Press release
Regulated information
29 July 2016 - 07:30 CET

HALF YEAR RESULTS 2016

Highlights

Revenues were up 1% and recurring EBIT increased by 3% year on year. Strong growth in Automotive Catalysts and Rechargeable Battery Materials more than offset the impact of lower metal prices on the various recycling activities.

- Revenues of € 1.4 billion (+1%)
- Recurring EBITDA of € 259 million (stable versus first half of 2015)
- Recurring EBIT of € 176 million (+3%)
- ROCE of 14.6% (versus 14.4% in the first half of 2015)
- Recurring net profit (Group share) of € 111 million (-15%)
- Recurring EPS of € 1.03 (-15%)
- Net debt at € 298 million corresponding to a gearing ratio of 14.3%

Growth investments in clean mobility and recycling continue and capital expenditures amounted to € 86 million in the first half. Umicore is accelerating its expansion investments for cathode materials for automotive applications and will triple its capacity by 2018. In Recycling, the ramp-up of the 40% capacity expansion in the Hoboken plant has started.

Umicore has reached an agreement to sell its Zinc Chemicals business unit to OpenGate Capital. The transaction is expected to be closed during the second half of 2016, subject to customary regulatory approvals.

Non recurring elements amounted to a charge of € 68 million to EBIT, mainly related to the fine imposed by the French Competition Authority on Umicore in relation to its Building Products activities in France and expected to be paid in the third quarter. Umicore disputes the decision, including the imposed fine and will appeal.

An interim dividend of € 0.60 per share will be paid out in August. In line with the dividend policy, the amount corresponds to half the annual dividend declared for the financial year 2015.

Outlook

Umicore expects full year recurring EBIT to be in the range of € 345 - € 365 million* assuming current metal prices continue to prevail.

*Including the contribution of Zinc Chemicals for the full year

Note: In accordance with IFRS 5 no depreciation charges were recognized for the discontinued operations as from the second half of 2015. All comparisons are made with the first half of 2015, unless mentioned otherwise. All Group KPIs include the discontinued operations.

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Key figures
(in million €)

	H1 2015	H2 2015	H1 2016
Turnover*	5,441.5	5,000.4	5,165.2
Revenues (excluding metal)	1,335.5	1,293.4	1,354.4
Recurring EBITDA	260.0	244.7	258.8
Recurring EBIT	171.1	159.2	175.7
of which associates	8.7	5.6	7.6
Non-recurring EBIT	(29.8)	(45.1)	(67.6)
IAS 39 effect on EBIT	(3.4)	0.7	(3.5)
Total EBIT	137.9	114.8	104.6
Recurring EBIT margin	12.2%	11.9%	12.4%
Average weighted net interest rate	1.56%	1.55%	1.80%
Effective recurring tax rate	23.81%	18.61%	25.63%
Recurring net profit, Group share	130.6	115.4	111.4
Net profit, Group share	90.1	79.1	45.6
R&D expenditure	73.0	71.5	78.2
Capital expenditure	100.0	140.3	86.0
Net cash flow before financing	44.3	74.6	74.4
Total assets, end of period	4,152.4	4,030.1	4,088.4
Group shareholders' equity, end of period	1,790.2	1,731.6	1,727.7
Consolidated net financial debt, end of period	314.2	321.3	297.5
Gearing ratio, end of period	14.6%	15.3%	14.3%
Average net debt / recurring EBITDA	58.9%	64.9%	59.8%
Capital employed, end of period	2,429.6	2,414.5	2,391.4
Capital employed, average	2,382.4	2,422.0	2,402.9
Return on capital employed (ROCE)	14.4%	13.1%	14.6%
Workforce, end of period (fully consolidated)	10,386	10,429	10,408
Workforce, end of period (associates)	3,709	3,301	3,192
Accident frequency rate	2.92	2.63	2.95
Accident severity rate	0.08	0.09	0.87

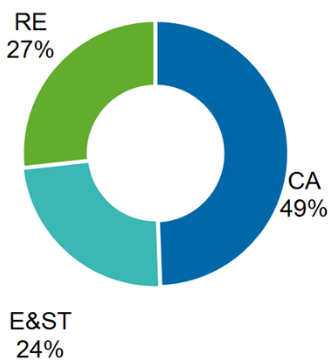
* including the elimination of the transactions between continued and discontinued operations

Key figures per share

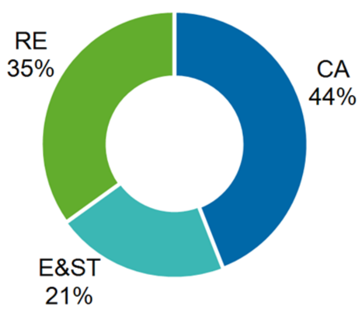
(in € / share)	H1 2015	H2 2015	H1 2016
Total number of issued shares, end of period	112,000,000	112,000,000	112,000,000
of which shares outstanding	108,960,216	108,072,466	108,981,475
of which treasury shares	3,039,784	3,927,534	3,018,525
Average number of shares outstanding			
basic	108,530,176	108,363,976	108,538,699
diluted	109,099,959	108,846,092	109,098,483
Recurring EPS	1.20	1.07	1.03
Basic EPS	0.83	0.73	0.42
Diluted EPS	0.83	0.73	0.42
Dividend	0.50	0.70	0.60
Net cash flow before financing, basic	0.41	0.69	0.69
Total assets, end of period	38.11	37.29	37.51
Group shareholders' equity, end of period	16.43	16.02	15.85

Segment split

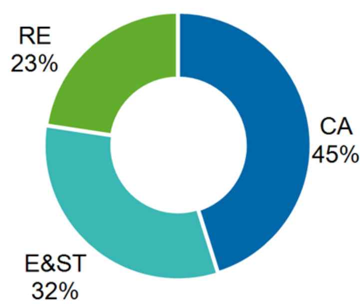
Revenues
(excluding metal)



EBIT
(recurring)



Capital employed
(average)



CA = Catalysis, E&ST = Energy & Surface Technologies, RE = Recycling
Corporate not included

Catalysis

Catalysis key figures (in million €)	**H1 2015**	**H2 2015**	**H1 2016**
Total turnover	1,403.7	1,345.6	1,395.3
Total revenues (excluding metal)	549.0	544.6	598.0
Recurring EBITDA	85.0	87.4	102.3
Recurring EBIT	61.2	62.9	77.6
of which associates	5.0	3.7	5.1
Total EBIT	55.8	60.1	76.3
Recurring EBIT margin	10.2%	10.9%	12.1%
R&D expenditure	45.6	45.6	51.2
Capital expenditure	33.4	45.3	22.8
Capital employed, end of period	949.4	968.2	895.6
Capital employed, average	900.4	958.8	931.9
Return on capital employed (ROCE)	13.6%	13.1%	16.6%
Workforce, end of period (fully consolidated)	2,362	2,443	2,495
Workforce, end of period (associates)	166	168	172

Overview and outlook

Revenues and earnings for Catalysis increased by 9% and 27% respectively, driven by strong growth in Automotive Catalysts.

