Press release
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FULL YEAR RESULTS 2014

Highlights

Revenues were 1% higher compared to 2013. Growth in Catalysis and Energy Materials offset lower revenues in Performance Materials and Recycling. Recurring EBIT was down 10% due mainly to the impact of lower metal prices and currency headwinds. Recurring EBIT was down in Recycling while it increased in the other segments. Growth investments are on track and capital expenditures totalled € 202 million.

- Revenues of € 2.4 billion
- Recurring EBITDA of € 442 million
- Recurring EBIT of € 274 million
- ROCE of 12.2%
- Recurring net profit (Group share) of € 193 million
- Recurring EPS of € 1.79
- Net debt at € 298 million

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

The Board of Directors will propose a gross annual dividend of € 1.00 per share at the Annual General Meeting on 28 April, of which € 0.50 was already paid out as an interim dividend in September 2014.

Outlook

Umicore expects profitability to improve in 2015 driven by further growth in Catalysis and Energy Materials in particular.

Note: All comparisons are made with 2013, unless mentioned otherwise.

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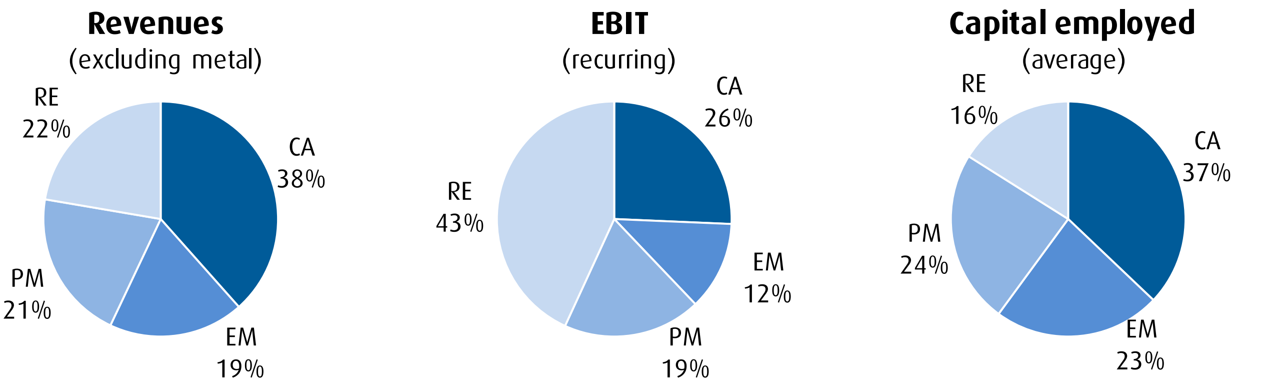
Key figures (in million €)	**H2 2013**	**H2 2014**	**2013**	**2014**
Turnover	4,429.3	4,473.1	9,819.3	8,828.5
Revenues (excluding metal)	1,143.3	1,173.4	2,363.4	2,380.6
Recurring EBITDA	222.3	221.0	462.6	442.2
Recurring EBIT	141.0	135.3	304.0	273.7
of which associates	5.8	15.1	11.8	28.3
Non-recurring EBIT	(20.6)	(12.2)	(43.4)	(21.6)
IAS 39 effect on EBIT	5.6	0.9	(0.5)	(2.7)
Total EBIT	126.0	124.0	260.0	249.3
Recurring EBIT margin	11.8%	10.2%	12.4%	10.3%
Average weighted net interest rate	1.95%	1.86%	1.61%	1.56%
Effective recurring tax rate	19.04%	21.39%	21.32%	21.81%
Recurring net profit, Group share	103.4	98.3	218.0	193.1
Net profit, Group share	89.9	89.1	179.0	170.6
R&D expenditure	69.3	69.5	140.6	143.3
Capital expenditure	168.0	130.2	279.6	202.4
Net cash flow before financing	80.5	21.3	185.9	139.9
Total assets of continued operations, end of period	3,512.3	3,851.4	3,512.3	3,851.4
Group shareholders' equity, end of period	1,677.1	1,704.6	1,677.1	1,704.6
Consolidated net financial debt of continued operations, end of period	215.0	298.3	215.0	298.3
Gearing ratio of continued operations, end of period	11.1%	14.6%	11.1%	14.6%
Average net debt / recurring EBITDA	45.6%	56.6%	44.2%	51.9%
Capital employed, end of period	2,233.6	2,335.3	2,233.6	2,335.3
Capital employed, average	2,234.8	2,265.5	2,241.3	2,240.1
Return on Capital Employed (ROCE)	12.6%	11.9%	13.6%	12.2%
Workforce, end of period	14,057	14,074	14,057	14,074
of which associates	3,867	3,706	3,867	3,706
Accident frequency rate	1.33	1.77	2.08	2.16
Accident severity rate	0.05	0.08	0.10	0.94

