Press release
Regulated information
31 July 2018 - 07:30 CET
DRAFT

HALF YEAR RESULTS 2018

Highlights

Revenues and recurring EBIT were up substantially compared to the same period last year driven predominantly by growing demand for Umicore's cathode materials for rechargeable batteries used in automotive applications.

Revenues of € 1.7 billion (+16% or +23% excluding discontinued operations)

Recurring EBITDA of € 364 million (+23% or +26% excluding discontinued operations)

Recurring EBIT of € 261 million (+28% or +34% excluding discontinued operations)

ROCE of 16.6% (versus 15.9% in the first half of 2017)

Recurring net profit (Group share) of € 163 million (+22% or + 28% excluding discontinued operations)

Recurring EPS of € 0.69 (+12%)

Net debt at € 429 million corresponding to a gearing ratio of 14.1%

Umicore's growth investments are proceeding as planned with capital expenditure amounting to € 198 million in the first half of the year. It is expected that capital expenditure will accelerate in the second half of the year. In Rechargeable Battery Materials, additional capacity was commissioned on the existing sites in Asia and production is ramping up. Preparation is underway for the greenfield cathode material production plants in China and Europe. In Catalysis, the integration of the heavy-duty diesel and stationary emission control catalyst activities acquired from Haldor Topsoe at the end of 2017 has started.

On 8 February, Umicore successfully raised € 892 million of new equity by issuing 10% new ordinary shares through an accelerated bookbuild process. The proceeds are used to fund Umicore's organic growth investments, particularly in cathode materials, and will provide additional flexibility to pursue potential acquisitions and partnerships that would strengthen Umicore's offering in clean mobility and recycling.

An interim dividend of € 0.35 per share will be paid out in August. In line with the dividend policy, the amount corresponds to half the annual dividend declared for the financial year 2017.

Outlook

Umicore expects its recurring EBIT to be in the range of € 510 million to € 550 million for the full year, as previously indicated, assuming current market and macroeconomic conditions continue to prevail. While all three business groups are expected to contribute to this year's revenue and profit growth, the vast majority of the growth is coming from Energy & Surface Technologies.

Note: All comparisons are made with the first half of 2017 and all Group KPIs include the discontinued operations, unless mentioned otherwise. Building Products contributed to the KPIs of discontinued operations until end September 2017. There are no discontinued operations remaining as from the start of 2018.

VAT BE0401 574 852
BE92 2100 0538 0623
RPR/RPM Brussels 0401 574 852
Registered Office Broekstraat 31 Rue du Marais, B-1000 Brussels, Belgium

Tel.: +32 2 227 71 11
Fax.: +32 2 227 79 00
E-mail: info@umicore.com

Umicore
Group Communications
Naamloze vennootschap – Société anonyme
Broekstraat 31 Rue du Marais
B-1000 Brussels, Belgium
www.umicore.com

Key figures

(in million €)	H1 2017	H2 2017	H1 2018
Turnover*	6,469	5,808	6,354
Revenues (excluding metal)	1,454	1,462	1,684
Recurring EBITDA	296	303	364
Recurring EBIT	204	207	261
of which associates	12	18	5
Non-recurring EBIT	(15)	(32)	(6)
IAS 39 effect on EBIT	(3)	(18)	-
Total EBIT	186	157	256
Recurring EBIT margin	13.2%	12.9%	15.2%
Effective recurring tax rate	25.8%	25.7%	25.4%
Recurring net profit, Group share	134	133	163
Net profit, Group share	119	93	161
R&D expenditure	89	86	96
Capital expenditure	141	225	198
Net cash flow before financing	(151)	(230)	(270)
Total assets, end of period	4,733	5,116	6,175
Group shareholders' equity, end of period	1,781	1,803	2,573
Consolidated net financial debt, end of period	556	840	429
Gearing ratio, end of period	23.2%	31.1%	14.1%
Average net debt / recurring EBITDA	71.9%	115.1%	87.1%
Capital employed, end of period	2,719	3,004	3,285
Capital employed, average	2,558	2,861	3,144
Return on capital employed (ROCE)	15.9%	14.4%	16.6%
Workforce, end of period (fully consolidated)	10,402	9,769	9,875
Workforce, end of period (associates)	3,314	3,360	3,370
Accident frequency rate**	2.94	3.06	3.40
Accident severity rate**	0.08	0.09	0.05

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

**exluding Building Products for 2017

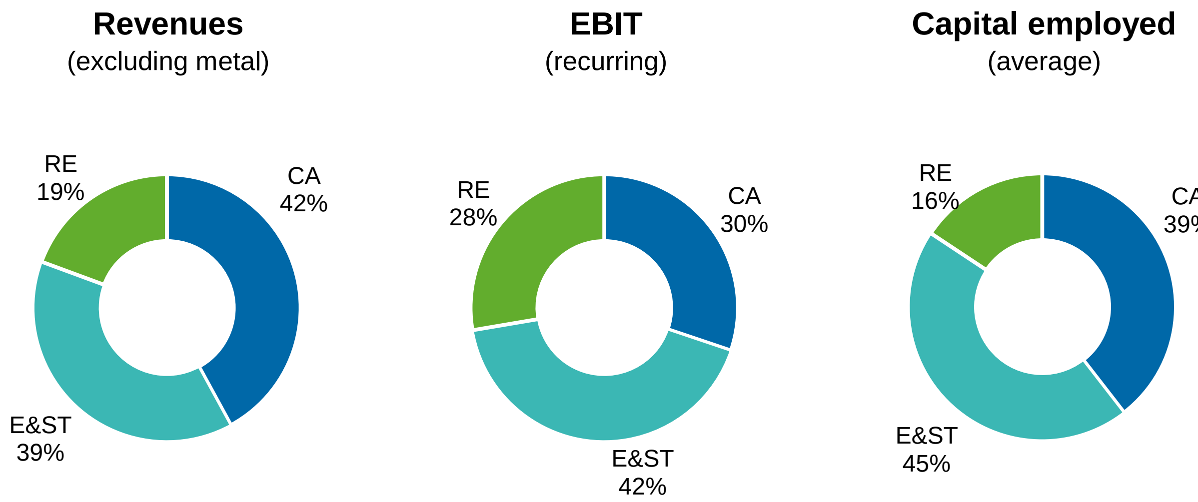
Key figures per share

(in € / share)

	H1 2017	H2 2017	H1 2018
Total number of issued shares, end of period	224,000,000	224,000,000	246,400,000
of which shares outstanding	219,165,612	219,494,433	241,129,197
of which treasury shares	4,834,388	4,505,567	5,270,803
Average number of shares outstanding			
basic	218,779,004	219,374,801	237,282,550
diluted	220,557,178	221,444,104	239,856,621
Recurring EPS	0.61	0.61	0.69
Basic EPS	0.55	0.42	0.68
Diluted EPS	0.54	0.42	0.67
Dividend	0.325	0.375	0.35
Net cash flow before financing, basic	-0.69	-1.05	-1.14
Total assets, end of period	21.60	23.31	25.61
Group shareholders' equity, end of period	8.13	8.21	10.67

On 16 October 2017 each Umicore share was split into 2 new shares. On 8 February 2018 Umicore placed 22,400,000 new shares, admitted to trading on Euronext Brussels on 12 February 2018. As a result, as from that date, Umicore's capital is represented by 246,400,000 fully paid-up shares without nominal value, each representing 1/246,400,000 of the capital. All data in this table were updated accordingly.

