The decision to invest in Nowa Ruda is the result of excellent cooperation with the local special economic zone and authorities as well as with the Polish government," says Plant Manager Roman Dyrcz.

"We are now looking to recruit the right people to create a professional and effective team to put our ambitious plans into practice."

Local economic development

The plant will be Umicore's first industrial operation in Poland, complementing existing European automotive catalyst production capabilities in Germany (Rheinfelden and Bad Säckingen), France (Florange) and Sweden (Karlskoga). The plant will provide catalyst systems for light and heavy duty vehicles. It will be equipped with the newest generation equipment comprising two production lines and all peripheral installations and assets for logistics, quality assurance and analytical inspection of products.

"We are delighted that Umicore's investment will contribute to the economic development of the region," adds Roman. "Moreover, we intend to be a good neighbour and employer. So we will put a lot of emphasis on safe behaviour and processes while the building will incorporate measures to minimise energy use, noise and emissions."

Energy Materials

The materials produced by Energy Materials can be found in a number of applications used in the production and storage of clean energy including rechargeable batteries and photovoltaics, as well as in a range of other applications. The majority of the products are high-purity metals, alloys, compounds and engineered products based on cobalt, germanium, nickel and indium.

Cobalt & Specialty Materials
Electro-Optic Materials
Rechargeable Battery Materials
Thin Film Products

Revenues and earnings were well up driven by the benefits of recent acquisitions and volume growth.

Economic performance

(See the charts on p. 33)

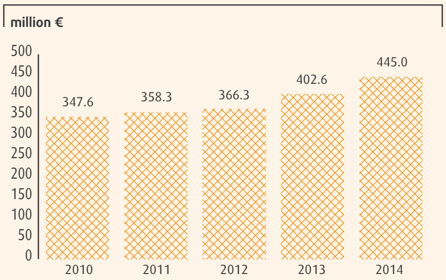
Revenues for the **Cobalt & Specialty Materials** business unit grew substantially, mainly due to the integration of Palm Commodities and higher sales volumes in ceramics & chemicals.

In the ceramics & chemicals business, order levels for precursors and metal carboxylates were well up year on year. The distribution activities continued to perform well and benefited from the acquisition of Palm Commodities in the US at the end of 2013. Sales volumes of cobalt compounds remained stable. Revenues in the cobalt and nickel refining activities were slightly higher year on year. The acquisition of US-based CP Chemicals in the third quarter of 2014 had a positive impact on cobalt and nickel refining volumes and also allowed Umicore to add rhenium recycling to its portfolio. The market for hard metals used in tool materials remained challenging and demand was subdued. At the end of 2014, Umicore acquired full ownership of Todini and Co, a former Umicore joint-venture and a leader in the distribution of industrial chemical products in Europe.

Revenues in **Electro-Optic Materials** increased, driven by volume growth in finished optics and a greater contribution from the recycling and refining activities. The measures to reduce costs and increase operational efficiency continued to benefit earnings. Revenues for finished optics showed significant growth, primarily due to strong demand for commercial infrared applications. Demand for blank optics remained low in a generally depressed market. Umicore continued to

Energy Materials

REVENUES (EXCLUDING METAL)



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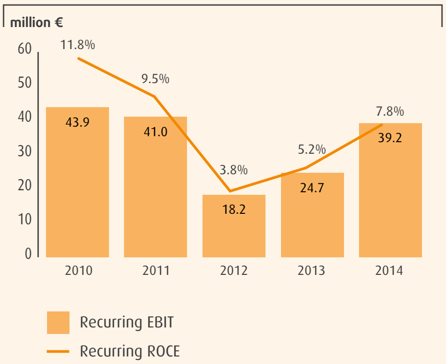
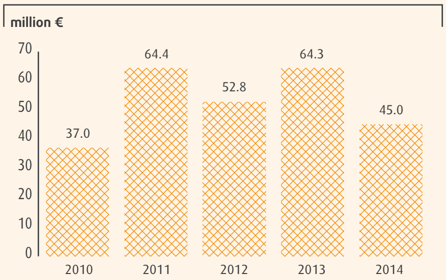
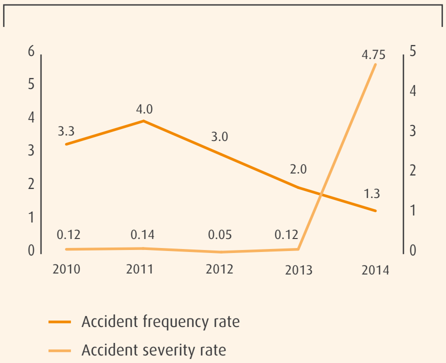


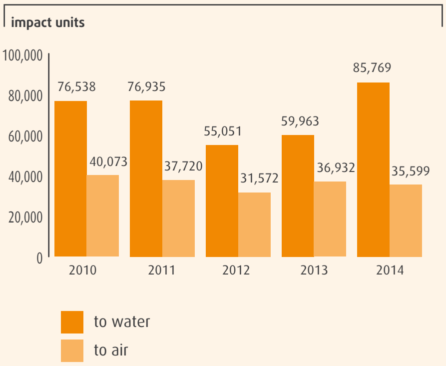
CAPITAL EXPENDITURE



SAFETY PERFORMANCE



METALS EMISSIONS



Go straight to the numbers

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defend its margins in this segment with a selective approach. Sales of germanium tetrachloride for the fiber optics industry remained steady and revenues benefited from a favourable product mix. In the germanium substrates activity, lower demand for terrestrial CPV (Concentrator Photovoltaics) products was offset by higher demand for space applications where a move towards larger and more efficient wafers - in which Umicore is a leader – continued. Revenues remained stable in the LED segment.

In **Rechargeable Battery Materials**, the Li-Ion battery market continued to grow in 2014 and Umicore's sales volumes and revenues were well up compared to the previous year. The segment of portable electronics is currently still by far the largest segment and continued to grow. The introduction of new applications and devices such as battery-powered home appliances and power banks also boosted the growth of the market. Sales of electrified cars are grew steadily and should continue to do so as an increasing number of electrified models get introduced in the market. Sales volumes of Umicore's proprietary High Energy LCO (lithium cobaltite) used in high performance Li-ion batteries for smartphones and tablets were well up year on year. In this segment, the average battery size is increasing due to a higher power need per device (larger screens and 4G-connectivity) and more intensive use of the mobile gadgets. Overall sales of NMC (nickel manganese cobalt) cathode materials were down year on year as a result of lower shipments of NMC grades used in portable electronics. Due to continued aggressive pricing levels for these grades and their commoditization, Umicore further decreased its presence in this subsegment. NMC sales for automotive and power tool applications were

CASE

Growing globally

Cobalt & Specialty Materials has made further acquisitions to strengthen its global business and complement its organic growth investments.

A leading player in the global markets of cobalt and nickel compounds and related products, Cobalt & Specialty Materials (CSM) aims to consolidate and grow this position through two strategic goals.

Occupy the full value chain
This refers to five steps in the journey from raw materials to final sales. It starts with ensuring a supply of raw materials. The second step is the refining and recycling of cobalt, nickel and other metals, followed by the production of end products, such as cobalt powders, oxides and nickel sulphate. Fourth is the commercialisation of these end products to industrial customers in key markets. The final step is the distribution of an enlarged product portfolio. This creates added value through enhanced product availability, third-party products and tailor-made customer services.

Strategic worldwide growth
At the end of 2013, Cobalt & Specialty Materials acquired Palm Commodities, located near Nashville, Tennessee, USA. The plant transforms mainly nickel, cobalt and copper into a wide range of plating products for the surface finishing industry. It also manufactures compounds of rare earth metals, including lanthanum, cerium, praseodymium and neodymium. The deal included a large sales and distribution network in North America that will expand CSM's capabilities in that market.

In 2014 the business unit completed three further acquisitions to increase its reach across the value chain. The acquisition of CP Chemicals, located in Wickliffe, Ohio, USA will further strengthen the business unit's global presence. Renamed Umicore Specialty Materials Recycling (USMR), these activities recycle and refine scrap from super alloys which contain cobalt, nickel, tantalum and rhenium.

CSM then acquired the production equipment and customer list of the Spanish company Faci Metalest. Its production equipment for producing liquid metal carboxylates is being integrated into Umicore's operations in Bruges, which have a long history in this product area. The acquisition forms the basis for further expansion.

At the end of 2014 CSM completed the acquisition of the remaining shares in Italian company Todini and Co, a European leader in the distribution of industrial chemical products. This will enable the business unit to further expand its distribution activities and strengthen its supply chain from raw materials to end customers.

up year on year, albeit with an erratic demand pattern over the year. Strong efforts went into product qualification schemes for automotive platforms and Umicore successfully qualified for new platforms to be launched in the coming years covering all degrees of electrification (EV, pHEV and HEV).

The production capacity expansion projects in Korea and China were completed on schedule and were brought on stream during the year.

In **Thin Film Products**, revenues were up compared to the previous year driven by higher demand for Umicore's highly efficient indium tin oxide rotary targets used in large area display applications. Margins, however, did not fully reflect the volume growth and were impacted by pricing pressure in Asia and a higher indium price. A new JV with First Rare Materials Co Ltd was established in mid-2014. This partnership will help Umicore to meet the growing demand from the large area display market in China. Revenues for optics and electronics were stable year on year and margins benefited from the streamlining of the product portfolio.

Great place to work

The safety performance of the Energy Materials business group was impacted significantly by the fatal accident in Olen which resulted in the deaths of two colleagues. Four lost time accidents were recorded compared to six in 2013. This represented a frequency rate of 1.3, compared to 2.0 in 2013. The severity rate for these accidents was 4.75, reflecting the two fatalities in Olen. For more information on the measures undertaken to address process safety following the accident see page 18. The business units Thin Film Products, Rechargeable Batteries and Electro-Optic

Energy Materials

Materials operated without a lost time accident. As in 2013, three sites in Energy Materials had 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). Acigne (France) and Beijing (China) operated at least three years without a lost time accident and recordable injury to Umicore staff or lost time accidents to contractors.

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. There was a further significant reduction in excess readings for all three metals in 2014. This has been brought about through the systematic and continued implementation of engineering improvements and workplace hygiene programmes. The work with regards to the occupational health effects of indium tin oxide and workplace exposure reduction at the Providence plant continued in 2014.

Eco-efficiency

In terms of carbon emissions the Energy Materials business group accounted for 26.8% of our CO_2 equivalent emissions in 2014 or a total of 177,863 tonnes, compared to 176,005 tonnes in 2013. Of all the sites in Energy Materials the Olen site (Belgium) and Cheonan site (South Korea) contribute the highest level of emissions. Since its inclusion in the Flemish Benchmarking Covenant in 2003 the Olen site has implemented a number of energy efficiency initiatives that apply the best international standards.

A product family each from Electro-Optic Materials and Rechargeable Battery Materials was part of the fourth 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. 22-23).

In terms of metal emissions, Energy Materials' emissions to air were down by 6% in load and by 4% in terms of impact compared to 2013, The main reasons for the decrease was improved reliability in reported cobalt emissions at the Cheonan plant in South Korea. Water emission load was up 52% year-on-year while emissions impact increased by 43%. This was due to higher emissions of cobalt at the Olen site in Belgium.

Stakeholder engagement

The business units made further progress in deploying the Sustainable Procurement Charter. In 2012 the proportion of selected suppliers to whom the charter had been sent and who had signed up stood at 9%. By the end of 2014 this proportion was 72%. The Cobalt & Specialty Materials business unit has further refined its sustainable supply chain approach and rejected three potential business partners due to risks or uncertainties related to their supply chain practices.

The business units in Energy Materials contributed a combined total of € 130,254 in charitable donations in 2014. Initiatives undertaken by the sites within the business group include relief for the victims of flooding in the Philippines by the Subic site and a bursary for a high school technology graduate to pursue further technological education in college (Quapaw, USA). The Fort Saskatchewan site (Canada) participated in the Heartland Challenge as part of its affiliation with the United Way. http://wemagazine.ca/straight-from-the-heart/.
The Cobalt & Specialty Materials operations in Olen (Belgium) supported the Special Olympics for children and adults with intellectual disabilities. The 2014 edition took place in Belgium and 60 Umicore employees helped at the event including one manager who was seconded to the project for a period of one year.

Changes in China

Umicore is partnering with a Chinese company, First Rare Materials, to make indium tin oxide sputtering targets for its Thin Film Products business unit. Sputtering targets are key components in the manufacturing process of the displays of devices such as smartphones and televisions. The new joint venture is called Umicore Vital Thin Film Technologies. Located in Qingyuan, it will meet increasing demand from the fast-expanding Chinese display sector. Currently, Chinese display-makers have to import these targets from abroad.

Performance Materials

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

- Building Products
- Zinc Chemicals
- Technical Materials
- Electroplating
- Platinum Engineered Materials

Although revenues were down slightly, profits were up, largely due to a higher contribution from Element Six Abrasives.

Economic performance

(See the charts on. p. 37)

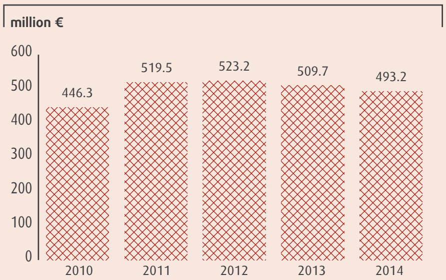
Revenues for Performance Materials were down 3% year on year. Recurring EBIT increased by 12% reflecting a higher contribution from Element Six Abrasives and as a result of cost reduction measures that were initiated in 2013.

In **Building Products**, revenues and sales volumes were roughly stable year on year, while profitability improved as cost saving and production efficiency measures that were launched in 2013 and implemented in the course of 2014 had a positive impact on earnings. Revenues were up in Europe, helped by a comparatively milder winter. Demand for zinc building materials in the markets outside Europe contracted due to delays in the launch of new projects in the Asia-Pacific region. Product premiums were pushed down by increased competition in the more mature European markets combined with a higher zinc price. The product mix remained generally stable year on year, with sales of the higher added-value surface-treated products making up a substantial share of the business.

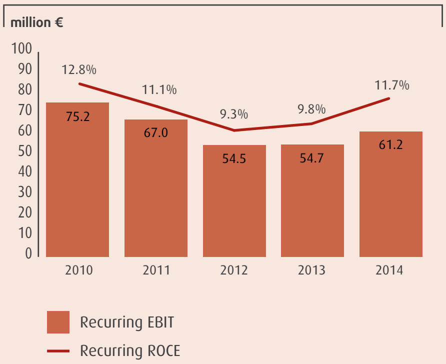
In **Electroplating**, revenues were roughly stable year on year. Revenues for precious metal electrolytes for decorative applications were well up, benefitting from the continued strong demand for gold-copper compounds used to produce pink gold for jewellery and lifestyle applications. Revenues for technical applications were lower than in 2013, when demand for silver plating solutions used in high performance LEDs in China was particularly high. Sales volumes and revenues for platinized products for the plating industry, such as anodes for the plating of chrome, as well as precious metal products

Performance Materials

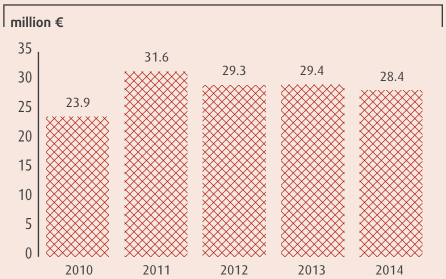
REVENUES (EXCLUDING METAL)



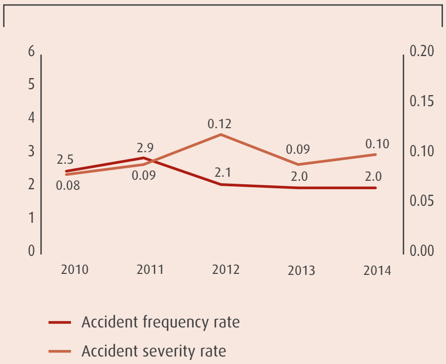
RECURRING EBIT & ROCE



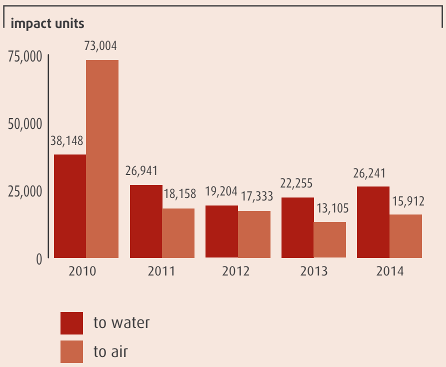
CAPITAL EXPENDITURE



SAFETY PERFORMANCE



METALS EMISSIONS



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used in the production of printed circuit boards were up. The business unit entered into a joint venture with Jianmen Changxin Technology Co. Ltd. in Jiangmen, China, which will allow Umicore to serve its growing Chinese customer base with its surface treatment products and services.

Revenues and sales volumes in **Platinum Engineered Materials** were slightly lower compared to 2013. Demand for platinum equipment used in display glass manufacturing and technical glass applications was stable while demand from the optical glass segment was subdued. In the Performance Catalysts business, sales were lower due to the unstable political situation in Ukraine and its impact on fertilizer production. In December the business launched a new gauze, MPAC, which enables customers to improve product yield, reduce PGM use, increase campaign times and, in certain conditions, lower greenhouse gas emissions.

Revenues in **Technical Materials**, were down year on year due to overall lower sales volumes, particularly in Brazil and China. Sales volumes of contact and power technology materials for medium voltage applications felt the impact of the slow-down in electrical infrastructure projects in China. Order levels for contact materials for low voltage applications were stable, with weak demand from Brazil being compensated by higher demand from North America and Europe. Overall demand for brazing products remained subdued.

In **Zinc Chemicals** revenues were higher year on year. Despite the tight availability of zinc-containing galvanising residues which impacted recycling margins, earnings recovered on the back of higher sales and benefited from recent cost reduction measures.

Sales volumes of fine zinc powders showed an improvement due to a pick-up in Asian demand for powders used in anti-corrosive paint. The new plant for the production of high grade fine zinc powders and the recycling of zinc residues in Changsha, China, is set to commence production in the second half of 2015. Sales volumes of zinc powders used in primary batteries were well up, while zinc oxide sales volumes also increased, particularly for feed grade products. In May the Eijsden plant (The Netherlands) received the CEP-certification by the European Directorate for the Quality of Medicines and Healthcare (EDQM) and also successfully passed its first US Food and Drug Administration (FDA) audit to qualify its products for use in pharmaceutical applications in the US.

In **Element Six Abrasives** (40% Umicore stake) revenues were well up, driven by strong sales in Oil and Gas-drilling and Precision Machining due to market share gains in fairly stable markets. Sales volumes benefited from increased investments in product innovation and a successful positioning of Element Six Abrasives' diamond-based products and know-how in the oil & gas and precision machining markets. Revenues from carbide-based products were down in highly challenging markets. Demand for mining products was subdued throughout the year reflecting weak activity in that market. Overall earnings were up significantly, benefiting from an improved product mix and operational efficiency improvements.

Growth in Malaysia

The expansion and technology upgrade at the zinc metal pigment producing plant in Pasir Gudang, Malaysia, came into full operation during the second half of 2014. The anticipated volume increase has been met, and quality, operating performance and energy efficiency have all improved significantly. This project is an important step for the Zinc Chemicals business unit in Malaysia to further improve its offering to customers in South East Asia.

Great place to work

The safety performance of the Performance Materials business group was at a similar level to that of 2013. Nine lost time accidents were recorded which was the same as 2013. This represented a frequency rate of 2.00 and severity rate of 0.1. The Platinum Engineered Materials and the Electroplating business units operated without any accident during the year. As a result of its 'Safety for a Better Life' program, the Zinc Chemicals business unit reduced its number of lost time accidents from 6 in 2013 to only 1 in 2014. At the end of 2014 the site in Vicenza (Italy) had achieved more than five years with no lost time accident or recordable injury to Umicore staff and no lost time accident to contractors on site while the site in Vilvoorde (Belgium) and Pasir Gudang (Malaysia) had achieved the three year milestone.

In terms of the metal exposure aspects of occupational health the overall excess readings for Performance Materials were slightly higher than the previous year at 1% but remain below the Umicore average.

Eco-efficiency

In terms of carbon emissions the Performance Materials business group accounted for a total of 20.5% of the Group's CO_2 equivalent emissions in 2014 or 135,860 tonnes of CO_2 equivalent. This compares to 161,817 tonnes in 2013 with the main reason for the decrease being the closure of a plant in the Zinc Chemicals business unit. The emissions are spread over around 30 industrial sites with those in Zinc Chemicals accounting for the majority of the business group total.

Products from Zinc Chemicals and Platinum Engineered Materials were part of the fourth 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. 22-23).

In terms of metal emissions, Performance Materials' emissions to air were up by 10% in load compared to 2013 and increased by 21% in terms of impact. This was attributable to higher emissions of lead at the Pasir Gudang Zinc Chemicals site in Malaysia. Water emission loads decreased by 10% compared to 2013. The impact increased by 18%, however, due to a decrease in the efficiency of the external waste water treatment at the Hanau facility in Germany.

Stakeholder engagement

The business units made further progress in deploying the Sustainable Procurement Charter. In 2012 the proportion of selected suppliers to whom the charter had been sent and who had signed up stood at 38%. By the end of 2014 this proportion was at 77%.

In terms of community engagement, the soil remediation project close to the Building Products operation in Viviez (France) moved towards finalization in 2014.

Performance Materials

Overall, the business units in Performance Materials contributed € 167,797 in charitable donations in 2014. This was the result of numerous actions at the 30 sites that are part of these business units. Examples include support for the Metallurgy Museum in Liège by the Angleur site (Belgium), providing support such as interview training for unemployed youngsters around the Auby site (France) and contributing towards a road-building project near the plant in Changsha (China).

CASE

Expansion in China

Jiangmen is the site of a new JV that Umicore has set up with the Chinese company Jiangmen ChangXin Technology (JCX) for its electroplating business.

The new entity – Umicore ChangXin Surface Technology (UCST) – will market chemicals used to apply very thin precious metal coatings to jewellery and electrical components.

Special expertise

JCX has considerable expertise in chemical engineering and processing. "They also have a strong reputation and good relationships with the local government," explains Thomas Engert, Senior Vice-President Electroplating. "In fact, Umicore is already running two JVs with JCX in Jiangmen, and the new lab will be located in the buildings of one of them."

With around 20 employees, UCST will not manufacture electroplating chemicals but will import them from Umicore's plant in Schwäbisch Gmünd, Germany. "UCST's value lies in service," adds Thomas. "We educate customers about using the chemicals efficiently. A laboratory will perform analytical services and conduct small-scale plating trials to show customers the properties of coatings and adapt them to their needs."

Once the new company is operational in the beginning of 2015, Umicore will benefit by being closer to customers' service needs and speaking their language in this growing market.

Recycling

Recycling treats complex waste streams containing precious and other non-ferrous metals. The operations can recover some 20 of these metals from a wide range of input materials ranging from industrial residues to end-of-life materials. Recycling is unique in the range of materials it is able to recycle and the flexibility of its operations.

Revenues and earnings were down year on year, due to lower prices of precious and specialty metals and a somewhat less favourable supply mix.

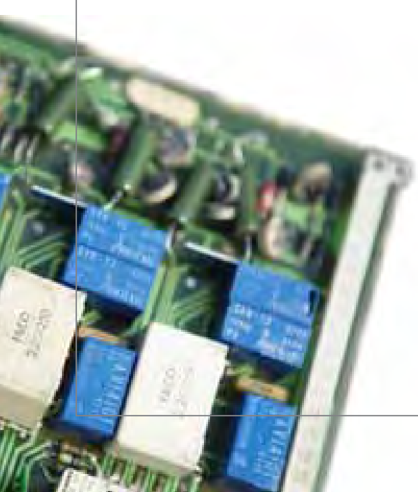
Economic performance

(See the charts on. p. 41)

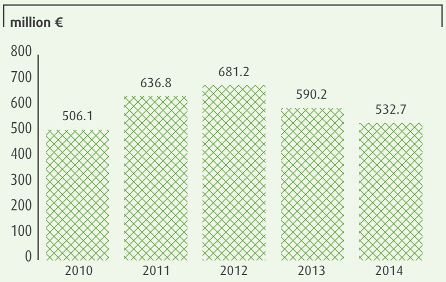
Revenues and recurring EBIT for Recycling were down 10% and 30% respectively, mainly due to the impact of lower metal prices. Lower demand in certain end-markets of the business units Jewellery & Industrial Metals and Precious Metals Management also had a negative impact on revenues and profitability of the business group.

In **Precious Metals Refining**, revenues and earnings were down year on year, due to lower prices of precious and specialty metals and a somewhat less favourable supply mix. Higher volumes were processed as a result of an increased throughput rate, which helped offset part of these headwinds. Processed volumes were up year on year, despite the preparatory engineering work and the first major phase of investments carried out in the Hoboken plant to expand capacity. These investments resulted in a higher throughput rate which more than offset the volume loss caused by the downtime.

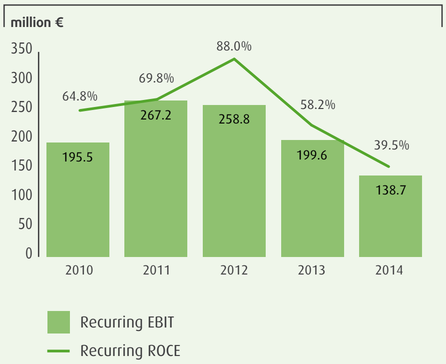
The feed availability was robust across most segments and this supported a higher intake of material. The supply mix, however, was less positive reflecting a lower availability of pgm-rich material – partly due to the effects of the strike in the South African pgm industry in the first part of the year – and a somewhat reduced fraction of richer and more complex e-scrap. Umicore further strengthened its position in the market of spent industrial catalysts, while commercial conditions for spent automotive catalysts remained highly competitive throughout the year.



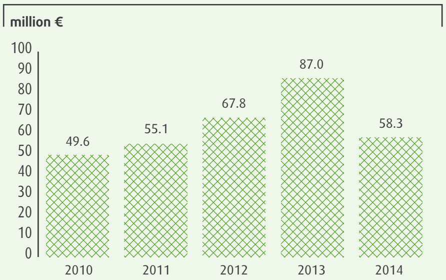
REVENUES (EXCLUDING METAL)



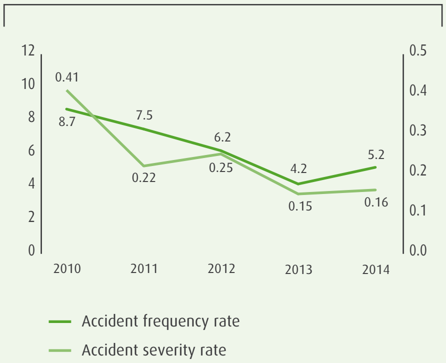
RECURRING EBIT & ROCE



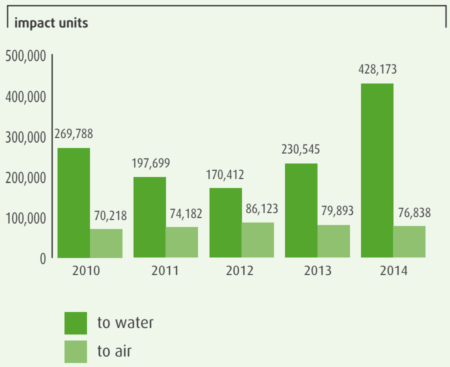
CAPITAL EXPENDITURE



SAFETY PERFORMANCE



METALS EMISSIONS



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Recycling

The Hoboken expansion program made good progress during 2014 and the effects of the throughput and efficiency improvements were already being felt. Further major investments will take place during two extended shutdowns in 2015. While the total production downtime will be longer than in 2014, the increased throughput rate after the investments is anticipated to compensate for the lost production days. Other modifications to the logistics at the Hoboken facility were made during 2014 to enable a higher throughput of materials at the plant. One of these involved the inauguration of a new loading facility to increase the arrivals of raw materials by barge via the River Scheldt, thereby reducing the volume of road traffic (see case study on page 43).

In **Precious Metals Management**, revenues were lower year on year. The contribution from the trading activity was lower due to the combined effects of less favourable market conditions and lower metal prices which, on average, were below the levels of 2013.

Industrial demand was also lower for most metals during the year. The only exception was platinum, with slightly higher demand from the automotive industry. However, this could not offset the reduced volumes for the other metals. Compared to 2013, there was also a decline in the market for gold and silver bars as investors looked towards alternative investments.

The **Jewellery & Industrial Metals** business unit recorded slightly lower revenues as higher revenues for the product businesses were more than offset by a lower contribution from the recycling activity. Refining volumes were impacted by a severe decline of available gold scrap compared to the previous year, although the volumes seem to have

CASE

Strong in silver

Umicore is one of the world's largest silver refiners, with an array of innovative and environmentally-friendly refining technologies, an extensive product portfolio, and comprehensive supply services.

Umicore recycles old jewellery and industrial production scrap as well as by-products to cover the full range of low, medium and high-grade silver materials. "Our strength is our complete closed loop capability," says Dietmar Becker, Senior Vice-President, Jewellery and Industrial Metals (JIM). "We make silver products for diverse industrial applications in milled and machined forms as well as high quality silver catalysts. Furthermore, we have a strong trading capability. Besides high quality grains we also make 1,000 ounce silver bars accredited by the London Bullion Market Association (LBMA) and globally tradable silver investment bars."

Complementing the silver refining capacity of the Precious Metals Refining plant in Hoboken are JIM's silver refining facilities in Bangkok (Thailand), Pforzheim (Germany) and Manaus (Brazil). During 2014, major investments at each of these three JIM sites were implemented and successfully commissioned.

Multi-region investments
Umicore expanded its silver refining activities in Bangkok to meet increasing customer demand in south-east Asia. Its assaying capabilities and silver bars have been independently tested, with the result that Umicore Precious Metals (Thailand) Ltd has now been added to the LBMA's Good Delivery List for silver.

In Pforzheim, a 33% capacity increase has been implemented and overall competitiveness improved to serve all kinds of customers for industrial and jewellery applications. New silver dissolving technology is to be introduced during 2015. The investment in Manaus enables the facility to refine silver from throughout South America, and internal scrap from the operations of the Umicore Technical Materials business unit.

Environmentally responsible
The latest environmentally-friendly technologies have been developed as part of the investments. They include an in-house NO_x-free dissolving technique, responsible waste water treatment processes, and measures to improve energy efficiency.

"All our recent investments have contributed to significantly strengthen Umicore's competitive advantage both in our one-stop-shop precious metal recycling offering and our complete customer service," adds Dietmar.

bottomed out towards the end of the year. The volumes of silver and pgm-containing residues remained stable.

Revenues from jewellery and lifestyle products were fairly stable in a challenging market, as the business unit benefitted from its good customer and product mix in that segment. Revenues for silver-based industrial applications increased slightly with a higher demand from the automotive and chemical industries. Investment demand was up with good demand for silver coins from European mint producers. Investor demand for gold and silver bars remained low.

The business unit continued to make further capacity enhancements to its silver recycling activities in Bangkok, Thailand, to serve demand from its Asian customer base.

In **Battery Recycling**, Umicore further strengthened its position for the recycling of spent rechargeable batteries from electrified vehicles and successfully secured new contracts with (H)EV manufacturers. Umicore continues to optimize its processes in this long term market opportunity for both automotive and portable batteries.

Great place to work

The Recycling business group continued to account for a high percentage (49%) of the total lost time accidents in Umicore. The total number of accidents increased in 2014, with 18 lost time accidents compared to 15 in 2013. The business group's accident frequency (5.20 vs 4.20) deteriorated, while accident severity (0.16 vs 0.15) was also worse than in the previous year. The Precious Metals Refining business unit has adopted the SafeStart® programme to drive safety improvements, particularly at the Hoboken site where it completed a SafeMap® leadership training for all its managers and supervisors. At the end of 2014, the site in Maxton (USA) operated at least three years without a lost time accident or recordable injury to Umicore staff and no lost time accident to contractors on site.

In terms of the metal exposure aspects of occupational health the Recycling business performed better than the Umicore average with an excess rate of 0.7%. 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. Significant improvements on exposure to the other metals have been made in recent years and there were further improvements in this regard in 2014, particularly for arsenic and cadmium. One employee was 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 40% of the Group's CO_2 equivalent emissions in 2014 or 262,752 tonnes of CO_2 equivalent. This compares to 265,526 tonnes in 2013. The improvement in 2014 is almost entirely due to the Hoboken site in Belgium. Here, the raw materials mix plays a significant role in determining CO_2 emissions with the recycling process for some residue streams requiring more energy and emitting more CO_2 equivalent than for other residue streams. The input mix in 2014 was, once again, positive in this regard.

The products and services from Battery Recycling and Precious Metals Refining were included as part of the fourth wave of product

Recycling

Crane cuts CO_2 footprint

Every year Umicore in Hoboken, Belgium, recycles around 350,000 tonnes of by-products from the non-ferrous metals industry, electronic waste and catalysts. About a third of this material arrives at the plant by trucks. To enable more material to be transported by water, a crane with a lifting capacity of 63 tonnes has been installed at Hoboken's dock on the Scheldt river. It will enable around 5,000 containers to be transported by water, saving 10,000 truck journeys and thereby reducing CO_2 emissions.

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. 22-23).

Recycling's emissions to air in terms of load were down 5% and by 4% in terms of impact compared to 2013. The lower emissions of arsenic and cadmium to air at the Hoboken site was the main reason for the continued reduction in emission impact to air for the business group. In terms of impact of metal emissions to water, emissions increased by 86% compared to 2013. The 2014 results are strongly influenced by a discharge that occurred at the Hoboken site over a period of five days involving some elements with a high impact factor such as silver and cadmium. High rainfall over a very short period in addition to a clogged piping led to an unforeseen discharge of incompletely treated waste water surpassing the site's water treatment capacity. The cause of the incident was investigated in detail and mitigation measures have been put in place at the site to ensure compliance with the Group target in 2015. When disregarding the metal that was emitted as a result of this one-time incident, the metal emissions impact for the Recycling business would have corresponded to a decrease of 17% from 2013, driven mainly by lower emissions of selenium.

Stakeholder engagement

Umicore Precious Metals Refining continued to implement strict supplier checks using an in-house system called Business Partner Screening (BPS) which covers all suppliers of raw materials. 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. The Precious Metals Refining operations in Hoboken and Guarulhos are certified as "conflict-free smelters" in 2014 for their operations of the previous year by the London Bullion Market Association (LBMA). The Jewellery & Industrial Metals operations in Pforzheim, Vienna and Bangkok are certified as part of the Responsible Jewellery Council's (RJC) Chain of Custody programme until 2016. The sites in Guarulhos, Amsterdam, Pforzheim and Bangkok are also accredited by the LBMA as Good Delivery refiners. In 2014 the business unit also passed the audit for responsible platinum sourcing by the RJC. Both the RJC Chain of Custody and LBMA Good Delivery accreditations qualify the accredited sites for listing in the EICC (Electronic Industry Citizenship Coalition) Conflict Free Smelter List.

In 2014 the sites in the Recycling business group contributed a total of € 315,102, with by far the main contributor to this total being the site in Hoboken (Belgium) - see note S5 for details. Umicore Precious Metals Refining further developed its partnership with WorldLoop to provide an environmentally sound solution for waste electronics collected and dismantled in Africa. The partnership was a finalist at the European Business Awards for the Environment and won the inaugural Entrepreneurs for Entrepreneurs trophy in Belgium. You can read a case study of this partnership on this page.

E-waste award

In 2014 the partnership between Umicore and WorldLoop won the first Entrepreneurs for Entrepreneurs Trophy. Umicore works with WorldLoop to set up local sustainable businesses and recycling infrastructure through knowledge sharing, coaching and support in training local entrepreneurs in Africa. These activities are combined with raising awareness in Africa as well as in Europe. The goal is to help avoid uncontrolled dumping or improper dismantling, burning and leaching of electronic waste.

