Press release
Regulated information
10 February 2017 - 07:30 CET

FULL YEAR RESULTS 2016

Highlights

Revenues and recurring EBIT from continued operations were up 3% and 7% respectively. Revenues for the Group including discontinued operations were up 1% and recurring EBIT increased by 6%. Strong growth in Automotive Catalysts and Rechargeable Battery Materials more than offset the impact of lower metal prices on the various recycling activities.

- Revenues* of € 2.7 billion (+1%)
- Recurring EBITDA* of € 527 million (+4%)
- Recurring EBIT* of € 351 million (+6%)
- ROCE* of 14.6% (versus 13.7% in 2015)
- Recurring net profit (Group share)* of € 233 million (-5%)
- Recurring EPS* of € 2.14 (-6%)
- Net debt* at € 296 million corresponding to a gearing ratio of 13.8%

* including discontinued operations

Capital expenditures amounted to € 287 million, most of which relates to growth investments in clean mobility and recycling. Expansion works to triple capacity for cathode materials in China and Korea by the end of 2018 have started. In Automotive Catalysts the new production plant in Thailand has been commissioned and production is ramping up. Investments in auxiliary equipment have been completed in Hoboken as part of the expansion.

Umicore's growth investments include projects aimed at further enhancing the company's environmental performance. In particular, a series of projects was initiated in the Hoboken recycling facility to further reduce metal emissions. This will focus in first instance on a revamping of the lead refinery in order to both curtail the risk of emissions and further improve occupational health at the plant.

Non recurring elements amounted to a charge of € 110 million to EBIT, of which € 69 million corresponds to the fine imposed by the French Competition Authority in relation to Umicore's Building Products activities in France. The balance reflects mainly the closure costs for two production sites in Europe and China.

The Board of Directors will propose an increase of the gross annual dividend to € 1.30 per share at the Annual General Meeting on 25 April 2017 of which € 0.60 was already paid out as an interim dividend in August 2016.

Note: All comparisons are made with 2015, unless mentioned otherwise. In accordance with IFRS 5 no depreciation charges were recognized for the discontinued operations as from the second half of 2015. All Group KPIs include the discontinued operations, unless mentioned otherwise. Zinc Chemicals contributed for 10 months in the KPIs of the Discontinued Operations, unless mentioned otherwise.

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Outlook

Umicore is well on track to reach its Horizon 2020 objectives.

Umicore's clean mobility activities are expected to deliver solid growth in 2017. Strong demand for Umicore's cathode materials for automotive applications should drive volumes in 2017 with volume growth expected to be more pronounced in the second half of the year when new capacity will gradually come on stream. Although no major new emission norms will be introduced in 2017, demand for automotive catalysts is also set to grow.

In the recycling activities, the ramp up of capacity in the Hoboken plant should lead to higher processed volumes compared to 2016. As anticipated, the incremental volumes are likely to be somewhat less beneficial in terms of margins.

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Key figures

(in million €)	H2 2015	H2 2016	2015	2016
Turnover*	5,000.4	5,920.7	10,441.9	11,085.9
Revenues (excluding metal)	1,293.4	1,313.1	2,629.0	2,667.5
Recurring EBITDA	244.7	268.0	504.7	526.8
Recurring EBIT	159.2	175.0	330.3	350.7
of which associates	5.6	10.7	14.3	18.3
Non-recurring EBIT	(45.1)	(42.6)	(74.9)	(110.2)
IAS 39 effect on EBIT	0.7	(5.5)	(2.7)	(9.0)
Total EBIT	114.8	126.9	252.7	231.6
Recurring EBIT margin	11.9%	12.5%	12.0%	12.5%
Average weighted net interest rate	1.55%	1.74%	1.54%	1.76%
Effective recurring tax rate	18.61%	24.47%	21.41%	25.05%
Recurring net profit, Group share	115.4	121.4	246.0	232.9
Net profit, Group share	79.1	85.1	169.2	130.7
R&D expenditure	71.5	77.7	144.5	155.9
Capital expenditure	140.3	201.3	240.3	287.3
Net cash flow before financing	74.6	67.5	119.0	141.9
Total assets, end of period	4,030.1	4,145.7	4,030.1	4,145.7
Group shareholders' equity, end of period	1,731.6	1,789.6	1,731.6	1,789.6
Consolidated net financial debt, end of period	321.3	296.3	321.3	296.3
Gearing ratio, end of period	15.3%	13.8%	15.3%	13.8%
Average net debt / recurring EBITDA	64.9%	55.4%	61.8%	57.6%
Capital employed, end of period	2,414.5	2,397.4	2,414.5	2,397.4
Capital employed, average	2,422.0	2,394.4	2,402.2	2,398.7
Return on capital employed (ROCE)	13.1%	14.6%	13.7%	14.6%
Workforce, end of period (fully consolidated)	10,429	9,921	10,429	9,921
Workforce, end of period (associates)	3,301	3,196	3,301	3,196
Accident frequency rate**	2.63	3.50	2.66	3.34
Accident severity rate**	0.09	0.16	0.12	0.56

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

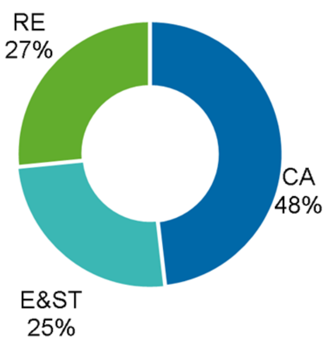
** Excluding Zinc Chemicals for 2016

Key figures per share
(in € / share)