Segment split



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

Catalysis

Catalysis key figures (in million €)	**H1 2017**	**H2 2017**	**H1 2018**
Total turnover	1,562	1,529	1,791
Total revenues (excluding metal)	633	620	709
Recurring EBITDA	109	116	120
Recurring EBIT	81	85	86
Total EBIT	78	83	82
Recurring EBIT margin	12.7%	13.6%	12.2%
R&D expenditure	60	60	68
Capital expenditure	16	29	32
Capital employed, end of period	998	1,150	1,193
Capital employed, average	955	1,074	1,171
Return on capital employed (ROCE)	17.0%	15.7%	14.7%
Workforce, end of period (fully consolidated)	2,707	2,952	3,026

Note: On 14 March 2017 Umicore acquired full ownership in the Ordeg joint venture. Umicore acquired the heavy-duty diesel and stationary emission control catalyst activities from Haldor Topsoe on 1 December 2017. The metathesis catalyst IP and business portfolio from Materia was acquired in January 2018.

Overview and outlook

Revenues and recurring EBIT for Catalysis increased 12% and 7% respectively, including the impact of the integration of Haldor Topsoe's heavy-duty diesel and stationary emission control catalyst activities as well as the consolidation of the Ordeg joint venture in Korea as of the second quarter of 2017.

Despite a persisting unfavourable engine mix in Europe, revenues are expected to increase in the second half with the introduction of recently won gasoline platforms.

H1 2018 Business Review

Revenues and earnings for **Automotive Catalysts** increased compared to the previous year. This was predominantly driven by a higher contribution from the heavy-duty diesel catalyst segment which benefited from the integration of the activities acquired from Haldor Topsoe in December 2017. This acquisition broadened Umicore's product portfolio for heavy duty applications and extended the customer base in China and Europe.

The global light-duty vehicle market showed a modest growth of 1.7% over the first half-year. The recovery in South America and continued growth in China and Europe were to a large extent offset by a decrease of the North American and Korean car markets. While Umicore's overall sales volumes outperformed the market, the revenue development did not match the volume growth, primarily due to the engine mix in Europe where the market share of diesel car production showed a marked decline compared to the previous year. Demand for gasoline catalysts, however, continued to be strong and Umicore is well exposed to the direct injection gasoline engine platforms which will see the introduction of more complex catalyst systems to meet the upcoming Euro 6d legislation.

In North America, Umicore’s revenues and volumes significantly outperformed the car market as a result of the introduction of newly gained platforms. Umicore’s volumes and revenues were also well up in South America, driven by the ongoing recovery of the market.

Umicore outperformed the market growth in China both in volumes and revenues, benefiting from its strong exposure to both international and domestic car manufacturers and including a modest recovery in market demand for Korean car brands in the region. In Korea, Umicore’s revenues and volumes were down in an overall subdued market. Umicore’s volumes continued to increase with Japanese OEM’s, both globally and in Japan. In South Asia, Umicore’s volumes and revenues outpaced the market, supported by the ongoing ramp-up of production in Umicore’s new facility in Thailand.

Revenues for **Precious Metals Chemistry** increased compared to the previous year. Revenues for active pharmaceutical ingredients and chemical metal deposition were well up, benefitting from strong demand from the chemical industry. Sales of homogenous catalysts used in life science and bulk applications were also higher. The integration of the metathesis catalyst business acquired from Materia in January 2018 has started.

Energy & Surface Technologies

Energy & Surface Technologies key figures (in million €)	**H1 2017**	**H2 2017**	**H1 2018**
Total turnover	1,145	1,248	1,666
Total revenues (excluding metal)	398	495	650
Recurring EBITDA	89	109	151
Recurring EBIT	61	79	121
of which associates	3	7	2
Total EBIT	57	53	121
Recurring EBIT margin	14.5%	14.6%	18.2%
R&D expenditure	14	17	17
Capital expenditure	94	132	138
Capital employed, end of period	977	1,206	1,451
Capital employed, average	864	1,091	1,329
Return on capital employed (ROCE)	14.2%	14.6%	18.2%
Workforce, end of period (fully consolidated)	2,682	2,716	2,988
Workforce, end of period (associates)	895	917	885

Note: The large area coating activity of Thin Film Products was divested on 20 October 2017

Overview and outlook

Revenues in Energy & Surface Technologies were well up (+63%) driven primarily by strong growth in Rechargeable Battery Materials and Cobalt & Specialty Materials. Recurring EBIT doubled (+97%), reflecting volume growth and scale effects from the ramp-up of new production capacity in Rechargeable Battery Materials as well as volume growth and the impact of a supportive price environment for Cobalt & Specialty Materials.

Revenues in the second half should be higher than in the first half of the year driven by the ramp-up of new capacity in Rechargeable Battery Materials. The revenue development in the other activities will likely reflect the usual seasonality.

H1 2018 Business Review

Revenues for **Rechargeable Battery Materials** were up substantially compared to the previous year, driven primarily by strong demand for Umicore's proprietary Cellcore NMC (nickel manganese cobalt) cathode materials used in lithium-ion batteries for transportation applications. With its diversified customer base and wide range of NMC materials, Umicore benefits disproportionately from the rapidly growing electric vehicle market. Over the first six months of the year, this market recorded a year-on-year increase of more than 60% in the sales of full electric and plug-in hybrid vehicles worldwide, with growth being most pronounced in China and Europe.

Demand for non-transportation applications was also up, resulting in higher shipments of Umicore's proprietary High Energy LCO (lithium cobaltite) cathode materials used in high-end portable electronics and of Umicore's NMC cathode materials for energy storage applications.

In order to cater for this buoyant demand, Umicore is expanding its production capacity for cathode materials in Korea and China where new lines are scheduled to come on stream in the second half of 2018. In addition, Umicore has decided to build greenfield production sites in China and in Poland and preparation is underway for these investments. Umicore also announced in June the construction of a new Process Competence Center in Belgium. This project, scheduled to be commissioned late 2019, aims to further strengthen Umicore's leadership in innovative energy-efficient processes.

In the course of the first half, Umicore increased its participation in its Chinese cathode material production entity and now owns 90% of its capital.

Revenues for **Cobalt & Specialty Materials** were higher compared to the previous year, reflecting volume growth and favorable market conditions in most activities. The distribution, refining and recycling activities benefited from both higher volumes and favorable cobalt and nickel prices. Sales volumes for carboxylates used in catalytic applications continued to benefit from solid demand while revenues for tool materials were higher, partly reflecting the successful integration of Eurotungstène.

The construction works to upgrade and expand the cobalt refinery in Olen, Belgium were completed. The facility was commissioned in June.