Key figures per share (in €/share)	H2 2013	H2 2014	2013	2014
Total number of issued shares, end of period	120,000,000	112,000,000	120,000,000	112,000,000
of which shares outstanding	109,771,339	108,085,728	109,771,339	108,085,728
of which treasury shares	10,228,661	3,914,272	10,228,661	3,914,272
Average number of shares outstanding				
basic	110,660,537	104,236,627	111,257,259	108,062,085
diluted	111,136,443	104,626,388	111,733,165	108,451,847
Recurring EPS	0.93	0.92	1.96	1.79
Basic EPS	0.81	0.83	1.61	1.58
Diluted EPS	0.81	0.83	1.60	1.57
Dividend*	0.50	0.50	1.00	1.00
Net cash flow before financing, basic	0.73	0.20	1.67	1.29
Total assets of continued operations, end of period	32.00	35.63	32.00	35.63
Group shareholders' equity, end of period	15.28	15.77	15.28	15.77

* 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 2013	H2 2014	2013	2014
Total turnover	952.0	1,101.2	2,020.2	2,181.3
Total revenues (excluding metal)	413.8	450.0	866.9	917.1
Recurring EBITDA	49.8	61.9	112.8	124.9
Recurring EBIT	29.0	41.1	73.3	82.6
of which associates	1.1	4.0	2.5	7.0
Total EBIT	29.2	39.4	73.7	79.9
Recurring EBIT margin	6.7%	8.3%	8.2%	8.2%
R&D expenditure	40.2	40.6	82.0	83.2
Capital expenditure	56.6	35.2	84.4	59.8
Capital employed, end of period	809.5	851.4	809.5	851.4
Capital employed, average	808.1	821.8	804.6	811.4
Return on Capital Employed (ROCE)	7.2%	10.0%	9.1%	10.2%
Workforce, end of period	2,340	2,457	2,340	2,457
of which associates	167	167	167	167

Overview and outlook

Revenues and earnings for the business group were up 6% and 13% respectively, driven by increases in Automotive Catalysts in contrast to lower revenues and earnings in Precious Metals Chemistry.

The ramp-up of Heavy Duty Diesel (HDD) catalyst production in Europe and China and further growth in demand for emission abatement for light duty vehicles should drive revenues and earnings higher for Catalysis in 2015.

Automotive Catalysts

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

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

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

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

Sales volumes and revenues were down in North America, where light duty vehicle production grew by 5%. This was the result of an unsupportive vehicle mix as small and medium sized vehicles, to which

Umicore is less exposed, gained market share. Umicore felt the continuing impact of low demand in South America, where car production fell by 16%. While the market remains generally depressed in this region, the first signs of stabilisation are being seen.

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

Precious Metals Chemistry

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

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

ENERGY MATERIALS

Energy Materials key figures (in million €)	**H2 2013**	**H2 2014**	**2013**	**2014**
Total turnover	422.8	457.9	825.7	907.3
Total revenues (excluding metal)	203.1	222.5	402.6	445.0
Recurring EBITDA	28.3	37.7	55.2	73.9
Recurring EBIT	12.8	19.7	24.7	39.2
of which associates *	1.0	2.8	2.7	4.7
Total EBIT	9.4	23.5	21.4	38.5
Recurring EBIT margin	5.8%	7.6%	5.5%	7.8%
R&D expenditure	9.4	7.9	16.2	17.4
Capital expenditure	31.4	32.3	64.3	45.0
Capital employed, end of period	470.2	588.9	470.2	588.9
Capital employed, average	474.7	533.0	476.2	503.3
Return on Capital Employed (ROCE)	5.4%	7.4%	5.2%	7.8%
Workforce, end of period	2,884	2,857	2,884	2,857
of which associates *	1,056	930	1,056	930

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

Overview and outlook

Revenues and recurring EBIT for the business group increased by 11% and 59% respectively as a result of the acquisitions in Cobalt & Specialty Materials, volume growth in all business units and efficiency improvements.

Revenues and profitability are set to increase further reflecting the contribution of recently acquired activities as well as demand growth in all business units.

Cobalt & Specialty Materials

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

In the ceramics & chemicals business, order levels for nickel sulphates used as precursors were well up year on year. Sales of metal carboxylates were also higher due to strong demand for products used as polymerisation and refining catalysts by the petrochemical industry. The distribution activities continued to perform well and benefited from the acquisition of Palm Commodities in the US at the end of 2013. Sales volumes of cobalt compounds remained stable and premiums in that segment were lower due to continued aggressive competition in Asia.