It is anticipated that demand levels and product mix in Automotive Catalysts will remain strong in the second half of the year and full year revenues and earnings should be well up for the business group.

H1 2016 Business Review

Revenues and earnings for **Automotive Catalysts** were significantly up compared to the same period last year, reflecting primarily strong volume growth and a more supportive product and regional mix in the light-duty vehicles segment. Higher revenues were also achieved for catalysts for heavy-duty diesel vehicles, with demand particularly robust in Europe. The production lines for heavy-duty-diesel applications in France and China are now fully ramped up.

The global light-duty vehicle market grew by 2.2%, driven largely by solid growth in Europe, China and North America. Umicore's volumes and revenues grew strongly year on year and at a faster rate than the global car market and in most regions.

In Europe, Umicore's volumes and revenues grew substantially and well above the 4.2% growth of the market. The mix further improved with a higher share of diesel catalysts following the rollout of Euro 6b compliant platforms. Demand for gasoline catalysts was also higher due to the success of previously introduced gasoline platforms and the increasing penetration of the more efficient direct injection gasoline engines, to which Umicore is well exposed. The production plant in Poland is now fully ramped-up for the European market.

In North America, Umicore’s volumes were slightly down due to a relatively lower exposure to the Asian OEM’s who were the main force behind the 3.8% market growth in this region. Revenues, however, kept pace with the market, due to a good platform mix. Umicore expanded its test lab at the technology development center in Auburn Hills, Michigan. In South America, Umicore’s volumes and revenues were down, albeit less than the car market, which is still depressed and in decline.

In China, Umicore’s volumes and revenues were well above the 5.9% market growth, driven by a good platform and customer mix. In South Korea, the business unit’s revenues and volumes were higher reflecting a good platform mix. Volumes and revenues were also well up for Japanese OEM’s globally, where Umicore’s strategy to increase its global market share continues to take effect. In India, a good platform mix contributed to Umicore’s volumes and revenues outperforming the healthily growing market. Construction of the new catalyst plant in Thailand is nearing completion and commissioning is scheduled for the third quarter of this year.

Revenues in **Precious Metal Chemistry** were stable year on year. Higher revenues for organic compounds used in bulk chemicals and life science applications were offset by, amongst others, lower order levels of active pharmaceutical ingredients and weaker demand in South America for inorganic chemicals used in catalytic applications.

Energy & Surface Technologies

Energy & Surface Technologies key figures (in million €)	**H1 2015**	**H2 2015**	**H1 2016**
Total turnover	756.5	717.9	683.6
Total revenues (excluding metal)	297.7	289.1	288.3
Recurring EBITDA	60.6	51.9	59.1
Recurring EBIT	40.0	30.3	36.9
of which associates	(0.6)	(2.9)	(0.8)
Total EBIT	26.5	10.9	38.6
Recurring EBIT margin	13.6%	11.5%	13.1%
R&D expenditure	10.0	10.2	10.0
Capital expenditure	18.3	24.2	22.4
Capital employed, end of period	653.9	633.4	697.9
Capital employed, average	636.3	643.7	665.6
Return on capital employed (ROCE)	12.6%	9.4%	11.1%
Workforce, end of period (fully consolidated)	2,242	2,258	2,286
Workforce, end of period (associates)	912	936	888

Overview and outlook

Revenues and earnings for Energy & Surface Technologies were down 3% and 8% respectively, reflecting the impact of the lower nickel and cobalt prices on the refining and recycling activities in Cobalt & Specialty Materials. This impact was offset to some extent by a strong performance in Rechargeable Battery Materials, Electroplating and Electro-Optic Materials.

Full year earnings should be slightly higher than those of 2015, driven mainly by the continued growth in demand for rechargeable battery materials, particularly for use in automotive applications.

H1 2016 Business Review

Volumes and revenues for **Rechargeable Battery Materials** were well up compared to the first half of 2015 boosted by growing demand for its NMC (nickel manganese cobalt) cathode materials used in the transportation segment. With its diversified customer base and its wide range of NMC cathode materials, Umicore benefits from the rising market penetration of electrified vehicles globally and the use of larger batteries to increase the driving range. Demand for Umicore's NMC cathode materials used in energy storage applications was also up year on year.

Demand for High Energy LCO (lithium cobaltite) cathode materials for high-end portable devices, such as smart phones, tablets and ultrabooks, picked-up again in the second quarter, following seasonal stock adjustments in the first quarter. Umicore's proprietary High Energy LCO technology continues to offer the best performance for today's and new generations of high-energy polymer and thin prismatic batteries.

Umicore recently announced a € 160 million capacity expansion program for NMC cathode materials in China and Korea. Umicore will deploy its latest generation of proprietary production technologies which will enable the company to triple existing capacity by the end of 2018 across a broad range of material grades, which are in compliance with the very highest quality standards for the automotive industry. The new capacity should start coming on stream in the second part of 2017. In the meanwhile, smaller capacity additions will come on stream in China in the second half of 2016.

Revenues for **Cobalt & Specialty Materials** were lower year on year, mainly due to nickel and cobalt prices falling significantly below the levels of the same period last year and stabilising at the current low levels. This led to a lower revenue contribution from the refining activities as well as reduced refining and distribution margins. Further factors influencing revenues were reduced demand and competitive pressure in certain end markets.

Revenues were down in ceramics & chemicals, where order levels for metal carboxylates decreased compared to the strong levels seen in the first half of 2015. Stable revenues were achieved for the distribution activities despite lower metal prices, the impact of which was compensated by volume growth. Order levels for cobalt oxides were down in a highly competitive market. Revenues for tool materials remained stable.

Construction work to upgrade the refining facility in Olen, Belgium, will start in the second half of 2016 and is anticipated to be commissioned by the end of 2018. This investment will enable the business unit to increase its recycling capacity for cobalt and nickel-bearing residues.

Electroplating recorded higher revenues year on year, with demand picking up strongly in the second quarter. Revenues for decorative applications increased on the back of higher demand for pink gold coatings for fashion jewellery, while order levels for precious metals based electrolytes benefited from growing demand from the portable electronics segment. Higher revenues for coating products for printed circuit boards reflected market share gains.

Revenues for **Electro-Optic Materials** were roughly stable year on year. A lower contribution from recycling and refining as well as the substrates business was largely offset by higher revenues for germanium tetrachloride and infrared finished optics products. Overall performance was supported by productivity improvements.

Revenues for **Thin Film Products** were down compared to the first half of 2015. This was due to a lower contribution from the large area coating activity where order levels and premiums were impacted by competitive pressure. Demand for products sold to the microelectronics industry was higher. The plant in China for the production and recycling of ITO (indium tin oxide) targets was commissioned towards the end of the period and production is ramping up.