Revenues from **Electroplating** were up compared to the previous year, primarily as a result of strong demand for precious metal based electrolytes used in portable electronics and decorative applications. Sales volumes of platinized compounds used in electro catalytic applications were also higher reflecting strong demand from the automotive, printed circuit board and semiconductor industries.

Revenues from **Electro-Optic Materials** decreased due to lower demand for substrates used in space photovoltaics and LED. This impact was partly offset by a higher contribution from the refining and recycling activities and higher revenues from germanium tetrachloride and finished infrared optics. Revenues from the optics and electronics activities were stable.

Recycling

Recycling key figures

(in million €)	H1 2017	H2 2017	H1 2018
Total turnover	3,962	3,365	3,325
Total revenues (excluding metal)	339	311	327
Recurring EBITDA	104	85	112
Recurring EBIT	73	55	79
Total EBIT	70	51	71
Recurring EBIT margin	21.6%	17.6%	24.2%
R&D expenditure	10	9	8
Capital expenditure	25	55	24
Capital employed, end of period	504	475	456
Capital employed, average	501	489	465
Return on capital employed (ROCE)	29.3%	22.3%	34.0%
Workforce, end of period (fully consolidated)	3,090	3,092	2,842

Note: The European activities of Technical Materials were divested on 31 January 2018

Overview and outlook

Revenues for Recycling were slightly lower year on year (-4%) due to the sale of the European Technical Materials activities in January 2018. Excluding the impact of this divestment, revenues and recurring EBIT on a comparable basis were up by 5% and 13%, respectively, reflecting the gradual ramp-up of capacity in Hoboken and a more supportive metal price environment.

The ramp-up of new capacity in Hoboken continues and should lead to higher revenues year-on-year (excluding the divested European Technical Material activities) while market conditions are expected to remain broadly unchanged. The plant maintenance shutdown is expected to take place towards the end of the year.

H1 2018 Business Review

Revenues and earnings for **Precious Metals Refining** were higher compared to the previous year driven by volume growth and a more supportive metal price environment.

As anticipated, the gradual ramp-up of the new capacity in Hoboken over the first six months of the year resulted in a higher throughput rate and higher processed volumes compared to the previous year. It is expected that this will further continue throughout the second half of the year resulting in higher volumes of processed materials for the entire year 2018 compared to 2017.

Average received metal prices were higher year on year for certain PGM’s (Platinum Group Metals) and specialty metals.

The supply mix remained largely unchanged. While the supply of industrial by-products and end-of-life materials was supportive for the capacity ramp-up, competitive pressure continued to affect commercial terms in certain segments.

The investment projects announced at the beginning of 2017 to further enhance the environmental performance of the Hoboken plant are progressing according to plan. In particular, the first phase of the revamping of the lead refinery is already showing tangible benefits in terms of emission reduction.

As of January of this year, **Jewellery & Industrial Metals** integrates the Platinum Engineered Materials activities as well as the remaining activities of Technical Materials following the sale of the European operations at the beginning of this year. Excluding the divested European Technical Materials activities, revenues increased, driven by strong demand in the product businesses, in particular for glass application equipment. This increase was partly offset by a lower contribution from the refining and recycling activities.

The construction of the facility in China for equipment used in the special glass industry is nearing completion and its commissioning is scheduled in the second half of 2018.

The earnings contribution from **Precious Metals Management** was higher year on year mainly driven by favourable trading conditions for most PGM’s (Platinum Group Metals). Order levels for the physical delivery of metals also increased, benefiting from higher demand for silver investment bars and industrial metals.

Corporate

Corporate key figures

(in million €)	H1 2017	H2 2017	H1 2018
Recurring EBITDA	(14)	(10)	(19)
Recurring EBIT	(20)	(16)	(25)
of which associates	7	10	3
Total EBIT	(32)	(19)	(18)
R&D expenditure	5	0	3
Capital expenditure	5	7	5
Capital employed, end of period	148	174	185
Capital employed, average	143	161	179
Workforce, end of period (fully consolidated)	987	1,009	1,019
Workforce, end of period (associates)	1,966	2,443	2,485

H1 2018 Corporate Review

Corporate costs excluding the contribution from associates were roughly stable year on year.

The contribution from **Element Six Abrasives** was significantly down compared to the previous year. The impact of lower order levels for oil and gas drilling products due to customer destocking and some one-off effects was only partly offset by higher demand for precision tooling products used in the automotive and aerospace industries and materials used in the mining and tunneling industries.

Research & development

R&D expenditure in fully consolidated companies amounted to € 96 million, up from € 89 million in the same period in 2017. The year-on-year increase reflects a higher level of R&D in Energy & Surface Technologies and Catalysis. The R&D spend represented 6% of revenues and capitalized development costs accounted for € 9 million in the total amount.

People

At Group level 30 lost time accidents were recorded over the first half of 2018, a slight increase compared to the 26 lost time accidents over the first half of 2017 (excluding the Building Products business unit which was divested in September 2017). The frequency rate was 3.40 and the severity rate was 0.05 (compared to respectively 3.12 and 0.09 in 2017 – excluding Building Products).

The number of employees in the fully consolidated companies increased from 9,769 at the end of 2017 to 9,875 at the end of June 2018. The increase was mainly the result of organic growth in Rechargeable Battery Materials, partially offset by the divestment of the European Technical Materials activities.

Financial review

Capital increase

On 8 February Umicore successfully placed 22,400,000 new ordinary shares with institutional investors, representing 10% of the then outstanding shares. On the back of strong demand that was collected through an accelerated bookbuild, these new shares resulted in net proceeds of € 881 million that will be used to fund growth investments, particularly in cathode materials. Additionally, this capital provides Umicore with the financial flexibility to pursue potential acquisitions and partnerships that would further strengthen Umicore's offering in clean mobility materials and recycling. On 12 February 2018, the new shares were admitted to trading on Euronext Brussels. As a result, as from that day, the total number of outstanding shares and the numbers of voting rights (hence the denominator) amount to 246,400,000.

Non-recurring items and IAS 39

Non–recurring items had a negative impact of € 6 million on EBIT. Restructuring charges accounted for € 12 million and were primarily related to the plan to gradually close down the Guarulhos site in Brazil over a period of two years. These charges were partly offset by non-recurring income items including the result of the sale of the European operations of Technical Materials. The negative impact of the non-recurring items on the net result (Group share) amounted to € 2 million.

Umicore has adopted IFRS 9 Financial Instruments as from 1 January 2018 which replaces the provisions of IAS 39 on accounting and classification of financial assets and liabilities, financial instruments and hedging. As a consequence, Umicore will no longer apply IAS 39 and no longer report an IAS 39 effect.

Financial result and taxation

Net recurring financial charges totalled € 35 million, up compared to the previous year. Net interest charges increased as, contrary to the same period last year, the € 690 million medium and long term debt was drawn down for the entire period. The accelerating growth in Asia also resulted in higher funding in local currency and higher forex costs.

The recurring tax charge for the period amounted to € 56 million, increasing in line with the higher operating result and corresponding to a stable recurring effective tax rate of 25.4% vs 25.8% for the same period last year.

