Press release
Regulated information
6 February 2014 - 07:30 CET
CP-2014-04-R

umicore

FULL YEAR RESULTS 2013

Highlights

Umicore's revenues were down 2% year on year with an increase in Catalysis and Energy Materials offset by a decrease in Recycling. Recurring EBIT in the period was down 18% year on year due to the impact of lower metal prices on recycling margins, a less favourable product and regional mix and higher start-up costs in Catalysis.

- Revenues of € 2.4 billion
- Recurring EBITDA of € 463 million
- Recurring EBIT of € 304 million
- ROCE of 13.6%
- Recurring net profit (Group share) of € 218 million
- Recurring EPS of € 1.96

A number of cost reduction measures were taken during the course of 2013, some of the benefits of which were already felt during the year. These were mainly in Performance Materials and to a lesser extent in Energy Materials.

Umicore continued to invest in its longer term growth initiatives. Capital expenditures were € 280 million, the majority of which related to growth programmes in Catalysis, Energy Materials and Recycling. A number of investments should start contributing in 2014, particularly in heavy duty diesel catalysis and in rechargeable battery materials. Research & Development expenditure amounted to € 141 million.

Net cashflow before financing was positive and net debt stood at € 215 million, corresponding to a gearing ratio of 11.1%.

The Board of Directors will propose a gross annual dividend of € 1.00 per share at the Annual General Meeting on 29th April, of which € 0.50 was already paid out as an interim dividend in September 2013. At 5 February 2014 Umicore held 10,248,661 of its own shares in treasury, or 8.5% of the issued shares.

Outlook

While we expect a definite improvement in the performance of our product businesses, this may not be sufficient to fully offset the impact of lower metal prices on the profitability of the Recycling business group. If current metal prices persist, full year recurring EBIT could end up slightly below the level of 2013.

Note: All comparisons are made with 2012, unless mentioned otherwise.

Umicore
Group Communications

Naamloze vennootschap / Société anonyme
Broekstraat 31 Rue du Marais
B-1000 Brussels
Belgium

phone: +32 2 227 71 11
fax: +32 2 227 79 00
e-mail: info@umicore.com
website: www.umicore.com

VAT: BE0401 574 852
company number: 04001574852
registered office: Broekstraat 31 Rue du Marais
B-1000 Brussels

Key figures (in million €)	H2 2012	H2 2013	2012	2013
Turnover	5,694.2	4,429.3	12,548.0	9,819.3
Revenues (excluding metal)	1,186.8	1,157.0	2,427.4	2,390.0
Recurring EBITDA	257.9	222.3	524.1	462.6
Recurring EBIT	180.6	141.0	372.1	304.0
of which associates	10.9	5.8	22.2	11.8
Non-recurring EBIT	(25.0)	(20.6)	(46.7)	(43.4)
IAS 39 effect on EBIT	2.2	5.6	3.2	(0.5)
Total EBIT	157.7	126.0	328.6	260.0
Recurring EBIT margin	14.3%	11.7%	14.4%	12.2%
Average weighted net interest rate	1.47%	1.95%	1.92%	1.61%
Effective recurring tax rate	22.38%	19.04%	20.62%	21.32%
Recurring net profit, Group share	129.3	103.4	275.2	218.0
Net profit, Group share	105.3	89.9	233.4	179.0
R&D expenditure	75.0	69.3	149.0	140.6
Capital expenditure	149.7	168.0	235.7	279.6
Net cash flow before financing	73.3	80.5	150.3	185.9
Total assets of continued operations, end of period	3,667.9	3,512.3	3,667.9	3,512.3
Group shareholders' equity, end of period	1,751.7	1,677.1	1,751.7	1,677.1
Consolidated net financial debt of continued operations, end of period	222.5	215.0	222.5	215.0
Gearing ratio of continued operations, end of period	11.0%	11.1%	11.0%	11.1%
Average net debt / recurring EBITDA	46.3%	45.6%	47.7%	44.2%
Capital employed, end of period	2,259.4	2,233.6	2,259.4	2,233.6
Capital employed, average	2,247.1	2,234.8	2,224.5	2,241.3
Return on Capital Employed (ROCE)	16.1%	12.6%	16.7%	13.6%
Workforce, end of period	14,438	14,057	14,438	14,057
of which associates	4,042	3,867	4,042	3,867
Accident frequency rate	2.14	1.33	2.86	2.08
Accident severity rate	0.07	0.05	0.11	0.10

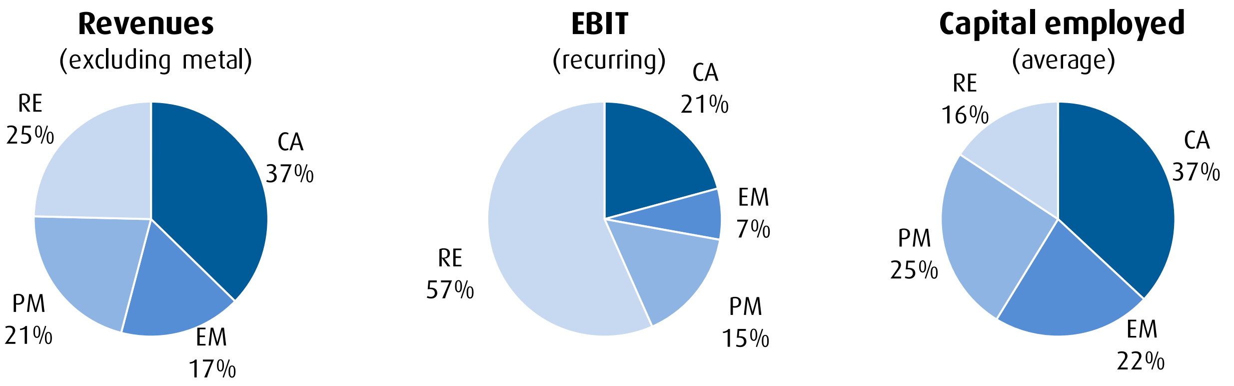
The application of the R&D and Capex definitions have been reviewed and 2012 figures have been restated for comparability reasons.

