

FULL YEAR RESULTS 2010

Highlights

Umicore's performance in 2010 rebounded significantly, driven by the recovery in demand in all business segments. The revenue increase, coupled with the positive impact of cost reduction measures, led to a significant increase in recurring EBIT, especially in Catalysis. Recycling performed at an outstanding level due to strong supply conditions and higher metal prices.

- Revenues of € 2 billion (up 16 %);
- Recurring EBITDA of € 469 million (up 78 %);
- Recurring EBIT of € 342 million (up 134 %);
- ROCE of 17.5 % (8.1 % in 2009).

Net recurring profit and earnings per share reached a record level.

- Recurring net profit (Group share) of € 263 million (up 222 %);
- Recurring EPS of € 2.33 per share (up 219 %).

The Board of Directors will propose a gross annual dividend of € 0.80 per share at the Annual General Meeting on 26 April, of which € 0.325 was already paid out as interim dividend in October 2010.

At year end net financial debt was € 360 million (€ 177 million at year end 2009), reflecting increased working capital needs which were to a large extent due to rising precious metal prices. The capital structure is strong with a gearing ratio at year end of 18.6 %.

Umicore's strategic growth projects are on track. Research & Development costs equalled € 135 million, while capital expenditures totalled € 172 million.

Outlook

Umicore anticipates further revenue and earnings growth in 2011. Underlying demand should strengthen further for most of Umicore's product business, while the supply conditions for the various recycling activities are expected to remain highly supportive.

The investment activity for Umicore's main growth projects will intensify in 2011 leading to higher levels of capital expenditures than in 2010.

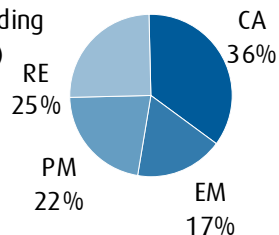
Note: All comparisons are made with 2009, unless mentioned otherwise.

Key figures (in million €)	H2 2009	H2 2010	2009	2010
Turnover	3,552.7	5,012.4	6,937.4	9,691.1
Revenues (excluding metal)	863.0	1,012.6	1,723.2	1,999.7
Recurring EBITDA	156.1	221.7	262.7	468.7
Recurring EBIT	96.9	156.2	146.4	342.5
of which associates	11.0	10.3	(6.1)	30.1
Non-recurring EBIT	(5.4)	2.8	(11.4)	(9.1)
IAS 39 effect on EBIT	1.6	(12.4)	6.2	(9.4)
Total EBIT	93.0	146.5	141.2	324.0
Recurring EBIT margin	9.9%	14.4%	8.9%	15.6%
Recurring net profit, Group share	62.2	123.7	81.9	263.4
Result from discontinued operations, Group share	(1.1)	-	(4.2)	-
Net profit, Group share, with discontinued operations	52.5	121.8	73.8	248.7
R&D expenditure	67.3	68.8	135.7	135.0
Capital expenditure	87.5	96.5	190.5	172.0
Net cash flow before financing	87.5	(73.8)	258.4	(68.2)
Total assets of continued operations, end of period	2,826.7	3,511.6	2,826.7	3,511.6
Group shareholder's equity, end of period	1,314.2	1,517.0	1,314.2	1,517.0
Consolidated net financial debt of continued operations, end of period	176.5	360.4	176.5	360.4
Gearing ratio of continued operations, end of period	11.4%	18.6%	11.4%	18.6%
Capital employed, end of period	1,781.1	2,181.8	1,781.1	2,181.8
Capital employed, average	1,775.4	2,061.8	1,797.7	1,961.6
Return on Capital Employed (ROCE)	10.9%	15.2%	8.1%	17.5%
Workforce, end of period	13,728	14,386	13,728	14,386
of which associates	4,415	4,828	4,415	4,828
Accident frequency rate	3.17	3.42	3.12	3.54
Accident severity rate	0.07	0.14	0.08	0.13

Segment split

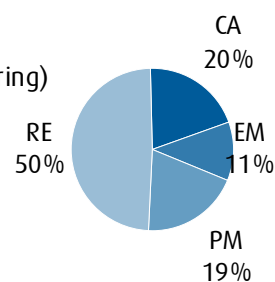
Revenues

(excluding metal)



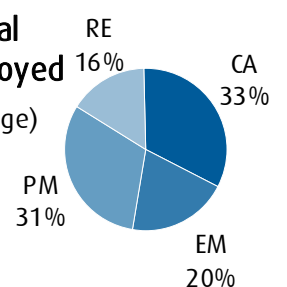
EBIT

(recurring)



Capital employed

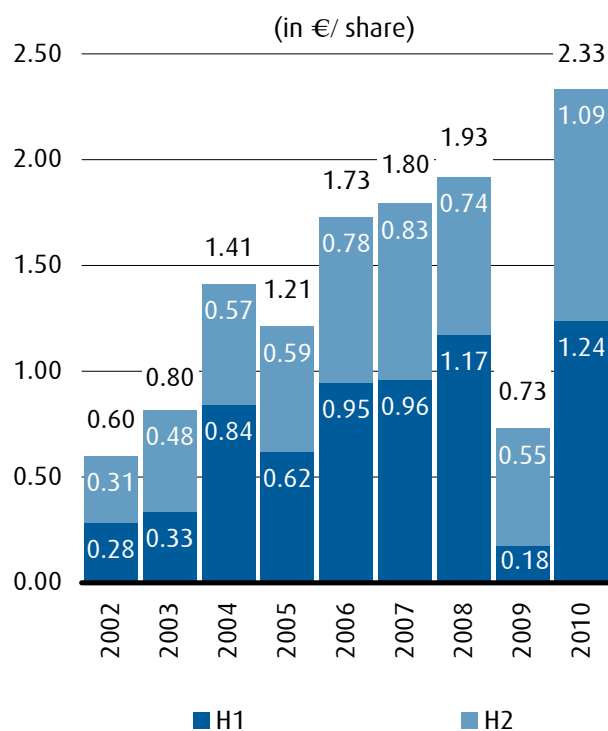
(average)