Recycling

Recycling key figures (in million €)	**H1 2015**	**H2 2015**	**H1 2016**
Total turnover	3,301.4	2,950.5	3,076.7
Total revenues (excluding metal)	342.9	320.1	323.3
Recurring EBITDA	106.7	97.6	91.3
Recurring EBIT	77.0	64.5	61.5
Total EBIT	65.7	66.8	56.4
Recurring EBIT margin	22.4%	20.2%	19.0%
R&D expenditure	10.3	10.9	12.0
Capital expenditure	31.6	51.4	29.6
Capital employed, end of period	481.7	465.9	466.9
Capital employed, average	446.7	473.8	466.4
Return on capital employed (ROCE)	34.5%	27.2%	26.4%
Workforce, end of period (fully consolidated)	3,238	3,211	3,188

Overview and outlook

Revenues and earnings for Recycling were down 6% and 20% respectively, reflecting the impact of lower metal prices.

Supply conditions in Precious Metals Refining remain supportive in the second half and the ramp-up of the new capacity in the Hoboken plant should lead to higher processed volumes compared to 2015. Should higher spot prices for some precious metals such as gold and silver persist, this would be supportive of full year earnings. Prices for PGM's and specialty metals remain subdued.

H1 2016 Business Review

Revenues for **Precious Metals Refining** were down year on year as slightly higher processed volumes were more than offset by the impact of lower metal prices. For precious metals, most of the long-term pricing contracts secured by Umicore in early 2015 came to an end in this period, while average received prices for most specialty metals, which cannot be hedged, were substantially down and impacted margins.

The supply feed remained very solid with a strong availability of complex materials. In particular, the non-ferrous smelting and mining industries provided large quantities of complex residues. The mix for end-of-life materials was somewhat less supportive due to competitive pressure for spent automotive catalysts and electronic scrap.

The capacity expansion programme in Hoboken is on track. Ramp-up of the new capacity has started and will continue through the second half of the year with a more pronounced impact on volumes as no shutdown is scheduled then. The ongoing investments in auxiliary services are progressing according to plan and are set to be completed by the end of the year.

Revenues for **Jewellery & Industrial Metals** were roughly stable compared to the first six months in 2015. The product businesses recorded higher revenues reflecting increased demand for most product groups. The contribution from the recycling activity, however, was lower. While the refining volumes benefitted from a better availability of gold and silver-containing residues, this was more than offset by the impact of lower metal prices.

Revenues for **Platinum Engineering Materials** decreased compared to the previous year reflecting lower demand both for glass and performance catalyst applications. The impact of lower revenues on earnings was partly offset by previously implemented cost reduction measures.

The contribution from the trading activity in **Precious Metals Management** was significantly impacted by the unfavourable metal price environment despite a recovery of certain metal prices towards the end of the period. This impact was only partly offset by increased industrial demand for the physical delivery of metals.

Revenues for **Technical Materials** were down compared to the previous year, reflecting persistently difficult trading conditions and overcapacity in the different end-markets. The impact of lower revenues on earnings was fully offset by previously implemented cost reduction measures and further steps are being assessed to enhance the sustainability of the business.

Corporate

Corporate key figures (in million €)	**H1 2015**	**H2 2015**	**H1 2016**
Recurring EBITDA	(12.4)	(11.6)	(14.2)
Recurring EBIT	(18.6)	(18.0)	(20.6)
of which associates	3.2	5.2	2.2
Total EBIT	(18.0)	(34.7)	(24.0)
R&D expenditure	5.5	3.5	3.1
Capital expenditure	4.4	4.1	3.7
Capital employed, end of period	161.2	147.7	173.9
Capital employed, average	175.3	154.5	160.8
Workforce, end of period (fully consolidated)	1,051	1,000	972
Workforce, end of period (associates)	2,110	1,689	1,645

H1 Corporate Review

Overall corporate costs remained roughly at the same level as in the first half of 2015.

Element Six Abrasives recorded substantially lower revenues year on year due to a further deterioration of trading conditions in several end markets, although first signs of stabilization were observed towards the end of the period. Revenues for oil and gas drilling products in particular were subject to a pronounced weakening in demand, with highly suppressed global rig counts. The impact of lower revenues on the earnings contribution from Element Six Abrasives was partly offset by cost containment measures.

Research & development

R&D expenditure in fully consolidated companies including discontinued operations amounted to € 78 million, up from € 73 million in the same period in 2015. The year-on-year increase reflects a higher level of R&D in Catalysis and Recycling. The R&D spend represented 5.8% of revenues and capitalized development costs accounted for € 8.3 million in the total amount.

People

On 5 May a fatal accident occurred in the operations in Manaus, Brazil. An investigation concluded that the accident was the result of an employee carrying out a chemical handling procedure in an inappropriate way. Efforts will continue in order to ensure that any and all areas for improvement are identified and pursued.

At Group level, the number of lost time accidents was 27 compared to 26 the first half of 2015. This resulted in a frequency rate of 2.95 (compared to 2.92 in H1 2015). The severity rate was 0.87 (compared to 0.08 in H1 2015), as a result of the fatal accident.

The number of employees in the fully consolidated companies including in discontinued operations decreased from 10,429 at the end of 2015 to 10,408 at the end of June 2016. The increase in workforce in the expanding activities of Automotive Catalysts and Rechargeable Battery Materials was more than offset by headcount reductions across several business units.

Discontinued operations

Discontinued operations key figures (in million €)	H1 2015	H2 2015	H1 2016
Total turnover	395.2	349.5	347.6
Total revenues (excluding metal)	148.5	143.3	147.5
Recurring EBITDA	20.1	19.5	20.4
Recurring EBIT*	11.5	19.5	20.3
of which associates	1.1	(0.4)	1.1
Total EBIT	7.9	11.7	(42.6)
Recurring EBIT margin	7.0%	13.9%	13.0%
R&D expenditure	1.8	1.2	1.8
Capital expenditure	12.2	15.3	7.5
Capital employed, end of period	183.4	199.3	157.0
Capital employed, average	223.8	191.4	178.2
Return on capital employed (ROCE)	10.3%	20.3%	22.8%
Workforce, end of period (fully consolidated)	1,493	1,517	1,467
Workforce, end of period (associates)	521	508	487

* In accordance with IFRS 5 no depreciation charges were recognized for discontinued operations as from the second half of 2015.

H1 2016 Business Review

Revenues for **Zinc Chemicals** were down. The lower zinc price, which was significantly below the average of the same period last year, had a negative impact on recycling margins. Higher demand for most product groups and a good availability of zinc-containing residues could partially offset the impact of lower recycling margins on revenues.

Sales volumes for zinc battery materials were higher following market share gains. Order levels for zinc oxides increased also, while the demand for fine zinc powders was more subdued.

The new plant for the production of high grade zinc powders and recycling of zinc residues in Changsha, China, is ramping up according to plan.

Umicore has reached an agreement to sell its Zinc Chemicals business unit to OpenGate Capital, a US-based private equity firm with a focus on developing a broad portfolio of high-quality industrial activities. The transaction places an enterprise value of € 142 million on the business and is expected to close during the second half of 2016, subject to customary regulatory approvals.

Revenues for **Building Products** were slightly higher year on year. In Europe, the business unit capitalized on a good start of the year, helped by a comparatively mild winter. While the European construction industry remained subdued, first signs of stabilization were observed in the period. Demand in the markets outside Europe was stable.