Economic statements

Group key figures

KEY FIGURES

(in million EUR unless stated otherwise)	Note	2010	2011	2012	2013	2014
Turnover		9,691.1	14,480.9	12,548.0	9,819.3	8,828.5
Revenues (excluding metal)		1,999.7	2,318.6	2,421.4	2,363.4	2,380.6
Recurring EBITDA	F9	468.7	553.0	524.1	462.6	442.2
Recurring EBIT	F9	342.5	416.1	372.1	304.0	273.7
of which associates	F9	30.1	22.9	22.2	11.8	28.3
Non-recurring EBIT	F9	(9.1)	1.0	(46.7)	(43.4)	(21.6)
IAS 39 effect on EBIT	F9	(9.4)	15.6	3.2	(0.5)	(2.7)
Total EBIT	F9	324.0	432.7	328.6	260.0	249.3
Recurring EBIT margin (in %)		15.6	16.9	14.4	12.4	10.3
Return on Capital Employed (ROCE) (in %)	F31	17.5	18.6	16.7	13.6	12.2
Average weighted net interest rate (in %)	F11	3.8	3.7	1.9	1.6	1.6
Effective recurring tax rate (in %)	F13	19.1	19.9	20.6	21.3	21.8
Recurring net profit, Group share	F9	158.0	304.6	275.2	218.0	193.1
Result from discontinued operations, Group share		74.2	(0.0)	0.0	0.0	0.0
Net profit, Group share	F9	248.7	325.0	233.4	179.0	170.6
R&D expenditure	F9	119.2	136.7	149.0	140.6	143.3
Capital expenditure	F34	156.6	196.2	235.7	279.6	202.4
Net cash flow before financing	F34	(68.2)	308.6	150.3	185.9	139.9
Total assets of continued operations, end of period		3,511.6	3,713.2	3,667.9	3,512.3	3,851.4
Group shareholders' equity, end of period		1,517.0	1,667.5	1,751.7	1,677.1	1,704.6
Consolidated net financial debt of continued operations, end of period	F24	360.4	266.6	222.5	215.0	298.3
Gearing ratio of continued operations, end of period (in %)	F24	18.6	13.4	11.0	11.1	14.6
Average net debt / recurring EBITDA (in %)		54.3	59.8	47.7	44.2	51.9
Capital employed, end of period	F31	2,181.8	2,168.8	2,259.4	2,233.6	2,335.3
Capital employed, average	F31	1,961.6	2,233.0	2,224.5	2,241.3	2,240.1

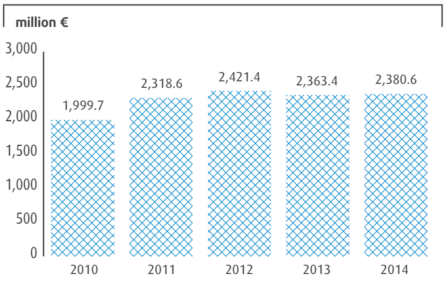
DATA PER SHARE

(in EUR / share)	Note	2010	2011	2012	2013	2014
Earnings per share						
Recurring EPS	F39	2.33	2.69	2.47	1.96	1.79
EPS adjusted excluding discontinued operations	F39					
basic	F39	2.20	2.87	2.09	1.61	1.58
diluted	F39	2.19	2.85	2.08	1.60	1.57
EPS including discontinued operations	F39					
basic	F39	2.20	2.87	2.09	1.61	1.58
diluted	F39	2.19	2.85	2.08	1.60	1.57
Gross dividend		0.80	1.00	1.00	1.00	1.00
Net cash flow before financing, basic	F34	(0.60)	2.72	1.35	1.67	1.29
Total assets of continued operations, end of period		30.93	33.53	32.78	32.00	35.63
Group shareholders' equity, end of period		13.36	15.06	15.66	15.28	15.77
Shareprice						
High		40.37	40.09	44.12	42.12	38.21
Low		21.19	25.35	32.30	31.54	30.42
Average		28.58	34.21	38.57	35.72	34.32
Close		38.92	31.87	41.69	33.96	33.31

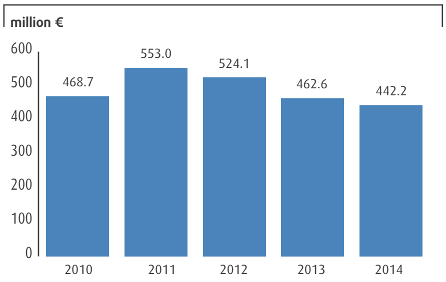
NUMBER OF SHARES

	Note	2010	2011	2012	2013	2014
Total number of issued shares, end of period	F39	120,000,000	120,000,000	120,000,000	120,000,000	112,000,000
of which shares outstanding	F39	113,523,353	110,756,062	111,886,512	109,771,339	108,085,728
of which treasury shares	F39	6,476,647	9,243,938	8,113,488	10,228,661	3,914,272
Average number of shares outstanding, basic	F39	113,001,404	113,304,188	111,593,474	111,257,259	108,062,085
Average number of shares outstanding, diluted	F39	113,724,891	114,208,275	112,346,081	111,733,165	108,451,847

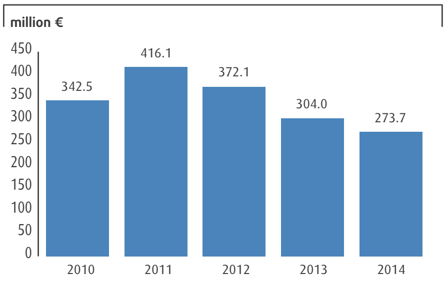
REVENUES (EXCLUDING METAL)



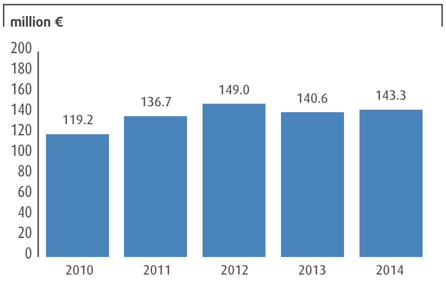
RECURRING EBITDA



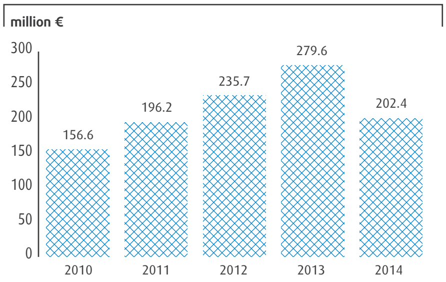
RECURRING EBIT



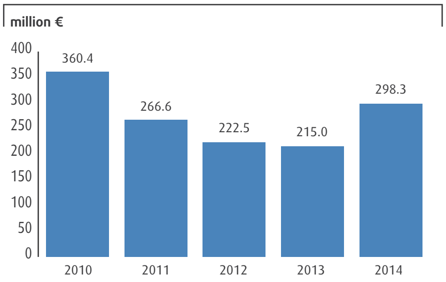
R&D EXPENDITURE



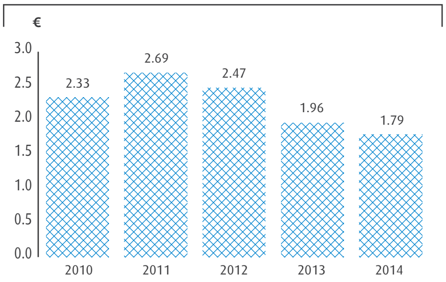
CAPITAL EXPENDITURE



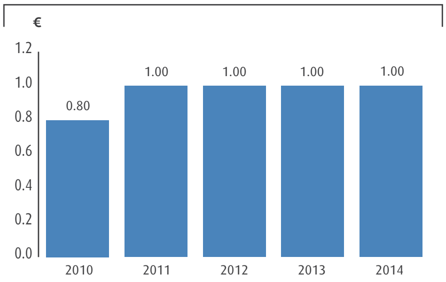
NET FINANCIAL DEBT



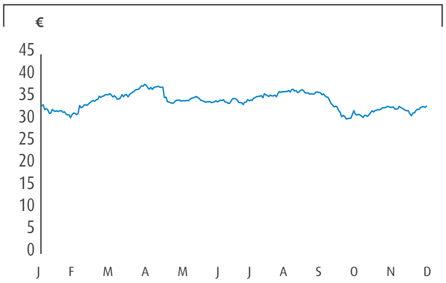
RECURRING EPS



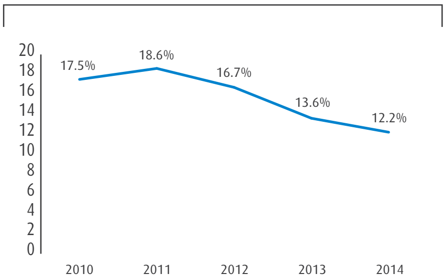
GROSS DIVIDEND



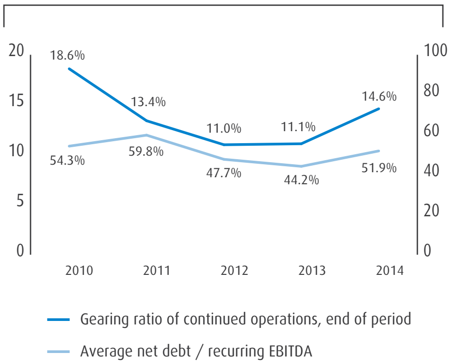
SHARE PRICE



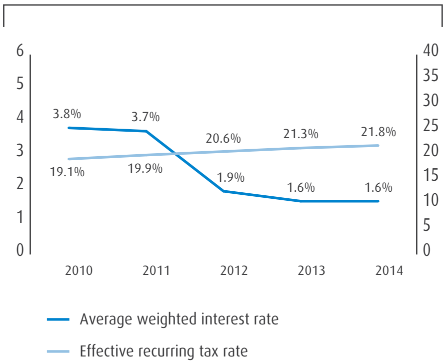
RETURN ON CAPITAL EMPLOYED (ROCE)



GEARING RATIO & AVERAGE NET DEBT/RECURRING EBITDA



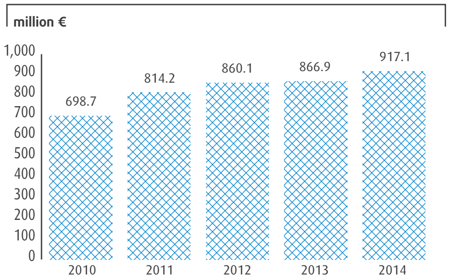
INTEREST RATE & TAX RATE



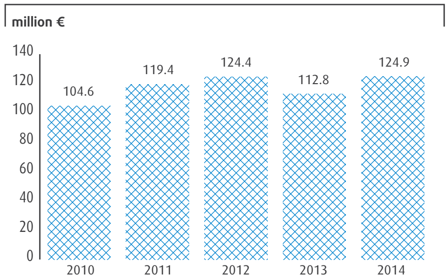
Catalysis key figures

(in million EUR unless stated otherwise)	2010	2011	2012	2013	2014
Total turnover	1,548.3	1,932.0	1,871.9	2,020.2	2,181.3
Total revenues (excluding metal)	698.7	814.2	860.1	866.9	917.1
Recurring EBITDA	104.6	119.4	124.4	112.8	124.9
Recurring EBIT	77.7	89.5	91.0	73.3	82.6
of which associates	4.8	5.7	10.5	2.5	7.0
Total EBIT	72.4	96.8	83.8	73.7	79.9
Recurring EBIT margin (in %)	10.4	10.3	9.3	8.2	8.2
R&D expenditure	73.6	78.8	85.8	82.0	83.2
Capital expenditure	32.3	36.9	75.7	84.4	59.8
Capital employed, end of period	640.3	768.2	795.5	809.5	851.4
Capital employed, average	611.3	718.7	797.6	804.6	811.4
Return on Capital Employed (ROCE) (in %)	12.7	12.4	11.4	9.1	10.2
Workforce, end of period	1,921	2,182	2,281	2,340	2,457
of which associates	225	239	161	167	167

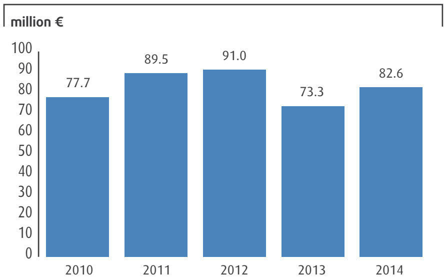
REVENUES (EXCLUDING METAL)



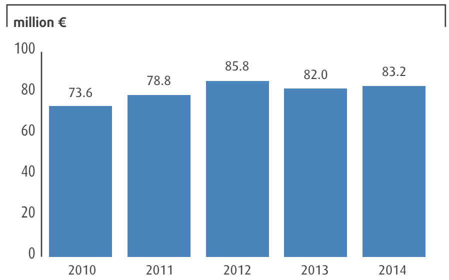
RECURRING EBITDA



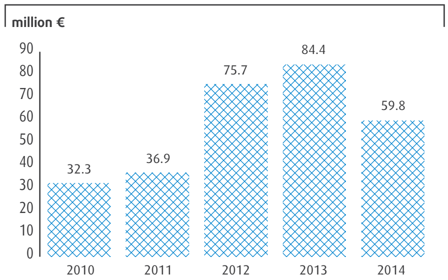
RECURRING EBIT



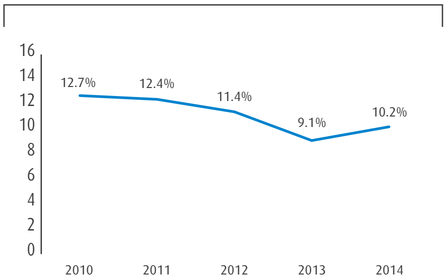
R&D EXPENDITURE



CAPITAL EXPENDITURE



RETURN ON CAPITAL EMPLOYED (ROCE)

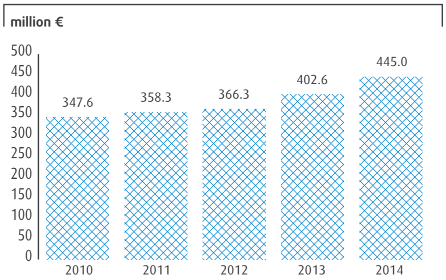


Energy Materials key figures

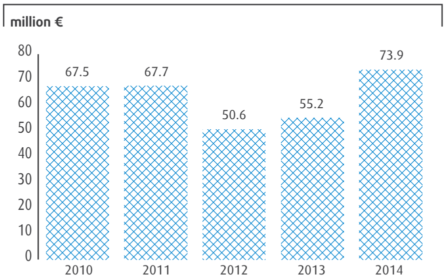
(in million EUR unless stated otherwise)	2010	2011	2012	2013	2014
Total turnover	702.3	729.3	763.7	825.7	907.3
Total revenues (excluding metal)	347.6	358.3	366.3	402.6	445.0
Recurring EBITDA	67.5	67.7	50.6	55.2	73.9
Recurring EBIT	43.9	41.0	18.2	24.7	39.2
of which associates *	5.7	6.3	4.2	2.7	4.7
Total EBIT	43.1	34.2	(11.3)	21.4	38.5
Recurring EBIT margin (in %)	11.0	9.7	3.8	5.5	7.8
R&D expenditure	12.1	16.9	15.8	16.2	17.4
Capital expenditure	37.0	64.4	52.8	64.3	45.0
Capital employed, end of period	390.1	457.4	476.3	470.2	588.9
Capital employed, average	371.5	430.2	475.2	476.2	503.3
Return on Capital Employed (ROCE) (in %)	11.8	9.5	3.8	5.2	7.8
Workforce, end of period	3,035	3,033	2,933	2,884	2,857
of which associates *	1,314	1,206	1,057	1,056	930

** Cobalt & Specialty Materials: Ganzhou Yi Hao Umicore Industries Co. Ltd., Jiangmen Chancsun Umicore Industry Co. Ltd., Todini and Co.; Rechargeable Battery Materials: beLife*

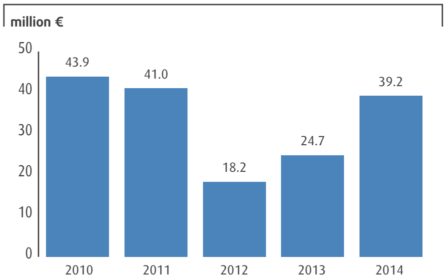
REVENUES (EXCLUDING METAL)



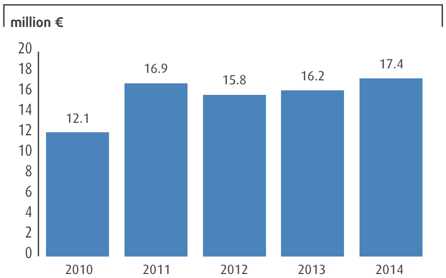
RECURRING EBITDA



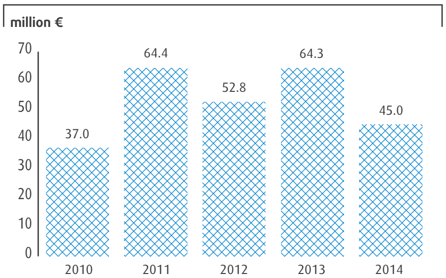
RECURRING EBIT



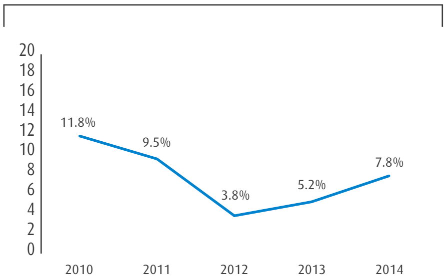
R&D EXPENDITURE



CAPITAL EXPENDITURE



RETURN ON CAPITAL EMPLOYED (ROCE)

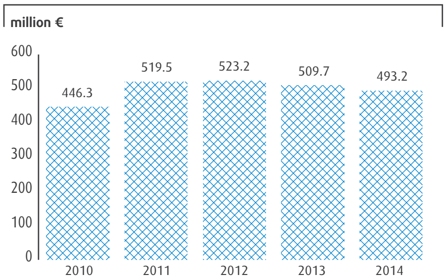


Performance Materials key figures

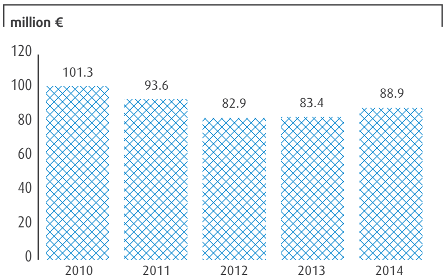
(in million EUR unless stated otherwise)	2010	2011	2012	2013	2014
Total turnover	1,296.3	1,618.4	1,508.4	1,388.4	1,347.3
Total revenues (excluding metal)	446.3	519.5	523.2	509.7	493.2
Recurring EBITDA	101.3	93.6	82.9	83.4	88.9
Recurring EBIT	75.2	67.0	54.5	54.7	61.2
of which associates *	23.2	13.4	9.9	9.1	18.6
Total EBIT	78.6	65.1	57.1	24.9	53.4
Recurring EBIT margin (in %)	11.7	10.2	8.5	8.9	8.6
R&D expenditure	9.2	11.3	11.9	10.8	10.1
Capital expenditure	23.9	31.6	29.3	29.4	28.4
Capital employed, end of period	612.5	572.0	572.9	504.8	526.3
Capital employed, average	589.7	603.9	587.3	555.5	521.5
Return on Capital Employed (ROCE) (in %)	12.8	11.1	9.3	9.8	11.7
Workforce, end of period	6,121	5,845	5,629	5,331	5,294
of which associates *	3,244	2,915	2,775	2,594	2,563

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

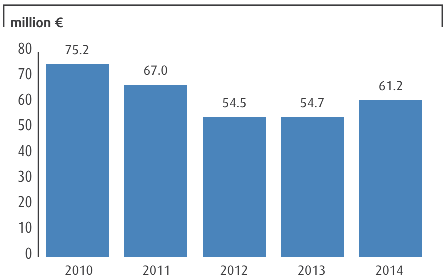
REVENUES (EXCLUDING METAL)



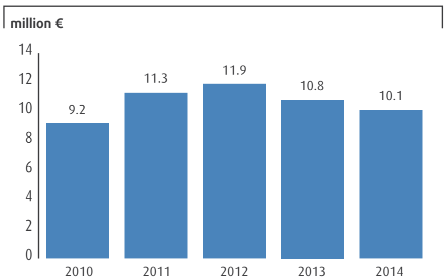
RECURRING EBITDA



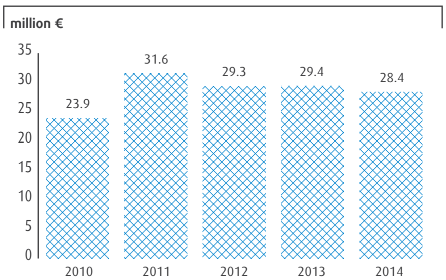
RECURRING EBIT



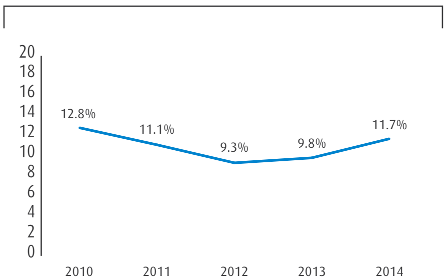
R&D EXPENDITURE



CAPITAL EXPENDITURE



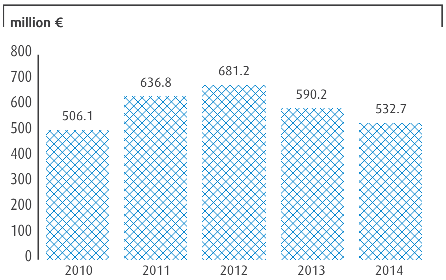
RETURN ON CAPITAL EMPLOYED (ROCE)



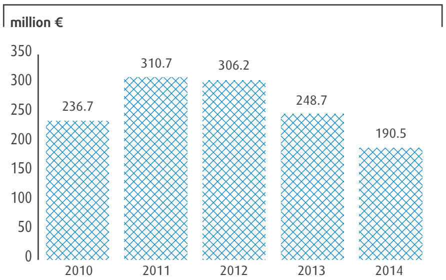
Recycling key figures

(in million EUR unless stated otherwise)	2010	2011	2012	2013	2014
Total turnover	6,120.9	11,649.3	9,589.6	6,663.3	5,203.6
Total revenues (excluding metal)	506.1	636.8	681.2	590.2	532.7
Recurring EBITDA	236.7	310.7	306.2	248.7	190.5
Recurring EBIT	195.5	267.2	258.8	199.6	138.7
Total EBIT	182.2	274.3	251.8	200.0	132.7
Recurring EBIT margin (in %)	38.6	42.0	38.0	33.8	26.0
R&D expenditure	9.1	14.2	18.6	18.4	20.1
Capital expenditure	49.6	55.1	67.8	87.0	58.3
Capital employed, end of period	421.0	321.4	327.3	397.2	294.6
Capital employed, average	301.8	383.0	294.2	342.8	351.5
Return on Capital Employed (ROCE) (in %)	64.8	69.8	88.0	58.2	39.5
Workforce, end of period	2,168	2,329	2,394	2,345	2,330

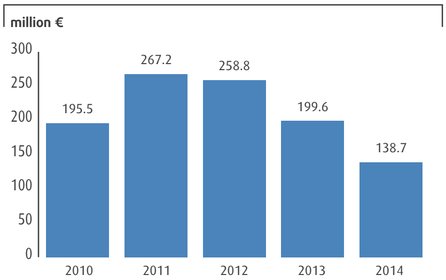
REVENUES (EXCLUDING METAL)



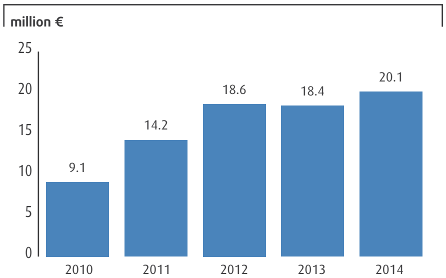
RECURRING EBITDA



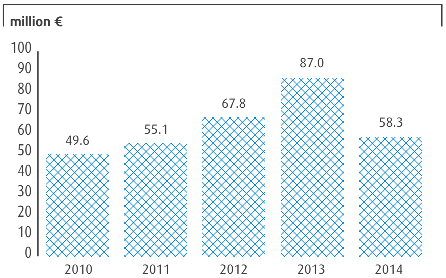
RECURRING EBIT



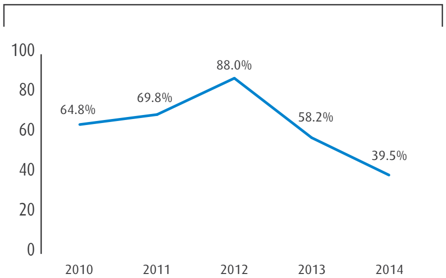
R&D EXPENDITURE



CAPITAL EXPENDITURE



RETURN ON CAPITAL EMPLOYED (ROCE)



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Consolidated financial statements

Consolidated income statement

(EUR thousand)

	Notes	2013	2014
Turnover	F9	9,819,255	8,828,512
Other operating income	F9	76,232	56,429
Operating income		**9,895,487**	**8,884,941**
Raw materials and consumables	F9	(8,344,694)	(7,387,423)
Payroll and related benefits	F10	(707,151)	(702,767)
Depreciation and impairments	F9	(169,862)	(182,187)
Other operating expenses	F9	(411,179)	(394,307)
Operating expenses		**(9,632,886)**	**(8,666,684)**
Income from other financial investments	F12	(2,074)	9,763
RESULT FROM OPERATING ACTIVITIES		**260,527**	**228,019**
Financial income	F11	4,332	3,671
Financial expenses	F11	(19,052)	(21,828)
Foreign exchange gains and losses	F11	(8,131)	(6,556)
Share in result of companies using the equity method	F17	(511)	21,294
Profit (loss) before income tax		**237,165**	**224,601**
Income taxes	F13	(52,386)	(46,506)
PROFIT (LOSS) OF THE PERIOD		**184,779**	**178,095**
of which: Group share		179,029	170,603
Minority share		5,750	7,492

(EUR)

	Notes	2013	2014
Total basic earnings per share	F39	1.61	1.58
Total diluted earnings per share	F39	1.60	1.57
Dividend per share		1.00	1.00

The notes on pages 56 to 123 are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

(EUR thousand)

	Notes	2013	2014
Profit (loss) of the period		**184,779**	**178,095**
Items in other comprehensive income that will not be reclassified to P&L			
Changes in post employment benefits, arising from changes in actuarial assumptions		(1,319)	(64,577)
Changes in deferred taxes directly recognized in other comprehensive income		1,333	17,250
Items in other comprehensive income that may be subsequently reclassified to P&L			
Changes in available-for-sale financial assets reserves		(12,102)	14,992
Changes in cash flow hedge reserves		1,914	(15,249)
Changes in deferred taxes directly recognized in other comprehensive income		(428)	4,427
Changes in currency translation differences		(61,545)	72,199
Other comprehensive income for the period	F23	**(72,146)**	**29,042**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**112,633**	**207,137**
of which: Group share		112,108	196,411
Minority share		524	10,727

The deferred tax impact on the consolidated statement of comprehensive income is due to the cash flow hedge reserves for EUR 4.4 million and to employee benefit reserves for EUR 17.2 million.

The notes on pages 56 to 123 are an integral part of these consolidated financial statements.

Consolidated balance sheet

(EUR thousand)

	Notes	31/12/2013	31/12/2014
Non-current assets		**1,551,228**	**1,710,503**
Intangible assets	F14, F15	218,251	266,073
Property, plant and equipment	F16	998,563	1,061,735
Investments accounted for using the equity method	F17	201,391	208,847
Available-for-sale financial assets	F18	21,183	50,258
Loans granted	F18	4,971	1,212
Trade and other receivables	F20	16,339	17,555
Deferred tax assets	F21	90,530	104,823
Current assets		**1,961,069**	**2,140,866**
Current loans granted	F18	5,933	6,876
Inventories	F19	1,106,259	1,182,946
Trade and other receivables	F20	716,405	826,989
Income tax receivables		33,227	34,264
Available-for-sale financial assets	F18	0	0
Cash and Cash equivalents	F22	99,245	89,791
TOTAL ASSETS		**3,512,297**	**3,851,368**
Equity of the group		**1,723,428**	**1,750,133**
Group shareholders' equity		**1,677,141**	**1,704,551**
Share capital and premiums		502,862	502,862
Retained earnings		1,647,378	1,472,660
Currency translation differences and other reserves	F23	(167,438)	(140,100)
Treasury shares		(305,661)	(130,871)
Minority interest		46,287	45,582
Non-current liabilities		**439,054**	**493,957**
Provisions for employee benefits	F27	267,837	331,702
Financial debt	F24	26,396	22,571
Trade and other payables	F25	12,908	21,490
Deferred tax liabilities	F21	28,164	17,520
Provisions	F29, F30	103,749	100,673
Current liabilities		**1,349,814**	**1,607,278**
Financial debt	F24	287,839	365,513
Trade and other payables	F25	966,767	1,148,599
Income tax payable		64,697	63,958
Provisions	F29, F30	30,511	29,208
TOTAL EQUITY & LIABILITIES		**3,512,297**	**3,851,368**

The notes on pages 56 to 123 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

(EUR thousand)

	Part of the Group					
	Share capital and premiums	Reserves	Currency translation and other reserves	Treasury shares	Minority interest	TOTAL EQUITY
Balance at the beginning of previous period	**502,862**	**1,577,658**	**(102,020)**	**(226,832)**	**54,141**	**1,805,805**
Result of the period		179,030			5,749	184,779
Other comprehensive income for the period			(66,921)		(5,225)	(72,146)
Total comprehensive income for the period		**179,030**	**(66,921)**		**524**	**112,633**
Changes in share-based payment reserves			4,337			4,337
Capital decrease					(5,848)	(5,848)
Change in accounting policies		525	(1,296)			(771)
Dividends		(111,373)			(3,764)	(115,137)
Transfers		1,538	(1,538)			0
Changes in treasury shares				(78,825)		(78,825)
Other movements					112	112
Changes in scope					1,121	1,121
Balance at the end of previous period	**502,862**	**1,647,378**	**(167,438)**	**(305,661)**	**46,287**	**1,723,428**
Result of the period		170,603			7,492	178,095
Other comprehensive income for the period			25,808		3,235	29,042
Total comprehensive income for the period		**170,603**	**25,808**		**10,727**	**207,137**
Changes in share-based payment reserves			3,598			3,598
Capital decrease					(5,652)	(5,652)
Dividends		(108,659)			(7,050)	(115,709)
Transfers		(236,662)	(2,068)	238,730		0
Changes in treasury shares				(63,941)		(63,941)
Changes in scope					1,271	1,271
Balance at the end of the financial year	**502,862**	**1,472,660**	**(140,100)**	**(130,871)**	**45,582**	**1,750,133**

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 2014 was composed of 112,000,000 shares with no par value.

The notes on pages 56 to 123 are an integral part of these consolidated financial statements.

Consolidated statement of cash flow

(EUR thousand)

	Notes	2013	2014
Profit from continuing operations		184,779	178,095
Adjustments for profit of equity companies		511	(21,294)
Adjustment for non-cash transactions	F34	188,618	169,024
Adjustments for items to disclose separately or under investing and financing cash flows	F34	51,811	49,729
Change in working capital requirement	F34	96,873	56,043
Cash flow generated from operations		**522,592**	**431,597**
Dividend received		15,249	16,982
Tax paid during the period		(37,556)	(56,509)
Government grants received		485	10,474
NET OPERATING CASHFLOW	F34	**500,770**	**402,545**
Acquisition of property, plant and equipment	F16	(266,741)	(190,797)
Acquisition of intangible assets	F14	(26,970)	(24,262)
Acquisition in new subsidiaries (net of cash acquired)	F8	(21,968)	(35,160)
Acquisition of / capital increase in associates		(7,573)	(180)
Acquisition of financial assets	F18	(173)	(18,842)
New loans extended	F18	(1,158)	(2,115)
Sub-total acquisitions		**(324,583)**	**(271,355)**
Disposal of property, plant and equipment		7,800	3,020
Disposal of intangible assets		1,874	579
Disposal of subsidiaries and associates (net of cash disposed)		11	0
Disposal of financial fixed assets		14	5,141
Repayment of loans	F18	7	0
Sub-total disposals		**9,706**	**8,740**
NET CASH FLOW GENERATED BY (USED IN) INVESTING ACTIVITIES	F34	**(314,877)**	**(262,614)**
Capital increase/decrease minorities		(5,848)	(4,537)
Own shares		(78,825)	(63,941)
Interest received		4,035	3,298
Interest paid		(6,607)	(6,453)
New loans (repayment of loans)		(38,547)	38,642
Dividends paid to Umicore shareholders		(111,427)	(107,926)
Dividends paid to minority shareholders		(3,764)	(7,050)
NET CASH FLOW GENERATED BY (USED IN) FINANCING ACTIVITIES	F34	**(240,983)**	**(147,967)**
Effect of exchange rate fluctuations on cash held		22,415	(10,391)
NET CASH FLOW FROM CONTINUING OPERATIONS		**(32,675)**	**(18,427)**
Net cash and cash equivalents at the beginning of the period	F22	**130,988**	**98,313**
Net cash and cash equivalents at the end of the period	F22	**98,313**	**79,886**
of which cash and cash equivalents		99,245	89,791
of which bank overdrafts		(932)	(9,905)

The notes on pages 56 to 123 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 1-124, for the year ended 31 December 2014 were authorized for issue by the Board of Directors on 12 March 2015. 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

2.1.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

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

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any minority interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the minority interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

2.1.2 Changes in ownership interests in subsidiaries without change of control

Transactions with minority interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to minority interests are also recorded in equity.

2.1.3 Disposal of subsidiaries

When the group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.1.4 Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The group's investment in associates includes goodwill identified on acquisition. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. The group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates in the income statement.

Profits and losses resulting from upstream and downstream transactions between the group and its associate are recognised in the group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group. Dilution gains and losses arising in investments in associates are recognised in the income statement.

2.1.5 Joint arrangements

The group applies IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses and movements in other comprehensive income.

When the group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the group's net investment in the joint ventures), the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the group and its joint ventures are eliminated to the extent of the group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the group.

2.1.6 Segment reporting

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

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

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

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

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

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

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 CO_2 emission rights

Within the framework of the Kyoto protocol, a third emission trading period started, covering 2013-2020. 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 lease 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. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

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: a.o. 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 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 are immediately recognized in the income statement since IAS 19 revised.

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:

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

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

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

F3 Financial risk management

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

3.1 Currency risk

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

3.1.1 Structural risk

A portion of Umicore's revenues are structurally denominated in US dollar (USD), while many of our related 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 our results.

The largest portion of such structural currency exposure derives from US dollar denominated metal prices, which have an impact on the Euro denominated value of surplus metal recovered from recyclable materials.

Another portion of this exposure stems from non-metal related revenues denominated in US dollar such as refining charges or product premia. For this portion and at prevailing exchange rates at the end of 2014, a strengthening of the US dollar by 1 cent against the Euro is estimated to give 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 US dollar by 1 cent against the Euro is estimated to give rise to a decrease in revenues and operating result of the same magnitude on an annual basis. This non-metal related sensitivity is an estimate and is somewhat theoretical since the exchange rate level may impact commercial conditions negotiated in USD.

To a lesser extent, next to the sensitivity in USD there is also a structural 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's hedging policy allows for hedging forward its structural currency exposure, either in conjunction with the hedging of structural metal price exposure or in isolation, when a currency exchange rate or a metal price denominated in Euro is above its historical average and at a level where attractive margins can be secured.

At the end of 2014, Umicore has structural currency hedging in place relating to its non-metal related currency sensitivity: Euro/NOK and USD/NOK contracts in Umicore Norway, USD/KRW contracts in Umicore Korea and Euro/ZAR in Umicore AG KG in Germany. Early 2015, Umicore entered into additional hedges.

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's policy allows to hedge 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. At the end of 2014, Umicore still retained some of those hedges to cover part of the future price risks. The outstanding hedge contracts relate primarily to precious metals (i.e. platinum, palladium, gold and silver). Early 2015, Umicore entered into additional hedges.

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 2014, the Group's gross financial debt stood at EUR 388 million, of which 26 million at fixed 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 such global credit insurance coverage will be sought. For those businesses, characterized by a significant level of customer concentration or by a specific and close relationship with the customers, specific insurance contract may be set up for a certain period.

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 (the latter 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. The figures for the presented periods are detailed under the note F24 on Financial Debt.

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 (page171-174) 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 2014, the carrying amount of the goodwill for the consolidated entity is EUR 140,336 thousand (EUR 108,475 thousand in 2013).

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 2014, the carrying amount of rehabilitation provisions is EUR 68,347 thousand (EUR 76,732 thousand in 2013).

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 2014, a liability with respect to employee benefit obligations of EUR 331,702 thousand was recognized (EUR 267,837 thousand in 2013).