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

Key figures per share (in €/share)	H2 2009	H2 2010	2009	2010
Total number of issued shares, end of period	120,000,000	120,000,000	120,000,000	120,000,000
of which shares outstanding	112,493,803	113,523,353	112,493,803	113,523,353
of which treasury shares	7,506,197	6,476,647	7,506,197	6,476,647
Average number of shares outstanding				
basic	112,456,658	113,207,627	112,350,457	113,001,404
diluted	112,991,177	113,931,114	112,884,977	113,724,891
Recurring EPS	0.55	1.09	0.73	2.33
EPS including discontinued operations				
basic	0.47	1.08	0.66	2.20
diluted	0.46	1.07	0.65	2.19
Dividend (proposed)		0.48	0.65	0.80
Net cash flow before financing, basic	0.78	(0.65)	2.30	(0.60)
Total assets of continued operations, end of period	25.13	30.93	25.13	30.93
Group shareholder's equity, end of period	11.68	13.36	11.68	13.36

Recurring EPS



CATALYSIS

Catalysis key figures (in million €)	H2 2009	H2 2010	2009	2010
Turnover	609.5	787.5	1,155.7	1,548.3
Revenues (excluding metal)	310.8	359.3	585.8	698.7
Recurring EBITDA	43.0	53.2	39.5	104.6
Recurring EBIT	31.2	39.0	16.7	77.7
of which associates *	2.1	2.0	(7.1)	4.8
Total EBIT	28.4	35.9	13.2	72.4
Recurring EBIT margin	9.4%	10.3%	4.1%	10.4%
R&D expenditure	39.9	40.6	80.8	79.9
Capital expenditure	24.3	23.8	46.0	45.7
Capital employed, end of period	554.4	640.3	554.4	640.3
Capital employed, average	544.9	632.7	558.5	611.3
Return on Capital Employed (ROCE)	11.5%	12.3%	3.0%	12.7%
Workforce, end of period	1,913	1,921	1,913	1,921
of which associates *	251	225	251	225

* ICT Co. Japan, ICT Inc. USA, Ordeg Korea (Automotive Catalysts)

Overview and outlook

Revenues were up 19 % year on year (22.4 % including associates), on the back of the recovery in the automotive sector and an uplift in the chemical and life science industries. The revenue growth, combined with the cost reduction measures implemented in 2009, led to a substantial year-on-year increase in recurring EBIT.

Passenger car sales are expected to grow further in 2011, albeit at a more moderate rate than in 2010, especially in Asia. Assuming a stabilisation of inventories, production volumes should remain in line with car sales.

Automotive Catalysts

Global light duty vehicle production rose by some 25 % year on year, albeit with regional differences. Production levels of the first half were largely maintained in the second half of the year, despite the tapering off of government incentives. Global

inventory levels rose in line with vehicle sales volumes. Umicore's catalyst sales volumes and revenues grew in line with the car market, resulting in a strong overall business unit performance.

In Europe, light duty vehicle production increased by some 15 % in 2010. Government incentives had largely expired by mid year, which brought second half production figures down some 10 % compared to the first half, reflecting more normalised market conditions. The share of diesel engines in the market has started to grow again and has returned to a level close to 50 % of the market. The growth of the diesel portion of the market and its requirements for more complex catalyst systems meant that Umicore's revenue growth outpaced that of vehicle build in Europe.

North America showed the most notable improvement from the particularly weak levels in 2009. Overall light duty vehicle production was up 39 % year on year. The market upturn was reflected to the same extent in Umicore's revenues. The lag in the first half of the year, which resulted from Umicore's business mix in the region, was

compensated in the second half. In South America vehicle production continued to grow in the second half resulting in a 13 % increase year on year. Umicore's growth was in line with that of the market.

In China production was up 30 %. The year-on-year growth was less pronounced in the second half, as the incentive schemes and their effectiveness started to taper off. In Japan and Korea, markets which are heavily influenced by overseas demand through exports, production was up by 19 % and 24 % respectively. In total, production of light duty vehicles in Asia was up 28 % and Umicore's overall revenue growth in the region was broadly in line with the market.

During the year Umicore secured a number of awards for future heavy-duty diesel business and has continued to position itself for additional business that is due to be awarded in the near future. The company has taken the decision to invest in a dedicated HDD production line in its plant in Florange, France. This investment will also support product and process development. The decision has also been made to equip the technology development centre under construction in Suzhou, China, with HDD development and testing facilities. Both investments, which are foreseen to be operational in the second

half of 2012, will complement the HDD facilities already in place in other locations and will allow Umicore to offer HDD production and development services in all the regions where HDD emission legislation has been or is being introduced.

Precious Metals Chemistry

Revenues have recovered significantly from the 2009 downturn, and have even exceeded pre-crisis levels mainly as a result of the higher demand in the key application areas. Sales volumes of pgm-containing precursors for automotive and chemical catalysts improved strongly in line with demand in the automotive and chemical sector.

The business successfully introduced innovative products for new applications in the life science sector. These products include pgm-containing dyes for dye-sensitised solar cells and metathesis reaction catalysts used in advanced molecular chemistry. The unit's sales of APIs (Active Pharmaceutical Ingredients), manufactured in Umicore's new plant in Argentina, grew in line with the South-American market.

ENERGY MATERIALS

Energy Materials key figures (in million €)	H2 2009	H2 2010	2009	2010
Turnover	301.4	354.1	541.4	702.3
Revenues (excluding metal)	151.1	174.3	305.1	347.6
Recurring EBITDA	27.2	32.4	44.7	67.5
Recurring EBIT	16.7	20.0	23.9	43.9
of which associates *	5.4	3.0	7.4	5.7
Total EBIT	25.8	18.8	31.7	43.1
Recurring EBIT margin	7.5%	9.8%	5.4%	11.0%
R&D expenditure	6.2	7.0	12.2	13.1
Capital expenditure	18.1	21.9	51.0	38.3
Capital employed, end of period	346.2	390.1	346.2	390.1
Capital employed, average	351.6	382.5	353.9	371.5
Return on Capital Employed (ROCE)	9.5%	10.5%	6.7%	11.8%
Workforce, end of period	2,879	3,035	2,879	3,035
of which associates *	1,232	1,314	1,232	1,314

* Ganzhou Yi Hao Umicore Industries Co. Ltd., Jiangmen Chancsun Umicore Industry Co. Ltd., Todini and Co. (Cobalt & Specialty Materials); Yamanaka Eagle Picher (Electro-Optic Materials)

Overview and outlook

Revenues were up by 14 %. Increased activity levels in the end-markets of Cobalt & Specialty Materials and Thin Film Products more than offset the effect of lower volumes in the Optics business of Electro-Optic Materials. The recurring EBIT recovered strongly and was close to double the level of 2009, mainly as a result of the revenue growth in the Cobalt & Specialty Materials business.