Key figures per share

(in €/share)	H2 2012	H2 2013	2012	2013
Total number of issued shares, end of period	120,000,000	120,000,000	120,000,000	120,000,000
of which shares outstanding	111,886,512	109,771,339	111,886,512	109,771,339
of which treasury shares	8,113,488	10,228,661	8,113,488	10,228,661
Average number of shares outstanding				
basic	111,792,198	110,660,537	111,593,474	111,257,259
diluted	112,544,805	111,136,443	112,346,081	111,733,165
Recurring EPS	1.16	0.93	2.47	1.96
Basic EPS	0.94	0.81	2.09	1.61
Diluted EPS	0.94	0.81	2.08	1.60
Dividend*	0.50	0.50	1.00	1.00
Net cash flow before financing, basic	0.66	0.73	1.35	1.67
Total assets of continued operations, end of period	32.78	32.00	32.78	32.00
Group shareholders' equity, end of period	15.66	15.28	15.66	15.28

* Interim dividend for H1 and difference with full year dividend for H2.

Segment split



CA = Catalysis, EM = Energy Materials, PM = Performance Materials, RE = Recycling, Corporate not included

CATALYSIS

Catalysis key figures (in million €)	H2 2012	H2 2013	2012	2013
Total turnover	903.1	952.0	1,871.9	2,020.2
Total revenues (excluding metal)	413.4	427.4	866.1	893.5
Recurring EBITDA	58.7	49.8	124.4	112.8
Recurring EBIT	42.2	29.0	91.0	73.3
of which associates *	5.9	1.1	10.5	2.5
Total EBIT	38.5	29.2	83.8	73.7
Recurring EBIT margin	8.8%	6.5%	9.3%	7.9%
R&D expenditure	43.1	40.2	85.8	82.0
Capital expenditure	44.5	56.6	75.7	84.4
Capital employed, end of period	795.5	809.5	795.5	809.5
Capital employed, average	804.5	808.1	797.6	804.6
Return on Capital Employed (ROCE)	10.5%	7.2%	11.4%	9.1%
Workforce, end of period	2,281	2,340	2,281	2,340
of which associates *	161	167	161	167

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

Overview and outlook

Revenues were up by 3% for the business group as a result of volume growth and the first time consolidation of Umicore Shokubai Japan, more than offsetting lower pass-through costs. Recurring EBIT was 19% lower due to a less favourable product and regional mix as well as costs related to new product introduction and infrastructure.

The Chinese and North American automotive markets are set to continue growing while European automotive production is showing some signs of recovery. Umicore's revenues from sales of heavy duty diesel catalysts and light duty catalysts for Euro 6-compliant platforms should show good growth, particularly in the second half of the year. The overall performance of Catalysis should reflect this growth.

Automotive Catalysts

Car production worldwide increased by 3% in 2013. Growth in China and the Americas more than offset a decrease in South Korea and Japan while the production level in Europe was stable year on year. Excluding the effect of the consolidation of Umicore Shokubai and lower pass through costs, Umicore's global catalyst revenues were up year on year. Margins, however, were negatively impacted by the above mentioned mix effects, costs related to the introduction of heavy duty diesel catalysts and products for Euro 6 compliant light duty vehicles as well as the expansion of the technology development infrastructure.

After a decline in the first half of the year, European car production stabilized in the second half of the year and showed a modest year-on-year increase in the fourth quarter. Full year production was at a similar level to 2012. The purchasing trend towards smaller vehicles continued and the share of diesel cars produced stabilized at around 45% of the total market. Umicore's sales volumes were in line with car production while revenues were lower due to a less favourable product mix.

North American car production was up 5%, with small and medium-sized vehicles gaining market share. Umicore's sales volumes followed the same trend while revenues grew slightly less due to the platform mix. In South America, car production was up 4%

despite the slowdown observed at the end of the year. Umicore's sales volumes in the region grew in line with the market.

Overall Asian car production was up. In China car production grew 13% year on year. Umicore's catalyst revenues in China continued to grow faster than the market. In South Korea and Japan, car production was down by 2% and 4% respectively with lacklustre domestic sales in contrast with the success of Korean and Japanese production in overseas markets. Umicore Shokubai has improved its position with Japanese car manufacturers which resulted in additional global business awards.

Umicore's two dedicated production lines for heavy duty diesel catalysts in Florange, France, are now ready for the production ramp up. The construction of a third line has started and should be completed towards the end of 2014. The HDD production facility in Suzhou, China, is nearing completion and will start production in the first half of 2014. The technology development centres in Japan and Brazil have now been commissioned and new production capabilities in Onsan, South Korea, and in Suzhou, China, are expected to come on stream in the first half of 2014. The facility in Bad Säckingen, Germany, with two new lines for the production of catalysts that meet the Euro 6 standard for light duty diesel vehicles is now fully operational. The costs for the finalization and start-up of these new operations weighed on the profitability of the business unit in the second half of 2013.

Precious Metals Chemistry

Although sales volumes were well up compared to 2012, revenues were lower as a result of a less favourable product and regional mix.

Demand for precursors for both catalytic and non-catalytic applications was higher. The same trend was observed for products used in bulk chemical applications. In contrast, sales of organometallic catalysts for the life science sector were lower. Sales of APIs (Active Pharmaceutical Ingredients) continued to show strong growth and sales have started outside South America to customers in Asia and Europe. Production capacity has been increased at the plant in Argentina.

The construction of the new facility in Tulsa, Oklahoma, is approaching completion. A pilot line for compounds used in MOCVD (Metal Organic Chemical Vapour Deposition) applications was started up in Germany. These compounds are mainly used in the production of higher-performance microprocessors. The costs related to these development projects weighed on the overall performance of the business unit.

