

# Results 2005

16 March 2006

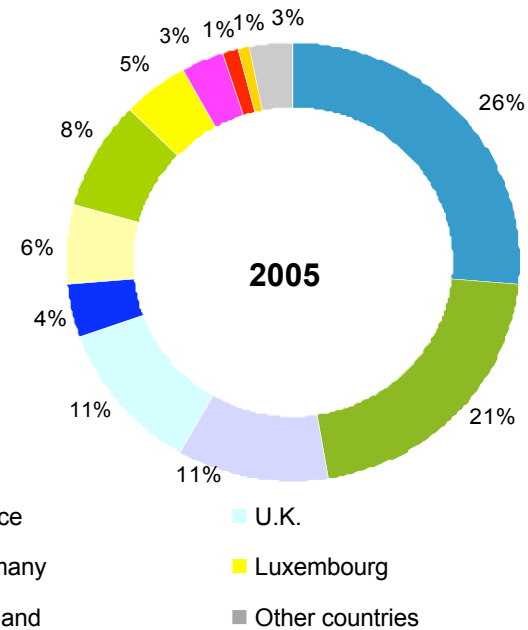
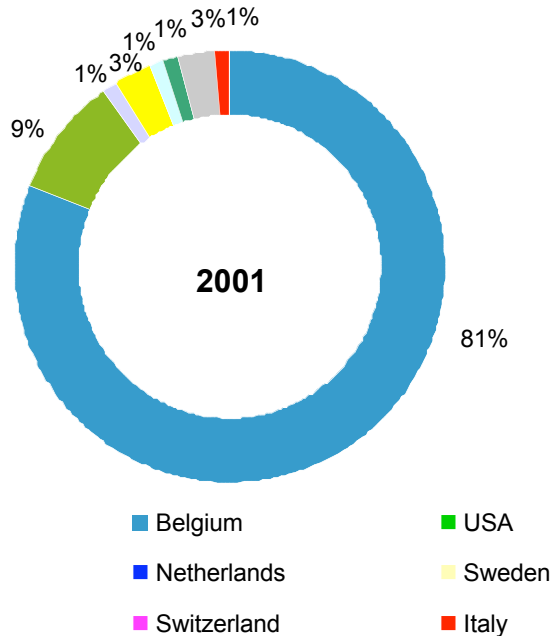
Baron Buysse, Chairman of the Board of Directors

Julien De Wilde, Chief Executive Officer

# Address by Baron Buysse, Chairman of the Board of Directors

# Internationalized shareholder structure

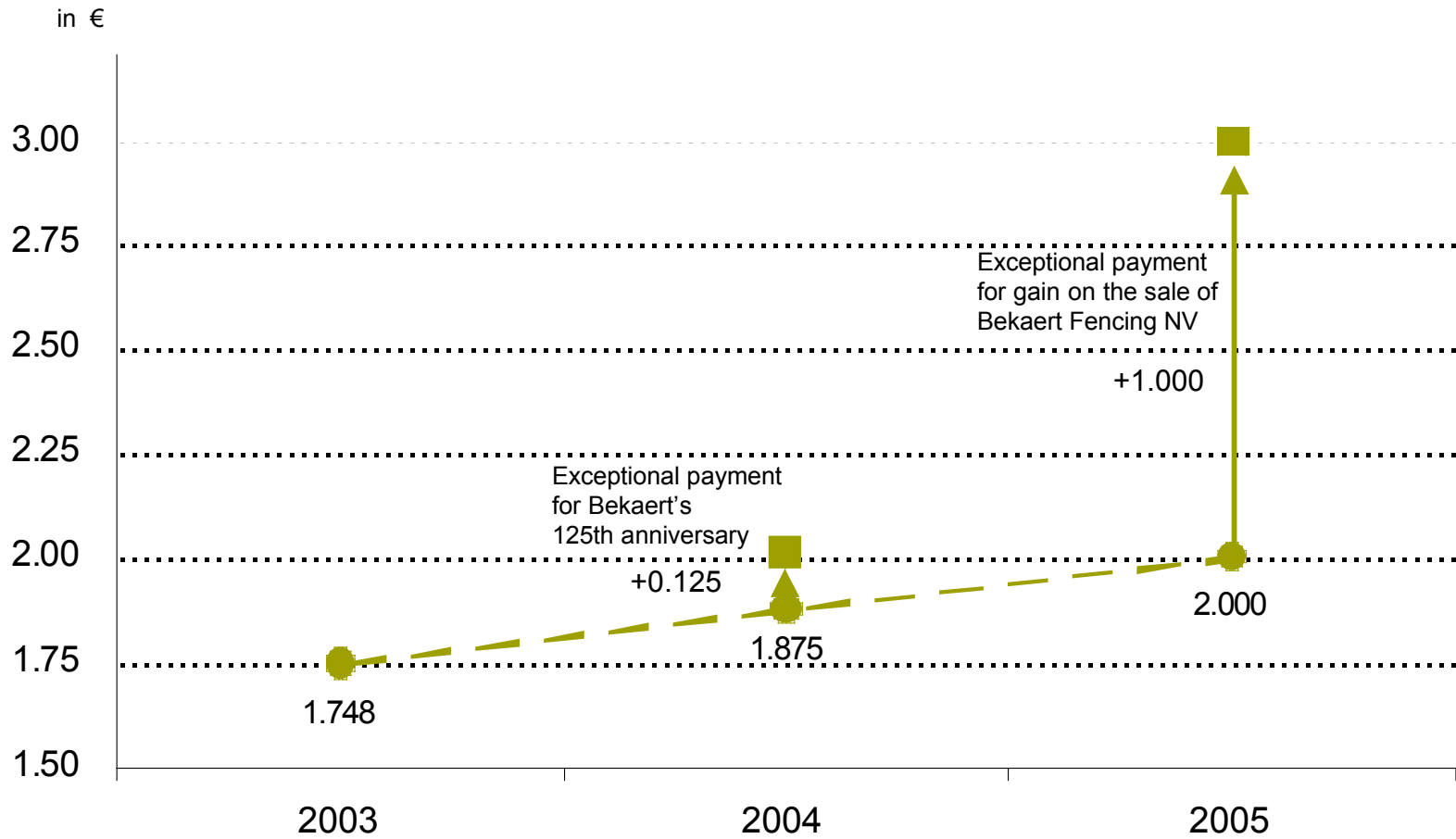
	2001	2005
Reference shareholder	40.1%	42.8%
Institutional shareholdings	15.1%	33.6%
Registered shares	0.2%	0.1%
Management Stock Options	0.7%	1.9%
Public (unidentified)	43.9%	21.6%
Institutional (Belgium)	81.49%	26.6%
Institutional (International)	18.51%	73.4%



Proposed gross dividend of € 3.00 per share:

- Strong performance in 2005 and confidence in the future  
→ Increase of basic amount by 6.7% to € 2.00 per share
- Exceptional payment of € 1.00 per share,  
on account of the gain on the sale of Bekaert Fencing NV

# Dividend



# Address by Julien De Wilde, Chief Executive Officer

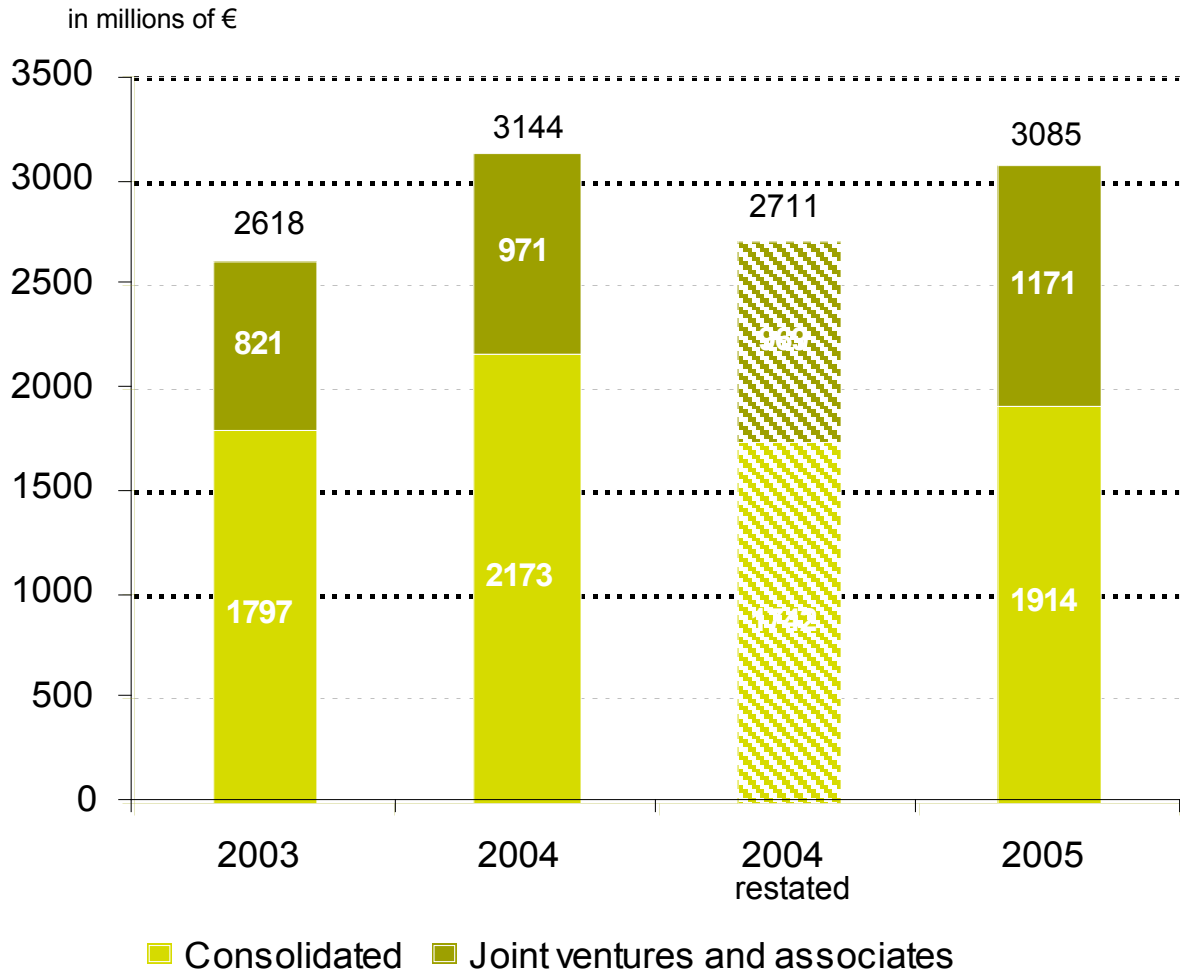
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- Reporting in line with IFRS re continuing vs discontinued operations: Fencing systems Europe = 'discontinued operations'
- Consolidated income statement figures of 2004 are restated following the divestment of Bekaert Fencing NV, while balance sheet figures are not. Some ratios, relating income statement items to balance sheet items, or ratios based on an average in comparison with 2004, are indicative
- Combined sales are sales generated by consolidated companies, joint ventures and associates

- Sale of Bekaert Fencing NV and its subsidiaries
- 10% sales increase, mainly due to strong performance in the growth markets
- Slow-down in customer demand in some markets after exceptional 2004
- Both raw materials prices and selling prices higher on average than in 2004
- Further investments in capacity optimisation, streamlining of the product portfolio and research & development

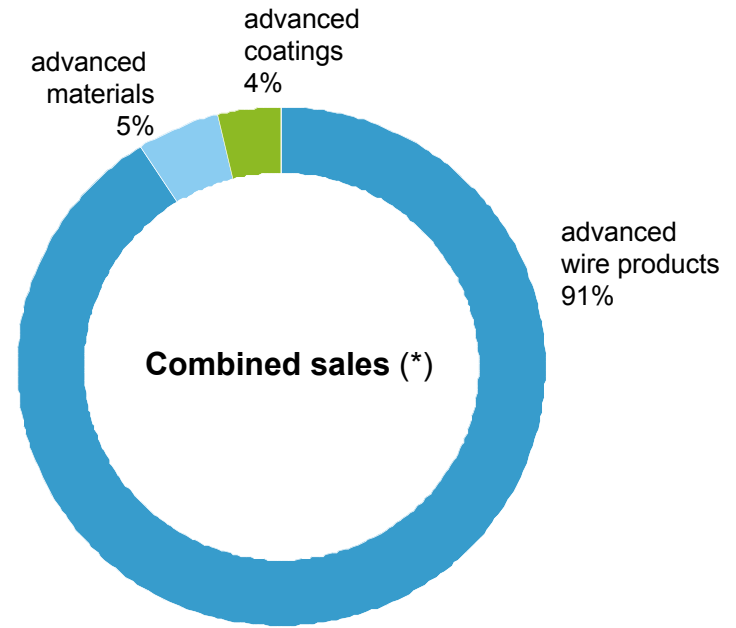
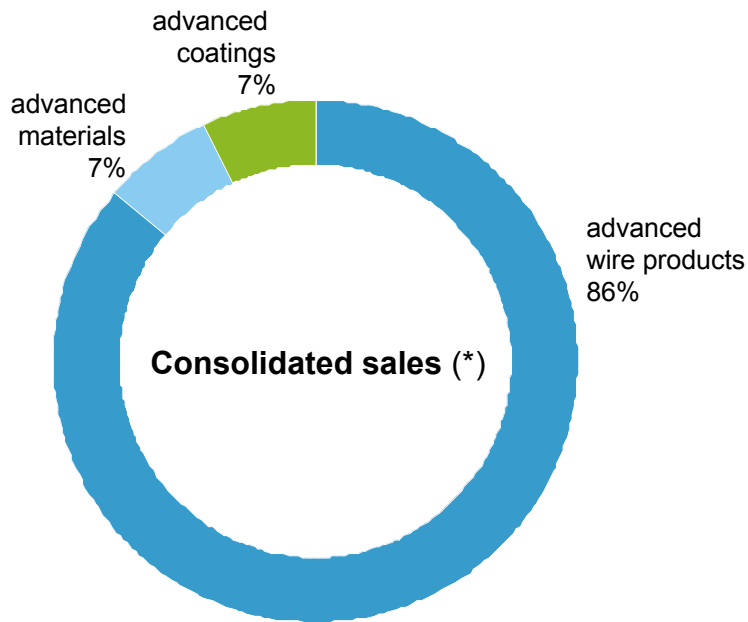
- Operating result before non-recurring items of € 168 million, compared with € 148 million
- Operating result of € 136 million, compared with € 139 million (EBIT margin on sales of 7.1%)
- Gain of € 54 million on the sale of Bekaert Fencing NV
- Net result of € 190 million, compared with € 168 million