With the significant investments in 2010 and 2011 in rechargeable battery materials and photovoltaics coming on stream, the business group is ready for further growth.

Cobalt & Specialty Materials

Revenues were well up for the business unit, the strong performance of the first half persisting in the second half of the year. All business lines contributed to the increase. The higher average cobalt price and overall higher levels of customer activity increased

the availability of recyclable material. As a consequence refined cobalt volumes were up significantly.

Revenues in **Rechargeable Battery Materials** were well up compared with 2009. Revenues have grown strongly every half year since the dip in the first half of 2009, confirming an improvement in underlying demand. The global market has, however, remained highly competitive during this recovery phase, and is characterised by high pressure on prices and margins. The ratio of NMC (lithium nickel-manganese-cobalt oxide) to LCO (lithium cobalt oxide) materials continued to increase, not only as a result of the growing penetration of these materials in portable electronics, but also as sales for hybrid electrical vehicles start to become more substantial. Umicore is well positioned to benefit from further growth in this new application field. The announced capacity expansion for NMC materials is well on track, with both the expansion at Umicore's existing Korean facility and the construction of a greenfield operation in Japan scheduled to be operational in mid 2011. Umicore continues to strengthen its technology and IP position in the rechargeable battery materials field, in

particular through intensive patenting activity and partnerships.

The **Ceramics and Chemicals** business line recorded continued growth. Sales of nickel salts increased through market share gains and the business also benefited from tightness in the market for certain specific nickel-based raw materials. Sales volumes of inorganic cobalt-containing products were level with 2009, whereas sales of organic metallic compounds continued to grow. The European distribution activities were a key element in the strong performance.

Sales volumes of cobalt powders in the **Tool Materials** business line increased significantly from the levels seen in 2009. This activity had been particularly hit by destocking in its customer base. Hard metal tool applications, which are mainly used in automotive, machinery and mining equipment, benefited from the higher activity level throughout the year, while the diamond tool-related activities, linked primarily to construction, only started to recover in the second half.

Electro-Optic Materials

Revenues and earnings for the business unit were down. Continued strength in the substrates activities did not fully offset a decrease in the optics business.

Sales of **Substrates** were well up year on year both for space and terrestrial applications. Demand from the space market remains at a high level with the upcoming replacement of a number of telecom

satellite constellations. Non-space applications are growing at a fast pace with demand for substrates from the LED lighting industry continuing to grow strongly while the terrestrial concentrator photovoltaics market is regaining momentum.

In **Optics**, demand from government sponsored programs remained low throughout the year. The smaller finished optics activities, however, recorded significantly higher sales volumes for thermo-graphical cameras and for security and surveillance night vision systems. Sales for driver vision enhancement systems in cars progressed as well but at a slower pace. Sales volumes of germanium tetrachloride were flat and are today mainly fuelled by optical network projects in China.

Thin Film Products

Revenues and earnings for the business unit were well up year on year.

Sales of materials used in optic and electronic applications were well above 2009 levels. Sales of electronics-related materials, in particular, benefited from a strong recovery in the semiconductor market.

In large area coatings, revenues rose well above those of the previous year. Sales of ITO planar targets continued to benefit from strong sales of touch panels for consumer electronics and for certain automotive uses. The interest in rotary targets is growing both for photovoltaic applications and displays. Sales for this emerging product segment were well above the level of 2009.

PERFORMANCE MATERIALS

Performance Materials key figures (in million €)	H2 2009	H2 2010	2009	2010
Turnover	471.0	675.7	899.4	1,296.3
Revenues (excluding metal)	196.0	226.8	404.2	446.3
Recurring EBITDA	33.0	41.9	61.1	101.3
Recurring EBIT	20.6	28.6	36.6	75.2
of which associates *	6.3	6.4	0.8	23.2
Total EBIT	17.2	30.4	38.5	78.6
Recurring EBIT margin	7.3%	9.8%	8.9%	11.7%
R&D expenditure	6.2	8.3	11.7	16.0
Capital expenditure	13.7	16.4	23.9	23.9
Capital employed, end of period	534.1	612.5	534.1	612.5
Capital employed, average	538.3	609.3	533.8	589.7
Return on Capital Employed (ROCE)	7.7%	9.4%	6.9%	12.8%
Workforce, end of period	5,687	6,121	5,687	6,121
of which associates *	2,888	3,244	2,888	3,244

* Rezinal (Zinc Chemicals); Ieqsa (Building Products); Element Six Abrasives

Overview and outlook

Revenues for Performance Materials grew by 10 % in 2010. A decrease in the Building Products business unit was more than offset by the recovery in the other activities. The recurring EBIT doubled year on year, mainly as a result of the turnaround in Technical Materials and Element Six Abrasives.

After a year of strong recovery in 2010, most Performance Materials activities are expected to continue growing, albeit at a more moderate pace than in 2010 which saw the effect of customer restocking. Platinum Engineered Materials is anticipated to grow more rapidly, whereas Building Products is expected to benefit from a recovery in the building industry.

Zinc Chemicals

Sales volumes and revenues showed a strong progression year-on-year. The scarcity of supply for the recycling activity, which was a feature of the first half of the year, reversed in the second half as

activity levels picked up in the galvanising industry, which produces the bulk of the residues treated by the business unit. Although volumes recovered, the recycling activity was negatively impacted by a lower received zinc price.

Sales volumes increased significantly for **Fine Zinc Powders**. Although the market in Europe and the Middle East for anti-corrosive paint pigments has not yet recovered, there was a substantial increase in demand in Asia, mainly for protective coatings for sea containers in China. Demand for chemical applications is also improving, both in North America and Europe.

Deliveries of **Zinc Oxide** products were up year on year, with lower demand for ceramic applications being more than offset by sales for other applications. Growth was noted in wood-protection paint pigments, catalytic products and in products used by the rubber industry. The plant in Goa, India, which Umicore acquired in 2008, is gradually gaining market share in the growing Indian market.