Cashflows

Cashflow from operations increased 28% to € 102 million, despite a € 335 million increase in working capital related to the business expansion and higher selected metal prices, in particular in the Energy & Surface Technologies business group that accounted for three quarters of the higher net working capital needs.

Capital expenditures totalled € 198 million, with the Energy & Surface Technologies business group accounting for close to 70% of this amount. This reflects the ongoing investment programmes to increase production capacity in cathode materials. The capex spending is expected to further accelerate in the second half of this year.

Acquisitions and divestments accounted for a net cash out of € 96 million. This includes an increase in Umicore's stake in its Chinese cathode material production entity to 90%, the acquisition of Materia's metathesis catalysts business and proceeds from the sale of the European operations of Technical Materials.

Cash dividends paid over the period amounted to € 109 million and the net cash out related to the purchase of treasury shares to cover stock options and share grants was € 72 million.

Financial debt

Net financial debt at 30 June 2018 stood at € 429 million, down from € 840 million at the start of the year. This reflects the € 881 million net proceeds from the capital increase in February and the cash flow from the period. The majority of the outstanding financial debt is composed of the € 690 million of long term private debt placements in Europe and the United States. The end of period net financial debt to recurring EBITDA ratio corresponded to 59%. Group shareholders' equity stood at € 2,573 million resulting in a net gearing ratio (net debt / net debt + equity) of 14%.

Dividend and shares

On 8 February 2018 Umicore placed 22,400,000 new shares, admitted to trading on Euronext Brussels on 12 February 2018. As a result, as from that date, Umicore's capital is represented by 246,400,000 fully paid-up shares without nominal value, each representing 1/246,400,000 of the capital.

The Board of Directors has approved an interim dividend of € 0.35 per share. This corresponds to half the annual dividend declared for the financial year 2017, in line with the dividend policy. The interim dividend will be paid out on 28 August 2018.

In the first half of 2018 Umicore bought back 1,788,988 of its own shares. During the period 1,023,752 shares were used in the context of exercised stock options and stock grants. On 30 June 2018 Umicore held 5,270,803 shares in treasury, representing 2.14% of the Group's outstanding shares.

Statutory auditor’s report on the review of the consolidated condensed interim financial information for the period ended on 30 June 2018

Introduction

We have reviewed the accompanying consolidated condensed interim financial information, consisting of the consolidated balance sheet of Umicore and its subsidiaries (jointly “the Group”) as of 30 June 2018, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in the equity of the Group and the consolidated cash flow statement for the six-month period then ended, as well as the explanatory notes. The board of directors is responsible for the preparation and presentation of this consolidated condensed interim financial information in accordance with IAS 34, as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated condensed interim financial information based on our review.

Scope of review

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

Conclusion

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

Sint-Stevens-Woluwe, 30 July 2018

The statutory auditor

PwC Bedrijfsrevisoren bcvba/Reviseurs d'Entreprises sccrl
Represented by

Kurt Cappoen
Registered auditor

Management responsibility statement

I hereby certify that, to the best of my knowledge, the consolidated condensed interim financial information for the period ended on 30 June 2018, prepared in accordance with the IAS 34 “Interim Financial Reporting”, as adopted by the European Union, and with legal requirements in Belgium, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the undertakings included in the consolidation taken as a whole for the period ended 30 June 2018. The commentary on the overall performance of the Group from page 1 to 12 includes a fair review of the development and performance of the business and the position of the Group and its undertakings included in the consolidation as a whole.

Brussels, 30 July 2018

Marc Grynberg
Chief Executive Officer

Consolidated condensed interim financial information for the period ended on 30 June 2018

Consolidated income statement (in million €)	**H1 2017**	**H2 2017**	**H1 2018**
Turnover	6,247.9	5,699.4	6,354.3
Other operating income	50.4	21.6	49.9
Operating income	6,298.2	5,721.0	6,404.2
Raw materials and consumables	(5,433.6)	(4,890.8)	(5,407.2)
Payroll and related benefits	(348.3)	(352.4)	(367.8)
Depreciation and impairments	(107.4)	(96.3)	(110.4)
Other operating expenses	(241.0)	(229.0)	(275.3)
Operating expenses	(6,130.2)	(5,568.7)	(6,160.7)
Income (loss) from other financial assets	(6.9)	(1.4)	5.0
Result from operating activities	161.2	150.9	248.5
Financial income	2.3	2.1	2.3
Financial expenses	(16.3)	(18.5)	(24.5)
Foreign exchange gains and losses	(7.2)	0.3	(12.5)
Share in result of companies accounted for using the equity method	12.0	17.6	7.1
Profit (loss) before income tax	151.9	152.4	221.0
Income taxes	(35.3)	(39.9)	(53.0)
Profit (loss) from continuing operations	116.6	112.5	168.0
Profit (loss) from discontinued operations*	8.9	(11.8)	-
Profit (loss) of the period	125.5	100.8	168.0
of which minority share	6.1	8.2	7.0
of which Group share	119.4	92.5	161.0
(in € / share)			
Basic earnings per share from continuing operations	0.51	0.48	0.68
Total basic earnings per share	0.55	0.42	0.68
Diluted earnings per share from continuing operations	0.50	0.47	0.67
Total diluted earnings per share	0.54	0.42	0.67
Dividend per share	0.325	0.375	0.35

* Attributable to equityholders of these companies

Consolidated statement of comprehensive income
(in million €)

	H1 2017	H2 2017	H1 2018
Profit (loss) of the period from continuing operations	116.6	112.5	168.0
Items in other comprehensive income that will not be reclassified to P&L			
Changes in post employment benefits, arising from changes in actuarial assumptions	6.3	0.1	1.7
Changes in deferred taxes directly recognized in other comprehensive income	(0.8)	(3.4)	(0.7)
Items in other comprehensive income that may be subsequently reclassified to P&L			
Changes in available-for-sale financial assets reserves	-	3.7	(2.8)
Changes in cash flow hedge reserves	1.6	13.7	6.4
Changes in deferred taxes directly recognized in other comprehensive income	0.1	(2.4)	0.4
Changes in currency translation differences	(70.8)	(12.9)	(11.3)
Other comprehensive income from continuing operations	(63.5)	(1.2)	(6.3)
Total comprehensive income from discontinued operations	9.4	(12.9)	-
Total comprehensive income for the period	62.6	98.5	161.7
of which Group share	58.9	89.9	155.2
of which minority share	3.7	8.5	6.4