Revenues in the cobalt and nickel refining activities were slightly higher year on year. The acquisition of US-based CP Chemicals in the third quarter of 2014 had a positive impact on cobalt and nickel refining volumes and also allowed Umicore to add rhenium recycling to its portfolio.

The market for hard metals used in tool materials remained challenging and demand was subdued.

At the end of 2014, Umicore acquired full ownership of Todini and Co, a former Umicore joint-venture and a leader in the distribution of industrial chemical products in Europe.

Electro-Optic Materials

Revenues increased driven by volume growth in finished optics and a greater contribution from the recycling and refining activities. The measures to reduce costs and increase operational efficiency continued to benefit earnings.

Revenues for finished optics showed significant growth, primarily due to strong demand for commercial infrared applications. In this segment a widespread switch is taking place to Umicore's GASIR®-based optical lens systems which have an equivalent performance to germanium based products and enable the development of new market segments. Demand for blank optics remained low in a generally depressed market. Umicore continued to defend its margins in this segment with a selective approach. Sales of germanium tetrachloride for the fiber optics industry remained steady and revenues benefited from a favourable product mix.

In the germanium substrates activity, volumes and revenues for photovoltaic applications were slightly lower while margins remained stable. Lower demand for terrestrial CPV (Concentrator Photovoltaics) products was offset by higher demand for space applications where a move towards larger and more efficient wafers - in which Umicore is a leader – is taking place. Revenues remained stable in the LED segment.

Rechargeable Battery Materials

The Li-Ion battery market continued to grow in 2014 and Umicore's sales volumes and revenues were well up compared to the previous year. The segment of portable electronics is currently still by far the largest segment and continues to grow. Also the introduction of new applications and devices such as battery-powered home appliances and power banks drives the growth of the market. Sales of electrified cars are steadily growing and should continue to do so as an increasing number of electrified models get introduced in the market.

Sales volumes of Umicore's proprietary High Energy LCO (lithium cobaltite) used in high performance Li-ion batteries for smartphones and tablets were well up year on year. In this segment, the average battery size is increasing due to a higher power need per device (larger screens and 4G-connectivity) and more intensive use of the mobile gadgets.

Overall sales of NMC (nickel manganese cobalt) cathode materials were down year on year as a result of lower shipments of NMC grades used in portable electronics. Due to continued aggressive pricing levels for these grades and their commoditization, Umicore has decreased its presence in this sub-segment. NMC sales for automotive and power tool applications were up year on year, albeit with an erratic demand pattern over the year. Strong efforts went into product qualification schemes for automotive platforms and Umicore has successfully qualified for new platforms to be launched in the coming years covering all degrees of electrification (EV, pHEV and HEV).

The production capacity expansion projects in Korea and China have been completed on schedule and were brought on stream in line with market demand.

Thin Film Products

Revenues were up compared to the previous year driven by higher demand for Umicore's highly efficient indium tin oxide rotary targets used in large area display applications. Margins, however, did not fully reflect the volume growth and were impacted by pricing pressure in Asia and a higher indium price. The new JV with First Rare Materials Co Ltd is anticipated to start customer qualification by the end of 2015 and will help Umicore to meet the growing demand from the large area display market in China. Revenues for optics and electronics were stable year on year and margins benefited from the streamlining of the product portfolio.

PERFORMANCE MATERIALS

Performance Materials key figures (in million €)	H2 2013	H2 2014	2013	2014
Total turnover	641.0	680.1	1,388.4	1,347.3
Total revenues (excluding metal)	246.6	240.9	509.7	493.2
Recurring EBITDA	40.3	42.3	83.4	88.9
Recurring EBIT	26.1	28.0	54.7	61.2
of which associates *	5.0	9.2	9.1	18.6
Total EBIT	11.2	23.2	24.9	53.4
Recurring EBIT margin	8.5%	7.8%	8.9%	8.6%
R&D expenditure	5.7	5.0	10.8	10.1
Capital expenditure	16.7	17.5	29.4	28.4
Capital employed, end of period	504.8	526.3	504.8	526.3
Capital employed, average	538.4	526.9	555.5	521.5
Return on Capital Employed (ROCE)	9.7%	10.6%	9.8%	11.7%
Workforce, end of period	5,331	5,294	5,331	5,294
of which associates *	2,594	2,563	2,594	2,563

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

Overview and outlook

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

Revenues are expected to grow broadly in line with GDP.

Building Products

Revenues and sales volumes were roughly stable year on year, while profitability improved as cost saving and production efficiency measures that were launched in 2013 and implemented in the course of 2014 had a positive impact on earnings.