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 2013	% interest in 2014
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 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
	Umicore Long Term Finance (BE 0404.867.211)	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
	Umicore Shokubai Brasil Industrial Ltda	60.00	60.00
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
	Jiangmen Umicore Changxin New Materials Co., Ltd.	70.00	70.00
	Umicore Jubo Thin Film Products (Beijing) Co., Ltd.	100.00	100.00
	Umicore Shokubai China Co Ltd	60.00	60.00
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 Shokubai Germany GmbH	60.00	60.00
Hungary	Umicore Building Products Hungary kft.	100.00	100.00
Italy	Italbras S.p.A.	100.00	100.00
India	Umicore Autocat India Pvt Ltd	100.00	100.00
	Umicore Anandeya India Private Ltd	100.00	100.00
	Umicore India Private Limited	100.00	100.00
Japan	Umicore Japan KK	100.00	100.00
	Umicore Shokubai Japan Co Ltd	60.00	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
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

		% interest in 2013	% interest in 2014
Philippines	Umicore Specialty Chemicals Subic Inc.	78.20	78.20
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 Marketing Services Africa (Pty) Ltd.	100.00	100.00
	Umicore Catalyst South Africa (Pty) Ltd.	100.00	100.00
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
Thailand	Umicore Precious Metals Thailand Ltd	91.21	91.21
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 Precious Metal Chemistry USA LLC	100.00	100.00
	Umicore Precious Metals USA Inc.	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,	60.00	60.00
	Palm Commodities International	100.00	100.00
	Umicore Technical Materials North America	100.00	100.00

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

(*) As a result of the integration of Umicore AG & Co. KG into the consolidated accounts of Umicore and the disclosure of the annual accounts according to § 325 HGB (German Commercial Code), Umicore AG & Co. KG is exempted from setting up, auditing and disclosing consolidated financial statements and financial management reports according to Article 264 b of the HGB (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	
		2013	2014	2013	2014
American Dollar	USD	1.379	1.214	1.328	1.329
UK Pound Sterling	GBP	0.834	0.779	0.849	0.806
Canadian Dollar	CAD	1.467	1.406	1.368	1.466
Swiss Franc	CHF	1.228	1.202	1.231	1.215
Japanese Yen	JPY	144.720	145.230	129.663	140.306
Brazilian Real	BRL	3.231	3.225	2.866	3.127
South African Rand	ZAR	14.566	14.035	12.833	14.404
Chinese Yuan	CNY	8.349	7.536	8.165	8.186
Thai Baht	THB	45.178	39.910	40.830	43.147
Korean Won (100)	KRW	14.509	13.248	14.539	13.981

F7 Segment information

BUSINESS GROUP INFORMATION 2013

(EUR thousand)

	Note	Catalysis	Energy Materials	Performance Materials	Recycling	Corporate & Unallocated	Eliminations	Total
Total segment turnover		**2,020,189**	**825,732**	**1,388,441**	**6,663,286**	**33,020**	**(1,111,413)**	**9,819,255**
External turnover		1,990,567	820,108	1,256,605	5,718,955	33,020		9,819,255
Inter-segment turnover		29,622	5,624	131,836	944,330	0	(1,111,413)	0
Total segment revenues		**893,530**	**402,587**	**509,736**	**590,210**	**0**	**(6,050)**	**2,390,013**
External revenues		892,800	402,587	509,736	584,890	0		2,390,013
Inter-segment revenues		730			5,320		(6,050)	0
Operating result	F9	**70,728**	**18,662**	**28,598**	**200,042**	**(57,503)**		**260,527**
Recurring operating result		70,800	22,028	45,602	199,552	(45,848)		292,134
Non-recurring operating result		(324)	(3,569)	(16,832)	1,767	(11,655)		(30,613)
IAS 39 effect		252	203	(172)	(1,277)	0		(994)
Equity method companies	F9	**2,962**	**2,702**	**(3,709)**	**0**	**(2,467)**		**(512)**
Recurring		2,534	2,702	9,064	0	(2,467)		11,833
Non-recurring		(49)	0	(12,773)	0	0		(12,822)
IAS 39 effect		477	0	0	0	0		477
EBIT	F9	**73,690**	**21,364**	**24,889**	**200,042**	**(59,970)**	**0**	**260,015**
Recurring EBIT		73,334	24,730	54,666	199,552	(48,315)	0	303,967
Non-recurring EBIT		(373)	(3,569)	(29,605)	1,767	(11,655)	0	(43,435)
IAS 39 effect on EBIT		729	203	(172)	(1,277)	0	0	(517)
Depreciation and amortization	F9	39,427	30,452	28,702	49,122	10,919		158,622
EBITDA	F9	**113,117**	**51,816**	**53,591**	**249,164**	**(49,051)**	**0**	**418,637**
Recurring EBITDA		112,761	55,182	83,368	248,674	(37,396)	0	462,589
Consolidated total assets		**1,172,091**	**798,157**	**683,405**	**907,787**	**407,927**	**(457,070)**	**3,512,297**
Segment assets		1,118,681	764,139	571,945	907,787	405,362	(457,070)	3,310,843
Investments in associates		53,410	34,018	111,460	0	2,565	0	201,454
Consolidated total liabilities		**396,070**	**332,953**	**210,786**	**517,347**	**2,512,211**	**(457,070)**	**3,512,297**
Capital Employed at 31/12 of previous year	F31	795,496	476,273	572,949	327,338	87,341		2,259,397
Capital Employed at 30/06	F31	806,703	479,141	572,031	323,290	54,939		2,236,103
Capital Employed at 31/12	F31	809,472	470,175	504,834	397,161	51,926		2,233,568
Average Capital Employed in first half year	F31	801,100	477,707	572,490	325,314	71,140		2,247,750
Average Capital Employed in second half year	F31	808,088	474,658	538,433	360,226	53,433		2,234,836
Average Capital Employed in the year	F31	**804,594**	**476,183**	**555,461**	**342,770**	**62,286**		**2,241,293**
ROCE	F31	9.11%	5.19%	9.84%	58.22%	(77.57%)		13.56%
Capital expenditure	F34	84,423	64,283	29,432	87,015	14,440		279,614
Total R&D expenditure	F9	**81,991**	**16,150**	**10,780**	**18,379**	**13,249**		**140,549**
R&D recognised in operating expenses	F9	71,565	13,047	10,741	18,379	12,722		126,453
R&D capitalised as intangible assets	F34	10,427	3,103	39	0	527		14,096

BUSINESS GROUP INFORMATION 2014

(EUR thousand)

	Note	Catalysis	Energy Materials	Performance Materials	Recycling	Corporate & Unallocated	Eliminations	Total
Total segment turnover		**2,181,312**	**907,313**	**1,347,271**	**5,203,572**	**30,871**	**(841,828)**	**8,828,512**
External turnover		2,162,153	902,955	1,260,569	4,471,964	30,871		8,828,512
Inter-segment turnover		19,159	4,358	86,703	731,608	0	(841,828)	0
Total segment revenues		**917,111**	**445,026**	**493,167**	**532,705**	**0**	**(7,379)**	**2,380,630**
External revenues		916,309	445,026	492,834	526,461	0		2,380,630
Inter-segment revenues		802	0	333	6,244	0	(7,379)	0
Operating result	F9	**73,108**	**33,778**	**41,580**	**132,674**	**(53,122)**		**228,018**
Recurring operating result		75,529	34,519	42,582	138,697	(46,002)		245,325
Non-recurring operating result		(1,882)	911	(1,719)	(5,550)	(7,119)		(15,359)
IAS 39 effect		(539)	(1,652)	717	(473)			(1,948)
Equity method companies	F9	**6,811**	**4,686**	**11,808**	**0**	**(2,010)**		**21,295**
Recurring		7,024	4,686	18,644	0	(2,010)		28,344
Non-recurring		(211)	0	(6,049)	0	0		(6,260)
IAS 39 effect		(2)	0	(787)	0	0		(789)
EBIT	F9	**79,919**	**38,464**	**53,388**	**132,674**	**(55,132)**	**0**	**249,313**
Recurring EBIT		82,553	39,205	61,226	138,697	(48,012)	0	273,669
Non-recurring EBIT		(2,093)	911	(7,768)	(5,550)	(7,119)		(21,619)
IAS 39 effect on EBIT		(541)	(1,652)	(70)	(473)	(1)		(2,737)
Depreciation and amortization	F9	**43,192**	**34,727**	**27,723**	**51,792**	**11,901**		**169,335**
Recurring		42,380	34,727	27,723	51,792	11,901		168,523
EBITDA	F9	**123,111**	**73,191**	**81,111**	**184,466**	**(43,231)**		**418,648**
Recurring EBITDA		124,933	73,932	88,949	190,489	(36,111)		442,192
Consolidated total assets		**1,312,315**	**1,046,721**	**746,957**	**816,368**	**476,755**	**(547,749)**	**3,851,369**
Segment assets		1,251,611	1,015,758	628,921	816,368	477,612	(547,749)	3,642,522
Investments in associates		60,704	30,963	118,036	0	(857)	0	208,847
Consolidated total liabilities		**462,414**	**439,922**	**236,293**	**523,461**	**2,737,028**	**(547,749)**	**3,851,369**
Capital Employed at 31/12 of previous year	F31	809,472	470,175	504,834	397,161	51,926		2,233,568
Capital Employed at 30/06	F31	792,310	477,046	527,455	357,179	41,766		2,195,757
Capital Employed at 31/12	F31	851,378	588,931	526,285	294,600	74,119		2,335,314
Average Capital Employed in first half year	F31	800,891	473,611	516,145	377,170	46,846		2,214,663
Average Capital Employed in second half year	F31	821,844	532,989	526,870	325,890	57,943		2,265,536
Average Capital Employed in the year	F31	**811,368**	**503,300**	**521,507**	**351,530**	**52,394**		**2,240,099**
ROCE	F31	10.17%	7.79%	11.74%	39.46%	(91.64%)		12.22%
Capital expenditure	F34	59,779	45,042	28,422	58,265	10,868		202,376
Total R&D expenditure	F9	**83,151**	**17,383**	**10,068**	**20,108**	**12,629**		**143,339**
R&D recognised in operating expenses	F9	72,908	14,939	10,068	20,108	12,629		130,652
R&D capitalised as intangible assets	F34	10,243	2,444	0	0	0		12,687

GEOGRAPHICAL INFORMATION 2013

(EUR thousand)

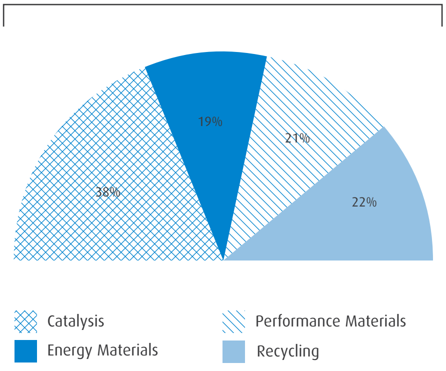
	Note	Europe	of which Belgium	Asia-Pacific	North America	South America	Africa	Total
Total segment turnover		6,881,672	258,911	1,450,249	949,677	383,466	154,191	9,819,255
Total non current assets		905,679	415,162	325,828	137,207	56,156	9,188	1,434,060
Capital expenditure	F34	167,116	106,598	84,880	17,053	9,527	1,039	279,614

GEOGRAPHICAL INFORMATION 2014

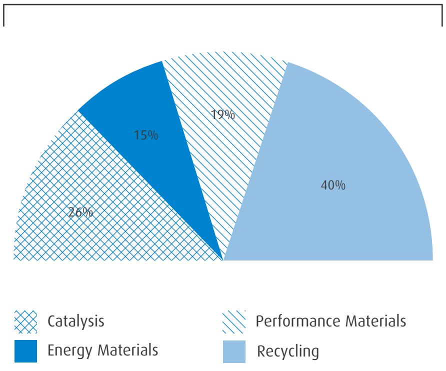
(EUR thousand)

	Note	Europe	of which Belgium	Asia-Pacific	North America	South America	Africa	Total
Total segment turnover		5,619,440	249,904	1,558,735	1,149,855	335,540	164,942	8,828,512
Total non current assets		943,135	412,679	380,826	161,835	59,053	8,930	1,553,778
Capital expenditure	F34	123,644	66,311	53,163	15,837	8,482	1,250	202,376

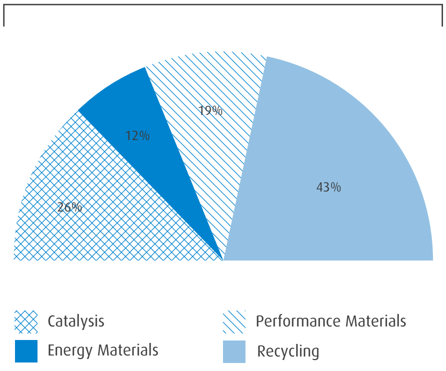
REVENUES (EXCLUDING METAL) PER BUSINESS GROUP



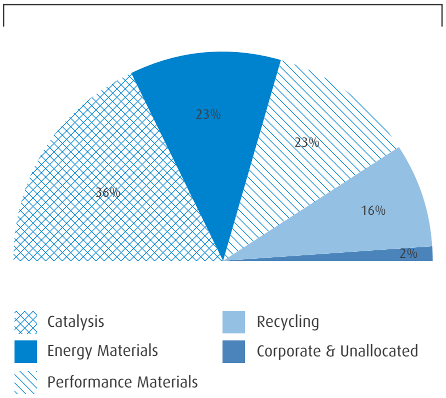
RECURRING EBITDA PER BUSINESS GROUP



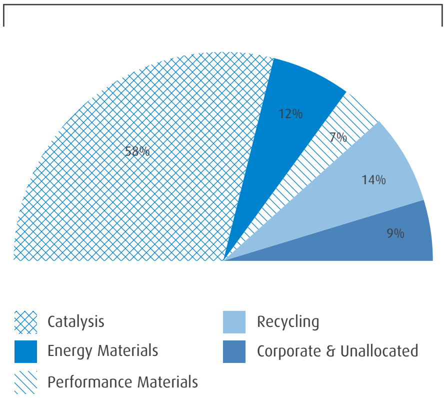
RECURRING EBIT PER BUSINESS GROUP



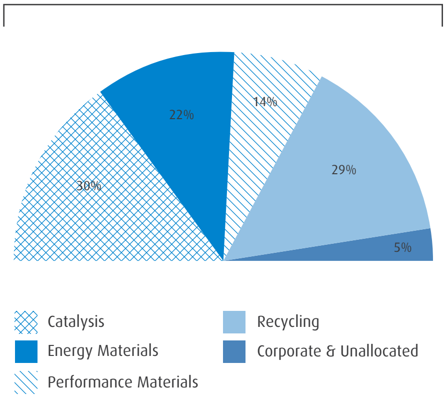
CAPITAL EMPLOYED, AVERAGE PER BUSINESS GROUP



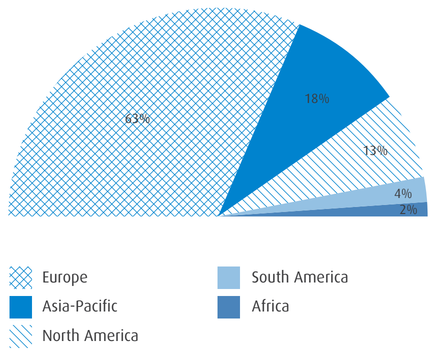
R&D EXPENDITURE PER BUSINESS GROUP



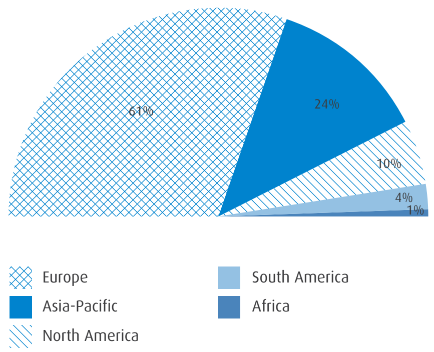
CAPITAL EXPENDITURE PER BUSINESS GROUP



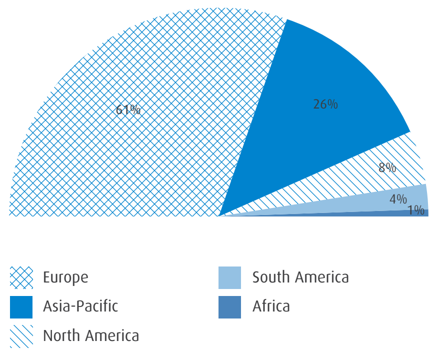
TURNOVER BY REGION



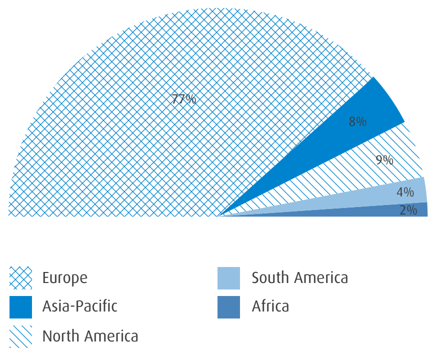
NON CURRENT ASSETS BY REGION



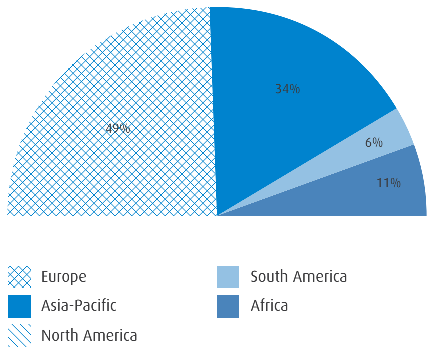
CAPITAL EXPENDITURE BY REGION



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 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-venture Ordeg.

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 and Jiangmen Chancsun Umicore Industry. Umicore acquired the remaining 52% of Todini on December 30th 2014.

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
Intangible assets		13,164
Property, plant & equipment		4,782
Other non-current assets		66
Non-current assets		**18,013**
Inventories		21,590
Accounts receivables		34,159
Income tax receivables		2,596
Cash and cash equivalent		5,503
Current assets		**63,849**
Deferred tax liabilities		3,519
Environmental provisions		753
Non-current liabilities		**4,272**
Current financial debt		23,783
Income tax payables		5,355
Trade and other payables		17,931
Current liabilities		**47,069**
Net assets acquired		**30,522**
Goodwill	F15	32,477
Gain on equity investment		14,152
Book value of equity investment		8,183
Purchase price		(40,664)
Group share purchase price in cash		**(40,664)**
Net cash & cash equivalent acquired		**5,503**
Net cash out for acquistion of subsidiaries		**(35,160)**

On August 11th, 2014, Umicore acquired the business and assets of CP Chemicals in Wickliffe, Ohio. CP Chemicals is a refiner and recycler of cobalt and nickel containing secondary materials such as superalloy scrap and transforms these into chemicals for the catalyst and petrochemical refining industries. CP Chemicals also recycles rhenium from superalloy turbine blades used in the aviation industry. The business is 100% integrated in Umicore's Cobalt and Specialty Materials business unit. The acquisition enables Umicore to establish new cobalt and nickel recycling capabilities in North America which will supply its existing product businesses. This fits with Umicore's overall strategy to close the loop and with the business unit's strategy to strengthen its position along the cobalt and nickel value chain, from recycling to transformation and distribution. Through the acquisition of CP Chemicals, Umicore also acquired the proprietary technology for rhenium refining as well as access to the related know-how. With it, Umicore gains access to the aviation industry and is able able to offer a closed loop solution for rhenium containing hard metal scrap and end-of-life material. The value of the rhenium recycling-related Intellectual Property in the opening balance sheet has been calculated at USD 4 million, through a discounted cash flow model. No goodwill has been recognized for this acquisition as the net assets acquired corresponded to the purchase price of USD 8.1 million. Since its inclusion in the consolidated financial statements of the group, the aggregated net result of the period (Group share) of the new acquisition is a loss of EUR 1.3 Million in 2014, including certain integration costs. It is not practicable to disclose the 12 months results of the acquired company.

On December 30, 2014, Umicore acquired the remaining 52% stake in Todini and Co (Italy), bringing Umicore's ownership to 100%. Since 2005, Umicore and the Todini Group spa have operated a joint venture in Europe focused on the distribution of chemical products, such as metal salts and non-ferrous metal oxides. The company, Todini and Co, based in Monza, Italy, has six subsidiaries outside Italy and is a European leader in the distribution of industrial chemical products. It serves a variety of industries including surface treatment and plating, pigments, glass & ceramics and animal nutrition. Todini and Co has since been integrated in Umicore's Cobalt & Specialty Materials business unit. It will enable the business to expand further its distribution activities and strengthen its supply chain from raw materials to end customers. Through the acquisition, Umicore maintains direct access to the industrial end user market.

Consequently, the value of this customer portfolio as derived through a discounted cash flow model was recognized in the opening balance sheet for an amount of EUR 10 million. In future, the Cobalt & Specialty Materials business unit aims to develop additional synergies with its other distribution activities such as Palm Commodities International (USA) and Umicore Metalle & Oberflachen (Germany).

The net asset value of Todini in the opening balance sheet amounted to EUR 24.4 million and a goodwill of EUR 32.5 million has been recognized. Taking into account the historic book value of Umicore's existing 48% stake, a fair value gain of EUR 14.2 million was accounted for. Todini & Co's 2014 contribution to Umicore's results continued to be booked under Share in result of companies using the equity method (EUR 5 million contribution to Umicore's recurring EBIT).

F9 Result from operating activities

OPERATING INCOME AND EXPENSES (EUR thousand)

	2013	2014
Sales	9,717,176	8,742,158
Services	102,079	86,354
Turnover (1)	**9,819,255**	**8,828,512**
Other operating income (2)	**76,232**	**56,429**
OPERATING INCOME	**9,895,487**	**8,884,941**
Raw materials and consumables used (3)	**(8,344,694)**	**(7,387,423)**
Payroll and related benefits	**(707,151)**	**(702,767)**
Depreciation of fixed assets	(158,622)	(169,335)
Impairment loss on fixed assets	(11,392)	(18,921)
Inventory and bad debt provisions	151	6,070
Depreciation and impairment results (4)	**(169,862)**	**(182,187)**
Services and outsourced refining and production costs	(380,095)	(365,811)
Royalties, licence fees, consulting and commissions	(23,665)	(28,733)
Other operating expenses	(4,878)	(8,552)
Increase and decrease in provisions	(20,820)	(12,118)
Use of provisions	21,217	21,814
Capital losses on disposal of assets	(2,938)	(909)
Other operating expenses (5)	**(411,179)**	**(394,307)**
OPERATING EXPENSES	**(9,632,886)**	**(8,666,684)**

1) Services mainly include the revenues from tolling contracts.

2) Other operating income mainly include re-invoicing of costs to third parties (EUR 23.7 million), operating grants (EUR 7.6 million), royalties and licence fees for EUR 7.6 million, EUR 1.9 million linked to emission rights, EUR 0.9 million for insurance recovery, EUR 0.6 milllion for assets' sales and EUR 1.8 million for tax recovery files.

3) Raw materials and consumables used include water, gas and electricity for EUR 89.8 million in 2014 (EUR 91.2 million in 2013).

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

5) Taxes other than income taxes included in other operating expenses amount to EUR 19.0 million (EUR 17.1 million in 2013).

R&D EXPENDITURE (EUR thousand)

	Note	2013	2014
R&D recognised in Other operating expenses		126,453	130,652
R&D capitalised as intangible assets	F14	14,096	12,687
Total R&D expenditure		**140,549**	**143,339**

Total R&D expenditure was EUR 143.3 million in the fully consolidated companies. The part of the R&D expenditures that are going directly through the other operating expenses amounts for EUR 130.7 million.

NON-RECURRING ELEMENTS AND IAS 39 EFFECTS INCUDED IN THE RESULT **(EUR thousand)**

	Note	2013 Total	Recurring	Non-recurring	IAS 39 effect	2014 Total	Recurring	Non-recurring	IAS 39 effect
Turnover		9,819,256	9,819,194	61	0	8,828,512	8,828,504	8	
Other operating income		76,232	74,555	423	1,254	56,429	57,220	274	(1,065)
Operating income		**9,895,487**	**9,893,749**	**484**	**1,254**	**8,884,941**	**8,885,724**	**282**	**(1,065)**
Raw materials and consumables used		(8,344,695)	(8,342,134)	(168)	(2,394)	(7,387,424)	(7,385,153)	(530)	(1,741)
Payroll and related benefits		(707,151)	(702,921)	(4,230)	0	(702,767)	(699,555)	(3,213)	0
Depreciation and impairment results		(169,862)	(165,476)	(5,423)	1,037	(182,187)	(173,902)	(9,369)	1,084
of which depreciation and amortization		(158,622)	(158,622)	0	0	(169,335)	(168,523)	(812)	0
Other operating expenses		(411,179)	(391,692)	(18,595)	(891)	(394,308)	(382,146)	(11,935)	(226)
Operating expenses		**(9,632,887)**	**(9,602,222)**	**(28,417)**	**(2,248)**	**(8,666,686)**	**(8,640,756)**	**(25,047)**	**(883)**
Income from other financial investments		(2,074)	606	(2,680)	0	9,763	357	9,406	0
Result from operating activities		**260,526**	**292,133**	**(30,613)**	**(994)**	**228,019**	**245,326**	**(15,359)**	**(1,948)**
Net contribution from equity method companies		(511)	11,833	(12,822)	477	21,294	28,344	(6,260)	(789)
EBIT		**260,016**	**303,967**	**(43,435)**	**(517)**	**249,313**	**273,669**	**(21,619)**	**(2,737)**
EBITDA		**418,638**	**462,589**	**(43,435)**	**(517)**	**418,648**	**442,192**	**(20,807)**	**(2,737)**
Finance cost	F11	(22,851)	(22,823)	0	(28)	(24,713)	(25,090)	(1,526)	1,903
Income taxes	F13	(52,386)	(57,413)	4,728	299	(46,506)	(48,027)	1,356	165
Net result		**184,778**	**223,731**	**(38,707)**	**(246)**	**178,094**	**200,553**	**(21,789)**	**(669)**
of which minority shares		5,749	5,689	158	(99)	7,492	7,448	139	(94)
of which group shares		179,029	218,042	(38,865)	(148)	170,603	193,105	(21,927)	(575)

Non-recurring items had a negative impact of EUR 21.6 million on EBIT. Restructuring charges are mainly related to the closure of Element Six Abrasives' production facility in Robertsfors, Sweden, cost reduction measures in corporate and support functions and adjustments to the production configuration in a number of units.

The reversal of previously recognized impairments of permanently tied-up metal inventories had a positive impact of EUR 8 million while additional environmental provisions related to remediation of historical pollution amounted to EUR 7 million. The impact of non-recurring charges on the net result (Group share) amounted to EUR 21.9 million.

Other non-recurring items are linked to capital gains on equity investments (see note F8 on business combinations) and to various other impairments ao on loans (see note F18 on Available-for-sale financial assets and loans granted).

IAS 39 accounting rules had a negative effect of EUR 2.7 million on EBIT and a negative impact of EUR 0.6 million on the net result (only 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)

	2013	2014
Wages, salaries and direct social advantages	(515,260)	(515,449)
Other charges for personnel	(28,311)	(27,327)
Temporary staff	(11,867)	(12,249)
Share-based payments	(4,337)	(3,598)
Employee salaries	**(559,775)**	**(558,623)**
Employer's social security	**(113,794)**	**(113,930)**
Defined benefit contributions	(11,411)	(13,029)
Contribution to defined contribution plan	(16,712)	(16,032)
Employer's voluntary contributions (other)	(3,662)	(3,509)
Pensions paid directly to beneficiaries	(4,220)	(3,826)
Provisions for employee benefits (-increase / + use and reversals)	2,420	6,180
Pensions and other benefits	**(33,585)**	**(30,216)**
PAYROLL AND RELATED BENEFITS	**(707,151)**	**(702,767)**

AVERAGE HEADCOUNT IN CONSOLIDATED COMPANIES

	2013	2014
Executives and managerial staff	1,901	1,908
Non managers	8,392	8,371
Total	**10,293**	**10,279**

SHARE-BASED PAYMENTS (EUR thousand)

	Notes	2013	2014
Number of stock options granted	F28	589,250	623,875
Valuation model		Present Economic Value	
Assumed volatility (% pa)		25.00	20.00
Risk-free interest rate (% pa)		0.83	0.80
Dividend increase (% pa)		0.10	0.10
Rate of pre-vesting forfeiture (% pa)		NA	NA
Rate of post-vesting leaving (% pa)		10.00	10.00
Minimum gain threshold (% pa)		30.00	30.00
Proportion who exercise given minimum gain achieved (% pa)		100.00	100.00
Fair value per granted instrument determined at the grant date (EUR)		5.80	4.25
Total fair value of options granted		**3,416**	**2,654**
2,900 shares granted at 36.725 EUR		107	
19,000 shares granted at 36.36 EUR		691	
3,400 shares granted at 36.185 EUR		123	
3,400 shares granted at 32.98 EUR			112
21,000 shares granted at 31.595 EUR			664
4,834 shares granted at 34.66 EUR			168
Total fair value of shares granted		**920**	**944**
SHARE-BASED PAYMENTS		**4,337**	**3,598**

The Group recognized a share-based payment expense of EUR 3,598 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 2014, shares have been granted to top management resulting in an extra charge of EUR 944 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 under the item "Employer's social security".

F11 Finance cost - net

(EUR thousand)

	2013	2014
Interest income	4,004	3,116
Interest expenses	(6,613)	(6,379)
Discounting of non-current provisions	(8,601)	(9,402)
Foreign exchange gains and losses	(8,131)	(6,556)
Other financial income	328	555
Other financial expenses	(3,838)	(6,047)
Total	**(22,851)**	**(24,712)**

The net interest charge in 2014 totaled EUR 3.263 thousand. Net interest expenses remained stable at a low level as the average weighted net interest rate decreased further to 1.56 %.

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 2014 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)

	2013	2014
Capital gains and losses on disposal of financial investments	964	155
Capital gains on equity investment		14,152
Dividend income	918	131
Interest income from financial assets	9	48
Impairment results on financial investments	(3,965)	(4,723)
Total	**(2,074)**	**9,763**

The impairment results on financial investments mainly relates to impairments to joint ventures.

The capital gain on equity investment is related to the fair value gain realized on the existing 48% shares in Todini (see note F8 on business combinations).

F13 Income taxes

(EUR thousand)

	2013	2014
INCOME TAX EXPENSE		
Recognized in the income statement		
Current income tax	(63,490)	(51,310)
Deferred income tax	11,104	4,804
Total tax expense	**(52,386)**	**(46,506)**
RELATIONSHIP BETWEEN TAX EXPENSE (INCOME) AND ACCOUNTING PROFIT		
Result from operating activities	260,526	228,019
Financial result	(22,851)	(24,712)
Profit (loss) before income tax of consolidated companies	**237,676**	**203,307**
Weighted average theoretical tax rate (%)	(30,33)	(29,31)
Income tax calculated at the weighted average theoretical tax rate	**(72,077)**	**(59,597)**
Tax effect of		
Expenses not deductible for tax purposes	(11,825)	(11,495)
Tax-exempted revenues	5,134	15,565
Tax-exempt dividends from consolidates companies & Associates	(331)	(1,496)
Gains & Losses taxed at a reduced rate	0	0
Tax incentives deductible from the taxable base	31,723	25,751
Tax computed on other basis	(886)	(1,457)
Utilisation of previously unrecognised tax losses	12,350	2,730
Write down (or rev. of prev. write down) of DTA	(11,019)	(7,971)
Change in applicable tax rate	484	20
Tax holidays	1,068	1,805
Other tax credits (excluding R&D tax credits)	1,137	1,715
Non recoverable foreign withholding taxes	(5,023)	(5,012)
Previous years adjustments	(7,038)	(7,717)
Other	3,916	654
Tax expense at the effective tax rate for the year	**(52,386)**	**(46,506)**

The weighted average theoretical tax rate evolved from 30.33% in 2013 to 29.31% in 2014.

Excluding the impact of non-recurring items and the IAS 39 effect, the recurring effective tax rate for 2014 was 21.8%. This is similar to the 21.3% in 2013.

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	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 at the beginning of previous year	**50,407**	**2,521**	**37,898**	**5,843**	**4,884**	**101,554**
. acquisition through business combinations					2,861	2,861
. additions	14,096	11	5,673	2,617	4,291	26,689
. disposals		0	0	0	(64)	(64)
. amortization charged (included in "Depreciation and impairments")	(9,869)	(446)	(8,746)		(99)	(19,159)
. impairment losses recognized (included in "Depreciation and impairments")	(859)	0	(34)	(549)	0	(1,442)
. reversal of impairment losses (included in "Depreciation and impairments")		0	0	(569)	0	(569)
. emission rights allowances				1,574		1,574
. translation differences	(676)	(36)	(688)	0	(172)	(1,572)
. other movements	716	0	1,101	0	(1,917)	(100)
At the end of previous year	**53,816**	**2,050**	**35,205**	**8,916**	**9,787**	**109,775**
Gross value	72,853	12,792	126,578	11,325	15,559	239,108
Accumulated amortization	(19,037)	(10,742)	(91,373)	(2,409)	(5,772)	(129,333)
Net book value at the end of previous year	**53,816**	**2,050**	**35,205**	**8,916**	**9,787**	**109,775**
. acquisition through business combinations		133	19	0	13,012	13,164
. additions	12,687	127	4,655	0	6,793	24,261
. disposals			(3)	(607)	(5)	(615)
. amortization charged (included in "Depreciation and impairments")	(12,557)	(427)	(8,116)	0	(846)	(21,946)
. impairment losses recognized (included in "Depreciation and impairments")	(2,781)	0	(13)	0	(14)	(2,808)
. reversal of impairment losses (included in "Depreciation and impairments")				800		800
. emission rights allowances				1,058		1,058
. translation differences	1,111	76	433	0	1,081	2,701
. other movements	(6,986)	25	3,964	0	2,342	(655)
At the end of the year	**45,290**	**1,983**	**36,144**	**10,168**	**32,150**	**125,737**
Gross value	77,937	13,258	133,140	10,736	38,786	273,857
Accumulated amortization	(32,646)	(11,275)	(96,996)	(567)	(6,636)	(148,121)
Net book value	**45,290**	**1,983**	**36,144**	**10,168**	**32,150**	**125,737**

"Additions" are mainly explained by capitalized expenses in new information systems and internally generated developments. EUR 14.5 million are linked to own productions, of which EUR 12.4 million are development expenses.

In the other intangibles, the line acquisitions through business combinations mainly includes the customer portfolio acquired in Todini (Italy) and the value of the intellectual property acquired in Umicore Specialty Materials Recycling (USA).

The line 'other movements' mainly includes the transfer between intangible assets in progress (included under "other intangible assets" and the other categories of 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)

	31/12/2013	31/12/2014
At the end of the previous year		
Gross value	101,353	115,788
Accumulated impairment losses	(2,005)	(7,313)
Net book value at the end of previous year	**99,348**	**108,475**
. aquisition through business combinations	18,071	32,477
. impairment losses (included in "Depreciation and impairment results")	(5,958)	(4,142)
. translation differences	(2,986)	3,526
. other movements		
At the end of the year	**108,475**	**140,336**
Gross value	115,788	152,402
Accumulated impairment losses	(7,313)	(12,066)
Net book value	**108,475**	**140,336**

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 linked to the acquisition of the remaining 52% of Todini (disclosed in Note F8), to impairments in entities in Liechtenstein and in India and to exchange differences.

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

(EUR thousand)

	Catalysis	Energy Materials	Performance Materials	Recycling	Total
31/12/2013	37,062	44,185	8,922	18,306	108,475
31/12/2014	37,074	77,851	7,062	18,349	140,336

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 2014 modeling used an average tax rate of 25%, (25% in 2013) and a weighted average cost of capital post-tax of 8.5% (same as in 2013) 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 2013). 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	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 at the beginning of previous year	**321,008**	**411,595**	**58,420**	**4,174**	**117,070**	**912,268**
. aquisition through business combinations		2,872				2,872
. additions	7,886	36,030	10,077	187	212,610	266,790
. disposals	(2,223)	(810)	(884)	(74)	(2,661)	(6,653)
. depreciations (included in "Depreciation and impairments")	(28,341)	(93,751)	(16,829)	(553)		(139,474)
. net impairment losses recognized (included in "Depreciation and impairments")	(2,893)	(454)	(54)		0	(3,402)
. translation differences	(9,233)	(16,149)	(2,362)	(559)	(5,487)	(33,790)
. other movements	40,967	96,666	10,964	460	(149,105)	(49)
At the end of previous year	**327,171**	**435,999**	**59,332**	**3,633**	**172,427**	**998,563**
of which leasing	1,447	0	82			1,529
Gross value	715,044	1,528,248	192,939	29,965	172,427	2,638,623
Accumulated depreciation	(387,874)	(1,092,249)	(133,606)	(26,332)		(1,640,060)
Net book value at the end of previous year	**327,171**	**435,999**	**59,332**	**3,633**	**172,427**	**998,563**
. aquisition through business combinations	753	3,819	210			4,782
. additions	26,348	25,838	8,718	378	129,513	190,797
. disposals	(313)	(1,154)	(774)	4	(1,016)	(3,253)
. depreciations (included in "Depreciation and impairments")	(30,311)	(100,733)	(18,010)	(246)		(149,301)
. net impairment losses recognized (included in "Depreciation and impairments")	(2,704)	(8,116)	(530)			(11,350)
. translation differences	9,181	13,426	694	178	7,601	31,080
. other movements	33,265	104,317	12,063	(1,852)	(147,376)	418
At the end of the financial year	**363,390**	**473,396**	**61,703**	**2,095**	**161,150**	**1,061,735**
of which leasing	1,312		77			1,389
Gross value	784,638	1,644,985	205,446	27,140	161,150	2,823,358
Accumulated depreciation	(421,248)	(1,171,589)	(143,742)	(25,045)		(1,761,624)
Net book value	**363,390**	**473,396**	**61,703**	**2,095**	**161,150**	**1,061,735**
Leasing						
Gross value	2,406	59	144			2,609
Accumulated amortization	(1,094)	(59)	(66)			(1,220)
Net book value	**1,312**	**0**	**77**	**0**	**0**	**1,389**

The non-maintenance related additions to property, plant and equipment primarily relate to Umicore's growth projects. In Recycling a first phase of investments to expand capacity in Hoboken was successfully completed. In Catalysis the investments were linked to the addition of light and heavy duty capabilities. In Energy Materials the production capacity expansion investments for cathode materials in Korea and China were completed.

The line "acquisitions through business combinations" concerns mainly the property, plant and equipment acquired from CP Chemicals in Wickliffe (USA).

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 2013	Percentage 2014
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	100.00*
JOINT VENTURES				
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	49.00
BeLife intermediate	Belgium	EUR	51.00	51.00

* *Umicore acquired on December 30 the remaining 52% in Todini. The result of 2014 was still considered at 48%. For more information please refer to note F8*

Investments in associates are accounted for in accordance with the equity method and represent approximately 5% of Umicore's consolidated balance sheet total. Umicore has no individual material investments in associates. Considering the objectives of the IFRS 12 disclosure requirements, the most significant associate is Element Six Abrasives, where Umicore holds 40,22%. Element Six Abrasives is a synthetic diamond supermaterials group, part of De Beers Group, its majority shareholder. The group operates worldwide with primary manufacturing facilities in China, Ireland, Germany, the UK, the US and South Africa. Element Six Abrasives is a profitable group, generating positive cash flow and a stable recurring dividend income for Umicore. The group's functional currency is USD. Umicore is represented in the Board of Directors and the audit committee of Element Six Abrasives, which enables Umicore to sufficiently protect its interest in this associate. Besides its equity share in this company, Umicore has no other commitments, guarantees or obligations arising from its involvement in this associate. Non-recurring results and material contingencies, if any, in respect of the financial statements of Element Six Abrasives, are separately disclosed under the relevant captions of Umicore's consolidated financial statements.