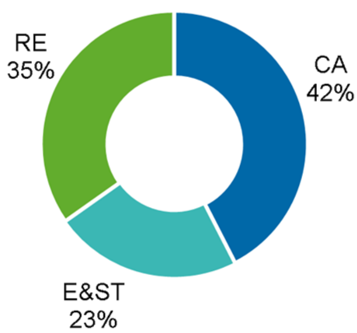
	H2 2015	H2 2016	2015	2016
Total number of issued shares, end of period	112,000,000	112,000,000	112,000,000	112,000,000
of which shares outstanding	108,072,466	109,326,850	108,072,466	109,326,850
of which treasury shares	3,927,534	2,673,150	3,927,534	2,673,150
Average number of shares outstanding				
basic	108,363,976	109,228,899	108,445,128	108,887,828
diluted	108,846,092	110,026,232	108,927,245	109,685,160
Recurring EPS	1.07	1.11	2.27	2.14
Basic EPS	0.73	0.78	1.56	1.20
Diluted EPS	0.73	0.77	1.55	1.19
Dividend	0.70	0.70	1.20	1.30
Net cash flow before financing, basic	0.69	0.62	1.10	1.30
Total assets, end of period	37.29	37.92	37.29	37.92
Group shareholders' equity, end of period	16.02	16.37	16.02	16.37

Segment split

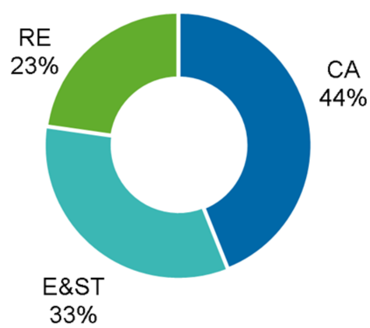
Revenues
(excluding metal)



EBIT
(recurring)



Capital employed
(average)



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

Catalysis

Catalysis key figures (in million €)	H2 2015	H2 2016	2015	2016
Total turnover	1,345.6	1,383.9	2,749.3	2,779.1
Total revenues (excluding metal)	544.6	565.4	1,093.7	1,163.4
Recurring EBITDA	87.4	101.1	172.3	203.4
Recurring EBIT	62.9	74.9	124.2	152.5
of which associates	3.7	4.1	8.8	9.2
Total EBIT	60.1	49.2	115.9	125.6
Recurring EBIT margin	10.9%	12.5%	10.6%	12.3%
R&D expenditure	45.6	50.8	91.1	102.0
Capital expenditure	45.3	23.7	78.8	46.5
Capital employed, end of period	968.2	911.2	968.2	911.2
Capital employed, average	958.8	903.4	929.6	917.7
Return on capital employed (ROCE)	13.1%	16.6%	13.4%	16.6%
Workforce, end of period (fully consolidated)	2,443	2,464	2,443	2,464
Workforce, end of period (associates)	168	177	168	177

Overview and outlook

Revenues in Catalysis increased by 6%, driven by strong growth in Automotive Catalysts. Earnings grew by 23% with the volume growth in Automotive Catalysts being complemented by a positive mix effect and scale effects following the ramp up of production in recently commissioned investments.

Revenues are set to increase further in 2017 with higher sales for both light-duty vehicles and heavy-duty diesel applications. This growth will be less pronounced than in 2016 in the absence of major legislative steps.

2016 Business Review

Revenues for **Automotive Catalysts** were well up year on year, both for light-duty vehicles and heavy-duty diesel applications. In the light-duty vehicles segment, demand was particularly strong for Umicore's catalysts for gasoline engines. Demand for heavy-duty diesel catalysts was well up in Europe and Asia.

Global light-duty vehicle production grew 4.3%, almost entirely driven by the Chinese car market and to a lesser extent by growth in Europe and North America. Umicore's volumes and revenues grew faster than the global market.

In Europe, Umicore's volumes and revenues outperformed car production growth, which was up by 2.6%. Demand for Umicore's catalysts for gasoline engines was strong due to the success of recently launched gasoline platforms on which its catalysts are present. This was particularly the case for direct injection gasoline engines. As previously announced, Umicore is optimizing its production footprint in Europe. In Germany this involves consolidating automotive catalyst production into a single dedicated facility in Bad Säckingen, while in Poland, the newly commissioned plant in Nowa Ruda will expand its capacity.

In North America, Umicore's volumes and revenues did not match the market growth of 2%, which was mainly driven by Asian OEMs to which Umicore is relatively less exposed. Umicore's volumes and revenues in South America fell, in line with a market that has only recently started to see signs of stabilization.

Chinese car production grew 12.8%. A key factor was the Chinese government's decision at the end of 2015 to cut the sales tax for vehicles with small engines from 10% to 5%. This boosted sales throughout 2016, particularly in the fourth quarter in anticipation of a sales tax increase to 7.5% in January 2017. Umicore outpaced the Chinese market both in volumes and revenues due to its strong exposure to international car OEMs which have been growing faster than local producers.

In South Korea, Umicore's volumes and revenues dropped in line with the market. Umicore further increased its market share with Japanese OEMs globally and sales volumes and revenues grew strongly. Umicore's volumes and revenues in India outpaced the growing car market. In Thailand, the new catalyst production plant was commissioned in the last quarter and production is ramping up.

Umicore has secured major awards for gasoline particulate filters in Europe and China for compliance with Euro 6c and China 6 emission regulations that come into effect from September 2017.

Revenues for **Precious Metal Chemistry** were slightly down year on year. Higher revenues for homogeneous catalysts used in life science applications and bulk chemicals were more than offset by lower order levels for active pharmaceutical ingredients and weaker demand in South America for inorganic chemicals used in catalytic applications.

