

Annual results 2003



De kracht van
toekomstgericht
denken.

by J. De Wilde, CEO

2 Business highlights 2003

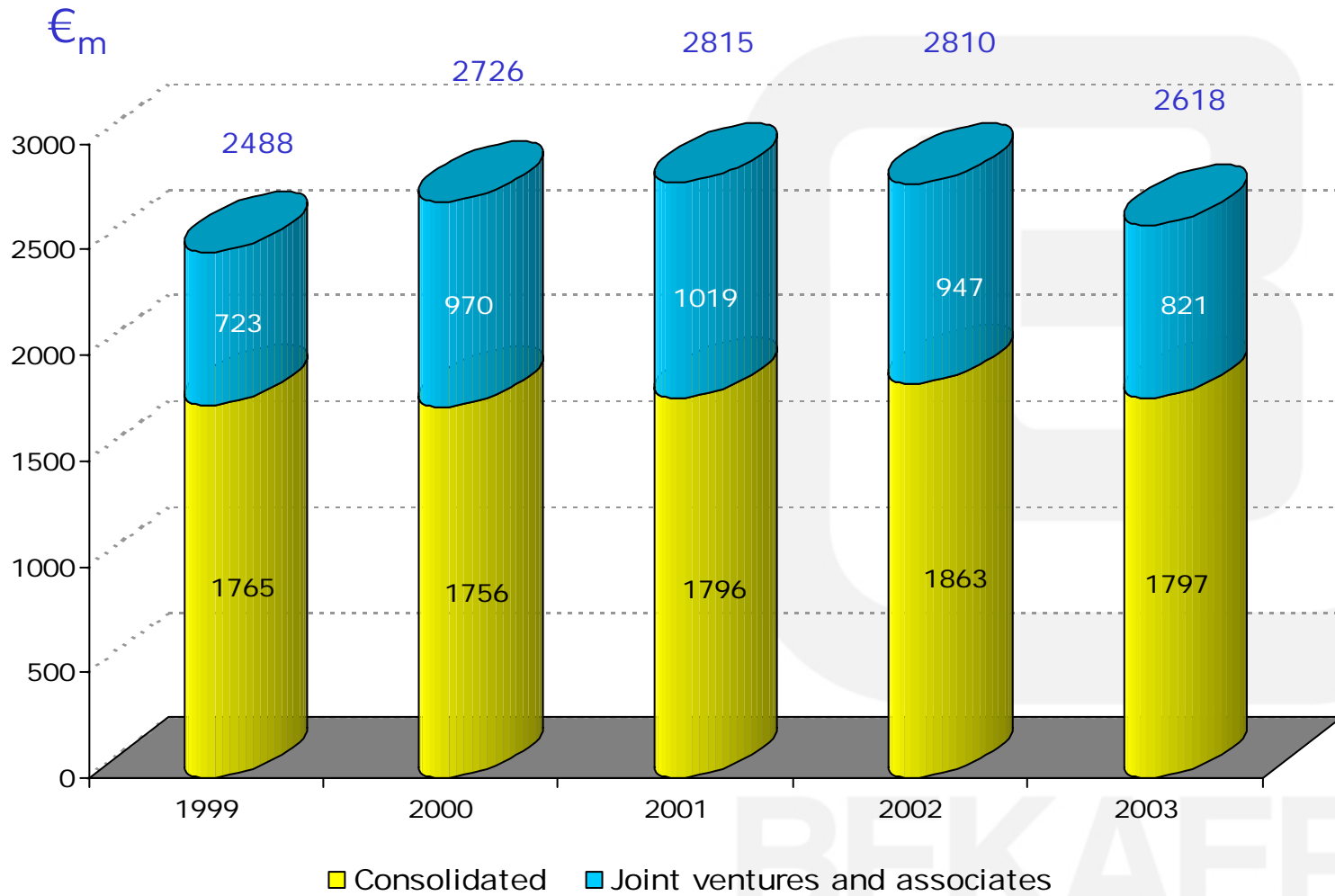
Overall strong performance

- Central Europe and Asia : very strong
- North America and Western Europe : weak

Financials

- Results from operations reached €m 112 (an increase by 74 %)
- A net result of €m 85
- EPS before goodwill amounts to 4.32 euro
- Proposed gross dividend 1.748 euro per share (an increase by 4 %)

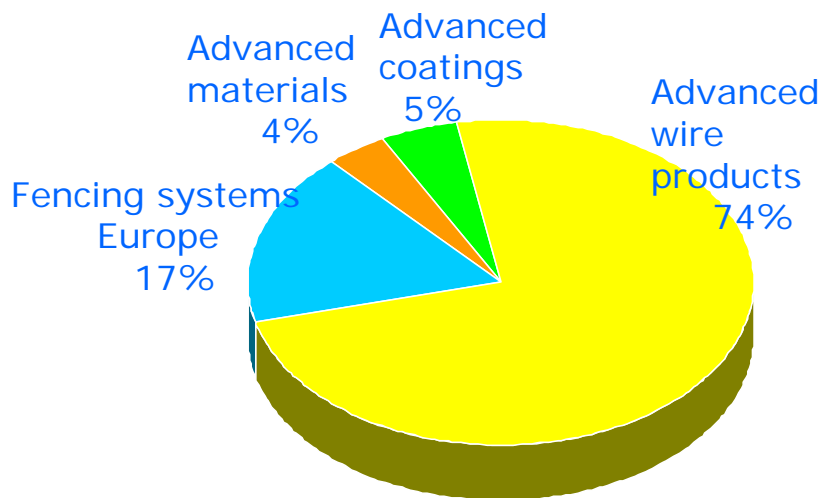
3 Sales



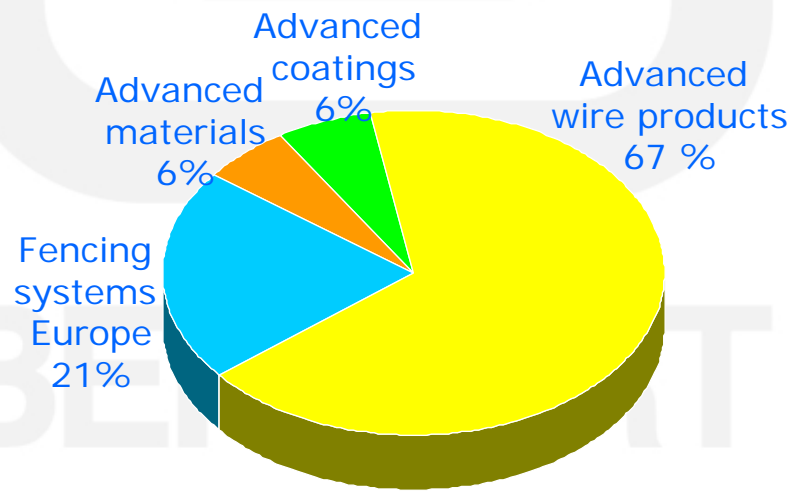
4 Sales per segment

	Combined sales			Consolidated sales		
	€m	%	Δ %	€m	%	Δ %
Advanced wire products	1 942	74.2 %	- 5.3 %	1 196	66.6 %	- 0.8 %
Fencing systems Europe	455	17.4 %	-8.5 %	383	21.3 %	- 8.5 %
Advanced materials	103	3.9 %	5.5 %	103	5.7 %	5.5 %
Advanced coatings	117	4.5 %	-7.3 %	112	6.2 %	- 6.5 %
Others	1	0.0 %	--	3	0.2 %	
Total	2 618	100 %	- 6.8 %	1 797	100 %	- 3.6 %

Combined sales



Consolidated sales

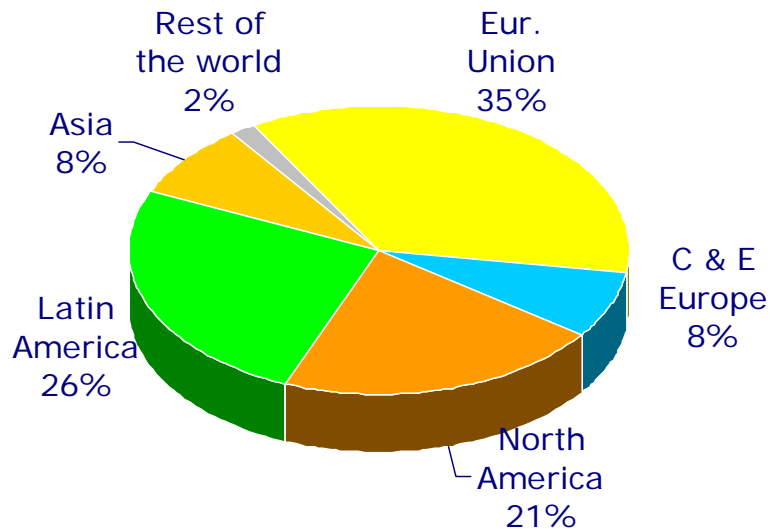


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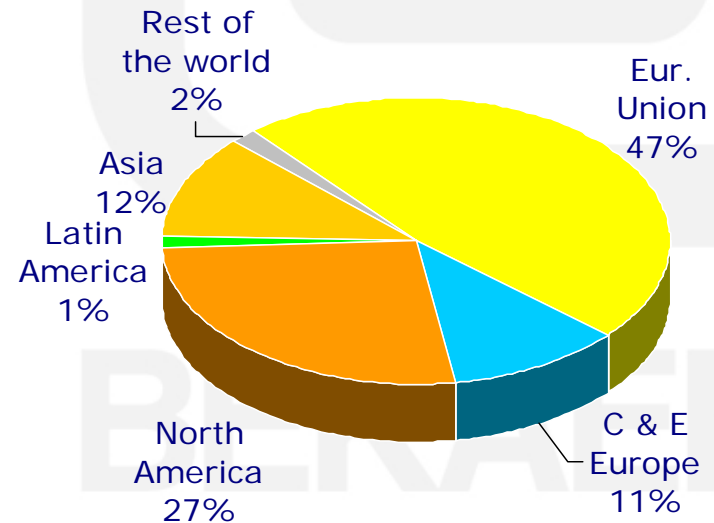
Spread

	Combined sales			Consolidated sales		
	€m	%	Δ%	€m	%	Δ%
European Union	936	35.8 %	-6.3 %	852	47.4 %	- 6.1 %
C & E Europe	200	7.6 %	38.9 %	200	11.1 %	38.9 %
North-America	549	21.0 %	-19.1 %	484	26.9 %	-12.5 %
Latin-America	671	25.6 %	-9.2 %	22	1.3 %	- 24.5 %
Asia	215	8.2 %	2.0 %	211	11.7 %	2.3 %
Rest of the world	47	1.8 %	20.4 %	28	1.6 %	18.2 %
Total	2 618	100 %	-6.8 %	1797	100 %	-3.6 %