In **Zinc Battery Materials** historically high sales volumes were recorded over the year. Sales to all regions went up along with the growing success of

Umicore's high performance powders. The performance was also bolstered by the temporary production difficulties experienced by a key competitor.

Building Products

Revenues and earnings were down year on year due to lower sales volumes. Sluggish demand in the European construction sector was exacerbated by the harsh weather conditions at the beginning and end of the year. The volume effect was somewhat offset by a better product mix, with relatively more revenues coming from the higher value added products, such as pre-weathered building materials.

Annual sales volumes were down in all regions. In the Benelux the demand was relatively stable throughout the year, but somewhat lower than in 2009. The French building market, which is Umicore's largest market, was relatively robust in the first half of the year, but slowed down in the second half. In Germany and other regions the opposite trend was observed, with modest improvements in the second half, similar to the pattern of 2009.

Some positive signs have been detected in the European construction sector with increased numbers of building permit applications indicating a gradual recovery in the residential market, which could have a positive impact in the second half of 2011.

Platinum Engineered Materials

The business unit revenues were up on 2009, a year-on-year increase in the second half more than offsetting a slight decrease in the first half. Periodic fluctuations are typical in this industry characterised by equipment maintenance and replacement cycles, and new-build projects.

Sales of platinum equipment used in **Glass Applications** continued to increase in the second half of the year. The display market is back at pre-downturn levels, following the capacity reductions in 2009. The start-up of previously idled glass production operations required the maintenance and replacement of certain pieces of equipment, which contributed to the overall demand for Umicore's materials. Market growth is expected to continue especially as a result of new applications such as touch panels for tablet PCs and smartphones. Sales of products for technical and optical glass applications recovered in line with the general economy. Umicore has diversified its geographical exposure in this business.

As a result of the return to higher activity levels in the fertiliser industry in the second half, revenues in **Performance Catalysts** recovered, offsetting the decrease of the first half. This positive trend was supported by the introduction of innovative three metal catalysts in the market. Sales of high-temperature sensors and sparkplug electrodes returned to pre-downturn levels.

Technical Materials

Revenues were well up for all business activities and earnings benefited from the cost reduction measures implemented in 2009. The improvement in sales was most pronounced in Europe and South America.

Sales of **Contact Materials** grew in line with increased activity in the automotive and electricity distribution sectors. Overall sales volumes were back at pre-downturn levels in Europe, with demand slightly supported by restocking. In North America the industry recovery has been slower. The Chinese operations were successful in expanding their customer portfolio, focused primarily on global customers. Umicore continues to grow in the niche application of energy saving lamps.

In **BrazeTec** a slow recovery was seen in sales in most product areas including applications for electrical equipment, the HVACR sector and the tooling market. Earnings benefited from the cost reduction measures which were implemented during the downturn.

Electroplating

Revenues and earnings for the business unit have recovered to pre-downturn levels.

Sales of plating solutions for technical applications benefited from a recovery of the printed circuit board and semiconductor packaging market, as well as other electronic applications. Some of these, such as LEDs, are benefiting from particularly strong growth. The business unit continues to expand its product portfolio for example through environmentally friendly alternatives for certain coatings

Sales of plating solutions for decorative uses grew both in Europe and overseas, as a result of both growing end-user demand and the introduction of new products, such as rhodium-light alternatives for jewellery coatings.

Element Six Abrasives

Element Six Abrasives' performance improved significantly compared to 2009. The improvement was across all business lines. Revenues in the second half of the year were in line with a strong first half, reflecting a continuation of the improved market conditions. Earnings in the second half of the year, however, were lower than in the first half, primarily due to adverse currency moves and the uneven phasing of certain indirect costs, including R&D, which increased in the second half of the year.

The **Oil & Gas** business benefited from the global recovery in the oil and gas drilling industry in 2010.

The turnaround in the **Advanced Materials** business, which started at the beginning of 2010, persisted through the year. This turnaround was driven by stronger demand and the cost reduction measures taken in 2009. Diamond grit sales for precision grinding as well as sales of PCBN-based cutting tools for precision machining, used for example in PCB manufacturing, grew strongly. The activity also benefited from a strategic shift to focus on specific business segments and closer partnerships with key customers.

In **Hard Materials** revenues and profitability increased to record levels. Hard Materials benefited from an improved product mix and strong demand for carbide-based abrasives particularly in the mining and road construction sectors.

RECYCLING

Recycling key figures (in million €)	H2 2009	H2 2010	2009	2010
Turnover	2,161.5	3,183.8	4,323.0	6,120.9
Revenues (excluding metal)	204.5	251.8	426.7	506.1
Recurring EBITDA	72.5	114.7	158.2	236.7
Recurring EBIT	51.5	93.4	117.7	195.5
Total EBIT	49.5	84.7	109.8	182.2
Recurring EBIT margin	25.2%	37.1%	27.6%	38.6%
R&D expenditure	4.4	3.4	8.9	6.0
Capital expenditure	24.0	26.2	54.9	50.3
Capital employed, end of period	273.8	421.0	273.8	421.0
Capital employed, average	277.2	338.6	288.6	301.8
Return on Capital Employed (ROCE)	37.2%	55.2%	40.8%	64.8%
Workforce, end of period	2,162	2,168	2,162	2,168

Overview and outlook

Recycling revenues were up by 19 % reflecting a strong supply environment. Recurring EBIT was up 68 % compared to 2009.

Current strong supply conditions are expected to prevail in 2011 too. A portion of the metal price component in the earnings of the business group has been secured for 2011 up to 2013, for certain precious and base metals.

Precious Metals Refining

Revenues and earnings were well up year on year, helped by higher metal prices and higher industrial activity in several supply segments. The performance in the second half was in line with the first half of the year, reflecting the continuation of a buoyant supply environment.

Supply of residues from the non-ferrous refining and mining industry was strong throughout the year. While these industries were recovering from the downturn, Umicore was also successful in further diversifying its supply base by sourcing new residue

streams. The business unit was also able to further diversify the geographical spread of input materials by increasing the supply streams from Asia.

Arrivals of end-of-life materials increased by more than 30 % in volume terms. Electronic scrap availability remained at high levels, while industrial catalyst supply increased throughout the year. Higher activity levels in the chemical industry triggered catalyst maintenance replacement. As a result of the uplift in pgm prices and the effect of car scrapping schemes, arrivals of spent automotive catalysts were well up year-on-year.