Energy & Surface Technologies

Energy & Surface Technologies key figures (in million €)	**H2 2015**	**H2 2016**	**2015**	**2016**
Total turnover	717.9	785.3	1,474.4	1,469.0
Total revenues (excluding metal)	289.1	321.8	586.9	610.2
Recurring EBITDA	51.9	72.5	112.6	131.6
Recurring EBIT	30.3	44.8	70.2	81.7
of which associates	(2.9)	1.8	(3.5)	1.0
Total EBIT	10.9	35.7	37.3	74.2
Recurring EBIT margin	11.5%	13.3%	12.6%	13.2%
R&D expenditure	10.2	10.2	20.3	20.2
Capital expenditure	24.2	122.0	42.5	144.3
Capital employed, end of period	633.4	752.0	633.4	752.0
Capital employed, average	643.7	725.0	640.0	695.3
Return on capital employed (ROCE)	9.4%	12.4%	11.0%	11.7%
Workforce, end of period (fully consolidated)	2,258	2,357	2,258	2,357
Workforce, end of period (associates)	936	847	936	847

Overview and outlook

Revenues in Energy & Surface Technologies were up 4%, with strong volume growth in cathode materials for automotive applications more than offsetting lower demand in certain other end markets served by the business group. Earnings were up 16% as a result of higher revenues as well as margin improvements in Cobalt & Specialty Materials and Electro-Optic Materials.

Revenues are expected to increase further in 2017 driven primarily by volume growth in Rechargeable Battery Materials for automotive applications. This growth should be more pronounced in the second half of the year when new capacity will gradually come on stream.

2016 Business Review

Revenues and volumes for **Rechargeable Battery Materials** were significantly higher year on year driven by burgeoning demand for NMC (nickel manganese cobalt) cathode materials used in the transportation segment. In this market segment the increasing market penetration of electrified car models and the use of larger batteries enabling a longer driving range are strong fundamentals for growth. Umicore, with its diversified customer base and wide range of NMC materials, is well positioned to benefit from this growth.

The expansion program to triple capacity for cathode materials in China and Korea by the end of 2018 is on track and new capacity will gradually come on stream as of the second half of 2017. Ongoing smaller capacity debottlenecking projects in China were completed at the end of 2016.

As part of its growth strategy in battery materials, Umicore also acquired the full ownership of three NMC patent families for cathode materials that are the reference for large format lithium ion batteries which are typically used in automotive and energy storage applications.

Shipments of Umicore's proprietary High Energy LCO (lithium cobaltite) cathode materials for high-end portable devices continued to be solid. These materials offer an excellent combination of highest energy density and safety performance for high-energy polymer batteries used in electronic devices. Demand for Umicore's NMC cathode materials used in energy storage applications was higher year on year.

Revenues for **Cobalt & Specialty Materials** were largely stable year on year, despite the impact of lower cobalt and nickel prices on the contribution from the refining activities. While prices for cobalt and nickel improved somewhat in the second half of the year, they remained below the average of 2015. The benefits of cost reduction measures led to higher earnings.

The distribution activity recorded stable revenues with volume growth offsetting the impact of lower metal prices on distribution margins. Revenues increased for nickel chemicals due to greater demand for battery and catalytic applications. Order levels for metal carboxylates were somewhat below the strong levels seen in 2015, while revenues for tool materials remained stable.

Construction work to upgrade the refining facility in Olen, Belgium, has started and is expected to be completed by the end of 2018.

Revenues for **Electroplating** were well up year on year, primarily as a result of strong growth in demand for precious metal based electrolytes used in portable electronics. Demand for coating products used in printed circuit boards was also up reflecting market share gains. Revenues for decorative applications were somewhat lower.

Revenues for **Electro-Optic Materials** were lower due to a smaller contribution from recycling and refining as well as lower revenues for the substrate activity. The recycling and refining activities felt the effect of lower metal prices while order levels of substrates remained somewhat below the strong levels seen in 2015. Revenues for germanium tetrachloride were well up and benefited from higher demand as well as market share gains. Demand for infrared finished optics was also higher. The impact of lower revenues on earnings was more than offset by cost reduction measures and productivity improvement programmes.

Thin Film Products recorded lower revenues and earnings year on year due to a reduced contribution from the large area coating activity where competitive pressure continued to weigh on volumes and premiums. Revenues from products sold to the microelectronics industry were up benefiting from higher demand in Europe and Asia. The new plant in China for the production and recycling of ITO (indium tin oxide) targets is ramping up production.

Recycling

Recycling key figures (in million €)	**H2 2015**	**H2 2016**	**2015**	**2016**
Total turnover	2,950.5	3,809.7	6,252.0	6,886.4
Total revenues (excluding metal)	320.1	317.9	662.9	641.2
Recurring EBITDA	97.6	96.0	204.3	187.2
Recurring EBIT	64.5	63.4	141.5	124.9
Total EBIT	66.8	59.1	132.5	115.5
Recurring EBIT margin	20.2%	19.9%	21.3%	19.5%
R&D expenditure	10.9	11.0	21.2	23.0
Capital expenditure	51.4	42.7	83.0	72.3
Capital employed, end of period	465.9	498.1	465.9	498.1
Capital employed, average	473.8	482.5	460.2	474.5
Return on capital employed (ROCE)	27.2%	26.3%	30.7%	26.3%
Workforce, end of period (fully consolidated)	3,211	3,170	3,211	3,170

Overview and outlook

Revenues and earnings for Recycling were down 3% and 12% respectively, reflecting the impact of lower metal prices.