Revenues were up in France, Germany and Benelux, helped by a comparatively milder winter. Sales were lower in the other European markets, however, where the building sector remained sluggish. Demand for zinc building materials in the markets outside Europe contracted due to delays in the launch of new projects in the Asia-Pacific region. Product premiums were pushed down by increased competition in the more mature European markets combined with a higher zinc price.

The product mix remained generally stable year on year, with sales of the higher added-value surface-treated products making up a substantial share of the business.

Electroplating

Revenues were roughly stable year on year, with lower demand for technical applications being offset by higher revenues in the other product categories.

Revenues for precious metal electrolytes for decorative applications were well up, benefitting from the continued strong demand for gold-copper compounds used to produce pink gold for jewellery and lifestyle applications. Demand for gold electroforming products used in luxury jewellery progressed well and was further driven by new customer gains in Asia.

Order levels for precious metal products used in the production of printed circuit boards were up year on year largely due to demand from European automotive customers to meet the growing need for electronics in the newest generation of cars.

Revenues for technical applications were lower than in 2013, when demand for silver plating solutions used in high performance LEDs in China was particularly high. Sales volumes and revenues for platinized products for the plating industry, such as anodes for the plating of chrome, were substantially up and Umicore successfully increased its market share.

The new JV with Jianmen Changxin Technology Co. Ltd. is now operational in Jiangmen, China, and will allow Umicore to serve its growing Chinese customer base with its hi-tech surface treatment products and services.

Platinum Engineered Materials

Revenues and sales volumes were slightly lower compared to 2013. The second half year was more positive than the first, largely due to a strong fourth quarter.

Although underlying demand for platinum equipment used in display glass manufacturing remains flat, the business unit benefited from a grouping of orders relating to a major customer in the final months of the year. Sales volumes of equipment used in technical glass applications were in line with prior year while demand from the optical glass segment remained subdued.

In the Performance Catalysts business the situation improved partly due to Ukrainian customers increasing production of ammonia for the fertilizer industry at their plants in the west of the country. The fertilizer industry – which is highly energy intensive – has taken advantage of the lower natural gas price to increase production and this has led to increased demand for Umicore's platinum gauzes. In December the business launched a new gauze, MPAC, which enables customers to improve product yield, reduce PGM use, increase campaign times and, in certain conditions, lower greenhouse gas emissions.

Technical Materials

Revenues were down year on year due to overall lower sales volumes, particularly in Brazil and China.

Sales volumes of contact and power technology materials for medium voltage applications remained low in the second half due to the continuing slow-down in electrical infrastructure projects in China. Order levels for contact materials for low voltage applications were stable, with weak demand from Brazil being compensated by higher demand from North America and Europe. Sales of specialized products such as adsorber rods and amalgam spheres were lower.

Overall demand for brazing products remained subdued. The new silver-saving BlueBraze™ product continued to generate customer interest and qualification is ongoing.

Zinc Chemicals

The business unit saw improvements in sales in the majority of its product areas in the second half of 2014. Revenues were therefore higher year on year. Despite the tight availability of zinc-containing galvanising residues which impacted recycling margins, earnings recovered on the back of higher sales and benefited from recent cost reduction measures.

Sales volumes of fine zinc powders showed further improvement in the second half year which was largely attributable to a pick-up in Asian demand for powders used in anti-corrosive paint. Overall premiums were somewhat higher. The new plant for the production of high grade fine zinc powders and the recycling of zinc residues in Changsha, China, is on target to commence production in the second half of 2015.

Sales volumes of zinc powders used in primary batteries were well up particularly as a result of better sales into the European and North American markets. At the end of the year sales volumes also started improve in China.

Zinc oxide sales volumes increased, particularly for feed grade products, and premiums were slightly higher. Following the CEP-certification of the Eijsden plant by the European Directorate for the Quality of Medicines and Healthcare (EDQM) in May 2014, the facility also successfully passed its first US Food and Drug Administration (FDA) audit to qualify its products for use in pharmaceutical applications in the US.

Element Six Abrasives

Revenues were well up, driven by strong sales in Oil and Gas-drilling and Precision Machining due to market share gains in fairly stable markets. Sales volumes benefited from increased investments in product innovation and a successful positioning of Element Six Abrasives' diamond-based products and know-how in the oil & gas and precision machining markets.

Revenues from carbide-based products were down in highly challenging markets. While sales momentum for wear parts and road products improved in the second half of the year, demand for mining products was subdued throughout the year reflecting weak activity in that market.

Overall earnings were up significantly, benefiting from an improved product mix and operational efficiency improvements.