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# Sales by business segment

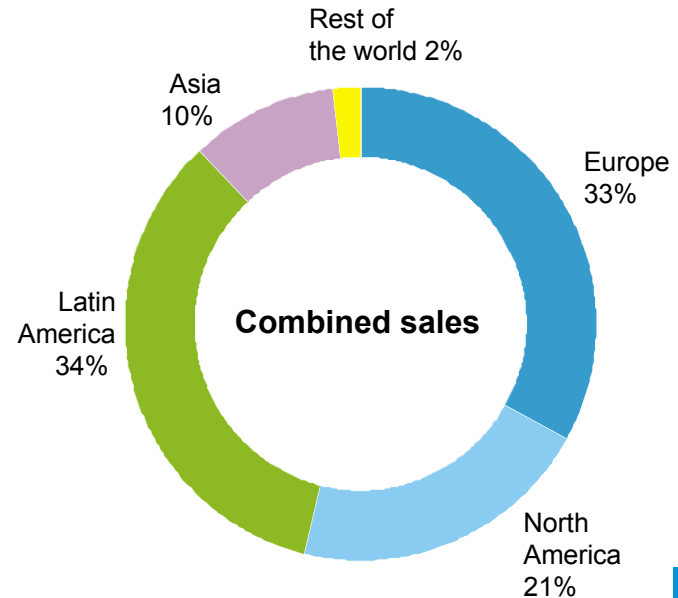
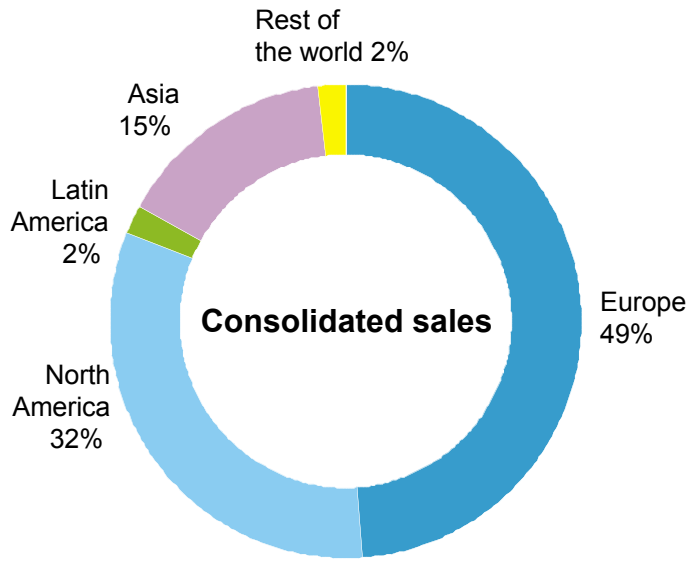
	Consolidated sales		Combined sales	
	in millions of €	variance	in millions of €	variance
Advanced wire products	1 640	+9%	2 750	+14%
Advanced materials	141	+21%	141	+21%
Advanced coatings	131	+4%	133	+4%
Intersegment and others	0		61	
<b>Total</b>	<b>1 914</b>	<b>+10%</b>	<b>3 085</b>	<b>+14%</b>



(\*) excluding intersegment sales and others.

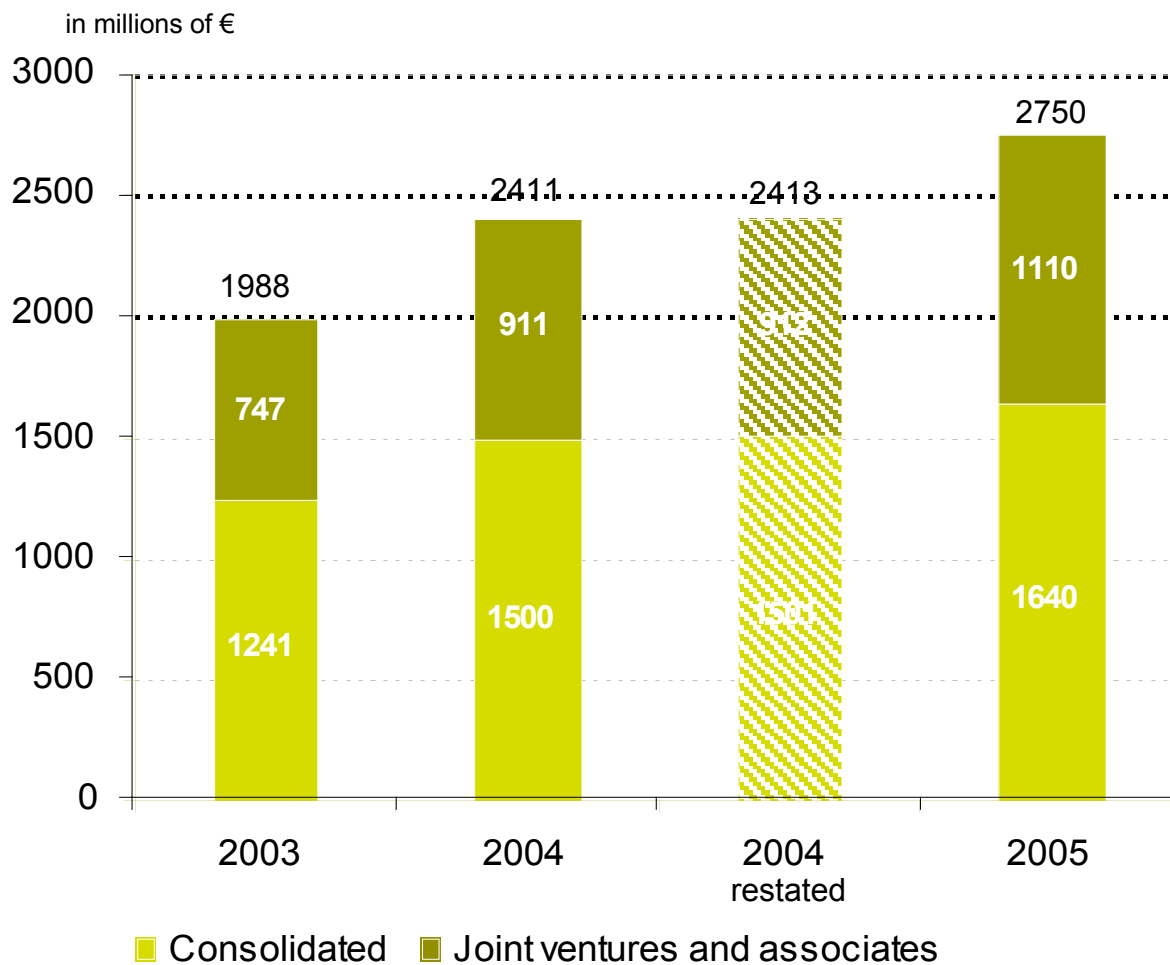
# Sales by geographical area

	Consolidated sales		Combined sales	
	in millions of €	variance	in millions of €	variance
Europe	937	+6%	1 018	+6%
North America	619	+6%	662	+4%
Latin America	32	+13%	1 053	+25%
Asia	292	+38%	298	+37%
Rest of the world	34	+9%	54	+12%
<b>Total</b>	<b>1 914</b>	<b>+10%</b>	<b>3 085</b>	<b>+14%</b>



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# Advanced wire products: sales



- Significant volatility of the raw materials markets worldwide also influenced 2005
- Slow-down in customer demand in some markets as customers are running down their stocks
- Both raw materials prices and selling prices higher on average than in 2004
- Limited impact on operating result from inventory valuation

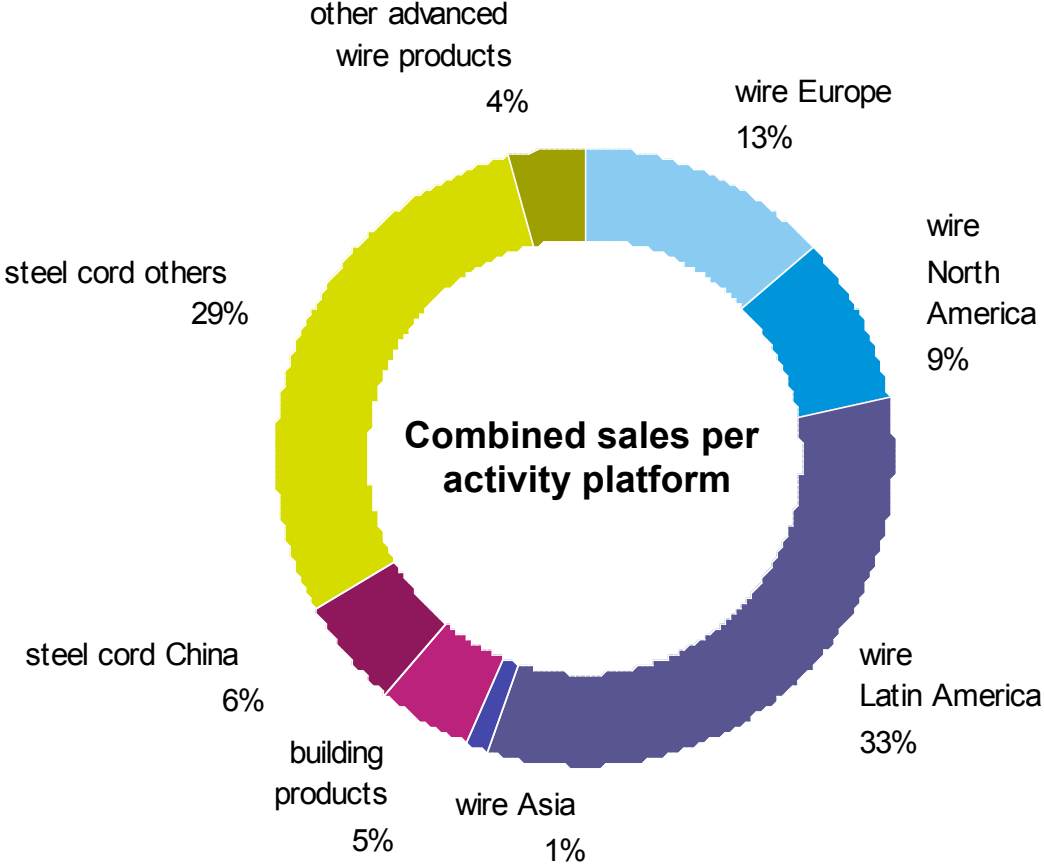
## Advanced wire products

- In mature markets in Western Europe and North America weakening demand (especially in automotive industry)
- Streamlining of product portfolio and realignment of production platforms (€ 16 million non-recurring expenses)
- Reinforcement of Bekaert's position in Central Europe
- Further steps in Russia: talks on exclusive cooperation with Uralkord

- Strong performance in Latin America and also in Asia, especially in China
- Demand for steel cord products increased  
Major investment program in China on schedule
  - Groundbreaking in Jiangyin & Shenyang held end of February
- Acquisition of ECC Card Clothing in June 2005 and set up of a joint venture with Wuxi Owl Textile Accessories Co. Ltd. in China

<b>Advanced wire products:</b>	<b>+14%</b>
wire Europe	-7%
wire North America	-4%
wire Latin America	+26%
wire Asia	+24%
building products	+12%
steel cord China	+39%
steel cord others	+15%
other advanced wire products	+19%