The ramp up of capacity in the Hoboken plant should lead to higher processed volumes compared to 2016. As anticipated, the incremental volumes are likely to be somewhat less beneficial in terms of margins.

2016 Business Review

Revenues for **Precious Metals Refining** were slightly down year on year due to lower demand for specialty metals, particularly selenium, tellurium and indium as well as lower received prices for PGMs. Although demand for specialty metals picked up somewhat towards the end of the year, prices remained well below the levels seen in recent years; this was also the case for PGM prices.

The supply mix reflected good availability of complex residues coming from the non-ferrous refining and mining industries.

The maintenance shutdown, which was brought forward from early 2017 to December 2016, was successfully completed. In addition to the regular maintenance work, process improvements were implemented and several investments in auxiliary installations were completed. While processed volumes in the fourth quarter were impacted by the shutdown, yearly volumes were in line with the previous year.

Umicore is carrying out a series of investments in the Hoboken facility to reduce metal emissions. This will focus in first instance on a revamping of the lead refinery in order to both curtail the risk of lead emissions and further improve occupational health at the plant. While overall emissions have been reduced significantly and consistently over the past twenty years, a spike in dust emissions has occurred at the lead refinery during repair works. The investment aims at achieving the next step of drastic reduction in dust exposure risk.

Revenues for **Jewellery & Industrial Metals** were stable compared to the previous year. The refining activity benefited from higher volumes, particularly for gold-containing residues. Revenues in the product businesses, however, were impacted by a lower demand for silver coins from the European and North American mint producers. Demand for industrial applications and jewellery products was stable.

Revenues for **Platinum Engineering Materials** increased slightly year on year as a result of higher demand both for glass and performance catalyst applications. Previously implemented cost reduction measures also had a positive impact on earnings.

In **Precious Metals Management** the contribution from the trading activity was lower due to the unfavourable metal price environment, particularly in the first half of the year. The demand picture for the physical delivery of metals was mixed: investor demand for gold investment bars increased year on year, while order levels for industrial metals were somewhat lower.

Revenues for **Technical Materials** were slightly down as trading conditions remained challenging, particularly in Europe. Earnings were higher though, reflecting the benefits of the cost reduction and productivity measures. Additional steps are being considered to improve the competitiveness of the business as well as a possible divestment of parts or all of the business unit. In this context, the business unit recently closed its production facility in China, where structural overcapacity in the contact and brazing materials market had rendered a local production presence unsustainable.

Corporate

Corporate key figures (in million €)	**H2 2015**	**H2 2016**	**2015**	**2016**
Recurring EBITDA	(11.6)	(12.0)	(24.0)	(26.2)
Recurring EBIT	(18.0)	(18.3)	(36.6)	(38.9)
of which associates	5.2	5.0	8.4	7.2
Total EBIT	(34.7)	(25.6)	(52.6)	(49.5)
R&D expenditure	3.5	4.5	9.0	7.6
Capital expenditure	4.1	6.0	8.5	9.7
Capital employed, end of period	147.7	137.0	147.7	137.0
Capital employed, average	154.5	155.4	164.9	158.1
Workforce, end of period (fully consolidated)	1,000	984	1,000	984
Workforce, end of period (associates)	1,689	1,752	1,689	1,752

Corporate Review

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

Element Six Abrasives recorded lower revenues year on year as a result of reduced demand in several of its end markets. While trading conditions improved somewhat towards the end of the year, particularly for oil and gas drilling products, overall demand remained well below the level of the previous year. The impact of lower revenues on the earnings contribution from Element Six Abrasives was to a certain extent mitigated by the impact of cost reduction and efficiency improvement measures.

Research & development

R&D expenditure in fully consolidated companies including discontinued operations amounted to € 156 million, up from € 145 million in 2015. The year-on-year increase reflects higher expenditures in Catalysis. The R&D spend represented 5.8% of revenues and capitalized development costs accounted for € 15 million in the total amount.

People

At Group level, the number of lost time accidents was 59 compared to 47 in 2015. This does not include two lost time accidents in the divested Zinc Chemicals activities. The frequency rate was 3.34 (compared to 2.66 in 2015) and the severity rate 0.56 (compared to 0.12 in 2015). In May 2016 a fatal accident occurred in the operations in Manaus, Brazil. An investigation concluded that the accident was the result of an employee carrying out a chemical handling procedure in an inappropriate way. Efforts continue in order to ensure that any and all areas for improvement are identified and pursued.

The number of employees in the fully consolidated companies including discontinued operations decreased from 10,429 at the end of 2015 to 9,921 at the end of 2016. The decrease reflects primarily the sale of the Zinc Chemicals business unit in November 2016.

Discontinued operations

Discontinued operations key figures (in million €)	**H2 2015**	**H2 2016**	**2015**	**2016**
Total turnover	349.5	305.1	744.7	652.6
Total revenues (excluding metal)	143.3	110.6	291.8	258.1
Recurring EBITDA	19.5	10.3	39.6	30.7
Recurring EBIT*	19.5	10.3	31.0	30.6
of which associates	(0.4)	(0.2)	0.7	0.9
Total EBIT	11.7	8.4	19.6	(34.2)
Recurring EBIT margin	13.9%	9.5%	10.4%	11.5%
R&D expenditure	1.2	1.3	3.0	3.1
Capital expenditure	15.3	7.0	27.5	14.5
Capital employed, end of period	199.3	99.2	199.3	99.2
Capital employed, average	191.4	128.1	207.6	153.1
Return on capital employed (ROCE)	20.3%	16.1%	14.9%	20.0%
Workforce, end of period (fully consolidated)	1,517	946	1,517	946
Workforce, end of period (associates)	508	420	508	420

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

2016 Business Review

Revenues for **Building Products** were down year on year as demand in France – the largest market for the business unit – remained subdued. First signs of recovery in the French construction market have recently been observed which may support future demand. Revenues for building materials sold in the markets outside Europe were also lower due to delays in some larger building projects. Premiums for the more commoditized market segments were impacted by competitive pressure while increased sales of surface treated products contributed to an improvement in the product mix.

