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**UMICORE**  
**Limited Liability Company**  
**(Naamloze Vennootschap / Société Anonyme)**  
**Broekstraat 31 rue du Marais**  
**1000 Brussels**  
**VAT BE 0401.574.852 RLE Brussels**

**SPECIAL REPORT OF THE BOARD OF DIRECTORS**  
**RELATING TO THE AUTHORISED CAPITAL**  
prepared in accordance with Article 604 of the Belgian Companies Code

Dear shareholders,

In accordance with Article 604 of the Belgian Companies Code the board of directors of UMICORE NV/SA (the “**Company**”) reports on the proposal to be submitted to the extraordinary shareholders’ meeting to renew the authorisation granted to the board of directors to increase the capital of the Company by means of the so-called “authorised capital”.

**I. Current authorisation**

The extraordinary shareholders’ meeting held on 24 October 2006 resolved to renew the authorisation granted to the board of directors to increase the capital of the Company and to amend the Company’s bylaws accordingly.

The board of directors was thereby authorised to increase the Company’s capital, in one or more times, by a maximum amount of EUR 46,000,000 (i.e. 10% of the capital at that time) for a duration of five years.

The above authorisation was published in the Belgian Gazette (“Bijlagen tot het Belgisch Staatsblad” / “Annexes au Moniteur belge”) on 13 November 2006. Consequently the current authorisation will expire on 12 November 2011.

To date the board of directors has not made use of the existing authorisation to increase the Company’s capital.

**II. Request to renew the authorisation**

The board of directors proposes to the extraordinary shareholders’ meeting to cancel the existing authorisation (as granted by the extraordinary shareholders’ meeting held on 24 October 2006) and grant a new authorisation which will enable the board of directors for a duration of five years to increase the Company’s capital by a maximum amount of EUR 50,000,000 (fifty million euros) - i.e. 10% of the capital of the Company -, in one or more stages, and to amend the Company’s bylaws accordingly.

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**III. Specific circumstances in which the authorisation may be exercised and objectives thereby pursued**

The proposed renewal of the authorised capital aims at enabling the board of directors to increase the Company's capital in the following specific circumstances and with the following objectives:

- raising additional capital under favourable conditions;
- taking swift advantage of acquisition opportunities, alliances or strategic developments;
- enhancing the motivation of all or part of the management and the employees of the Company and its subsidiaries through the implementation of stock option plans, shareholding plans or other incentive plans;
- using the authorised capital when the delay and costs involved in organizing a general meeting of shareholders are not commensurate with the amount of the foreseen capital increase.

The proposed renewed authorisation and its flexibility should allow the board of directors to act in an expeditious way should certain business opportunities arise that are consistent with the Company's interest.

**IV. Other specific modalities of the proposed authorisation**

As provided in Article 6 of the Company's bylaws the proposed renewed authorisation will further authorise the board of directors to increase the Company's capital, either by contributions in cash or, subject to legal restrictions, contributions in kind, as well as by incorporation of reserves, whether available or unavailable for distribution, or of share premiums, with or without issuing new shares.

These increases may give rise to the issuance of shares with voting rights, of convertible bonds, as well as of subscription rights or other securities, whether or not attached to other securities of the Company, or attached to securities issued by another company.

Finally the board of directors may, in the interest of the Company and in accordance with the applicable legal provisions, limit or cancel the preferential subscription rights of shareholders in the framework of the authorised capital, as the case may be, in favour of one or more designated persons who are not employed by the Company or its subsidiaries.

The board of directors  
Brussels, 9 February 2011

Nanc Gyngus

T. Gyngus