Rising metal prices contributed to the strong performance. This was the case for precious metals and several specialty metals such as selenium, indium, nickel and ruthenium. Although spot metal prices continued to rise for a number of these metals during the second half of the year, these only contributed partially to the unit's result as Umicore secures a significant portion of the metal price component in its earnings and cash flows through longer term contracts. The business continues to enter into such contracts, which now cover 2011, stretching into 2012, and to a lesser extent into 2013. This is primarily the case for gold, silver, platinum and palladium.

The market for by-products such as sulphuric acid has recovered fully. Umicore's precious metals refinery in South America recorded increased activity.

Precious Metals Management

Earnings in the year were well above those of 2009 with overall industrial activities picking up and higher metal price volatility

Most industrial sectors showed significant demand improvement for physical precious metals, leading to increased activity levels in physical sales, purchases and leases. Increased price volatility on the metal markets as well as overall higher prices also contributed to the improved performance.

Sales of silver investor bars increased substantially compared to 2009. Gold ingot sales remained at high levels albeit somewhat lower than the record levels seen in 2009. Demand fluctuated throughout the year with financial market concerns about government credit situations.

Battery Recycling

The construction of the new battery recycling plant in Hoboken is progressing according to plan and is expected to be operational by mid 2011.

Deliveries of spent rechargeable batteries from portable electronics, continued to grow. These mainly originate from the EU, where legislation is being implemented and professional collection networks are already established. Arrivals of scrap from lithium-ion battery manufacturers have also increased, primarily from Asia.

Umicore is closely collaborating with car manufacturers, research institutes and battery producers on the further development and optimisation of collection and recycling processes for (Hybrid) Electric Vehicles ((H)EV) batteries. The battery dismantling centre for these larger types of batteries, which was built within this framework, is now operational in Hanau, Germany. Umicore has contracts or is in talks with the major OEMs active in (H)EV production or development and has been processing (H)EV battery samples for these customers.

Jewellery & Industrial Metals

Revenues of the business unit continued to grow during the year in the unit's main markets of Europe and Asia. Earnings benefited from increased sales and the strength in the recycling operations which performed at a historically high level. With the rising precious metal prices demand for gold recycling remains high and the intake of scrap from various industries has increased.

Demand for global brands in the luxury part of the jewellery and lifestyle goods business were strong. This had a particularly positive impact on sales of platinum-based products in Umicore's **Jewellery** business line. Sales of products for the fashion jewellery market, however, were more subdued. The silver refining business in Thailand performed strongly.

The market for silver-based **Industrial Metals** improved as well, mainly for chemical catalysis applications, machined coatings and specialty products for precision applications. The business was also successful in marketing newly developed alloys with lower silver content. Overall deliveries of coin blanks were lower than in 2009 but remain on a higher level than the historical average.

CORPORATE & GROUP ITEMS

Corporate key figures (in million €)	H2 2009	H2 2010	2009	2010
Recurring EBITDA	(19.6)	(20.6)	(40.8)	(41.3)
Recurring EBIT	(23.2)	(24.9)	(48.4)	(49.8)
of which associates *	(2.8)	(1.1)	(7.2)	(3.5)
Total EBIT	(27.8)	(23.4)	(52.0)	(52.2)
R&D expenditure	10.5	9.4	22.1	20.0
Capital expenditure	7.5	8.3	14.7	13.8
Capital employed, end of period	72.6	117.8	72.6	117.8
Capital employed, average	63.4	98.6	62.8	87.3
Workforce, end of period	1,087	1,141	1,087	1,141
of which associates *	44	45	44	45

* SolviCore; HyCore

Corporate overview

Overall corporate costs were at the same level as in 2009. No material changes are anticipated in the corporate cost structure.

Research & development

Overall R&D expenditure (which includes Group level efforts and those of the business units) was € 135.0 million, of which some € 15.3 million were capitalised. Excluding the associates contribution of € 14.6 million, this corresponds to 6 % of revenues. During the year 42 patent families were filed.

In Catalysis R&D expenditure was stable year on year despite increased activity, as a result of the efficiency gains in testing realised since 2009. In Energy Materials efforts were stepped up both in Cobalt & Specialty Materials and Thin Film Products focusing on the energy storage and photovoltaic applications. Similarly, R&D expenditure in Performance Materials was up, especially in Element Six Abrasives. R&D spend in Recycling decreased somewhat, as the main effort shifted to the construction of the UHT plant.

The Recycling and Extraction Technology platform focused primarily on the further optimisation of the ultra-high-temperature processes for battery

recycling. New hydro-metallurgical processes were also explored to recycle various other materials used in renewable energy generation and storage. In the Fine Particle Technology platform new rechargeable battery materials and precursors were developed as well as nano-sized catalytic particles for use in fuel cells. In the Support platforms the virtual experimentation competences were further expanded and new equipment was installed for medium throughput experimentation in the framework of FLAMAC (Flanders Materials Centre).

In the fuel cells development activity collaboration with OEMs for automotive applications continues to develop positively. Order levels, mainly for stationary applications, are increasing.

Environment, health & safety

The Group safety performance showed an accident frequency rate of 3.54 and a severity rate of 0.12, slightly above the levels of the prior year. The company has intensified its safety initiative launched in 2009, aiming at a zero accident work environment.

Environmental provisions went up by € 3.8 million as a number of remediation projects were updated. In Viviez, France, the construction of the plant for the remediation of the historical soil pollution has been completed, and the remediation process has started.

The project, which is due to be completed in 2014, is widely seen as a benchmark for environmental remediation in France.

At the end of 2010, 95 different substances have been filed for the first submission round of the REACH legislation. An additional 300 substances are due to be filed in the subsequent registration steps, stretching out until 2018.

Human Resources

As the business has returned to growth, the recruitment levels in most businesses increased, leading to a higher headcount. The rise was most notable in the Energy Materials associates and in Element Six Abrasives.

FINANCIAL REVIEW

Non-recurring items and IAS 39

Non-recurring EBIT totalled € -9.1 million with the impact on the net result (Group share) being € -7.7 million. Restructuring charges, mainly related to the transfer of refining activities in Hanau, Germany, to Hoboken, Belgium, accounted for € 4.7 million, the suspension of the HyCore activities led to impairments of € 4.2 million and an increase of environmental provisions was booked for € 3.8 million. The total was partially offset by the positive impact of certain reversals of provisions taken in the past and other one-off elements.