The product mix continued to improve with an increasing share of higher added-value products. Premiums, especially in the more commoditized market segments, remained under competitive pressure.

The French Competition Authority issued its decision regarding Umicore's sales of zinc roofing materials and rainwater systems in France. Umicore disputes the decision, including the fine of € 69 million and will appeal.

Financial review

Non-recurring items and IAS 39

Non–recurring items had a negative impact of € 68 million on EBIT. The main non-recurring expense consisted of the € 69 million fine imposed by the French Competition Authority on Umicore in relation to its Building Products activities in France. The fine is expected to be paid in the third quarter. Restructuring charges accounted for € 7 million, covering production footprint adjustments in specific business units such as Platinum Engineered Materials and Zinc Chemicals. A recovery of certain metal prices at the end of the period allowed for a reversal of impairments of permanently tied-up metal inventories for a total amount of € 13 million. The impact of non-recurring charges on the net result (Group share) amounted to € 70 million.

IAS 39 accounting rules had a negative effect of € 3 million on EBIT and a positive impact of € 4 million on net result (Group share). All IAS 39 impacts are non-cash in nature.

Financial result and taxation

Net recurring financial charges totalled € 19 million, an increase compared to the previous year primarily due to negative foreign exchange results. The average weighted net interest rate increased slightly to 1.80%.

The recurring tax charge for the period amounted to € 38 million corresponding to a recurring effective tax rate for the period of 25.6% (vs 23.8% in the same period last year).

Cashflows

Cashflow from operations was € 203 million, including a decrease of working capital of € 47 million. The increase of working capital of € 22 million stemming from the business expansion across the different business groups was more than offset by a decrease of working capital in the Discontinued Operations linked to a € 69 million payable related to the fine imposed by the French Competition Authority.

Capital expenditures totalled € 86 million, of which the vast majority related to Umicore's growth projects in clean mobility and recycling. In Recycling the auxiliary investments linked to the 40% capacity expansion in Hoboken are ongoing and expected to be completed by the end of this year. Investments in Catalysis were mainly linked to the construction of the new catalyst production plant in Thailand. Capital expenditures in Energy & Surface Technologies were primarily related to the ongoing expansion in China for Rechargeable Battery Materials.

Financial debt

Net financial debt at 30 June 2016 stood at € 298 million, slightly down from € 321 million at the start of the year. Group shareholders' equity stood at € 1,728 million resulting in a net gearing ratio (net debt / net debt + equity) of 14.3%. The average net debt to recurring EBITDA ratio corresponded to 59.8%.

Hedging

Umicore has taken advantage of the recent rise in gold and silver prices to forward hedge a limited proportion of contracts for a period up to two years. This increases earnings visibility at rates that correspond to attractive profitability levels.

Dividend and shares

The Board of Directors has approved an interim dividend of € 0.60 per share. This corresponds to half the annual dividend declared for the financial year 2015, in line with the dividend policy. The interim dividend will be paid out on 25 August 2016.

Umicore did not buy back any own shares in the first half of 2016. On 30 June 2016 Umicore held 3,018,525 shares in treasury, representing 2.70% of the Group's outstanding shares.

Statutory auditor's report on the review of the consolidated condensed interim financial information for the period ended on 30 June 2016

Introduction

We have reviewed the accompanying consolidated condensed interim financial information, consisting of the consolidated balance sheet of Umicore and its subsidiaries (jointly "the Group") as of 30 June 2016, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in the equity of the Group and the consolidated cash flow statement for the six-month period then ended, as well as the explanatory notes. The Board of Directors is responsible for the preparation and presentation of this consolidated condensed interim financial information in accordance with IAS 34, as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated condensed interim financial information based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34, as adopted by the European Union.

Sint-Stevens-Woluwe, 28 July 2016

PwC Bedrijfsrevisoren/Reviseurs d'Entreprises SCCRL
Represented by

Marc Daelman*
Bedrijfsrevisor / Réviseur d'entreprises

* Marc Daelman BVBA
Board Member, represented by its fixed representative, Marc Daelman

Management responsibility statement

I hereby certify that, to the best of my knowledge, the consolidated condensed interim financial information for the period ended on 30 June 2016, prepared in accordance with the IAS 34 "Interim Financial Reporting", as adopted by the European Union, and with legal requirements in Belgium, gives 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 for the period ended 30 June 2016. The commentary on the overall performance of the Group from page 1 to 14 includes a fair review of the development and performance of the business and the position of the Group and its undertakings included in the consolidation as a whole.

Brussels, 28 July 2016

Marc Grynberg
Chief Executive Officer

Consolidated condensed interim financial information for the period ended on 30 June 2016

Consolidated income statement

(in million €)	H1 2015	H2 2015	H1 2016
Turnover	5,048.1	4,649.6	4,821.5
Other operating income	25.8	32.2	27.3
Operating income	5,074.0	4,681.7	4,848.8
Raw materials and consumables	(4,336.5)	(3,979.8)	(4,126.2)
Payroll and related benefits	(326.8)	(313.6)	(327.1)
Depreciation and impairments	(100.1)	(118.7)	(77.7)
Other operating expenses	(187.7)	(166.6)	(173.5)
Operating expenses	(4,951.2)	(4,578.7)	(4,704.5)
Income (loss) from other financial assets	0.2	(2.8)	(4.3)
Result from operating activities	123.0	100.2	139.9
Financial income	1.8	2.3	1.9
Financial expenses	(9.9)	(6.7)	(9.9)
Foreign exchange gains and losses	(7.3)	(4.8)	(1.2)
Share in result of companies accounted for using the equity method	7.0	2.8	7.3
Profit (loss) before income tax	114.6	93.9	138.0
Income taxes	(28.5)	(19.2)	(33.4)
Profit (loss) from continuing operations	86.1	74.6	104.6
Profit (loss) from discontinued operations*	7.6	8.8	(52.3)
Profit (loss) of the period	93.6	83.6	52.2
of which minority share	3.5	4.4	6.6
of which Group share	90.1	79.1	45.6
(in € / share)			
Basic earnings per share from continuing operations	0.76	0.65	0.90
Total basic earnings per share	0.83	0.73	0.42
Diluted earnings per share from continuing operations	0.76	0.65	0.90
Total diluted earnings per share	0.83	0.73	0.42
Dividend per share	0.50	0.70	0.60

* Attributable to equityholders of these companies

Consolidated statement of comprehensive income

(in million €)

	H1 2015	H2 2015	H1 2016
Profit (loss) of the period from continuing operations	86.1	74.6	104.6
Items in other comprehensive income that will not be reclassified to P&L			
Changes in post employment benefits, arising from changes in actuarial assumptions	(27.9)	11.5	(30.2)
Changes in deferred taxes directly recognized in other comprehensive income	8.9	(6.0)	9.5
Items in other comprehensive income that may be subsequently reclassified to P&L			
Changes in available-for-sale financial assets reserves	4.5	(20.2)	-
Changes in cash flow hedge reserves	3.5	(16.6)	20.3
Changes in deferred taxes directly recognized in other comprehensive income	(1.4)	5.8	(6.7)
Changes in currency translation differences	33.1	(33.8)	6.8
Other comprehensive income from continuing operations	20.7	(59.3)	(0.2)
Total comprehensive income from discontinued operations	10.2	13.0	(54.4)
Total comprehensive income for the period	117.0	28.3	49.9
of which Group share	112.5	27.0	42.6
of which minority share	4.4	1.3	7.3

The deferred tax impact on the other comprehensive income is related to the cash flow hedge reserves for € -6.7 million and to post employment benefit reserves for € 9.5 million.