Umicore completed the sale of **Zinc Chemicals** to OpenGate Capital effective 1 November 2016. The activities contributed for 10 months in 2016.

Financial review

Non-recurring items and IAS 39

Non–recurring items had a negative impact of € 110 million on EBIT. The main non-recurring expense was the € 69 million fine imposed by the French Competition Authority in relation to Umicore's Building Products activities in France – Umicore has lodged an appeal against that decision. Restructuring charges accounted for € 43 million and were primarily related to the announced closure of an Automotive Catalysts' production site in Germany and the closure of the Technical Materials' production site in China. A recovery of certain metal prices at the end of the period allowed for a reversal of impairments of permanently tied-up metal inventories for a total amount of € 16 million. The impact of non-recurring charges on the net result (Group share) amounted to € 104 million.

IAS 39 accounting rules had a negative effect of € 9 million on EBIT and a positive impact of € 2 million on net result (Group share). All IAS 39 impacts are non-cash in nature.

Financial result and taxation

Net recurring financial charges totalled € 32 million, an increase compared to the previous year primarily due to negative foreign exchange results. The average weighted net interest rate increased slightly to 1.76%.

The recurring tax charge for the period amounted to € 75 million corresponding to a recurring effective tax rate of 25.0% (vs 21.4% last year).

Cashflows

Cashflow from operations was € 386 million, including a € 69 million cash out related to the fine imposed by the French Competition Authority. Working capital requirements remained stable over the year.

Capital expenditures totalled € 287 million, most of which relating to Umicore's growth investments in clean mobility and recycling. In particular the Energy & Surface Technologies business group accounted for the larger portion of the growth expenditures including the start of the investment works to triple total capacity for cathode materials by the end of 2018 as well as the acquisition of three NMC battery material patent families from 3M. In Recycling, capital expenditures included the auxiliary investments linked to the capacity expansion in Hoboken. Investments in Catalysis include the construction and commissioning of the new catalyst production plant in Thailand.

Financial debt

Net financial debt at 31 December 2016 stood at € 296 million, slightly down from € 321 million at the start of the year and incorporating the € 69 million cash out from the fine imposed by the French Competition Authority as well as the cash proceeds from the divestment of Zinc Chemicals. Group shareholders' equity stood at € 1,790 million resulting in a net gearing ratio (net debt / net debt + equity) of 13.8%. The average net debt to recurring EBITDA ratio corresponded to 0.6, in line with last year.

Hedging

Over the course of 2016, Umicore entered into forward contracts securing a portion of its structural price exposure for certain precious metals and base metals in 2017 and 2018, thereby increasing earnings visibility.

Dividend and shares

The Board of Directors will propose a gross annual dividend of € 1.30 per share at the Annual General Meeting on 25 April 2017. Taking into account the interim dividend of € 0.60 per share paid out on 25 August 2016 and subject to shareholder approval, a gross amount of € 0.70 per share would be paid out on 2 May 2017.

Umicore did not buy back any own shares in 2016. In the course of the year, 1,188,875 shares were used in the context of exercised stock options. On 31 December 2016 Umicore held 2,673,150 shares in treasury, representing 2.39% of the Group's outstanding shares.

Statutory auditor’s note on the consolidated condensed financial information for the year ended on 31 December 2016

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 2016 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, 9 February 2017

PwC Bedrijfsrevisoren/Reviseurs d'Entreprises SCCRL
Represented by

Marc Daelman
Bedrijfsrevisor / Réviseur d’entreprises

Management responsibility statement

I hereby certify that, to the best of my knowledge, the Consolidated Financial Information of 2016 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, 9 February 2017

Marc Grynberg
Chief Executive Officer

Consolidated financial information for the year ended on 31 December 2016

Consolidated income statement

(in million €)	2015	2016
Turnover	9,697.7	10,443.5
Other operating income	58.0	59.8
Operating income	9,755.7	10,503.4
Raw materials and consumables	(8,316.3)	(9,040.4)
Payroll and related benefits	(640.4)	(636.1)
Depreciation and impairments	(218.8)	(192.3)
Other operating expenses	(354.3)	(379.7)
Operating expenses	(9,529.9)	(10,248.5)
Income (loss) from other financial assets	(2.6)	(5.9)
Result from operating activities	223.2	249.0
Financial income	4.1	4.8
Financial expenses	(16.6)	(20.0)
Foreign exchange gains and losses	(12.1)	(2.5)
Share in result of companies accounted for using the equity method	9.8	16.8
Profit (loss) before income tax	208.5	248.1
Income taxes	(47.7)	(56.4)
Profit (loss) from continuing operations	160.7	191.7
Profit (loss) from discontinued operations*	16.4	(50.3)
Profit (loss) of the period	177.2	141.4
of which minority share	7.9	10.6
of which Group share	169.2	130.7
(in € / share)		
Basic earnings per share from continuing operations	1.41	1.66
Total basic earnings per share	1.56	1.20
Diluted earnings per share from continuing operations	1.41	1.65
Total diluted earnings per share	1.55	1.19
Dividend per share	1.20	1.30