(EUR thousand)

	Net book value	Goodwill	Total
At the end of previous year	**155,001**	**46,390**	**201,390**
. Change in scope	(7,699)	(484)	(8,183)
. capital increase	180		180
. profit for the year	21,294		21,294
. dividends	(16,851)		(16,851)
. change in other reserves	(1,605)		(1,605)
. translation differences	11,909	715	12,624
. Other movements	(2)		(2)
At the end of the year	**162,226**	**46,622**	**208,846**
of which joint ventures	**66,065**	**355**	**66,420**

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

(EUR thousand)

	31/12/13	31/12/14
Assets	220,395	246,127
Liabilities	109,314	131,380
Turnover	277,239	311,510
Net result	1,426	17,707

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

(EUR thousand)

	31/12/13	31/12/14
Current assets	90,529	105,426
Non-current assets	27,158	32,272
Current liabilities	44,369	59,072
Non-current liabilities	7,279	6,858

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

(EUR thousand)

	31/12/13	31/12/14
Operating result	(167)	5,951
Financial result	(1,069)	(254)
Tax	(700)	(2,110)
Net result Group	(1,936)	3,588

F18 Available-for-sale financial assets and loans granted

(EUR thousand)

		Availale-for-sale financial assets	Loans granted
NON-CURRENT FINANCIAL ASSETS			
At the beginning of previous year		**37,105**	**5,087**
. increase		190	41
. decrease		(12)	(7)
. impairment losses (included in "Income from other financial instruments")		(3,967)	0
. translation differences		(29)	(149)
. fair value recognized in equity		(12,102)	0
. other movements		0	0
At the end of previous year		**21,183**	**4,971**
. increase	(a)	18,842	0
. decrease	(b)	(4,985)	(7)
. impairment losses (included in "Income from other financial instruments")	(c)	0	(3,800)
. reversals of impairment losses (included in "Income from other financial instruments")		226	
. translation differences			152
. fair value recognized in equity	(d)	14,992	0
. other movements			(105)
At the end of the financial year		**50,258**	**1,212**
CURRENT FINANCIAL ASSETS			
At the end of the preceding financial year		**0**	**5,933**
. change in scope		0	0
. increase		0	2,051
. write-downs (included in "Income from other financial instruments")	(c)	0	(1,200)
. translation differences		0	10
. other		0	82
At the end of the financial year		**0**	**6,876**

(a) mainly related to the increase in Nyrstar shares
(b) mainly related to the redemption of the Nyrstar bonds
(c) mainly related to impairment losses on loans granted to joint ventures
(d) mainly related to the fair value adjustment on the Nyrstar shares

F19 Inventories

(EUR thousand)

	31/12/13	31/12/14
ANALYSIS OF INVENTORIES		
Base product with metal hedging - gross value	962,710	1,006,912
Base product without metal hedging - gross value	129,497	145,368
Consumables - gross value	64,402	68,423
Write-downs	(59,084)	(52,629)
Advances paid	1,866	2,508
Contracts in progress	6,869	12,363
Total inventories	**1,106,259**	**1,182,945**

Inventories have increased by EUR 76.7 million, mainly driven by higher business volumes through the year and by higher metal prices in December 2014 compared with December 2013. Reversal of impairments of permanently tied-up metal inventories had a positive impact of EUR 8.3 million.

Based on metal prices and currency exchange rates prevailing at the closing date, the value of metal inventory would be about EUR 825.8 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	31/12/13	31/12/14
NON CURRENT			
Cash guarantees and deposits		8,193	9,481
Other receivables maturing > 1 year		7,662	7,643
Assets employee benefits		483	431
Total		**16,338**	**17,555**
CURRENT			
Trade receivables (at cost)		622,472	739,569
Trade receivables (write down)		(8,275)	(7,060)
Other receivables (at cost)		71,488	65,417
Other receivables (write down)		(5,801)	(6,097)
Interest receivable		92	124
Fair value receivable financial instruments held for cash-flow hedging	F33	9,248	2,437
Fair value receivable other financial instruments	F33	6,863	9,799
Deferred charges and accrued income		20,324	22,800
Total		**716,412**	**826,989**

Current trade receivables have increased by EUR 110.6 million. This increase is mainly due to higher business volumes through the year and by higher metal prices in December 2014 compared with December 2013.

Other non-current receivables include an amount of EUR 6,556 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	612,390	513,422	67,360	13,738	2,939	14,933
Other receivables - at cost	71,487	69,219	520	1,261	(187)	674
AGEING BALANCE ANALYSIS AT THE END OF YEAR						
Trade receivables (not including doubtful receivables) - at cost	721,381	578,352	104,825	20,182	8,376	9,646
Other receivables - at cost	65,418	62,042	235	1,730	0	1,411

Credit risk - trade receivables

(EUR thousand)

	Trade receivables (write-down)	Other receivables (write-down)	Total
AT THE BEGINNING OF PREVIOUS YEAR	**(10,202)**	**(6,905)**	**(17,105)**
. Change in scope	70		70
. Impairment losses recognized in P&L	(2,849)	(462)	(3,311)
. Reversal of impairment losses	3,346	1,558	4,904
. Impairment written off against asset carrying amount	43		43
. Other movements	413	(3)	410
. Translation differences	899	10	909
At the end of previous year	**(8,282)**	**(5,802)**	**(14,082)**
AT THE BEGINNING OF THE FINANCIAL YEAR	**(8,282)**	**(5,802)**	**(14,082)**
. Impairment losses recognized in the P&L	(1,096)	(296)	(1,392)
. Reversal of impairment losses	1,713	1	1,715
. Impairment written off against asset carrying amount	566		566
. Other movements	171		170
. Translation differences	(139)		(139)
At the end of the financial year	**(7,067)**	**(6,098)**	**(13,165)**

In principle, Umicore uses credit insurance as a means to mitigate the credit risk related to trade receivables. Two credit policies have been concluded with two different insurers. EUR 446 million of the group trade receivables are covered by a policy where indemnification in case of non payment amounts to 95% with an annual maximum limit of EUR 20 million. The other policy covers EUR 127 million of trade receivables with a global annual deductible of EUR 5 million and a maximum indemnity per year of EUR 50 million.

Finally some of our businesses function without credit insurance and instead credit limits are set based on financial information and business knowledge. Theses limits are duly approved by management.

F21 Deferred tax assets and liabilities

(EUR thousand)

	31/12/2013	31/12/2014
TAX ASSETS AND LIABILITIES		
Income tax receivables	33,227	34,264
Deferred tax assets	90,530	104,823
Income tax payable	(64,696)	(63,958)
Deferred tax liabilities	(28,164)	(17,520)

	Assets		Liabilities		Net	
	2013	2014	2013	2014	2013	2014
At the end of preceding financial year	**91,772**	**90,530**	**(36,417)**	**(28,164)**	**55,355**	**62,366**
Deferred tax recognized in the P&L	3,567	744	7,537	4,059	11,104	4,804
Deferred tax recognized in equity	715	12,559	848	10,153	1,563	22,711
Acquisitions through business combination	(2,259)	21	0	(3,519)	(2,259)	(3,498)
Translation adjustments	(3,820)	970	430	(48)	(3,390)	922
Transfer	561	0	(562)	0	(1)	0
Other movements	(6)	0	0	(2)	(6)	(2)
At the end of financial year	**90,530**	**104,823**	**(28,164)**	**(17,520)**	**62,366**	**87,303**
DEFERRED TAX IN RESPECT OF EACH TYPE OF TEMPORARY DIFFERENCE						
Intangible assets	14,931	16,915	(16,302)	(19,435)	(1,371)	(2,520)
Goodwill on fully consolidated companies	174	182	(1,657)	(1,976)	(1,483)	(1,794)
Property, plant and equipment	4,379	4,639	(21,998)	(20,843)	(17,619)	(16,204)
Long term receivables	339	159	(3,318)	(3,597)	(2,972)	(3,438)
Inventories	22,187	28,343	(26,720)	(24,110)	(4,533)	4,233
Trade and other receivables	6,052	4,114	(6,808)	(6,477)	(756)	(2,363)
Group Shareholder's equity	95	162	(6,447)	(6,205)	(6,352)	(6,043)
Long Term Financial Debt and other payable	331	390	(1,335)	(1,356)	(1,004)	(966)
Provisions Employee Benefits	50,725	68,726	(975)	(749)	49,750	67,977
Provisions for Environment	19,120	18,516	(2,828)	(1,710)	16,292	16,806
Provisions for other liabilities and charges	7,673	7,194	(612)	(449)	7,061	6,745
Current Financial Debt	2,015	2,618	0	(4)	2,015	2,614
Current Provisions for Environment	5,135	3,802	0	0	5,135	3,802
Current Provisions for Other Liabilities & Charges	3,622	3,152	(51)	(48)	3,571	3,104
Trade and other payables	13,664	18,513	(2,532)	(3,586)	11,132	14,927
Total deferred tax due to temporary differences	**150,442**	**177,425**	**(91,583)**	**(90,545)**	**58,859**	**86,880**
Tax losses to carry forward	47,923	46,272			47,923	46,272
Investments deductions	3,771	4,647			3,771	4,647
Notional interest carried forward	10,425	8,891			10,425	8,891
Exempted dividends carried forward	1,117	0			1,117	0
Other	(670)	2,718			(670)	2,718
Deferred tax assets not recognized	(59,059)	(62,105)			(59,059)	(62,105)
Total tax assets/liabilities	**153,949**	**177,848**	**(91,583)**	**(90,545)**	**62,366**	**87,303**
Compensation of assets and liabilities within same entity	(63,419)	(73,025)	63,419	73,025	0	0
Net amount	**90,530**	**104,823**	**(28,164)**	**(17,520)**	**62,366**	**87,303**

	2013 Base	2014 Base	2013 Tax	2014 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	207,629	220,226	59,059	62,105

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 deffered taxes generated by temporary differences included within the lines "Trade and other payables" (positive by EUR 2,476 thousand), "Trade and other receivables" (positive by EUR 1,947 thousand) and "Provisions for employee benefits" (positive by EUR 18,139 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 62,105 thousand mainly arise from tax losses (EUR 42,945 thousand), notional interests carried forward (EUR 8,891 thousand), deductions for investments (EUR 4,647 thousand) and temporary differences on property plant and equipment (EUR 3,944 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)

	31/12/13	31/12/14
CASH AND CASH EQUIVALENTS		
Short-term investments: bank term deposits	13,636	3,857
Short-term investments: term deposits (other)	(21)	128
Cash-in-hands and bank current accounts	85,630	85,807
Total cash and cash equivalents	**99,245**	**89,791**
Bank overdrafts	932	9,905
(included in current financial debt in the balance sheet)		
Net cash as in Cash Flow Statement	**98,313**	**79,886**

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	**12,886**	**3,939**	**33,237**	**(135,728)**	**29,748**	**(46,101)**	**(102,020)**
Gains and losses recognized in other comprehensive income	(12,102)	6,306	(725)	(2,701)	4,337		(4,884)
Gains and losses derecognized out of other comprehensive income		(4,459)	1,779				(2,680)
Transfer from/to retained earnings				4	(1,538)		(1,534)
Change in accounting policies				(1,296)			(1,296)
Other movements				(11)			(12)
Exchange differences		67	(100)	1,389		(56,368)	(55,012)
Balance at the end of previous year	**784**	**5,853**	**34,191**	**(138,343)**	**32,547**	**(102,469)**	**(167,437)**
Balance at the beginning of the year	**784**	**5,853**	**34,191**	**(138,343)**	**32,547**	**(102,469)**	**(167,437)**
Gains and losses recognized in other comprehensive income	14,992	(9,809)	19,628	(61,268)	3,598	0	(32,860)
Gains and losses derecognized out of other comprehensive income	0	(5,450)	2,893	0	0	0	(2,557)
Transfer from/to retained earnings					(2,068)		(2,068)
Exchange differences	0	10	(95)	(3,309)	0	68,216	64,822
Balance at the end of the year	**15,777**	**(9,396)**	**56,616**	**(202,920)**	**34,077**	**(34,254)**	**(140,100)**

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 (refer to note F18 on available-for sale financial assets).

The net losses recognized in the OCI regarding cash flow hedges (EUR 9,809 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 gains derecognized from OCI (EUR 5,450 thousand) are the fair values of the cash-flow hedging instruments existing at the opening which expired during the year. A gain of EUR 3.0 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 61,268 thousand.

The 2014 shares and stock option plans have led to a share-based payment reserve increase of EUR 3,598 thousand (refer to note F10 on employee benefits). EUR 2,068 thousand, linked to exercized options, have been transfered to retained earnings.

The change in currency translation differences is mainly due to a strenghtening of the ZAR, CNY, USD, BRL, KRW, INR and CAD compared to the EUR currency.

F24 Financial debt

(EUR thousand)

	Bank loans	Other loans	Total
NON-CURRENT			
At the beginning of previous year	**0**	**2,862**	**2,861**
. Increase	20,000	4,229	24,229
. Decrease	0	(689)	(689)
. Translation differences	0	(3)	(3)
. Transfers	0	(2)	(2)
At the end of previous year	**20,000**	**6,397**	**26,396**
. Increase		525	525
. Decrease		(488)	(488)
. Translation differences		(8)	(8)
. Transfers		(3,854)	(3,854)
At the end of the financial year	**20,000**	**2,572**	**22,571**

	Bank loans	Other loans	Total
CURRENT PORTION OF LONG-TERM FINANCIAL DEBTS			
At the end of the preceding financial year	**0**	**680**	**680**
. Increase / decrease		3,848	3,848
At the end of the financial year		**4,528**	**4,528**

	Short term bank loans	Bank overdrafts	Short term loan: commercial paper	Other loans	Total
CURRENT					
At the end of the preceding financial year	**72,551**	**932**	**205,794**	**7,882**	**287,159**
. Increase / decrease (including CTD's)	47,197	8,973	23,128	(5,471)	73,826
At the end of the financial year	**119,747**	**9,905**	**228,922**	**2,411**	**360,985**

Including the EUR 63.9 million net shares bought back in 2014, the net financial debt of the group has increased by EUR 83 million reflecting as well acquisitions and dividend payouts.

The bank loans mainly consist of:

- a EUR 20 million bank loan maturing in December 2018. The fair value of the bank loan was EUR 21.3 million on 31 December 2014 based on the DCF-method;
- short term borrowings for EUR 119.7 million. The maturity dates of these bank loans are very short term and are negotiated at the convenience of the treasury department at market conditions as part of its daily management of treasury operations;
- bank overdrafts for EUR 9.9 million assimilated to utilization of overnight bank credit facilities.

The current financial debt also includes EUR 228.9 million of Commercial Papers with terms under one year.

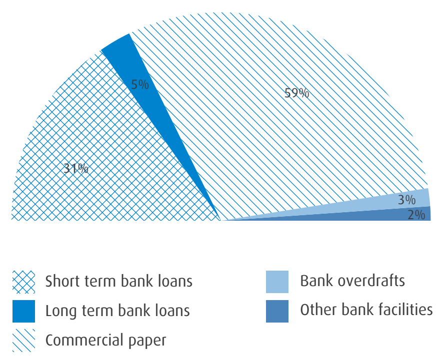
On 31 December 2014, there were no outstanding advances under the EUR 250 million Syndicated Bank Credit Facility maturing in July 2016 nor under the EUR 215 million Syndicated Bank Credit Facility maturing in September 2018.

The aforementioned Syndicated Bank Credit Facilities require the Company to comply with certain financial covenants. Umicore has not faced any breach of those covenants in 2014 or in previous years.

The long term debts mainly include debts in Euro except for EUR 4.1 million which is originally a JPY loan.

The net gearing ratio end of 2014 of 14.6% (11.1% in 2013) is well within the group's targeted capital structure limits.

GROSS OUTSTANDING DEBT



(EUR thousand)

	EUR Euro	USD US Dollar	Other currencies	Total
Analysis of long term debts by currencies (including current portion)				
Bank loans	20,000			20,000
Other loans	2,912		4,187	7,099
Non-current financial debts (including current portion)	**22,912**		**4,187**	**27,099**

(EUR thousand)

	2013	2014
Non current financial debt	26,396	22,571
Current portion of non current financial debt	680	4,528
Current financial debt	287,159	360,985
Cash and cash equivalents	(99,245)	(89,791)
Net financial debt	**214,990**	**298,293**

(EUR million)

	2013	2014
Net financial debt	215.0	298.3
Equity	1,723.4	1,750.1
Total	1,938.4	2,048.4
Gearing ratio (%)	11.1	14.6

F25 Trade debt and other payables

(EUR thousand)

	Notes	31/12/13	31/12/14
NON-CURRENT			
Other long-term debts		4,461	3,208
Investment grants and deferred income from grants		8,447	18,282
		12,908	**21,490**
CURRENT			
Trade payables		710,729	855,877
Advances received on contracts in progress		17,937	17,128
Tax payable (other than income tax)		8,796	16,946
Payroll and related charges		118,271	115,642
Other amounts payable		16,639	19,394
Dividends payable		7,485	8,220
Accrued interest payable		373	488
Fair value payable financial instrument held for cash flow hedging	F33	3,382	11,571
Fair value payable other financial instruments	F33	7,938	13,651
Accrued charges and deferred income		75,218	89,682
		966,767	**1,148,599**

Trade payables increased by EUR 181.8 million, mainly due to higher volumes.

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

F26 Liquidity of the financial liabilities

(EUR thousand)

	Earliest contractual maturity					
Previous financial year	< 1 Month	1 to 3 Months	3 Months - 1 Year	1 to 5 Years	> 5 years	Total
FINANCIAL DEBT						
Current						
Short term bank loans	69,515	2,626	410			72,551
Bank overdrafts	932					932
Short-term loan: commercial paper	50,840	20,206	134,748			205,794
Other loans		7,882				7,882
Current portion of long-term bank loans						
Current portion of other long-term loans	39	78	563			680
Non-current						
Bank loans				20,000		20,000
Other loans				6,396		6,396
TRADE AND OTHER PAYABLES						
Current						
Trade payables	470,663	219,383	20,683			710,729
Advances received on contracts in progress	700	3,284	13,953			17,937
Tax payable (other than income tax)	9,037	(871)	630			8,796
Payroll and related charges	44,777	26,709	46,785			118,271
Other amounts payable	6,100	1,765	8,774			16,639
Dividends payable	7,485	0	0			7,485
Accrued interest payable, third parties	14	356	3			373

(EUR thousand)

Previous financial year	Earliest contractual maturity < 1 Month	1 to 3 Months	3 Months - 1 Year	1 to 5 Years	> 5 years	Total
Fair value payable financial instrument held for cash flow hedging	251	842	1,992	297		3,382
Fair value payable other financial instruments	1,842	4,391	1,656	49		7,938
Accrued charges and deferred income	61,907	7,226	6,086			75,218
Non-current						
Long-term trade payables						
Other long-term debts				2,031	2,429	4,461
Investment grants and deferred income from grants				1,745	6,702	8,447

(EUR thousand)

Financial year	Earliest contractual maturity < 1 Month	1 to 3 Months	3 Months - 1 Year	1 to 5 Years	> 5 years	Total
FINANCIAL DEBT						
Current						
Short term bank loans	76,744	35,485	7,519			119,747
Bank overdrafts	8,464	1,440	0			9,905
Short-term loan: commercial paper	43,899	16,386	168,636			228,922
Other loans	0	1,495	916			2,411
Current portion of other long-term loans	11	22	4,495			4,528
Non-current						
Bank loans				20,000		20,000
Other loans				2,571		2,571
TRADE AND OTHER PAYABLES						
Current						
Trade payables	602,016	243,003	10,857			855,877
Advances received on contracts in progress	552	2,392	14,184			17,128
Tax payable (other than income tax)	5,819	2,247	8,880			16,946
Payroll and related charges	47,380	21,610	46,653			115,642
Other amounts payable	8,135	1,383	9,877			19,394
Dividends payable	8,220					8,220
Accrued interest payable, third parties	106	370	12			488
Fair value payable financial instrument held for cash flow hedging	330	811	5,362	5,068		11,571
Fair value payable other financial instruments	5,574	4,506	3,418	153		13,651
Accrued charges and deferred income	66,073	17,279	6,330			89,682
Non-current						
Other long-term debts				236	2,972	3,208
Investment grants and deferred income from grants				4,849	13,433	18,282

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	**198,474**	**21,489**	**30,855**	**17,020**	**267,837**
. Change in accounting policies					
. Increase (included in "Payroll and related benefits")	15,888	611	6,731	2,219	25,448
. Reversal (included in "Payroll and related benefits")	(812)	0	0	(44)	(856)
. Use (included in "Payroll and related benefits")	(19,847)	(784)	(8,952)	(1,191)	(30,774)
. Interest and discount rate impacts (included in "Finance cost - Net")	6,993	632	496	477	8,598
. Translation differences	(204)	72	336	(1)	204
. Transfers		(1,215)	806	409	0
. Recognized in other comprehensive income	55,223	6,089	0	0	61,312
. Other movements	(96)	29	0	0	(67)
At the end of the financial year	**255,618**	**26,922**	**30,272**	**18,890**	**331,702**

(EUR thousand)

	31/12/13	Movements 2014	31/12/14
Belgium	43,997	9,185	53,182
France	27,660	6,748	34,408
Germany	182,593	42,981	225,574
Subtotal	**254,250**	**58,914**	**313,164**
Other entities	13,587	4,951	18,538
Total	**267,837**	**63,865**	**331,702**

(EUR thousand)

Reimbursement rights	
At the end of the previous year	**6,240**
Actual reimbursement	(395)
Expected return	196
Actuarial gains and losses on reimbursement rights	515
At the end of the financial year	**6,556**

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.

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.

Umicore defined benefit pension schemes for the 3 major countries are the following:

Belgium

Characteristics of the Defined Benefit plans
Umicore companies in Belgium operate defined benefit plans that provide retirement benefits which are related to salary and age or length of service. These retirement plans represent a defined benefit obligation of EUR 188.4 million and assets for EUR 135.2 million. They foresee in a lump sum payment upon retirement and benefits in case of death or disability prior to retirement.

Funding
The plans are externally funded through either insurance companies or a self-administrated institution for occupational retirement provision ("IORP"). For the IORP, the necessary governance processes for risk management are in place. One of the risk measures is to perform on a regular basis a "Continuity Test" in which the consequences of strategic investment policies are analyzed in terms of risk-and-return profiles and solvency measures. A statement of investment principles and funding policy are derived from this. The purpose is to have a well-diversified asset allocation to control the risk.

Fair values of plan assets
The fair values of the equity and debt instruments are determined based on quoted market prices in active markets (level 1 fair value classification). The plans hold no direct positions in Umicore shares or bonds, nor do they own any property used by an Umicore entity. Investments are well diversified so that the failure of any single investment would not have a material impact on the overall level of assets.

Germany

Characteristics of the Defined Benefit plans
The post-employment benefits are mainly unfunded pension plans of defined benefit type providing retirement, disability and death benefits. All benefit plans are based on final or final average pay beside the deferred compensation plan. The benefits of the deferred compensation plan are based on annual converted salary and provide a guaranteed interest of 3.0% p.a. (6.0% p.a. for salary conversions before 2014). All retirement plans represent a defined benefit obligation of EUR 232.6 million and assets for EUR 7.0 million.

Funding
As mentioned here above, the post-employment benefits are mainly unfunded plans. A minor part is funded by pledged reinsurance contracts.

Fair values of plan assets
All plan assets relate to pledged insurance contracts and have no quoted market price.

France

Characteristics of the Defined Benefit plans
In France, three main defined benefit plans are in place.

- The retirement plans: in addition to State plans, the company is legally required to pay lump sums to employees when they retire from service. The amounts are based on years of service in the company and on the base salary according to the collective bargaining agreement in force. This scheme covers all employees under permanent contract within the company.
- The supplementary pension plan: An annuity is paid to some retirees. Participants to the scheme are only retirees. This scheme is closed to new participants.
- The Medical plan: The employer pays a contribution for a healthcare plan for retirees. Benefits convert to the spouse when retirees die.

All defined benefit plans represent a defined benefit obligation of EUR 36.0 million and assets for EUR 1.6 million.

Characteristics of the Other Long Term plan
In France, there is a jubilee plan in place. An amount is paid at 20, 30, 35 and 40 years of seniority. This scheme covers all employees under permanent contract within the company.

Funding
The funding is done via a general EURO fund of a life insurance company. This fund is mainly composed by high quality fix rate bonds (79%), shares (10%) and real estate (3%).

Fair values of plan assets
The fair values of the equity and debt instruments of the funds are determined based on quoted market prices in active markets.

Plan curtailment or settlement
A restructuring plan occurred as of December 18, 2013. This concerns 28 employees. Among these employees, a retirement indemnity was paid to 8 employees through the fund. This payment settled the obligation.

The most significant risks related to the defined benefit plans are:

- **Asset volatility**: The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit.
- **Changes in bond yields**: A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings.
- **Salary risk**: The majority of the plans' benefit obligations are calculated by reference to the future salaries of plan members. As such, any salary increase of plan members higher than expected will lead to higher liabilities.
- **Longevity risk**: All pension plans beside the new deferred compensation plan as from 2014 provide life annuities which involve the risk of longevity i.e. the risk that the payment period of the pension increases due to the increase in life expectancy. The company uses mortality rates which depend on the year of birth to include this risk in the pension obligation.
- **Risk of cash outflow**: Since death as active and disability benefits are provided there is a risk of cash outflow before retirement.
- **Legislation risks**: If the law which define the benefit changes, it can result in a change of the obligations.

Some additional risks are related to Germany only:

- There is a risk that adjustments of pensions paid by the" Pensionskasse Degussa" are not fully borne by the "Pensionskasse" and therefore can result in an additional unfunded pension obligation due to a guaranteed interest rate of 3.5%. As it is not possible to apply the full ias19 calculation method, the fund is evaluated as a Defined Contribution plan. The risk of the additional obligation expected until end of 2022 has been included in the pension obligation.
- The old deferred compensation plan provides a guaranteed interest rate of 6% which increases the risk for a pension cost in addition to the converted salary. The plan has been closed at 31 December 2013 and replaced by a plan with no significant risk in this respect.

And some risk are related to Belgium only:

- Because of the Belgian legislation applicable to 2nd pillar pension plans (so-called "Law Vandenbroucke"), all Belgian Defined Contribution plans have to be considered under IFRS as Defined Benefit plans. Law Vandenbroucke states that in the context of defined contribution plans, the employer must guarantee a minimum return of 3.75% on employee contributions and 3.25% on employer contributions.
  Because of this minimum guaranteed return, the employer is exposed to a financial risk: further contributions could be required if the return on assets would not be sufficient to reach the minimum benefits to be paid. The group has plans that are financed through insurance contract as well as one plan financed through an IORP.
  The related defined benefit obligations have been aggregated with the other obligations for defined benefit plans. The Projected Unit Credit (PUC) methodology has been used when it was assessed that reliable estimate could be made and assumptions used were fully in line with those used for the other defined benefit plans.
  Total defined benefit obligations related to those plans amounts to EUR 62.9 million as at the end of December 2014 and related plan assets to EUR 59.2 million

(EUR thousand)

	2013	2014
CHANGE IN BENEFIT OBLIGATION		
Benefit obligation at beginning of the year	**399,193**	**440,757**
Change in accounting policies	(835)	
Current service cost	21,781	23,766
Interest cost	13,250	14,797
Plan Participants' Contributions	464	450
Amendments	0	
Actuarial (gain)/loss - changes in demographic assumptions	3,088	(168)
Actuarial (gain)/loss - changes in financial assumptions	27,421	76,837
Actuarial (gain)/loss - experience adjustments	5,274	(4,543)
Benefits paid from plan/company	(25,056)	(25,237)
Expenses paid	(983)	(1,568)
Net transfer in/(out) (including the effect of any business combinations/divestitures)	3	
Plan combinations		329
Exchange rate changes	(2,843)	1,608
Benefit obligation at end of the year	**440,757**	**527,028**

(EUR thousand)

	2013	2014
CHANGE IN PLAN ASSETS		
Fair value of plan assets at the beginning of the year	**139,573**	**172,954**
Change in accounting policies	(920)	
Expected return on plan assets	4,586	6,171
Actuarial gain/(loss) on plan assets	31,125	10,444
Employer contributions	26,036	30,973
Member contributions	464	450
Benefits paid from plan/company	(25,056)	(25,237)
Expenses paid	(1,057)	(1,638)
Exchange rate changes	(1,797)	1,209
Fair value of plan assets at the end of the year	**172,954**	**195,326**

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)

	2013	2014
AMOUNT RECOGNIZED IN THE BALANCE SHEET		
Defined benefit obligations	440,757	527,028
Fair value of plan assets	172,954	195,326
Funded Status	**267,803**	**331,702**
Effect of asset ceiling/onerous liability		
Net liability (asset)	**267,803**	**331,702**
COMPONENTS OF PENSION COSTS		
Amounts recognized in profit and loss statement		
Current service cost	21,781	23,766
Interest cost	13,250	14,797
Interest income on plan assets	(4,586)	(6,171)
Expected return on reimbursement rights	(210)	(196)
Remeasurement of Other Long Term Benefits	1,287	999
Administrative expenses and taxes	71	74
Total pension cost recognized in P&L account	**31,593**	**33,269**
Amounts recognized in other comprehensive income		
Cumulative actuarial gains and losses at opening	**110,872**	**115,408**
Change in accounting policies	1,296	
Actuarial gains and losses of the year	3,689	60,827
Minorities	(96)	(974)
Other movements	7	18
Exchange differences	(360)	127
Total recognized in the OCI at subsidiaries	**115,408**	**175,406**
Actuarial gains and losses at associates and joint ventures	22,934	27,514
Total recognized in the OCI	**138,342**	**202,920**
Remeasurements (recognized in other comprehensive income)		
Effect of changes in demographic assumptions	2,984	(168)
Effect of changes in financial assumptions	27,284	75,333
Effect of experience adjustments	4,205	(4,018)
(Return) on plan assets (excluding interest income) *	(31,100)	(10,468)
(Return) on reimbursement rights (excluding interest income)	237	(515)
Total remeasurements included in Other Comprehensive Income	**3,610**	**60,164**

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

	2013	2014
PRINCIPAL ACTUARIAL ASSUMPTIONS		
Weighted average assumptions to determine benefit obligations at year end		
Discount rate (%)	3.38	2.31
Rate of compensation increase (%)	2.99	2.76
Rate of price inflation (%)	2.05	1.98
Rate of pension increase (%)	1.64	1.23
Weighted average assumptions used to determine net cost		
Discount rate (%)	3.30	3.38
Rate of compensation increase (%)	2.96	2.71
Rate of price inflation (%)	2.07	2.03
Rate of pension increase (%)	1.60	0.79

	2014	
	Fair value of all plan assets	Fair Value of plan assets with quoted market price
Plan assets		
Cash and cash equivalents	19,245	19,161
Equity instruments	32,207	32,054
Debt instruments	69,181	67,934
Real estate	9,215	9,160
Assets held by insurance company	63,972	8,213
Other	1,506	895
Total plan assets	**195,326**	**137,417**

Assumptions are recommended by the local actuaries in line with the IAS19 revised. 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.

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.

	2014	
	Valuation trend +0,25%	Valuation trend -0,25%
Sensitivity to trend rate assumptions on discount rate		
Effect on the defined benefit obligation	508,488	546,719
Weighted average duration of benefit obligation (in years)	15.26	14.89
Sensitivity to trend rate assumptions on inflation rate		
Effect on the defined benefit obligation	538,374	516,325
Sensitivity to trend rate assumptions on salary increase rate		
Effect on the defined benefit obligation	534,030	520,906

(EUR thousand)

	2013	2014
BALANCE SHEET RECONCILIATION		
Balance sheet liability (asset) as of previous year	258,975	267,837
Change in accounting policies	753	160
Pension expense recognized in P&L in the financial year	31,593	33,269
Amounts recognized in SoCI	3,610	60,164
Employer contributions via funds in the financial year	(12,528)	(17,612)
Employer contributions paid directly in the financial year	(13,508)	(13,361)
Credit to reimbursements	(27)	711
Net transfer in/(out) (including the effect of any business combinations/diversitures)	0	329
Exchange rate adjustment - (gain)/loss	(1,031)	205
Balance sheet liability (asset) as of end of the year	**267,837**	**331,702**

At 31 December	2010	2011	2012	2013	2014
Present value of defined benefit obligation	312,573	319,517	399,193	440,757	527,028
Fair value of plan assets	120,945	125,785	139,573	172,954	195,326
Deficit (surplus) in the plan	**191,628**	**193,732**	**259,620**	**267,803**	**331,702**
Experience adjustments on plan assets	**(780)**	**6,871**	**(5,834)**	**(31,125)**	**(10,444)**
Experience adjustments on plan liabilities	**(476)**	**6,929**	**5,515**	**5,274**	**(4,543)**

(EUR thousand)	2014
EXPECTED CASH FLOWS FOR FOLLOWING YEAR	
Expected employer contributions	30,326
Expected total benefit payments	
Year 1	31,569
Year 2	18,621
Year 3	20,037
Year 4	19,953
Year 5	22,784
Next 5 years	125,100

F28 Stock option plans granted by the company

Plan	Expiry date	Exercise	Exercise price EUR (the exercice price may be higher in certain countries)	Number of options still to be exercised
ISOP 2006	02/03/2016	all working days of	22.55	77,000
		Euronext Brussels	24.00	5,000
				82,000
ISOP 2007	16/02/2017	all working days of	26.55	159,000
		Euronext Brussels	27.36	10,000
				169,000
ISOP 2008	14/04/2018	all working days of	32.57	218,250
		Euronext Brussels	32.71	26,000
	14/04/2015		32.57	52,750
			32.71	1,250
				298,250
ISOP 2009	15/02/2016	all working days of	14.44	209,750
		Euronext Brussels	14.68	13,000
				222,750
ISOP 2010	14/02/2017	all working days of	22.30	419,588
		Euronext Brussels		
				419,588
ISOP 2011	13/02/2018	all working days of	38.07	577,875
		Euronext Brussels	39.25	65,000
			38.54	28,500
				671,375
ISOP 2012	12/02/2019	all working days of	35.32	514,500
		Euronext Brussels	37.67	56,500
			36.00	32,375
				603,375
ISOP 2013	12/02/2020	all working days of	36.38	551,250
		Euronext Brussels	37.67	38,000
				589,250
ISOP 2014	10/02/2021	all working days of	32.29	558,875
		Euronext Brussels	31.60	38,000
			32.98	27,000
				623,875
Total				**3,679,463**

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

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

(EUR thousand)

	2013		2014	
	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	**3,090,750**	**29.17**	**3,378,088**	**31.18**
Granted during the year	589,250	36.59	623,875	32.27
Exercised during the year	301,912	21.23	322,500	24.81
Expired during the year				
Outstanding at the end of the year	**3,378,088**	**31.18**	**3,679,463**	**31.91**
Exercisable at the end of the year	3,378,088	31.18	3,679,463	31.91

The options outstanding at the end of the year have a weighted average contractual life until October 2018.

F29 Environmental provisions

(EUR thousand)

	Provisions for soil clean-up & site rehabilitation	Other environmental provisions	Total
At the end of previous year	**76,732**	**3,252**	**79,984**
. aquisition through business combinations	753		753
. Increase	5,167	2,264	7,431
. Reversal	(63)	(319)	(382)
. Use (included in "Other operating expenses")	(15,593)	(1,402)	(16,994)
. Discounting (included in "Finance cost -Net")	799		799
. Translation differences	565		565
. Other movements	(14)		(14)
At the end of the financial year	**68,347**	**3,795**	**72,142**
Of which - Non Current	60,000	1,341	61,341
- Current	8,348	2,454	10,802

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 7,842 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 increase in provisions for soil and groundwater remediation is partially related to new provisions taken to cover legal and communication expenses for the next 10 years in Brazil. As published in previous years, soil and groundwater contamination, caused by historical activities at the Guarulhos site (Brazil) before its acquisition by Umicore in 2003, was found in adjacent areas including in an area originally intended for re-urbanization. In 2010, it was decided to address the contaminated groundwater on-site, in order to speed up the remediation. To that end, a hydraulic barrier was constructed to prevent any further spreading, accompanied by targeted full scale operating remedial systems in the core of the contamination. Further, Umicore has assessed the impact the historical contamination had on areas outside the operational plant and agreed with the local authorities to a program.

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 on this case and and for other cases already provided for.

Provisions for environmental remediation were also increased at the closed Maxton and Platoro sites in the USA, in order to cover operational expenses a.o. for ongoing water treatment. And in Hoboken (Belgium), additional provisions were taken for contaminated soil removal.

No major movements occurred in 2014 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.

Most of the uses of provisions for the period are linked to the realization during the period of site remediation programs in Brazil (Guarulhos and in surrondings), in France (Viviez), in the USA (Maxton and Platoro) and in Belgium.

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

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

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	**14,831**	**39,443**	**54,270**
. Change in scope			
. Increase	4,854	13,772	18,626
. Reversal	(1,151)	(7,094)	(8,245)
. Use (included in "Other operating expenses")	(4,873)	(2,665)	(7,538)
. Discounting (included in "Finance cost -Net")		(4)	(4)
. Translation differences	270	261	531
. Transfers	0	(35)	(35)
. Financial charges			
. Other movements	130	0	130
At the end of the financial year	**14,062**	**43,678**	**57,735**
Of which - Non Current	10,348	28,983	39,331
- Current	3,713	14,693	18,406

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 increased overall by EUR 3,466 thousand, the new provisions being higher than the reversals, the uses and the translation differences.

Additional provisions for reorganization and restructuring have been taken mainly in Belgium, Germany, Japan and 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 Brazil, India, China, and Korea.