# Advanced wire products

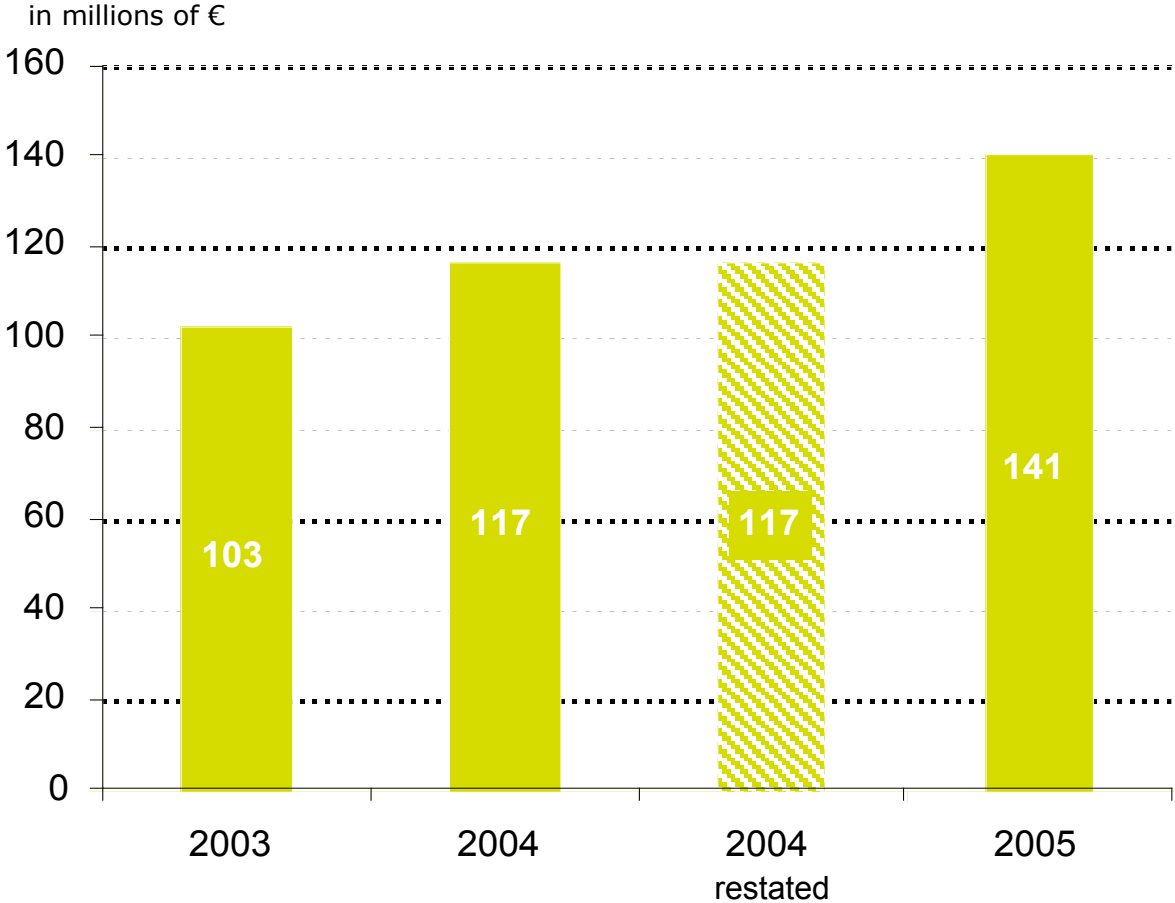


# Advanced wire products: financials

in millions of €	2005	2004 restated
Consolidated sales	1 640	1501
EBIT <i>before non-recurring</i>	187	185
Non-recurring events	-16	-4
EBIT	171	181
EBIT margin	10.4%	12.0%
Depreciation and amortization	85	77
EBITDA	256	259
EBITDA margin	15.6%	17.3%
Sales joint ventures	1 110	912

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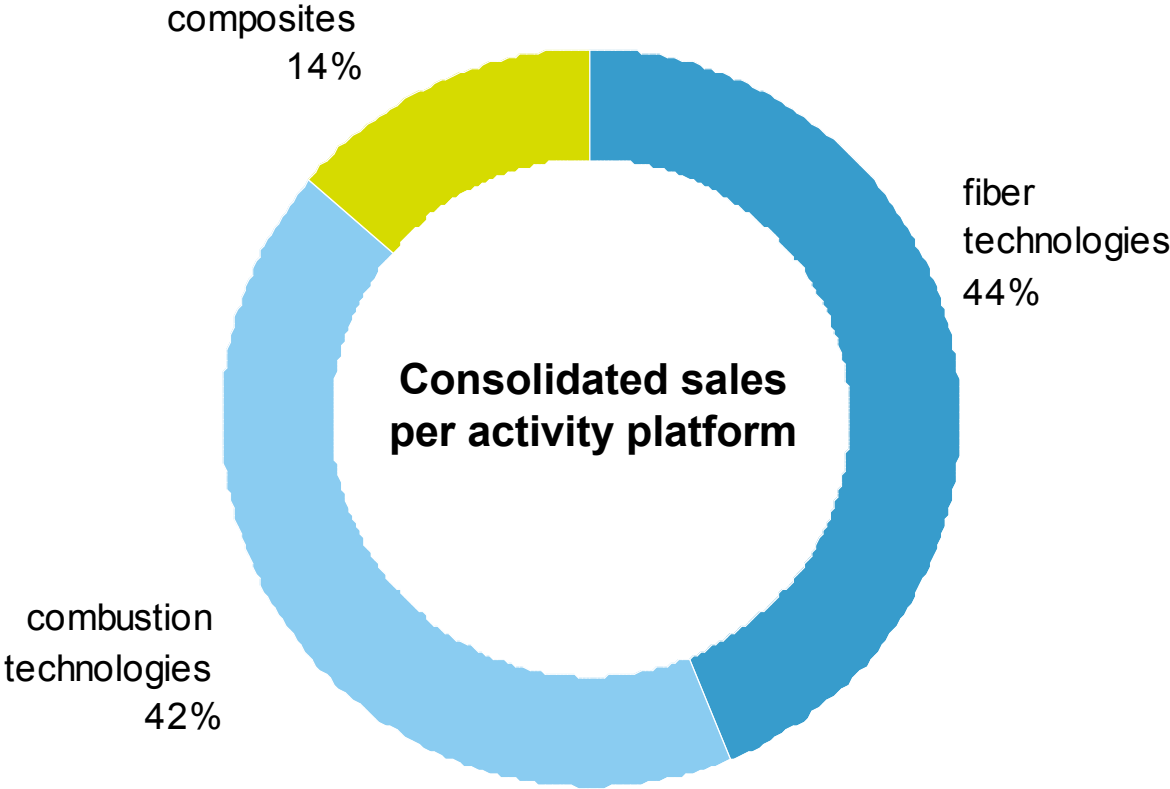
# Advanced materials: sales



Combined sales equal consolidated sales as the advanced materials segment has no joint ventures and associates

- Strong sales increase  
but operating result influenced by € 8 million impairment losses
- Breakthrough in environment-friendly gas filtration
- Move up the value chain for filtration applications with acquisition of Southwest Screens & Filters SA
- Strong performance in combustion technologies (including Solaronics)
- Acquisition of Shell's 25% interest in Bekaert Combustion Technology NV
- Growth strategy, capitalizing on increasingly strict environmental regulations

<b>Advanced materials:</b>	<b>+21%</b>
fiber technologies	+23%
combustion technologies	+26%
composites	+2%

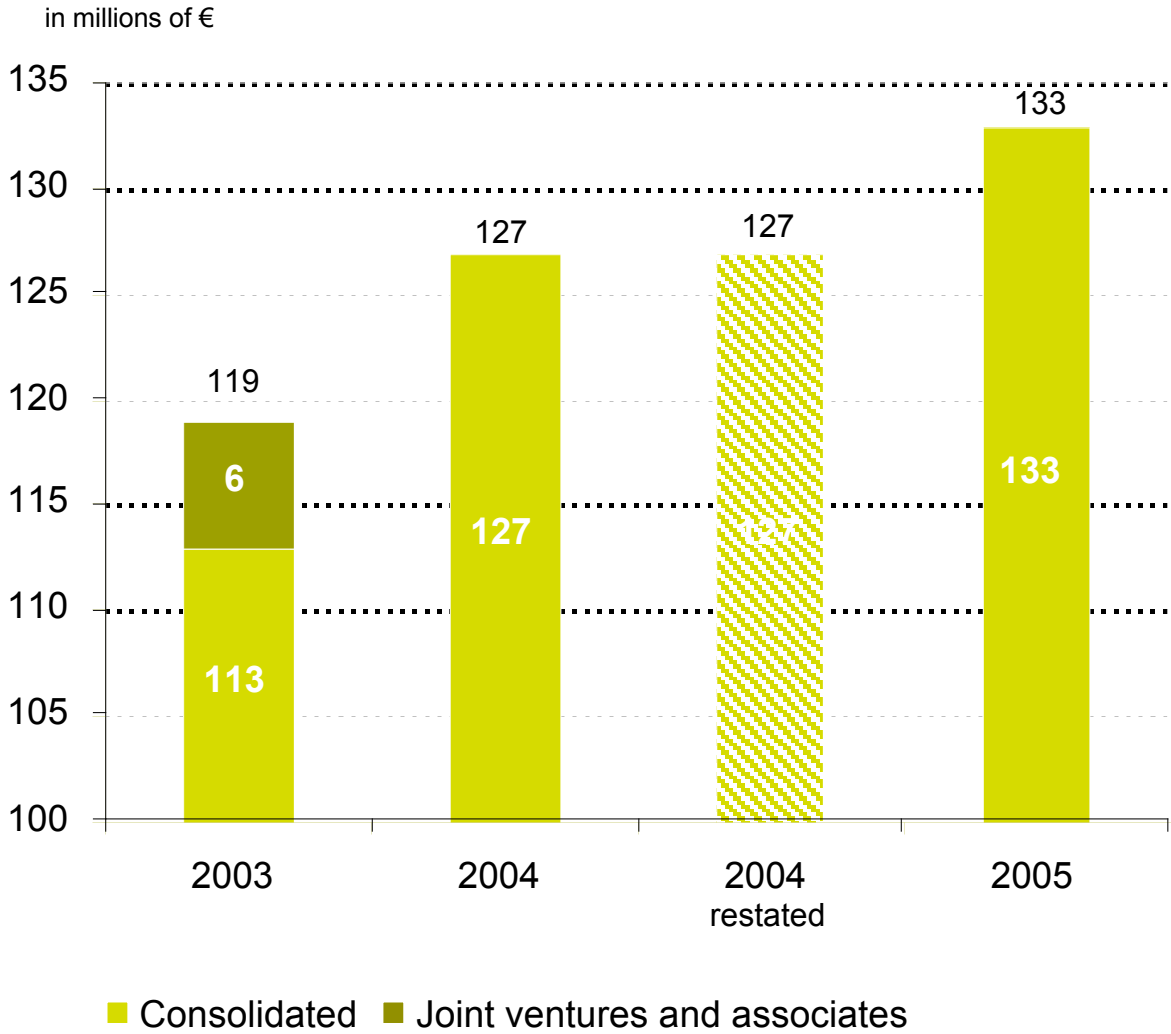


# Advanced materials: financials

in millions of €	2005	2004 restated
Consolidated sales	141	117
EBIT <i>before non-recurring</i>	13	10
Non-recurring events	-8	-2
EBIT	5	8
EBIT margin	3.7%	6.5%
Depreciation and amortization	7	5
EBITDA	20	15
EBITDA margin	13.9%	12.7%

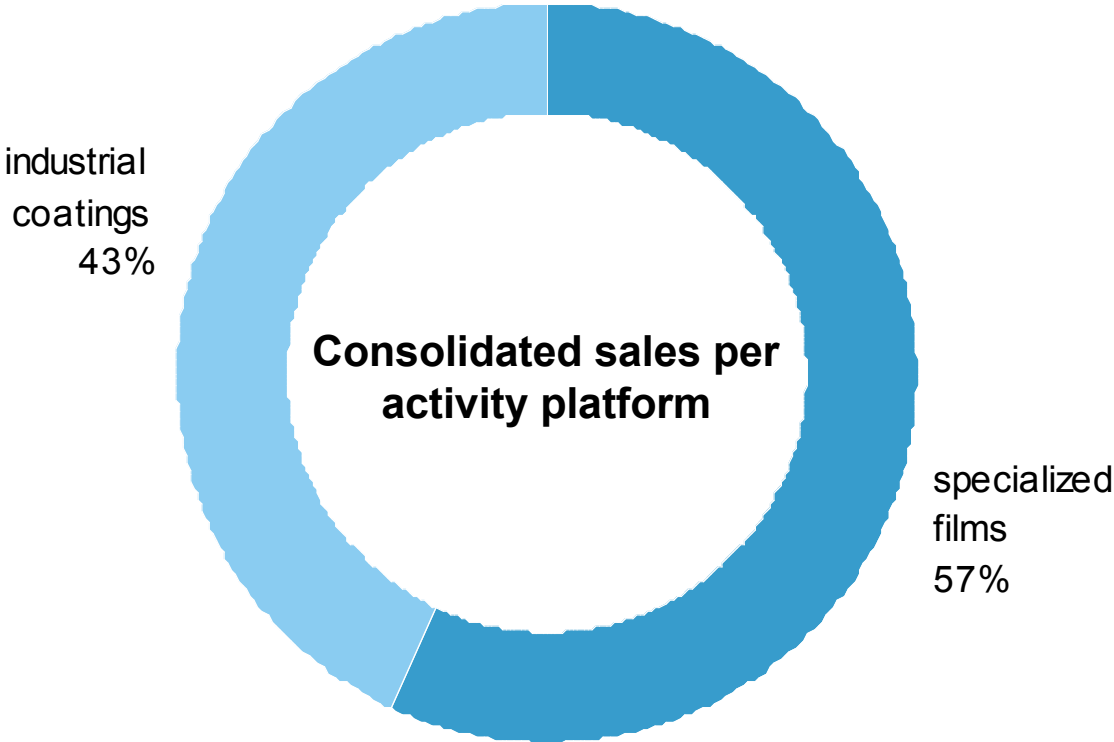
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# Advanced coatings: sales