Combined sales



Consolidated sales

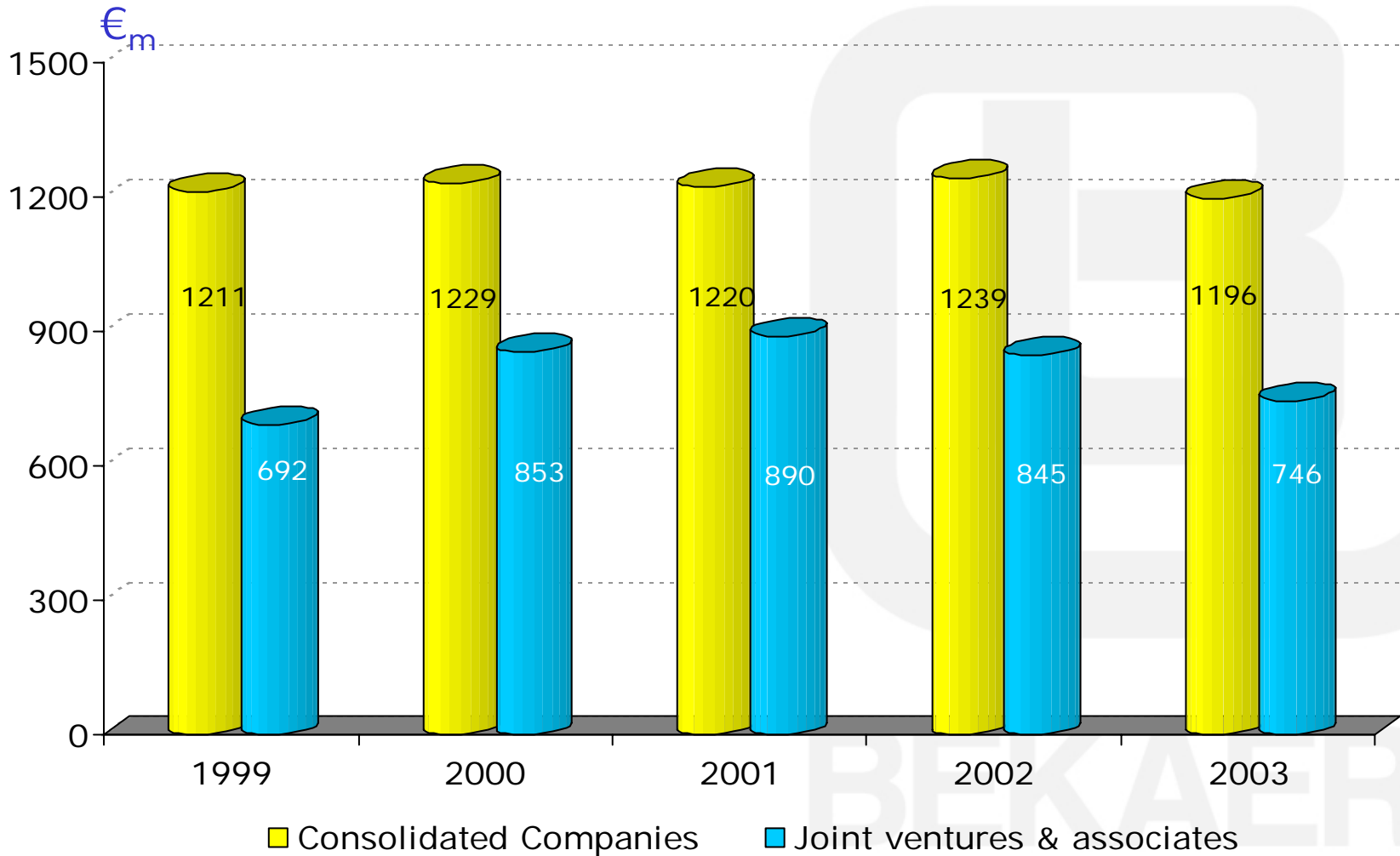


Activity report

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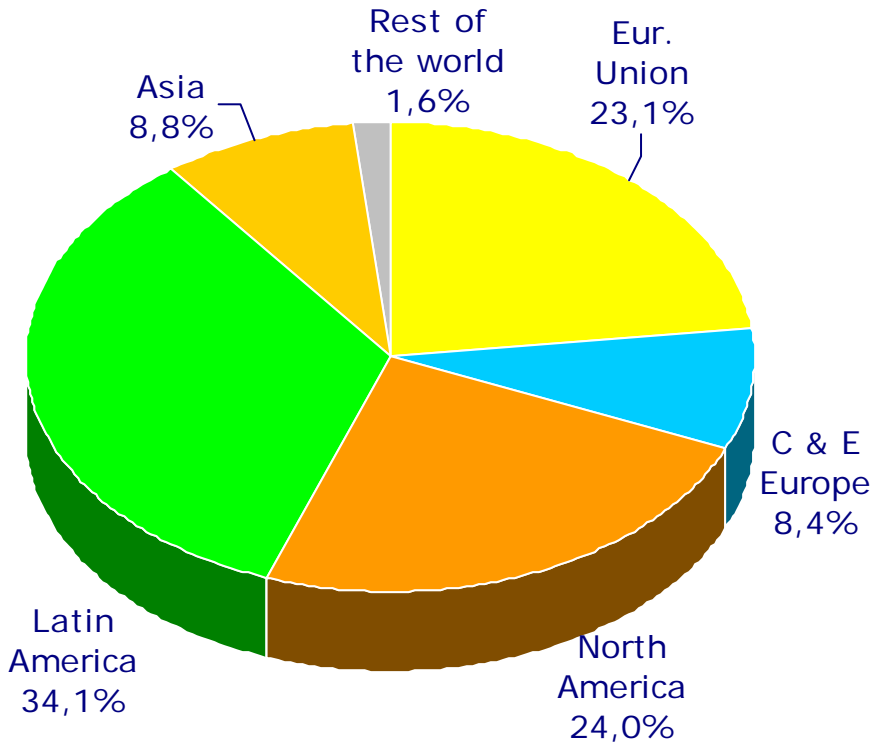
7 Advanced wire products

Sales

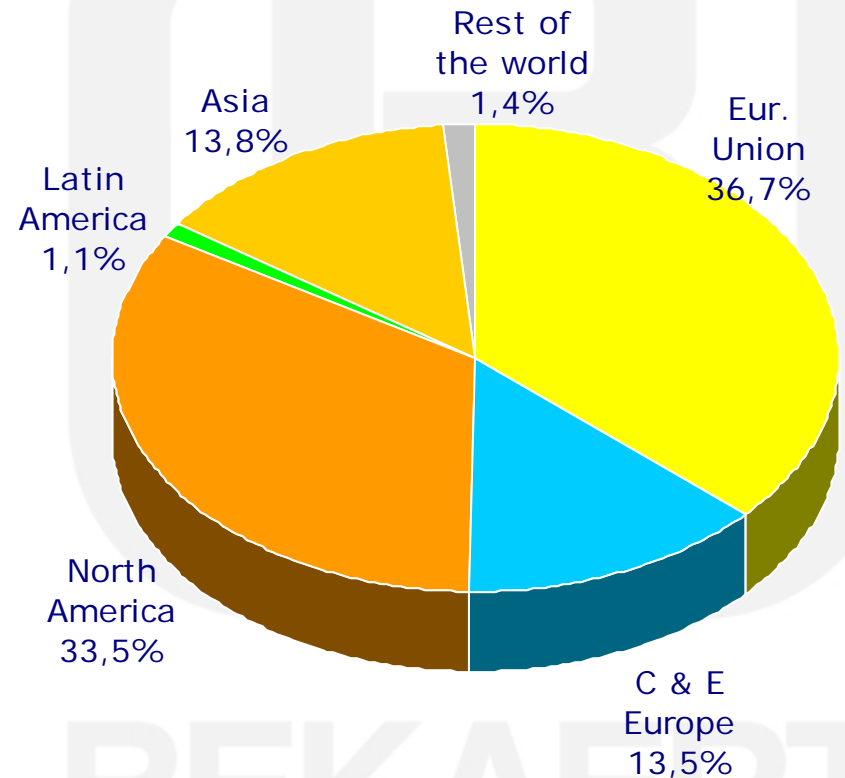


8 Advanced wire products

Combined sales

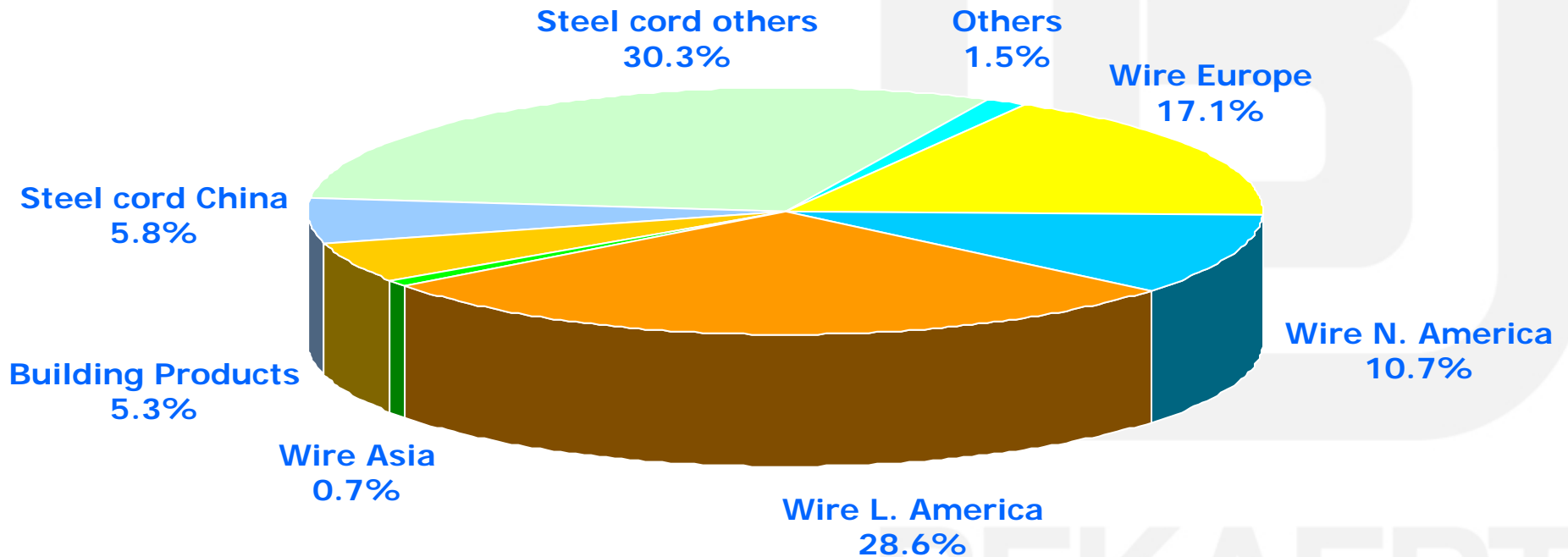


Consolidated sales



9 Advanced wire products

Combined sales per activity platform



10 Advanced Wire Products

Wire Europe

- Weak performance
- Increased pressure on margins
- Significant growth in C. & E. Europe
 - acquisition Drôtovňa Drôty
 - European plant reconfiguration

Wire North America

- Weak performance
- Sharp increase of wire rod prices
- Intense competition
- Acquisition of the remaining 50% in Contours

Wire Latin America

- Continued positive trend in 2003
- Mercosur : good year, due to higher exports
- Andina : lower demand and increased pressure on prices
 - Vicson : good results (after restructuring)

11 Advanced Wire Products

Wire Asia

- Consolidation and growth
- Start up of nylon-coated wire at Jiangyin (China)
- Good sales of traditional agricultural fencing products

Building products

- Maintained level of activity
- Weak local markets compensated by large scale projects
- Relocation of products to Central Europe

Steel cord China

- High growth
- Production capacity expansion (target 120 000 tonnes by end 2004)
- Bekaert quality award handed to Shanghai Baosteel (wire rod supplier)