Consolidated balance sheet

(in million €)	30/06/2015	31/12/2015	30/06/2016
Non-current assets	1,620.8	1,614.2	1,627.0
Intangible assets	256.0	251.8	249.8
Property, plant and equipment	993.6	1,022.6	1,032.4
Investments accounted for using the equity method	190.0	189.8	188.4
Available-for-sale financial assets	50.0	29.2	27.9
Loans granted	2.5	1.5	1.6
Trade and other receivables	16.2	15.2	16.1
Deferred tax assets	112.6	104.1	110.8
Current assets	2,056.1	1,996.3	1,985.4
Loans granted	6.2	2.7	1.9
Inventories	1,107.8	1,053.7	1,029.1
Trade and other receivables	859.7	829.8	826.6
Income tax receivables	32.9	35.7	30.5
Cash and cash equivalents	49.5	74.5	97.3
Assets of discontinued operations	475.5	419.6	476.1
Total assets	**4,152.4**	**4,030.1**	**4,088.4**
Equity of the Group	1,842.2	1,785.0	1,785.6
Group shareholders' equity	1,770.1	1,698.7	1,749.3
Share capital and premiums	502.9	502.9	502.9
Retained earnings	1,475.9	1,501.3	1,520.9
Currency translation differences and other reserves	(111.5)	(175.5)	(172.8)
Treasury shares	(97.2)	(129.9)	(101.7)
Minority interest	51.5	52.6	57.0
Elements of comprehensive income of discontinued operations	20.7	33.7	(20.7)
Non-current liabilities	479.8	490.2	473.5
Provisions for employee benefits	325.3	312.4	343.2
Financial debt	37.5	71.3	24.5
Trade and other payables	19.2	24.7	27.0
Deferred tax liabilities	4.0	6.2	6.0
Provisions	93.9	75.7	72.8
Current liabilities	1,572.7	1,525.7	1,488.3
Financial debt	386.1	338.9	379.4
Trade and other payables	1,078.0	1,095.4	1,026.3
Income tax payable	73.8	54.9	48.4
Provisions	34.8	36.5	34.2
Liabilities of discontinued operations	257.7	229.2	341.1
Total equity & liabilities	**4,152.4**	**4,030.1**	**4,088.4**

Consolidated statement of changes in the equity of the Group
(in million €)

	Share capital & premiums	Reserves	Currency translation & other reserves	Treasury shares	Minority interest	Total for continuing operations	Elements of comprehensive income of discontinued operations	Total equity
Balance at the beginning of H1 2015	**502.9**	**1,458.3**	**(136.0)**	**(130.9)**	**45.3**	**1,739.7**	**10.5**	**1,750.1**
Result of the period	-	82.7	-	-	3.4	86.1	7.6	93.6
Other comprehensive income for the period	-	-	19.9	-	0.8	20.7	2.7	23.3
Total comprehensive income for the period	-	82.7	19.9	-	4.2	106.7	10.2	117.0
Changes in share-based payment reserves	-	-	4.6	-	-	4.6	-	4.6
Capital increase	-	-	-	-	5.6	5.6	-	5.6
Dividends	-	(54.4)	-		(3.6)	(58.0)	-	(58.0)
Transfers	-	(10.7)	-	10.7	-	-	-	-
Changes in treasury shares	-	-	-	22.9	-	22.9	-	22.9
Balance at the end of H1 2015	**502.9**	**1,475.9**	**(111.5)**	**(97.2)**	**51.5**	**1,821.5**	**20.7**	**1,842.2**
Result of the period	-	70.5	-	-	4.1	74.7	8.9	83.5
Other comprehensive income for the period	-	-	(56.2)	-	(3.1)	(59.3)	4.1	(55.2)
Total comprehensive income for the period	-	70.5	(56.2)	-	1.1	15.4	13.0	28.4
Changes in share-based payment reserves	-	-	1.3	-	-	1.3	-	1.3
Capital increase	-	-	-	-	1.8	1.8	-	1.8
Dividends	-	(54.3)	-	-	(1.7)	(56.0)	-	(56.0)
Transfers	-	9.1	(9.1)	-	-	(0.0)	-	(0.0)
Changes in treasury shares	-	-	-	(32.7)	-	(32.7)	-	(32.7)
Balance at the end of H2 2015	**502.9**	**1,501.3**	**(175.5)**	**(129.9)**	**52.6**	**1,751.3**	**33.7**	**1,785.0**

Consolidated statement of changes in the equity of the Group
(in million €)

	Share capital & premiums	Reserves	Currency translation & other reserves	Treasury shares	Minority interest	Total for continuing operations	Elements of comprehensive income of discontinued operations	Total equity
Balance at the beginning of H1 2016	**502.9**	**1,501.3**	**(175.5)**	**(129.9)**	**52.6**	**1,751.3**	**33.7**	**1,785.0**
Result of the period	-	98.1	-	-	6.5	104.6	(52.3)	52.2
Other comprehensive income for the period	-	-	(1.1)	-	0.9	(0.2)	(2.1)	(2.3)
Total comprehensive income for the period	-	98.1	(1.1)	-	7.3	104.3	(54.4)	49.9
Changes in share-based payment reserves	-	-	3.8	-	-	3.8	-	3.8
Dividends	-	(76.2)	-	-	(2.8)	(79.1)	-	(79.1)
Transfers	-	(2.2)	-	2.2	-	-	-	-
Changes in treasury shares	-	-	-	26.0	-	26.0	-	26.0
Balance at the end of H1 2016	**502.9**	**1,520.9**	**(172.8)**	**(101.7)**	**57.0**	**1,806.4**	**(20.7)**	**1,785.6**

Consolidated cashflow statement

(in million €)

