



FREE TRANSLATION

UMICORE

**Statutory auditor's report to the general
shareholders' meeting on the annual accounts for
the year ended 31 December 2017**

16 March 2018



FREE TRANSLATION

STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF THE COMPANY UMICORE ON THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2017

We present to you our statutory auditor's report in the context of our statutory audit of the annual accounts of Umicore (the "Company"). This report includes our report on the audit of the annual accounts, as well as the report on other legal and regulatory requirements. These reports form part of an integrated whole and are indivisible.

We have been appointed as statutory auditor by the general shareholders' meeting of 25 April 2017, following the proposal formulated by the board of directors and following the recommendation by the audit committee and the proposal formulated by the works' council. Our mandate will expire on the date of the general shareholders' meeting which will deliberate on the annual accounts for the year ended 31 December 2019. We started the statutory audit of the annual accounts of Umicore before 1993.

Report on the audit of the annual accounts

Unqualified opinion

We have performed the statutory audit of the annual accounts of the Company, which comprise the balance sheet as at 31 December 2017, and the profit and loss account for the year then ended, and the notes to the annual accounts, characterised by a balance sheet total of EUR 5.068.446.543,99 and a profit and loss account showing a profit for the year of EUR 149.816.219,06.

In our opinion, the annual accounts give a true and fair view of the Company's net equity and financial position as at 31 December 2017, and of its results for the year then ended, in accordance with the financial-reporting framework applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Statutory auditor's responsibilities for the audit of the annual accounts" section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the annual accounts in Belgium, including the requirements related to independence.

We have obtained from the board of directors and Company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

This section of the report is intended to describe the matters communicated with the audit committee that we have determined, in our professional judgment, were of most significance in the audit of the annual accounts. We have determined that there are no matters to report.

Responsibilities of the board of directors for the annual accounts

The board of directors is responsible for the preparation of annual accounts that give a true and fair view in accordance with the financial-reporting framework applicable in Belgium, and for such internal control as the board of directors determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the board of directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors is either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.

- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors and the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors and the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors and the audit committee, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the director's report, the separate report on non-financial information and of the documents required to be deposited by virtue of the legal and regulatory requirements as well as for the compliance with the legal and regulatory requirements regarding bookkeeping, with the Companies' Code and with the Company's articles of association.

Statutory auditor's responsibilities

In the context of our mandate and in accordance with the Belgian standard (revised) which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors' report and certain documents required to be deposited by virtue of legal and regulatory requirements, as well as compliance with the articles of association and certain requirements of the Companies' Code and to report on these matters.

Aspects related to the directors' report

In our opinion, after having performed specific procedures in relation to the directors' report, this report is consistent with the annual accounts for the year under audit, and it is prepared in accordance with the articles 95 and 96 of the Companies' Code.

In the context of our audit of the annual accounts, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you. We do not express any form of assurance conclusion on the directors' report.

The non-financial information is included in a separate report attached to the directors' report. This report of non-financial information contains the information required by virtue of article 96, §4 of the Companies' Code, and agrees with the annual accounts for the same year. The Company has prepared the non-financial information, based on the 'Global Reporting Initiative Standards' (GRI). However, in this report, we do not express an opinion as to whether the non-financial information has been prepared, in all material aspects, in accordance with the 'Global Reporting Initiative Standards' (GRI). Furthermore, we do not express assurance on individual elements included in this non-financial information.

Statement related to the social balance sheet

The social balance sheet, to be deposited in accordance with article 100, § 1, 6°/2 of the Companies' Code, includes, both in terms of form and content, the information required by virtue of the Companies' Code and does not present any material inconsistencies with the information we have at our disposition in our audit file.

Statement related to independence

- We did not provide services which are incompatible with the statutory audit of the annual accounts and we remained independent of the Company in the course of our mandate.
- The fees for additional services which are compatible with the statutory audit of the annual accounts referred to in article 134 of the Companies' Code are correctly disclosed and itemized in the notes to the annual accounts.

Other statements

- Without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting complies with the legal provisions and the provisions of the articles of association.
- There are no transactions undertaken or decisions taken in breach of the Company's articles of association or the Companies' Code that we have to report to you.
- This report is consistent with the additional report to the audit committee referred to in article 526 bis §6 4° of the Companies Code referring to article 11 of the Regulation (EU) N° 537/2014.