Consolidated balance sheet

(in million €)	30/06/2017	31/12/2017	30/06/2018
Non-current assets	1,738.7	1,945.7	2,077.3
Intangible assets	294.3	328.8	342.2
Property, plant and equipment	1,159.6	1,301.4	1,420.7
Investments accounted for using the equity method	126.8	153.0	160.7
Available-for-sale financial assets	18.9	22.3	-
Financial assets at fair value through Other Comprehensive Income	-	-	4.9
Loans granted	3.9	11.3	10.3
Trade and other receivables	11.1	14.1	11.6
Deferred tax assets	124.2	114.7	126.9
Current assets	2,713.2	3,170.0	4,097.9
Loans granted	1.7	1.7	0.1
Inventories	1,329.2	1,628.4	1,886.3
Trade and other receivables	1,130.5	1,335.7	1,545.2
Income tax receivables	35.2	36.0	35.9
Cash and cash equivalents	216.6	168.1	630.4
Assets of discontinued operations	281.6	0.0	0.0
Total assets	**4,733.4**	**5,115.7**	**6,175.1**
Equity of the Group	1,839.0	1,862.6	2,609.7
Group shareholders' equity	1,810.5	1,803.0	2,572.8
Share capital and premiums	502.9	502.9	1,384.3
Retained earnings	1,592.1	1,584.4	1,536.3
Currency translation differences and other reserves	(199.1)	(202.5)	(196.9)
Treasury shares	(85.4)	(81.8)	(150.9)
Minority interest	58.1	59.6	36.9
Elements of comprehensive income of discontinued operations	(29.7)	0.0	0.0
Non-current liabilities	818.3	1,168.8	1,194.5
Provisions for employee benefits	333.9	342.8	321.9
Financial debt	354.3	694.1	694.0
Trade and other payables	39.6	40.4	42.0
Deferred tax liabilities	7.9	3.5	6.8
Provisions	82.6	87.9	129.9
Current liabilities	1,907.2	2,084.3	2,370.9
Financial debt	471.8	313.9	365.3
Trade and other payables	1,321.4	1,639.8	1,870.3
Income tax payable	62.6	62.8	59.6
Provisions	51.3	67.8	75.7
Liabilities of discontinued operations	169.0	-	-
Total equity & liabilities	**4,733.4**	**5,115.7**	**6,175.1**

Consolidated statement of changes in the equity of the Group

(in million €)

	Share capital & premiums	Reserves	Currency translation & other reserves	Treasury shares	Minority interest	Total for continuing operations	Elements of comprehensive income of discontinued operations	Total equity
Balance at the beginning of H1 2017	**502.9**	**1,560.0**	**(144.2)**	**(89.6)**	**58.4**	**1,887.5**	**(39.4)**	**1,848.0**
Result of the period	-	110.5	-	-	6.1	116.6	8.9	125.5
Other comprehensive income for the period	-	-	(61.0)	-	(2.4)	(63.5)	0.6	(62.9)
Total comprehensive income for the period	-	110.5	(61.0)	-	3.7	53.2	9.4	62.6
Changes in share-based payment reserves	-	-	6.1	-	-	6.1	0.3	6.4
Dividends	-	(76.5)	-	-	(4.0)	(80.5)	-	(80.5)
Transfers	-	(1.9)	-	1.9	-	-	-	-
Changes in treasury shares	-	-	-	2.4	-	2.4	-	2.4
Balance at the end of H1 2017	**502.9**	**1,592.1**	**(199.1)**	**(85.4)**	**58.1**	**1,868.6**	**(29.7)**	**1,839.0**
Result of the period	-	104.3	-	-	8.2	112.5	(11.8)	100.8
Other comprehensive income for the period	-	-	(1.5)	-	0.3	(1.2)	(1.1)	(2.3)
Total comprehensive income for the period	-	104.3	(1.5)	-	8.5	111.4	(12.9)	98.5
Changes in share-based payment reserves	-	-	0.3	-	-	0.3	(0.3)	0.0
Dividends	-	(71.3)	-	-	(1.7)	(73.0)	-	(73.0)
Transfers	-	6.4	(6.4)	-	-	-	-	-
Changes in treasury shares	-	-	-	3.6	-	3.6	-	3.6
Changes in scope	-	(47.1)	4.2	-	(5.4)	(48.3)	42.8	(5.5)
Balance at the end of H2 2017	**502.9**	**1,584.4**	**(202.5)**	**(81.8)**	**59.6**	**1,862.6**	**0.0**	**1,862.6**

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

	Share capital & premiums	Reserves	Currency translation & other reserves	Treasury shares	Minority interest	Total for continuing operations	Elements of comprehensive income of discontinued operations	Total equity
Balance at the beginning of H1 2018	**502.9**	**1,584.4**	**(202.5)**	**(81.8)**	**59.6**	**1,862.6**	**0.0**	**1,862.6**
Change in accounting policies	-	(2.5)	-	-	0.1	(2.3)	-	(2.3)
Restated balance at the beginning of H1 2018	**502.9**	**1,582.0**	**(202.5)**	**(81.8)**	**59.7**	**1,860.3**	**0.0**	**1,860.3**
Result of the period	-	161.0	-	-	7.0	168.0	-	168.0
Other comprehensive income for the period	-	-	(5.8)	-	(0.6)	(6.3)	-	(6.3)
Total comprehensive income for the period	-	161.0	(5.8)	-	6.4	161.7	-	161.7
Changes in share-based payment reserves	-	-	11.1	-	-	11.1	-	11.1
Capital increase (*)	881.4	-	-	-	-	881.4	-	881.4
Dividends	-	(91.0)	-	-	(18.2)	(109.2)	-	(109.2)
Transfers	-	(3.0)	-	3.0	-	-	-	-
Changes in treasury shares	-	-	-	(72.1)	-	(72.1)	-	(72.1)
Changes in scope (**)	-	(112.7)	0.2	-	(11.1)	(123.5)	-	(123.5)
Balance at the end of H1 2018	**1,384.3**	**1,536.3**	**(196.9)**	**(150.9)**	**36.9**	**2,609.7**	**0.0**	**2,609.7**

(*) The increase in share capital during H1 is the result of an equity placement through an accelerated bookbuild for a total gross amount of € 891.5 million (€ 881.4 million net of transaction costs).

(**) The amount reported is mainly related to the increase of Umicore's interest in its Chinese cathode material production entity from 70 % to 90 %.

Consolidated cashflow statement
(in million €)