* Attributable to equityholders of these companies

Consolidated statement of comprehensive income

(in million €)	2015	2016
Profit (loss) of the period from continuing operations	160.7	191.7
Items in other comprehensive income that will not be reclassified to P&L		
Changes in post employment benefits, arising from changes in actuarial assumptions	(16.4)	(27.6)
Changes in deferred taxes directly recognized in other comprehensive income	2.9	6.0
Items in other comprehensive income that may be subsequently reclassified to P&L		
Changes in available-for-sale financial assets reserves	(15.8)	0.1
Changes in cash flow hedge reserves	(13.1)	36.0
Changes in deferred taxes directly recognized in other comprehensive income	4.5	(10.5)
Changes in currency translation differences	(0.7)	30.2
Other comprehensive income from continuing operations	(38.6)	34.2
Total comprehensive income from discontinued operations	23.2	(55.4)
Total comprehensive income for the period	145.3	170.5
of which Group share	139.5	158.3
of which minority share	5.8	12.3

The deferred tax impact on the other comprehensive income is related to the cash flow hedge reserves for € -10.5 million and to post employment benefit reserves for € 6.0 million.

Consolidated balance sheet

(in million €)	31/12/2015	31/12/2016
Non-current assets	1,614.2	1,727.4
Intangible assets	251.8	305.3
Property, plant and equipment	1,022.6	1,070.4
Investments accounted for using the equity method	189.8	195.3
Available-for-sale financial assets	29.2	26.4
Loans granted	1.5	1.2
Trade and other receivables	15.2	11.1
Deferred tax assets	104.1	117.6
Current assets	1,996.3	2,164.8
Loans granted	2.7	14.8
Inventories	1,053.7	1,188.8
Trade and other receivables	829.8	844.3
Income tax receivables	35.7	32.5
Cash and cash equivalents	74.5	84.5
Assets of discontinued operations	419.6	253.5
Total assets	**4,030.1**	**4,145.7**
Equity of the Group	1,785.0	1,848.0
Group shareholders' equity	1,698.7	1,829.0
Share capital and premiums	502.9	502.9
Retained earnings	1,501.3	1,560.0
Currency translation differences and other reserves	(175.5)	(144.2)
Treasury shares	(129.9)	(89.6)
Minority interest	52.6	58.4
Elements of comprehensive income of discontinued operations	33.7	(39.4)
Non-current liabilities	490.2	491.3
Provisions for employee benefits	312.4	337.9
Financial debt	71.3	24.4
Trade and other payables	24.7	41.7
Deferred tax liabilities	6.2	6.9
Provisions	75.7	80.4
Current liabilities	1,525.7	1,661.5
Financial debt	338.9	400.8
Trade and other payables	1,095.4	1,161.4
Income tax payable	54.9	57.7
Provisions	36.5	41.7
Liabilities of discontinued operations	229.2	144.9
Total equity & liabilities	**4,030.1**	**4,145.7**

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 2015	**502.9**	**1,458.3**	**(136.0)**	**(130.9)**	**45.3**	**1,739.7**	**10.5**	**1,750.1**
Result of the period	-	153.2	-	-	7.5	160.7	16.4	177.2
Other comprehensive income for the period	-	-	(36.3)	-	(2.3)	(38.6)	6.8	(31.8)
Total comprehensive income for the period	-	153.2	(36.3)	-	5.2	122.1	23.2	145.3
Changes in share-based payment reserves	-	-	5.8	-	-	5.8	-	5.8
Capital increase	-	-	-	-	7.4	7.4	-	7.4
Dividends	-	(108.6)	-	-	(5.4)	(114.0)	-	(114.0)
Transfers	-	(1.7)	(9.1)	10.7	-	-	-	-
Changes in treasury shares	-	-	-	(9.8)	-	(9.8)	-	(9.8)
Balance at the end of 2015	**502.9**	**1,501.3**	**(175.5)**	**(129.9)**	**52.6**	**1,751.3**	**33.7**	**1,785.0**
Result of the period	-	181.2	-	-	10.5	191.7	(50.3)	141.4
Other comprehensive income for the period	-	-	32.5	-	1.7	34.2	(5.1)	29.1
Total comprehensive income for the period	-	181.2	32.5	-	12.2	225.9	(55.4)	170.5
Changes in share-based payment reserves	-	-	3.8	-	-	3.8	-	3.8
Dividends	-	(141.8)	-	-	(4.7)	(146.5)	-	(146.5)
Transfers	-	6.8	(9.1)	2.3	-	-	-	-
Changes in treasury shares	-	-	-	38.0	-	38.0	-	38.0
Changes in scope	-	12.4	4.1	-	(1.6)	14.9	(17.7)	(2.8)
Balance at the end of 2016	**502.9**	**1,560.0**	**(144.2)**	**(89.6)**	**58.4**	**1,887.5**	**(39.4)**	**1,848.0**