IAS 39 accounting rules had a negative effect on EBIT of € 9.4 million. The impact concerns timing differences imposed by IFRS that relate primarily to transactional and structural metal and currency hedges. All IAS 39 impacts are non-cash in nature.

Financial results and taxation

Recurring net financial charges totalled € 18.4 million. The recurring financial charges were substantially lower than the € 33.7 million recorded in 2009. The difference is primarily explained by foreign exchange effects and lower interest charges. The average weighted interest rate for the period was 3.8%.

The recurring tax charge for the period amounted to € 56.1 million. The overall recurring effective tax rate for the period was 19.1 % versus 20.7 % in 2009.

Cashflows

Net cashflow from operations was € 104.1 million. Strong operating cash flows were partly used to fund increased working capital needs (€ 247.0 million),

resulting from the combination of higher revenues and metal prices.

Capital expenditures totalled € 172.0 million. A high level of investment was maintained in Automotive Catalysts and Cobalt & Specialty Materials, where capacity and capability expansions continued in the year. In Recycling the overall level was stable, the investment focus shifting to Battery Recycling with the construction of the UHT plant.

Net cashflow before financing was € -68.2 million.

Financial debt

At 31 December Umicore's net financial debt stood at € 360.4 million, up from € 176.5 million at 31 December 2009. The rise is mainly due to the growing working capital needs. Total equity at year end stood at € 1,575.2 million. The gearing ratio (net debt / net debt + equity) therefore stood at 18.6 %.

Dividend and shares

The Board of Directors will propose a gross annual dividend of € 0.80 per share at the Annual General Meeting on 26 April. Taking into account the interim dividend of € 0.325 per share paid out in October 2010 and subject to shareholder approval, a gross amount of € 0.475 would be paid out on 4 May.

On 31 December 2010 Umicore held 6,476,647 of its own shares in treasury, or 5.4 % of the total shares outstanding. During the period some 1,000,000 shares were used in the context of the Group's stock option programmes. At 9 February 2011 Umicore held 6,408,272 in treasury, representing 5.3 % of the Group's outstanding shares.

CONDENSED CONSOLIDATED FINANCIAL INFORMATION OF 2010

Statutory auditor's statement relating to the 2010 full year results press release

The statutory auditor, PricewaterhouseCoopers Reviseurs d'Entreprises SCCRL, represented by Raf Vander Stichele, has confirmed that his audit work, which is substantially complete, has not to date revealed any significant matters requiring adjustments to the 2010 consolidated income statement, the 2010 consolidated statement of comprehensive income, the 2010 consolidated balance sheet, the 2010 consolidated statement of changes in the equity of the group, the 2010 consolidated cash flow statement or condensed segment information included in this press release.

Brussels, 9 February 2011

PricewaterhouseCoopers Bedrijfsrevisoren / Reviseurs d'Entreprises
Represented by

Raf Vander Stichele
Bedrijfsrevisor

Management responsibility statement

We hereby certify that, to the best of our knowledge, the condensed consolidated financial information of 2010, 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 taken as a whole, and that the commentary on the overall performance of the Group from pages 1 to 15, includes a fair review of the development and performance of the business and the position of the Group and the undertakings included in the consolidation taken as a whole.

Brussels, 9 February 2011

Marc Grynberg
Chief Executive Officer

Consolidated income statement

(in million €)

	2009	2010
Turnover	6,937.4	9,691.1
Other operating income	73.2	55.1
Operating income	7,010.7	9,746.2
Raw materials and consumables	(5,867.3)	(8,338.4)
Payroll and related benefits	(577.4)	(636.8)
Depreciation and impairments	(83.1)	(125.7)
Other operating expenses	(333.2)	(343.3)
Operating expenses	(6,861.0)	(9,444.2)
Income (loss) from other financial assets	0.5	1.0
Result from operating activities	150.1	303.0
Financial income	5.6	3.7
Financial expenses	(34.9)	(27.9)
Foreign exchange gains and losses	(6.6)	7.4
Share in result of companies accounted for using the equity method	(9.0)	21.0
Profit (loss) before income tax	105.2	307.3
Income taxes	(20.6)	(54.2)
Profit (loss) from continuing operations	84.7	253.1
Profit (loss) from discontinued operations	(4.2)	-
Profit (loss) of the period	80.5	253.1
of which minority share	6.7	4.4
of which Group share	73.8	248.7
(in € / share)		
Basic earnings per share from continuing operations	0.69	2.20
Total basic earnings per share	0.66	2.20
Diluted earnings per share from continuing operations	0.69	2.19
Total diluted earnings per share	0.65	2.19
Dividend per share (proposed)	0.65	0.80

Consolidated statement of comprehensive income

(in million €)

	2009	2010
Profit (loss) of the period	80.5	253.1
Changes in available-for-sale financial assets reserves	33.4	18.1
Changes in cash flow hedge reserves	(56.5)	(59.9)
Changes in post employment benefits, arising from changes in actuarial assumptions	(12.3)	(11.0)
Changes in deferred taxes directly recognized in equity	21.8	22.5
Changes in currency translation differences	39.2	78.6
Other comprehensive income	25.6	48.4
Total comprehensive income for the period	106.1	301.5
of which minority share	12.4	12.4
of which Group share	93.7	289.1

The deferred tax impact on the other comprehensive income is mainly related to the cash flow hedge reserves for €20.0 million and to post employment benefit reserves for €3.2 million.