	H1 2017	H2 2017	H1 2018
Profit (loss) from continuing operations	116.6	112.5	168.0
Adjustments for profit of equity companies	(12.0)	(17.6)	(7.1)
Adjustment for non-cash transactions	90.8	99.9	213.6
Adjustments for items to disclose separately or under investing and financing cashflows	40.2	58.1	63.0
Change in working capital requirement	(155.4)	(120.1)	(335.2)
Cashflow generated from operations	80.2	132.9	102.3
Dividend received	8.5	6.8	0.0
Tax paid during the period	(37.1)	(37.4)	(70.8)
Government grants received	0.2	(0.8)	(0.2)
Net operating cashflow	51.9	101.4	31.3
Acquisition of property, plant and equipment	(134.2)	(216.9)	(195.6)
Acquisition of intangible assets	(12.8)	(12.9)	(10.9)
Acquisition of new subsidiaries, net of cash acquired	(81.1)	(130.4)	(24.8)
Acquisition in additional shareholdings in subsidiaries	-	-	(123.4)
Acquisition of financial assets	(0.1)	0.0	-
New loans extended	(2.1)	(7.8)	(1.1)
Sub-total acquisitions	(230.2)	(368.0)	(355.8)
Disposal of property, plant and equipment	1.1	4.3	2.1
Disposal of intangible assets	1.3	0.1	-
Disposal of subsidiaries and associates, net of cash disposed	-	74.2	35.7
Disposal of financial fixed assets	0.4	-	16.9
Repayment of loans	13.0	7.0	1.7
Internal transfer	0.0	(0.0)	(1.6)
Sub-total disposals	15.8	85.7	54.8
Net cashflow generated by (used in) investing activities	(214.4)	(282.3)	(300.9)
Capital increase	-	0.0	881.4
Capital increase (decrease) minority	-	0.4	-
Own shares	2.4	3.6	(72.1)
Interest received	1.8	2.2	2.3
Interest paid	(6.1)	(12.3)	(19.8)
New loans and repayments	369.3	192.8	47.4
Dividends paid to Umicore shareholders	(77.5)	(73.2)	(91.0)
Dividends paid to minority shareholders	(4.0)	(1.7)	(18.2)
Net cashflow generated by (used in) financing activities	285.9	111.8	730.0
Effect of exchange rate fluctuations	6.3	7.7	0.6
Total net cashflow of the period	129.7	(61.3)	461.0
Net cash and cash equivalents at the beginning of the period for continuing operations	71.3	204.2	155.9
Impact of final financing carved out entities	3.2	16.2	-
Net cash and cash equivalents at the end of the period for continuing operations	204.2	155.9	616.9
Cash for discontinued operations	54.1	-	-
of which cash and cash equivalents	270.7	168.1	630.4
of which bank overdrafts	(12.4)	(12.2)	(13.5)

Notes to the consolidated condensed interim financial information for the period ended on 30 June 2018

Note 1: Basis of preparation

The condensed consolidated interim financial statements for the six months ended 30 June 2018 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union.

They do not include all the information required for full annual financial statements and should therefore be read in conjunction with the consolidated financial statements for the year 2017 as published in the 2017 Annual Report.

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors held on 30 July 2018.

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

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those applied in the preparation of the consolidated financial statement for the year ended 31 December 2017 except for the below topics.

2.1 Impact of IFRS 9

IFRS 9 replaces the provisions of IAS 39 on the accounting and classification of financial assets and liabilities, financial instruments and hedging.

Umicore adopted IFRS 9 as from 1 January 2018, resulting in a number of changes in accounting policies and adjustments in the financial statements. Comparative figures have not been restated.

The total impact on the group's retained earnings as at 1 January 2018 amounts to € 2.4 million:

Closing retained earnings 31 December 2017 under IAS 39: € 1,584.4 million

- Increase in allowance for trade and other receivables under the Expected Credit Loss (ECL) model : € -8.4 million (net impact after taxes) (note i)
- Application of Fair Value Hedge accounting : € +6 million (net impact after taxes) (note ii)

Opening retained earnings 1 January 2018 under IFRS 9 : € 1,582.0 million

Note i: Impairment of financial assets – Expected Credit Loss allowance

All financial assets, in particular Trade and Other Receivables are subject to a new impairment methodology, referred to as the Expected Credit Loss (ECL) model, measuring the expected credit losses based on shared credit risk characteristics. Umicore has established an allowance matrix based on different customer and sector ratings, ageing balances, macro-economic and regional factors and historical loss patterns. This resulted in an additional allowance to the existing incurred losses allowances at the opening as at 1 January 2018 for a total amount of € 8.4 million net of tax impacts, with ECL based allowances further increasing by € 1.2 million before tax impacts during the six-month period ending 30 June 2018.

Note ii: Derivatives and hedging transactions – Fair Value Hedge accounting

Umicore defines two main categories of hedging transactions:

Structural risks – cash flow hedging

Derivative financial and commodity instruments used for the protection of future cash flows are designated as hedges under cash flow hedge accounting. Under IAS 39 Umicore already applied cash flow hedge accounting for such hedging transactions and will do so going forward under IFRS 9. Consequently, the accounting policy disclosed in the Annual Report 2017 on this item remains valid.

Transactional risks – fair value hedging

Derivative financial and commodity instruments are also used for the protection of the fair value of underlying hedged items (assets, liabilities and firm commitments).

All such derivative financial and commodity instruments as well as the underlying hedged items are initially measured at fair value at the end of the reporting period via “Mark-to-Market” mechanisms.

Under IAS 39, in the absence of obtaining fair value hedge accounting, the hedged items were subsequently re-measured at cost following the valuation rules applicable to non-hedged items, i.e. IAS 2 for inventories (recognition at the lower of cost or market) and IAS 37 for physical commitments (recognition of provisions for onerous contracts).

Under the revised IFRS 9, Umicore is able to apply fair value hedge accounting for a part of its fair value hedging whereby the hedged item and underlying instruments are both recognized at fair value through P&L without requiring any re-measurement. This resulted in a fair value measurement impact at the opening as at 1 January 2018 of € 6.0 million net of tax impacts.

The fair value hedging for which under revised IFRS 9 still no fair value hedge accounting can be applied remains subject to the before mentioned re-measurement principles (applying IAS 2 or IAS 37 for respectively inventories and physical commitments).

The Umicore accounting and reporting policies have been amended to reflect the above.

2.2 Impact of IFRS 15

As of 1st January 2018, IFRS 15 “Revenue from Contracts with Customers” replaces IAS 18 “Revenue”, IAS 11 “Construction Contracts” and a number of revenue related interpretations. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Umicore has assessed each of the revenue streams of every business unit from taking the new five-step model into account and concluded that IFRS 15 does not have any material impact on the revenue recognition of the Group. Consequently, the Group did not have to change its accounting policies or make any retrospective adjustment.

Note 3: Segment information

Condensed segment information H1 2017

(in million €)

	Catalysis	Energy & Surface Technologies	Recycling	Corporate	Eliminations	Total Continued operations	Discontinued operations	Total
Total segment turnover	1,562.0	1,144.7	3,961.9	25.8	(446.5)	6,247.9	221.6	6,469.5
of which external turnover	1,550.1	1,115.3	3,556.7	25.8	-	6,247.9	221.6	6,469.5
of which inter-segment turnover	12.0	29.4	405.2	-	(446.5)	-	-	-
Total segment revenues (excluding metal)	632.8	398.4	339.5	-	(3.2)	1,367.4	86.1	1,453.5
of which external revenues (excluding metal)	631.8	398.3	337.4	-	-	1,367.4	86.1	1,453.5
of which inter-segment revenues (excluding metal)	1.0	0.1	2.1	-	(3.2)	-	-	-
Recurring EBIT	80.9	61.2	73.3	(20.1)	-	195.3	8.3	203.6
of which from operating result	80.5	57.8	73.3	(27.5)	-	184.1	7.4	191.4
of which from equity method companies	0.4	3.4	-	7.4	-	11.2	0.9	12.1
Non-recurring EBIT	(1.5)	(0.1)	(1.1)	(12.0)	-	(14.8)	0.2	(14.6)
of which from operating result	(1.1)	(0.1)	(1.1)	(11.7)	-	(14.1)	0.2	(14.0)
of which from equity method companies	(0.4)	-	-	(0.3)	-	(0.6)	-	(0.6)
IAS 39 effect on EBIT	(1.3)	(4.5)	(2.4)	0.6	-	(7.6)	4.5	(2.9)
of which from operating result	(2.2)	(4.5)	(2.4)	0.1	-	(9.0)	4.5	(4.3)
of which from equity method companies	0.9	-	-	0.5	-	1.4	-	1.4
Total EBIT	78.1	56.6	69.8	(31.6)	-	172.9	13.2	186.1
of which from operating result	77.2	53.2	69.8	(39.2)	-	161.0	12.3	173.2
of which from equity method companies	0.9	3.4	-	7.6	-	12.0	0.9	12.9
Capital expenditure	15.8	93.6	24.7	4.7	-	138.7	1.9	140.6
Depreciation & amortization	27.9	27.7	30.8	6.1	-	92.5	0.1	92.6