- Industrial coatings: growth in diamond-like coatings used e.g. on engine components for racing cars, but decreased sales from sputter products (project business)
- Non-recurring (€ 7.0 million) for reallocation of worldwide production capacity in sputtered films
- Specialized films: strong performance in 2005, mainly thanks to substantial growth in Asia

<b>Advanced coatings:</b>	<b>+4%</b>
industrial coatings	-4%
specialized films	+11%



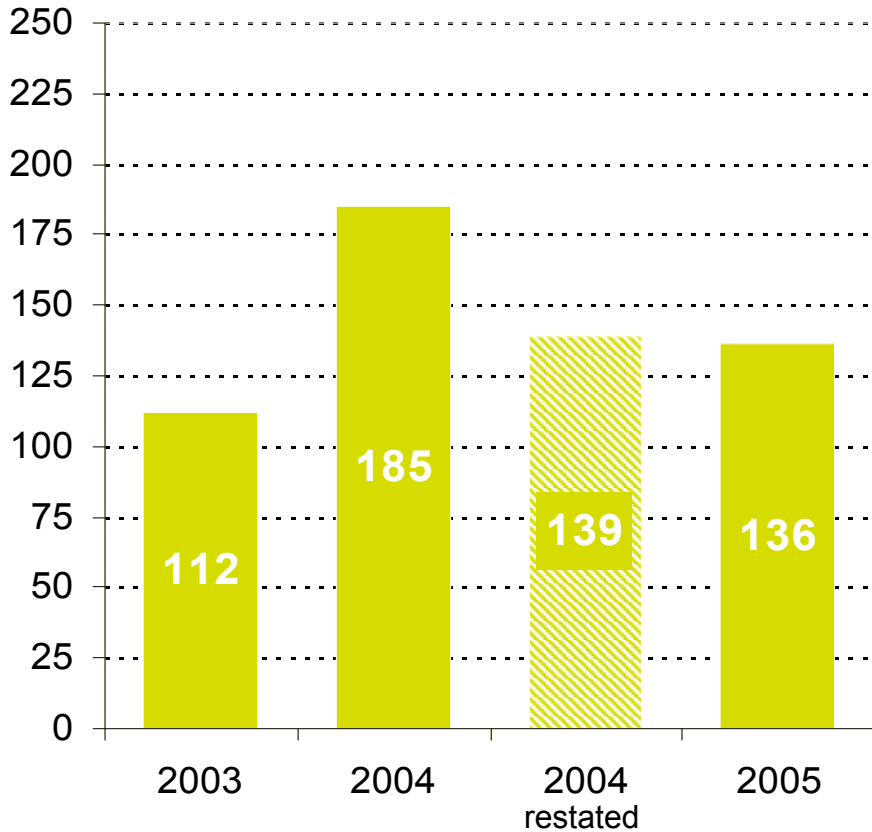
# Advanced coatings: financials

in millions of €	2005	2004 restated
Consolidated sales	133	127
EBIT <i>before non-recurring</i>	3	-2
Non-recurring events	-7	-6
EBIT	-4	-8
EBIT margin	-3.2%	-6.1%
Depreciation and amortization	12	15
EBITDA	13	13
EBITDA margin	10.2%	10.4%

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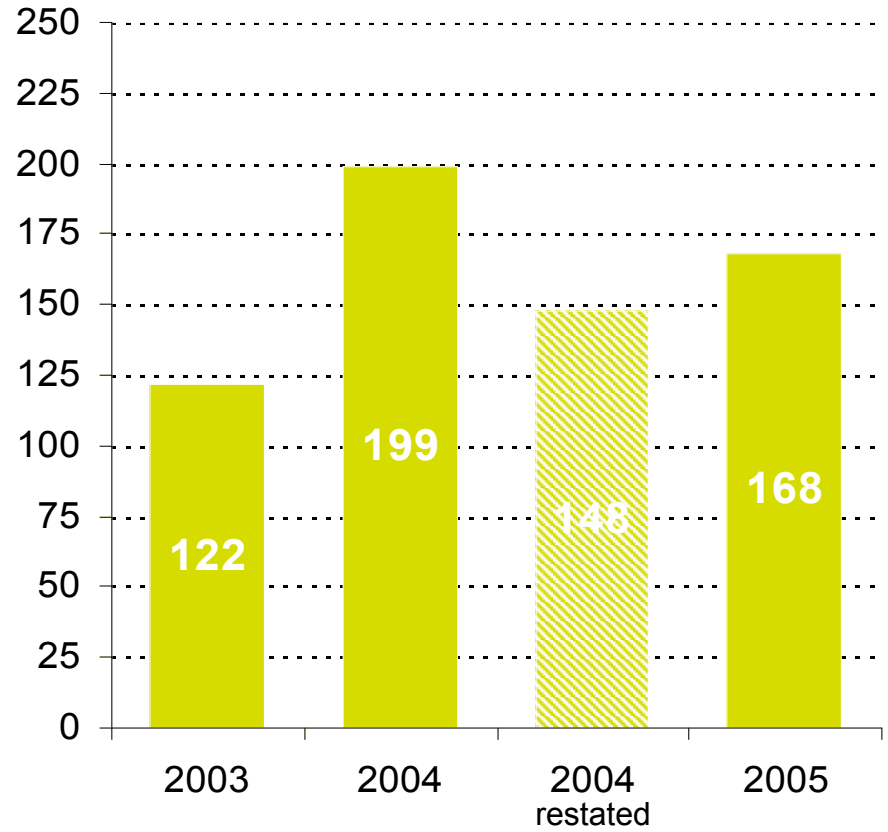
# EBIT

in millions of €



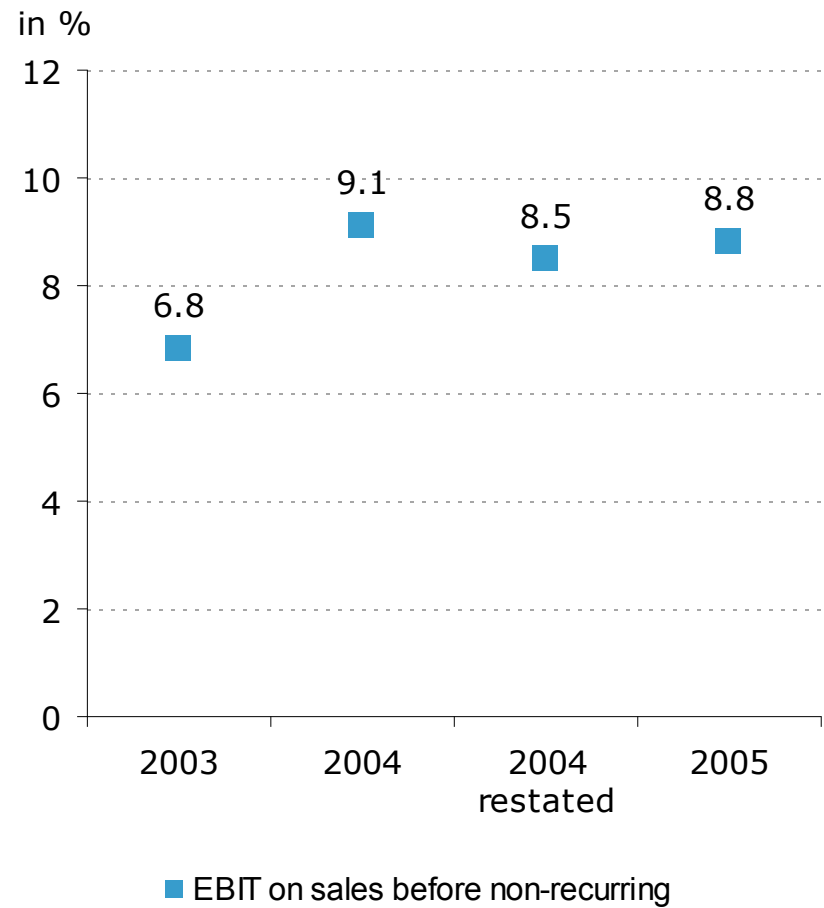
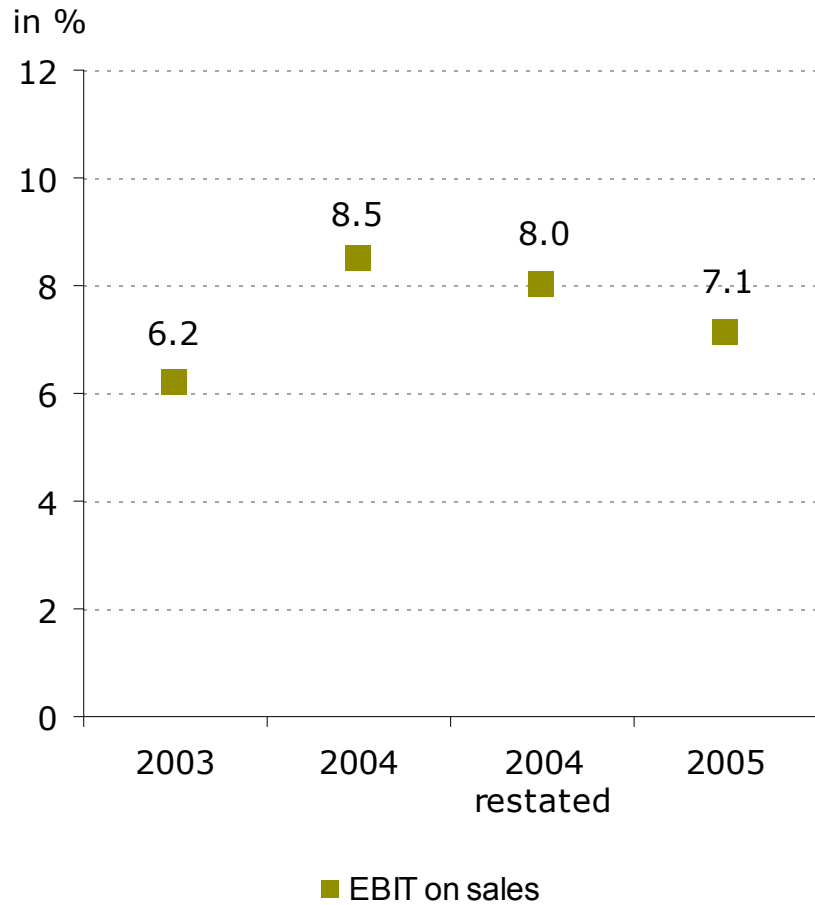
EBIT