ENERGY MATERIALS

Energy Materials key figures (in million €)	**H2 2012**	**H2 2013**	**2012**	**2013**
Total turnover	373.3	422.8	763.7	825.7
Total revenues (excluding metal)	182.8	203.1	366.3	402.6
Recurring EBITDA	20.1	28.3	50.6	55.2
Recurring EBIT	3.8	12.8	18.2	24.7
of which associates *	1.8	1.0	4.2	2.7
Total EBIT	(21.2)	9.4	(11.3)	21.4
Recurring EBIT margin	1.1%	5.8%	3.8%	5.5%
R&D expenditure	8.0	9.4	15.8	16.2
Capital expenditure	39.2	31.4	52.8	64.3
Capital employed, end of period	476.3	470.2	476.3	470.2
Capital employed, average	479.9	474.7	475.2	476.2
Return on Capital Employed (ROCE)	1.6%	5.4%	3.8%	5.2%
Workforce, end of period	2,933	2,884	2,933	2,884
of which associates *	1,057	1,056	1,057	1,056

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

Overview and outlook

Revenues for Energy Materials were up 10%, primarily reflecting the growth in the Rechargeable Battery Materials and Cobalt & Specialty Materials business units. Overall profitability of the business group also benefited from the footprint adjustments and related cost reduction measures that were initiated at the end of 2012.

Revenues and margins are set to increase further due to the combination of continued growth in sales of rechargeable battery materials and a recovery in some of the other end markets of the business group.

Cobalt & Specialty Materials

Revenues for the business unit were up year on year, driven by an increased contribution from cobalt and nickel refining and recycling and higher revenues for the ceramics and chemicals activity. Earnings were impacted by lower average premiums as a result of increased competitive pressure in different end-markets.

The ceramics and chemicals business recorded higher revenues, with an increase in sales volumes for both cobalt and nickel compounds more than offsetting lower premiums. Sales of metal carboxylates further increased due to the expansion of the product portfolio and successful introduction of the products in new markets. Metal carboxylates are used in catalytic applications, such as refining of crude oils, as drying catalysts in paint and inks or as rubber adhesion promoter in tyres.

Sales volumes in tool materials were flat year on year, as volume growth in Asia was offset by a decrease in demand from the European and North American construction markets. Revenues did not follow the trend of volumes as premiums were affected by strong competition, particularly in the Asian market.

At the end of 2013 the business unit acquired Palm Commodities International, a leading manufacturer and distributor of materials to the surface treatment industry in North America. This acquisition will enable Umicore to expand its reach into the North American plating market where customers serve a variety of industries including automotive, construction and electronics.

Electro-Optic Materials

Revenues for the business unit were down year on year mainly due to adverse market conditions in blank optics and the substrates activities. The effect of the downturn in revenues was mitigated by cost reduction measures that were initiated in 2012, selective price increases in certain segments and a higher contribution from the refining and recycling activities.

The decrease of revenues in the germanium substrates business was largely attributable to a further deterioration in the terrestrial CPV (Concentrator Photovoltaics) market. Sales to the LED industry were also lower as Umicore took a more selective approach toward the segment. Deliveries of space certified substrates were up as Umicore secured a number of contracts with various customers in this segment. Within the substrate market, a migration is taking place to larger germanium wafers and Umicore is strongly positioned to benefit from this trend.

The high purity chemicals business benefited from a strong increase in demand for Umicore's germanium tetrachloride used in optical fibres as Umicore successfully increased its market share.

Sales of finished optics were also higher year on year, driven by demand in commercial infrared applications, such as automotive and security. Demand for germanium blanks remained low in a highly competitive market.

Rechargeable Battery Materials

Sales volumes and revenues were up considerably compared to the previous year. The overall Li-Ion battery market grew further, albeit more modestly than in previous periods and Umicore continued to outperform the market.

The strong demand for polymer cells used in high-end portable electronics, such as smart phones, tablets and ultrabooks, drove demand for high energy density cathode materials. Umicore's proprietary High Energy LCO technology and broad customer portfolio enabled the business unit to further strengthen its leadership position in this segment. The faster than anticipated growth of LCO (lithium cobaltite) demand required the conversion of some production lines, the costs of which affected margins for this segment.

Overall sales of NMC (nickel-manganese-cobalt) cathode materials were down year on year, as a result of lower demand for traditional notebook PCs which use the more standard NMC-grades. Given the overcapacity and fierce competition in the market for these grades, Umicore has reduced sales to this segment. The demand for NMC-products used in automotive applications benefited from the gradual increase in sales of electrified vehicles. This trend is set to continue with more car OEMs launching new hybrid and electric models in the coming months. Umicore successfully qualified for additional platforms which will further support its growth in this segment. Shipments for NMC-products used in power tool batteries were also up year on year.

The capacity investments for cathode materials in Korea and China were successfully completed in the course of 2013. Debottlenecking and additional capacity investments in Korea and China are anticipated for 2014. Commissioning of the precursor facility in Korea was completed and first production trials are scheduled in the first half of 2014.

Thin Film Products

Revenues for Thin Film Products increased compared to the previous year due to higher revenues for large area display applications. The overall business also benefited from the production footprint adjustments that were initiated at the end of 2012.

Sales volumes for ITO (Indium Tin Oxide) targets were up year on year driven by the success of the high efficiency rotary sputtering technology. Demand came from new investments in large area display production installations in Asia and retro-fitting of existing installations in the touch panel industry switching from planar to rotary targets. Lower revenues for optical evaporation materials reflected a somewhat slower demand, while demand from the micro-electronics industry remained largely stable year on year.

PERFORMANCE MATERIALS

Performance Materials key figures (in million €)	H2 2012	H2 2013	2012	2013
Total turnover	730.0	641.0	1,508.4	1,388.4
Total revenues (excluding metal)	256.1	246.6	523.2	509.7
Recurring EBITDA	38.2	40.3	82.9	83.4
Recurring EBIT	23.7	26.1	54.5	54.7
of which associates *	4.6	5.0	9.9	9.1
Total EBIT	26.5	11.2	57.1	24.9
Recurring EBIT margin	7.5%	8.5%	8.5%	8.9%
R&D expenditure	6.2	5.7	11.9	10.8
Capital expenditure	18.6	16.7	29.3	29.4
Capital employed, end of period	572.9	504.8	572.9	504.8
Capital employed, average	587.6	538.4	587.3	555.5
Return on Capital Employed (ROCE)	8.1%	9.7%	9.3%	9.8%
Workforce, end of period	5,629	5,331	5,629	5,331
of which associates *	2,775	2,594	2,775	2,594

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

Overview and outlook

Revenues in Performance Materials were 3 % lower year on year. Recurring EBIT was at the same level as 2012 with the benefits of cost reduction measures counterbalancing the economic headwinds experienced by several business units.