Condensed segment information H2 2017

(in million €)

	Catalysis	Energy & Surface Technologies	Recycling	Corporate	Eliminations	Total Continued operations	Discontinued operations	Total
Total segment turnover	1,528.6	1,247.7	3,364.9	18.1	(459.8)	5,699.4	108.8	5,808.2
of which external turnover	1,518.3	1,218.4	2,944.7	18.1	-	5,699.4	108.8	5,808.2
of which inter-segment turnover	10.3	29.3	420.2	-	(459.8)	-	-	-
Total segment revenues (excluding metal)	620.4	495.2	310.8	-	(3.2)	1,423.1	39.0	1,462.1
of which external revenues (excluding metal)	620.0	495.0	308.1	-	-	1,423.1	39.0	1,462.1
of which inter-segment revenues (excluding metal)	0.3	0.2	2.7	-	(3.2)	-	-	-
Recurring EBIT	84.6	79.5	54.6	(16.1)	-	202.6	4.1	206.7
of which from operating result	84.6	72.4	54.6	(26.6)	-	185.0	4.2	189.2
of which from equity method companies	(0.0)	7.1	-	10.5	-	17.5	(0.0)	17.5
Non-recurring EBIT	1.2	(14.7)	(1.6)	(3.3)	-	(18.5)	(13.2)	(31.6)
of which from operating result	1.1	(14.7)	(1.6)	(3.2)	-	(18.3)	(13.2)	(31.5)
of which from equity method companies	-	-	-	(0.1)	-	(0.1)	-	(0.1)
IAS 39 effect on EBIT	(2.6)	(11.7)	(1.5)	0.4	-	(15.4)	(2.2)	(17.8)
of which from operating result	(2.5)	(11.7)	(1.5)	0.2	-	(15.5)	(2.2)	(18.0)
of which from equity method companies	(0.0)	-	-	0.2	-	0.2	-	0.2
Total EBIT	83.2	53.1	51.5	(19.0)	-	168.7	(11.5)	157.2
of which from operating result	83.2	46.1	51.5	(29.6)	-	151.1	(11.5)	139.7
of which from equity method companies	(0.0)	7.1	-	10.6	-	17.6	(0.0)	17.5
Capital expenditure	29.3	132.0	54.9	7.2	-	223.2	1.4	224.6
Depreciation & amortization	30.9	29.9	31.1	6.1	-	98.0	(0.1)	97.9

Condensed segment information H1 2018

(in million €)

	Catalysis	Energy & Surface Technologies	Recycling	Corporate	Eliminations	Total Continued operations	Total
Total segment turnover	1,791.3	1,666.3	3,325.0	34.0	(462.3)	6,354.3	6,354.3
of which external turnover	1,773.2	1,637.4	2,909.7	34.0	-	6,354.3	6,354.3
of which inter-segment turnover	18.1	28.9	415.3	-	(462.3)	-	0.0
Total segment revenues (excluding metal)	708.9	650.3	326.7	-	(2.2)	1,683.7	1,683.7
of which external revenues (excluding metal)	708.4	650.1	325.3	-	-	1,683.7	1,683.7
of which inter-segment revenues (excluding metal)	0.5	0.2	1.5	-	(2.2)	-	-
Recurring EBIT	86.3	120.6	79.2	(24.6)	-	261.5	261.5
of which from operating result	86.3	118.3	79.2	(27.4)	-	256.3	256.3
of which from equity method companies	-	2.3	-	2.8	-	5.1	5.1
Non-recurring EBIT	(4.7)	0.2	(8.4)	7.0	-	(5.9)	(5.9)
of which from operating result	(4.7)	0.2	(8.4)	5.0	-	(7.8)	(7.8)
of which from equity method companies	-	-	-	2.0	-	2.0	2.0
Total EBIT	81.6	120.8	70.8	(17.6)	-	255.6	255.6
of which from operating result	81.6	118.5	70.8	(22.4)	-	248.5	248.5
of which from equity method companies	-	2.3	-	4.8	-	7.1	7.1
Capital expenditure	31.9	137.7	23.5	4.6	0.0	197.7	197.7
Depreciation & amortization	34.1	30.6	32.4	5.5	-	102.5	102.5

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

Impact of IAS 39 & non-recurring elements (in million €)	**Total**	**of which: recurring**	**Non-recurring**	**Effect IAS 39**
H1 2017				
Profit from operations	173.2	191.4	(14.0)	(4.3)
of which income from other financial investments	(6.9)	1.2	(8.0)	-
Result of companies accounted for using the equity method	12.9	12.1	(0.6)	1.4
EBIT	186.1	203.6	(14.6)	(2.9)
Finance cost	(21.9)	(18.8)	-	(3.0)
Tax	(38.7)	(44.5)	3.8	1.9
Net result	125.5	140.2	(10.8)	(4.0)
of which minority share	6.1	6.2	(0.1)	(0.1)
of which Group share	119.4	134.0	(10.7)	(3.9)
H2 2017				
Profit from operations	139.7	189.2	(31.5)	(18.0)
of which income from other financial investments	(15.6)	0.1	(15.7)	-
Result of companies accounted for using the equity method	17.5	17.5	(0.1)	0.2
EBIT	157.2	206.7	(31.6)	(17.8)
Finance cost	(16.5)	(23.0)	-	6.5
Tax	(39.9)	(42.7)	0.7	2.0
Net result	100.8	141.0	(31.0)	(9.3)
of which minority share	8.2	8.2	0.2	(0.2)
of which Group share	92.5	132.7	(31.2)	(9.1)
H1 2018				
Profit from operations	248.5	256.3	(7.8)	-
of which income from other financial investments	5.0	(0.0)	5.0	-
Result of companies accounted for using the equity method	7.1	5.1	2.0	-
EBIT	255.6	261.5	(5.9)	-
Finance cost	(34.7)	(34.7)	-	-
Tax	(53.0)	(56.3)	3.3	-
Net result	168.0	170.5	(2.5)	-
of which minority share	7.0	7.1	(0.1)	-
of which Group share	161.0	163.5	(2.5)	-

Non–recurring items had a negative impact of € 6 million on EBIT. Restructuring charges accounted for € 12 million and were primarily related to the plan to gradually close down the Guarulhos site in Brazil over a period of two years. These charges were partly offset by non-recurring income items including the result on the sale of the European operations of Technical Materials. The impact of non-recurring charges on the net result (Group share) amounted to € 2 million.