in millions of €

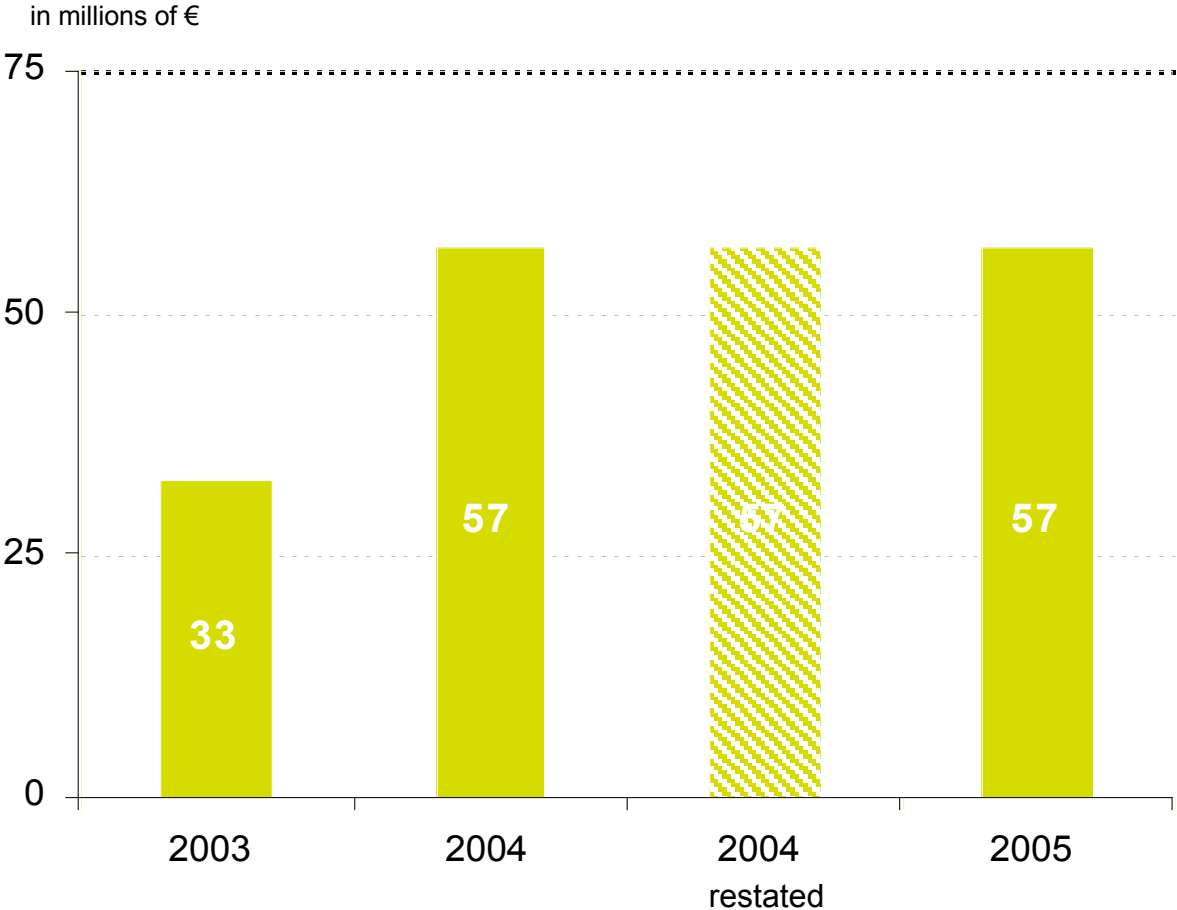


EBIT before non-recurring

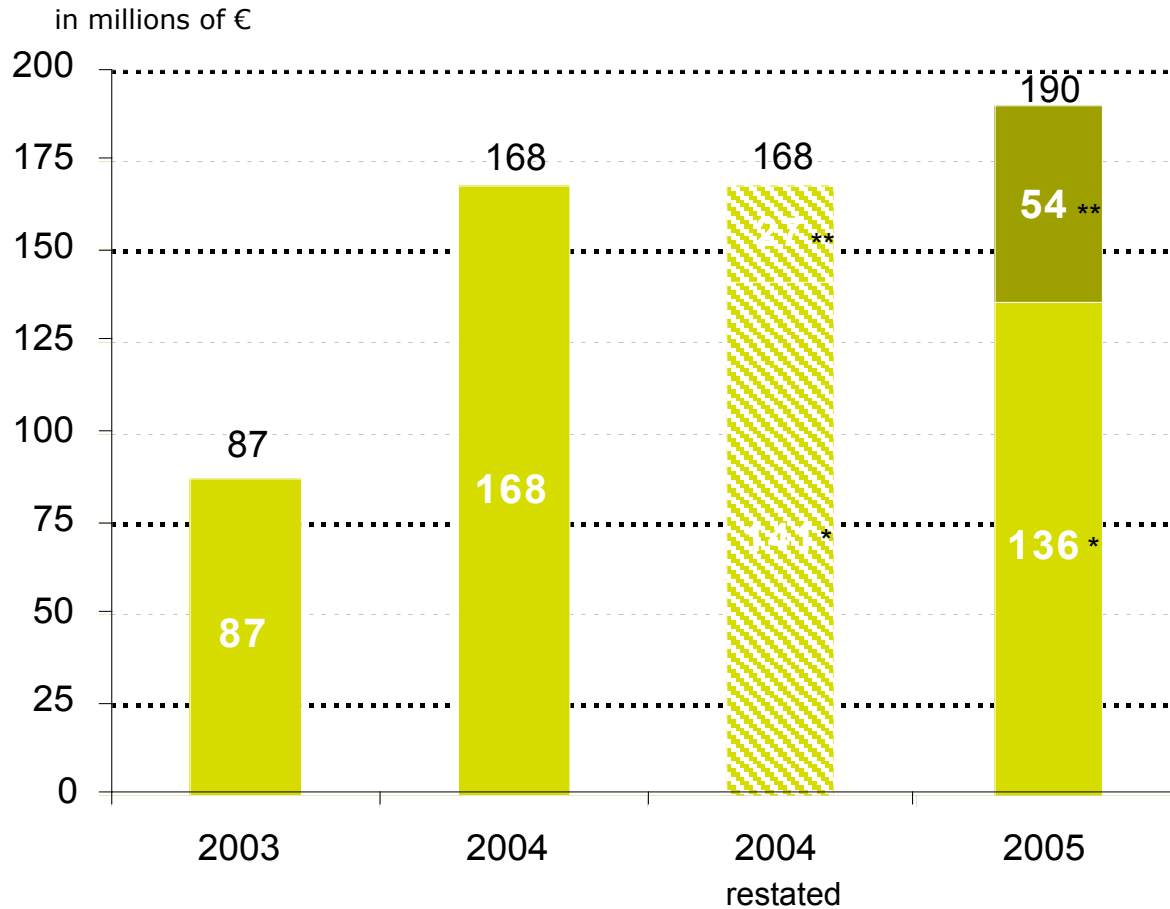
# EBIT on sales



# Share in the result of joint ventures and associates



# Consolidated net result

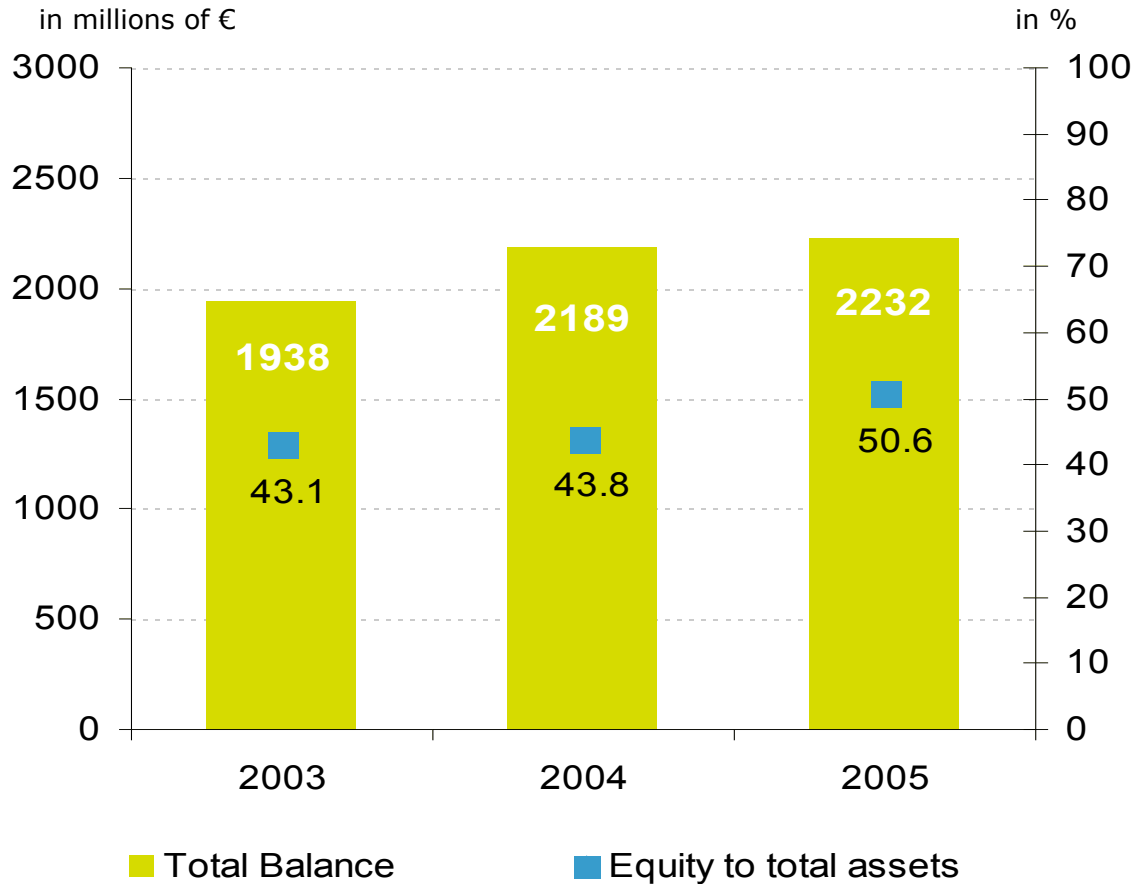


\* from continuing operations

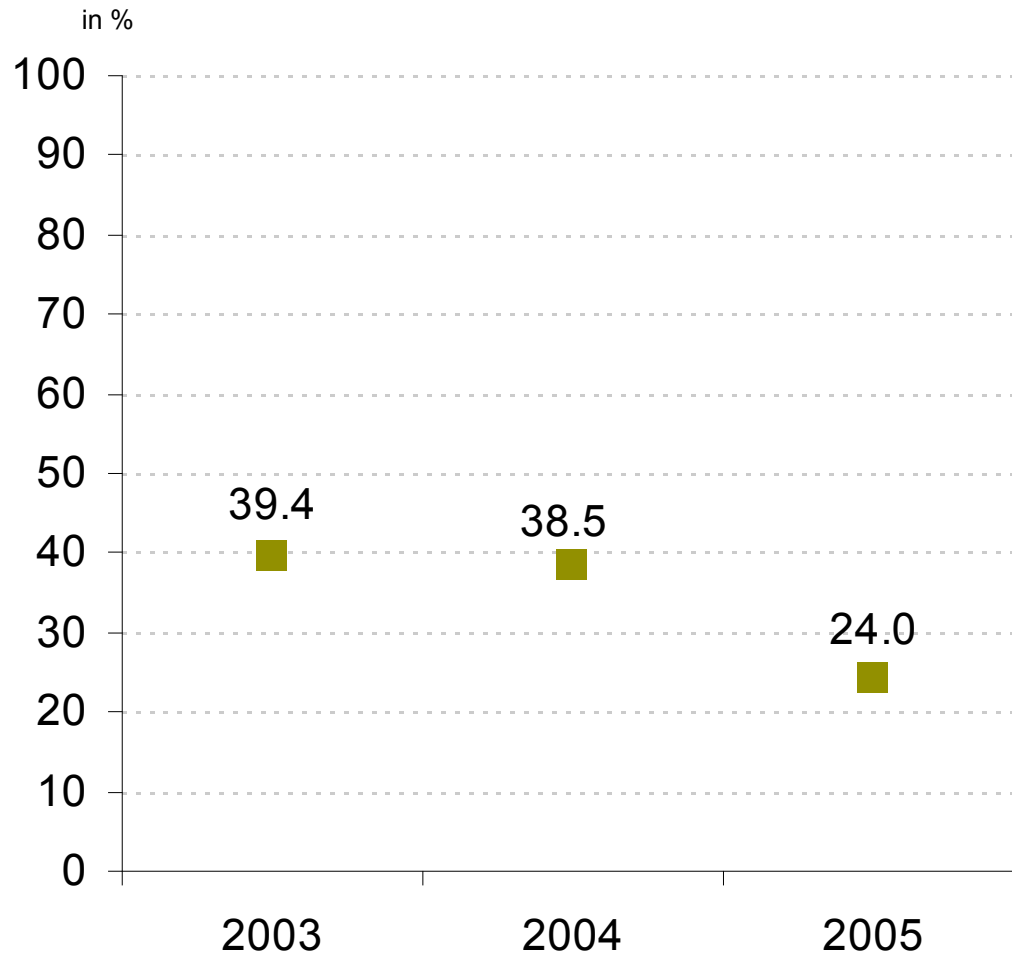
\*\* from discontinued operations

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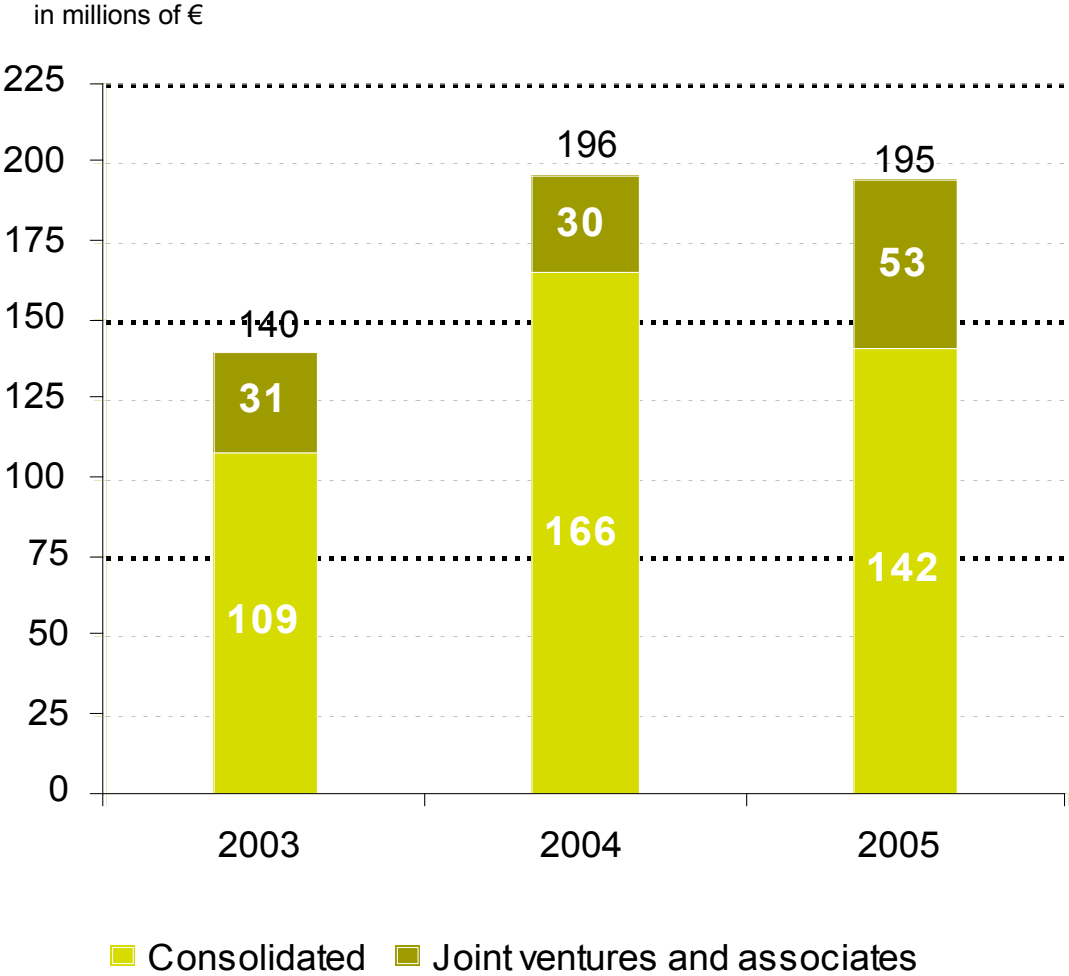
# Equity to total assets