	H1 2015	H2 2015	H1 2016
Profit (loss) from continuing operations	86.1	74.7	104.6
Adjustments for profit of equity companies	(7.0)	(2.8)	(7.3)
Adjustment for non-cash transactions	126.7	107.9	74.2
Adjustments for items to disclose separately or under investing and financing cashflows	30.7	20.0	40.4
Change in working capital requirement	(164.7)	51.6	(12.8)
Cashflow generated from operations	71.8	251.3	199.1
Dividend received	18.0	5.9	6.8
Tax paid during the period	(38.3)	(42.6)	(37.4)
Government grants received	(0.2)	(0.8)	0.0
Net operating cashflow	51.2	213.9	168.5
Acquisition of property, plant and equipment	(83.4)	(121.1)	(77.2)
Acquisition of intangible assets	(10.3)	(10.6)	(9.9)
Acquisition of new subsidiaries, net of cash acquired	0.5	0.0	-
Acquisition of / capital increase in associates	(1.8)	-	(0.0)
Acquisition of financial assets	(0.1)	-	(8.6)
New loans extended	(2.7)	(0.6)	0.0
Sub-total acquisitions	(97.7)	(132.3)	(95.7)
Disposal of property, plant and equipment	1.4	0.8	0.8
Disposal of intangible assets	(0.0)	1.7	-
Disposal of subsidiaries and associates, net of cash disposed	0.4	0.2	0.0
Capital decrease in associates	0.2	-	-
Disposal of financial fixed assets	0.0	-	5.5
Repayment of loans	3.4	0.0	0.8
Sub-total disposals	5.4	2.7	7.1
Net cashflow generated by (used in) investing activities	(92.3)	(129.6)	(88.6)
Capital increase (decrease) minority	1.5	2.0	0.0
Own shares	22.9	(32.7)	26.0
Interest received	1.3	2.4	1.2
Interest paid	(4.4)	(4.9)	(5.0)
New loans and repayments	23.1	3.7	(10.8)
Dividends paid to Umicore shareholders	(54.4)	(54.2)	(72.7)
Dividends paid to minority shareholders	(3.6)	(1.7)	(1.2)
Net cashflow generated by (used in) financing activities	(13.6)	(85.5)	(62.5)
Effect of exchange rate fluctuations	(20.8)	3.5	1.7
Total net cashflow of the period	(75.5)	2.4	19.0
Net cash and cash equivalents at the beginning of the period for continuing operations	102.9	27.4	66.2
Impact of final financing carved out entities	-	36.4	0.0
Net cash and cash equivalents at the end of the period for continuing operations	27.4	66.2	85.2
Cash for discontinued operations	68.5	37.9	30.9
of which cash and cash equivalents	117.9	112.4	128.2
of which bank overdrafts	(22.1)	(8.3)	(12.1)

Notes to the consolidated condensed interim financial information for the period ended on 30 June 2016

Note 1: Basis of preparation

The condensed consolidated interim financial statements for the six months ended 30 June 2016 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union.

They do not include all the information required for full annual financial statements and should therefore be read in conjunction with the consolidated financial statements for the year 2015 as published in the 2015 Annual Report.

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors held on 28 July 2016.

Note 2: Changes in accounting policies and presentation rules and impacts

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those applied in the preparation of the consolidated financial statement for the year ended 31 December 2015.

Note 3: Segment information

Condensed segment information H1 2015

(in million €)

	Catalysis	Energy & Surface Technologies	Recycling	Corporate	Eliminations	Total Continued operations	Discontinued operations	Total
Total segment turnover	1,403.7	756.5	3,301.4	17.2	(430.8)	5,048.2	395.2	5,443.4
of which external turnover	1,392.4	728.5	2,910.0	17.2	-	5,048.2	395.2	5,443.4
of which inter-segment turnover	11.3	28.0	391.4	-	(430.8)	(0.0)	-	(0.0)
Total segment revenues (excluding metal)	549.0	297.7	342.9	-	(2.6)	1,187.0	148.5	1,335.4
of which external revenues (excluding metal)	548.6	297.7	340.8	-	-	1,187.1	148.4	1,335.4
of which inter-segment revenues (excluding metal)	0.4	-	2.1	-	(2.6)	(0.1)	0.1	(0.0)
Recurring EBIT	61.2	40.0	77.0	(18.6)	-	159.6	11.5	171.1
of which from operating result	56.2	40.5	77.0	(21.7)	-	152.0	10.4	162.4
of which from equity method companies	5.0	(0.6)	-	3.2	-	7.6	1.1	8.7
Non-recurring EBIT	(1.7)	(14.9)	(11.4)	0.5	-	(27.6)	(2.2)	(29.8)
of which from operating result	(1.0)	(14.9)	(11.4)	0.5	-	(26.8)	(2.2)	(29.0)
of which from equity method companies	(0.7)	-	-	(0.1)	-	(0.8)	-	(0.8)
IAS 39 effect on EBIT	(3.7)	1.4	0.1	0.1	-	(2.0)	(1.4)	(3.4)
of which from operating result	(3.7)	1.4	0.1	-	-	(2.2)	(1.4)	(3.6)
of which from equity method companies	0.1	-	-	0.1	-	0.2	-	0.2
Total EBIT	55.8	26.5	65.7	(18.0)	-	130.0	7.9	137.9
of which from operating result	51.5	27.0	65.7	(21.2)	-	123.0	6.8	129.8
of which from equity method companies	4.4	(0.6)	-	3.2	-	7.0	1.1	8.1
Capital expenditure	33.4	18.3	31.6	4.4	-	87.7	12.2	100.0
Depreciation & amortization	23.7	20.7	29.8	6.2	-	80.4	8.6	88.9

Condensed segment information H2 2015

(in million €)

	Catalysis	Energy & Surface Technologies	Recycling	Corporate	Eliminations	Total Continued operations	Discontinued operations	Total
Total segment turnover	1,345.6	717.9	2,950.5	9.0	(373.4)	4,649.5	349.5	4,999.1
of which external turnover	1,335.9	693.5	2,611.1	9.0	-	4,649.5	349.5	4,999.0
of which inter-segment turnover	9.7	24.4	339.4	-	(373.4)	0.0	-	0.0
Total segment revenues (excluding metal)	544.7	289.2	320.0	-	(3.7)	1,150.2	143.4	1,293.5
of which external revenues (excluding metal)	544.3	288.9	316.9	-	-	1,150.1	143.5	1,293.5
of which inter-segment revenues (excluding metal)	0.4	0.3	3.2	-	(3.7)	0.1	(0.1)	(0.0)
Recurring EBIT	62.9	30.3	64.5	(18.0)	-	139.7	19.5	159.2
of which from operating result	59.2	33.2	64.5	(23.2)	-	133.7	19.9	153.6
of which from equity method companies	3.7	(2.9)	-	5.2	-	6.0	(0.4)	5.6
Non-recurring EBIT	(5.2)	(17.7)	(0.3)	(16.8)	-	(40.0)	(5.1)	(45.1)
of which from operating result	(4.0)	(17.7)	(0.3)	(14.8)	-	(36.9)	(4.7)	(41.6)
of which from equity method companies	(1.2)	-	-	(2.0)	-	(3.2)	(0.3)	(3.5)
IAS 39 effect on EBIT	2.4	(1.7)	2.5	0.1	-	3.4	(2.7)	0.7
of which from operating result	2.6	(1.7)	2.5	-	-	3.4	(2.7)	0.7
of which from equity method companies	(0.2)	-	-	0.1	-	(0.0)	-	(0.0)
Total EBIT	60.1	10.9	66.8	(34.7)	-	103.1	11.7	114.8
of which from operating result	57.8	13.8	66.8	(38.1)	-	100.3	12.5	112.7
of which from equity method companies	2.3	(2.9)	-	3.4	-	2.8	(0.8)	2.1
Capital expenditure	45.3	24.2	51.4	4.1	-	125.0	15.3	140.3
Depreciation & amortization	24.4	21.6	33.0	6.4	-	85.5	0.0	85.5