12 Advanced Wire Products

Steel cord others

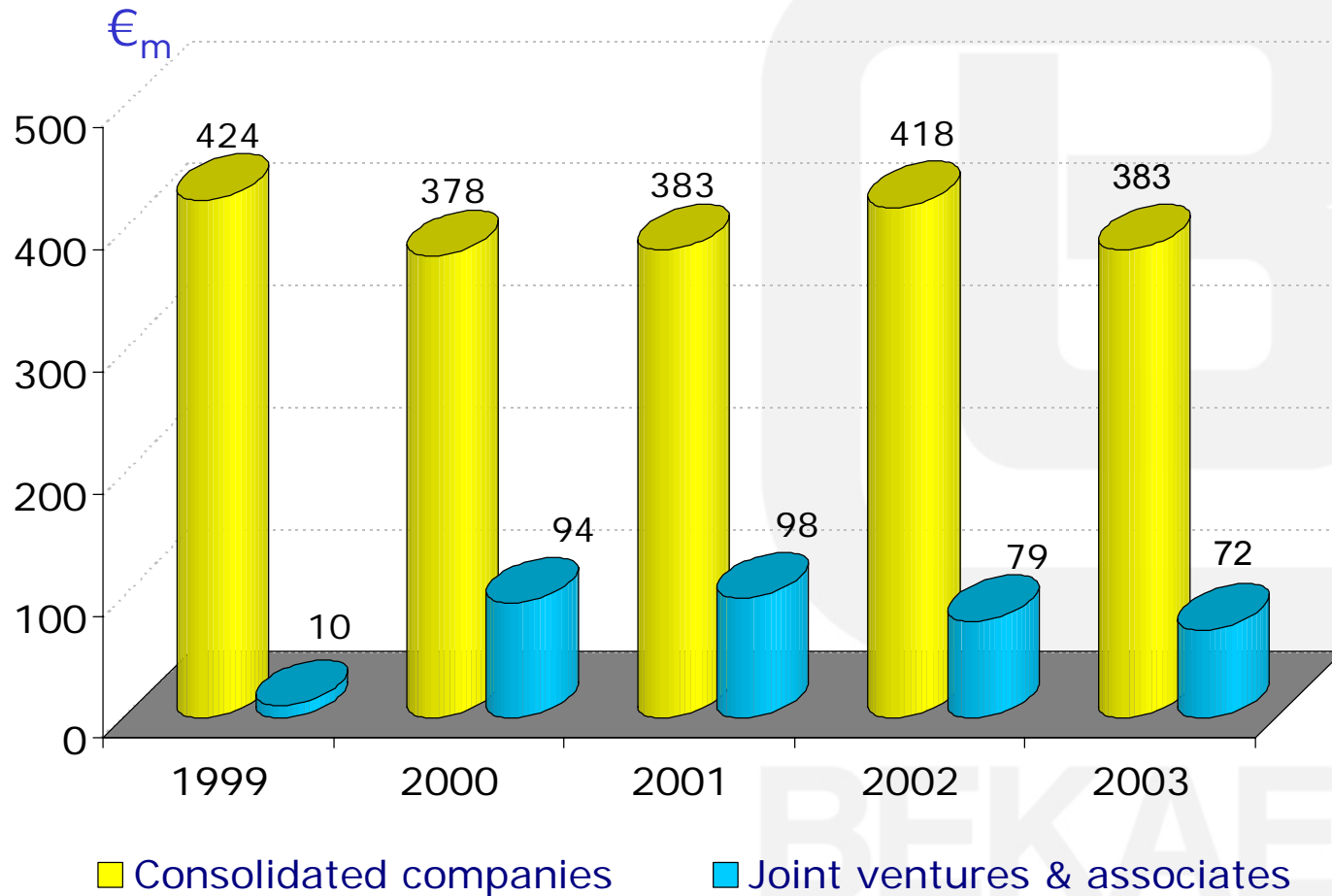
- North America: American Tokyo Ropes stopped production
- Europe :
 - tyre producers relocate production
 - acquisition of Drôtovňa Kordy
 - growing Russian market
- Latin America: growth and capacity expansion
- Asia : steady developments in India and Indonesia
- Other polymer reinforcement products :
 - overall positions were held or improved
 - production of belt cord relocated from Zwevegem to Hlohovec

Other advanced wire products (card clothing, rope)

- Carding products : growing market, specific in Asia
- Ropes : weak performance

13 Fencing systems Europe

Sales



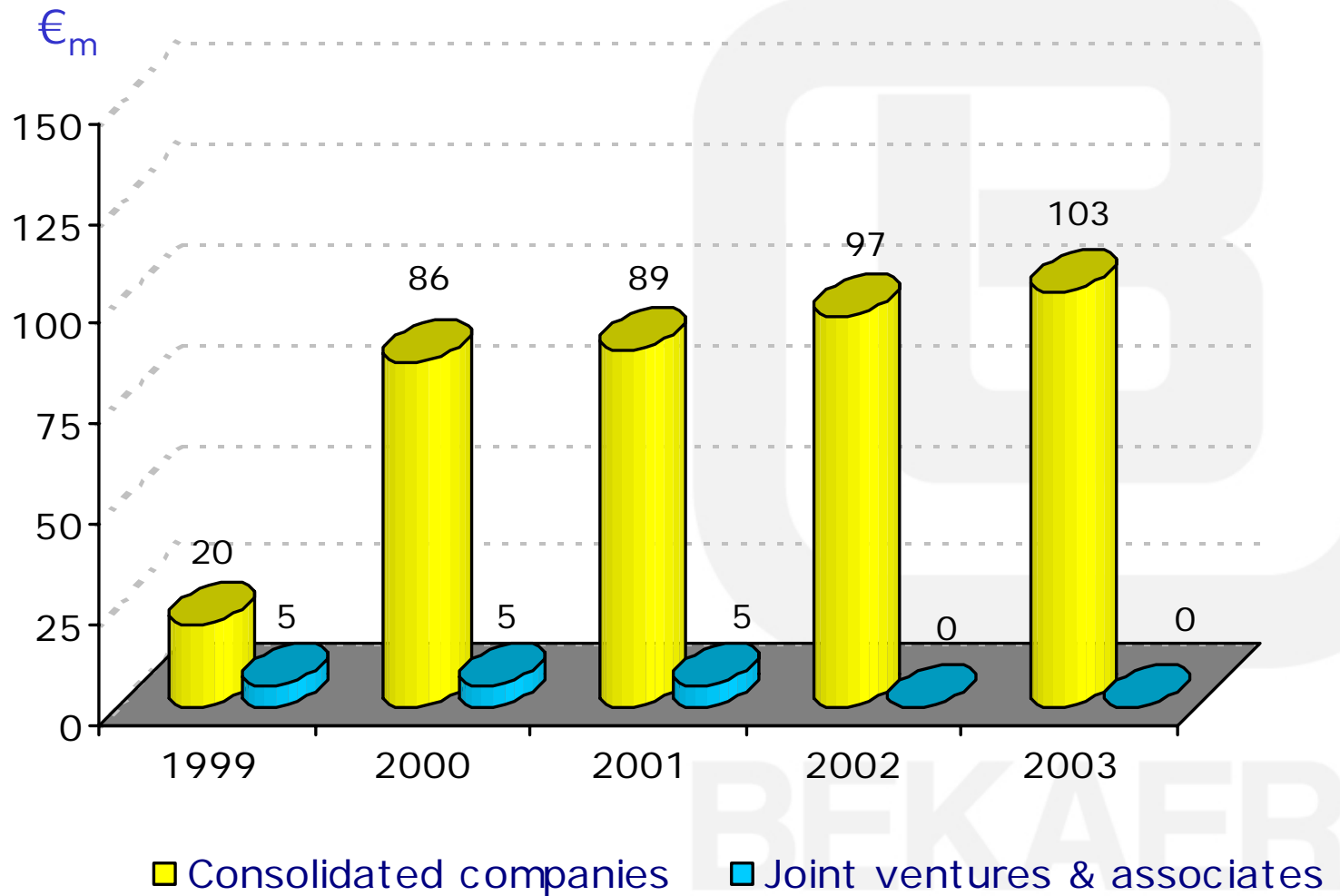
14 Fencing systems Europe

- **Rationalisation plan successfully implemented**
 - more products with higher added value
 - optimisation of the plant configuration, sales and the administration
- **Growing demand for security fencing systems**
- **Sales in Central Europe increased significantly**
- **Bekaert Handling**
restructuring on going

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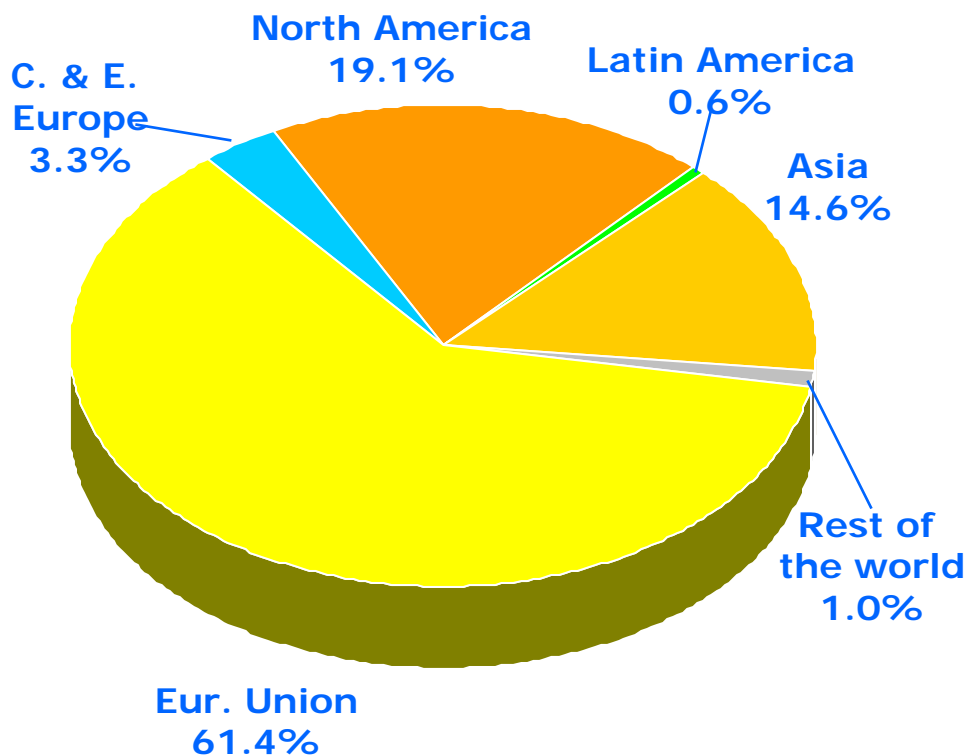
15 Advanced materials

Sales

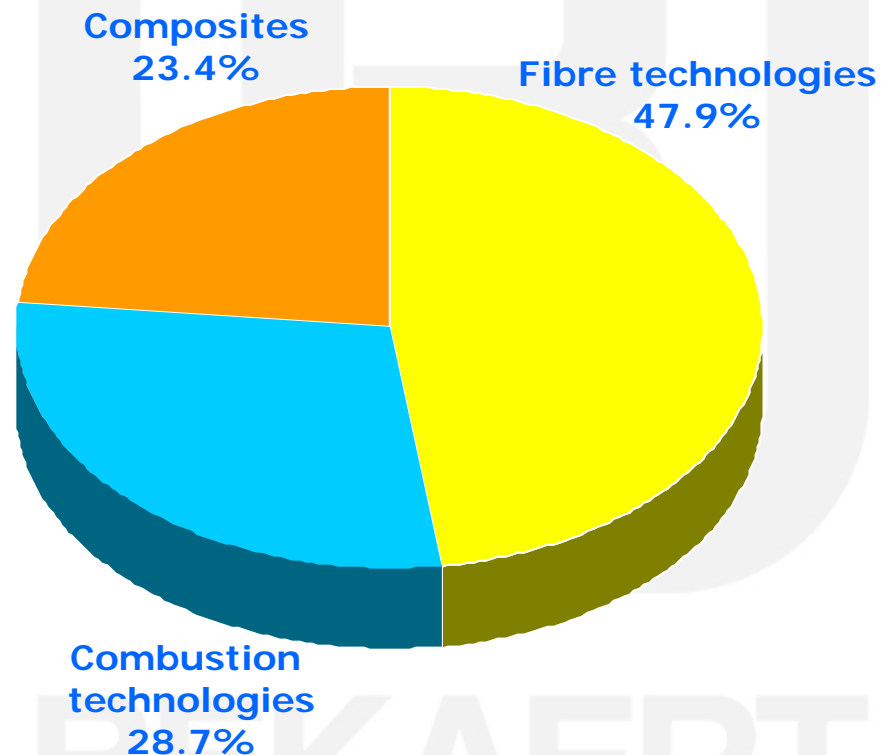


16 Advanced materials

Combined sales : geographical



Combined sales per activity



17 Advanced materials

Fibre technologies

- Filtration : market share maintained
- Textile : demand for vehicle seat heating continued to rise
- Strong position in heat-resistant fibre mats for window screen production
- Strong growth in metal–fibre textiles for metal-fibre burners