The trends in most end markets seem unlikely to change significantly in the near term. Margins should recover though as the businesses feel the full benefits of the various cost reduction initiatives undertaken in 2012 and 2013.

Building Products

Sales volumes and revenues for the business unit were flat year on year. Sales started particularly slowly in the first quarter due mainly to the long and harsh winter in Umicore's main European markets. Although there was some improvement in certain markets, activity levels in the European building industry remained subdued. Demand for zinc building materials in the newer markets outside Europe showed further growth driven in particular by some large projects in Asia.

The share of surface-treated products in the mix grew further. This is in line with the strategy of the business unit to offer more added value to the customer and a broader range of aesthetic solutions. The new plant in Viviez, France, for surface treatment is now in testing phase and is expected to ramp up production later this year.

The previously announced measures to reduce costs and improve competiveness are gradually being implemented through the business.

Electroplating

Revenues were stable with higher sales volumes in all product categories compensating for pressure on premiums in some segments.

Sales for decorative applications such as silver-based products for fashion jewellery and gold electroforming products for higher-end jewellery were up and the market remained supportive throughout the year. Demand for electrolytes used in the manufacture of printed circuit boards picked up and full year sales were well above those of 2012. Sales of non-precious metals based products for wear protection in applications such as zippers increased. Competitive price pressure was most evident in the market for less complex precious metals based compounds.

Sales of Umicore's silver plating solutions for LEDs continued to benefit from growing customer demand, particularly in Asia.

The business continued to use its technical service offering as a competitive differentiator and is looking to deploy this approach more extensively in Asia.

Platinum Engineered Materials

Revenues were flat with a higher level of business activity recorded in the second half of the year. The business unit benefited from the cost reduction measures and production efficiency improvement programs that were launched in late 2012.

Demand for glass industry applications was at a similar level to 2012. After a slow start to the year a number of customer projects were carried out in the second half, leading to an uplift in revenues. This was particularly the case in the technical glass market.

Revenues for performance catalysts remained at a high level, driven by a solid demand for platinum-based ammonia oxidation catalyst gauzes and getters used in the fertilizer and chemical intermediates industries. Contrary to what was anticipated, the fertilizer market remained buoyant towards the end of the year.

Technical Materials

Revenues were up slightly year on year. The business unit benefited from cost reduction measures implemented during the year.

Overall demand for brazing alloys remained subdued. This was primarily due to the recession in Europe and intensified competition from local players in China. The introduction of BlueBraze™ has progressed well in Europe and this new low-silver containing product is now being demonstrated to customers in China and North America.

Sales of contact and power technology materials were stable. Aside from some year-end destocking by customers, there was little change to demand patterns from the electrical equipment industry. Order levels for sealing materials used in medium voltage applications as well as materials used in energy-efficient lighting increased in recent months. The previously announced streamlining of the product offering in China was completed towards the end of the year.

Zinc Chemicals

Revenues for the business unit were at similar levels to the previous year. The availability of zinc containing residues remained low and their landed price high. In combination with a lower zinc price this led to lower recycling margins.

Demand for fine zinc powders used in anti-corrosive paint tapered off towards the end of the year in Europe. Asian and North American demand remained stable while sales in India and the Middle East increased slightly. Overall sales volumes were lower and the regional mix was less supportive to margins than in previous periods. Sales of materials for chemical applications were flat.

In Europe, sales volumes for zinc oxide were down due to lower order levels from the tyre and chemical industries. This was partly compensated by higher sales for feed-grade materials and ceramics applications. Demand in India dropped as tyre producers reduced production and held off on new investments.

Sales volumes of zinc powders used in primary batteries increased. While global demand for alkaline batteries remained stable, Umicore was successful in gaining market share in Europe and China.

The production facility in Australia was closed in December. The production capacity in Malaysia is being increased to cater for demand from customers in Asia Pacific. This new capacity is expected to be on stream by the end of the first half of 2014.

Element Six Abrasives

After a challenging start to the year, there was a pick-up in demand in the second half. Despite this more positive momentum, sales volumes and revenues were lower year-on-year.

Revenues for Oil & Gas were well up in the second half and full year sales and revenues were ahead of the previous year. This uplift was driven mainly by the introduction of new products.

Revenues for Advanced Materials increased in the second half, driven by a pick-up of sales of products used in precision machining. This was driven by a combination of more favourable market conditions and product innovation.

Revenues for Hard Materials were down year on year, with challenging conditions persisting in the markets for mining and wear parts. The business made good progress in its offer of new products for the road construction market.

Element Six Abrasives has closed its Advanced Materials plant in Suzhou, China.

RECYCLING

Recycling key figures (in million €)	H2 2012	H2 2013	2012	2013
Total turnover	4,275.2	2,887.3	9,589.6	6,663.3
Total revenues (excluding metal)	339.2	282.8	681.2	590.2
Recurring EBITDA	161.6	121.9	306.2	248.7
Recurring EBIT	136.9	97.0	258.8	199.6
Total EBIT	137.5	101.6	251.8	200.0
Recurring EBIT margin	40.3%	34.3%	38.0%	33.8%
R&D expenditure	9.8	8.4	18.6	18.4
Capital expenditure	41.2	54.3	67.8	87.0
Capital employed, end of period	327.3	397.2	327.3	397.2
Capital employed, average	295.7	360.2	294.2	342.8
Return on Capital Employed (ROCE)	92.6%	53.9%	88.0%	58.2%
Workforce, end of period	2,394	2,345	2,394	2,345

Overview and outlook

Recycling revenues and recurring EBIT were down 13% and 23% respectively as a result of a sharp drop in metal prices. Lower demand in certain end-markets of Jewellery & Industrial Metals and a lower contribution from its recycling activities also had a negative impact on revenues and performance of the business group.