- In accordance with article 523 of the companies' Code, we are also required to report to you on the following transactions, which have taken place during the year ended 31 December 2017: prior to the board of directors' meeting of 9 February 2017, the Chief Executive Officer confirmed having a conflicting interest of a financial nature with respect to decisions taken by the board of directors. These decisions relate to the remuneration in cash, and the grant of shares and stock options to the managing director. The decisions taken on 9 February 2017 have the following financial consequences:
 - Remuneration in cash: the Chief Executive Officer received a fixed gross remuneration of EUR 680,000 in 2017. Also in 2017, he received a gross variable cash remuneration totalling EUR 210,000 as non-deferred part of his variable cash remuneration for the reference year 2016. Furthermore he received in 2017 a gross amount of EUR 90,450 as first half of the deferred payment of his variable cash remuneration for the reference year 2015 based on (1) the two year average Umicore group profitability criterion, i.e. the average return on capital employed (ROCE) for the reference years 2015 and 2016 (i.e. 14.2% giving rise to a percentage pay-out of 67%) and (2) the degree of meeting the plan performance, as approved by the board, for the same reference years 2015 and 2016 (no adjustment applied based on the degree of meeting the plan performance at group level). Also in 2017 he received a gross amount of EUR 81,000 as the second half of the deferred payment of his variable cash remuneration for the reference year 2014 based on (1) the three year average Umicore group ROCE for the reference years 2014, 2015 and 2016 (i.e. 13.5% giving rise to a percentage pay-out of 60%) and (2) the degree of meeting the plan performance, as approved by the board, for the same reference years 2014, 2015 and 2016 (no adjustment applied based on the degree of meeting the plan performance at group level). In 2018 he will receive the first half of the deferred payment of his annual variable cash remuneration for the reference year 2016 based on (1) the two year average Umicore group ROCE for the reference years 2016 and 2017 and (2) the two year average Umicore EBIT growth for the same reference years 2016 and 2017. Also in 2018 he will receive the second half of the deferred payment of his annual variable cash remuneration for the reference year 2015 based on (1) the three year average Umicore group ROCE for the reference years 2015, 2016 and 2017 and (2) the three year average Umicore EBIT growth for the same reference years 2015, 2016 and 2017. The ROCE and EBIT-based deferred payments will be applicable for pay-outs from 2018 onwards. The ROCE range is set between 7.5% (= pay-out of 0%) and a maximum of 17.5% (= pay-out of 100% at plan performance). When the achieved ROCE percentage falls between the above targets, the pay-out will be pro-rated. The impact of the EBIT growth is calculated by multiplying the average percentage of the EBIT growth for the reference years by two.
 - Grant of shares and stock options: the financial consequences of the grant of shares and stock options consist of either 1) as long as the Company decides to keep the shares it holds today: the financing and opportunity cost of maintaining such shares in its portfolio until the delivery date of the shares granted or the option's exercise date, or 2) if and to the extent that Umicore sells such shares at a later date: the difference on the date of exercise of the options between the exercise price and the market value of the shares that the Company would have to buy on that date.

- An interim dividend has been distributed during the year in relation to which we have issued the attached report in accordance with legal requirements.

Sint-Stevens-Woluwe, 16 March 2018

The statutory auditor
PwC Bedrijfsrevisoren bcvba / Réviseurs d'Entreprises scrl
represented by



Kurt Cappoen
Bedrijfsrevisor / Réviseur d'Entreprises

Appendix: statutory auditor's report on 28 July 2017 to the board of directors of Umicore on the statement of assets and liabilities in connection with the distribution of an interim dividend.



UMICORE NV

**Verslag van de commissaris aan de raad van bestuur
van Umicore NV over de staat van activa en passiva
opgesteld ter gelegenheid van de uitkering van een
interimdividend**

28 juli 2017

VERSLAG VAN DE COMMISSARIS AAN DE RAAD VAN BESTUUR VAN UMICORE NV OVER DE STAAT VAN ACTIVA EN PASSIVA OPGESTELD TER GELEGENHEID VAN DE UITKERING VAN EEN INTERIMDIVIDEND

Inleiding

Wij hebben de beoordeling uitgevoerd van de in bijlage opgenomen staat van activa en passiva (hierna "Staat" genoemd) van Umicore NV op 30 juni 2017, op basis waarvan de raad van bestuur van Umicore NV (hierna "Vennootschap" genoemd) voorstelt tot de uitkering van een interimdividend voor een bedrag ten belope van EUR 0,65 per aandeel. De raad van bestuur is verantwoordelijk voor het opstellen en de getrouwe weergave van deze Staat op 30 juni 2017 in overeenstemming met het in België van toepassing zijnde boekhoudkundig referentiestelsel en het Wetboek van vennootschappen. Onze verantwoordelijkheid bestaat erin een conclusie te formuleren over deze Staat op basis van de door ons uitgevoerde beoordeling overeenkomstig ISRE 2410 en het Wetboek van vennootschappen.