Combustion technologies

- Market leader in burners for high-efficiency boilers
- Partnership with Bosch Junkers
- Acquisition of Solaronics, early 2004

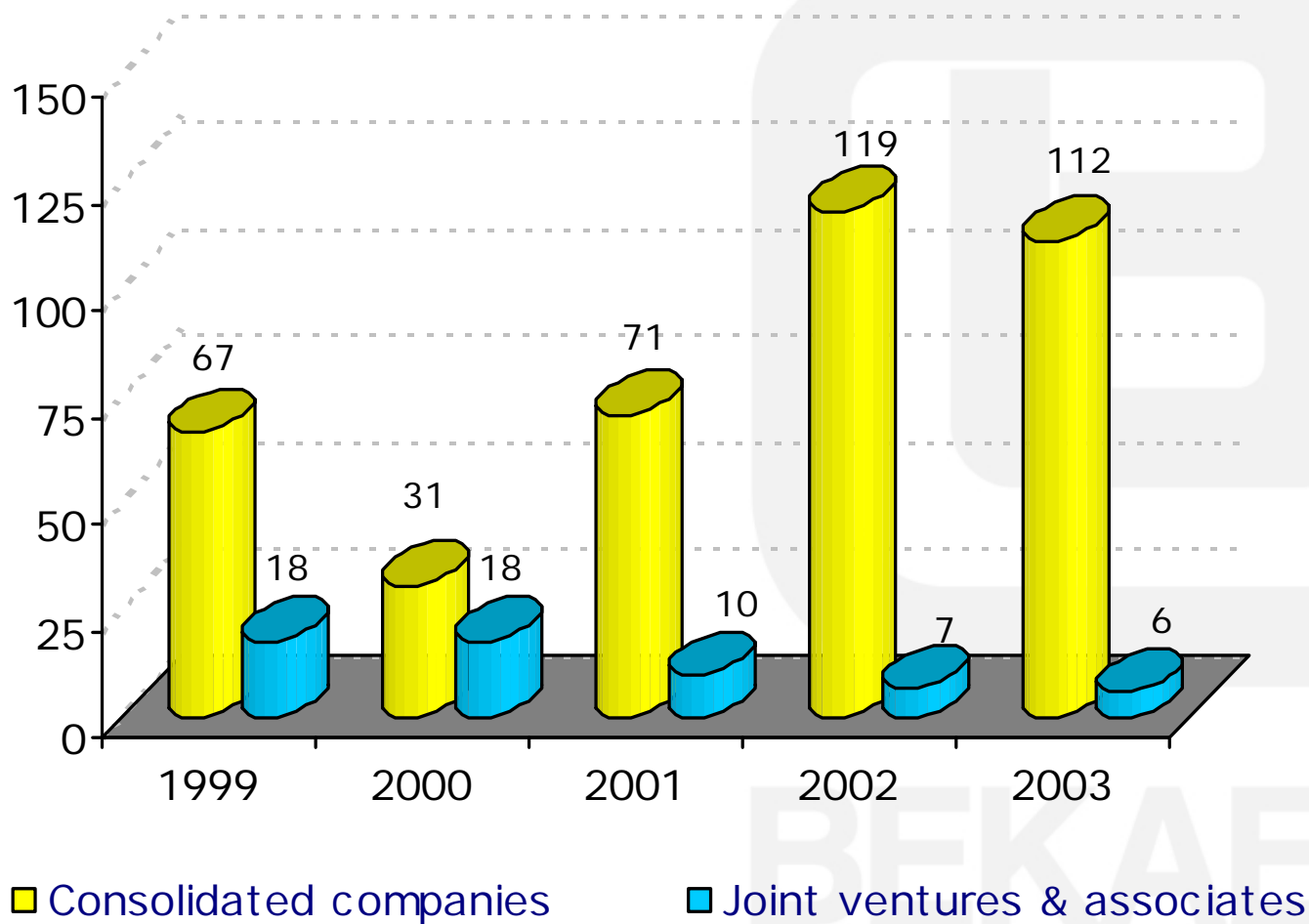
Composites

- Low demand for composite profiles
- Composite profiles business sold to Exel Oyj (Finland)
- Stable sales in glass fibre-reinforced pressure vessels

18 Advanced coatings

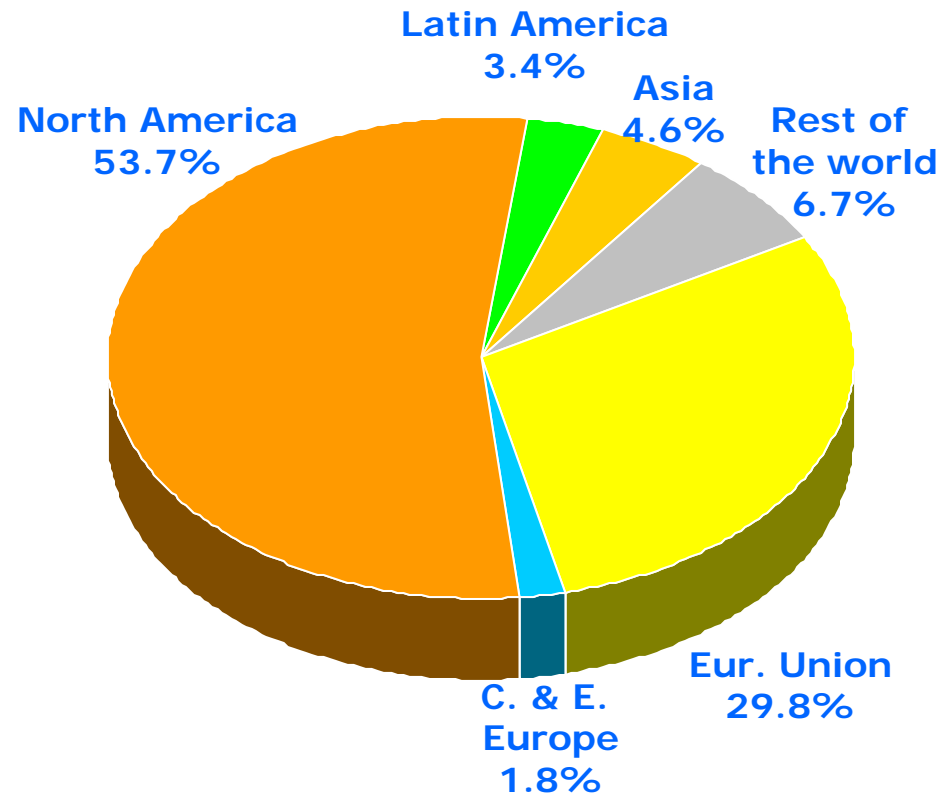
Sales

€_m

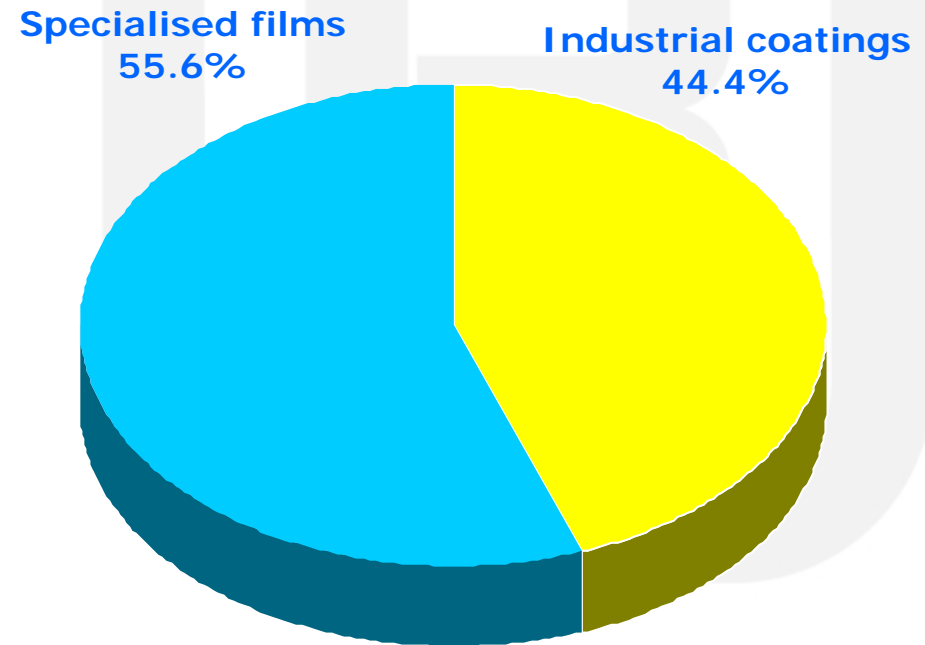


19 Advanced coatings

Combined sales : geographical



Combined sales per activity



20 Advanced coatings

Industrial coatings

- World leader in rotating sputter targets
 - high demand for glass with special coatings
 - increased substitution of planar targets by rotating targets
- Significant adhesion improvement in thermal spraying
 - strong position in coatings for racing car components and DVD moulds
- Consolidate leading position in industrial coatings
 - increased interests in Sorevi (France) and PST (Singapore)