RECYCLING

Recycling key figures (in million €)	H2 2013	H2 2014	2013	2014
Total turnover	2,887.3	2,564.9	6,663.3	5,203.6
Total revenues (excluding metal)	282.8	264.5	590.2	532.7
Recurring EBITDA	121.9	97.4	248.7	190.5
Recurring EBIT	97.0	71.1	199.6	138.7
Total EBIT	101.6	69.7	200.0	132.7
Recurring EBIT margin	34.3%	26.9%	33.8%	26.0%
R&D expenditure	8.4	9.6	18.4	20.1
Capital expenditure	54.3	39.0	87.0	58.3
Capital employed, end of period	397.2	294.6	397.2	294.6
Capital employed, average	360.2	325.9	342.8	351.5
Return on Capital Employed (ROCE)	53.9%	43.6%	58.2%	39.5%
Workforce, end of period	2,345	2,330	2,345	2,330

Overview and outlook

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

Supply conditions are anticipated to be broadly similar to 2014. The expected downtime due to the expansion investments in Hoboken should be compensated by an increased underlying throughput.

Precious Metals Refining

Revenues and earnings were down year on year, due to lower prices of precious and specialty metals and a somewhat less favourable supply mix. Higher volumes were processed as a result of an increased throughput rate, which helped offset part of these headwinds.

Processed volumes were up year on year, despite the preparatory engineering work and the first major phase of investments carried out in the Hoboken plant to expand capacity. These investments resulted in a higher throughput rate which more than offset the volume loss caused by the downtime.

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

The Hoboken expansion program is well underway and the effects of the throughput and efficiency improvements are already being felt. Further major investments will take place during two extended shutdowns in 2015. While the total production downtime will be longer than in 2014 the increased throughput rate after the investments is anticipated to compensate for the lost production days.

Precious Metals Management

Revenues were lower year on year.

The contribution from the trading activity was lower due to the combined effects of less favourable market conditions and lower metal prices. Although the last quarter brought a slight increase in prices for some metals, overall the prices were below the levels of 2013.

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

Battery Recycling

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

Jewellery & Industrial Metals

The business unit recorded slightly lower revenues as higher revenues for the product businesses were more than offset by a lower contribution from the recycling activity. Refining volumes were impacted by a severe decline of available gold scrap compared to the previous year, although the volumes seem to have bottomed out at current levels. The volumes of silver and pgm-containing residues remained stable.

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

The business unit is making further capacity enhancements to its silver recycling activities in Bangkok, Thailand, to serve demand from the Asian customers.

CORPORATE & GROUP ITEMS

Corporate key figures (in million €)	**H2 2013**	**H2 2014**	**2013**	**2014**
Recurring EBITDA	(18.0)	(18.3)	(37.4)	(36.1)
Recurring EBIT	(23.8)	(24.5)	(48.3)	(48.0)
of which associates *	(1.4)	(0.9)	(2.5)	(2.0)
Total EBIT	(25.4)	(31.7)	(60.0)	(55.1)
R&D expenditure	5.5	6.4	13.2	12.6
Capital expenditure	9.0	6.1	14.5	10.9
Capital employed, end of period	51.9	74.1	51.9	74.1
Capital employed, average	53.4	57.9	62.3	52.4
Workforce, end of period	1,157	1,136	1,157	1,136
of which associates *	50	46	50	46

* SolviCore

Corporate overview

Overall corporate costs remained at the same level as in 2013.

Research & development

The total Group net R&D expenditure was € 143 million. This was slightly up on the level of 2013 with the main reason for the increase being higher R&D spending in the Energy Materials and Recycling business groups. The R&D spend represented 6% of revenues. Capitalized development costs accounted for € 12.7 million in the total amount.

Employees & safety

The total number of employees increased from 14,057 employees at the end of 2013 to 14,074 at the end 2014. The number of employees in the fully consolidated companies increased by 178, primarily as a result of the capacity expansions in Catalysis and the integration of the different acquisitions in Energy Materials. The number of employees in associated companies decreased by 161 mainly in the joint ventures of Energy Materials and following site restructurings in Element Six Abrasives.

In terms of safety the number of lost-time accidents was higher in 2014 (37) compared to 2013 (35). The accident frequency rate increased from 2.08 to 2.16. 84% of the reporting sites were able to operate with no lost-time accidents. The number of recordable injuries and contractor accidents decreased significantly last year. In terms of accident severity the performance was affected by the accident in January 2014 in which two employees lost their lives. The process safety initiative, established following the accident, has engaged with all business units and over 20 sites to increase awareness of process safety and stimulate the exchange of best practices.

FINANCIAL REVIEW

Non-recurring items

Non-recurring items had a negative impact of € 22 million on EBIT. Restructuring charges accounted for € 20 million, mainly related to the closure of Element Six Abrasives' production facility in Robertsfors, Sweden, cost reduction measures in corporate & support functions and adjustments to the production configuration in a number of units.