Consolidated cashflow statement

(in million €)	2015	2016
Profit (loss) from continuing operations	160.7	191.7
Adjustments for profit of equity companies	(9.8)	(16.8)
Adjustment for non-cash transactions	234.6	188.9
Adjustments for items to disclose separately or under investing and financing cashflows	50.7	66.7
Change in working capital requirement	(113.1)	13.3
Cashflow generated from operations	323.1	443.8
Dividend received	23.9	8.5
Tax paid during the period	(80.9)	(65.3)
Government grants received	(1.0)	(2.3)
Net operating cashflow	265.1	384.7
Acquisition of property, plant and equipment	(204.5)	(207.0)
Acquisition of intangible assets	(20.9)	(80.8)
Acquisition of new subsidiaries, net of cash acquired	0.5	-
Acquisition of / capital increase in associates	(1.8)	(0.0)
Acquisition of financial assets	(0.1)	(8.6)
New loans extended	(3.3)	(13.0)
Sub-total acquisitions	(230.0)	(309.3)
Disposal of property, plant and equipment	2.1	4.3
Disposal of intangible assets	1.7	0.8
Disposal of subsidiaries and associates, net of cash disposed	0.6	138.6
Capital decrease in associates	0.2	-
Disposal of financial fixed assets	-	5.5
Repayment of loans	3.4	0.7
Internal transfers	(0.0)	(49.3)
Sub-total disposals	8.1	100.7
Net cashflow generated by (used in) investing activities	(221.9)	(208.6)
Capital increase (decrease) minority	3.5	-
Own shares	(9.8)	38.0
Interest received	3.7	3.3
Interest paid	(9.3)	(9.7)
New loans and repayments	26.8	6.5
Dividends paid to Umicore shareholders	(108.6)	(138.3)
Dividends paid to minority shareholders	(5.4)	(4.7)
Net cashflow generated by (used in) financing activities	(99.1)	(104.9)
Effect of exchange rate fluctuations	(17.3)	1.4
Total net cashflow of the period	(73.2)	72.6
Net cash and cash equivalents at the beginning of the period for continuing operations	102.9	66.2
Impact of financing discontinued operations	36.4	(67.5)
Net cash and cash equivalents at the end of the period for continuing operations	66.2	71.3
Cash for discontinued operations	37.9	45.3
of which cash and cash equivalents	112.4	129.8
of which bank overdrafts	(8.3)	(13.2)

Condensed segment information 2015 (in million €)	**Catalysis**	**Energy & Surface Technologies**	**Recycling**	**Corporate**	**Eliminations**	**Total Continued operations**	**Discontinued operations**	**Total**
Total segment turnover	2,749.3	1,474.4	6,252.0	26.2	(804.2)	9,697.7	744.7	10,442.4
of which external turnover	2,728.3	1,422.1	5,521.2	26.2	-	9,697.7	744.7	10,442.4
of which inter-segment turnover	21.0	52.4	730.8	-	(804.2)	-	-	-
Total segment revenues (excluding metal)	1,093.7	586.9	662.9	-	(6.3)	2,337.1	291.8	2,629.0
of which external revenues (excluding metal)	1,092.9	586.6	657.7	-	-	2,337.1	291.8	2,629.0
of which inter-segment revenues (excluding metal)	0.8	0.3	5.3	-	(6.3)	-	-	-
Recurring EBIT	124.2	70.2	141.5	(36.6)	-	299.3	31.0	330.3
of which from operating result	115.4	73.7	141.5	(45.0)	-	285.7	30.3	315.9
of which from equity method companies	8.8	(3.5)	-	8.4	-	13.6	0.7	14.3
Non-recurring EBIT	(7.0)	(32.6)	(11.7)	(16.3)	-	(67.6)	(7.2)	(74.9)
of which from operating result	(5.0)	(32.6)	(11.7)	(14.3)	-	(63.6)	(6.9)	(70.6)
of which from equity method companies	(2.0)	-	-	(2.0)	-	(4.0)	(0.3)	(4.3)
IAS 39 effect on EBIT	(1.3)	(0.3)	2.7	0.3	-	1.4	(4.1)	(2.7)
of which from operating result	(1.2)	(0.3)	2.7	-	-	1.2	(4.1)	(2.9)
of which from equity method companies	(0.1)	-	-	0.3	-	0.2	-	0.2
Total EBIT	115.9	37.3	132.5	(52.6)	-	233.1	19.6	252.7
of which from operating result	109.2	40.8	132.5	(59.3)	-	223.2	19.3	242.5
of which from equity method companies	6.7	(3.5)	-	6.6	-	9.8	0.3	10.2
Capital expenditure	78.8	42.5	83.0	8.5	-	212.7	27.5	240.3
Depreciation & amortization	48.2	42.3	62.8	12.6	-	165.9	8.6	174.5

Condensed segment information 2016

(in million €)

	Catalysis	Energy & Surface Technologies	Recycling	Corporate	Eliminations	Total Continued operations	Discontinued operations	Total
Total segment turnover	2,779.1	1,469.0	6,886.4	31.8	(722.7)	10,443.5	652.6	11,096.2
of which external turnover	2,770.1	1,414.7	6,227.0	31.8	-	10,443.5	652.6	11,096.2
of which inter-segment turnover	9.0	54.3	659.4	-	(722.7)	-	-	-
Total segment revenues (excluding metal)	1,163.4	610.2	641.2	-	(5.5)	2,409.4	258.1	2,667.5
of which external revenues (excluding metal)	1,162.3	609.9	637.2	-	-	2,409.4	258.1	2,667.5
of which inter-segment revenues (excluding metal)	1.1	0.3	4.1	-	(5.5)	-	-	-
Recurring EBIT	152.5	81.7	124.9	(38.9)	-	320.1	30.6	350.7
of which from operating result	143.3	80.7	124.9	(46.2)	-	302.7	29.7	332.4
of which from equity method companies	9.2	1.0	-	7.2	-	17.4	0.9	18.3
Non-recurring EBIT	(26.0)	(0.9)	(10.5)	(11.8)	-	(49.1)	(61.1)	(110.2)
of which from operating result	(26.7)	(0.9)	(10.5)	(10.0)	-	(48.0)	(61.4)	(109.4)
of which from equity method companies	0.7	-	-	(1.8)	-	(1.1)	0.3	(0.8)
IAS 39 effect on EBIT	(0.9)	(6.5)	1.1	1.2	-	(5.2)	(3.7)	(9.0)
of which from operating result	(0.2)	(6.5)	1.1	(0.1)	-	(5.8)	(3.7)	(9.5)
of which from equity method companies	(0.7)	-	-	1.2	-	0.5	-	0.5
Total EBIT	125.6	74.2	115.5	(49.5)	-	265.7	(34.2)	231.6
of which from operating result	116.5	73.2	115.5	(56.2)	-	249.0	(35.4)	213.5
of which from equity method companies	9.1	1.0	-	6.7	-	16.8	1.3	18.0
Capital expenditure	46.5	144.3	72.3	9.7	-	272.8	14.5	287.3
Depreciation & amortization	51.0	49.9	62.4	12.7	-	175.9	0.1	176.0