Specialised films

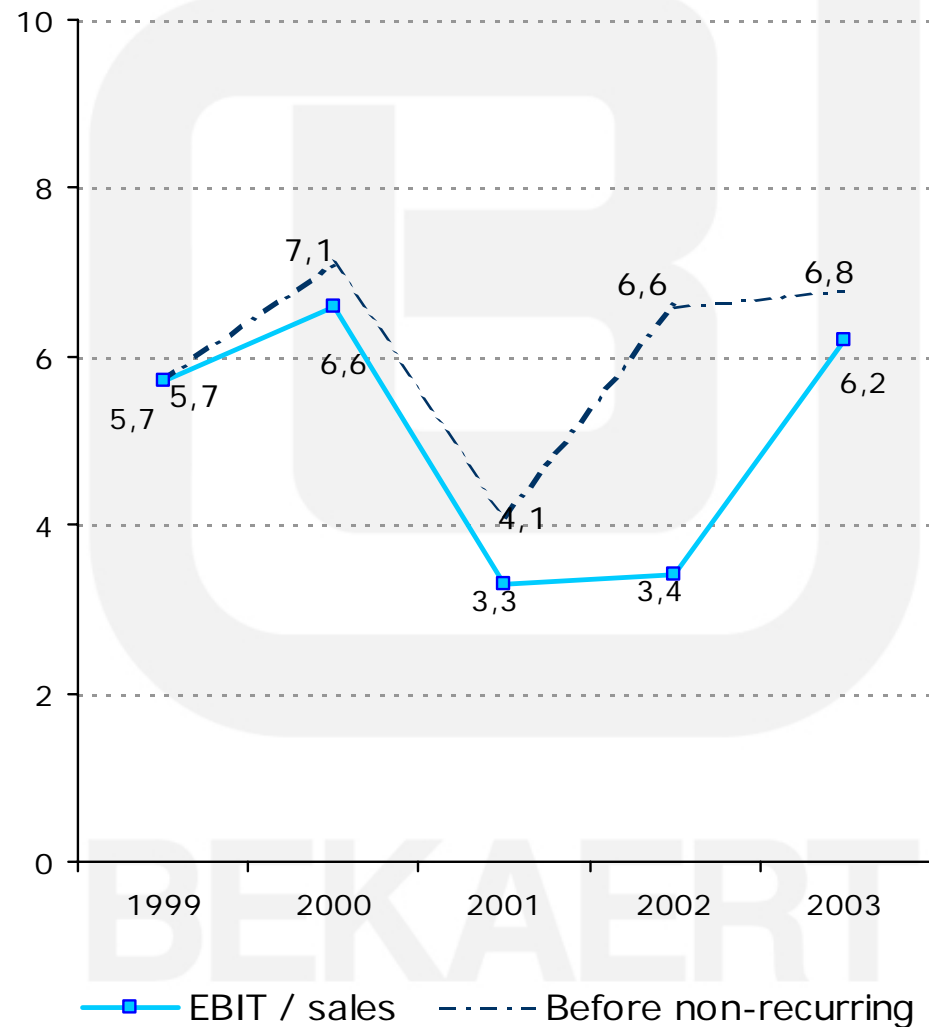
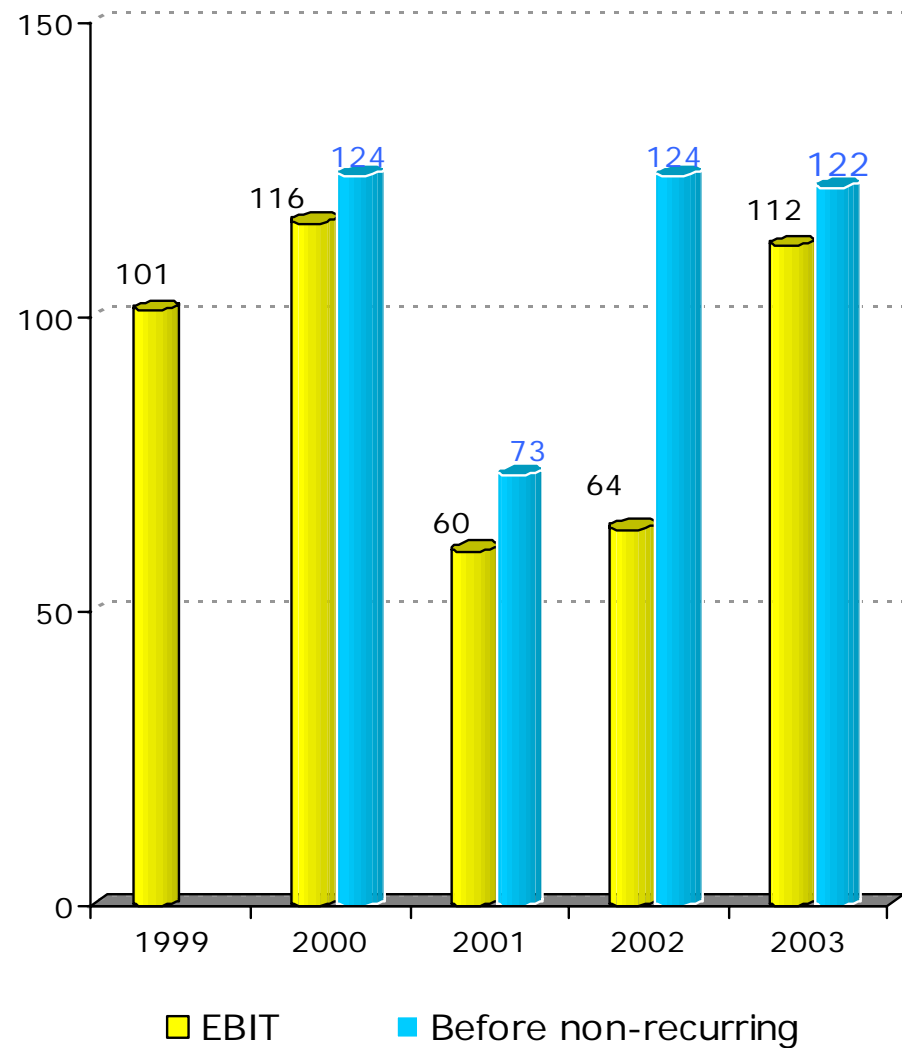
- Exit Unisolar
- Difficult year due to very weak demand in the U.S.
- Sharp increase in sales outside U.S., mainly Europe and Asia
- Increased development efforts

Consolidated financial statements

Income statement

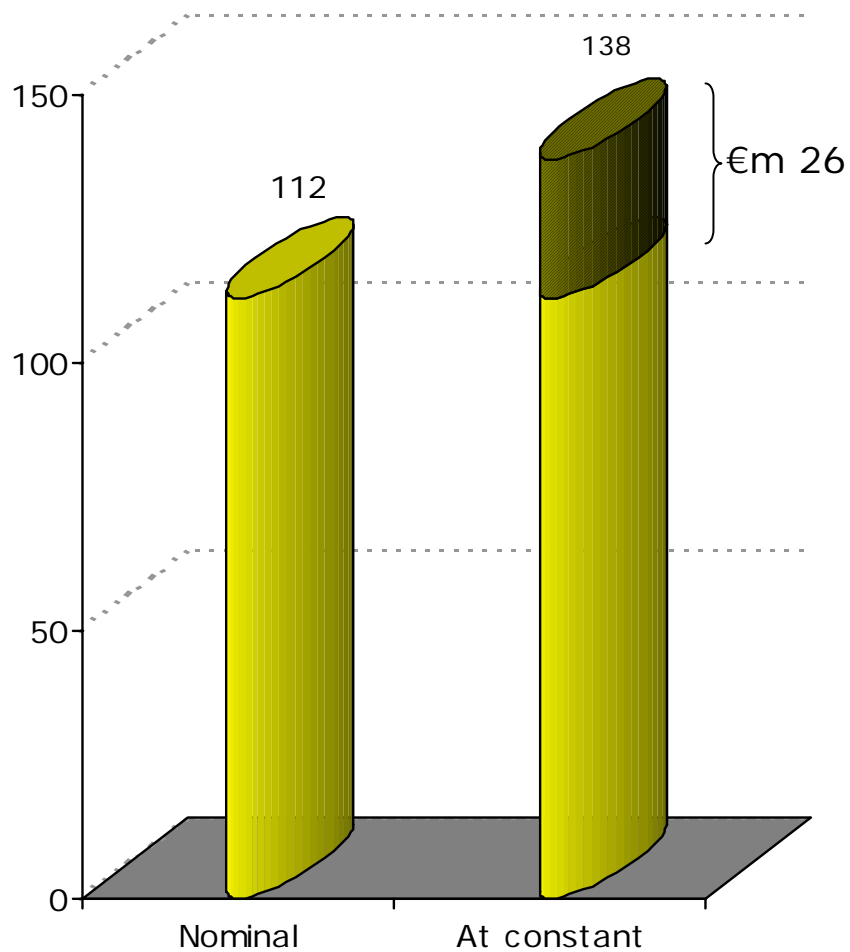
23 Ebit

Ebit/sales

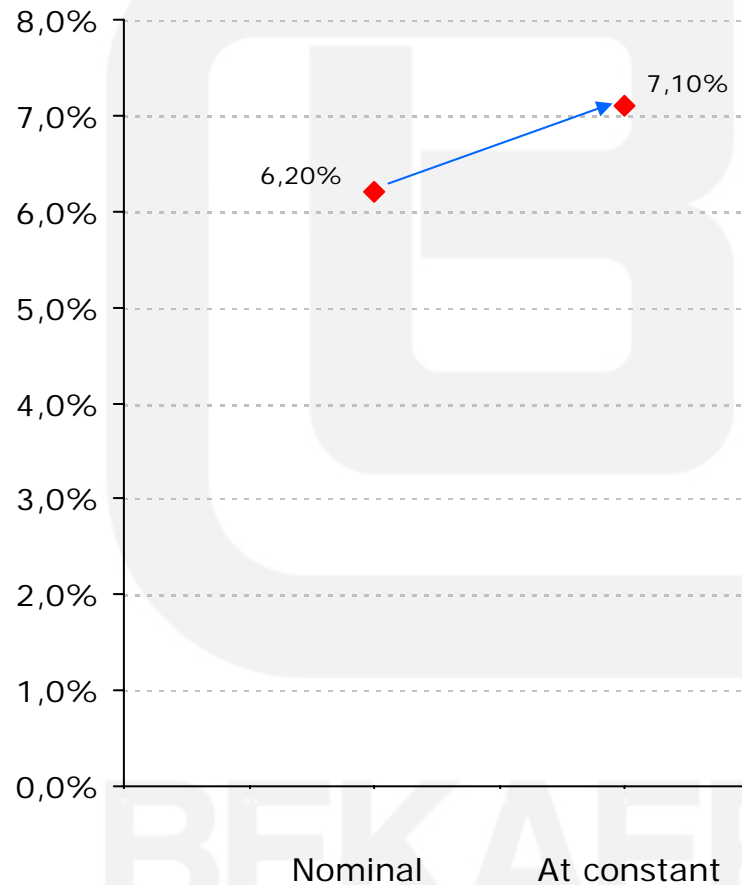


24 Ebit : currency impact

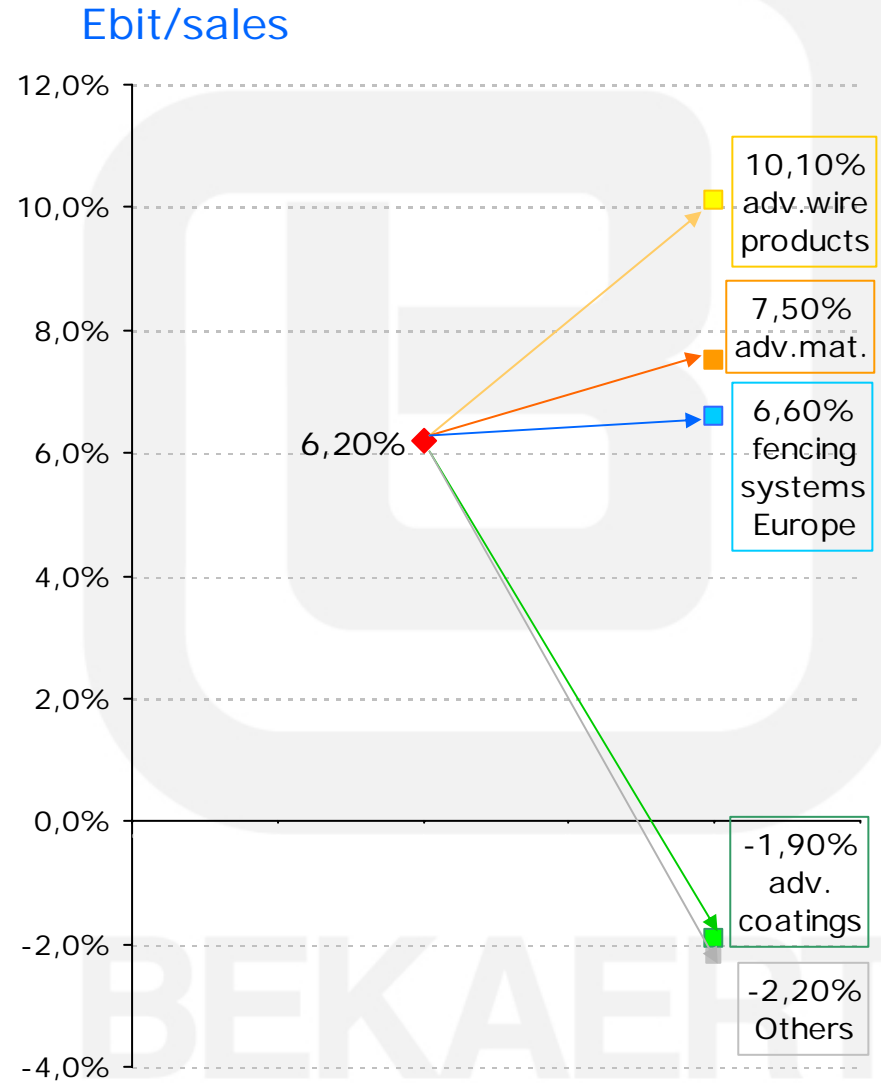
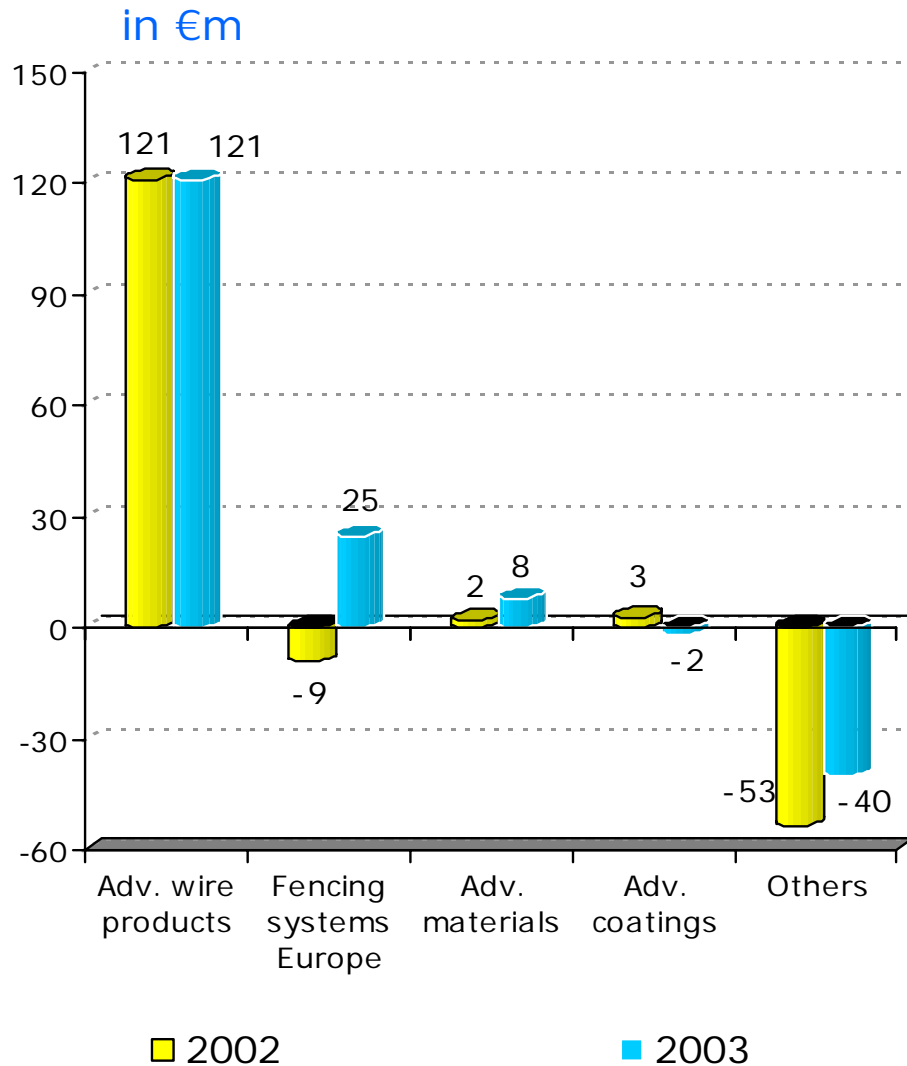
in €m