Reversal of impairments of permanently tied-up metal inventories had a positive impact of € 8 million while additional environmental provisions related to remediation of historical pollution amounted to € 7 million. The impact of non-recurring charges on the net result (Group share) amounted to € 22 million.

IAS 39 accounting rules had a negative effect of € 3 million on EBIT and € 0.6 million on net result (Group share). The impact concerns timing differences imposed by IFRS that relate primarily to transactional and structural metal and currency hedges. All IAS 39 impacts are non-cash in nature.

Financial results and taxation

Net recurring financial charges totalled € 25 million and, similar to 2013, included some negative foreign exchange results. Net interest expenses remained stable at a low level as the average weighted net interest rate decreased further to 1.56 %.

The recurring tax charge for the period amounted to € 48 million. The overall recurring effective tax rate for the period was roughly stable at 21.8%.

Cashflows

Cashflow from operations before changes in working capital decreased by 11.8% due to the impact of lower metal prices in Recycling. Umicore further optimized working capital, generating a cash inflow of € 56 million.

Capital expenditures totalled € 202 million compared to € 280 million in 2013 with a decrease in each segment. The vast majority of capex relates to Umicore's growth projects. In Recycling a first phase of investments to expand capacity in Hoboken was successfully completed. In Catalysis the investments were linked to the addition of light and heavy duty capabilities. In Energy Materials the production capacity expansion investments for cathode materials in Korea and China were completed. The acquisitions of CP Chemicals and Todini and Co in Energy Materials resulted in a combined cash out of € 35 million.

A total of € 187 million cash was returned to shareholders in the form of share buybacks and dividends, which corresponds to 43% of cashflow generated from operations.

Financial debt

Net financial debt at 31 December 2014 amounted to € 298 million up from € 215 million at the start of the year, reflecting acquisitions and cash return to shareholders. Group shareholders' equity stood at € 1,705 million resulting in a net gearing ratio (net debt / net debt + equity) of 14.6%. The average net debt to recurring EBITDA ratio stood at 0.5x.

Hedging

Umicore has taken advantage of the recent strength in precious metal prices and the USD to hedge the precious metal and USD components of a number of contracts for 2015 and to a certain extent for 2016. This increases earnings visibility at rates that correspond to attractive profitability levels.

Dividend and shares

The Board of Directors will propose a gross annual dividend of € 1.00 per share at the Annual General Meeting on 28 April 2015. Taking into account the interim dividend of € 0.50 per share paid out on 5 September 2014 and subject to shareholder approval, a gross amount of € 0.50 per share would be paid out on 5 May 2015.

In the course of 2014, Umicore bought back 2,029,345 of its own shares. During the year 314,500 shares were used in the context of exercised stock options. In September 2014 Umicore cancelled 8,000,000 shares. As a result of this cancellation the total number of outstanding shares with voting right amounts to 112,000,000. At 4 February 2015 Umicore held 3,879,772 shares in treasury, representing 3.5% of the Group's outstanding shares.

Statutory auditor's note on the consolidated financial information for the year ended on 31 December 2014

The statutory auditor, PwC Reviseurs d'Entreprises SCCRL, represented by Marc Daelman, has confirmed that his audit work, which is substantially complete, has not to date revealed any significant matters requiring adjustments to the 2014 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 2015

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 Financial Information of 2014 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 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.

Brussels, 5 February 2015

Marc Grynberg
Chief Executive Officer

CONSOLIDATED FINANCIAL INFORMATION FOR THE YEAR ENDED ON 31 DECEMBER 2014

Consolidated income statement (in million €)	**2013**	**2014**
Turnover	9,819.3	8,828.5
Other operating income	76.2	56.4
Operating income	9,895.5	8,884.9
Raw materials and consumables	(8,344.7)	(7,387.4)
Payroll and related benefits	(707.2)	(702.8)
Depreciation and impairments	(169.9)	(182.2)
Other operating expenses	(411.2)	(394.3)
Operating expenses	(9,632.9)	(8,666.7)
Income (loss) from other financial assets	(2.1)	9.8
Result from operating activities	260.5	228.0
Financial income	4.3	3.7
Financial expenses	(19.1)	(21.8)
Foreign exchange gains and losses	(8.1)	(6.6)
Share in result of companies accounted for using the equity method	(0.5)	21.3
Profit (loss) before income tax	237.2	224.6
Income taxes	(52.4)	(46.5)
Profit (loss) of the period	184.8	178.1
of which minority share	5.8	7.5
of which Group share	179.0	170.6
(in € / share)		
Total basic earnings per share	1.61	1.58
Total diluted earnings per share	1.60	1.57
Dividend per share	1.00	1.00