Consolidated balance sheet (in million €)	31 / 12 2009	31 / 12 2010
Non-current assets	1,243.6	1,371.9
Intangible assets	139.0	169.5
Property, plant and equipment	763.8	804.5
Investments accounted for using the equity method	166.4	197.8
Available-for-sale financial assets	57.9	76.2
Loans granted	8.5	0.8
Trade and other receivables	12.0	14.4
Deferred tax assets	96.1	108.8
Current assets	1,583.1	2,139.7
Loans granted	6.9	-
Inventories	859.6	1,183.0
Trade and other receivables	523.3	811.5
Income tax receivables	8.0	20.4
Available-for-sale financial assets	0.1	-
Cash and cash equivalents	185.3	124.7
Total assets	2,826.7	3,511.6
Equity of the Group	1,366.7	1,575.2
Group shareholders' equity	1,314.2	1,517.0
Share capital and premiums	502.9	502.9
Retained earnings	1,086.0	1,234.2
Currency translation differences and other reserves	(96.4)	(55.5)
Treasury shares	(178.4)	(164.6)
Minority interest	52.5	58.3
Non-current liabilities	516.1	551.8
Provisions for employee benefits	182.9	190.8
Financial debt	175.8	194.9
Trade and other payables	5.5	6.3
Deferred tax liabilities	31.4	43.7
Provisions	120.6	116.1
Current liabilities	943.8	1,384.5
Financial debt	186.1	290.2
Trade and other payables	676.5	1,022.4
Income tax payable	29.1	21.7
Provisions	52.1	50.2
Total equity & liabilities	2,826.7	3,511.6

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 equity
Balance at the beginning of 2009	502.9	1,084.6	(119.0)	(177.7)	41.7	1,332.4
Result of the period	-	73.8	-	-	6.7	80.5
Other comprehensive income for the period	-	-	19.9	-	5.7	25.6
Total comprehensive income for the period	-	73.8	19.9	-	12.4	106.1
Changes in share-based payment reserves	-	-	2.8	-	-	2.8
Dividends	-	(73.0)	-	-	(1.1)	(74.1)
Changes in treasury shares	-	0.6	-	(0.6)	-	-
Changes in scope	-	-	-	-	(0.5)	(0.5)
Balance at the end of 2009	502.9	1,086.0	(96.4)	(178.4)	52.5	1,366.7
Result of the period	-	248.7	-	-	4.4	253.1
Other comprehensive income for the period	-	-	40.4	-	8.0	48.4
Total comprehensive income for the period	-	248.7	40.4	-	12.4	301.5
Changes in share-based payment reserves	-	-	4.0	-	-	4.0
Dividends	-	(110.1)	-	-	(1.1)	(111.2)
Transfers	-	9.6	(3.6)	-	(5.6)	0.4
Changes in treasury shares	-	-	-	13.8	-	13.8
Balance at the end of 2010	502.9	1,234.2	(55.5)	(164.6)	58.3	1,575.2

Consolidated cashflow statement

(in million €)

	2009	2010
Profit from continuing operations	84.7	253.1
Adjustments for profit of equity companies	9.0	(21.0)
Adjustment for non-cash transactions	118.8	90.1
Adjustments for items to disclose separately or under investing and financing cashflows	36.8	68.2
Change in working capital requirement	201.8	(247.0)
Cashflow generated from operations	451.2	143.3
Dividend received	4.6	8.1
Tax paid during the period	(5.1)	(47.3)
Net cashflow generated by (used in) operating activities	450.7	104.1
Acquisition of property, plant and equipment	(169.7)	(141.5)
Acquisition of intangible assets	(20.8)	(30.6)
Acquisition of / capital increase in associates	(5.4)	(8.6)
Acquisition in additional shareholdings in subsidiaries	(0.5)	-
Acquisition of financial assets	(5.1)	(0.4)
New loans extended	(11.5)	-
Sub-total acquisitions	(213.1)	(181.0)
Disposal of property, plant and equipment	13.9	2.0
Disposal of intangible assets	(0.1)	-
Disposal of financial fixed assets	7.0	-
Repayment of loans	-	6.6
Sub-total disposals	20.8	8.7
Net cashflow generated by (used in) investing activities	(192.3)	(172.3)
Own shares	-	13.8
Interest received	5.6	3.6
Interest paid	(20.6)	(15.0)
New loans and repayments	(228.9)	97.3
Dividends paid to Umicore shareholders	(73.8)	(108.8)
Dividends paid to minority shareholders	(1.1)	(1.3)
Net cashflow generated by (used in) financing activities	(318.7)	(10.6)
Effect of exchange rate fluctuations	(5.0)	(4.9)
Net cashflow from continuing operations	(65.4)	(83.6)
Impact of change in scope on opening cash and cash equivalents	-	1.7
Net cash and cash equivalents at the beginning of the period	248.4	180.3
Cash to discontinued operations	(2.7)	-
Net cash and cash equivalents at the end of the period	180.3	98.4
of which cash and cash equivalents	185.3	124.7
of which bank overdrafts	(5.0)	(26.3)

Condensed segment information 2009 (in million €)	Catalysis	Energy Materials	Perfor- mance Materials	Recycling	Corporate & Unallocated	Eliminations	Total
Total segment turnover	1,212.3	547.4	926.0	4,784.4	17.9	(550.5)	6,937.4
of which external turnover	1,155.7	541.4	899.4	4,323.0	17.9	-	6,937.4
of which inter-segment turnover	56.6	6.0	26.5	461.4	-	(550.5)	-
Recurring EBIT	16.7	23.9	36.6	117.7	(48.4)	-	146.4
of which from operating result	23.8	16.5	35.8	117.7	(41.3)	-	152.5
of which from equity method companies	(7.1)	7.4	0.8	-	(7.2)	-	(6.1)
Non-recurring EBIT	(4.9)	0.8	5.0	(8.7)	(3.6)	-	(11.4)
of which from operating result	(5.0)	0.8	10.8	(8.7)	-	-	(2.0)
of which from equity method companies	-	-	(5.8)	-	(3.6)	-	(9.4)
IAS 39 effect on EBIT	1.4	7.0	(3.0)	0.9	-	-	6.2
of which from operating result	1.4	7.0	(9.6)	0.9	-	-	(0.4)
of which from equity method companies	-	-	6.5	-	-	-	6.5
Total EBIT	13.2	31.7	38.5	109.8	(52.0)	-	141.2
of which from operating result	20.2	24.3	37.0	109.8	(41.2)	-	150.1
of which from equity method companies	(7.1)	7.4	1.5	-	(10.8)	-	(9.0)
Capital expenditure	46.0	51.0	23.9	54.9	14.7	-	190.5
Depreciation & amortization	22.8	20.8	24.6	40.5	7.6	-	116.3
Impairment losses (reversal of impairment losses)	(1.1)	(7.7)	(23.6)	(2.3)	1.1	-	(33.5)