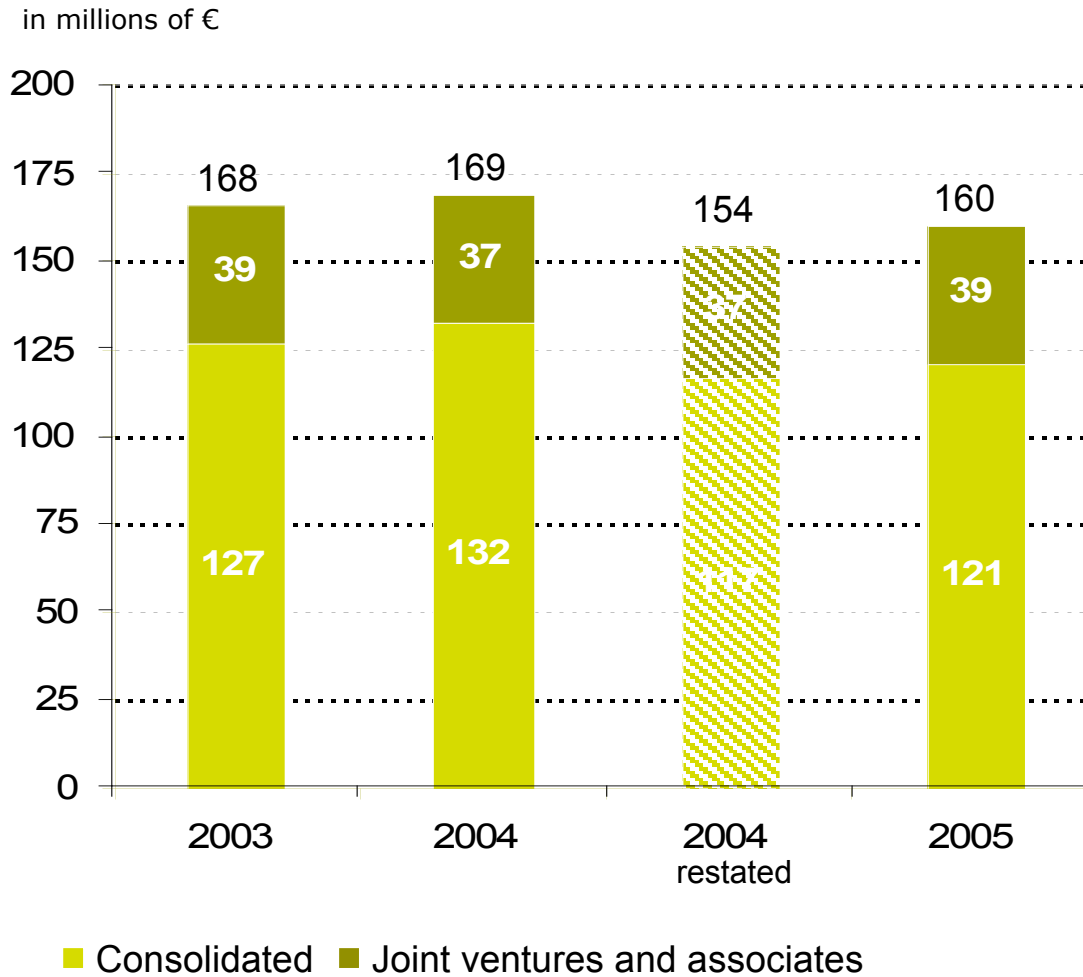
# Net debt to equity (gearing)