Margin on sales



25 Ebit per business segment



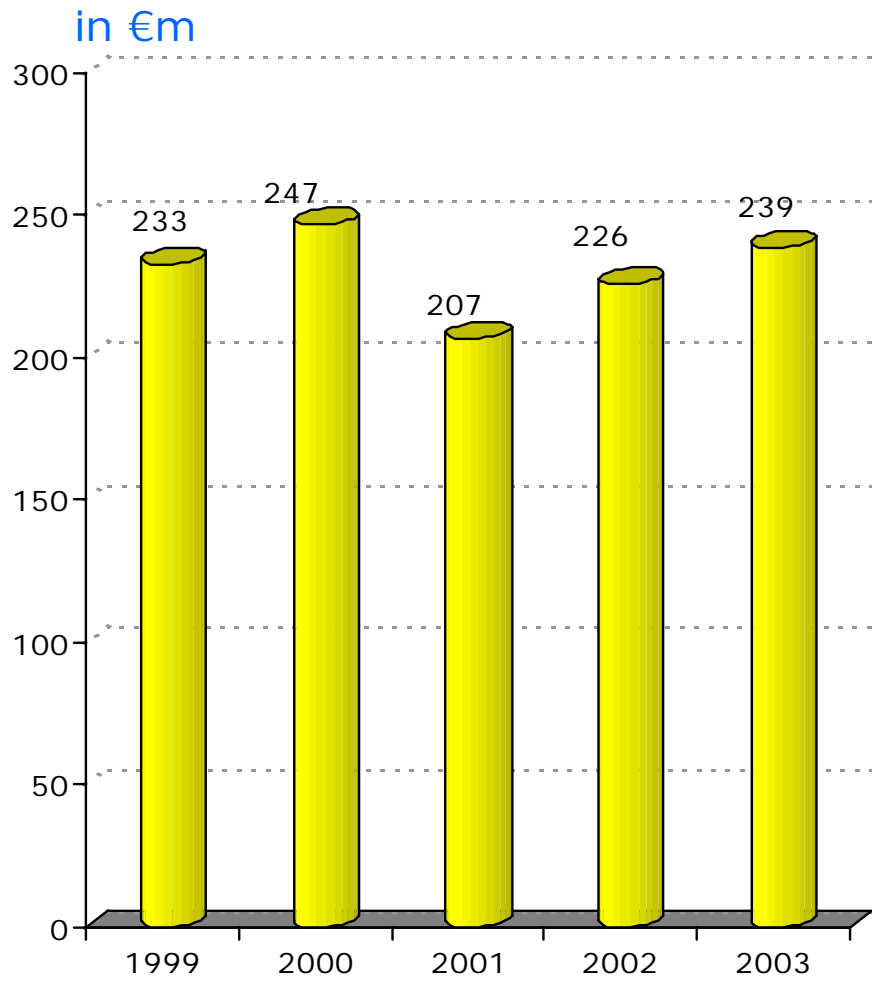
26 Results from operations per segment

<u>In €000</u>	<u>2003</u>			<u>2002</u>		
	EBIT	EBIT/sales	EBITDA	EBIT	EBIT/sales	EBITDA
Advanced wire products	121 213	10.1%	206 459	120 871	10.0%	217 732
Fencing systems Europe	25 445	6.6%	43 701	(8 838)	-2.1%	10 101
Advanced materials	7 738	7.5%	13 746	2 101	2.2%	7 327
Advanced coatings	(2 104)	-1.9%	11 827	3 011	2.5%	22 857
Others*	(40 491)	-2.3%	(36 625)	(52 903)	-2.8%	(32 238)
TOTAL	111 801	6.2%	239 108	64 242	3.4%	225 779