The supply environment is set to remain supportive, particularly in the market for industrial by-products. In the absence of any recovery in precious and specialty metals prices, the contribution from Recycling will be lower than in 2013. A number of investments are planned during the 2014 maintenance shutdowns in Hoboken as part of the preparation work for the production capacity increase at the plant.

Precious Metals Refining

Revenues for the business unit decreased year on year as a result of a severe decline in metal prices. Despite a second maintenance shutdown of the Hoboken smelter, the business processed higher volumes than in 2012 leading to higher income from refining charges.

In industrial by-products, processed volumes increased compared to the previous year driven by higher arrivals of residues from the non-ferrous metal industry. While this market segment has become more competitive, Umicore managed to secure additional supply streams and expand its client portfolio.

The intake of end-of-life materials was down year on year. The lower availability of electronic scrap reflected increasing competition, particularly in the market for less complex materials. Umicore remains well positioned in the high-end of the market. The supply volumes and commercial conditions of spent automotive catalysts remained subdued, while Umicore continued to position itself strongly on the market for industrial catalysts.

With the exception of palladium, metal prices were substantially down compared to the previous year. For some precious metals the impact on Umicore' earnings was partly mitigated as a result of Umicore having secured longer term pricing in previous periods. Lower spot prices for certain specialty metals, such as selenium, tellurium, ruthenium and iridium, which cannot be hedged, continued to have an impact on margins.

The previously announced investments to debottleneck the Hoboken plant are progressing well.

The second phase of the upgrade and expansion of the sampling facility is on schedule and foreseen to be finalised by mid-2014. The investments to further enhance the environmental performance of the plant are nearing completion. The improved gas cleaning equipment for the blast furnace has been installed and the commissioning of the biological water treatment installation has started.

In line with the strategy to grow its recycling activities, Umicore has announced its intention to expand the treatment capacity in Hoboken to 500,000 tonnes a year – an increase of some 40%. Umicore has engaged with the authorities to obtain the necessary permits.

Precious Metals Management

Revenues for the business unit decreased year on year. This was mainly a consequence of a lower contribution from the trading activity, which was impacted by an unfavourable price volatility and lower metal prices.

Demand for investor bars increased in 2013 as lower gold and silver prices presented an attractive entry point for some investors. Physical demand for precious metals remained largely stable, with a higher demand for silver used in industrial applications and palladium for the automotive industry compensating for a lower industrial demand for platinum.

Battery Recycling

Umicore successfully strengthened its position with (H)EV manufacturers for the processing of used rechargeable batteries. A number of technical enhancements are being made to the UHT (Ultra High Temperature) smelter based on the results of the testing campaigns for spent batteries and other supply streams. These technical modifications should enable Umicore to further improve its processes and operational efficiency in this long term market development opportunity.

Jewellery & Industrial Metals

The business unit recorded lower revenues year on year, primarily attributable to a lower contribution from the recycling activities.

Refining volumes and revenues in Europe were down compared to the previous year, as a sharp decline in precious metal prices reduced the overall availability of gold and silver containing residues with the market for gold scrap showing the most significant contraction. Umicore's silver recycling activities in Thailand, which serve customers in Asia, continued to grow and capacity enhancements are being made to fulfil demand. The expansion of silver recycling capacity in Pforzheim, Germany, is progressing according to plan and production start-up is anticipated for the second half of 2014.

Sales for silver-based industrial applications were also lower year on year, as poor demand from the solar industry could not be fully compensated by a slightly higher demand for chemical applications. Sales of products to the jewellery industry were somewhat lower than in the previous year in both the luxury and silver-based fashion segments. Lower metal prices did encourage investor demand for gold and silver bars, while the order levels for silver coin blanks from the German market were down year on year.

CORPORATE & GROUP ITEMS

Corporate key figures (in million €)	**H2 2012**	**H2 2013**	**2012**	**2013**
Recurring EBITDA	(20.8)	(18.0)	(40.0)	(37.4)
Recurring EBIT	(26.0)	(23.8)	(50.3)	(48.3)
of which associates *	(1.3)	(1.4)	(2.4)	(2.5)
Total EBIT	(23.6)	(25.4)	(52.8)	(60.0)
R&D expenditure	8.0	5.5	16.9	13.2
Capital expenditure	6.4	9.4	10.2	14.5
Capital employed, end of period	87.3	51.9	87.3	51.9
Capital employed, average	79.5	53.4	70.1	62.3
Workforce, end of period	1,201	1,157	1,201	1,157
of which associates *	49	50	49	50

* SolviCore

Corporate overview

Overall corporate costs remained at the same level as in 2012.

Research & development

R&D expenditure in fully consolidated companies was € 141 million, corresponding to an R&D spend to revenue ratio of 6%. 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 is dedicated to recycling technologies as well as processes for the production of catalysts and rechargeable battery materials. Overall net R&D spending for 2013 was slightly lower than in 2012 as a result of some projects moving to commercialization and a higher level of grants received.

From 2013 Umicore has decided to deduct any research grants that are received from third parties from its reported R&D figures. Umicore has also made some further R&D cost reclassifications by applying the internationally recognized Frascati Manual definitions. The reported R&D figures now also exclude R&D of associates. The R&D expenditure figures for 2012 and the first half of 2013 have been restated accordingly.

Employees & safety

The total number of employees decreased from 14,438 employees at the end of 2012 to 14,057 at the end 2013. The number of employees in the fully consolidated companies went down by 206, as a result of production footprint adjustments and restructuring measures which were implemented in the Performance Materials and Energy Materials business groups mainly. The number of employees in associated companies decreased by 175 primarily due to site restructurings in Element Six Abrasives.

In 2013 35 lost time accidents were recorded compared to 49 the year before – a reduction of more than 25%. This resulted in a frequency rate of 2.08 (compared to 2.86 in 2012) and a severity rate of 0.10 (compared to 0.11 in 2012). 79% of Umicore's sites were accident-free in 2013 and 29 industrial sites (compared to 24 in 2012) have achieved more than three years with no lost time accident.

In January 2014 an accident at Umicore's plant in Olen, Belgium, cost the lives of two employees. Preliminary findings indicate 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. A preliminary report has been submitted to the Health and Safety Inspectorate and a process is underway within Umicore to share the learning from the accident through the Group.