They also include provisions for onerous contracts related to the IAS 39 effect. The net increase of the period on these IAS 39 related provisions for onerous contracts is EUR 206 thousand, leaving a closing balance of EUR 5,063 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	31/12/2013	30/06/2014	31/12/2014
Intangible assets	F14, F15	218,251	216,817	266,073
Property, plant and equipment	F16	998,563	1,000,142	1,061,735
Investments accounted for under the equity method	F17	201,391	200,285	208,847
Available-for-sale financial assets	F18	21,183	20,493	50,258
Inventories	F19	1,106,259	1,094,823	1,182,946
Non current receivable (excluding assets employee benefits)	F20	15,856	16,264	17,124
Adjusted current accounts receivable		705,591	840,303	824,430
Income tax receivable		33,227	27,962	34,264
Assets included in capital employed		**3,300,319**	**3,417,088**	**3,645,677**
Non-current trade and other payables	F25	12,907	23,795	21,490
Adjusted current accounts payable		963,385	1,104,858	1,137,028
Translation reserves	F23	(102,471)	(81,957)	(34,255)
Non-current provisions	F29, F30	103,749	95,605	100,673
Current provisions	F29, F30	30,511	27,562	29,208
Income tax payable		64,696	65,018	63,958
Liabilities included in capital employed		**1,072,778**	**1,234,882**	**1,318,101**
Capital employed		**2,227,542**	**2,182,206**	**2,327,577**
IAS 39 and eliminations		(6,026)	(13,551)	(7,737)
Capital employed as published		**2,233,568**	**2,195,757**	**2,335,314**
Average Capital Employed in half year preceding closing date		2,234,836		2,265,536
Average Capital Employed in year preceding closing date		**2,241,293**		**2,240,099**
Recurring EBIT in year preceding closing date	F9	303,967		273,669
ROCE in year preceding closing date		**13.56%**		**12.22%**

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

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)

			Carrying amount			
As at the end of previous year	Level	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		**21,183**				**21,183**
Available-for-sale financial assets – Shares	1 - 2	21,183				21,183
Loans granted		**10,904**			**10,904**	
Loans to associates and non consolidated affiliates	2	10,904			10,904	
Trade and other receivables		**732,750**	**6,863**	**9,248**	**716,639**	
Non-current						
Cash guarantees and deposits	3	8,193			8,193	
Other receivables maturing in more than 1 year	3	7,662			7,662	
Assets employee benefits	3	483			483	
Current						
Trade receivables (at cost)	3	622,472			622,472	
Trade receivables (write-down)	3	(8,275)			(8,275)	
Other receivables (at cost)	3	71,488			71,488	
Other receivables (write-down)	3	(5,801)			(5,801)	
Interest receivable	3	92			92	
Fair value of financial instruments held for cash-flow hedging	2	9,248		9,248		
Fair value receivable other financial instruments	2	6,863	6,863			
Deferred charges and accrued income	3	20,324			20,324	
Cash and cash equivalents		**99,245**			**99,245**	
Short-term investments: bank term deposits		13,636			13,636	
Short-term investments: term deposits (other)		(21)			(21)	
Cash-in-hand and bank current accounts		85,630			85,630	
TOTAL OF FINANCIAL INSTRUMENTS (ASSETS)		**864,082**	**6,863**	**9,248**	**826,788**	**21,183**
LIABILITIES						
Financial debt		**314,136**			**314,236**	
Non-current						
Bank loans	2	19,900			20,000	
Other loans	2	6,397			6,397	
Current						
Short term bank loans	2	72,551			72,551	
Bank overdrafts	2	932			932	
Short term loan: commercial paper	2	205,794			205,794	
Other loans	2	8,562			8,562	
Trade and other payables		**979,676**	**7,938**	**3,382**	**968,356**	
Non-current						
Long term trade payables		0				
Other long term debts	3	4,461			4,461	
Investments grants and deferred income from grants	3	8,447			8,447	
Current						
Trade payables	3	710,729			710,729	
Advances received on contracts in progress	3	17,937			17,937	
Tax - other than income tax - payable	3	8,796			8,796	
Payroll and related charges	3	118,271			118,271	

(EUR thousand)

As at the end of previous year	Level	Fair value	Carrying amount: Held for trading - no hedge accounting	Cash Flow hedge accounting	Loans, receivables and payables	Available-for-sale
Other amounts payable	3	16,639			16,639	
Dividends payable	3	7,485			7,485	
Accrued interest payable	3	373			373	
Fair value financial instrument held for cash flow hedging	2	3,382		3,382		
Fair value payable other financial instruments	2	7,938	7,938			
Accrued charges and deferred income	3	75,218			75,218	
TOTAL OF FINANCIAL INSTRUMENTS (LIABILITIES)		**1,293,812**	**7,938**	**3,382**	**1,282,592**	**0**

(EUR thousand)

As at the end of the financial year	Level	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		**50,258**				**50,258**
Available-for-sale financial assets – Shares	1	50,258				50,258
Loans granted		**8,088**			**8,088**	
Loans to associates and non consolidated affiliates	2	8,088			8,088	
Trade and other receivables		**844,544**	**9,756**	**2,437**	**832,352**	
Non-current						
Cash guarantees and deposits	3	9,481			9,481	
Other receivables maturing in more than 1 year	3	7,643			7,643	
Assets employee benefits	3	431			431	
Current						
Trade receivables (at cost)	3	739,569			739,569	
Trade receivables (write-down)	3	(7,060)			(7,060)	
Other receivables (at cost)	3	65,417			65,417	
Other receivables (write-down)	3	(6,097)			(6,097)	
Interest receivable	3	124			124	
Fair value of financial instruments held for cash-flow hedging	2	2,437		2,437		
Fair value receivable other financial instruments	2	9,756	9,756			
Deferred charges and accrued income	3	22,843			22,843	
Cash and cash equivalents		**89,792**			**89,792**	
Short-term investments: bank term deposits		3,857			3,857	
Short-term investments: term deposits (other)		128			128	
Cash-in-hand and bank current accounts		85,807			85,807	
TOTAL OF FINANCIAL INSTRUMENTS (ASSETS)		**992,682**	**9,756**	**2,437**	**930,232**	**50,258**
LIABILITIES						
Financial debt		**389,385**			**388,085**	
Non-current						
Bank loans	2	21,300			20,000	
Other loans	2	2,572			2,572	
Current						
Short term bank loans	2	119,747			119,747	

(EUR thousand)

As at the end of the financial year	Level	Fair value	Carrying amount: Held for trading - no hedge accounting	Carrying amount: Cash Flow hedge accounting	Carrying amount: Loans, receivables and payables	Carrying amount: Available-for-sale
Bank overdrafts	2	9,905			9,905	
Short term loan: commercial paper	2	228,922			228,922	
Other loans	2	6,939			6,939	
Trade and other payables		**1,170,089**	**13,651**	**11,571**	**1,144,867**	
Non-current						
Other long term debts	3	3,208			3,208	
Investments grants and deferred income from grants	3	18,282			18,282	
Current						
Trade payables	3	855,877			855,877	
Advances received on contracts in progress	3	17,128			17,128	
Tax - other than income tax - payable	3	16,946			16,946	
Payroll and related charges	3	115,642			115,642	
Other amounts payable	3	19,394			19,394	
Dividends payable	3	8,220			8,220	
Accrued interest payable	3	488			488	
Fair value financial instrument held for cash flow hedging	2	11,571		11,571		
Fair value payable other financial instruments	2	13,651	13,651			
Accrued charges and deferred income	3	89,682			89,682	
TOTAL OF FINANCIAL INSTRUMENTS (LIABILITIES)		**1,559,474**	**13,651**	**11,571**	**1,532,952**	

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 was level 2 (for an amount of EUR 5.0 millions in 2013 but reimbursed in 2014). All the metal and foreign currency derivatives are measured as level 2.

32.2 Sensitivity analysis on financial instruments

Umicore 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 3.1 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 4.7 million higher/lower if the energy prices would strengthen/weaken by 10%.

The fair value on other commodity sales financial instruments would have been EUR 15.4 million lower/higher and the fair value on other commodity purchases financial instruments would have been EUR 16.8 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 1.1 million higher if the Euro would strengthen against USD by 10% and would have been EUR 1.3 million lower if the Euro would weaken against USD by 10%.

The fair value of forward currency contracts related to cash flow hedging would have been EUR 2.5 million higher if the Euro would strengthen against ZAR by 10% and would have been EUR 2.1 million lower if the Euro would weaken against ZAR by 10%.

The fair value of forward currency contracts related to cash flow hedging would have been EUR 4.4 million lower if the USD would strengthen against KRW by 10% and would have been EUR 4.5 million higher if the USD would weaken against KRW by 10%.The fair value of other forward currency contracts sold would have been EUR 42.3 million higher if the Euro would strengthen against USD by 10% and would have EUR 51.9 million lower if the Euro would weaken against USD by 10%.

The fair value of other forward currency contracts bought would have been EUR 13.6 million lower if the Euro would strengthen against USD by 10% and would have been EUR 16.6 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 17.5 million lower if the Euro would strengthen against USD by 10% and would have been EUR 21.4 million higher if the Euro would weaken against USD by 10%.

F33 Fair value of financial instruments

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

33.1 Financial instruments related to cash-flow hedging

(EUR thousand)

	Notional or Contractual amount		Fair value	
	31/12/2013	31/12/2014	31/12/2013	31/12/2014
Forward commodities sales	76,635	31,502	8,051	61
Forward commodities purchases	(42,678)	(51,482)	(1,695)	(3,855)
Forward currency contracts sales	121,471	84,138	(377)	(1,851)
Forward currency contracts purchases	3,115	0	0	0
Forward IRS contracts			(113)	(3,489)
Total fair value impact subsidiaries			**5,866**	**(9,135)**
Recognized under trade and other receivables			9,248	2,437
Recognized under trade and other payables			(3,382)	(11,571)
Total fair value impact associates and joint ventures			(13)	(261)
Total			**5,853**	**(9,395)**

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 and palladium.

The forward commodity purchase contracts are set up to hedge primarily the electricity, gas and fuel oil price risks.

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

The average maturity date of financial instruments related to cash-flow hedging is July 2015 for the forward commodities sold and August 2015 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 2013 and 2014.

33.2 Other financial instruments

(EUR thousand)

	Notional or Contractual amount		Fair value	
	31/12/2013	31/12/2014	31/12/2013	31/12/2014
Forward commodities sales	139,201	157,300	(591)	2,855
Forward commodities purchases	(120,116)	(171,872)	(2,002)	(3,465)
Forward currency contracts sales	305,893	474,004	3,463	(9,359)
Forward currency contracts purchases	(77,691)	(158,305)	(1,944)	6,119
Total fair value impact subsidiaries			**(1,074)**	**(3,852)**
Recognized under trade and other receivables			6,863	9,799
Recognized under trade and other payables			(7,938)	(13,651)
Total			**(1,074)**	**(3,852)**

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.

(EUR thousand)

As at the end of previous year	Earliest contractual maturity (undiscounted) < 1 Month	1 to 3 Months	3 Months - 1 Year	1 to 5 Years	Total
FINANCIAL INSTRUMENTS ASSETS (FAIR VALUE)					
Commodity risk					
Total forward sales (CFH)	578	577	3,538	3,336	8,029
Total forward purchases (CFH)					
Total forward sales (other)	91	1,168	19	0	1,278
Total forward purchases (other)	899	871	344	8	2,122
FX Risk					
Forward currency contracts sales (CFH)	116	216	861	26	1,219
Forward currency contracts sales (other)	2,033	444	541	445	3,463
Forward currency contracts purchases (other)	0	0	0	0	0
FINANCIAL INSTRUMENTS LIABILITIES (FAIR VALUE)					
Interest rate risk					
Interest rate swaps	0	0	0	(113)	(113)
Commodity risk					
Total forward sales (CFH)	0	2	8	13	23
Total forward purchases (CFH)	6	36	(735)	(1,002)	(1,695)
Total forward sales (other)	(1,036)	(636)	(198)	0	(1,870)
Total forward purchases (other)	(720)	(3,401)	(2)	0	(4,124)
FX Risk					
Forward currency contracts sales (CFH)	(257)	(880)	(1,266)	805	(1,596)
Forward currency contracts purchases (CFH)	0	0	0	0	0
Forward currency contracts sales (other)	0	0	0	0	0
Forward currency contracts purchases (other)	(86)	(354)	(1,456)	(49)	(1,944)

(EUR thousand)

As at the end of the financial year	Earliest contractual maturity (undiscounted) < 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)	368	28	1,187	0	1,584
Total forward sales (other)	1,537	1,480	448	0	3,465
Total forward purchases (other)	81		0	0	80
FX Risk					
Forward currency contracts sales (CFH)	79	158	616	0	853
Forward currency contracts sales (other)	59				59
Forward currency contracts purchases (other)	1,048	1,965	3,121	62	6,195
FINANCIAL INSTRUMENTS LIABILITIES (FAIR VALUE)					
Interest Rate Risk					
Interest rate swaps	0	0	0	(3,489)	(3,489)
Commodity risk					
Total forward sales (CFH)	0	(465)	(1,058)	0	(1,523)
Total forward purchases (CFH)	0	0	(2,195)	(1,660)	(3,855)
Total forward sales (other)	(403)	(201)	(6)	0	(610)
Total forward purchases (other)	(1,857)	(1,573)	(91)	(24)	(3,546)
FX Risk					
Forward currency contracts sales (CFH)	(330)	(346)	(2,110)	82	(2,704)
Forward currency contracts sales (other)	(3,236)	(2,734)	(3,320)	(129)	(9,418)
Forward currency contracts purchases (other)	(78)	2	0	0	(76)

F34 Notes to the cash flow statement

34.1 Definitions

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

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

* the effects of non-cash transactions such as provisions, impairment losses, mark to market, etc., and the variance in operating capital requirements.

* items of income or expense associated with investing or financing cash flows.

(EUR thousand)

	2013	2014
ADJUSTMENTS FOR NON CASH TRANSACTIONS		
Depreciations	158,622	169,335
Adjustment IAS 39	1,022	45
(Reversal) Impairment charges	15,356	9,492
Mark to market of inventories and commitments	2,663	(4,447)
Exchange difference on long-term loans	742	798
Inventories and bad debt provisions	885	(4,985)
Depreciation on government grants	(385)	(705)
Share-based payments	4,337	3,598
Change in provisions	5,375	(4,107)
	188,618	**169,024**
ADJUSTMENTS FOR ITEMS TO DISCLOSE SEPARATELY OR UNDER INVESTING AND FINANCING CASH FLOWS		
Tax charge of the period	52,386	46,506
Interest (income) charges	2,609	3,263
(Gain) loss on disposal of fixed assets	(2,267)	92
Dividend income	(918)	(131)
	51,811	**49,729**
CHANGE IN WORKING CAPITAL REQUIREMENT ANALYSIS		
Inventories	128,847	(76,686)
Trade and other receivables	69,310	(112,883)
Trade and other payables	(27,432)	189,676
As in the consolidated balance sheet	**170,725**	**107**
Non-cash items (*)	(3,314)	(9,779)
Items disclosed elsewhere (**)	(24,746)	(9,057)
Impact of business combination	6,509	38,050
Currency translation differences	(52,300)	36,722
As in the consolidated cash flow statement	**96,873**	**56,043**

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

(EUR thousand)

	Net cash and cash equivalent	Loans (w/o bank overdrafts)	Net financial debt
At the end of previous year	98,313	313,303	214,990
Cash flow of the period	(18,427)	64,876	83,303
At the end of the financial year	79,886	378,179	298,293

34.2 Net cash flow generated by operating activities

Operating cash flow after tax is EUR 402.5 million. Working capital requirements decreased by EUR 56.0 million, resulting from further optimization of the working capital.

34.3 Net cash flow used in investing activities

Net cash used in investing activities decreased by EUR 52.3 million in 2014. Capital expenditure reached EUR 202 million if capitalized R&D costs are excluded as per Umicore's definition of capital expenditures (refer to Glossary). The vast majority of capital expenditures relates to Umicore's strategic growth projects. In Recycling, a first phase of investments to expand the Hoboken capacity was completed. In Catalysis, the investments were linked to the addition of light duty and heavy duty capabilities a.o. in Europe and India and the construction of the technology development center in Korea. In Energy Materials, the production capacity expansion investments for cathode materials in Korea and China were completed.

The acquisitions include EUR 24.3 million of intangibles coming mainly from the capitalization of costs linked to new information systems and development expenses (see note F14). The acquisition of new subsidiaries (net of cash acquired) is linked to the acquisition of Umicore Specialty Materials and Recycling (USA) and Todini (Italy) (see note F8 on Business Combinations).

34.4 Net cash flow used in financing activities

The cash used in financing activities is mainly the consequence of the net increase of indebtedness (EUR 38.6 million), the buyback of own shares netted with the use of own shares to exercize the options (EUR 63.9 million), the net capital decrease in minorities (EUR 4.5 million) and the payment of dividends (EUR 115.0 million) and of interest (EUR 3.1 million).

(EUR thousand)

	2013	2014
Acquisition of tangible assets	266,741	190,797
Acquisition of intangible assets	26,970	24,262
Acquisitions of assets	**293,711**	**215,059**
Capitalized R&D	14,096	12,687
Capital expenditure	279,615	202,372

F35 Rights and commitments

(EUR thousand)

	2013	2014
Guarantees constituted by third parties on behalf of the Group	48,258	49,937
Guarantees constituted by the Group on behalf of third parties	4,746	4,899
Guarantees received	103,955	91,858
Goods and titles held by third parties in their own names but at the Group's risk	293,442	348,644
Commitments to acquire and sell fixed assets	2,060	4,479
Commercial commitments for commodities purchased (to be received)	214,094	131,398
Commercial commitments for commodities sold (to be delivered)	365,310	374,149
Goods and titles of third parties held by the Group	1,080,004	1,397,160
Miscellaneous rights and commitments	3,542	2,759
Total	**2,115,412**	**2,405,283**

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 lines concerning the commitments for commodities purchased and sold have been updated in 2013 including now the full scope of entities.

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 2014, there was a net lease-in position for EUR 400 million vs. EUR 248 million at end of 2013. This increase is mainly caused by higher volumes.

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 Contingent pension liability at Element Six

The contingent pension liability case in Element Six Abrasives Ireland is fully resolved. The February 2014 verdict in favor of the Trustees can no longer be appealed, all litigation costs have been settled and the wind-up of the plan is completed.

36.2 French Competition Authority

In the course of the first half of 2014, the French Competition Authority issued a statement of objections relating to the business practices of the company’s Building Products business unit with respect to its distributors. Umicore strongly disputes the allegations contained in the statement of objections. With reference to existing case law of the European Commission and the Bundeskartellamt, Umicore disputes among others the narrow market definition of the French Authority and hence the assertion that Umicore would have a dominant position in the relevant market.

36.3 Others

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

F37 Related parties

(EUR thousand)

	2013	2014
TRANSACTIONS WITH JOINT VENTURES AND ASSOCIATES		
Operating income	136,598	148,018
Operating expenses	(77,285)	(107,735)
Financial income	240	275
Financial expenses	(47)	(1)
Dividends received	(14,331)	(16,851)

	2013	2014
OUTSTANDING BALANCES WITH JOINT VENTURES AND ASSOCIATES		
Current trade and other receivables	2,558	9,954
Current trade and other payables	32,222	44,878

On December 30th, 2014, Umicore acquired the remaining 52% in Todini.

(EUR)

	2013	2014
BOARD OF DIRECTORS		
Salaries and other compensation	**535,952**	**614,570**
Fixed portion	230,833	213,334
Variable portion (based on attended meetings)	191,000	226,000
Value of the share grant	106,507	167,546
Benefit in kind company car chairman	7,612	3,378
Umicore contribution to the Swiss social security		4,312

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)

	2013	2014
EXECUTIVE COMMITTEE		
Salaries and other benefits	**7,504,592**	**7,641,180**
Short-term employee benefits	3,291,796	4,410,344
Post-employment benefits	1,576,470	1,104,328
Other long-term benefits	877,512	585,008
Share-based payments	1,758,814	1,541,500

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

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

With regards to share-based incentives the share grant figures included in share-based payments above represent the value of the shares granted in 2014 for services rendered in 2013. The remuneration Report shows the value of the shares granted in 2015 for services rendered in the reporting year i.e. 2014.

The figures related to the undeferred part of the variable cash remuneration linked to the individual performance for the reference year 2014, 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 2014 are included in the other long-term benefits. The amounts to be paid in 2016 and 2017 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 5 February 2015, 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 108,180 thousand of which EUR 0.50 per share were already paid out as interim dividend in September 2014.

In January 2015, Umicore announced that it is reviewing its portfolio of activities and assessing options to optimize its growth and value creation potential. A process has been initiated to prepare its Zinc Chemicals and Building Products business units for a future outside the Umicore Group. These units have improved profitability significantly and are in a strong position to develop further in an environment that is specifically aligned with their respective products, services and applications. Umicore also intends to house its Electro-Optic Materials and Thin Film Products activities in distinct legal entities to enable strategic alliances aimed at accelerating growth. The intention is to implement the portfolio realignment by the end of 2016, subject to market opportunities.

F39 Earnings per share

EARNINGS PER SHARE (EUR)

	2013	2014
Excluding discontinued operations		
EPS - basic	1.61	1.58
EPS - diluted	1.60	1.57
Including discontinued operations		
EPS - basic	1.61	1.58
EPS - diluted	1.60	1.57
Recurring EPS	**1.96**	**1.79**

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

NUMERATOR ELEMENTS (EUR thousand)

	Note	2013	2014
Net consolidated profit, Group share	F9	179,029	170,603
Without discontinued operations		179,029	170,603
With discontinued operations		179,029	170,603
Recurring net consolidated profit, Group share	F9	218,042	193,105

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

DENOMINATOR ELEMENTS

	2013	2014
Total shares issued as at 31 December	**120,000,000**	**112,000,000**
of which treasury shares	10,228,661	3,914,272
of which shares outstanding	109,771,339	108,085,728
Weighted average number of outstanding shares	**111,257,259**	**108,062,085**
Potential dilution due to stock option plans	475,906	389,762
Adjusted weighted average number of outstanding shares	111,733,165	108,451,847

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 2014, no new shares were created as a result of the exercise of stock options with linked subscriptions rights. During the year Umicore used 314,500 of its treasury shares in the context of the exercise of stock options and 29,234 for shares granted. In the course of 2014, Umicore bought back 2,029,345 of its own shares and cancelled 8,000,000 of its own shares. On 31 December 2014, Umicore owned 3,914,272 of its own shares representing 3.49% of the total number of shares issued as at that date.

F40 IFRS developments

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2014:

- IAS 27 Revised 'Separate financial statements', effective for annual periods beginning on or after 1 January 2014. The revised standard includes the provisions on separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10.
- IAS 28 Revised 'Investments in associates and joint ventures', effective for annual periods beginning on or after 1 January 2014. The revised standard now includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.
- IFRS 10 'Consolidated financial statements', effective for annual periods beginning on or after 1 January 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 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 2014. This is a new standard on disclosure requirements for all forms of interests in other entities.
- 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 (for example 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). These amendments will be effective for annual periods beginning on or after 1 January 2014 which is aligned with the effective date of IFRS 10, 11 and 12.
- Amendments to IAS 32 'Offsetting financial assets and financial liabilities', effective for annual periods beginning on or after 1 January 2014. The amendments clarify some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position.
- Amendments to IAS 36 'Impairment of assets', effective for annual periods beginning on or after 1 January 2014. The IASB made consequential amendments to the disclosure requirements of IAS 36 when it issued IFRS 13. One of the amendments was drafted more widely than intended. This limited scope amendment corrects this and introduces additional disclosures about fair value measurements when there has been impairment or a reversal of impairment.
- Amendments to IAS 39 'Financial instruments: Recognition and measurement', effective for annual periods beginning on or after 1 January 2014. These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. Similar relief will be included in IFRS 9 'Financial instruments'.
- Amendments to IFRS 10 'Consolidated financial statements', IFRS 12 'Disclosure of interests in other entities' and IAS 27 'Separate financial statements' for investment entities. Effective for annual periods beginning on or after 1 January 2014. The amendments give an exemption to entities that meet an 'investment entity' definition and which display certain characteristics to account for its subsidiaries at fair value.

These new standards and amendments to standards had no material impact on the Group's consolidated financial statements.

For all new interpretations and standards not yet mandatory as from 1 January 2014, management is currently assessing whether these will have a material impact on the Group's consolidated financial statements..

F41 Auditors' remuneration

The world-wide remuneration for the statutory auditor and its affiliated companies totalled EUR 2.3 million, including an amount of EUR 1.8 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) and other non-audit related services (EUR 0.2 million).

Parent company separate summarized financial statements

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

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

These documents may also be obtained on request from:

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

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

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

(EUR thousand)

		31/12/2012	31/12/2013	31/12/2014
SUMMARIZED BALANCE SHEET AT 31 DECEMBER				
1. ASSETS				
Fixed assets		**3,787,362**	**3,793,411**	**3,813,172**
I.	Formation expenses			
II.	Intangible assets	79,483	84,042	88,202
III.	Tangible assets	317,085	347,946	347,625
IV.	Financial assets	3,390,794	3,361,423	3,377,345
Current assets		**957,086**	**923,789**	**811,395**
V.	Amounts receivable after more than one year	783	773	373
VI.	Stocks and contracts in progress	465,396	394,039	411,793
VII.	Amounts receivable within one year	259,283	220,493	258,740
VIII.	Investments	219,265	299,215	131,290
IX.	Cash at bank and in hand	1,348	1,131	712
X.	Deferred charges and accrued income	11,011	8,134	8,487
Total assets		**4,744,448**	**4,717,197**	**4,624,567**
2. LIABILITIES AND SHAREHOLDERS' EQUITY				
Capital and reserves		**1,449,756**	**1,427,123**	**1,211,651**
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	419,413	497,318	321,585
V.	Result carried forward	368,999	327,866	244,679
Vbis.	Result for the period	146,723	87,990	131,238
VI.	Investments grants	7,920	7,248	7,448
Provisions and deferred taxation				
VII.A.	Provisions for liabilities and charges	96,967	105,843	115,233
Creditors		**3,197,725**	**3,184,231**	**3,297,683**
VIII.	Amounts payable after more than one year	1,664,000	2,082,000	1,582,000
IX.	Amounts payable within one year	1,464,758	1,052,831	1,653,636
X.	Accrued charges and deferred income	68,967	49,400	62,047
Total liabilities and shareholders' equity		**4,744,448**	**4,717,197**	**4,624,567**

(EUR thousand)

INCOME STATEMENT		31/12/2012	31/12/2013	31/12/2014
I.	Operating income	4,473,315	3,157,820	2,937,535
II.	Operating charges	(4,313,756)	(3,047,883)	(2,869,762)
III.	**Operating result**	**159,559**	**109,937**	**67,773**
IV.	Financial income	78,640	103,076	112,789
V.	Financial charges	(94,046)	(94,259)	(83,183)
VI.	**Result on ordinary activities before taxes**	**144,152**	**118,754**	**97,379**
VII.	Extraordinary income	52,678	911	44,176
VIII.	Extraordinary charges	(50,129)	(27,351)	(10,973)
IX.	**Result for the period before taxes**	**146,701**	**92,314**	**130,582**
X.	Income taxes	22	4,324	656
XI.	**Result for the period**	**146,723**	**87,990**	**131,238**
XII.	Transfer from/to untaxed reserve			
XIII.	**Result for the period available**	**146,723**	**87,990**	**131,238**

(EUR thousand)

APPROPRIATION ACCOUNT		2012	2013	2014
A.	**Profit (loss) to be appropriated**	**600,668**	**603,778**	**547,094**
	1. Profit (loss) for the financial year	146,723	87,990	131,238
	2. Profit (loss) carried forward	453,945	515,788	415,856
C.	**Appropriation to equity**	**26,882**	**(77,905)**	**(62,997)**
	2. To the legal reserve	0	0	0
	3. To the reserve for own shares	26,882	(77,905)	(62,997)
	4. To the capital	0	0	0
D.	**Profit (loss) to be carried forward (1)**	**515,788**	**415,856**	**375,917**
	2. Profit (loss) to be carried forward	515,788	415,856	375,917
F.	**Profit to be distributed (1)**	**(111,762)**	**(110,017)**	**(108,180)**
	1. Dividends			
	- ordinary shares	(111,762)	(110,017)	(108,180)

(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 29 April 2014; 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	112,000,000
	2.	Structure of the capital		
		2.1. Categories of shares		
		Ordinary shares	500,000	112,000,000
		2.2. Registered shares or bearer shares		
		Registered		17,239,569
		Bearer		94,760,431
E.	**Authorized unissued capital**		**50,000**	

		% capital	Number of shares	Notification date
G.	**Shareholder base (1)**			
	BlackRock Inc.	5.32	5,957,971	14/12/2012
	Family Trust Desmarais, Albert Frère, Groupe Bruxelles Lambert (S.A.) & LTI Two S.A.	10.61	11,883,643	30/09/2014
	Norges Bank	3.05	3,419,154	22/12/2014
	Others	77.52	86,824,960	31/12/2014
	Own shares held by Umicore	3.49	3,914,272	31/12/2014
		100.00	112,000,000	
	of which free float	100.00	112,000,000	

(1) At 31 December 2014, 3,679,463 options on Umicore shares are still to be exercized. This amount includes 3,679,463 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 2014, 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.

12 March 2015,

Marc Grynberg
Chief Executive Officer

Environmental statements

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Environmental key figures

	unit	notes	2010	2011	2012	2013	2014
Metal emission to water (load)	kg	E2	6,495	5,782	5,701	5,560	5,639
Metal emission to water (impact units)		E2	389,676	306,627	245,935	313,883	543,332
COD (chemical oxygen demand)	kg	E2	258,309	252,681	278,131	297,490	130,759
Metal emission to air (load)	kg	E2	13,582	13,868	16,615	12,522	13,309
Metal emission to air (impact units)		E2	184,066	130,440	135,670	130,169	128,466
SO_x emissions	tonne	E2	468	511	487	686	1,189
NO_x emissions	tonne	E2	426	412	399	386	425
CO_2e emissions (scope1+2)	tonne	E3	543,807	695,733	701,898	690,767	663,959
Energy consumption	terajoules	E4	7,597	7,807	7,315	7,557	7,297
Water consumption	thousand m^3	E5	4,617	4,567	4,310	4,343	4,645
Product SD analysis	N°	E6	-	3	7	6	7
Total waste produced	tonne	E7	63,993	71,426	69,702	68,575	78,059
Hazardous waste	tonne	E7	38,533	43,588	47,789	45,668	55,218
of which recycled	%	E7	7.7	9.8	7.5	16.9	7.8
Non hazardous waste	tonne	E7	25,460	27,837	21,914	22,906	22,840
of which recycled	%	E7	59.8	64.9	54.7	60.2	58.1
Measurements exceeding limit	N°	E9	878	798	926	775	792
Compliance excess rate	%	E9	1.4	1.4	1.1	0.8	0.9
Environmental complaints	N°		-	-	24	25	31
Sites ISO 14001 certified	%	E9	86	92	93	97	97
Sites having a potential environmental impact on an area of high biodiversity value	N°	E10	8	11	15	16	16

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 2013, data of three sites is no longer reported (Kobe, Japan, Cobalt & Specialty / Rechargeable Battery Materials; Melbourne, Australia, Zinc Chemicals; South Plainfield, US, Precious Metals Chemistry / Management – the operations of PMC have been integrated in the Tulsa, US, site). Two sites were added to the reporting scope: LaVergne (US, Cobalt & Specialty Materials) and Bad Säckingen (Germany, Automotive Catalysts). This brings the total number of reporting sites to 65 compared to 66 in 2013 The energy consumption data also includes 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 five sites with the largest environmental impact for 2014: Hanau (Germany, Catalysis, Performance Materials & Recycling), Olen (Belgium, Energy Materials & Group R&D), Hoboken (Belgium, Recycling & Group P&T), Changsha (China, Performance Materials) and Cheonan, (South Korea, Energy Materials) report their full-year figures. A sensitivity analysis undertaken for the 2013 data on metals emissions to air and water and energy consumption indicate that the potential deviation of the Group environmental performance would be less than 5% in case of a 20% error in the forecasted data.

Please note that due to improved analytical and reporting methods, some of the data published in the 2013 annual report has been restated in the 2014 report.

More details on Umicore's management approach are available on
http://annualreport.umicore.com/management-review/group-review/management-approach/environment/Approach/

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.

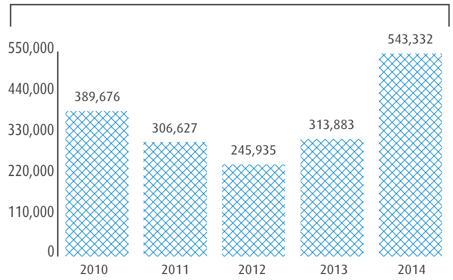
The metal impact to air and to water is expressed as 'impact units/year'. Metal emission data are not normalized for activity level.

SO_x and NO_x emissions are expressed in tonnes/year.

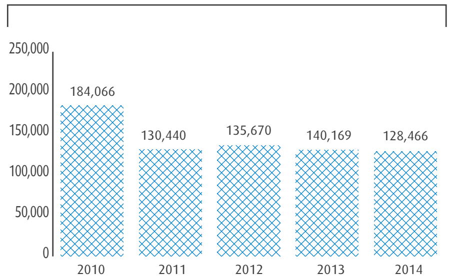
Group data

	unit	2010	2011	2012	2013	2014
Metal emission to water (load)	kg	6,495	5,781	5,701	5,560	5,639
Metal emission to air (load)	kg	13,582	13,868	16,615	12,522	13,309

METALS EMITTED TO WATER (IMPACT UNITS)



METALS EMITTED TO AIR (IMPACT UNITS)



Metal emissions to water

The total metals emissions to water for the Group increased slightly from 5,560 kg in 2013 to 5,639 kg in 2014, an increase of 1%. With regard to total metal impact, the Group results for 2014 are strongly influenced by a localised and very short-term discharge incident that occurred at one site (Hoboken, Belgium, Precious Metals Refining) for a period of 5 days, involving some elements with a high impact factor.

Excessive rainfall over a very short period at the site in Hoboken led to an unforeseen discharge of incompletely treated waste water surpassing the site's water treatment plant's capacity. No such incident had previously been observed at any site since the establishment of the baseline in 2009 for the Vision 2015 objective for Group metal emissions to water. The cause of the incident was investigated in detail and mitigation measures have been put in place at the site in order to render such events impossible in the future. Monitoring of the waste water treatment plant's performance and its water balance will continue in 2015 to ensure the efficacy of the implemented improvements.

The total metal impact for the Group rose from 313,883 impact units in 2013 to 543,332 impact units in 2014, the increase owing almost entirely to the incident. This rise corresponds to a 73% increase in impact compared to 2013. Compared to the reference year 2009, this results in an increase in metal impact of 23%. When disregarding the metal load that was emitted to the environment as a result of the one-time incident, the metal emissions for the Group show a decrease by 16% from 5,560 kg in 2013 to 4,656 kg in 2014. This would correspond to a decrease in metal impact to water by 2% from 313,883 impact units (2013) to 306,139 impact units (2014). Compared to the reference year 2009, this would mean a reduction of some 31%, which remains well beyond the 20% reduction target. Taking into account the unique nature of the event that caused the significant peak in metal emissions in 2014, we are confident that the mitigation measures put in place will prevent comparable incidents in the future, and that the previously achieved reduction of metal emissions to water can be achieved in 2015, in line with the Vision 2015 objective for this Key Performance Indicator.

Further details per business group are given in the business group review section.

Metal emissions to air

The total load of metal emissions to air for the Group rose from 12,522 kg in 2013 to 13,309 kg in 2014, an increase of 6%. However, the corresponding impact decreased slightly from 130,169 in 2013 to 128,466 impact units in 2014, a decrease of 1%. Compared to the reference year 2009 the impact of metal to air emissions is down by 40% which remains well below the 20% reduction target.

Due to improved estimation methods, the air emissions for the site in Sancoale (Zinc Chemicals, India) have been restated for the period 2010-2013, resulting in reduced emissions for 2013 and 2014. For the site in Cheonan (Rechargeable Battery Materials, South Korea), the introduction of an extended air emissions measurement programme in 2014 might have impacted the significant reduction in the reported figures of the air emissions for cobalt in 2014 in comparison to the reported figures in 2013 and the previous years.

Further details per business group are given in the business group review section.

2014 business group data - other emissions

	unit	Catalysis	Energy Materials	Performance Materials	Recycling	Umicore Group
COD (chemical oxygen demand)	kg	8,183	75,295	8,267	39,013	130,759
SO_x emissions	tonne	1	7	105	1,076	1,189
NO_x emissions	tonne	80	92	78	176	425

The total 'chemical oxygen demand' (COD) emissions were 130,758 kg, a decrease compared to 297,490 kg in 2013, due to improved analytical techniques at one large site. Total SO_x emissions were 1,189 tonnes compared to 686 tonnes in 2013. NO_x emissions were 425 tonnes in 2014 compared to 386 tonnes in 2013.

E3 Greenhouse gases

Vision 2015

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

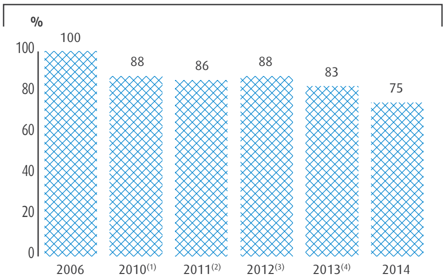
The main pillar of this policy is our group objective to achieve by 2015 a 20% reduction in our CO_2 equivalent emissions compared to the reference year 2006 and using the same scope of activities as 2006 (see detailed explanation below).

Umicore also reports its absolute CO_2e emissions (ie as per the scope outlined in E1).

Group data – in the context of CO_2e emissions objective

	unit	baseline 2006 in relation to 2014	2010	2011	2012	2013	2014
CO_2e emissions (scope1+2, objective)	tonne	816,918	597,226[(1)]	635,136[(2)]	655,246[(3)]	643,800[(4)]	616,685

CO_2E REDUCTION PERFORMANCE



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

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

In order to calculate the emission reduction in the context of our Vision 2015 objective, a 2006 baseline has been established for each site by multiplying the actual activity level of the reporting year (i.e. 2014) by the 2006 CO_2e emission intensity (see example). The group baseline 2006 is then calculated by adding all site-level baselines. Examples of activity parameters at sites are: tonnes produced per year, machine hours per year, tonnes of input material in recycling process per year.

(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.
(3) Baseline 2006 in relation to 2012 was 745,002, leading to a reduction of 12% in 2012 in comparison to 2006.
(4) Baseline 2006 in relation to 2013 was 778,718, leading to a reduction of 17% in 2013 in comparison to 2006.

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

In 2014 site A produced 1,100 tonnes of metal X and emitted 100 tonnes of CO_2e = intensity of 0.09 tonnes CO_2e / tonne of metal X.