Condensed segment information H1 2016

(in million €)

	Catalysis	Energy & Surface Technologies	Recycling	Corporate	Eliminations	Total Continued operations	Discontinued operations	Total
Total segment turnover	1,395.3	683.6	3,076.7	12.6	(346.8)	4,821.5	347.6	5,169.0
of which external turnover	1,392.0	657.9	2,758.9	12.6	-	4,821.5	347.6	5,169.0
of which inter-segment turnover	3.3	25.7	317.8	-	(346.8)	-	-	-
Total segment revenues (excluding metal)	598.0	288.4	323.3	-	(2.7)	1,206.9	147.6	1,354.5
of which external revenues (excluding metal)	597.4	288.2	321.3	-	-	1,206.9	147.6	1,354.4
of which inter-segment revenues (excluding metal)	0.6	0.2	2.0	-	(2.7)	0.0	-	0.0
Recurring EBIT	77.6	36.9	61.5	(20.6)	-	155.4	20.3	175.7
of which from operating result	72.5	37.8	61.5	(22.8)	-	148.9	19.2	168.1
of which from equity method companies	5.1	(0.8)	-	2.2	-	6.5	1.1	7.6
Non-recurring EBIT	0.7	2.1	(2.2)	(3.9)	-	(3.3)	(64.3)	(67.6)
of which from operating result	(0.0)	2.1	(2.2)	(3.8)	-	(3.9)	(64.6)	(68.6)
of which from equity method companies	0.7	-	-	(0.1)	-	0.6	0.3	0.9
IAS 39 effect on EBIT	(2.0)	(0.5)	(3.0)	0.5	-	(4.9)	1.4	(3.5)
of which from operating result	(1.6)	(0.5)	(3.0)	-	-	(5.1)	1.4	(3.7)
of which from equity method companies	(0.3)	-	-	0.5	-	0.2	-	0.2
Total EBIT	76.3	38.6	56.4	(24.0)	-	147.2	(42.6)	104.6
of which from operating result	70.8	39.4	56.4	(26.6)	-	139.9	(44.0)	95.9
of which from equity method companies	5.5	(0.8)	-	2.7	-	7.3	1.4	8.7
Capital expenditure	22.8	22.4	29.6	3.7	-	78.5	7.5	86.0
Depreciation & amortization	24.7	22.2	29.7	6.3	-	83.0	0.1	83.1

Note 4: Non-recurring results and IAS 39 impact included in the results, including discontinued operations

Impact of IAS 39 & non-recurring elements (in million €)	**Total**	**of which: recurring**	**Non-recurring**	**Effect IAS 39**
H1 2015				
Profit from operations	129.8	162.4	(29.0)	(3.6)
of which income from other financial investments	0.2	(0.3)	0.5	-
Result of companies accounted for using the equity method	8.1	8.7	(0.8)	0.2
EBIT	137.9	171.1	(29.8)	(3.4)
Finance cost	(15.8)	2.4	0.3	(18.5)
Tax	(28.5)	(39.2)	4.0	6.8
Net result	93.6	134.3	(25.5)	(15.1)
of which minority share	3.5	3.7	(0.2)	(0.0)
of which Group share	90.1	130.6	(25.3)	(15.1)
H2 2015				
Profit from operations	112.7	153.6	(41.6)	0.7
of which income from other financial investments	(2.8)	0.3	(3.0)	-
Result of companies accounted for using the equity method	2.1	5.6	(3.5)	(0.0)
EBIT	114.8	159.2	(45.1)	0.7
Finance cost	(10.7)	(12.0)	-	1.3
Tax	(20.6)	(26.4)	6.4	(0.6)
Net result	83.5	120.9	(38.7)	1.4
of which minority share	4.4	5.4	(0.9)	(0.1)
of which Group share	79.1	115.4	(37.8)	1.5
H1 2016				
Profit from operations	95.9	168.1	(68.6)	(3.7)
of which income from other financial investments	(4.3)	0.1	(4.4)	-
Result of companies accounted for using the equity method	8.7	7.6	0.9	0.2
EBIT	104.6	175.7	(67.6)	(3.5)
Finance cost	(9.4)	(19.3)	-	9.9
Tax	(43.0)	(38.2)	(2.8)	(2.1)
Net result	52.2	118.3	(70.4)	4.4
of which minority share	6.6	6.9	(0.4)	0.1
of which Group share	45.6	111.4	(70.0)	4.3

Non–recurring items had a negative impact of € 68 million on EBIT. The main non-recurring expense consisted of the € 69 million fine imposed by the French Competition Authority on Umicore in relation to its Building Products activities in France. The fine is expected to be paid in the third quarter. Restructuring charges accounted for € 7 million, covering production footprint adjustments in specific business units such as Platinum Engineering Metals and Zinc Chemicals. A recovery of certain metal prices at the end of the period allowed for a reversal of impairments of permanently tied-up metal inventories for a total amount of € 13 million. The impact of non-recurring charges on the net result (Group share) amounted to € 70 million.

IAS 39 accounting rules had a negative effect of € 3 million on EBIT and a positive impact of € 4 million on net result (Group share). All IAS 39 impacts are non-cash in nature.

Note 5: Share based payments

A charge of € 3.8 million was recognised in the income statement in respect of stock options and shares granted to senior executives of the company in 2016.

Note 6: Financial instruments

The Group adopted the amendment to IFRS 7 for financial instruments which are measured in the balance sheet at fair value. This amendment requires disclosures of fair value measurements by level. The fair value of financial instruments held for cash flow hedge and other financial instruments are based on inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly (Level 2). For available-for-sale financial assets, it is based on quoted prices in active markets for identical assets (Level 1).

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 reputed brokers and banks.

6.1 Financial instruments related to cash-flow hedging

	Notional or contractual amount		Fair value	
(in thousand €)	31/12/2015	30/06/2016	31/12/2015	30/06/2016
Forward commodities sales	9,276	6,133	2,089	194
Forward commodities purchases	(36,618)	(77,140)	(9,599)	(1,740)
Forward currency contracts sales	234,689	202,019	(11,090)	3,427
Forward IRS contracts	-	-	(3,164)	(3,318)
Total fair value impact subsidiaries	**207,347**	**131,012**	**(21,764)**	**(1,437)**
Recognized under trade and other receivables	-	-	2,801	5,591
Recognized under trade and other payables	-	-	(24,565)	(7,028)
Total	**-**	**-**	**(21,764)**	**(1,437)**

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.

The forward commodities sales contracts are set up to hedge primarily the precious metals. 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 amongst other USD, KRW, BRL, CNY, CAD and ZAR.

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 2015 and 2016.