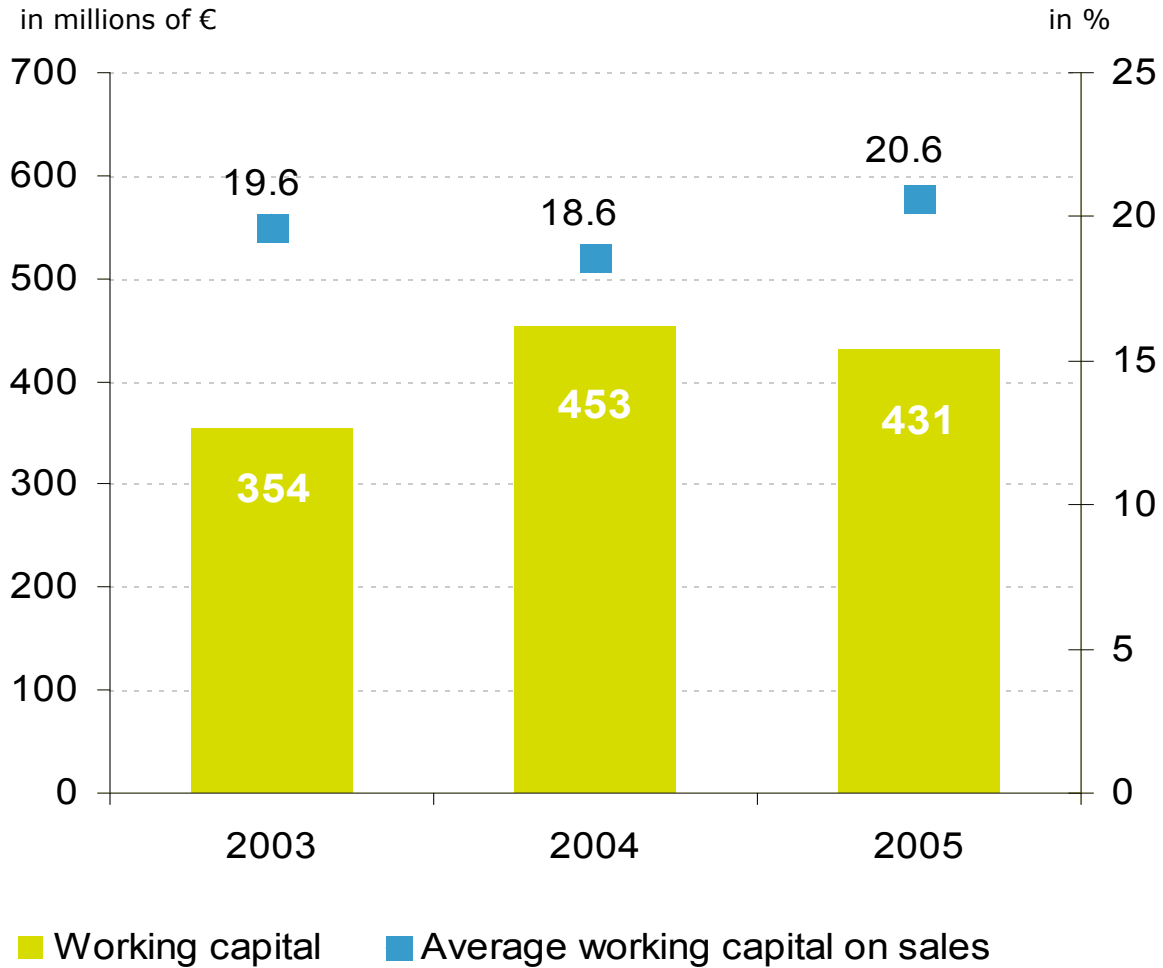
# Capital expenditures



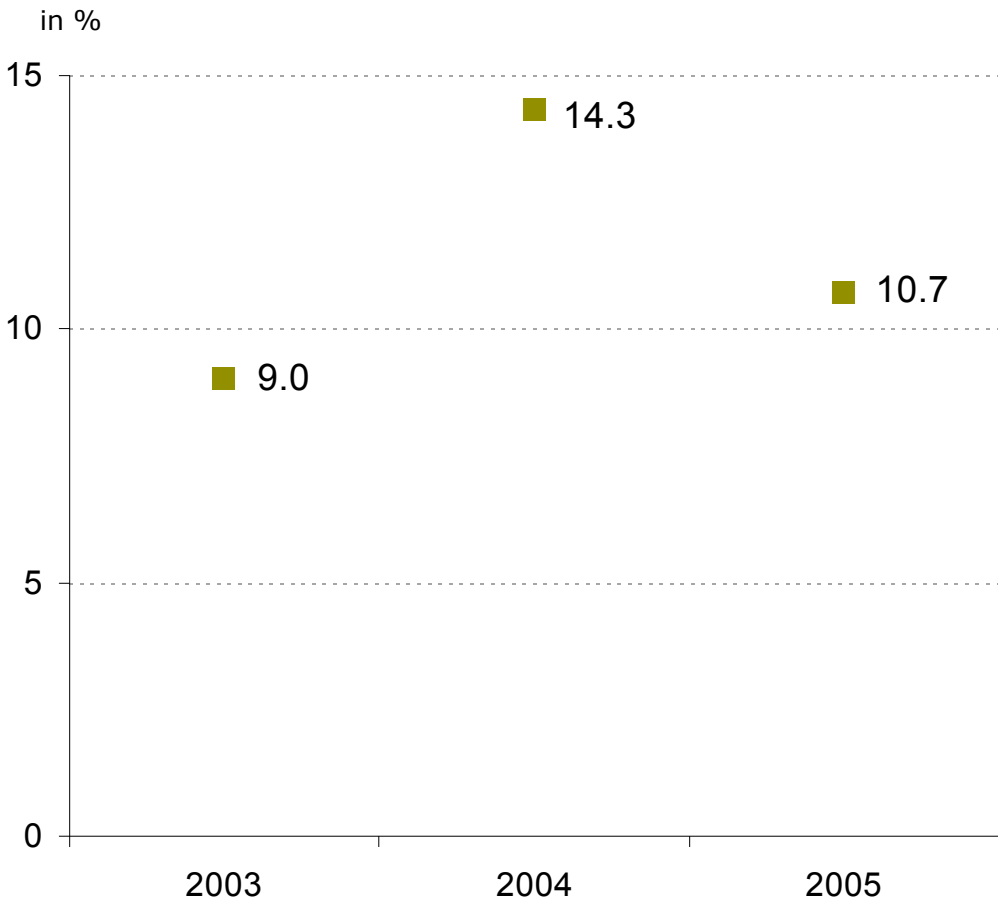
# Depreciation and amortization



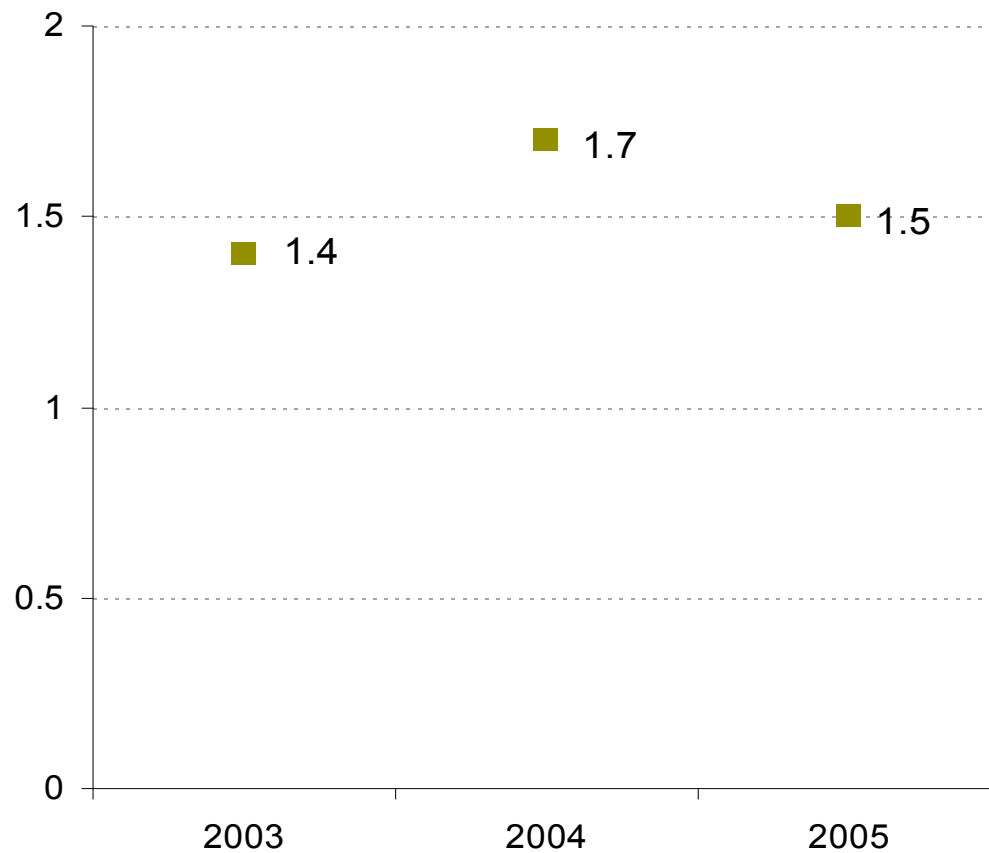
# Operating working capital



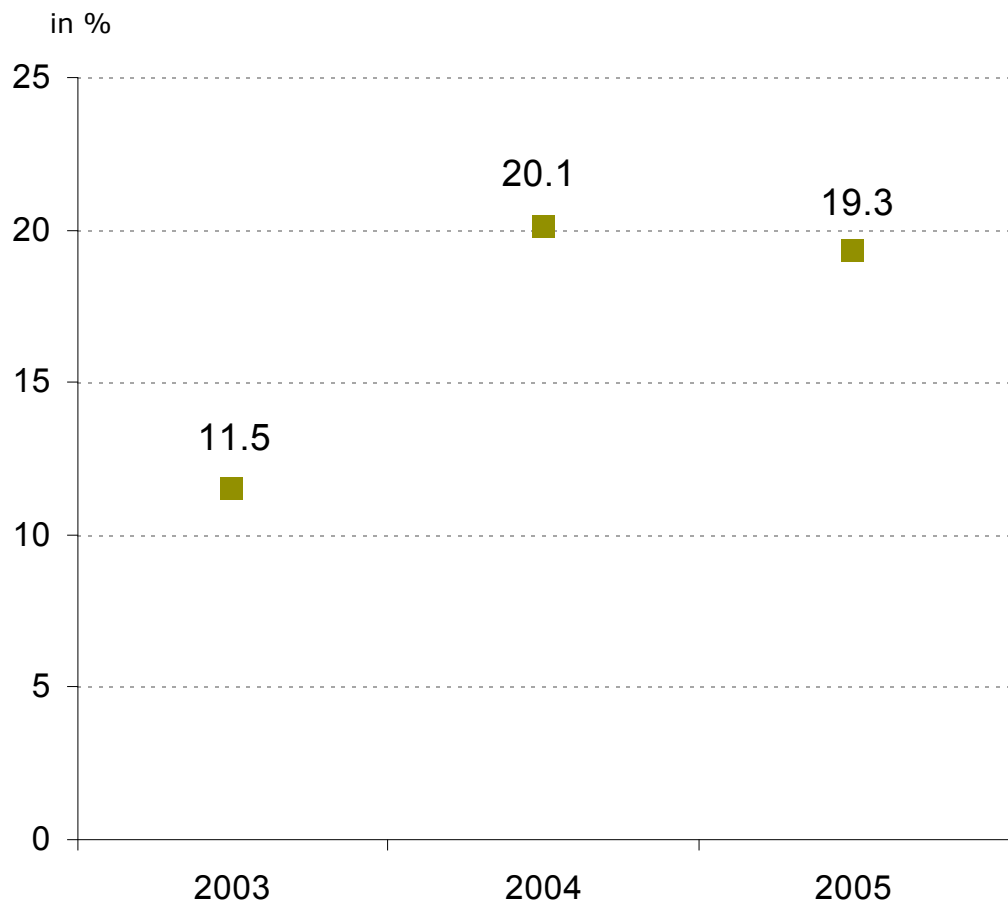
# Return on capital employed



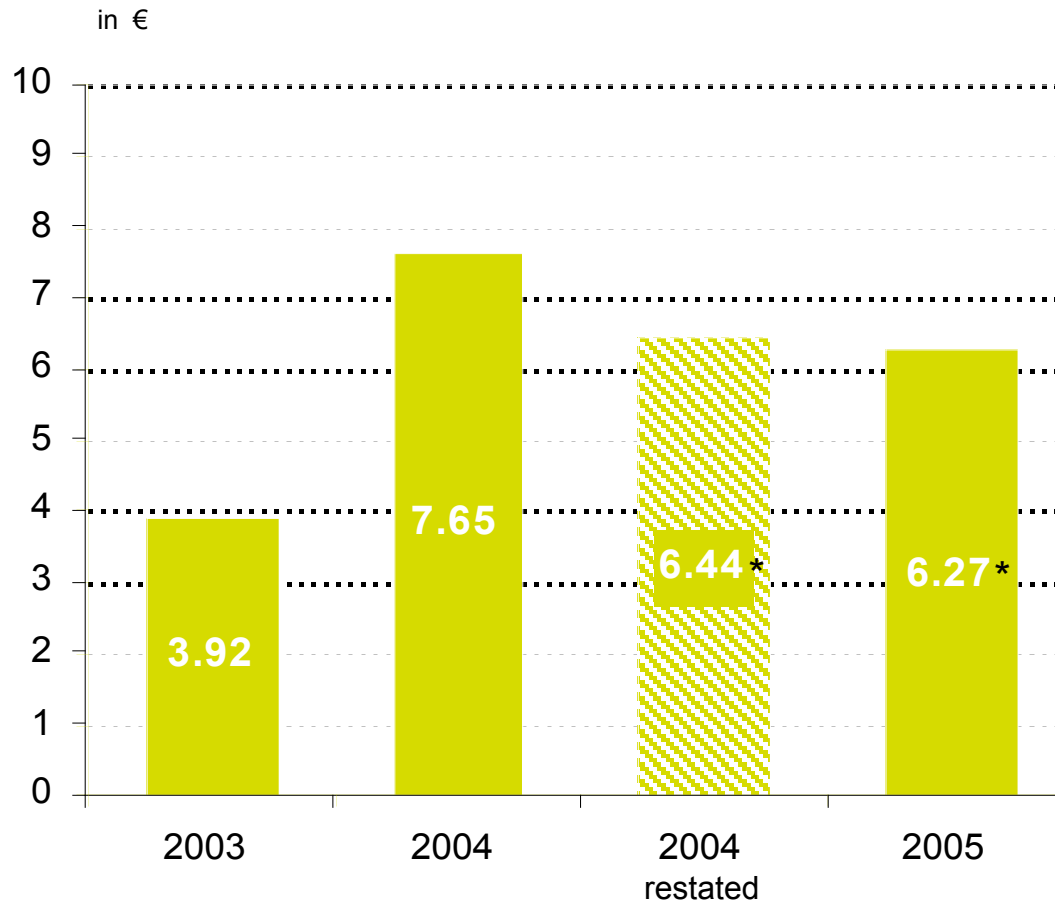
# Asset rotation: sales on capital employed