The 2006 baseline reported in 2013 is: activity level of 2014 (1,100 tonnes) x 2006 intensity of 0.1 tonne CO_2e / tonne = 110 tonnes CO_2e.

Therefore the measured 100 tonnes emitted in 2014 represents a reduction of 9% compared to what it would have been under 2006 operating conditions.

The baseline 2006 is re-calculated yearly. It is defined as the CO_2e emissions that would have been expected with the activity volumes of the reporting year (i.e. 2014) but with the CO_2e intensity of the reference year 2006. The performance for each year is expressed as a percentage in comparison to the calculated 2006 group baseline applicable to each year.

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

CO_2e emissions objective

CO_2e emissions in 2014 using the objective scope were 616,685 tonnes. CO_2e emissions in 2006 using the objective scope were 673,801 tonnes. For the purpose of assessing progress on our objective this CO_2e emission level normalized for 2014 activity was 816,918 tonnes. By the end of 2014 we have therefore achieved a 25% reduction compared to our 2006 benchmark year. This means that for equivalent production levels we emitted 25% less in carbon equivalent. This compares to a reduction of 17% that we had achieved by the end of 2013. The progress in 2014 compared to 2013 is a combination of three main contributions. The Hoboken plant continues to reduce its CO_2e emissions thanks to a combination of raw materials requiring less energy and emitting lower levels of CO_2e – particularly primary raw materials – and continued effects of energy efficiency measures in the operations. We also recorded lower emissions from our Automotive Catalyst operations as a result of switching to more efficient production processes at the former Delphi operations and also benefiting from a more energy efficient product mix. The level of scope 2 emissions also fell as a result of a less carbon-intensive energy mix on average in the countries where Umicore operates, particularly in Europe.

Excluding the activity adjustment that we make as part of our objective we have recorded a 8% reduction in absolute emissions since 2006.

In 2012 we concluded our assessment programme at the 25 sites with the highest contribution to our CO_2 emissions and representing more than 90% of the CO_2e emissions, to identify further energy efficiency improvements and CO_2 reduction opportunities. In this process, over 100 energy efficiency projects were identified that had the potential to both reduce energy intensity and reduce costs. Additional assessments have been completed and projects launched at sites with a smaller emissions footprint. Several of these projects are starting to contribute in a modest way to the overall Group CO_2 reduction target, while bringing efficiency gains and cost savings at site and business unit level.

Absolute CO_2e emissions

Group data

	unit	2010	2011	2012	2013	2014
Absolute CO_2e emissions (scope1+2)	tonne	543,262	695,733	701,898	690,767	663,959

2014 business group data

	unit	Catalysis	Energy Materials	Performance Materials	Recycling	Umicore Group
Absolute CO_2e emissions (scope1+2)	tonne	87,118	177,863	135,860	262,752	663,959

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

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

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.wbcsd.org/Pages/EDocument/EDocumentDetails.aspx?ID=15375&NoSearchContextKey=true).

By way of context, in 2011 Umicore adopted a strict implementation of the GHG protocol's revised version of 2004. Process emissions have been reported from 2011 and the average grid CO_2 factor for electricity is used as the standard emission factor in cases where up to 2010 "green electricity" had been reported with a CO_2 emission factor of 0 tonne CO_2/MWh.

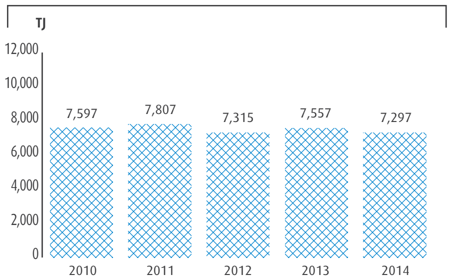
Other minor corrections were implemented from 2011 with the aim to establish a clear and stable CO_2e reporting. We have invested in resources to provide clear guidelines to the sites for a common interpretation and implementation of the reporting rules. These changes to the reporting have been imposed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

An additional modification of the greenhouse gas emission reporting guidelines to take the Chemical Sector Guideline of the WBCSD into account affected the absolute CO_2e emission reporting in 2012.

E4 Energy

Group data

ENERGY CONSUMPTION



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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 projects with limited investment needs but with limited effect could immediately be implemented. A few important projects have already been implemented while other projects are still under study.

2014 business group data

	unit	Catalysis	Energy Materials	Performance Materials	Recycling	Umicore Group
Energy consumption	terajoules	816,475	2,172,991	1,826,607	2,472,912	7,297,045

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 raw materials processed by the Recycling business group also played a role; higher volumes of materials – particularly primary raw materials – are now received that require less energy to process.

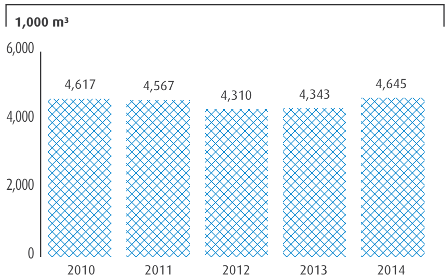
Indirect energy consumption by primary energy source (purchased electricity, steam and compressed air) for production sites and office buildings was 2,669 terajoules. Direct energy consumption by primary energy source (fuel, gas oil, natural gas, LPG, coal and cokes) was 4,628 terajoules.

Compared to 2013, energy consumption in Catalysis was up 3%, in Energy Materials and in Performance Materials down 3% and in Recycling down 6%. This moderate increase in energy consumption in Catalysis reflects the overall increased activity levels of the business units. The reduction in Recycling has a direct relation with the increase of primary raw materials in Hoboken. In Energy Materials and Performance Materials the reduction is caused by a combination of changes to the operations and the introduction of energy saving projects.

E5 Water consumption

Group data

WATER CONSUMPTION



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 4,343 thousand m³ in 2013 to 4,645 thousand m³ in 2014. This was mainly due to the capacity increase at the site in Hoboken (Belgium, Recycling). An increase in water consumption for the different business groups of between 1% and 14% was noted.

2014 business group data

	unit	Catalysis	Energy Materials	Performance Materials	Recycling	Umicore Group
Water consumption	thousand m³	338	1,775	736	1,796	4,645

E6 Product and materials

Vision 2015

Group data

	unit	2010	2011	2012	2013	2014
Product SD analysis	N°	-	3	7	6	7

Over the last five years, Group R&D and Corporate EHS have been developing a methodology specific to Umicore for assessing the sustainability of our products and services. This methodology is called Assessment of Product (and services) Sustainability (APS). The methodology uses a tool consisting of a set of 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.

Our aim was to test six products or services each year between 2012 and 2015 with each business unit submitting two cases to the study.

In 2014 seven further cases were assessed in the business units Electro Optic Materials, Platinum Engineered Materials, Battery Recycling, Precious Metals Chemistry, Precious Metals Refining and Rechargeable Battery Materials. The twenty-three cases assessed in the period 2011-2014 comprise products and services deployed in niche markets, 'flagship' products and services as well as a product under development. By the end of 2014 the number of products and services screened using the tool amounted to the equivalent of 18% of Umicore's revenues.

Now that a representative sample of products and services have been screened using the APS tool, Umicore will use 2015 to reflect on how the methodology might be best deployed in the future and how the understanding developed of the sustainability of our products can drive value with customers and other stakeholders.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.

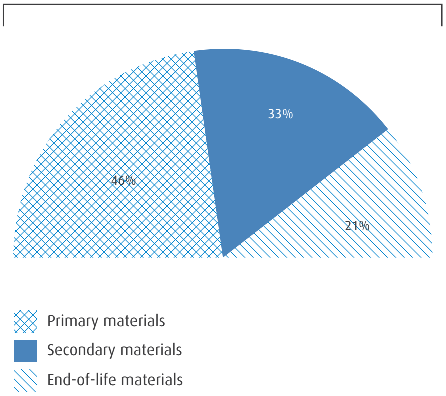
In 2014 Umicore submitted 20 upgraded dossiers for complex intermediate materials, prepared by several metals consortia, following a methodology jointly developed with Eurometaux and in dialogue with the European Chemicals Agency (ECHA). In addition, more than 30 dossiers were updated in 2014 with additional information or newly available data. Most of these updates were proposed by the metal consortia themselves and one at the request of ECHA following a test proposal evaluation.

While the regulatory landscape may shift in the future, only a few of our substances feature today on the Candidate list for potential REACH authorization. In total, the products sold that contain these substances account for less than 0.5% of Umicore's revenues. The placing of a substance on the REACH "Candidate List" is designed as a first step in subjecting that substance to robust and detailed scientific evaluation of risk as a basis for its continued use or substitution if economically and technically feasible alternatives to that substance exist.

In preparation for the implementation of a new application for our Safety Data Sheets we rationalised our database, resulting in 3,656 products and some 290,000 Safety Data Sheets at the end of 2014, covering 119 countries and 40 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.

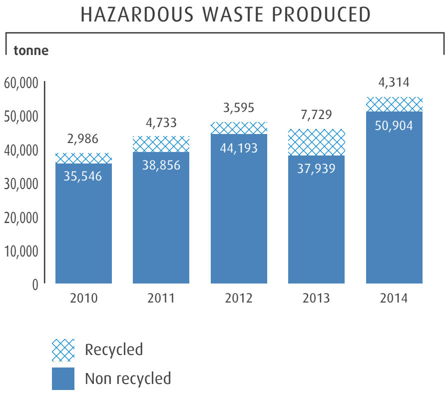
End-of-life materials: are those materials that have ended at least a first life cycle and will be re-processed through recycling leading to a 2nd, 3rd...life of the substance.

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 2014, 46% of Umicore's incoming materials were of primary origin. 54% of the materials were from recycling or secondary origin. These levels are comparable to 2013.

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 2014, a total of 78,059 tonnes of waste were generated compared to 68,575 tonnes in 2013, an increase of 14%. This increase can be largely attributed to the capacity expansion at the site in Hoboken (Belgium, Recycling). For the business groups Energy Materials and Catalysis, waste generation increased by 13% and 38% in 2014, respectively. Performance Materials generated 29% less waste than in 2013.

The total volume of hazardous waste increased from 45,668 tonnes in 2013 to 55,218 tonnes in 2014, an increase of 21%. This increase is largely due to the expansion at the site in Hoboken. The recycling rate of hazardous waste decreased from 17% in 2013 to 8% in 2014. This decrease in recycling rates is largely due to a large amount of non-recurring hazardous waste in Eijsden (The Netherlands) recovered in 2013.

The total volume of non-hazardous waste decreased from 22,906 tonnes in 2013 to 22,840 tonnes in 2014. A total of 58% of non-hazardous waste was recycled in 2014 compared to 60% in 2013.

2014 business group data

	unit	Catalysis	Energy Materials	Performance Materials	Recycling	Umicore Group
Total waste produced	tonne	4,103	27,897	10,152	35,907	78,059
Hazardous waste	tonne	1,556	17,779	5,468	30,415	55,218
of which recycled	%	10.51	1.00	54.02	3.35	7.81
Non hazardous waste	tonne	2,547	10,117	4,684	5,492	22,840
of which recycled	%	26.91	37.38	77.45	94.05	58.06

E8 Historical pollution

Actively participating in the management and remediation of risks that are the result of historical operations is an integral part of the Umicore Way. Over the last ten years Umicore's pro-active programme for assessing and remediating, where necessary, soil and groundwater contamination has made significant progress. The following section illustrates the main ongoing programmes and the progress made during 2014.

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.

2014 Activities: In Hoboken, an agreement was reached with the competent authorities to extend the on-site storage facility, so that on-site remediation works (excavation) can restart. A final remedial action plan for the groundwater has been completed and submitted to the authorities for approval.

In Olen, the active on-site groundwater remediation programme started in 2007 continued in 2014. Together with the authorities (FANC and NIRAS/ONDRAF) Umicore has elaborated a vision document that would lay down the foundations for the development, approval and implementation of a general Waste Management Plan for radium-bearing waste stored at the plant. In the meantime, a temporary storage facility was constructed in order to safely store contaminated material that was excavated during infrastructure works.

Umicore continued with other actions as part of the Covenant including the excavation of zinc ashes from all private driveways in the entire 9 km perimeter covered by the covenant. The work is expected to be completed in 2015 with excavated material being stored safely at the Nyrstar plant in Balen.

In 2014, Umicore and the competent authorities signed an agreement to prolong by five years the period to complete the necessary risk reduction action within the 9km perimeter. The agreement also contains an important clause through which Umicore and the authorities will tackle the remediation of the Bocholt site, a former arsenic plant that was shut down in the early 1970s.

France

In Viviez, Umicore continued with its large-scale remediation programme started in 2011. 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 2014, 950,000 m^3 of contaminated soil and waste had been removed and treated. The project is expected to be finalized in 2016.

USA

Umicore continued to treat drainage water at a former mining site in Colorado. Umicore is reviewing alternative technologies aimed at decreasing the metal concentration in the discharge and thus decreasing the volume of solid waste material produced.

After the closing down of the cobalt activities at the Maxton plant in North Carolina, soil and groundwater contamination was identified. Umicore entered into a voluntary remediation programme with the authorities.

Also in Wickliffe, Ohio, a recently acquired site, Umicore entered into a voluntary remediation programme with the support of JobsOhio.

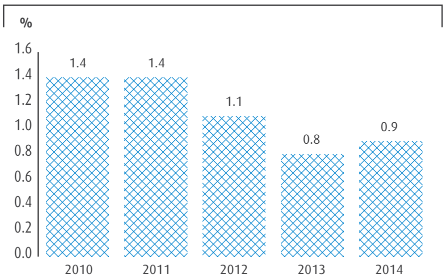
Brazil

During an environmental assessment that was performed following its acquisition, groundwater pollution was detected at the Guarulhos site in Brazil. This historical pollution dates from before 2003, when Umicore purchased these operations. After the initial investigation, Umicore took measures to stop the spreading of this contamination to the neighbouring areas. To that purpose, a hydraulic barrier to capture the contaminated groundwater at the property boundaries has been installed and put into operation in 2011. In 2012, it was decided to tackle the most contaminated parts of the groundwater on-site, in order to speed up the remediation. To that end, pilot tests have been performed and full scale operations have been initiated. Further, Umicore has assessed the impact the historical contamination had to areas outside the operational plant and in 2013 agreed with the local authorities to develop a remediation programme.

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.

2014 business group data

	unit	Catalysis	Energy Materials	Performance Materials	Recycling	Umicore Group
Measurements exceeding limit	N°	35	13	706	38	792
Compliance excess rate	%	0.19	0.10	1.60	0.36	0.93

In 2014, some 86,000 environmental measurements were carried out at all of Umicore's industrial sites compared to some 100,000 the year before. This decrease is mainly due to a modernised air filter system, with a reduced measurement frequency stipulated by the regulator, at the site in Rheinfelden (Germany, Catalysis). These measurements are undertaken to verify environmental compliance with applicable regulatory requirements, permits and/or local standards. The number of measurements that did not meet the regulatory or permit requirements is very low yet slightly increased to 0.93% for the Group, compared to 0.78% in 2013. No significant trends could be observed for the different business groups.

Three out of the 63 industrial 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 60 remaining sites, 58 sites have put in place an environmental management system certified against ISO 14001. One of the remaining two sites is an acquisition that joined Umicore reporting in 2014, and the site is planning the implementation of an environmental management system by 2018. The other remaining site is planning the implementation of an environmental management system in 2015. All major sites with significant environmental impacts have been certified against the ISO 14001 management system for many years.

In total, 31 environmental complaints were received in 2014. These were mainly related to noise and odour. Twenty-eight of the complaint files have already been closed.

E10 Biodiversity

Group data

	unit	2010	2011	2012	2013	2014
Sites having a potential environmental impact on an area of high biodiversity value	N°	9	11	15	16	16

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).

Sixteen 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	2010	2011	2012	2013	2014
Total workforce (incl. associates)	N°	S2	14,386	14,572	14,438	14,057	14,074
Temporary contracts	% of total workforce (fully consolidated)	S2	4.01	4.77	4.21	3.42	3.62
Average training hours per employee	hours/employee	S3	43.30	51.94	50.72	45.18	45.59
Employees having a yearly appraisal	% of total workforce (fully consolidated)	S3	-	87.16	91.80	95.65	95.82
Voluntary leavers - ratio	% of total workforce (fully consolidated)	S4	3.78	3.84	3.20	3.33	3.42
Employees working in a site that has received an external recognition as preferred employer	% of total workforce (fully consolidated)	S4	-	52.64	68.31	72.63	69.66
Total donations	€ thousand	S5	1,009.38	1,751.02	1,759.18	1,612.80	1,409.35
Sites having an external communications plan	% sites	S5	-	59.70	62.69	63.24	50.00
Employees represented by union or Collective Labour Agreement (CLA)	% of total workforce (fully consolidated)	S6	68.92	69.81	70.80	71.33	71.44
Exposure ratio 'all biomarkers aggregated' (1)	%	S9	-	5.2	4.3	2.6	1.9
Number of occupational linked diseases	N°	S9	-	22	20	14	21
People with platinum sensitisation	N°	S9	-	4	6	4	4
Fatal accidents	N°	S10	0	0	0	0	2
Lost Time Accidents (LTA)	N°	S10	56	60	49	35	37
Lost Time Accidents (LTA) for sub-contractors	N°	S10	20	17	33	22	11
LTA frequency rate	LTA/million hours worked	S10	3.54	3.61	2.86	2.08	2.16
LTA severity rate	lost days/thousand hours worked	S10	0.13	0.11	0.11	0.10	0.94

(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, 116 consolidated sites are included in the social reporting. The following new sites are added: Catalysis, opened a new production site in Shirwal (India), while closing the temporary office in Pune, opened a new test centre in Tokoname (Japan) and started the construction works of a new plant in Nowa Ruda (Poland). Energy Materials created several new sites through acquisitions: in La Vergne and Wickliffe (US), in Monza (Italy) and in Quingyan (China). Performance Materials opened a new site in Jiangmen (China)

44 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 accountability to local community.

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 8 and 27 and in the business group review between pages 28 and 43 of this report. Additional information on Umicore’s social management approach can be found on our website: **http://annualreport.umicore.com/management-review/group-review/management-approach/social/Approach/**

S2 Workforce

Group data

	unit	2010	2011	2012	2013	2014
Total workforce (incl. associates)	N°	14,386	14,572	14,438	14,057	14,074
Workforce from fully consolidated companies	N°	9,558	10,164	10,396	10,190	10,368
Workforce from associated companies	N°	4,828	4,408	4,042	3,867	3,706
Employees men	N°	7,546	7,972	8,121	7,996	8,120
Employees women	N°	2,012	2,192	2,275	2,194	2,248
Employees full time	N°	-	9,494	9,699	9,491	9,631
Employees part time	N°	-	670	697	699	737
Employees <25 years	N°	-	718	675	603	584
Employees between 25 and 35 years	N°	-	2,796	2,968	2,909	3,000
Employees between 36 and 45 years	N°	-	2,749	2,753	2,646	2,721
Employees between 46 and 55 years	N°	-	2,951	2,982	2,937	2,916
Employees > 55 years	N°	-	950	1,018	1,095	1,147
Temporary contracts	% of workforce (fully consolidated)	4.01	4.77	4.21	3.42	3.62

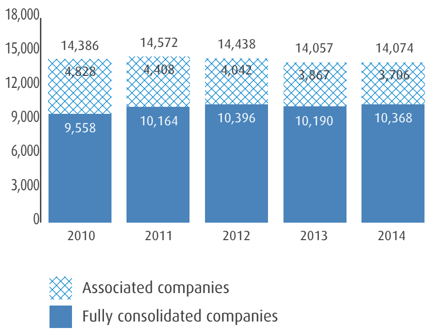
Total workforce: Number of employees on Umicore payroll at the end of the period in fully consolidated companies and associated companies.

The number includes part-time and temporary employees but excludes employees with a dormant contract, employees on long term illness and sub-contracted employees.

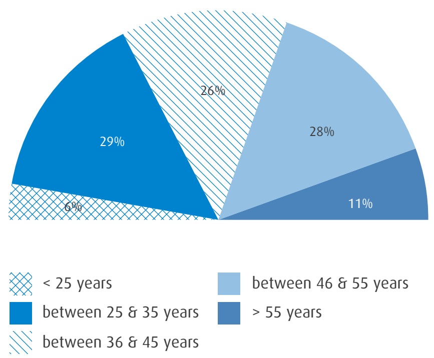
Temporary contract: Umicore employees with a temporary contract, included in the workforce of fully consolidated companies.

Part time: Employees working a reduced number of shifts, working days or working hours due to voluntary work time reduction.

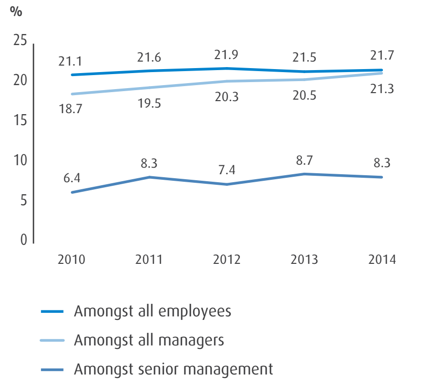
TOTAL WORKFORCE



WORKFORCE – AGE SPLIT



WOMEN REPRESENTATION PER EMPLOYEE CATEGORY



2014 regional data

	unit	Europe	North America	South America	Asia-Pacific	Africa	Umicore Group
Total workforce	N°	7,694	936	1,128	3,034	1,282	14,074
Workforce from fully consolidated companies	N°	6,627	912	691	1,810	328	10,368
Workforce from associated companies	N°	1,067	24	437	1,224	954	3,706
Employees men	N°	5,312	700	514	1,391	203	8,120
Employees women	N°	1,315	212	177	419	125	2,248
Employees full time	N°	5,920	897	691	1,795	328	9,631
Employees part time	N°	707	15	0	15	0	737
Temporary contracts	% of workforce (fully consolidated)	4,98	0,44	1,30	1,49	0,00	3,62

2014 business group data

	unit	Catalysis	Energy Materials	Performance Materials	Recycling	Corporate	Umicore Group
Total workforce	N°	2,457	2,857	5,294	2,330	1,136	14,074
Workforce from fully consolidated companies	N°	2,290	1,927	2,731	2,330	1,090	10,368
Workforce from associated companies	N°	167	930	2,563	0	46	3,706
Employees men	N°	1,796	1,584	2,151	1,941	648	8,120
Employees women	N°	494	343	580	389	442	2,248
Employees full time	N°	2,183	1,791	2,570	2,138	949	9,631
Employees part time	N°	107	136	161	192	141	737
Temporary contracts	% of workforce (fully consolidated)	5.11	2.39	3.84	3.78	1.74	3.62

Total workforce

The total workforce increased by 17 employees to a total of 14,074. For the fully consolidated companies, the workforce increased by 178 people to 10,368. The increase in headcount was concentrated in the business groups Catalysis and Energy Materials. Amongst the associated companies there was a decrease of 161 employees as a result of production realignments and also by the fact that one of the associated companies became a fully consolidated company.

Gender split

The percentage of women was 21.7% as a proportion of the workforce of fully consolidated companies. It has remained in a narrow range of between 21% and 22% 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 and Northern Europe 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 slightly increased to 3.62% in 2014.

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 18.7% in 2010 to 21.3% in 2014. Also the percentage of women in senior management has increased from 6.4% in 2010 to 8.3% in 2014.

General overview of sites and employees

	Productions sites	Other sites	Employees
Europe			
Austria	1		133
Belgium	8 (1)	3 (1)	3,085 (73)
Czech Republic		1	2
Denmark		1	12
France	5	3	774
Germany	8 (2)	3 (1)	2,545 (416)
Hungary		1	4
Ireland	1 (1)		244 (244)
Italy	1	3	84
Liechtenstein	1		75
Luxemburg		2	9
Netherlands	2		117
Norway	1		56
Poland	1	2	21
Portugal		1	11
Russia		1	6
Slovakia	1		38
Spain		2	14
Sweden	2 (1)	1	227 (185)
Switzerland	1	2	33
Turkey		1	3
United Kingdom	2 (1)	3	197 (145)
Asia-Pacific			
Australia		3	15
China	13 (4)	6 (1)	1,960 (1046)
India	2	1	109
Japan	5	3 (1)	171 (11)
Malaysia	1		71
Philippines	1		79
South Korea	3 (1)	1	486 (167)
Taiwan	1	1	23
Thailand	2		120
United Arab Emirates	1 (1)		4(4)
North America			
Canada	3		231
Mexico		1	4
United States	11	3 (2)	701 (24)
South America			
Argentina	1		52
Brazil	3	1 (1)	640 (1)
Peru	1 (1)		436 (436)
Africa			
South Africa	3 (1)	1	1,282 (954)
Total	**86 (14)**	**51 (7)**	**14,074 (3,706)**

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.

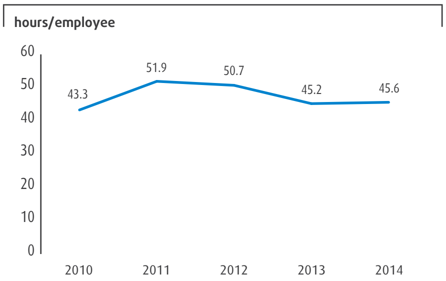
S3 People development

Group data

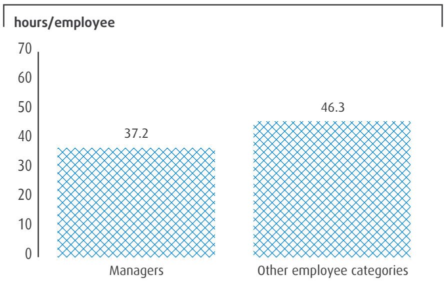
	unit	2010	2011	2012	2013	2014
Sites having a development plan in place for people development	% of total sites	-	67.16	76.12	76.47	79.73
Employees having a yearly appraisal	% of workforce (fully consolidated)	-	87.16	91.80	95.65	95.82
Average number of training hours per employee	hours/employee	43.30	51.94	50.72	45.18	45.59
Average number of training hours per employee – Men	hours/employee	-	53.20	51.75	45.82	48.09
Average number of training hours per employee – Women	hours/employee	-	47.37	46.04	42.26	39.76
Average number of training hours per employee – Managers	hours/employee	-	61.84	64.15	41.41	37.18
Average number of training hours per employee – Other employee categories	hours/employee	-	48.55	45.57	44.82	46.29

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.

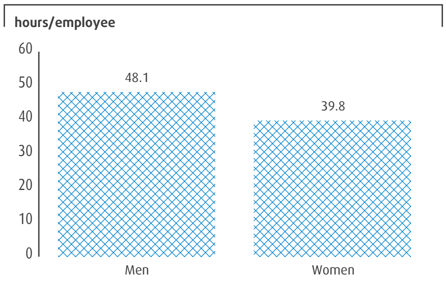
AVERAGE NUMBER OF TRAINING HOURS PER EMPLOYEE



AVERAGE NUMBER OF TRAINING HOURS PER EMPLOYEE CATEGORY



AVERAGE NUMBER OF TRAINING HOURS PER EMPLOYEE - GENDER SPLIT



2014 regional data

	unit	Europe	North America	South America	Asia-Pacific	Africa	Umicore Group
Average number of training hours per employee	hours/employee	41.72	38.29	59.04	60.07	36.99	45.59
Employees having a yearly appraisal	% of workforce (fully consolidated)	98.49	93.74	80.37	90.82	100.00	95.82

2014 business group data

	unit	Catalysis	Energy Materials	Performance Materials	Recycling	Corporate	Umicore Group
Average number of training hours per employee	hours/employee	49.78	56.44	38.27	46.08	35.58	45.59
Employees having a yearly appraisal	% of workforce (fully consolidated)	95.14	92.04	95.25	98.81	98.81	95.82

Training hours

In 2014, the average training hours per employee reached 45.59 hours. This was in line with average training hours in 2013 and 2010. In the years 2011 and 2012 the average went up, influenced by a higher number of newly hired employees and the start-up of several new operations.

Data shows that managers receive a lower number of training hours (37.2 hours) compared to other employees (46.3 hours). In 2013 a global Learning Management System was launched for all managers worldwide and other employees in Belgium and Germany. In 2014 the roll-out was implemented for all employees in North and South America while further roll-out was prepared to gradually reach all employees.

Yearly appraisal

In 2014 nearly 96% 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

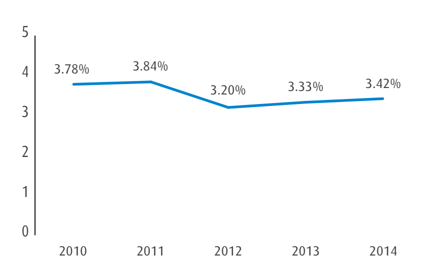
Vision 2015

	unit	2010	2011	2012	2013	2014
Sites having a plan regarding preferred employer in place	% of total sites	-	70.15	76.12	82.35	81.08
Voluntary leavers ratio	% of workforce (fully consolidated)	3.78	3.84	3.20	3.33	3.42
Voluntary leavers men	N°	-	287	251	253	273
Voluntary leavers women	N°	-	96	81	89	80
Voluntary leavers seniority < 3 year	N°	-	222	214	217	209
Voluntary leavers seniority > 3 year	N°	-	161	118	125	144
Employees working in a site that has received an external recognition as preferred employer	% of workforce (fully consolidated)	-	52.64	68.31	72.63	69.66
External recognitions related to preferred employer	N°	-	18	31	33	34

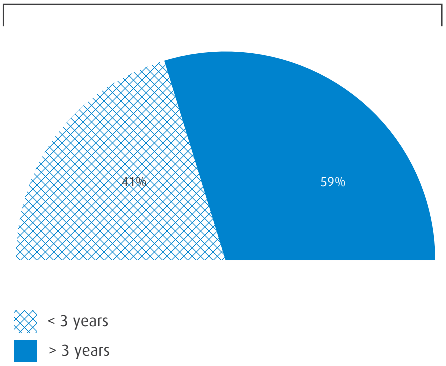
Voluntary leavers: Number of employees leaving the company of their own will (excluding retirement and the expiry of a fixed-term contract). This figure is related to the workforce from fully consolidated companies.

External recognition as a preferred employer: External recognitions or awards that enhance the reputation of the site or Umicore as an attractive employer.

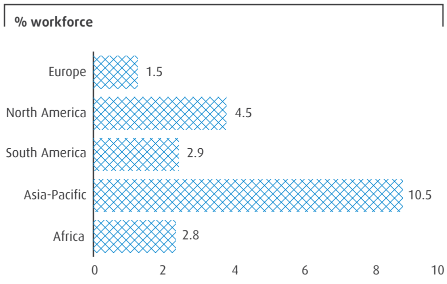
VOLUNTARY LEAVERS RATIO



VOLUNTARY LEAVERS SENIORITY



VOLUNTARY LEAVERS RATIO PER CONTINENT



2014 regional data

	unit	Europe	North America	South America	Asia-Pacific	Africa	Umicore Group
Voluntary leavers ratio	% of workforce (fully consolidated)	1.48	4.46	2.87	10.50	2.75	3.42

2014 business group data

	unit	Catalysis	Energy Materials	Performance Materials	Recycling	Corporate	Umicore Group
Voluntary leavers ratio	% of workforce (fully consolidated)	4.19	6.28	2.40	1.96	2.55	3.42

Voluntary leavers

In the last five years, the percentage of voluntary leavers has fluctuated between 3.2 and 3.8. The 3.4% for 2014 is within this range. As was the case in previous years, significant regional differences can be observed with Asia Pacific reporting the highest turnover rate (10.5%) 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

23% of the voluntary leavers are women, which is very close to the 21% presence of women in the workforce of fully consolidated companies. 59% of the voluntary leavers in 2014 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 Europe. All the sites in Belgium, France, Brazil 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 channelled 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 70% of the employees work at a site that received formal external recognition in 2014.

People survey results

A global People Survey is carried out on a regular basis. In 2014, the employees had once again the opportunity to give their opinions. More details can be found in the case study on page 17. All sites are implementing the action plans related to the feedback received through this survey, with the goal of further improving the engagement and well-being of the employees.

S5 Accountability to local community

Vision 2015

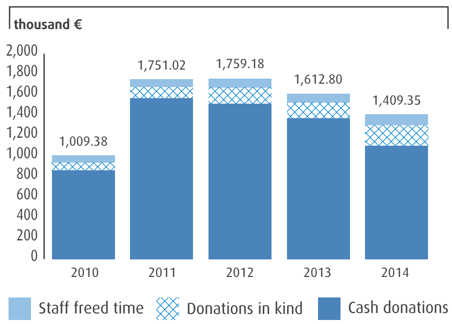
Group data

	unit	2010	2011	2012	2013	2014
Sites having a plan regarding accountability to local community	% of total sites	-	57.58	60.82	65.69	74.31
Total donations	€ thousand	1,009.38	1,751.02	1,759.18	1,612.80	1,409.35
Cash donations	€ thousand	865.34	1,568.80	1,514.60	1,373.82	1,103.47
Donations in kind	€ thousand	73.59	104.97	159.98	152.27	200.88
Staff freed time	€ thousand	70.46	77.24	84.60	86.71	104.99
Sites having an external communication plan in place	% of total sites	-	59.70	62.69	63.24	50.00

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.

As from 2009, the donations are subdivided into cash donations, donations in kind and staff time. Group level donations are co-ordinated by a Committee reporting to the CEO.

DONATIONS



2014 regional data

	unit	Europe	North America	South America	Asia-Pacific	Africa	Umicore Group
Total donations	€ thousand	1,100.37	152.89	82.72	43.57	29.80	1,409.35

2014 business group data

	unit	Catalysis	Energy Materials	Performance Materials	Recycling	Corporate	Umicore Group
Total donations	€ thousand	259.26	130.25	167.80	315.10	536.93	1,409.35

Donations

In 2014, Umicore contributed a total of EUR 1,409 thousand in donations. For the business units, the total amount of EUR 872 thousand is in line with the guidance of approximately one third of one percent of each unit's average annual recurring consolidated EBIT for the past three years. Additional group level donations were made for an amount of EUR 537 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 have a global reach. The main areas for Group level donations in 2014 included support for two major UNICEF educational projects in Madagascar and in India, three projects co-ordinated by Entrepreneurs for Entrepreneurs (in the Philippines, Cambodia, Togo and Haiti) and support for student sustainable mobility projects.

External communication

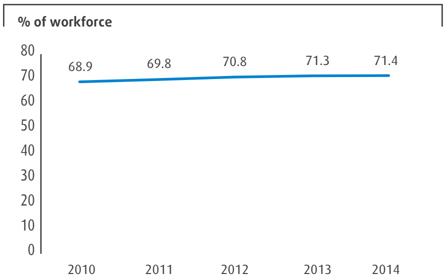
50% of the sites have an external communication plan in place to ensure a suitable level of engagement with their local community. Depending on the size of the operation and its link to the local community these communication plans include: newsletters, public hearings, meetings with local authorities, plant visits for the local community and press releases provided to local media.

S6 Employee relations

Group data

	unit	2010	2011	2012	2013	2014
Employees represented by union or Collective Labour Agreement (CLA)	% of workforce (fully consolidated)	68.92	69.81	70.80	71.33	71.44

EMPLOYEES REPRESENTED BY UNION OR CLA



2014 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)	87.34	8.11	93.63	39.61	55.18	71.44

2014 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)	61.88	55.58	75.65	89.57	70.28	71.44

Union and Collective Labour Agreement

In total, 71.4% 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.

All sites are 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 2014 a total of 15 cases were reported, involving a total of 16 employees. The type of action taken varies from a warning letter to dismissal.

S8 Sustainable procurement

2014 business group data

Vision 2015

		Direct and indirect procurement				Indirect procurement
	unit	Catalysis	Energy Materials	Performance Materials	Recycling	Corporate[2]
Suppliers [1] that have agreed on the Sustainable Procurement Charter	% suppliers	76	72	77	69	86

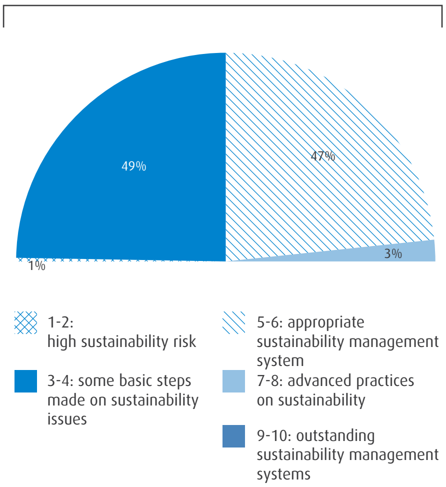
(1) From those suppliers to whom Umicore has sent the Sustainable Procurement Charter (only to key suppliers of each business unit)
(2) Corporate includes Procurement & Transportation department and UMS Taiwan

Sustainable Procurement Charter

In the course of 2014, our regional procurement centres continued to select 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 included many suppliers of goods and services and some suppliers of raw materials (eg metals). In total, 1,226 suppliers have now been selected. By the end of 2014, 83% of these 1,226 suppliers had formally acknowledged their adherence to the terms of the charter. The business units selected 429 suppliers, of which 73% had formally acknowledged their adherence to the terms of the charter by the end of 2014.

SUPPLIERS' SCORE IN ECOVADIS ASSESSMENT



Assessment of suppliers

In 2014, Umicore asked Ecovadis to assess the sustainability performance of 100 of the 1,226 suppliers highlighted above. The selection of those suppliers was made based on a risk assessment carried out by Ecovadis in relation to critically dependency, duration of relationship and spend with these 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 ranged from 1 to 100 with 1 representing a high risk regarding sustainability issues.