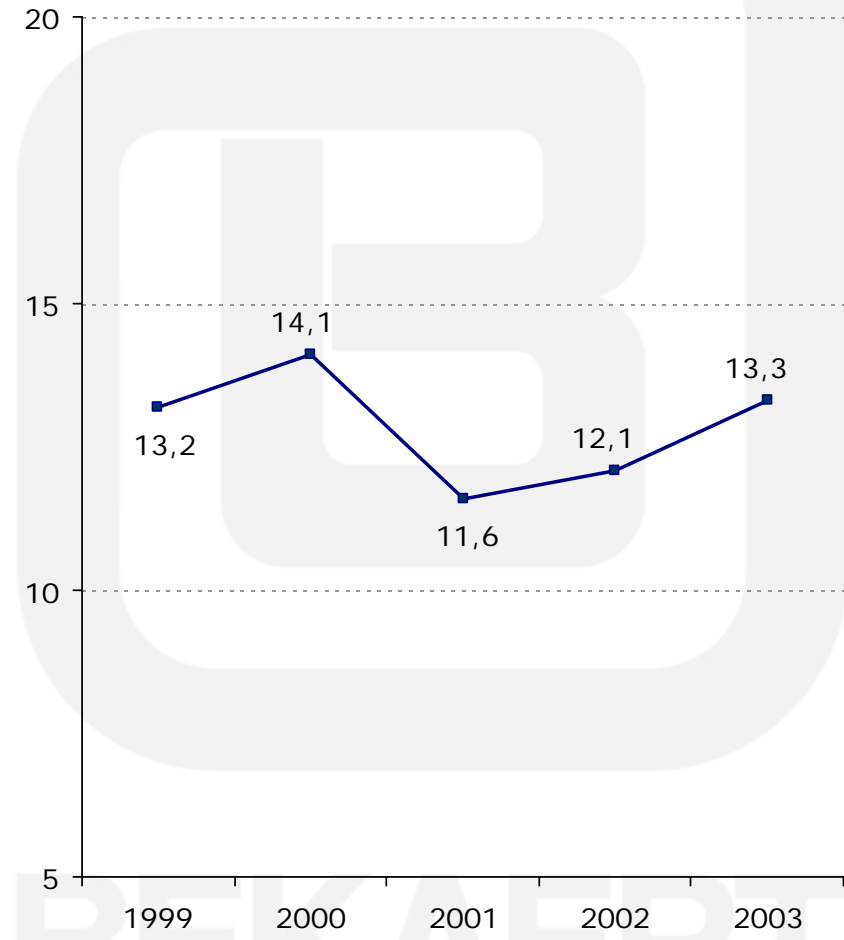
(*) Mainly group services

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27 Ebitda

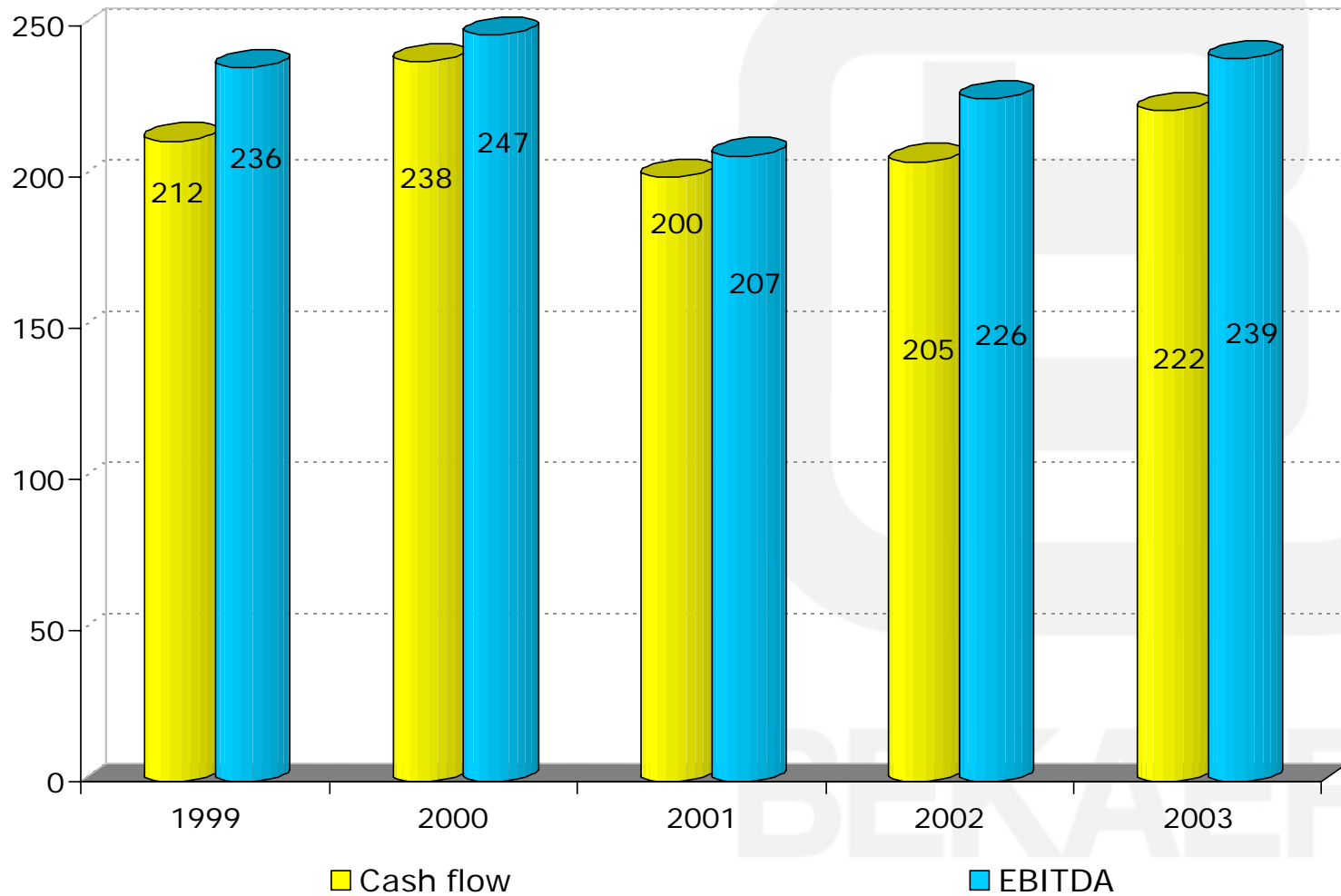


Ebitda/sales

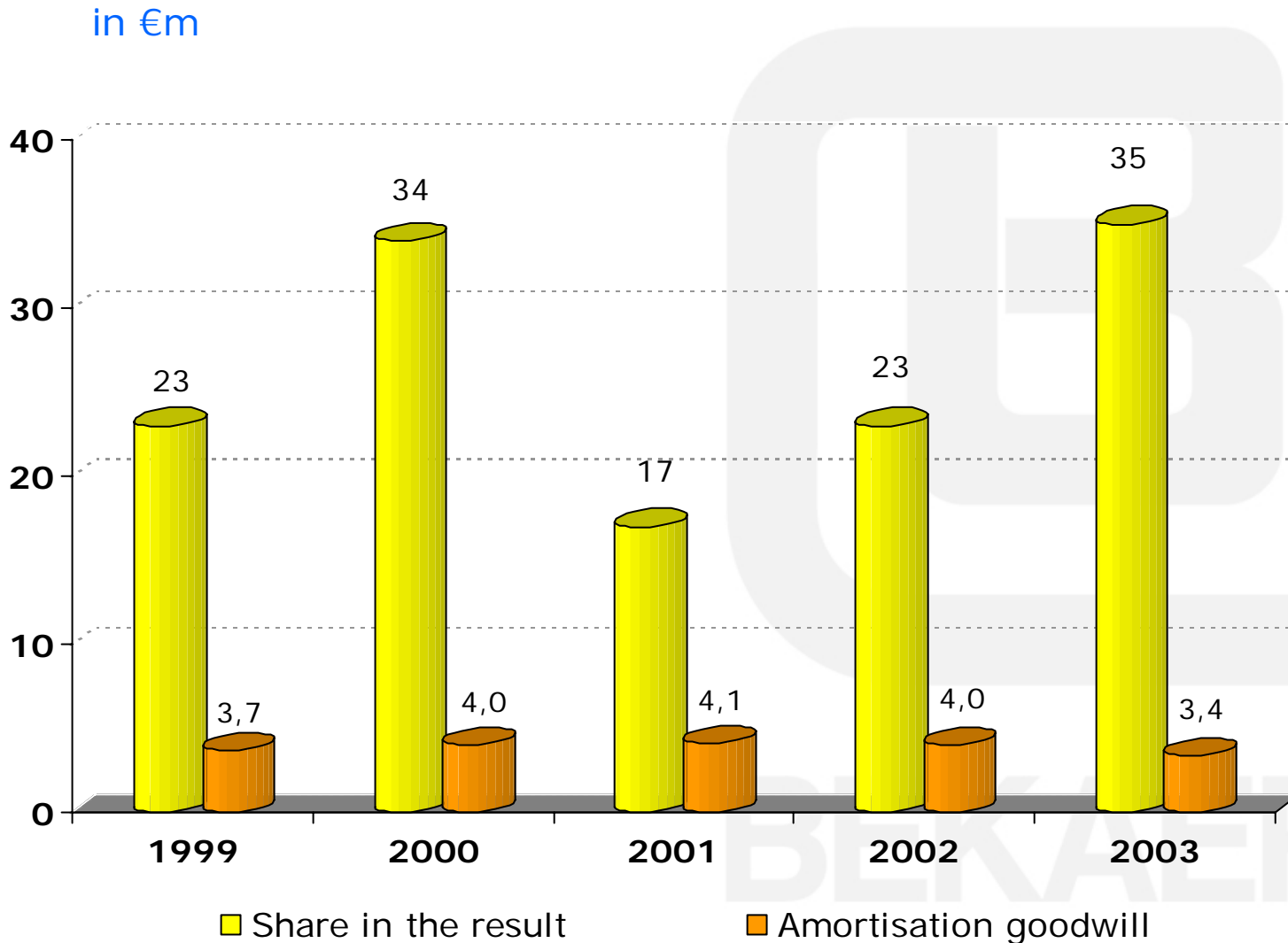


28 Cash flow

In €m

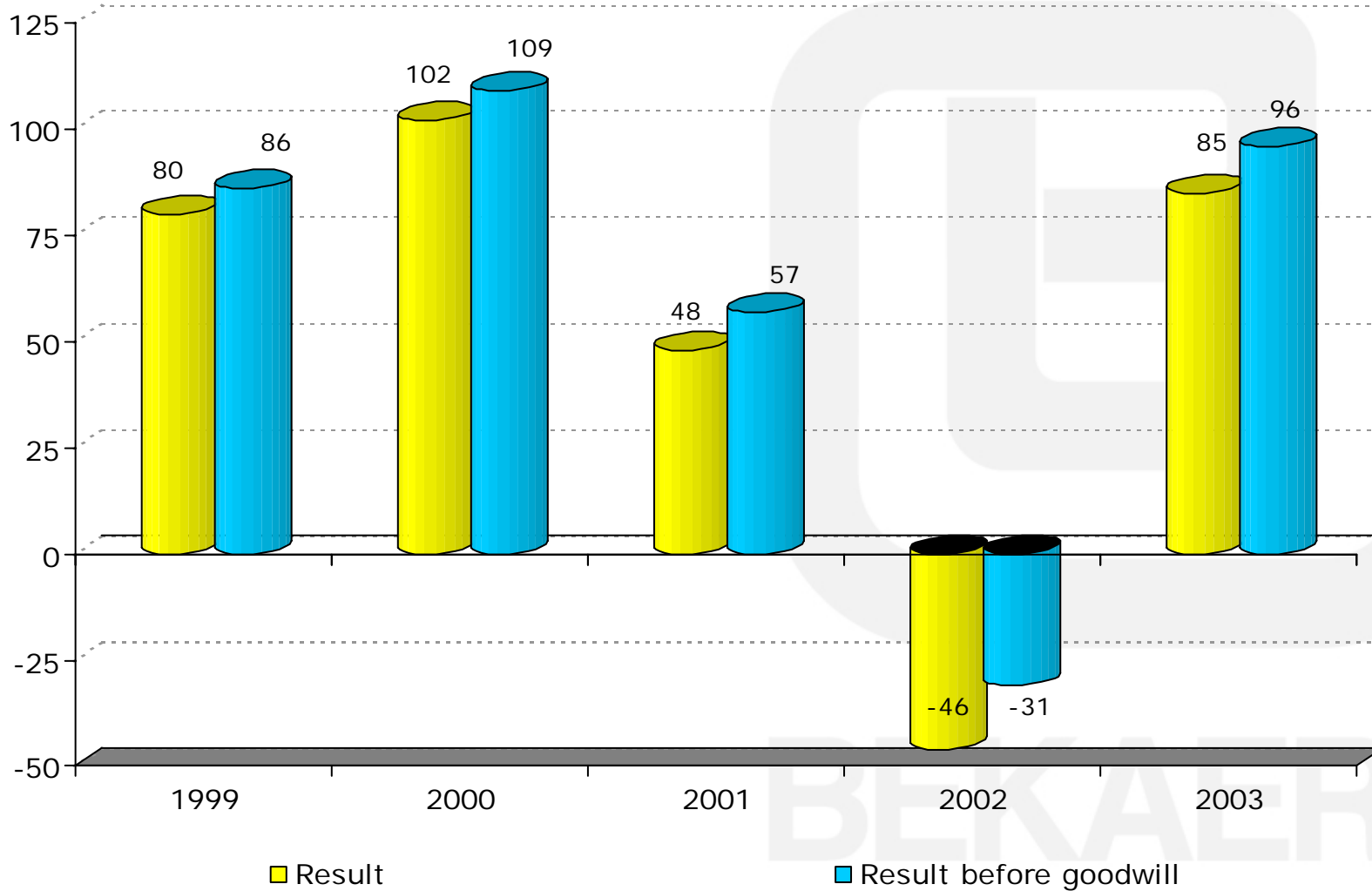


29 Share in the result of joint ventures



30 Consolidated net result

In €m



Balance sheet

32 Balance sheet : restatements IFRS

<u>In €_m</u>	Reported in 2002	Restate- ments	2002 IFRS		Reported in 2002	Restate- ments	2002 IFRS
Non current assets	1 164	--	1 164	Equity	832	(74)	758
				Minorities	44		44
Current assets (<i>other receivables pension assets'</i>)	785	(37)	748	Non current liabilities (<i>Employee benefit obligations</i>)	550	47	597
				Current liabilities	457		457
Deferred tax assets	4	6	10	Deferred tax	70	(4)	66
	<u>1 953</u>	<u>(31)</u>	<u>1 922</u>		<u>1 953</u>	<u>(31)</u>	<u>1 922</u>