Consolidated statement of comprehensive income

(in million €)	2013	2014
Profit (loss) of the period	184.8	178.1
Items in other comprehensive income that will not be reclassified to P&L		
Changes in post employment benefits, arising from changes in actuarial assumptions	(1.3)	(64.6)
Changes in deferred taxes directly recognized in other comprehensive income	1.3	17.2
Items in other comprehensive income that may be subsequently reclassified to P&L		
Changes in available-for-sale financial assets reserves	(12.1)	15.0
Changes in cash flow hedge reserves	1.9	(15.2)
Changes in deferred taxes directly recognized in other comprehensive income	(0.4)	4.4
Changes in currency translation differences	(61.5)	72.2
Other comprehensive income	(72.1)	29.0
Total comprehensive income for the period	112.6	207.1
of which minority share	0.5	10.7

The deferred tax impact on the other comprehensive income is related to the cash flow hedge reserves for € 4.4 million and to post employment benefit reserves for € 17.2 million.

Consolidated balance sheet

(in million €)

	31 / 12 2013	31 / 12 2014
Non-current assets	1,551.2	1,710.5
Intangible assets	218.3	266.1
Property, plant and equipment	998.6	1,061.7
Investments accounted for using the equity method	201.4	208.8
Available-for-sale financial assets	21.2	50.3
Loans granted	5.0	1.2
Trade and other receivables	16.3	17.6
Deferred tax assets	90.5	104.8
Current assets	1,961.1	2,140.9
Loans granted	5.9	6.9
Inventories	1,106.3	1,182.9
Trade and other receivables	716.4	827.0
Income tax receivables	33.2	34.3
Cash and cash equivalents	99.2	89.8
Total assets	3,512.3	3,851.4
Equity of the Group	1,723.4	1,750.1
Group shareholders' equity	1,677.1	1,704.6
Share capital and premiums	502.9	502.9
Retained earnings	1,647.4	1,472.7
Currency translation differences and other reserves	(167.4)	(140.1)
Treasury shares	(305.7)	(130.9)
Minority interest	46.3	45.6
Non-current liabilities	439.1	494.0
Provisions for employee benefits	267.8	331.7
Financial debt	26.4	22.6
Trade and other payables	12.9	21.5
Deferred tax liabilities	28.2	17.5
Provisions	103.7	100.7
Current liabilities	1,349.8	1,607.3
Financial debt	287.8	365.5
Trade and other payables	966.8	1,148.6
Income tax payable	64.7	64.0
Provisions	30.5	29.2
Total equity & liabilities	3,512.3	3,851.4

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 equity
Balance at the beginning of 2013	**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**
Result of the period	-	170.6	-	-	7.5	178.1
Other comprehensive income for the period	-	-	25.8	-	3.2	29.0
Total comprehensive income for the period	-	170.6	25.8	-	10.7	207.1
Changes in share-based payment reserves	-	-	3.6	-	-	3.6
Capital decrease	-	-	-	-	(5.7)	(5.7)
Dividends	-	(108.7)	-	-	(7.0)	(115.7)
Transfers	-	(236.7)	(2.1)	238.7	-	-
Changes in treasury shares	-	-	-	(63.9)	-	(63.9)
Changes in scope	-	-	-	-	1.3	1.3
Balance at the end of 2014	**502.9**	**1,472.7**	**(140.1)**	**(130.9)**	**45.6**	**1,750.1**

Consolidated cashflow statement

(in million €)	2013	2014
Profit from continuing operations	184.8	178.1
Adjustments for profit of equity companies	0.5	(21.3)
Adjustment for non-cash transactions	188.6	169.0
Adjustments for items to disclose separately or under investing and financing cashflows	51.8	49.7
Change in working capital requirement	96.9	56.0
Cashflow generated from operations	522.6	431.6
Dividend received	15.2	17.0
Tax paid during the period	(37.6)	(56.5)
Government grants received	0.5	10.5
Net operating cashflow	500.8	402.5
Acquisition of property, plant and equipment	(266.7)	(190.8)
Acquisition of intangible assets	(27.0)	(24.3)
Acquisition of new subsidiaries, net of cash acquired	(22.0)	(35.2)
Acquisition of / capital increase in associates	(7.6)	(0.2)
Acquisition of financial assets	(0.2)	(18.8)
New loans extended	(1.2)	(2.1)
Sub-total acquisitions	(324.6)	(271.4)
Disposal of property, plant and equipment	7.8	3.0
Disposal of intangible assets	1.9	0.6
Disposal of financial fixed assets	-	5.1
Sub-total disposals	9.7	8.7
Net cashflow generated by (used in) investing activities	(314.9)	(262.6)
Capital increase (decrease) minority	(5.8)	(4.5)
Own shares	(78.8)	(63.9)
Interest received	4.0	3.3
Interest paid	(6.6)	(6.5)
New loans and repayments	(38.5)	38.6
Dividends paid to Umicore shareholders	(111.4)	(107.9)
Dividends paid to minority shareholders	(3.8)	(7.1)
Net cashflow generated by (used in) financing activities	(241.0)	(148.0)
Effect of exchange rate fluctuations	22.4	(10.4)
Total net cashflow of the period	(32.7)	(18.4)
Net cash and cash equivalents at the beginning of the period	131.0	98.3
Net cash and cash equivalents at the end of the period	98.3	79.9
of which cash and cash equivalents	99.2	89.8
of which bank overdrafts	(0.9)	(9.9)