Average score of assessed suppliers by topic – 2014 Group data

	Group
Environmental	46
Labor practices	45
Fair business practices	40
Suppliers	37
Overall	44

Of the 100 selected suppliers, 10 suppliers did not respond to the questionnaire. Of the 90 received score cards, 44 companies had a score between 25 and 44, meaning that they have taken basic steps on sustainability issues. Only one company had a score equal to 20, representing a high risk regarding sustainability issues. 42 companies scored, overall, between 45 and 64. This means that they have "an appropriate sustainability management system" and 3 companies scored higher, showing "advanced practices on sustainability". 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 Umicore Group was assessed by Ecovadis in 2013 and scored 67, which classifies the company in the advanced category with a "structured and proactive CSR approach, engagements / policies and tangible actions on major issues with detailed implementation information and significant CSR reporting on actions & performance indicators".

In 2014 the Purchasing & Transportation function further fine-tuned the above mentioned methodology for screening suppliers for sustainability and other criteria. This places more emphasis on a structured screening of all suppliers before they are accepted as business partners of Umicore.

Umicore conducted a survey of all business units as part of the annual business risk assessment (see page 171) to determine the level of adoption of the Sustainable Procurement Charter for direct procurement ie mainly metals. This survey indicated a varying level of adoption rates of the Sustainable Procurement Charter between business units. In 2015 the focus will be on developing a better understanding of the sustainable procurement needs in those business units that have identified any specific sustainability risks within their metal supply chain.

Sustainable development and procurement training

In order to increase awareness of sustainable procurement within the company a web-based learning tool is available on the My Campus learning platform. In 2014, 57 people participated to this e-learning module.

Conflict minerals approach

In 2012 the U.S. Securities and Exchange Commission (SEC) issued a final rule on conflict minerals based on section 1502 of the Dodd-Frank Act. This rule obliges US stock listed companies to declare whether the tin, tantalum, tungsten and gold in their products have originated from the Democratic Republic of Congo or an adjoining country. While Umicore is not itself subject to the reporting requirements of Dodd-Frank, we use the above rulings as a guideline for our business. In this regard, our Precious Metals Refining operations in Hoboken and Guarulhos are certified as "conflict-free smelters" in 2014 for their operations of the previous year by the London Bullion Market Association (LBMA). The Jewellery & Industrial Metals operations in Pforzheim, Vienna and Bangkok are certified as part of the Responsible Jewellery Council's (RJC) Chain of Custody programme until 2016. The sites in Guarulhos, Amsterdam, Pforzheim and Bangkok are also accredited by the LBMA as Good Delivery refiners. In 2014 the business unit also passed the audit for responsible platinum sourcing by the RJC. Both the RJC Chain of Custody and LBMA Good Delivery accreditations qualify the accredited sites for listing in the EICC (Electronic Industry Citizenship Coalition) Conflict Free Smelter List.

In addition to existing policies and charters such as the Umicore Code of Conduct, Human Rights Policy and Sustainable Procurement Charter, Umicore also has a specific policy regarding "Responsible global supply chain of minerals from conflict-affected and high-risk areas".

http://www.umicore.com/en/media/topicsofinterest/conflictMinerals/

More information on Umicore's relationship with suppliers can be found in the Stakeholder Engagement section in the Corporate governance statements on page 175 and in the management review between pages 8 and 27.

S9 Occupational health

All consolidated manufacturing sites where Umicore has operational control are included in the scope of the occupational health reporting. Compared to 2013, data of three sites are not reported anymore (South Plainfield, USA, Catalysis; Melbourne, Australia, Performance Materials; Kobe, Japan, Energy Materials). Two sites were added to the reporting scope: Bad-Sackingen (Catalysis, Germany) and La Vergne (Energy Materials, USA). This brings the total number of reporting sites to 63.

The information in this note only relates to Umicore's employees. Data on sub-contractors' occupational health are not included.

Additional information on Umicore's management approach on occupational health can be found on the website **http://annualreport.umicore.com/management-review/group-review/management-approach/social/Approach/**

Group data

	unit	2010	2011	2012	2013	2014
Exposure ratio 'all biomarkers aggregated' (1)	%	-	5.2	4.3	2.6	1.9
Exposure ratio lead (blood) (2)	%	-	1.4	0.5	0.9	1.0
Exposure ratio arsenic (urine) (2)	%	-	2.2	1.4	1.6	1.1
Exposure ratio cobalt (urine) (2)	%	-	22.1	14.8	10.7	7.3
Exposure ratio cadmium (blood) (2)	%	-	0.8	1.7	0.6	0.6
Exposure ratio cadmium (urine) (2)	%	-	1.5	3.0	1.0	0.6
Exposure ratio nickel (urine) (2)	%	-	6	7	1	0.4
People with platinum salts sensitisation	N°	-	4	6	4	4
People with noise induced hearing loss	N°	-	9	4	3	5
People with contact dermatitis	N°	-	2	2	2	2
People with occupational asthma other than Pt-salts	N°	-	0	1	0	0
People with muskulo-skeletal ailments	N°	-	11	7	5	14

(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 at least as strict as any legal limits in force in countries where we operate.

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 2014, a total of 4,303 biological samples were taken from employees with an occupational exposure to at least one of the metals mentioned above (platinum salts excluded). 82 readings showed a result in excess of the internal target value. This brings the total excess rate to 1.9%, down from 2.6% in 2013. 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, 14 of the 1,405 occupationally exposed employees exceeded the target value of 30µg/100ml bringing the excess rate for lead exposure to 1.0%, similar to the excess rate in 2013.

The majority of the excess readings were 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, 1.1% of the 864 occupationally exposed had an excess reading during 2014 compared to 1.6% in 2013.

Cobalt

In total, 715 employees are occupationally exposed to cobalt, mainly in the business group Energy Materials. The number of employees exceeding the target value was 52 further reducing the excess rate to 7.3%, significantly lower compared to the excess rate of 10.7% in 2013.

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 implementing action plans to achieve a significant reduction of the cobalt exposure at the workplace e.g. newly-installed cobalt furnaces at the site in Olen (Belgium, Energy Materials) have been designed to be operated without personal protective equipment.

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 2014, a total of 483 employees had an occupational exposure to cadmium.

Three employees recorded a cadmium in urine reading in excess of the target value resulting in an excess rate of 0.6% compared to 1.0% in 2013.

Additional technical measures are being implemented to further decrease exposure. Workplace precautions such as employee rotation, strict adherence to respiratory protection programmes and personal hygiene measures are also in place to minimize exposure.

The excess rate for cadmium in blood level was 0.6%.

Nickel

The business groups Energy Materials, Performance Materials and Recycling have occupational exposure to nickel. In 2014 a total of 806 employees were exposed to nickel. In 2014, three of the exposed workers exceeded the target level resulting in an excess level of barely 0.4%.

This significant improvement is mainly due to the completion of an ambitious action plan at the site in Subic (Philippines, Energy Materials) focusing on improved engineering controls at the nickel carbonate and oxide installations while continuing campaigns on personal workplace hygiene.

Platinum salts

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

In 2014, 4 employees were newly diagnosed with a platinum salt sensitisation, the same number as in 2013. Three of these employees were employed in the business group Catalysis, the other one 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.

Other occupational diseases

In 2014, 2 employees had a contact dermatitis, 5 employees were diagnosed with industrial noise-induced hearing loss and 14 developed a musculoskeletal disorder due to their occupation. All people concerned are followed by an occupational health physician and measures were taken to prevent further deterioration of their conditions.

S10 Occupational safety

Vision 2015

In total, 83 consolidated sites are included in the occupational safety reporting. Compared to 2013, 5 sites were added to the safety reporting (La Vergne and Wickliffe, USA, Energy Materials; Qingyuan, China, Energy Materials; Shirwal, India, Catalysis; Nowa Ruda, Poland, Catalysis). In addition, Umicore included also smaller commercial sites into its safety figures. Additional information on Umicore's management approach on safety can be found on the website **http://annualreport.umicore.com/management-review/group-review/management-approach/social/Approach/**.

The Umicore information in this note only relates to Umicore's employees. Data on sub-contractors' occupational safety are reported separately.

It is Umicore's objective to have zero lost time accidents by 2015.

Group data

	unit	2010	2011	2012	2013	2014
Fatal accidents	N°	0	0	0	0	2
Fatal accidents sub-contractors	N°	0	0	0	0	0
Lost Time Accidents (LTA)	N°	56	60	49	35	37
Lost Time Accidents (LTA) sub-contractors	N°	20	17	33	22	11
LTA frequency rate		3.54	3.61	2.86	2.08	2.16
LTA frequency rate sub-contractors		7.91	5.50	10.06	5.76	2.91
Calendar days lost	N°	2,090	1,771	1,897	1,726	16,122
LTA severity rate		0.13	0.11	0.11	0.10	0.94
Recordable Injuries (RI)	N°	210	221	160	146	112
Recordable Injuries frequency rate		13.3	13.3	9.3	8.7	6.5
Ratio N° of sites with no LTA / total N° of sites reporting	%	-	77	85	79	84
Sites OHSAS 18001 certified	%	28.0	30.0	32.0	32.8	40.0

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.

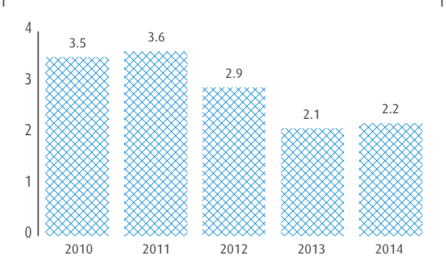
Recordable injury: a work- related injury resulting in more than one first aid treatment or in a modified working programme but excluding lost time accidents.

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

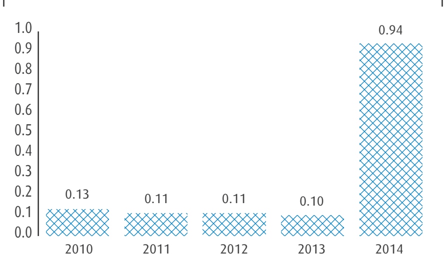
Severity rate: number of lost calendar days due to a lost time accident per thousand hours worked.

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

FREQUENCY RATE



SEVERITY RATE



2014 regional data

	unit	Europe	North America	South America	Asia-Pacific	Africa	Umicore Group
Lost Time Accidents (LTA)	N°	30	3	2	2	0	37

2014 business group data

	unit	Catalysis	Energy Materials	Performance Materials	Recycling	Corporate	Umicore Group
Fatal accidents	N°	0	2	0	0	0	2
Lost Time Accidents (LTA)	N°	4	4	9	18	2	37
LTA frequency rate	per million hours worked	1.0	1.3	2.0	5.2	1.0	2.2
Calendar days lost	N°	20	15,029	449	559	65	16,122
LTA severity rate	per thousand hours worked	0.01	4.75	0.10	0.16	0.03	0.94

In January 2014, an accident at the Olen plant in Belgium cost the lives of two Umicore employees. The investigation concluded that the accident was due to an unexpected accumulation of hydrogen in a hydrochloric acid storage tank on which the two employees were carrying out maintenance work. To avoid similar accidents happening at the Olen site or elsewhere in Umicore, the company made a strong commitment to further enhance its focus on process safety in a more systematic way through the company. A dedicated team of two full time professionals was appointed to run and deploy a Group-wide process safety project. This project aims to implement a state of the art process safety approach at all industrial sites through the integration of best practices in Umicore's existing management systems. In the course of 2014, the project team engaged with all business units and visited over 20 sites to increase awareness of process safety and stimulate the exchange of best practices. These were shared across sites and business units and are being consolidated in practical guidance notes to facilitate their implementation. In line with our goal to reach a common understanding of process safety, the project team has also developed a simple but effective process safety e-learning for all employees involved in process safety.

In 2014, a total number of 37 lost time accidents were recorded compared to 35 in 2013. This resulted in a frequency rate of 2.16, up from 2.08 in 2013. In total, 16,122 calendar days were lost due to these lost time accidents including 7,500 lost days for each fatality. This resulted in a severity rate 0.94, compared to 0.10 in 2013. Excluding the fatal accident, the severity rate would have been down to 0.07.

The number of reported recordable injuries significantly reduced to 112 compared to 146 in 2013. The recordable injury frequency rate for 2014 was 6.5 compared to 8.7 in 2013.

A total of 11 lost time accidents were registered for contractors compared to 22 in 2013. This corresponded to a frequency rate of 2.9 compared to 5.8 in 2013.

During 2014, 84% of the reporting sites operated without a lost time accident compared to 79% in 2013. Twenty five sites are certified using the occupational health and safety management system OHSAS 18001 compared to 21 in 2013.

Thirty lost time accidents, or 81% of the total number of lost time accidents, occurred in Europe. Of these 16 occurred in Belgian and11 in German sites. The Americas accounted for 5 accidents while 2 accidents happened in the Asia-Pacific region.

In 2014, the business group Catalysis recorded 4 lost time accidents of which 3 were in the Automotive Catalyst business unit and 1 in the Precious Metals Chemistry business unit. The total number of days lost was down to 20 compared to 416 in 2013. This resulted in a frequency rate of 1.0 and a very low severity rate of 0.01. The business group has implemented 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 required to be certified against the OHSAS 18001 management system. At year-end, the site in Karlskoga (Sweden) 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 Suzhou (China), Port Elizabeth (South Africa) and Tsukuba (Japan) 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 4 lost time accidents including 2 fatalities, all at the business unit Cobalt & Specialty Materials. In total, 15,029 calendar days were lost. This resulted in a frequency rate of 1.26 and a severity rate of 4.75. Excluding the fatal accidents, only 23 days would have been lost. The business unit Thin Film Products, Rechargeable Battery Materials and Electro-Optic Materials operated without a lost time accident. The business unit Rechargeable Battery Materials has now deployed in all of its sites an effective and pragmatic in-house developed safety leadership programme based on a behaviour observation and intervention technique as part of its safety ACCE programme (Awareness, Competence, Compliance, Excellence). 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), Hsinchu Hsien (Taiwan,) and Fort Saskatchewan (Canada). Acigne (France) and Beijing (China) operated at least 3 years without lost time accident and recordable injury to Umicore staff and lost time accidents to contractors.

The business group Performance Materials recorded 9 lost time accidents, similar to 2013. A total of 449 calendar days were lost. The frequency rate was 2.0 and the severity rate 0.1. The Platinum Engineered Materials and the Electroplating business units operated without any accident. As a result of their 'Safety for a Better Life' program, the Zinc Chemicals business unit reduced its number of lost time accidents from 6 in 2013 to only 1 in spite of the risks usually associated with its seven industrial operations which include molten metal handling. The Building Products business unit recorded 3 lost time accidents. Five lost time accidents occurred in the Technical Materials business unit. At the end of 2014 the site in Vicenza (Italy) 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 sites in Vilvoorde (Belgium) and Pasir Gudang (Malaysia) 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 Recycling had 18 lost time accidents, compared to 15 in 2013. A total of 559 calendar days were lost. This represents a frequency rate of 5.2 and a severity rate of 0.16. The business unit Precious Metal Refining, with 12 lost time accidents, is further implementing the SafeStart® programme in all of its departments. The site in Hoboken (Belgium) has also completed a SafeMap® leadership training for all its managers and supervisors. The business unit Jewellery & Industrial Materials, with 6 lost time accidents, finalised the implementation of a safety programme focusing on four axes: roles and responsibilities, standards and training, safety dialogues, incident investigation.

At the end of 2014, the site in Maxton (USA) 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.

An additional of 2 lost time accidents occurred in general services and corporate offices.

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 (**http://www.umicore.com/en/corporate-governance/corporate-governance-charter/**) 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 and Remuneration Committee. This Statement provides information on governance issues which relate primarily to the financial year 2014.

G2 Corporate structure

The Board of Directors is the ultimate decision-making body of Umicore save for those matters reserved to the shareholders' meeting pursuant to the Belgian Companies Code or Umicore's articles of association. The Board is assisted in its role by an Audit Committee and a Nomination and 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 headquarters are 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 2014 there were 112,000,000 Umicore shares in issue. The identity of shareholders having declared a participation of 3% or more as of 31 December 2014 can be found in the chapter "parent company separate summarized financial statements" (p. 121).

Also on 31 December 2014 Umicore owned 3,914,272 of its own shares representing 3.49% 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 314,500 own shares were used in the context of the exercise of employee stock options and 25,834 shares were used for a share grant, of which 4,834 to the Board members, 21,000 to the Executive Committee members and 3,400 following a partial conversion into shares of the bonus of the Chief Executive Officer.

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 2014 Umicore paid a gross dividend of € 1.00 per share relating to the financial year 2013. This equalled the gross dividend in respect of the financial year 2012.

In July 2014 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 on 4 September 2014. On 5 February 2015 the Board decided to propose to shareholders a total gross dividend of € 1.00 per share relating to financial year 2014. If the appropriation of profit proposed to shareholders is approved, the gross pay out of the dividend in May 2015 shall 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 2014 dividend is:

KBC Bank
Havenlaan / Avenue du Port 2
1080 Brussels

3.3 Shareholders' meetings 2014

The annual shareholders' meeting of Umicore took place on 29 April 2014. At this meeting the shareholders approved the standard resolutions regarding the annual accounts, the appropriation of the results and the discharges to the directors and to the statutory auditor regarding their respective 2013 mandates. At the same general meeting Ines Kolmsee and Jonathan Oppenheimer were reappointed respectively as independent director and director for three years; furthermore Arnoud de Pret's and Uwe-Ernst Bufe'smandates as directors were renewed for one year. The annual shareholders' meeting furthermore approved the remuneration of the Board for 2014. Details of the fees paid to the directors in 2014 are disclosed in the Remuneration Report. Finally the annual shareholders' meeting renewed the mandate of the statutory auditor, PricewaterhouseCoopers Bedrijfsrevisoren/Réviseurs d'Entreprises BCVBA/SCCRL, for three years.

An extraordinary and special shareholders' meeting held on 26 September 2014 resolved inter alia to cancel 8,000,000 own shares without reduction of the share capital or the share premium and to renew the authorization conferred to the Company and its direct subsidiaries to acquire, until 31 May 2017, 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 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 2014, the Board of Directors was composed of nine members: eight non-executive directors and one executive director. On the same date three 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.

Three (i.e. one third) of the ten Board members in function on 31 December 2014 are women. Umicore has therefore reached the minimum representation threshold of one-third, as imposed by the Belgian Companies Code and the recommendations of the Belgian Corporate Governance Committee, within the imposed time frame, i.e. before 1 January 2017. Both the Nomination and Remuneration Committee and the Board will in this respect continue to 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 2014:

- Barbara Kux, who had been appointed as independent director by the annual shareholders' meeting held on 30 April 2013, effectively started her Board mandate on 1 January 2014;
- The mandates of Klaus Wendel and Shohei Naito expired at the annual shareholders' meeting of 29 April 2014 due to the age limit imposed by the Corporate Governance Charter.

4.2 Meetings and topics

The Board of Directors held seven regular meetings in 2014. This is an increase by one compared to the previous year, but can be explained by the postponement of a Board meeting initially scheduled for December 2013 to early January 2014. On one occasion the Board also took decisions by unanimous written approval.

During 2014 the matters reviewed by the Board 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 an ordinary, a special and an extraordinary shareholders' meeting and calling of these meetings;
- Vision 2015 status report;
- investment projects;
- EHS review, including sustainable development and implementation of REACH;
- strategic opportunities and operational challenges;
- business reviews;
- mergers & acquisitions projects;
- Human Resources review;
- annual performance review of the Chief Executive Officer and the other members of the Executive Committee in respect of 2013;
- succession planning at the level of the Board and the Executive Committee;
- distribution of an interim dividend.

The Board also visited the Umicore Specialty Materials plant in Bruges (Belgium).

4.3 Performance review of the Board and its Committees

Every two years the Chairman conducts a performance review of the Board and its Committees.

The last performance review took place in 2013, on the basis of an individual evaluation form. The directors were asked to assess the following items: composition of the Board, selection and appointment of directors, functioning of the Board (agenda, meetings, chairmanship and secretariat), quality of information, culture within the Board, performance of duties by the Board, relations with the Executive Committee, and finally the Audit Committee and the Nomination and Remuneration Committee.

The outcome of the evaluation was discussed at Board meetings held in September 2013 and February 2014.

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. All the members of the Audit Committee, have extensive experience in accounting and audit as demonstrated by their curriculum.

The Committee met four times in 2014. Apart from the review of the 2013 full year accounts and those of the first half of 2014, the Committee also reviewed the following matters: treasury items, the accounting treatment of core inventories, the status and planning on the minimum internal control requirements ("MICR"), an overview of the employee benefits liabilities in the Umicore Group, internal audit activity reports and the audit charter. Furthermore, the Audit Committee conducted a self-assessment, the outcome of which recognized that the Audit Committee is satisfactorily functioning and also formulated some recommendations for the future.

4.5 Nomination & Remuneration Committee

The Nomination and 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. Barbara Kux was appointed member of the Committee with effective date 1 January 2014; following the expiration of his Board mandate Shohei Naito, left the Nomination and Remuneration Committee with effective date 29 April 2014.

Two Nomination and Remuneration Committee meetings were held in 2014. During the same period the Committee discussed 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 2014. The Committee also discussed the succession planning at the level of the Board and the Executive Committee.

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 and Remuneration Committee.

On 31 December 2014 the Executive Committee consisted of seven members including the Chief Executive Officer.

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 and 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 5 February 2014.

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 Chief Executive Officer, 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 2014, save for the 3,914,272 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 amended on 26 September 2014 following the cancellation of 8,000,000 own shares and a minor change in the wording of a specific provision.

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 2014 this authorization had not been used. It will lapse on 9 June 2016.

Following a resolution of the extraordinary shareholders' meeting held on 26 September 2014 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 until 31 May 2017 (included). The same authorization was also granted to the Company's direct subsidiaries. A total of 2,029,345 own shares were purchased by the Company in 2014 in implementation of the above authorization (or of the previous authorization granted on 30 April 2013) during 2014.

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. 162).

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

On 5 February 2014, 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 above decisions had/will have the following financial consequences:

a) Cash remuneration

The Chief Executive Officer received a fixed gross remuneration of € 660,000 in 2014. Also in 2014 he received a gross variable cash remuneration totalling € 175,000 as non-deferred part of his variable cash remuneration for the reference year 2013.

Furthermore he received in 2014 a gross amount of € 103,950 as first half of the deferred payment of his variable cash remuneration for the reference year 2012 based on the two year average group ROCE of the Umicore group for the reference years 2012 and 2013 (i.e. 15.2% giving rise to a percentage pay-out of 77%) and a gross amount of € 114,400 as the second half of the deferred payment of his variable cash remuneration for the reference year 2011 based on the three year average group ROCE of the Umicore group for the reference years 2011, 2012 and 2013 (i.e. 16.3% giving rise to a percentage pay-out of 88%).

In 2015 he will receive the first half of the deferred payment of his annual variable cash remuneration for the reference year 2013 based on the two year average group ROCE of the Umicore group for the reference years 2013 and 2014. The second half of the deferred payment of his annual variable cash remuneration for the reference year 2013 will be paid in 2016 and will based on the three year average group ROCE of the Umicore group for the years 2013, 2014 and 2015. The ROCE range is set between 7.5% (= payout of 0%) and a maximum of 17.5% (= pay-out of 100%). When the achieved ROCE percentage falls between any of the above targets, the pay-out will be pro-rated.

b) Grant of shares and stock options

The financial consequences for the Company consist of: either 1) as long as the Company decides to keep the shares it holds today: the financing and opportunity cost of maintaining such shares in its portfolio until the delivery date of the shares granted or the option's exercise date, or 2) if and to the extent that Umicore sells such shares at a later date: the difference on the date of exercise of the options between the exercise price and the market value of the shares that the Company would have to buy on that date.

During 2014, 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 29 April 2014 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 represented by BVBA Marc Daelman, represented by Marc Daelman for the exercise of this mandate.

The Umicore policy detailing the independence criteria for the statutory auditor may be requested from the Company.

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 "whistle-blower" 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.

2014 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 as well as prevailing international market conditions. 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

In order to determine adequate remuneration levels for its non-executive Directors Umicore conducted at the end of 2013 a survey of director's fees of Umicore against those of quoted companies on 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, which were reviewed by the Nomination & Remuneration Committee of 4 February 2014, demonstrated that the positioning of both the fees of the Chairman of the Board and those of the Board members was situated at the low end of the peer groups.

The Nomination & Remuneration Committee recommended to the Board to increase the number of Umicore shares granted to each non-executive director from 300 to 500, and for the Chairman of the Board from 500 to 1,000 effective in 2014. The Board of Directors of 5 February 2014 followed this proposal and decided to submit these changes to the approval of the shareholders. The annual shareholders' meeting of 29 April 2014 approved these changes.

The annual fixed fees and the fees per meeting attended in 2014 were maintained at the same level as in the prior year.

The remuneration of the non-executive Board members was as follows in 2014:

- **Chairman**: annual fixed fee: € 40,000 + € 5,000 per meeting attended + 1,000 Umicore shares.
- **Director**: annual fixed fee: € 20,000 + € 2,500 per meeting attended + 500 Umicore shares.

The remuneration of the Board Committee members was as follows in 2014:

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.

2014 Board remuneration overview

Name		(in €)	Meetings attended
Thomas Leysen (Chairman)	**Board**		
(non-executive director)	Fixed annual fee	40,000	
	Fee per attended meeting	5,000	7/7
	Value of 1,000 granted shares	34,660	
	Nomination & remuneration Committee		
	Fee per attended meeting	5,000	2/2
	Total remuneration	**119,660**	
	Benefits in kind company car	3,378	
Marc Grynberg	**Board**		
(executive director)	No remuneration as a director	-	7/7
	(see hereafter 2014 CEO remuneration)		
Isabelle Bouillot	**Board**		
(non-executive director)	Fixed annual fee	20,000	
	Fee per attended meeting	2,500	5/7
	Value of 500 granted shares	17,330	
	Total remuneration	**49,830**	
Uwe-Ernst Bufe	**Board**		
(non-executive director)	Fixed annual fee	20,000	
	Fee per attended meeting	2,500	5/7
	Value of 500 granted shares	17,330	
	Total remuneration	**49,830**	
Arnoud de Pret	**Board**		
(non-executive director)	Fixed annual fee	20,000	
	Fee per attended meeting	2,500	7/7
	Value of 500 granted shares	17,330	
	Audit Committee		
	Fixed annual fee	10,000	
	Fee per attended meeting	5,000	4/4
	Total remuneration	**84,830**	
Ines Kolmsee	**Board**		
(independent, non-executive director)	Fixed annual fee	20,000	
	Fee per attended meeting	2,500	7/7
	Value of 500 granted shares	17,330	
	Audit Committee		
	Fixed annual fee	5,000	
	Fee per attended meeting	3,000	3/4
	Total remuneration	**68,830**	
Barbara Kux	**Board**		
(independent, non-executive director)	Fixed annual fee	20,000	
Member of the Board since 1 January 2014	Fee per attended meeting	2,500	7/7
	Value of 500 granted shares	17,330	
	Nomination & Remuneration Committee		
	Fee per attended meeting	3,000	2/2
	Total remuneration	**60,830**	
	Umicore contribution to the Swiss social security	4,312	

Name		(in €)	Meetings attended
Shohei Naito	**Board**		
(independent, non-executive director)	Fixed annual fee	6,667	
End of mandate with AGM of 29 April 2014	Fee per attended meeting	2,500	3/3
	Value of 167 granted shares	5,788	
	Nomination & Remuneration Committee		
	Fee per attended meeting	3,000	1/1
	Total remuneration	**22,955**	
Jonathan Oppenheimer	**Board**		
(non-executive director)	Fixed annual fee	20,000	
	Fee per attended meeting	2,500	7/7
	Value of 500 granted shares	17,330	
	Total remuneration	**54,830**	
Rudi Thomaes	**Board**		
(independent, non-executive director)	Fixed annual fee	20,000	
	Fee per attended meeting	2,500	7/7
	Value of 500 granted shares	17,330	
	Nomination & Remuneration Committee		
	Fee per attended meeting	3,000	2/2
	Audit Committee		
	Fixed annual fee	5,000	
	Fee per attended meeting	3,000	4/4
	Total remuneration	**77,830**	
Klaus Wendel	**Board**		
(non-executive director)	Fixed annual fee	6,667	
End of mandate with AGM of 29 April 2014	Fee per attended meeting	2,500	3/3
	Value of 167 granted shares	5,788	
	Total remuneration	**19,955**	

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 the Executive Committee members 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 (share grant and incentive stock option plans) subject to a three year lock-up period, pension plans and other benefits.

The inclusion of Umicore shares and stock options as part of the remuneration of the CEO and the Executive Committee members reflects the commitment of the Board to create shareholder value. Shares and stock options are not linked to individual or business performance criteria. As a result the share based incentives should not be considered as a variable remuneration as meant under the Belgian Corporate Governance law of 6 April 2010 and are vested upon grant.

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 remuneration of the CEO and the Executive Committee members against BEL 20 companies and European peer companies.

In line with the Belgian law of 6 April 2010 on Corporate Governance, the payment of half of the variable remuneration is deferred and subject to multi-year targets or criteria.

Synthetic summary of the remuneration package of the CEO and the Executive Committee members

Time to cash conversion		
Current year	Fixed	Annual review based on market practices BEL 20 and European peer companies
15 months	Undeferred variable 50%	Fixed discretionary based on individual objectives
27 months	Deferred variable 25%	Based on Group ROCE and performance against 2 years plan (y, y-1) for CEO / CFO / CTO; for EVP performance against 2 years Business Group plan
39 months	Deferred variable 25%	Based on Group ROCE and performance against 3 years plan (y, y-1, y-2) for CEO / CFO / CTO; for EVP performance against 3 years Business Group plan
3 years	Shares	Grant in recognition of services rendered in the ref year - not linked to individual or business performance criteria - subject to a 3 year lock-up
3 to 7 years	Stock options	Upfront grant for the ref year - not linked to individual or business performance criteria - subject to a 3 year lock-up

The above remuneration components are defined and / or assessed by the Nomination and Remuneration Committee subject to Board approval.

CEO's remuneration package

Fixed remuneration

The fixed remuneration of the CEO is reviewed on an annual basis by the Nomination & Remuneration Committee.

Variable cash remuneration scheme and evaluation criteria

The CEO's annual variable cash remuneration potential currently 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 payout is deferred, is based (1) on the Umicore Group profitability criterion, i.e. the Return on Capital Employed (ROCE), as published in the annual report and (2) the degree of meeting the plan performance, as approved by the Board. The deferred payout 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 and the plan performance as reference. The other half is paid after a period of three years using as a reference the three year average ROCE and the plan performance. The ROCE range is set between 7.5% (= payout of 0%) and a maximum of 17.5% (= payout of 100% at plan performance). When the achieved ROCE percentage falls between any of the above targets, the payout will be pro-rated. In addition, the deferred payouts will furthermore be adjusted upwards or downwards depending on the degree of meeting the plan approved by the Board.

In case of any relevant structural change the Nomination & Remuneration Committee reserves the right to review and adjust the variable remuneration as appropriate.

At the beginning of every reference year the individual objectives of the CEO 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.

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.

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 respect of the year 2014 was 4,400 shares. The shares are subject to a three year lock-up and are not subject to forfeiture conditions.

Stock options are granted to the CEO as part of the annual Umicore Incentive Stock Option Plan approved by the Board of Directors. The number of stock options granted to the CEO currently amounts to 75,000. There is no vesting period and the options are subject to a three year lock-up. 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.

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 benefits.

Executive Committee Members' remuneration package

Fixed remuneration

The fixed remuneration of the Executive Committee members is reviewed on an annual basis by the Nomination & Remuneration Committee. The fixed remuneration can be different for each Executive Committee member and depends on criteria such as experience.

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 currently amounting to € 300,000, half of which involves an undeferred payout based on the annual individual performance (including adherence to the values of the Group, environmental and social performance).

The other half, involving a deferred payout, is based (1) on the Umicore Group ROCE profitability criterion, i.e. the Return on Capital Employed (ROCE), as published in the annual report and (2) the degree of meeting the plan performance, as approved by the Board. For the Chief Financial Officer and the Chief Technology Officer the plan performance is on Group level and for the Executive Vice-Presidents their respective Business Group plan performance. The deferred payout is assessed over a multi-year timespan, with half of it paid after a period of two years, using the two years average ROCE and the plan performance as reference. The other half is paid after a period of three years based on the three years average ROCE and the plan performance. The ROCE range is set between 7.5% (= payout of 0%) and a maximum of 17.5% (= payout of 100% at plan performance). When the achieved ROCE percentage falls between any of the above targets, the payout will be pro-rated. In addition, the deferred payouts will furthermore be adjusted upwards or downwards depending on the degree of meeting the plan approved by the Board.

In case of any relevant structural change the Nomination & Remuneration Committee reserves the right to review and adjust the variable remuneration as appropriate.

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.

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

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 each member of the Executive Committee in respect of the year 2014 was 3,700 shares. The shares are subject to a three year lock-up and are not subject to forfeiture conditions.

Stock options are granted to the Executive Committee members as part of the annual Umicore Incentive Stock Option Plan approved by the Board of Directors. The number of stock options granted to each Executive Committee member currently amounts to 17,500. There is no vesting period and the options are subject to a three year lock-up. 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.

Pension and other benefits

Pensions include both defined contribution plans and the service cost of defined benefit plans. Other benefits include representation allowances, company cars and insurance benefits.

Total CEO and Executive Committee remuneration for 2014

All components of the remuneration earned by the CEO and the Executive Committee Members for the reported year are detailed in the table below:

(in €)		CEO	Executive Committee (in aggregate)
Status		Self-employed	
Time to cash conversion			
Current year	Fixed	660,000	2,420,000
15 months	Undeferred Variable 50% (ref year 2014)	175,000	600,000
27 months	Deferred Variable 25% (ref year 2013)	72,900	243,000
39 months	Deferred Variable 25% (ref year 2012)	90,450	217,750
3 years	Shares	166,320	839,160
3 to 7 years	Stock options	319,113	446,760
Pension	Defined contribution plan	201,630	207,600
	Defined benefits plan (service cost)	98,002	461,631
Others benefits	Representation allowance, benefit in kind company car, insurance benefits	47,584	335,654
Total		**1,830,999**	**5,771,555**

G14 Share and share option ownership and transactions 2014

Executive Committee share option ownership and transactions 2014

Name	Options at 31 Dec 2013	Options granted in 2014	Number of options exercised	Average exercise price (in €)	Year of grant of options exercised	Number of options forfeited	Options at 31 Dec 2014*
Marc Grynberg	465,000	75,000	0			0	540,000
Stephan Csoma	16,000	17,500	2,500	22.30	2010	0	31,000
Denis Goffaux	63,500	17,500	3,500	22.30	2010	0	77,500
Hugo Morel	60,000	17,500	0			0	77,500
Filip Platteeuw	35,000	17,500	7,000	14.44/22.30	2009/2010	0	45,500
Pascal Reymondet	95,000	17,500	10,000	22.30	2010	0	102,500
Marc Van Sande	88,838	17,500	0			0	106,338

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

Details of all options exercised and other share-related transactions of Executive Committee or Board members can be found on **www.fsma.be**.

Executive Committee share ownership 2014

Name	Shares owned at 31/12/2013	Shares owned at 31/12/2014
Marc Grynberg	152,400	158,800
Stephan Csoma	500	3,500
Denis Goffaux	7,500	10,500
Hugo Morel	9,000	12,000
Filip Platteeuw	1,500	4,500
Pascal Reymondet	20,750	20,750
Marc Van Sande	9,000	12,000
Total	**200,650**	**222,050**

Board of Directors share ownership 2014

Name	Shares owned at 31/12/2013	Shares owned at 31/12/2014
Thomas Leysen	676,920	572,920
Isabelle Bouillot	900	1,400
Uwe-Ernst Bufe	900	1,400
Arnoud de Pret	5,900	6,400
Ines Kolmsee	805	1,305
Barbara Kux	0	500
Jonathan Oppenheimer	900	1400
Rudi Thomaes	1,205	1,705
Total	**687,530**	**587,030**

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, as well as Stephan Csoma and Filip Platteeuw whose employment agreements were 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, which were not formulated. 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 Reymondet has a German employment agreement signed on 1 March 1989. There is no contractual arrangement in case of termination and German law will be applicable.

G15 Changes to Remuneration since the end of 2014

Non-executive directors' remuneration

At the request of the Nomination & Remuneration Committee, Umicore conducted in end 2014 a survey of director's fees of Umicore against those of quoted companies on 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, which were reviewed by the Nomination & Remuneration Committee of 4 February 2015, demonstrated that the current non-executive Directors' remuneration package is in line with the market practices. The Nomination & Remuneration Committee recommended to the Board to keep the current remuneration package at the same level for 2015 and to allow for an extra fee of € 1,000 per attended Board meeting for foreign based Board members. The Board of Directors of 5 February 2015 followed this proposal and decided to submit this change to the approval of the shareholders.

CEO and Executive Committee remuneration package

On 4 February 2015 the Nomination & Remuneration Committee reviewed the remuneration package of the CEO and the Executive Committee members based on a comparison survey with European peer companies and BEL 20 index companies.

On proposal of the Nomination & Remuneration Committee, the Board of Directors of 5 February 2015 decided to leave the fixed gross remuneration of the CEO and the Executive Committee members unchanged in 2015 and to increase the number of Umicore shares granted to the Executive Committee members from 3,000 to 3,700 and to the CEO from 3,000 to 4,400.

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 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" (**http://www.umicore.com/en/vision/values/**) 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 165 control activities in 12 processes and 129 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. The majority of entities maintained or improved their compliance scores in 2014. MICR compliance is monitored by means of annual self-assessments to be signed off by the senior management. The outcome is reported to the Executive Committee and to the Audit Committee of the Board of Directors. The Internal Audit department reviews the compliance assessments during its missions. During 2015, the self-assessment process will be redesigned with the purpose to move from a judgemental to an objective methodology, and to allow implementation of the MICR framework intelligently tailored to each entity's operations and scope. The first tests of the new self-assessment will occur towards the end of 2015.

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 2014: Economic conditions improved in most of Umicore's end markets. and revenues were slightly above those of 2013. Earnings were lower, primarily as a result of the effect of lower metals prices on the earnings of the Recycling business group.