FINANCIAL REVIEW

Non-recurring items

Non-recurring items had a negative impact of € 43 million on EBIT. Restructuring charges accounted for € 31 million, the majority of which relates to the closure of Element Six Abrasives' plant in Suzhou, China and Zinc Chemicals' plant in Melbourne, Australia, as well as the implementation of cost reduction measures in Building Products.

Umicore also booked environmental provisions of € 8 million related to the remediation of historical pollution on site surroundings. Impairments on permanently tied-up metal inventories, resulting from lower metal prices, accounted for € 2 million. The impact of non-recurring charges on the net result (Group share) amounted to € 39 million.

Financial results and taxation

Net recurring financial charges totalled € 23 million, similar to the 2012 level, with negative foreign exchange results offsetting the effect of lower interest charges. The average weighted net interest rate decreased further to 1.61% (compared to 1.92% in 2012).

The recurring tax charge for the period amounted to € 57 million. The overall recurring effective tax rate for the period was 21.3%, compared to 20.6% in 2012.

Cashflows

Cashflow from operations increased by 8.7% to € 523 million, including a release of working capital of € 97 million partly as a result of lower metal prices.

Capital expenditures totalled € 280 million. The vast majority of capital expenditures relates to Vision 2015 growth projects. Compared to 2012, investments were up in Catalysis, linked to the addition of light duty and HDD production capabilities in Asia and Europe and the construction of the technology development centres in Japan and Brazil. Investments were also up in Energy Materials with capacity investments for cathode materials in Korea and China and the construction of a new precursor facility in Korea. In Recycling, capital expenditure continued to run at a high level as a result of the expansion of the sampling facilities and new water and gas cleaning equipment in Hoboken, Belgium. Investments were stable in Performance Materials.

Umicore has revised its definition of capital expenditures in 2013 and Capex now excludes capitalized R&D costs. The 2012 figures have been restated accordingly.

Net cashflow before financing increased to € 186 million, including the amount paid for the Palm Commodities International acquisition. Total net cashflow for the period stood at € -33 million, including € 196 million of cash returned to shareholders in the form of share buybacks and dividends, which corresponds to 38% of cashflow generated from operations.

Financial debt

At 31 December 2013 Umicore's net financial debt stood at € 215 million versus € 222 million at the start of the year. Group equity stood at € 1,723 million and the gearing ratio (net debt / net debt + equity) was 11.1%. The average net debt to recurring EBITDA ratio stood at 0.4 x.

Dividend and shares

The Board of Directors will propose a gross annual dividend of € 1.00 per share at the Annual General Meeting on 29 April 2014. Taking into account the interim dividend of € 0.50 per share paid out on 5 September 2013 and subject to shareholder approval, a gross amount of € 0.50 per share would be paid out on 7 May 2014.

In the course of 2013, Umicore bought back 2,437,385 of its own shares. During the year 296,912 shares were used in the context of exercised stock options. At 5 February 2014 Umicore held 10,248,661 shares in treasury, representing 8.5% of the Group's outstanding shares.

Statutory auditor’s note on the consolidated financial information of 2013

The statutory auditor, PwC Reviseurs d’Entreprises SCCRL, represented by Emmanuèle Attout and Marc Daelman, has confirmed that his audit work, which is substantially complete, has not to date revealed any significant matters requiring adjustments to the 2013 consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in the equity of the Group or consolidated cashflow statement included in this press release.

Sint-Stevens-Woluwe, 5 February 2014

PwC Bedrijfsrevisoren/Reviseurs d'Entreprises
Represented by

Marc Daelman
Bedrijfsrevisor / Réviseur d’entreprises

Emmanuèle Attout
Bedrijfsrevisor / Réviseur d’entreprises

Management responsibility statement

I hereby certify that, to the best of my knowledge, the Consolidated Financial Information of 2013 prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and with the 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. The commentary on the overall performance of the Group from page 1 to 15 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.

Brussels, 5 February 2014

Marc Grynberg
Chief Executive Officer

CONSOLIDATED FINANCIAL INFORMATION FOR THE YEAR ENDED ON 31 DECEMBER 2013

Consolidated income statement

(in million €)	2012	2013
Turnover	12,548.0	9,819.3
Other operating income	62.7	76.2
Operating income	12,610.7	9,895.5
Raw materials and consumables	(10,996.2)	(8,344.7)
Payroll and related benefits	(717.0)	(707.2)
Depreciation and impairments	(181.7)	(169.9)
Other operating expenses	(410.4)	(411.2)
Operating expenses	(12,305.3)	(9,632.9)
Income (loss) from other financial assets	1.0	(2.1)
Result from operating activities	306.4	260.5
Financial income	3.3	4.3
Financial expenses	(23.9)	(19.1)
Foreign exchange gains and losses	(10.3)	(8.1)
Share in result of companies accounted for using the equity method	22.2	(0.5)
Profit (loss) before income tax	297.6	237.2
Income taxes	(59.7)	(52.4)
Profit (loss) of the period	237.9	184.8
of which minority share	4.5	5.8
of which Group share	233.4	179.0
(in € / share)		
Total basic earnings per share	2.09	1.61
Total diluted earnings per share	2.08	1.60
Dividend per share	1.00	1.00

Consolidated statement of comprehensive income

(in million €)	2012	2013
Profit (loss) of the period	237.9	184.8
Items in other comprehensive income that will not be reclassified to P&L		
Changes in post employment benefits, arising from changes in actuarial assumptions	(57.3)	(1.3)
Changes in deferred taxes directly recognized in other comprehensive income	17.3	1.3
Items in other comprehensive income that may be subsequently reclassified to P&L		
Changes in available-for-sale financial assets reserves	(10.8)	(12.1)
Changes in cash flow hedge reserves	7.4	1.9
Changes in deferred taxes directly recognized in other comprehensive income	(2.3)	(0.4)
Changes in currency translation differences	(14.0)	(61.5)
Other comprehensive income	(59.7)	(72.1)
Total comprehensive income for the period	178.2	112.6
of which minority share	1.9	0.5
of which Group share	176.3	112.1

The deferred tax impact on the other comprehensive income is related to the cash flow hedge reserves for € –0.3 million and to post employment benefit reserves for € 1.3 million.