# Return on equity



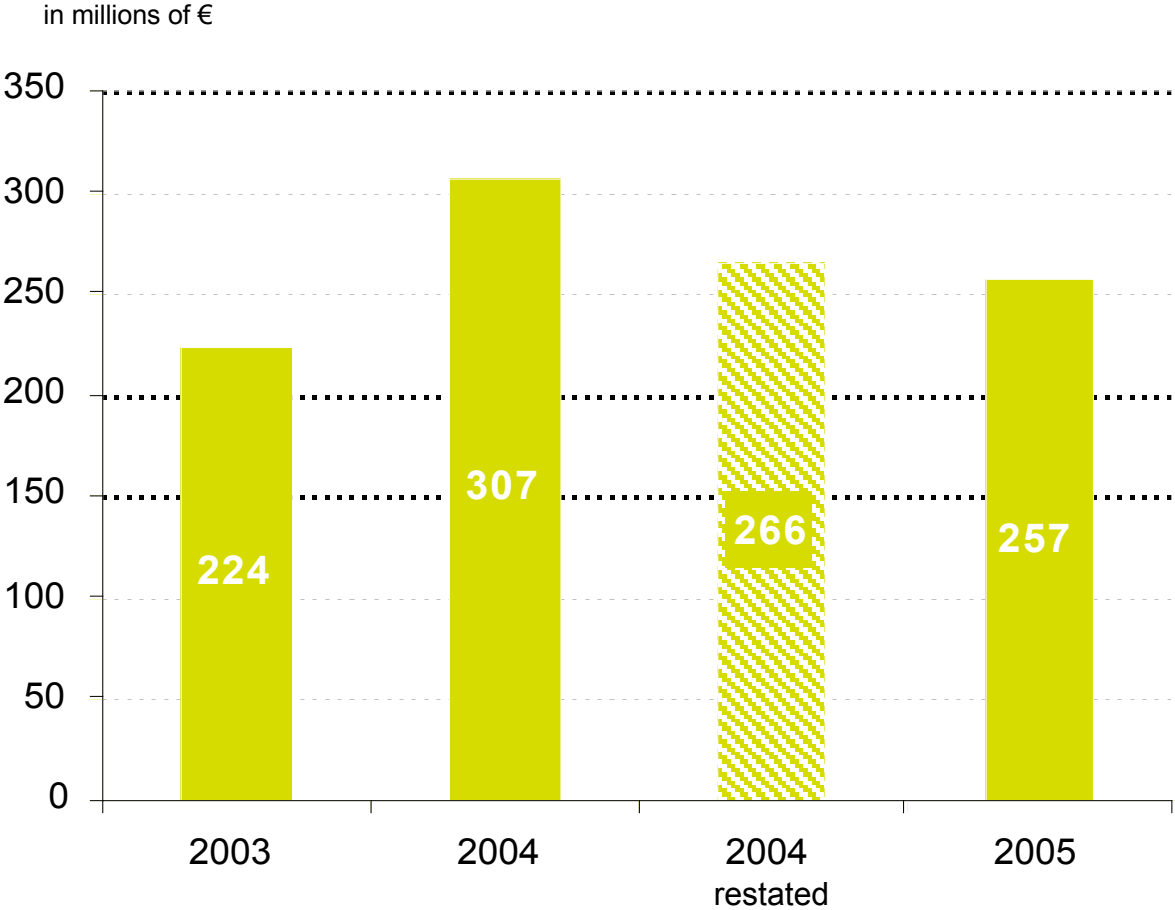
# Earnings per share



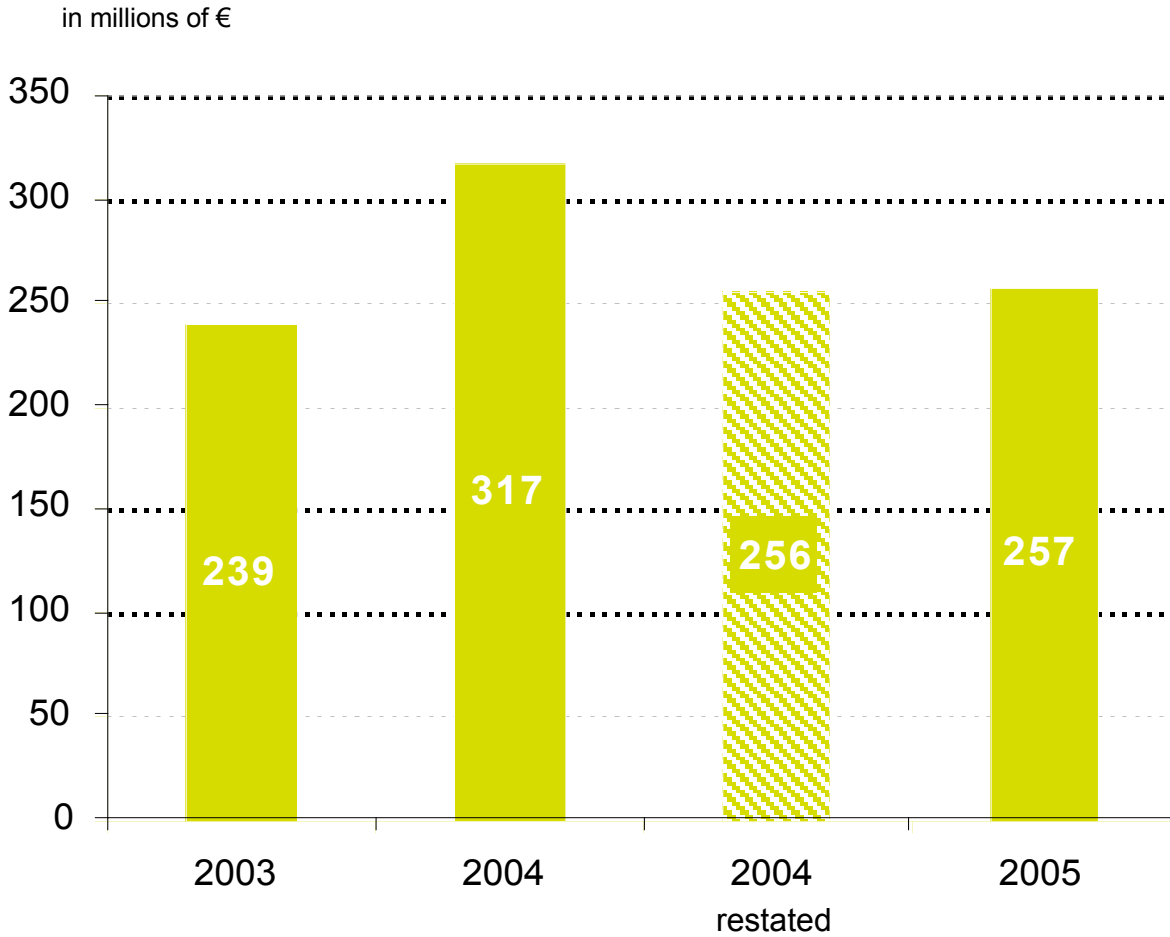
\* from continuing operations

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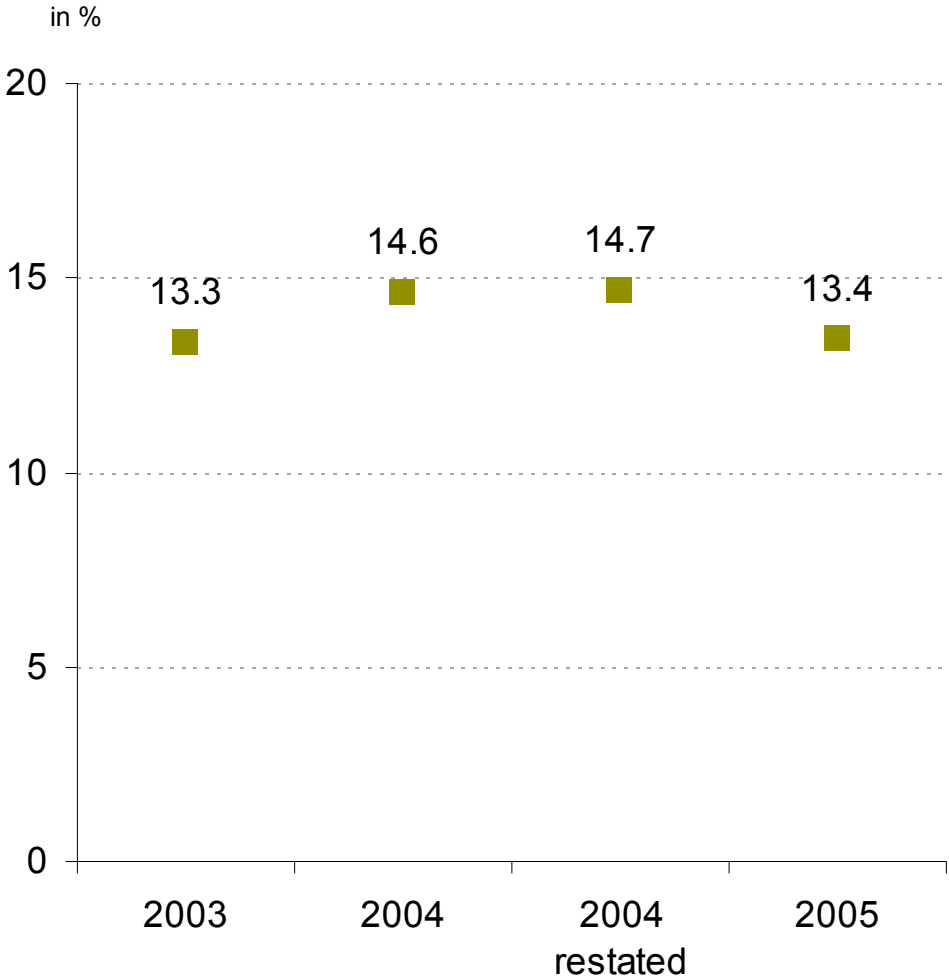
# Cash flow



# EBTIDA

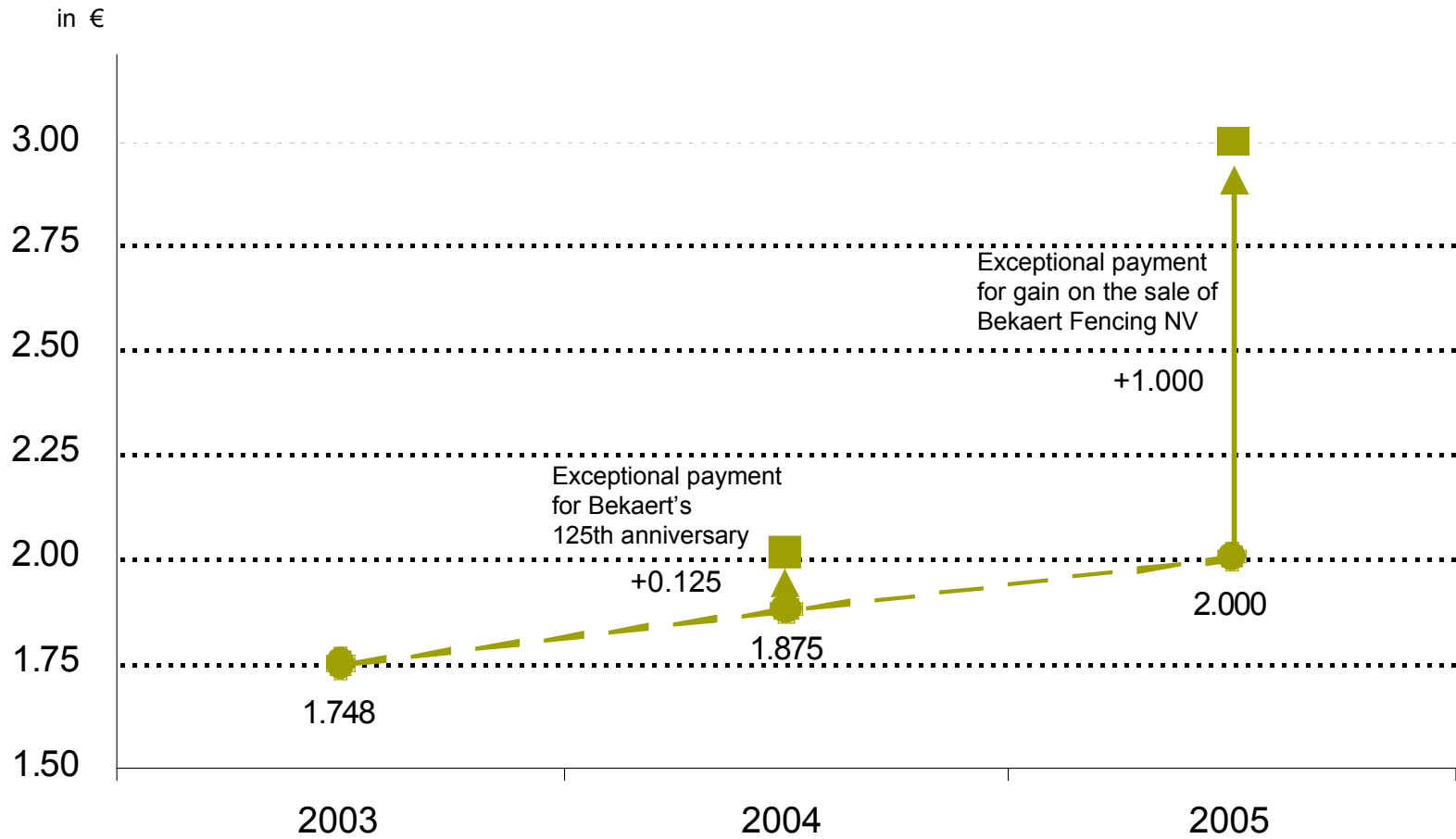


# EBITDA on sales

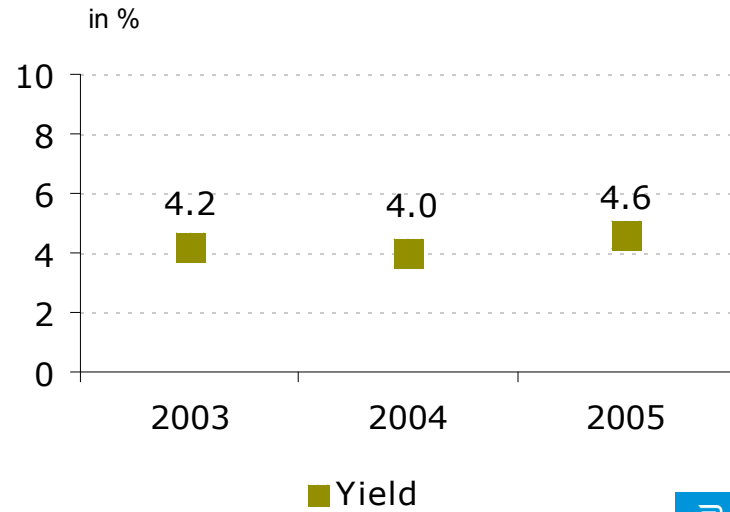
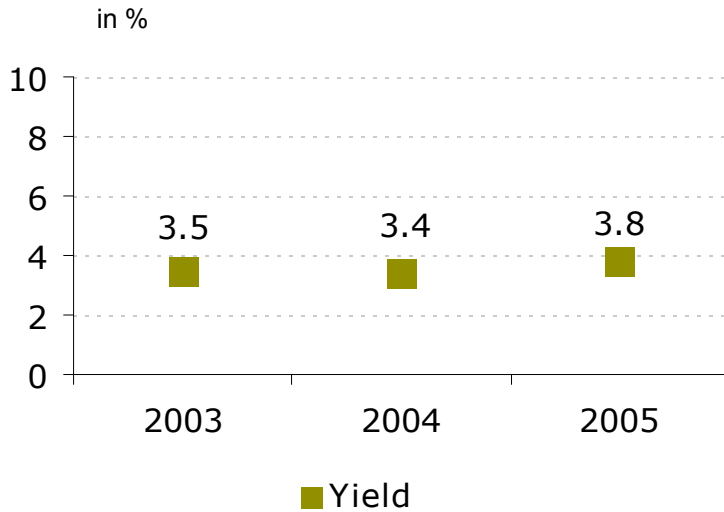
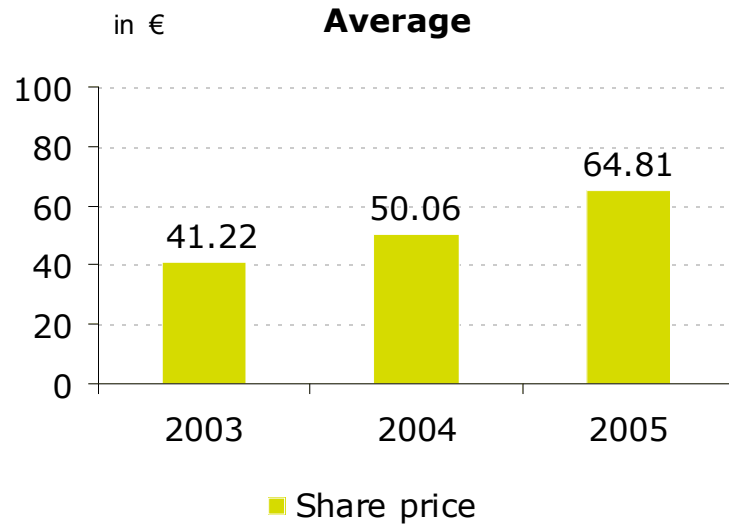
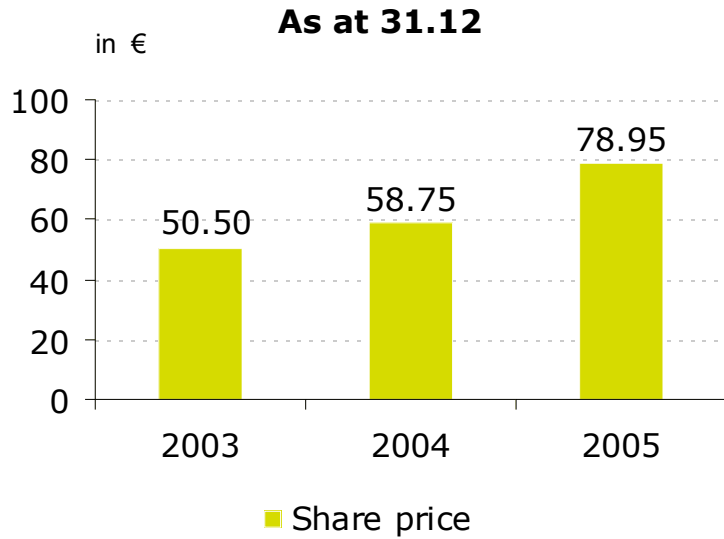


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# Dividend



# Dividend yield



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- 2006 started well, but more intense competition and higher costs for raw materials and energy
- In mature markets, especially in Europe: slight weakening of demand for some products
- In growth markets: Bekaert is strengthening its position and will make further substantial investments (expansion of production capacity)

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