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 2014: Now that the main technology projects are well established, in 2014 the Executive Committee undertook five dedicated technology reviews compared to six reviews in 2013. These reviews focus on the technology developments that will be key to achieving Vision 2015 growth ambitions and cover 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 2014: Umicore made further progress in 2014 with regards to its efforts to demonstrate compliance with the Dodd Frank Act in the US. 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 Precious Metals Refining the Hoboken and Guarulhos facilities were awarded the conflict-free smelter certification by the London Bullion Market Association (LBMA) following an audit of processes and supply streams. A similar process and certification was undertaken by the Jewellery & Industrial Metals operations in Pforzheim and Bangkok together with the Responsible Jewelry Council (RJC). For more information see p.25. To access Umicore's conflict minerals policy see **http://www.umicore.com/en/media/topicsofinterest/conflictMinerals/**. For general comments on the progress in implementing Umicore's Sustainable Procurement Charter please see page 24-25 and note S8.

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 2014: No specific developments took place with regards to substitution risk during 2014.

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 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.

While the regulatory landscape may shift in the future, only a few of our substances feature today on the Candidate list for potential REACH authorization. In total, the products sold that contain these substances account for less than 0.5% of Umicore's revenues. The placing of a substance on the REACH "Candidate List" is designed as a first step in subjecting that substance to robust and detailed scientific evaluation of risk as a basis for its continued use or substitution if economically and technically feasible alternatives to that substance exist.

Comments on 2014: In 2014 Umicore submitted 20 upgraded dossiers for complex intermediate materials, prepared by several metals consortia, following a methodology jointly developed with Eurometaux and in dialogue with the European Chemicals Agency (ECHA). In addition, more than 30 dossiers were updated with additional information or newly available data. Most of these updates were proposed by the metal consortia themselves and one at the request of ECHA following a test proposal evaluation.

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 2014: No material changes took place with regards to the nature or management of the financial risks faced by Umicore during 2014.

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 2014 Umicore paid these suppliers some € 7.8 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 (**http://www.umicore.com/en/sustainable-procurement-charter/**). This charter forms the basis for the Vision 2015 objective on sustainable procurement. For information on the progress towards this objective please see page 24-25 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 48% of 2014 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 14,000 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 2014 Umicore paid a total of € 559 million in the form of salaries and other benefits to the employees of its fully consolidated companies. Social security payments totalled € 114 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 (see page 17 for details on the 2014 survey results).

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 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. Umicore operates a Group-wide learning management platform called "MyCampus" to support its Vision 2015 objectives of People Development and being considered a Preferred Employer. This platform also incorporates a social collaboration tool that facilitates knowledge sharing through the company.

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 2014 the company's shareholders were primarily situated in Europe and North America. For the latest information on the shareholder base please see **http://www.umicore.com/en/investors/**.

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 2014 22 brokerage firms published 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 (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 2014 please see pages 25-27 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 70 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 € 66 million in taxes as a result of its operations in 2014. Umicore and its employees also contributed a total of some € 114 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 € 7.6 million of grants were awarded in 2014 relating primarily to planned R&D projects. Some € 8.6 million of cash relating to previously-awarded grants was received in 2014. The company has a policy of not making donations to political parties or organizations.

In 2014 Umicore further intensified its efforts to guide public policy and 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 three main topics: resource efficiency, with policies dealing with waste and raw materials as well as particular emphasis on the ongoing developments for a Circular Economy in the EU; advanced materials as a key enabling technology for low carbon technologies; material technologies for the purification of exhaust gases from automobiles and trucks with combustion engines. Umicore's initiatives also encompass gaining access to EU and national government funding and innovation networks, particularly in the context of programmes that support the development of breakthrough technologies with environmental benefits.

In several cases Umicore experts are invited as members of working groups and panels initiated by European or national authorities. In this respect we play an active role, among others, in the European Innovation Partnership for Raw Materials, the High Level Group on Key Enabling Technologies and the ERA-MIN network on industrial handling of raw materials for European Industries. More recently, the project RawMatTERS under the Knowledge and Innovation Community on Raw Materials has been chosen/awarded by the European Institute of Innovation and Technology. Umicore is part of the more than 100 partners which builds this consortium to address the accessibility, availability and efficient use of raw materials in Europe.

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

- European Round Table of Industrialists (ERT)
- Eurometaux
- TransAtlantic Business Council
- Agoria (Belgian multi-sector federation for the technology industry)

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
- Energy Materials Industrial Research Initiative (EMIRI)
- European Association for Battery, Hybrid and Fuel Cell Electric Vehicles (AVERE)

Performance Materials

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

Recycling

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

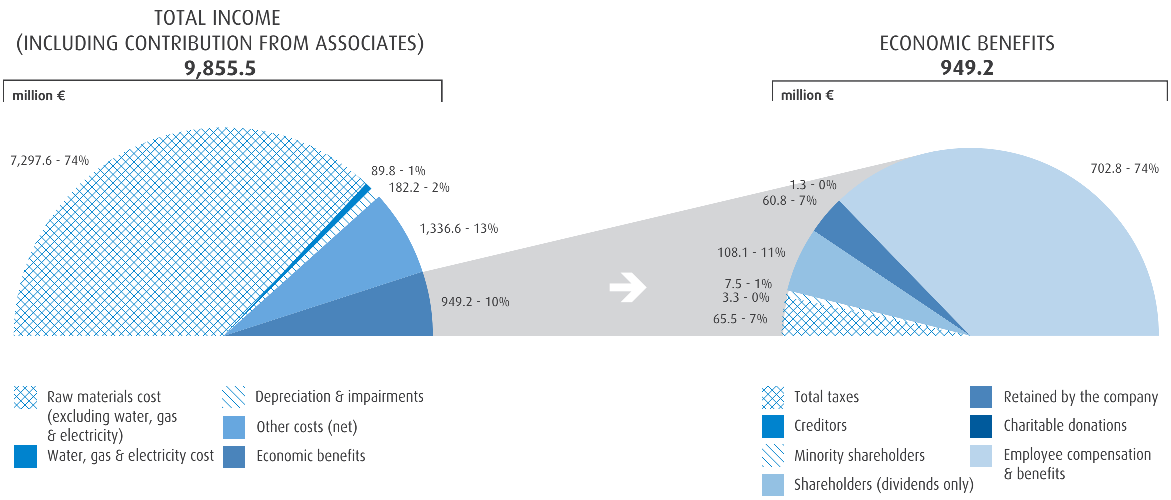
Several of Umicore's business units are signatories of the "Responsible Care" programme for the chemicals industry and some are also members of the European Chemical Industry Council (CEFIC).

G26 Distribution of economic benefits

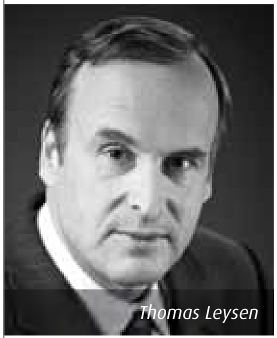
Of Umicore's total income, the most significant portion was used to secure the metal component of raw materials (the cost of which is passed through to the customer). After subtracting other raw materials costs, energy-related costs and depreciation, the remaining economic benefits available for distribution stood at € 949 million.

The biggest portion (€ 703 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 € 3 million, while taxes to the governments and authorities in the places where it operates, totalled € 66 million. The earnings attributed to minority shareholders were € 8 million.

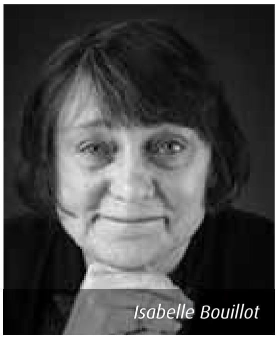
Subject to approval by shareholders at the AGM in April 2015, a gross dividend of € 1.00 per share will be distributed for the year 2014, resulting in a total provisional pay-out of € 108 million (using the number of shares outstanding at the end of 2014). Of this figure a portion was already paid out in September 2014 in the form of an interim dividend, and the remainder will be paid out in 2015. This is in line with Umicore's policy of paying a stable or gradually increasing dividend. Umicore bought back more than 10 million of its own shares in 2014 for a total sum of € 64 million. Although this is not included in the distribution charts it can also been considered as an indirect return to shareholders. Umicore spent some € 1.3 million on charitable donations.

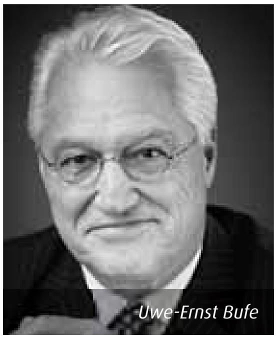


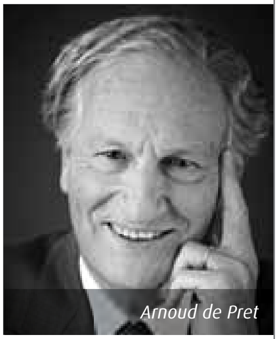
Board of Directors


Thomas Leysen


Marc Grynberg


Isabelle Bouillot


Uwe-Ernst Bufe


Arnoud de Pret

Thomas Leysen, 54

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 October 2011 he is Chairman of the Board of KBC Group, a banking and insurance group. He is also Chairman of Corelio, a Belgian media company. He also serves as director of the King Baudouin Foundation.

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, 49

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, 65

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 and Air France KLM.

Director since:
14 April 2004
Expiry of mandate: Ordinary General Meeting of 2016

Uwe-Ernst Bufe, 70

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 2015

Arnoud de Pret, 70

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 N.V.

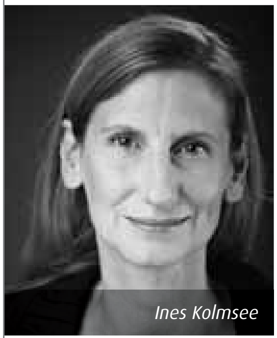
Director since:
10 May 2000
Expiry of mandate: Ordinary General Meeting of 2015
Member of the Audit Committee since: 1 January 2001
(Chairman since 26 April 2011)

Ines Kolmsee, 44

Independent, Non-Executive Director

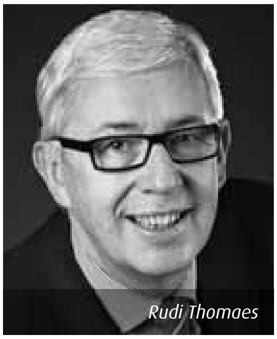
Ines Kolmsee holds several degrees in engineering (TU Berlin, Germany and Ecole des Mines de Saint-Etienne, France) as well as an MBA degree (Business School INSEAD – France/Singapore). From 2004 to 2014 she was Chief Executive Officer of SKW Stahl-Metallurgie Group, a specialty chemicals company with operations worldwide. Currently she is an entrepreneur in the energy (Rural Electrification) sector. She is also a member of the Supervisory Board of Fuchs Petrolub AG and Director of Suez Environnement S.A. In the past she occupied different positions, including as Chief Financial Officer at Arques Industries AG.

Director since:
26 April 2011
Expiry of mandate: Ordinary General Meeting of 2017
Member of the Audit Committee since: 26 April 2011


Ines Kolmsee


Barbara Kux


Jonathan Oppenheimer


Rudi Thomaes

Barbara Kux, 60
Independent,
Non-Executive Director

Barbara Kux holds an MBA with Distinction from INSEAD. She serves as a Member of the Board of Directors of Total, France, Firmenich, Switzerland and Pargesa Holding, Switzerland. She is also a Member of the Supervisory Board of Henkel, Germany. She was a member of the Managing Board at Siemens AG, where she was Head of Supply Chain Management and Chief Sustainability Officer. Prior to that, she held management positions in leading global companies and was a Management Consultant at McKinsey.

Director since:
1 January 2014
Expiry of mandate:
Ordinary General Meeting of 2017
Member of the Nomination and Remuneration Committee since:
1 January 2014

Jonathan Oppenheimer, 45
Non-Executive Director

Jonathan Oppenheimer has responsibility for various Oppenheimer Family investment activities across different asset classes. Within the group he chairs Tana Africa Capital, an Africa-focused joint venture with Temasek, and sits on a number of other boards. He was an Executive Director of De Beers S.A. from 2006-2012 where he held a number of different roles.

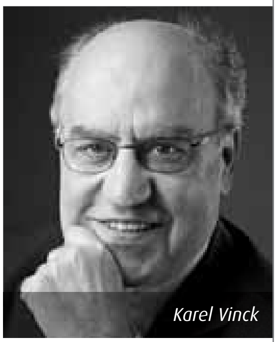
Director since:
5 September 2001
Expiry of mandate: Ordinary General Meeting of 2017

Rudi Thomaes, 62
Independent,
Non-Executive Director

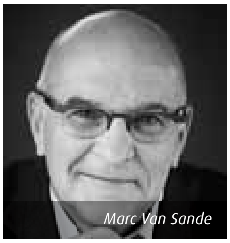
Mr. Thomaes studied law at the University of Antwerp. From 2004 until September 2012 he was the Chief Executive Officer of the Belgian employers' federation (FEB-VBO) and Regent of the National Bank of Belgium. He previously served as Managing Director and Chairman of the management committee of Alcatel Bell NV. He is currently Chairman of the Belgian Chapter of the International Chamber of Commerce, Chairman of the Beheersmaatschappij Antwerpen Mobiel (BAM) NV, Chairman of Restore NV, an Antwerp based energy technology start-up company, and independent director at Armonea NV.

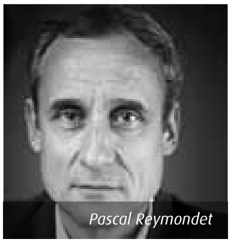
Director since:
24 April 2012
Expiry of mandate: Ordinary General Meeting of 2015
Member of the Audit Committee since: 30 April 2013
Member of the Nomination and Remuneration Committee since:
24 April 2012

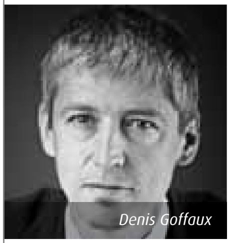
Karel Vinck
Honorary Chairman

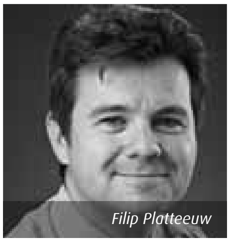

Karel Vinck

Executive Committee









Marc Grynberg, 49
Chief Executive Officer

Marc Grynberg was appointed Chief Executive Officer of Umicore in November 2008. He was head of the Group's Automotive Catalysts business unit from 2006 to 2008 and served as Umicore's CFO from 2000 to 2006. He joined Umicore in 1996 as Group Controller. Marc holds a Commercial Engineering degree from the University of Brussels (Ecole de Commerce Solvay) and, prior to joining Umicore, worked for DuPont de Nemours in Brussels and Geneva.

Hugo Morel, 64
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, 62
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 Reymondet, 55
Executive Vice-President Catalysis

Pascal Reymondet holds an MSc from Stanford University and an Engineering degree from the Ecole Centrale in Paris. He held different management positions within the Degussa group including management of the Port Elizabeth and Burlington automotive catalyst plants. He joined the Umicore Executive Committee in 2003 to be in charge of the Precious Metals Products group. In September 2007, he was appointed 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, 47
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, 50
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 retained oversight responsibility for Government Affairs.

Filip Platteeuw, 42
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

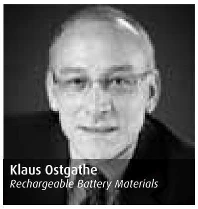

Matthias Grehl
Precious Metals Chemistry


Franz-Josef Kron
Automotive Catalysts Operations


Joerg Von Roden
Automotive Catalysts Sales & Marketing

Energy Materials


Michel Cauwe
Thin Film Products


Klaus Ostgathe
Rechargeable Battery Materials


Arjang Roshan
Electro-Optic Materials


Jan Vliegen
Cobalt & Specialty Materials

Performance Materials


Joerg Beuers
Technical Materials

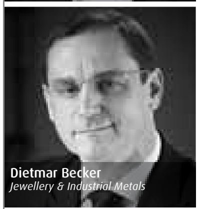

Koen Demesmaeker
Zinc Chemicals

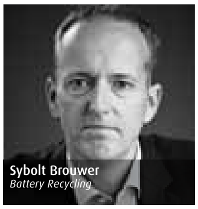

Thomas Engert
Electroplating


Jürgen Leyrer
Platinum Engineered Materials

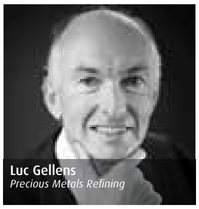

Pierre Van de Bruaene
Building Products

Recycling


Dietmar Becker
Jewellery & Industrial Metals


Sybolt Brouwer
Battery Recycling


Bernhard Fuchs
Precious Metals Management


Luc Gellens
Precious Metals Refining

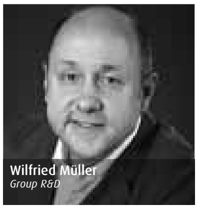
Corporate & Regions


Guy Beke
Strategic Projects


Ignace De Ruijter
Human Resources


Guy Ethier
Environment, Health & Safety


Egbert Lox
Government Affairs


Wilfried Müller
Group R&D


Géraldine Nolens
Legal Affairs


David Fong
China


Ravila Gupta
North America


Marcos Lucchese
South America


Andreas Tiefenbacher
Japan

Assurance reports

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STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING ON THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

In accordance with the legal requirements, we report to you on the performance of our mandate of statutory auditor. This report includes our opinion on the consolidated financial statements, as well as the required additional statement. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2014, 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.

Report on the consolidated financial statements – Unqualified opinion

We have audited the consolidated financial statements of Umicore ("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. The total of the consolidated balance sheet amounts to EUR (000) 3.851.368 and the consolidated income statement shows a profit for the year (Group share) of EUR (000) 170.603.

Board of directors' responsibility for the preparation of the consolidated financial statements

The 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 determines, 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 (ISAs). 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 board of directors and the company's officials 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 opinion.

Unqualified Opinion

In our opinion, the consolidated financial statements set forth on pages 51 to 120 of the Annual Report 2014 give a true and fair view of the Group's net equity and consolidated financial position as at 31 December 2014 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 context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we provide the following additional statement which does not impact our opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements set forth on pages 1 to 50 and 121 to 194 of the Annual Report 2014 includes the information required by law, is consistent with the consolidated financial statements and does not present any material inconsistencies with the information that we became aware of during the performance of our mandate.

Sint-Stevens-Woluwe, 12 March 2015

The Statutory Auditor
PwC Bedrijfsrevisoren BCVBA
Represented by

Marc Daelman*
Registered Auditor
*Marc Daelman BVBA
Board Member, represented by its fixed representative,
Marc Daelman

PwC Bedrijfsrevisoren cvba, burgerlijke vennootschap met handelsvorm - PwC Reviseurs d'Entreprises scrl, société civile à forme commerciale - Financial Assurance Services
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T: +32 (0)2 710 4211, F: +32 (0)2 710 4299, www.pwc.com
BTW/TVA BE 0429.501.944 / RPR Brussel - RPM Bruxelles / ING BE43 3101 3811 9501 - BIC BBRUBEBB / RBS BE89 7205 4043 3185 - BIC ABNABEBR

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INDEPENDENT LIMITED ASSURANCE REPORT ON THE ENVIRONMENTAL AND SOCIAL STATEMENTS OF THE ANNUAL REPORT 2014 OF UMICORE AND ITS SUBSIDIARIES

This report has been prepared in accordance with the terms of our engagement contract dated 30 June 2014, whereby we have been engaged to issue an independent limited assurance report in connection with the Environmental and Social Statements as of and for the year ended 31 December 2014 in the accompanying Annual Report 2014 of Umicore and its subsidiaries (the "Report").

Responsibility of Board of Directors

The Board of Directors of Umicore ("the Company") is responsible for the preparation of the information and data in the Environmental and Social Statements set forth in the Report of Umicore 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 125 to 153 and 190 to 194 ("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.

Auditor's Responsibility

Our responsibility is to express an independent conclusion about the Subject Matter Information set forth in the Report based on the work we have performed. We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial 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 nothing has come to our attention that causes us to believe that the Subject Matter Information is not fairly stated, in all material respects, based on the Criteria.

The objective of a limited-assurance engagement is to perform the procedures we consider necessary to provide us with sufficient appropriate evidence to support the expression of a conclusion in the negative form on the Subject Matter Information. The selection of such procedures depends on our professional judgment, including the assessment of the risks of management's assertion being materially misstated. The scope of our work comprised 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 2014 on pages 125 to 153 of the Annual Report 2014;
- 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 Limited Assurance Report should therefore be read in connection with the Criteria.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our audit firm applies International Standard on Quality Control (ISQC) n° 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Conclusion

Based on our work, as described in this Independent Limited 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 2014 on pages 125 to 153 of the Annual Report of Umicore and its subsidiaries, and Umicore's assertion that the report meets the requirement GRI G3.1 application level B+, is not fairly stated, in all material respects, in accordance with the Criteria.

Restriction on Use and Distribution of our Report

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 2014 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.

Sint-Stevens-Woluwe, 12 March 2015

PwC Bedrijfsrevisoren bcvba
Represented by

Marc Daelman*
Registered auditor

*Marc Daelman BVBA
Board Member, represented by its fixed representative,
Marc Daelman

PwC Bedrijfsrevisoren cvba, burgerlijke vennootschap met handelsvorm - PwC Reviseurs d'Entreprises scrl, société civile à forme commerciale - Risk Assurance Services
Maatschappelijke zetel/Siège social: Woluwe Garden, Woluwedal 18, B-1932 Sint-Stevens-Woluwe
T: +32 (0)2 710 4211, F: +32 (0)2 710 4299, www.pwc.com
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Glossary

Economic definitions

API – active pharmaceutical ingredient

Biologically active substance used in pharmaceutical products.

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.

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 (CPV)

A technique to concentrate solar energy in a photovoltaic panel using magnifying lenses or mirrors.

Contact material

Materials (usually containing silver) that are used for their conductive properties in electrical applications eg for switches.

Diesel particulate filter (DPF)

A device designed to remove diesel particulate matter or soot from the exhaust gas of a diesel engine.

Dodd Frank Act

Full title: Dodd–Frank Wall Street Reform and Consumer Protection Act. The Dodd Frank Act aims to promote the financial stability of the United States by improving accountability and transparency in the financial system.

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 VI

European emission standard for exhaust emissions of heavy duty vehicles implemented in January 2014.

Euro 6

European emission standard for exhaust emissions of new passenger vehicles set for implementation in 2014.

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.

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. pHEV is a plug-in hybrid vehicle the battery of which can be charged using external electricity source.

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.

LCO – lithium cobaltite

Cathode material used in lithium ion rechargeable batteries, particularly suited for portable electronic applications. .

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.

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.

MOCVD – metal organic chemical vapour deposition

Method used to produce single or polycrystalline thin films on a substrate.

NMC – Lithium (Nickel-Manganese-Cobalt) oxide

Relatively new type of cathode material, which is used in the emerging (H)EV market and also more and more in portable electronic applications.

OECD

Organization of Economic Co-operation and Development.

OEM

Original equipment manufacturer. In the automotive industry context it refers to car manufacturers.

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.

Precursor

Chemical substance that participates in the chemical reaction that produces another compound.

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.

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, excluding capitalized R&D costs.

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:

a) transactional hedges, which implies that hedged items can no longer be measured at fair value, or

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

c) Derivatives embedded in executory contracts, which implies that the change in fair value on the embedded derivatives must be recognized in the income instatement as opposed to the executory component where the fair value change in the income statement cannot be recognized.

Market capitalization

Closing price x total number of outstanding shares.

Net financial debt

Non-current financial debt + current financial debt - cash and cash equivalents.

Non-recurring EBIT

Includes non-recurring items related to restructuring measures, impairment of assets, and other income or expenses arising from events or transactions that are clearly distinct from the ordinary activities of the company. Any writedowns on those metal inventories permanently tied up in operations are part of the non-recurring EBIT of the business groups.

Outstanding shares

Issued shares – treasury shares.

Recurring EBIT

EBIT - non-recurring EBIT - IAS 39 effect.

Recurring EBIT margin

Recurring EBIT of fully consolidated companies / revenues excluding metals.

Recurring EBITDA

Recurring EBIT + recurring depreciation and amortization of fully consolidated companies.

Recurring effective tax rate

Recurring tax charge / recurring profit (loss) before income tax of fully consolidated companies.

Recurring EPS

Recurring net earnings, Group share / average number of (issued shares – treasury shares).

Return on capital employed (ROCE)

Recurring EBIT / average capital employed.

Revenues (excluding metal)

All revenue elements - value of purchased metals.

Revenues by 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

Net research and development charges of fully consolidated activities (ie excluding R&D income such as research grants). Includes capitalized 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.

CO_2 equivalent

The universal unit of measurement to indicate the global warming potential (GWP) of each of the six greenhouse gases, expressed in terms of the GWP of one unit of carbon dioxide. It is used to evaluate releasing (or avoiding releasing) different greenhouse gases against a common basis.

Combined Heat Power Cogeneration

The use of heat to generate electricity.

Concentrates

Ore or metal separated from its containing rocks or earth.

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 physical, chemical and toxicological properties of a product.

Decibel

Unit of noise level.

EHS

Environment, health & safety.

Employee turnover

Expressed in terms of voluntary leavers: number of employees leaving at their own will (excluding lay-offs, retirement, and end of fixed-term contract). This number is related to the total workforce.

Excess reading

A result of a biological monitoring analysis that exceeds the (internal) target level.

Frequency rate lost time accidents

Number of lost time accidents per million hours worked. Accidents on the road to and from work are excluded.

Global warming potential

A factor describing the radiative forcing impact (degree of harm to the atmosphere) of one unit of a given greenhouse gas relative to one unit of CO_2.

Greenhouse gases

GHGs are the six gases listed in the Kyoto Protocol: carbon dioxide (CO_2); methane (CH_4); nitrous oxide (N_2O); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); and sulphur hexafluoride (SF_6).

Hours of training per person

Average number of training hours per employee - including internal and external training and training on-the-job. Training on-the-job can include the hours a person is being trained on the shop-floor, without being fully productive. The total number of training hours is divided by the total workforce.

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 (LCA)

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.

PNEC

Predicted no effect concentrations representing the concentration of a chemical which has no predicted effect on the environment.

Process emissions

Emissions generated from manufacturing processes, such as the CO_2 that is arising from the breakdown of calcium carbonate ($CaCO_3$).

Process safety

Safety issues related to the use and storage of hazardous chemical substances that may present a hazard to the employees, neighbouring people and the environment.

REACH

'Registration, Evaluation and Authorization of Chemicals'; EU chemicals policy.

Recordable injury

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

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.

Scope 1, 2, 3 CO_2e emissions

Scope 1 CO_2e emissions: A reporting organization's direct GHG emissions.

Scope 2 CO_2e emissions: A reporting organization's GHG emissions associated with the generation of electricity, heating/ cooling, compresses air or steam purchased for own consumption.

Scope 3 CO_2e emissions: A reporting organization's indirect emissions other than those covered in Scope 2.

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.

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 2014
General		
Strategy and analysis		
1.1	CEO and Chairman statement	6-7
1.2	Description of key impacts, risks, and opportunities.	6-7; 3; Corporate governance statements: G18
Organizational profile		
2.1	Name of the organization	Front cover
2.2	Primary brands, products and services	1; 3; 5; 8-13; 28; 32; 36; 40
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	1; 3-5; 28; 32; 36; 40; Corporate governance statements: G2; Economic and financial statements: F5, F17
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	5; Social statements: S2
2.6	Nature of ownership and legal form	Back cover
2.7	Markets served	1-3; 5; 8-13; 28-43
2.8	Scale of the organization	4-5; Social statements: S2; Economic and financial statements: consolidated balance sheet
2.9	Significant changes in size, structure or ownership	4-5; Social statements: S2; Economic and financial statements: consolidated balance sheet
2.10	Awards received in 2014	13; 16; 43; Social statements: S4
Report parameters		
3.1	Reporting period	Front cover; Inside front cover; 196; Environmental statements: E2
3.2	Date of most recent report	Annual reports: http://annualreport.umicore.com/home/
3.3	Reporting cycle	Front cover; Inside front cover; Annual reports: http://annualreport.umicore.com/home/
3.4	Contact points for questions regarding the report or its content	Inside back cover; General: tim.weekes@umicore.com; Financial: evelien.goovaerts@umicore.com; Social: mark.dolfyn@umicore.com; Environmental: bert.swennen@umicore.com;
3.5	Process for defining report content	196; Corporate governance statements: Stakeholder engagement
3.6	Boundary of the report	196; Social statements: S1, S8, S9, S10; Environmental statements: E1, E3, E8, E9
3.7	Limitations on the scope or boundary of the report	196; Social statements: S1, S8, S9, S10; Environmental statements: E1, E3, E8, E9
3.8	Basis for reporting on joint ventures & subsidiaries	196; Social statements: S1; Environmental statements: E1; Economic and financial statements: F17; Corporate governance statements: G24
3.9	Data measurement techniques and the bases of calculations	196; Social statements: S1-S10; Environmental statements: E1-E10; Economic and financial statements: F1
3.10	Explanation of the effect of any restatements of information provided in earlier reports, and the reason for such re-statement	196; Social statements: S1, S9, S10; Environmental statements: E1; General management approach: http://annualreport.umicore.com/management-review/group-review/management-approach/
3.11	Significant changes from previous reporting period in scope, boundary or measurement	196; Social statements: S1, S8, S9, S10; Environmental statements: E1, E2; E3
3.12	GRI Index	196; This page

GRI Reference	Indicator	Page reference in Annual Report 2014
3.13	Assurance	196; General management approach: http://annualreport.umicore.com/management-review/group-review/management-approach/general-approach/; Supervision and compliance: http://www.umicore.com/en/corporate-governance/supervision-compliance/
Governance, commitments and engagement		
4.1	Governance structure of the organization	Corporate governance statements: G2, G4, G5; General management approach: http://annualreport.umicore.com/management-review/group-review/management-approach/
4.2	Non-executive status of Chairman	180; Corporate governance statements: G2
4.3	Number, gender and status of Board members as independent and executive / non-executive	180-181; 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/en/corporate-governance/
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/en/corporate-governance/
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/en/corporate-governance/
4.7	Process for determining the qualifications or expertise of the members of the highest governance body	Corporate Governance Charter: http://www.umicore.com/en/corporate-governance/corporate-governance-charter/
4.8	Internal guidelines and policies	Corporate governance statements: G1; G9; The Umicore Way: http://www.umicore.com/en/vision/values/#materialsforabetterlife; Corporate Governance Charter and Code of Conduct: http://www.umicore.com/en/corporate-governance/
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/en/corporate-governance/corporate-governance-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
4.13	Membership of industry associations	Corporate governance statements: G25
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/en/vision/our-vision/sustainability/
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/en/vision/our-vision/sustainability/
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://annualreport.umicore.com/management-review/group-review/management-approach/general-approach/; Approach to Stakeholder engagement: http://www.umicore.com/en/vision/our-vision/sustainability/
Disclosure on management approach		
5		Disclosures on management approach: http://annualreport.umicore.com/management-review/group-review/management-approach/

GRI Reference	Indicator	Page reference in Annual Report 2014
Economic indicators		
Economic performance		
EC1 (CORE)	Economic value generated and distributed	4-5; 8-13; 28-43; 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	20-21; Corporate governance statements: G18; Environmental Management Approach: http://annualreport.umicore.com/management-review/group-review/management-approach/environment/Approach/; The Umicore Way: http://www.umicore.com/en/vision/values/#materialsforabetterlife
EC3 (CORE)	Coverage of the organization's defined benefit plan obligations	Economic and 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	4; 25-27; Social statements: S5; Environmental statements: E8; Corporate governance statements: G25
Environmental indicators		
Materials		
EN2 (CORE)	Percentage of materials used that are recycled input materials	5; 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	10-12; 20-22; 32-34; Environmental statements: E4; Umicore's position statements on carbon footprint reduction: http://annualreport.umicore.com/management-review/group-review/management-approach/environment/positionStatements/carbonReduction.htm (partially reported)
EN7 (ADDITIONAL)	Inititatives to reduce indirect energy consumption and reductions achieved	20-22; Social statements: S8; Umicore's position statements on carbon footprint reduction: http://annualreport.umicore.com/management-review/group-review/management-approach/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	20-21; 30; 35; 38; 42-43; Environmental statements: E3

GRI Reference	Indicator	Page reference in Annual Report 2014
EN20 (CORE)	NO_x SO_x and other significant air emissions by type and weight	Environmental statements: E2
EN21 (CORE)	Total water discharge by quality and destination	Environmental statements: E2
EN22 (CORE)	Total weight of waste by type and disposal method	Environmental statements: E7
Products and services		
EN26 (CORE)	Initiatives to mitigate environmental impacts of products and services	20-23; 30-31; 35; 38; 42-43; Environmental statements: E2, E6 (partially reported)
Labour practices and decent work		
Employment		
LA1 (CORE)	Total workforce by employment type and region	4-5; Social statements: S2
LA2 (CORE)	Total number and rate of employment turnover	4-5; 16; 19; Social statements: S4
Labour/management relations		
LA4 (CORE)	Percentage of employees covered by collective bargaining agreements	Social statements: S6
Occupational health and safety		
LA7 (CORE)	Rates of injury, occupational diseases, lost days and absenteeism and number of work-related fatalities by region	4; 14-15; 18; 29-30; 33-35; 37-38; 41-42; Social statements: S9, S10 (partially reported)
LA9 (ADDITIONAL)	Health and safety topics covered in formal agreements with trade unions	19; Social statements: S6; Sustainable Development Agreement: http://annualreport.umicore.com/management-review/group-review/management-approach/social/sustDevAgreement/show_2011SDAgreement.pdf
Training and education		
LA10 (CORE)	Average hours of training per year per employee by employment category	4; 15-16; Social statements: S3
LA12 (ADDITIONAL)	Percentage of employees receiving regular performance and career development reviews	16; 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	180-183; 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	24-25; 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	15-16; Social statements: S8; All employees receive informal training on the Code of Conduct: http://www.umicore.com/en/corporate-governance/code-of-conduct/
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://annualreport.umicore.com/management-review/group-review/management-approach/social/sustDevAgreement/show_2011SDAgreement.pdf

GRI Reference	Indicator	Page reference in Annual Report 2014
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://annualreport.umicore.com/management-review/group-review/management-approach/social/sustDevAgreement/show_2011SDAgreement.pdf
Forced and compulsory labour		
HR7 (CORE)	Operations identified as having significant risk for incidents of forced or compulsory labour and measures taken to contribute to the elimination of forced or compulsory labour	Social statements: S6, S8; Sustainable Development Agreement: http://annualreport.umicore.com/management-review/group-review/management-approach/social/sustDevAgreement/show_2011SDAgreement.pdf
Society		
Local communities		
SO1 (CORE)	Percentage of operations with implemented local community engagement, impact assessments, and development programs	25-27; Social statements: S5
Corruption		
SO2 (CORE)	Percentage and total number of business units analysed for risks related to corruption	Corporate governance statements: G15; G24; Umicore is signatory of PACI
SO3 (CORE)	Percentage of employees trained in organization's anti-corruption policies and procedures	All employees receive informal training on the Code of Conduct: http://www.umicore.com/en/corporate-governance/code-of-conduct/ when joining the company
Public policy		
SO5 (CORE)	Public policy positions and participation in public policy development and lobbying	Corporate governance statements: G25
SO6 (ADDITIONAL)	Total value of financial and in-kind contribution to political parties, politicians and related institutions	Corporate governance statements: G25
Product responsibility		
Customer health and safety		
PR1 (CORE)	Life cycle stages in which health and safety impacts of products and services are assessed for improvement and percentage of significant products and service categories subject to such procedures	22-23; 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	22-23; Environmental statements: E6

Notes

About this report

Umicore's Annual Report 2014 offers a comprehensive and integrated view of Umicore's economic, financial, environmental and social performance for 2014.

The report consists of two sections – a Management Review and a statements section. The Management Review (pages 1 to 43) provides an introduction to Umicore and focuses on the key performance aspects of 2014 as they relate to Umicore's Vision 2015 strategy. The statements section (pages 44 to 196) includes full financial, environmental, social & governance statements and notes. All elements of the Annual Report 2014 can be consulted at Umicore's on-line reporting centre at http://annualreport.umicore.com/.

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 2014 covers Umicore's operations for the financial / calendar year 2014. No major changes of scope took place in 2014. This report represents the fourth 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 2010

The economic scope of the report covers all fully consolidated operations. In addition, the financial contributions of all associate and joint venture companies are included in the financial reporting. The scope of the environmental and social elements of the report is limited to the fully consolidated entities – any divergence from this scope is explained in the relevant chapter or note in the report.

Data

The data for the economic and financial elements of the report are collected through the company's financial management and consolidation process. The environmental and social data is collected through environmental and social data management systems and integrated into a central reporting tool, along with the economic and financial data.

Assurance

This report has been independently verified by PwC Bedrijfsrevisoren/Réviseurs d'Entreprises (PwC). PwC's audit of financial information is based on full set of IFRS consolidated financial statements on which it has expressed an unqualified opinion. This full set of IFRS consolidated financial statements and the auditor's report thereon, can be found on pages 52 to 123 and page 184 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 125 to 153. The independent auditor's report of PwC on the social and environmental statements can be found on page 185 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 190 to 194. 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 (http://annualreport.umicore.com/management-review/group-review/management-approach/) and should be considered as part of this report.

Financial calendar (1)

28 April 2015
General meeting of shareholders (financial year 2014)
Trading update for the first quarter of 2015

30 April 2015
Share traded ex-dividend

5 May 2015
Payment of dividend starts

31 July 2015
Interim results for the first half of 2015

22 October 2015
Trading update for the third quarter of 2015

Feedback

Let us know what you think about this report.
Send an E-mail 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: http://annualreport.umicore.com/

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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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