Consolidated balance sheet

(in million €)	31 / 12 2012	31 / 12 2013
Non-current assets	1,478.2	1,551.2
Intangible assets	200.9	218.3
Property, plant and equipment	912.3	998.6
Investments accounted for using the equity method	214.0	201.4
Available-for-sale financial assets	37.1	21.2
Loans granted	5.1	5.0
Trade and other receivables	17.0	16.3
Deferred tax assets	91.8	90.5
Current assets	2,189.7	1,961.1
Loans granted	5.0	5.9
Inventories	1,235.1	1,106.3
Trade and other receivables	788.4	716.4
Income tax receivables	29.9	33.2
Cash and cash equivalents	131.4	99.2
Total assets	3,667.9	3,512.3
Equity of the Group	1,805.8	1,723.4
Group shareholders' equity	1,751.7	1,677.1
Share capital and premiums	502.9	502.9
Retained earnings	1,577.7	1,647.4
Currency translation differences and other reserves	(102.0)	(167.4)
Treasury shares	(226.8)	(305.7)
Minority interest	54.1	46.3
Non-current liabilities	422.4	439.1
Provisions for employee benefits	259.0	267.8
Financial debt	2.9	26.4
Trade and other payables	13.9	12.9
Deferred tax liabilities	36.4	28.2
Provisions	110.3	103.7
Current liabilities	1,439.6	1,349.8
Financial debt	351.0	287.8
Trade and other payables	1,022.4	966.8
Income tax payable	35.5	64.7
Provisions	30.7	30.5
Total equity & liabilities	3,667.9	3,512.3

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 equity
Balance at the beginning of 2012	502.9	1,461.0	(43.6)	(252.8)	54.2	1,721.7
Result of the period	-	233.4	-	-	4.5	237.9
Other comprehensive income for the period	-	-	(57.2)	-	(2.5)	(59.7)
Total comprehensive income for the period	-	233.4	(57.2)	-	1.9	178.2
Changes in share-based payment reserves	-	-	5.3	-	-	5.3
Capital increase	-	-	-	-	6.3	6.3
Dividends	-	(122.9)	-	-	(6.9)	(129.8)
Transfers	-	6.5	(6.5)	-	-	-
Changes in treasury shares	-	-	-	25.9	-	25.9
Changes in scope	-	(0.4)	-	-	(1.4)	(1.8)
Balance at the end of 2012	502.9	1,577.7	(102.0)	(226.8)	54.1	1,805.8
Result of the period	-	179.0	-	-	5.7	184.8
Other comprehensive income for the period	-	-	(66.9)	-	(5.2)	(72.1)
Total comprehensive income for the period	-	179.0	(66.9)	-	0.5	112.6
Changes in share-based payment reserves	-	-	4.3	-	-	4.3
Capital decrease	-	-	-	-	(5.8)	(5.8)
Change in accounting policies	-	0.5	(1.3)	-	-	(0.8)
Dividends	-	(111.4)	-	-	(3.8)	(115.1)
Transfers	-	1.5	(1.5)	-	-	-
Changes in treasury shares	-	-	-	(78.8)	-	(78.8)
Other movements	-	-	-	-	0.1	0.1
Changes in scope	-	-	-	-	1.1	1.1
Balance at the end of 2013	502.9	1,647.4	(167.4)	(305.7)	46.3	1,723.4

Consolidated cashflow statement

(in million €)	2012	2013
Profit from continuing operations	237.9	184.8
Adjustments for profit of equity companies	(22.2)	0.5
Adjustment for non-cash transactions	166.2	188.6
Adjustments for items to disclose separately or under investing and financing cashflows	64.9	51.8
Change in working capital requirement	34.1	96.9
Cashflow generated from operations	480.9	522.6
Dividend received	27.0	15.2
Tax paid during the period	(93.8)	(37.6)
Government grants received	1.4	0.5
Net operating cashflow	415.5	500.8
Acquisition of property, plant and equipment	(227.8)	(266.7)
Acquisition of intangible assets	(25.7)	(27.0)
Acquisition of new subsidiaries, net of cash acquired	(11.2)	(22.0)
Acquisition of / capital increase in associates	(0.1)	(7.6)
Acquisition in additional shareholdings in subsidiaries	(1.2)	-
Acquisition of financial assets	(0.1)	(0.2)
New loans extended	(7.5)	(1.2)
Sub-total acquisitions	(273.5)	(324.6)
Disposal of property, plant and equipment	2.9	7.8
Disposal of intangible assets	-	1.9
Disposal of subsidiaries and associates, net of cash disposed	2.1	-
Capital decrease in associates	2.4	-
Disposal of financial fixed assets	0.5	-
Repayment of loans	0.4	-
Sub-total disposals	8.3	9.7
Net cashflow generated by (used in) investing activities	(265.2)	(314.9)
Capital increase (decrease) minority	5.5	(5.8)
Own shares	25.9	(78.8)
Interest received	2.9	4.0
Interest paid	(16.0)	(6.6)
New loans and repayments	(16.8)	(38.5)
Dividends paid to Umicore shareholders	(122.5)	(111.4)
Dividends paid to minority shareholders	(6.9)	(3.8)
Net cashflow generated by (used in) financing activities	(127.8)	(241.0)
Effect of exchange rate fluctuations	8.3	22.4
Total net cashflow of the period	30.8	(32.7)
Net cash and cash equivalents at the beginning of the period	100.2	131.0
Net cash and cash equivalents at the end of the period	131.0	98.3
of which cash and cash equivalents	131.4	99.2
of which bank overdrafts	(0.4)	(0.9)