Umicore has adopted IFRS 9 Financial Instruments as from 1 January 2018 which replaces the provisions of IAS 39 on accounting and classification of financial assets and liabilities, financial instruments and hedging. As a consequence, Umicore will no longer apply IAS 39 and no longer report an IAS 39 effect.

Note 5: Share based payments

A charge of € 11.1 million was recognised in the income statement in respect of stock options and shares granted to senior executives of the company in 2018.

Note 6: Financial instruments

The fair value of financial instruments held for cash flow hedge and other financial instruments are based on inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly (Level 2). For available-for-sale financial assets, it is based on quoted prices in active markets for identical assets (Level 1).

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

6.1 Financial instruments related to cash-flow hedging

	Notional or contractual amount		Fair value	
(in thousand €)	**31/12/2017**	**30/06/2018**	**31/12/2017**	**30/06/2018**
Forward commodities sales	59,314	39,929	(10,571)	(5,489)
Forward commodities purchases	(135,996)	(128,835)	21,027	38,640
Forward currency contracts sales	431,038	503,614	21,013	3,266
Forward currency contracts purchases	(103,090)	95,886	(1,337)	977
Forward IRS contracts	23,006	23,337	(625)	(499)
Total fair value impact subsidiaries	**-**	**-**	**29,505**	**36,895**
Recognized under trade and other receivables	-	-	46,628	47,797
Recognized under trade and other payables	-	-	(17,122)	(10,902)
Total fair value impact associates and joint ventures	-	-	-	(1,362)
Total	**-**	**-**	**29,505**	**35,533**

The fair values of the effective hedging instruments are in the first instance recognized in the fair value reserves recorded in equity and are derecognized when the underlying forecasted or committed transactions occur.

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

The forward currency contracts are set up to hedge USD, KRW, BRL, CNY, CAD and ZAR inter alia.

The terms and conditions of the forward contracts are common market conditions.

In those circumstances whereby the hedge accounting documentation as defined under IFRS 9 is not available, financial instruments used to hedge structural risks for metals and currencies are measured as if they were held for trading. However, such instruments are being used to hedge future probable cash-flows and are not speculative in nature.

Umicore has not faced any ineffectiveness on cash flow hedging in P&L in 2017 and 2018.

6.2 Other financial instruments

(in thousand €)	Notional or contractual amount 31/12/2017	Notional or contractual amount 30/06/2018	Fair value 31/12/2017	Fair value 30/06/2018
Forward commodities sales	140,686	136,399	(7,030)	1,426
Forward commodities purchases	(131,626)	(158,146)	3,714	(2,858)
Forward currency contracts sales	629,862	925,591	6,364	(836)
Forward currency contracts purchases	(254,281)	(346,821)	(3,915)	4,948
Total fair value impact subsidiaries	**-**	**-**	**(867)**	**2,680**
Recognized under trade and other receivables	-	-	11,169	14,224
Recognized under trade and other payables	-	-	(12,035)	(11,544)
Total	**-**	**-**	**(867)**	**2,680**

Referring to the changes in accounting policies under Note 2, fair value hedge accounting being applied under IFRS 9, the fair values of the hedging instruments disclosed in the table above are immediately recognized in the income statement under Other operating income for the commodity instruments and under the Net Finance cost for the currency instruments.

Note 7: Shares

The total number of issued shares at the end of June is 246,400,000.

Of the 4,505,567 treasury shares held at the end of 2017, 70,502 shares were used for the employee free share program and 953,250 shares were used to honour the exercising of stock options during the period. Umicore also bought back 1,788,988 of its own shares. On 30 June 2018, Umicore owned 5,270,803 treasury shares, representing 2.14% of the total number of shares issued at that date.

Note 8: IFRS developments

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

IFRS 16, 'Leases' (effective 1 January 2019) will replace the current guidance in IAS 17 and is a far-reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. For lessors, the accounting stays almost the same. IFRS 16 contains a scope exception for leases to explore for or use minerals, oil, natural gas and similar non-regenerative resources. Consequently, Umicore's metal leases will stay out-of-scope of the leasing standard.

Umicore's analysis confirmed that the Group has no material lease contracts and therefore the impact on the consolidated financial statements will not be material.

Note 9: Contingencies, accounting estimates and adjusting events

The Group has no material pending files anymore that can be qualified as contingent liabilities or contingent assets, according to the definition of IFRS.

Note 10: Business combinations

In December 2017, Umicore announced that it has reached an agreement to acquire Materia's metathesis catalyst IP and business portfolio for a price of USD 27 million. The transaction was finalized at the end of January 2018.

Materia is a leading US-based producer of metathesis catalysts and thermoset resins. Its metathesis business is a technology leader in homogeneous catalysts with unique proprietary technology developed by 2005 Chemistry Nobel Prize laureate Prof. Robert H. Grubbs and others and a broad portfolio of customized metathesis catalysts.

Through this acquisition, Umicore will broaden its range of catalyst technologies, expand its homogeneous catalysts offer and gain access to an extended customer base. The combined metathesis portfolios will provide Umicore's customers full access to proprietary, patent-protected cutting-edge technology. The activity is integrated in Umicore's Precious Metals Chemistry business unit.

This transaction generated no goodwill as the fair value of the net assets bought (IP and customer portfolio mainly) was equal to the purchase price.

Referring to the Annual Report of 2017 and in accordance with IFRS 3, some further adjustments to the preliminary opening balance sheet on the acquisition of Haldor Topsoe have been performed amongst other on PPE, provisions and inventories. As at 30 June 2018, the resulting goodwill amounts to € 1,4 million (as compared to € 3,8 million as at 31 December 2017). The Group expects to have a final IFRS 3 opening balance sheet towards year end close 2018.

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

Investor Relations

Eva Behaeghe	+32 2 227 70 68	eva.behaeghe@umicore.com

Media Relations

Marjolein Scheers	+32 2 227 71 47	marjolein.scheers@umicore.com

Financial calendar

24 August 2018	Ex-interim dividend trading date
27 August 2018	Record date for the interim dividend
28 August 2018	Payment date for the interim dividend
8 February 2019	Full Year Results 2018
25 April 2019	Annual General Meeting

Umicore profile

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

Umicore generates the majority of its revenues and dedicates most of its R&D efforts to clean mobility materials 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.

Umicore's industrial and commercial operations as well as research & development activities are located across the world to best serve its global customer base. The Group generated a turnover of € 6.4 billion (€ 1.7 billion excluding metal) in the first half of 2018 and currently employs 9,800 people.

A conference call and audio webcast will take place today at 9:30 CET in Brussels. Please visit:
http://www.umicore.com/en/investors/financial-calendar/hyr2018en?lang=en

---