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*	866.9	402.6	509.7	590.2	-	(6.0)	2,363.4
of which external revenues*	866.2	402.6	509.7	584.9	-	-	2,363.4
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

Condensed segment information 2014
(in million €)

	Catalysis	Energy Materials	Performance Materials	Recycling	Corporate & Unallocated	Eliminations	Total
Total segment turnover	2,181.3	907.3	1,347.3	5,203.6	30.9	(841.8)	8,828.5
of which external turnover	2,162.2	903.0	1,260.6	4,472.0	30.9	-	8,828.5
of which inter-segment turnover	19.2	4.4	86.7	731.6	-	(841.8)	-
Total segment revenues*	917.1	445.0	493.2	532.7	-	(7.4)	2,380.6
of which external revenues*	916.3	445.0	492.8	526.5	-	-	2,380.6
of which inter-segment revenues*	0.8	-	0.3	6.2	-	(7.4)	-
Recurring EBIT	82.6	39.2	61.2	138.7	(48.0)	-	273.7
of which from operating result	75.5	34.5	42.6	138.7	(46.0)	-	245.3
of which from equity method companies	7.0	4.7	18.6	-	(2.0)	-	28.3
Non-recurring EBIT	(2.1)	0.9	(7.8)	(5.5)	(7.1)	-	(21.6)
of which from operating result	(1.9)	0.9	(1.7)	(5.5)	(7.1)	-	(15.4)
of which from equity method companies	(0.2)	-	(6.0)	-	-	-	(6.3)
IAS 39 effect on EBIT	(0.5)	(1.7)	(0.1)	(0.5)	-	-	(2.7)
of which from operating result	(0.5)	(1.7)	0.7	(0.5)	-	-	(1.9)
of which from equity method companies	-	-	(0.8)	-	-	-	(0.8)
Total EBIT	79.9	38.5	53.4	132.7	(55.1)	-	249.3
of which from operating result	73.1	33.8	41.6	132.7	(53.1)	-	228.0
of which from equity method companies	6.8	4.7	11.8	-	(2.0)	-	21.3
Capital expenditure	59.8	45.0	28.4	58.3	10.9	-	202.4
Depreciation & amortization	43.2	34.7	27.7	51.8	11.9	-	169.3

* Revenues excluding metal

Impact of IAS 39 & non-recurring elements (in million €)	**Continuing total**	**of which: Recurring**	**Non-recurring**	**IAS 39 effect**
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)
2014				
Profit from operations	228.0	245.3	(15.4)	(1.9)
of which income from other financial investments	9.8	0.4	9.4	-
Result of companies accounted for using the equity method	21.3	28.3	(6.3)	(0.8)
EBIT	249.3	273.7	(21.6)	(2.7)
Finance cost	(24.7)	(25.1)	(1.5)	1.9
Tax	(46.5)	(48.0)	1.4	0.2
Net result	178.1	200.6	(21.8)	(0.7)
of which minority share	7.5	7.4	0.1	(0.1)
of which Group share	170.6	193.1	(21.9)	(0.6)

Contingencies, accounting estimates and adjusting events

As mentioned in the notes to the interim financial statements for 2014, the two changes in the contingencies since the publication of the last annual report are:

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

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

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

28 April 2015	2015 first quarter trading update
28 April 2015	Annual General Meeting
30 April 2015	Ex-dividend trading date
4 May 2015	Record date for dividend
5 May 2015	Payment date for dividend
31 July 2015	Half Year Results 2015
2 September 2015	Capital Markets Day - London
22 October 2015	2015 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 € 8.8 billion (€ 2.4 billion excluding metal) in 2014 and currently employs just over 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/en/investors/news-results/press-releases/20150123CalendarFYR2014EN/