Condensed segment information 2012 (in million €)	**Catalysis**	**Energy Materials**	**Perfor-mance Materials**	**Recycling**	**Corporate & Unallocated**	**Eliminations**	**Total**
Total segment turnover	1,871.9	763.7	1,508.4	9,589.6	28.8	(1,214.4)	12,548.0
of which external turnover	1,845.1	757.2	1,348.8	8,568.2	28.8	-	12,548.0
of which inter-segment turnover	26.8	6.5	159.6	1,021.4	-	(1,214.4)	-
Total segment revenues*	866.1	366.3	523.2	681.2	-	(9.5)	2,427.4
of which external revenues*	865.3	366.3	523.2	672.5	-	-	2,427.4
of which inter-segment revenues*	0.8	-	-	8.7	-	(9.5)	-
Recurring EBIT	91.0	18.2	54.5	258.8	(50.3)	-	372.1
of which from operating result	80.4	14.0	44.6	258.8	(47.9)	-	349.9
of which from equity method companies	10.5	4.2	9.9	-	(2.4)	-	22.2
Non-recurring EBIT	(5.7)	(30.0)	(0.6)	(7.9)	(2.5)	-	(46.7)
of which from operating result	(5.7)	(30.0)	1.2	(7.9)	(2.5)	-	(44.8)
of which from equity method companies	-	-	(1.8)	-	-	-	(1.8)
IAS 39 effect on EBIT	(1.4)	0.5	3.2	0.9	-	-	3.2
of which from operating result	(0.7)	0.5	0.7	0.9	-	-	1.3
of which from equity method companies	(0.7)	-	2.5	-	-	-	1.8
Total EBIT	83.8	(11.3)	57.1	251.8	(52.8)	-	328.6
of which from operating result	74.0	(15.5)	46.5	251.8	(50.4)	-	306.4
of which from equity method companies	9.9	4.2	10.6	-	(2.4)	-	22.2
Capital expenditure	75.7	52.8	29.3	67.8	10.2	-	235.7
Depreciation & amortization	33.4	32.4	28.4	47.4	10.3	-	152.0

* Revenues excluding metal

Condensed segment information 2013
(in million €)

	Catalysis	Energy Materials	Perfor-mance Materials	Recycling	Corporate & Unallocated	Eliminations	Total
Total segment turnover	2,020.2	825.7	1,388.4	6,663.3	33.0	(1,111.4)	9,819.3
of which external turnover	1,990.6	820.1	1,256.6	5,719.0	33.0	-	9,819.3
of which inter-segment turnover	29.6	5.6	131.8	944.3	-	(1,111.4)	-
Total segment revenues*	893.5	402.6	509.7	590.2	-	(6.0)	2,390.0
of which external revenues*	892.8	402.6	509.7	584.9	-	-	2,390.0
of which inter-segment revenues*	0.7	-	-	5.3	-	(6.0)	-
Recurring EBIT	73.3	24.7	54.7	199.6	(48.3)	-	304.0
of which from operating result	70.8	22.0	45.6	199.6	(45.8)	-	292.1
of which from equity method companies	2.5	2.7	9.1	-	(2.5)	-	11.8
Non-recurring EBIT	(0.4)	(3.6)	(29.6)	1.8	(11.7)	-	(43.4)
of which from operating result	(0.3)	(3.6)	(16.8)	1.8	(11.7)	-	(30.6)
of which from equity method companies	-	-	(12.8)	-	-	-	(12.8)
IAS 39 effect on EBIT	0.7	0.2	(0.2)	(1.3)	-	-	(0.5)
of which from operating result	0.3	0.2	(0.2)	(1.3)	-	-	(1.0)
of which from equity method companies	0.5	-	-	-	-	-	0.5
Total EBIT	73.7	21.4	24.9	200.0	(60.0)	-	260.0
of which from operating result	70.7	18.7	28.6	200.0	(57.5)	-	260.5
of which from equity method companies	3.0	2.7	(3.7)	-	(2.5)	-	(0.5)
Capital expenditure	84.4	64.3	29.4	87.0	14.5	-	279.6
Depreciation & amortization	39.4	30.5	28.7	49.1	10.9	-	158.6

* Revenues excluding metal

Impact of IAS 39 & non-recurring elements (in million €)	**Continuing total**	**of which: Recurring**	**Non-recurring**	**IAS 39 effect**
2012				
Profit from operations	306.4	349.9	(44.8)	1.3
of which income from other financial investments	1.0	1.0	-	-
Result of companies accounted for using the equity method	22.2	22.2	(1.8)	1.8
EBIT	328.6	372.1	(46.7)	3.2
Finance cost	(31.0)	(23.4)	-	(7.6)
Tax	(59.7)	(67.3)	5.4	2.2
Net result	237.9	281.4	(41.2)	(2.2)
of which minority share	4.5	6.1	(1.7)	-
of which Group share	233.4	275.2	(39.5)	(2.3)
2013				
Profit from operations	260.5	292.1	(30.6)	(1.0)
of which income from other financial investments	(2.1)	0.6	(2.7)	-
Result of companies accounted for using the equity method	(0.5)	11.8	(12.8)	0.5
EBIT	260.0	304.0	(43.4)	(0.5)
Finance cost	(22.9)	(22.8)	-	-
Tax	(52.4)	(57.4)	4.7	0.3
Net result	184.8	223.7	(38.7)	(0.2)
of which minority share	5.7	5.7	0.2	(0.1)
of which Group share	179.0	218.0	(38.9)	(0.1)

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/investorrelations/en/financials/glossary.htm

For more information

Investor Relations

Evelien Goovaerts	+32 2 227 78 38	evelien.goovaerts@umicore.com

Media Relations

Elcke Vercruysse	+32 2 227 71 29	elcke.vercruysse@umicore.com

Financial calendar

29 April 2014	2014 first quarter trading update
29 April 2014	Annual General Meeting
2 May 2014	Ex-dividend trading date
6 May 2014	Record date for dividend
7 May 2014	Payment date for dividend
31 July 2014	Half Year Results 2014
23 October 2014	2014 third quarter trading update

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 centred on four business areas: Catalysis, Energy Materials, Performance Materials and Recycling. Each business area 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 photovoltaics, fuel cells, 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 € 9.8 billion (€ 2.4 billion excluding metal) in 2013 and currently employs some 14,000 people.

A conference call and audio webcast will take place today at 14:00 CET in Brussels.
Please visit: http://www.umicore.com/investorrelations/en/financialCalendar/confCall20140206.htm