Omvang van de beoordeling

Wij hebben onze beoordeling van de Staat op 30 juni 2017 uitgevoerd overeenkomstig de *International Standard on Review Engagement* 2410, "Beoordeling van tussentijdse financiële informatie uitgevoerd door de onafhankelijke auditor van de entiteit" (ISRE 2410). Een beoordeling van de Staat bestaat uit het verzoeken om inlichtingen, in hoofdzaak bij de voor financiën en administratieve verantwoordelijke personen, alsmede uit het uitvoeren van cijferanalyses en andere beoordelingswerkzaamheden. De reikwijdte van een beoordeling is aanzienlijk geringer dan die van een overeenkomstig de Internationale Controlestandaarden uitgevoerde controle. Om die reden stelt de beoordeling ons niet in staat de zekerheid te verkrijgen dat wij kennis zullen krijgen van alle significante aangelegenheden die naar aanleiding van een controle mogelijk worden onderkend. Bijgevolg brengen wij geen controle-oordeel tot uitdrukking.

Conclusie

Gebaseerd op de door ons uitgevoerde beoordeling is niets onder onze aandacht gekomen dat ons ertoe aanzet van mening te zijn dat de Staat geen getrouwe weergave is, in alle van materieel belang zijnde opzichten, van het vermogen en de financiële positie van de Vennootschap, in overeenstemming met het in België van toepassing zijnde boekhoudkundig referentiestelsel en met het Wetboek van vennootschappen.

Tot slot blijkt dat, op basis van de Staat, de voorgenomen uitkering niet tot gevolg heeft dat het netto-actief, zoals bepaald in artikel 617 van het Wetboek van vennootschappen, zou dalen tot beneden het gestorte kapitaal vermeerderd met de reserves waarvan het Wetboek van vennootschappen of de statuten van de Vennootschap vereisen dat ze niet worden uitgekeerd.

Onderhavig verslag heeft uitsluitend betrekking op de vereisten van artikel 618 van het Wetboek van vennootschappen en is niet bestemd voor gebruik in een andere context.

Sint-Stevens-Woluwe, 28 juli 2017

De commissaris
PwC Bedrijfsrevisoren bcvba
Vertegenwoordigd door



Kurt Cappoen
Bedrijfsrevisor

Bijlage: Staat van activa en passiva per 30 juni 2017



Umicore NV: Staat van activa en passiva per 30/06/2017

ACTIVA **EUR**

<u>Vaste Activa</u>	<u>3.846.892.927</u>
Oprichtingskosten	0
Immateriële vaste activa	113.676.529
Materiële vaste activa	372.457.046
Financiële vaste activa	3.360.759.352
<u>Vlottende activa</u>	<u>785.140.603</u>
Vorderingen op meer dan één jaar	373.483
Voorraden en bestellingen in uitvoering	315.436.426
Vorderingen op ten hoogste één jaar	281.378.639
Geldbeleggingen	164.404.082
Liquide middelen	1.558.750
Overlopende rekeningen	21.989.224
TOTAAL ACTIVA	<u>4.632.033.530</u>

PASSIVA **EUR**

<u>Eigen vermogen</u>	<u>1.250.300.594</u>
Kapitaal	500.000.000
Uitgiftepremies	6.609.766
Herwaarderingsmeerwaarden	90.952
Reserves	285.521.647
Overgedragen winst	423.152.157
Resultaat van het boekjaar	27.439.162
Kapitaalsubsidies	7.486.911
<u>Voorzieningen en uitgestelde belastingen</u>	<u>108.617.186</u>
Voorzieningen en uitgestelde belastingen	108.617.186
<u>Schulden</u>	<u>3.273.115.750</u>
Schulden op meer dan één jaar	2.311.187.422
Schulden op ten hoogste één jaar	890.297.190
Overlopende rekeningen	71.631.138
TOTAAL PASSIVA	<u>4.632.033.530</u>



UMICORE SA

**Rapport du commissaire au conseil d'administration
de Umicore SA sur la situation active et passive
établie à l'occasion de la distribution
d'un acompte sur dividende**

Le 28 juillet 2017

RAPPORT DU COMMISSAIRE AU CONSEIL D'ADMINISTRATION DE UMICORE SA SUR LA SITUATION ACTIVE ET PASSIVE ETABLIE A L'OCCASION DE LA DISTRIBUTION D'UN ACOMPTE SUR DIVIDENDE