Condensed segment information 2010 (in million €)	Catalysis	Energy Materials	Perfor- mance Materials	Recycling	Corporate & Unallocated	Eliminations	Total
Total segment turnover	1,581.6	707.3	1,401.6	7,269.1	23.2	(1,291.8)	9,691.1
of which external turnover	1,548.3	702.3	1,296.3	6,120.9	23.2	-	9,691.1
of which inter-segment turnover	33.3	5.0	105.3	1,148.2	-	(1,291.8)	-
Recurring EBIT	77.7	43.9	75.2	195.5	(49.8)	-	342.5
of which from operating result	72.9	38.2	52.1	195.5	(46.3)	-	312.4
of which from equity method companies	4.8	5.7	23.2	-	(3.5)	-	30.1
Non-recurring EBIT	(1.4)	(0.5)	2.1	(6.8)	(2.5)	-	(9.1)
of which from operating result	(1.4)	(0.5)	2.3	(6.8)	3.2	-	(3.3)
of which from equity method companies	-	-	(0.1)	-	(5.7)	-	(5.8)
IAS 39 effect on EBIT	(3.9)	(0.3)	1.3	(6.4)	-	-	(9.4)
of which from operating result	(2.9)	(0.3)	3.5	(6.4)	-	-	(6.1)
of which from equity method companies	(1.0)	-	(2.3)	-	-	-	(3.3)
Total EBIT	72.4	43.1	78.6	182.2	(52.2)	-	324.0
of which from operating result	68.6	37.4	57.9	182.2	(43.0)	-	303.0
of which from equity method companies	3.8	5.7	20.8	-	(9.2)	-	21.0
Capital expenditure	45.7	38.3	23.9	50.3	13.8	-	172.0
Depreciation & amortization	26.9	23.5	26.0	41.2	8.5	-	126.2
Impairment losses (reversal of impairment losses)	(3.5)	0.2	(1.9)	4.1	0.3	-	(0.9)

Impact of IAS 39 & non-recurring elements (in million €)	Continuing total	of which: Recurring	Non- recurring	IAS 39 effect
2009				
Profit from operations	150.1	152.5	(2.0)	(0.4)
of which income from other financial investments	0.5	0.1	0.4	-
Result of companies accounted for using the equity method	(9.0)	(6.1)	(9.4)	6.5
EBIT	141.2	146.4	(11.4)	6.2
Finance cost	(35.9)	(33.7)	-	(2.2)
Tax	(20.6)	(24.6)	2.6	1.5
Net result	84.7	88.1	(8.8)	5.4
of which minority share	6.7	6.2	0.1	0.4
of which Group share	78.0	81.9	(8.9)	5.0
2010				
Profit from operations	303.0	312.4	(3.3)	(6.1)
of which income from other financial investments	1.0	0.3	0.6	-
Result of companies accounted for using the equity method	21.0	30.1	(5.8)	(3.3)
EBIT	324.0	342.5	(9.1)	(9.4)
Finance cost	(16.7)	(18.4)	-	1.7
Tax	(54.2)	(56.1)	1.3	0.6
Net result	253.1	268.0	(7.8)	(7.1)
of which minority share	4.4	4.6	(0.2)	-
of which Group share	248.7	263.4	(7.7)	(7.1)

Glossary

EBIT	Operating profit (loss) of fully consolidated companies, including income from other financial investments + Group share in net profit (loss) of companies accounted for under equity method.
Non-recurring EBIT	Includes non-recurring items related to restructuring measures, impairment of assets, and other income or expenses arising from events or transactions that are clearly distinct from the ordinary activities of the company. Any write-downs on those metal inventories permanently tied up in operations are part of the non-recurring EBIT of the business groups.
IAS 39 effect	Non-cash timing differences in revenue recognition in case of non-application of or non-possibility of obtaining IAS hedge accounting to: a) Transactional hedges, which implies that hedged items can no longer be measured at fair value, or b) Structural hedges, which implies that the fair value of the related hedging instruments are recognized in the income statement instead of the equity and this prior to the occurrence of the underlying forecasted or committed transactions, or c) Derivatives embedded in executory contracts, which implies that the change in fair value on the embedded derivatives must be recognized in the income statement as opposed to the executory component where the fair value change in the income statement cannot be recognized.
Recurring EBIT	EBIT – non-recurring EBIT – IAS 39 effect.
Recurring EBIT margin	Recurring EBIT of fully consolidated companies / revenues excluding metals.
Recurring EBITDA	Recurring EBIT + recurring depreciation and amortization of fully consolidated companies.
Revenues (excluding metal)	All revenue elements – value of purchased metals.
Recurring effective tax rate	Recurring tax charge / recurring profit (loss) before income tax of fully consolidated companies.
Return on Capital Employed (ROCE)	Recurring EBIT / average capital employed.
Capital employed	Total equity (excluding fair value reserves) + net financial debt + provisions for employee benefits – deferred tax assets and liabilities – IAS 39 impact.
Average capital employed	For half years: average of capital employed at start and end of the period; For full year: average of the half year averages.
Capital expenditure	Capitalized investments in tangible and intangible assets.
Cash-flow before financing	Net cash generated by (used in) operating activities + net cash generated by (used in) investing activities.
Net financial debt	Non current financial debt + current financial debt – cash and cash equivalents.
Gearing ratio	Net financial debt / (net financial debt + equity of the Group).
R&D expenditure	Gross research and development charges, including capitalised costs.

EPS	Earnings per share for equity holders.
EPS, basic	Net earnings, Group share / average number of (issued shares – treasury shares).
EPS, diluted	Net earnings, Group share / (average number of (issued shares – treasury shares) + (number of potential new shares to be issued under the existing stock option plans x dilution impact of the stock option plans)).
Recurring EPS	Recurring net earnings, Group share / average number of (issued shares – treasury shares).

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.

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Financial calendar

26 April 2011	AGM and 2011 first quarter trading update
29 April 2011	Share traded ex dividend
4 May 2011	Payment of dividend
4 August 2011	2011 half year results publication
20 October 2011	2011 third quarter trading update
9 February 2012	2011 full year results publication

Umicore profile

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

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

The Umicore Group has industrial operations on all continents and serves a global customer base; it generated a turnover of € 9.7 billion (€ 2.0 billion excluding metal) in 2010 and currently employs some 14,400 people.

A conference call and audio webcast will take place today at 14:00 CET in Brussels.
Please visit: <http://www.investorrelations.umicore.com/en/financialCalendar/ConfCall20110210.htm>