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**
2015				
Profit from operations	242.5	315.9	(70.6)	(2.9)
of which income from other financial investments	(2.5)	-	(2.5)	-
Result of companies accounted for using the equity method	10.2	14.3	(4.3)	0.2
EBIT	252.7	330.3	(74.9)	(2.7)
Finance cost	(26.5)	(9.6)	0.3	(17.2)
Tax	(49.1)	(65.6)	10.3	6.2
Net result	177.2	255.1	(64.2)	(13.7)
of which minority share	7.9	9.1	(1.1)	(0.1)
of which Group share	169.2	246.0	(63.1)	(13.7)
2016				
Profit from operations	213.5	332.4	(109.4)	(9.5)
of which income from other financial investments	(4.7)	0.1	(4.8)	-
Result of companies accounted for using the equity method	18.0	18.3	(0.8)	0.5
EBIT	231.6	350.7	(110.2)	(9.0)
Finance cost	(20.7)	(31.9)	-	11.2
Tax	(69.5)	(75.3)	5.7	0.1
Net result	141.4	243.6	(104.6)	2.3
of which minority share	10.6	10.7	(0.2)	0.0
of which Group share	130.7	232.9	(104.4)	2.3

Contingencies

The Group has a pending file that can be qualified as a contingent liability or a contingent asset, according to the definition of IFRS.

On 20 February 2015, BASF Corp. and the University of Chicago Argonne National filed two lawsuits against Umicore. One action was filed at the United States International Trade Commission (ITC). The other was filed in federal district court in Wilmington, Delaware, and was stayed. The ITC action relates to an alleged infringement of two U.S. patents related to materials used in battery cathodes. The ITC found Umicore to be indirectly infringing the patents and issued a limited exclusion order on the products at issue on 16 December 2016. This limited exclusion order is subject to automatic review by the United States Trade Representative the result of which is expected by mid-February 2017 and, if upheld, subject to appeal to the United States Court of Appeals for the Federal Circuit.

Discontinued operations

Condensed income statement of discontinued operations (in million €)	2015	2016
Operating income	748.4	661.3
Operating expenses	(729.2)	(698.0)
Income (loss) from other financial assets	-	1.2
Result from operating activities	19.3	(35.4)
Finance cost - Net	(1.9)	(3.0)
Share in result of companies accounted for using the equity method	0.3	1.3
Profit (loss) before income tax	17.7	(37.2)
Income taxes	(1.3)	(13.1)
Profit (loss) of the period	16.4	(50.3)
(in € / share)		
Basic earnings per share from discontinued operations	0.15	(0.46)
Diluted earnings per share from discontinued operations	0.15	(0.46)

Assets and liabilities of discontinued operations (in million €)	31/12/2015	31/12/2016
Non-current assets	163.6	90.3
Property, plant and equipment	116.5	62.1
Investments accounted for using the equity method	22.9	16.0
Other non-current assets	24.2	12.2
Current assets	256.0	163.1
Inventories	124.9	92.5
Trade and other receivables	91.5	23.9
Cash and cash equivalents	37.9	45.3
Other current assets	1.7	1.4
Total assets	419.6	253.5
Non-current liabilities	44.1	39.8
Provisions for employee benefits	36.6	36.9
Financial debt	0.8	0.5
Other non-current liabilities	6.7	2.4
Current liabilities	185.1	105.1
Financial debt	22.7	0.4
Trade and other payables	157.6	103.5
Other current liabilities	4.7	1.3
Total liabilities	229.2	144.9

Condensed cashflow statement of the discontinued operations

(in million €)	2015	2016
Net operating cashflow	108.8	(63.4)
Net cashflow generated by (used in) investing activities	(26.0)	28.9
Net cashflow generated by (used in) financing activities	15.2	(22.6)
Effect of exchange rate fluctuations	(0.6)	(3.0)
Total net cashflow of the period	97.3	(60.0)
Net cash and cash equivalents at the beginning of the period for discontinued operations	(23.1)	37.9
Impact of financing discontinued operations	(36.4)	67.5
Net cash and cash equivalents at the end of the period for discontinued operations	37.9	45.3

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

24 March 2017	Publication of the annual report 2016
25 April 2017	Trading update Q1 2017
25 April 2017	Annual General Meeting
27 April 2017	Ex-dividend trading date
28 April 2017	Record date for the dividend
2 May 2017	Payment date for the dividend
31 July 2017	Half year results 2017
24 October 2017	Trading update Q3 2017
9 February 2018	Full year results 2017

Umicore profile

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

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

The Umicore Group has industrial operations on all continents and serves a global customer base; it generated a turnover of € 11.1 billion (€ 2.7 billion excluding metal) in 2016 and currently employs 9,900 people.

A conference call and audio webcast will take place today at 09:30 CET in Brussels. Please visit:
http://www.umicore.com/en/investors/financial-calendar/fyr2016en/