Introduction

Nous avons procédé à l'examen limité de la situation active et passive (nommée ci-après « Etat ») au 30 juin 2017, incluse en annexe de ce rapport, sur la base de laquelle le conseil d'administration de Umicore SA (nommée ci-après « Société ») propose, de distribuer un acompte sur dividendes pour un montant de EUR 0,65 par action. Le conseil d'administration est responsable de l'établissement et de la présentation sincère de cet Etat conformément au référentiel comptable applicable en Belgique et au Code des sociétés. Notre responsabilité consiste à formuler une conclusion sur cet Etat sur la base de notre examen limité, conformément à la norme internationale ISRE 2410 et à l'article 618 du Code des sociétés.

Etendue de l'examen limité

Nous avons effectué notre examen limité de l'Etat au 30 juin 2017 conformément à la Norme Internationale d'Examen Limité 2410 « Examen limité d'informations financières intermédiaires effectué par l'auditeur indépendant de l'entité » (ISRE 2410). Un examen limité de cet Etat consiste en des demandes d'informations, principalement auprès des responsables financiers et comptables, et dans la mise en œuvre de procédures analytiques et d'autres procédures d'examen limité. L'étendue d'un examen limité est très inférieure à celle d'un audit effectué selon les normes internationales d'audit et, en conséquence, ne nous permet pas d'obtenir l'assurance que nous avons relevé tous les faits importants qu'un audit permettrait d'identifier. En conséquence, nous n'exprimerons pas d'opinion d'audit.

Conclusion

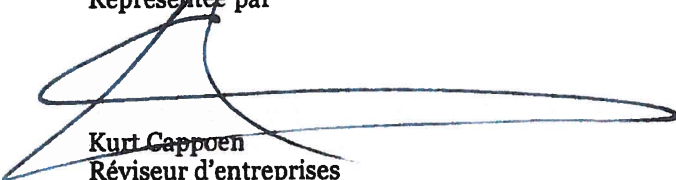
Sur la base de notre examen limité, nous n'avons pas relevé de faits nous laissant à penser que l'Etat ne présente pas sincèrement, dans tous ses aspects significatifs, le patrimoine et la position financière de la Société, conformément au référentiel comptable applicable en Belgique et au Code des sociétés.

Enfin, il apparaît, sur la base de cet Etat, que la distribution envisagée n'a pas pour effet de réduire l'actif net, conformément à l'article 617 du Code des sociétés, à un montant inférieur à celui du capital libéré augmenté des réserves que le Code des sociétés ou les statuts de la Société ne permettent pas de distribuer.

Le présent rapport a été établi pour répondre au prescrit de l'article 618 du Code des sociétés. Il ne peut être utilisé à d'autres fins.

Sint-Stevens-Woluwe, le 28 juillet 2017

Le commissaire
PwC Réviseurs d'Entreprises scrl
Représentée par



Kurt Cappoen
Réviseur d'entreprises

Annexe: Situation active et passive au 30 juin 2017

Umicore SA: Situation Active et Passive au 30/06/2017

ACTIF	EUR
<u>Actifs immobilisés</u>	<u>3.846.892.927</u>
Frais d'établissement	0
Immobilisations incorporelles	113.676.529
Immobilisations corporelles	372.457.046
Immobilisations financières	3.360.759.352
<u>Actifs circulants</u>	<u>785.140.603</u>
Créances à plus d'un an	373.483
Stocks et commandes en cours d'exécution	315.436.426
Créances à un an au plus	281.378.639
Placements de trésorerie	164.404.082
Valeurs disponibles	1.558.750
Comptes de régularisation	21.989.224
TOTAL ACTIF	<u>4.632.033.530</u>

PASSIF	EUR
<u>Capitaux propres</u>	<u>1.250.300.594</u>
Capital	500.000.000
Primes d'émissions	6.609.766
Plus-value de réévaluation	90.952
Réserves	285.521.647
Bénéfice reporté	423.152.157
Résultat de l'exercice	27.439.162
Subsides en capital	7.486.911
<u>Provisions et impôts différés</u>	<u>108.617.186</u>
Provisions et impôts différés	108.617.186
<u>Dettes</u>	<u>3.273.115.750</u>
Dettes à plus d'un an	2.311.187.422
Dettes à un an au plus	890.297.190
Comptes de régularisation	71.631.138
TOTAL PASSIF	<u>4.632.033.530</u>