6.2 Other financial instruments

	Notional or contractual amount		Fair value	
(in thousand €)	**31/12/2015**	**30/06/2016**	**31/12/2015**	**30/06/2016**
Forward commodities sales	108,512	121,458	4,567	(11,583)
Forward commodities purchases	(147,819)	(110,353)	(6,903)	6,403
Forward currency contracts sales	457,039	483,640	(6,478)	(4,113)
Forward currency contracts purchases	(206,120)	(196,475)	973	325
Total fair value impact subsidiaries	**211,612**	**298,270**	**(7,841)**	**(8,968)**
Recognized under trade and other receivables	-	-	7,070	8,695
Recognized under trade and other payables	-	-	(14,909)	(17,663)
Total	**-**	**-**	**(7,839)**	**(8,968)**

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.

Note 7: Shares

The total number of issued shares at the end of June is 112,000,000.

Of the 3,927,534 treasury shares held at the end of 2015, 65,509 shares were used for the employee free share program and 843,500 shares were used to honour the exercising of stock options during the period. On 30 June 2016, Umicore owned 3,018,525 treasury shares, representing 2.70% of the total number of shares issued at that date.

Note 8: IFRS developments

New and amended standards and interpretations need to be adopted in the first interim financial statements issued after their effective date (or date of early adoption). There are no new IFRSs or IFRICs that are effective for the first time for this interim period that had a material impact on the Group, except if disclosed above in Note 2.

Note 9: Contingencies, accounting estimates and adjusting events

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

The United States International Trade Commission (ITC) has decided to review elements of the preliminary ruling made by an administrative law judge on February 29, 2016, regarding Umicore's alleged infringement of patents licensed by the German chemical company BASF. A decision of the ITC is currently scheduled for October 14, 2016.

Note 10: Discontinued operations

In 2015, a process was initiated to prepare the Zinc Chemicals and Building Products business units for a future outside the Umicore Group. Management has analysed whether criteria were met to present both activities as discontinued operations. The criteria to classify both activities as discontinued operations were met in June 2015.

In June 2016, Umicore has reached an agreement to sell its Zinc Chemicals business unit to OpenGate Capital, a US-based private equity firm with a focus on developing a broad portfolio of high-quality industrial activities. The transaction places an enterprise value of € 142.4 million on the business and is expected to be closed during the second half of 2016, subject to standard regulatory approvals. In the meantime, Zinc Chemicals is still presented in the discontinued operations.

Umicore has taken note of the decision of the French Competition Authority regarding certain business practices of the company's Building Products activities in France and of the imposed fine of € 69,243,000. The French Competition Authority claims that Umicore imposed an exclusive purchase obligation on some of its distributors in France between 1999 and 2007 and in doing so abused an alleged position of market dominance. Umicore strongly denies the alleged abuse of a dominant position and will appeal the decision in court.

Assets and liabilities of discontinued operations (in million €)	**30/06/2015**	**31/12/2015**	**30/06/2016**
Non-current assets	146.9	163.6	164.2
Property, plant and equipment	106.2	116.5	123.1
Investments accounted for using the equity method	23.9	22.9	23.5
Other non-current assets	16.9	24.2	17.6
Current assets	328.6	256.0	311.8
Inventories	135.8	124.9	149.6
Trade and other receivables	120.3	91.5	128.9
Cash and cash equivalents	68.5	37.9	30.9
Other current assets	4.0	1.7	2.5
Total assets	475.5	419.6	476.1
Non-current liabilities	46.8	44.1	46.3
Provisions for employee benefits	38.1	36.6	38.5
Financial debt	-	0.8	0.8
Other non-current liabilities	8.7	6.7	7.0
Current liabilities	210.9	185.1	294.8
Financial debt	8.5	22.7	21.1
Trade and other payables	197.5	157.6	265.3
Other current liabilities	4.8	4.7	8.4
Total liabilities	257.7	229.2	341.1

Condensed income statement of discontinued operations

(in million €)	H1 2015	H2 2015	H1 2016
Operating income	396.3	352.1	350.5
Operating expenses	(389.5)	(339.7)	(394.6)
Result from operating activities	6.8	12.5	(44.0)
Finance cost - Net	(0.3)	(1.6)	(0.1)
Share in result of companies accounted for using the equity method	1.1	(0.8)	1.4
Profit (loss) before income tax	7.6	10.1	(42.8)
Income taxes	-	(1.3)	(9.6)
Profit (loss) of the period	7.6	8.8	(52.3)
(in € / share)			
Basic earnings per share from discontinued operations	0.07	0.08	-0.48
Diluted earnings per share from discontinued operations	0.07	0.08	-0.48

Condensed cashflow statement of the discontinued operations

(in million €)	H1 2015	H2 2015	H1 2016
Net operating cashflow	103.8	5.0	3.5
Net cashflow generated by (used in) investing activities	(12.5)	(13.5)	(7.4)
Net cashflow generated by (used in) financing activities	2.5	12.7	(2.3)
Effect of exchange rate fluctuations	(2.2)	1.6	(0.8)
Total net cashflow of the period	91.5	5.8	(7.0)
Net cash and cash equivalents at the beginning of the period for discontinued operations	(23.1)	68.5	37.9
Impact of final financing carved out entities	-	(36.4)	(0.0)
Net cash and cash equivalents at the end of the period for discontinued operations	68.5	37.9	30.9

Forward looking statements

This document contains forward-looking information that involves risks and uncertainties, including statements about Umicore's plans, objectives, expectations and intentions. Readers are cautioned that forward-looking statements include known and unknown risks and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of Umicore. Should one or more of these risks, uncertainties or contingencies materialize, or should any underlying assumptions prove incorrect, actual results could vary materially from those anticipated, expected, estimated or projected. As a result, neither Umicore nor any other person assumes any responsibility for the accuracy of these forward-looking statements.

Glossary

For a glossary of used financial and technical terms please refer to:
http://www.umicore.com/en/investors/financial-data/glossary/

For more information

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Financial calendar

23 August 2016	Ex-interim dividend trading date
24 August 2016	Record date for the interim dividend
25 August 2016	Payment date for the interim dividend
21 October 2016	2016 third quarter trading update
10 February 2017	Full Year Results 2016
25 April 2017	2017 first quarter trading update
25 April 2017	Annual General Meeting
31 July 2017	Half Year Results 2017

Umicore profile

Umicore is a global materials technology and recycling group. It focuses on application areas where its expertise in materials science, chemistry and metallurgy makes a real difference. Its activities are organised in three business groups: Catalysis, Energy & Surface Technologies and Recycling. Each business group is divided into market-focused business units offering materials and solutions that are at the cutting edge of new technological developments and essential to everyday life.

Umicore generates the majority of its revenues and dedicates most of its R&D efforts to clean technologies, such as emission control catalysts, materials for rechargeable batteries and recycling. Umicore's overriding goal of sustainable value creation is based on an ambition to develop, produce and recycle materials in a way that fulfils its mission: materials for a better life.

The Umicore Group has industrial operations on all continents and serves a global customer base; it generated a turnover of € 5.2 billion (€ 1.4 billion excluding metal) in the first half of 2016 and currently employs 10,400 people.

A conference call and audio webcast will take place today at 09:30 CET in Brussels. Please visit:
http://www.umicore.com/en/investors/news-results/press-releases/201607018calendarhy2016en/