33 Consolidated balance sheet 2003

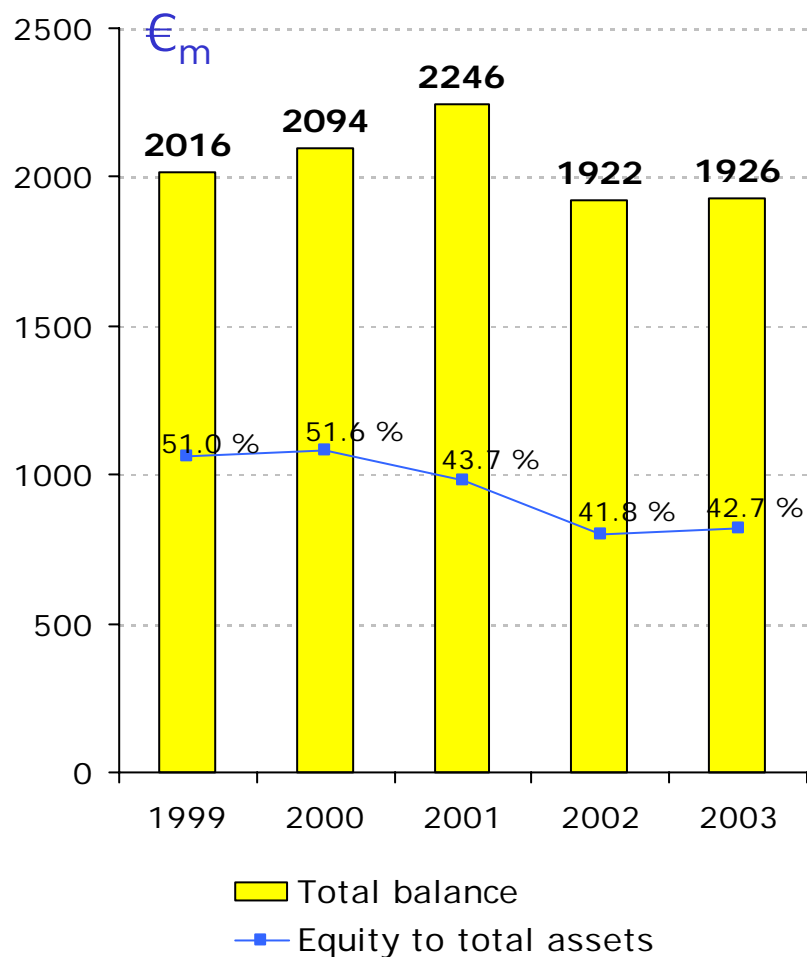
Assets

Equity and liabilities

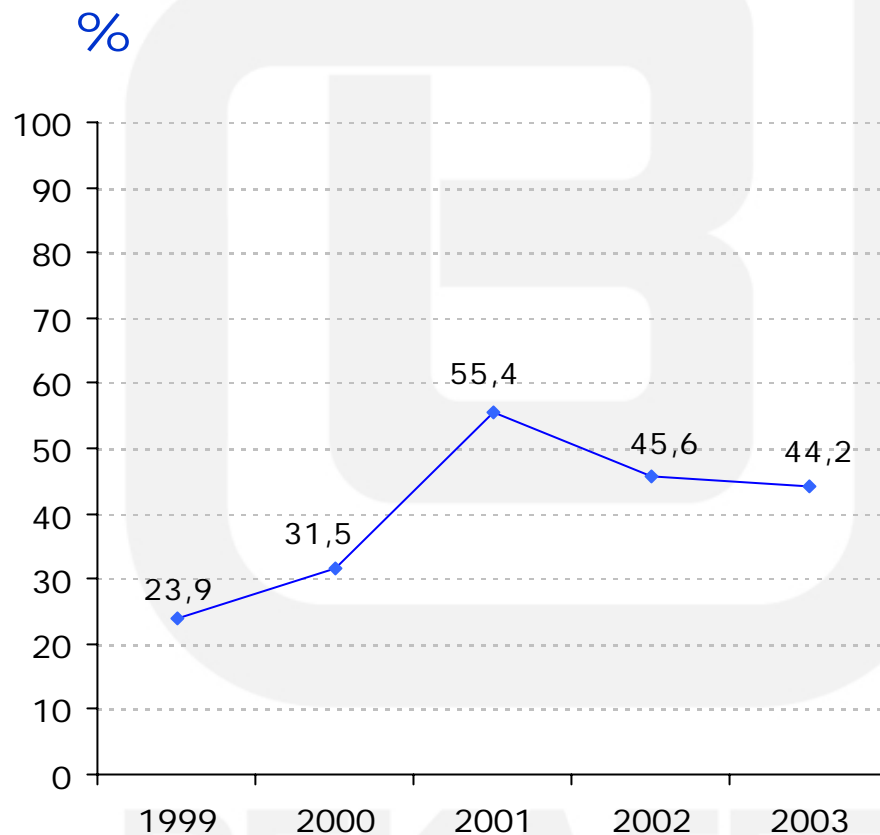
<u>In €_m</u>	<u>2003</u>	<u>2002</u>		<u>2003</u>	<u>2002</u>
Non-current assets	1 154	1 164	Equity	779	758
			Minority interests	43	44
			Non-current liabilities	539	597
Current assets	757	748	Current liabilities	500	457
Deferred tax assets	15	10	Deferred tax liabilities	65	66
TOTAL ASSETS	1 926	1 922	TOTAL EQUITY AND LIABILITIES	1 926	1 922

34 Financial structure

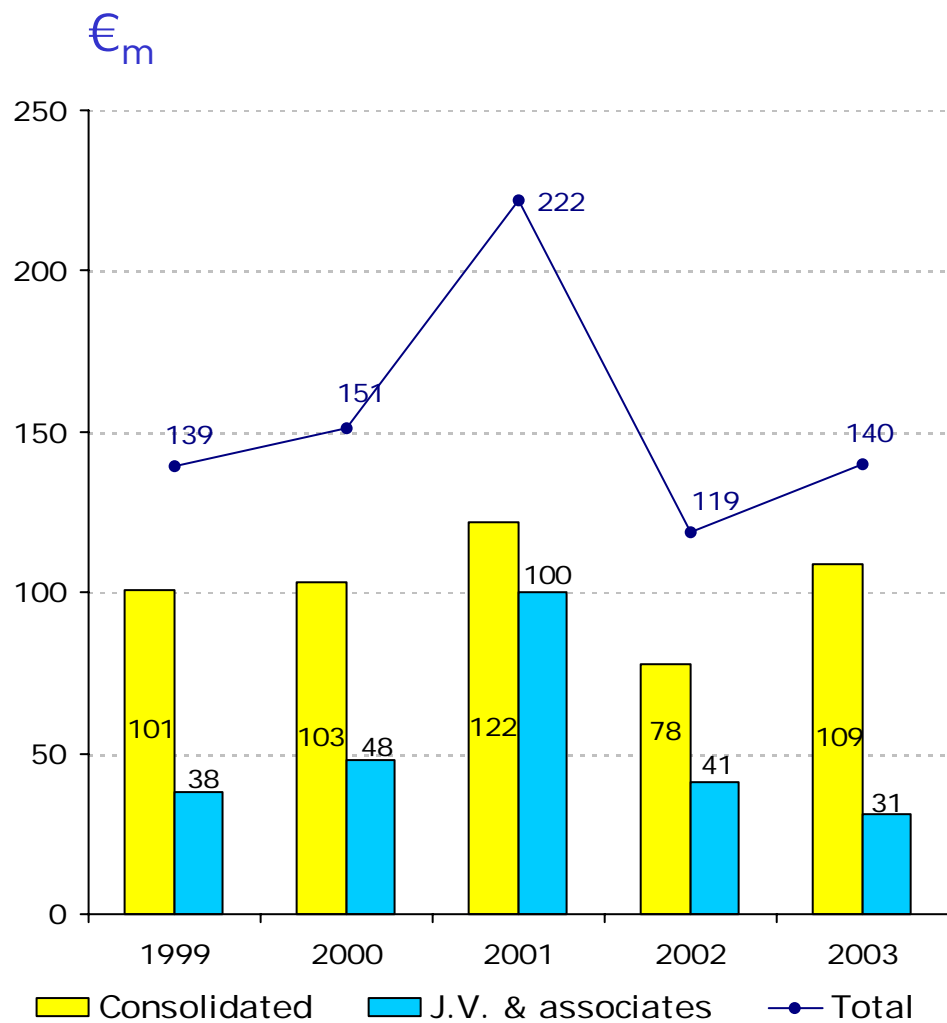
Equity to total assets



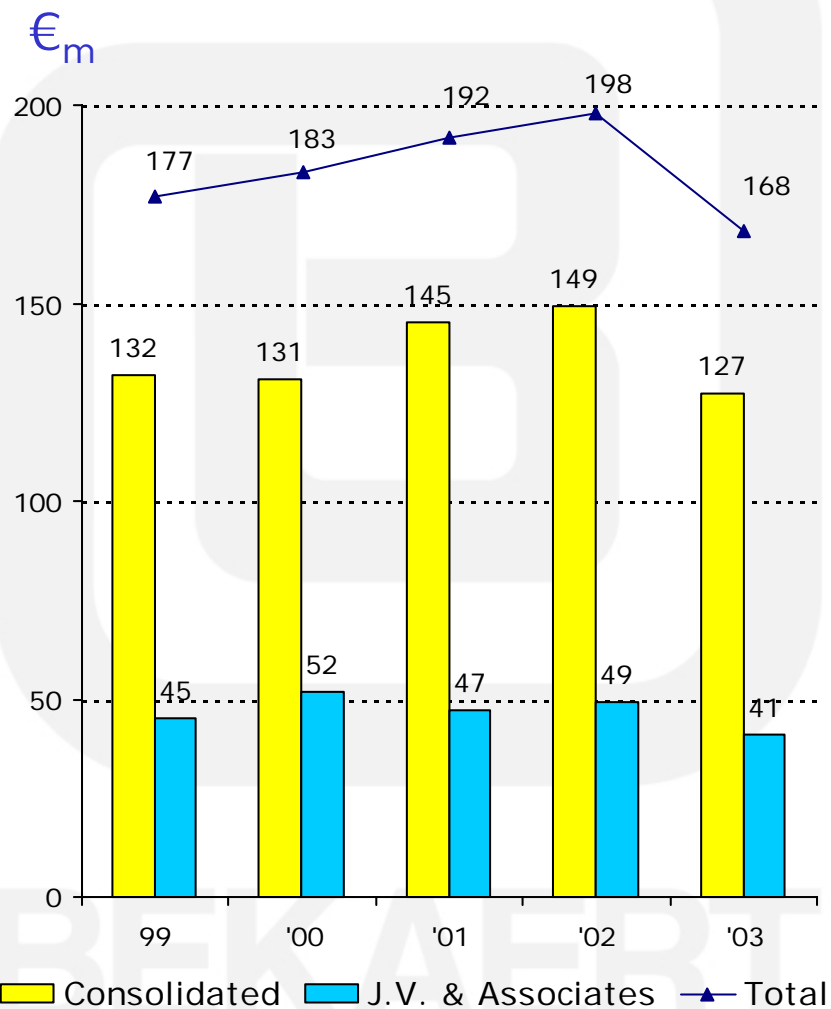
Net debt to equity (gearing)



35 Capital expenditure

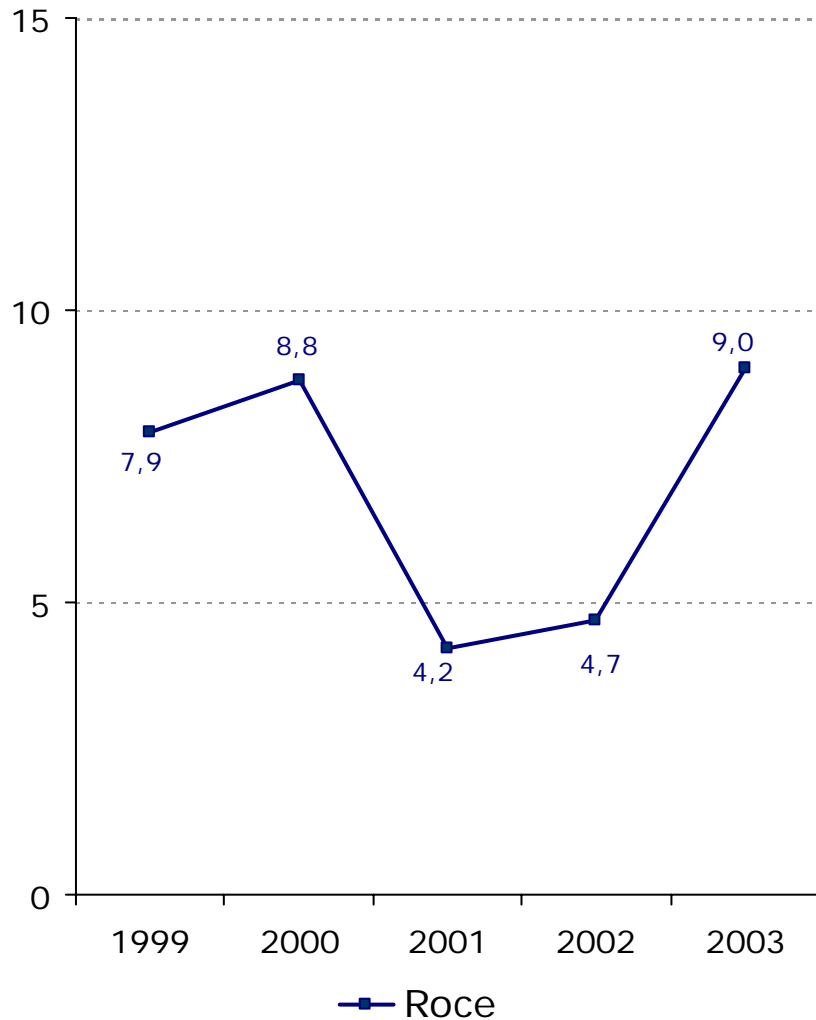


Depreciation & amortisation

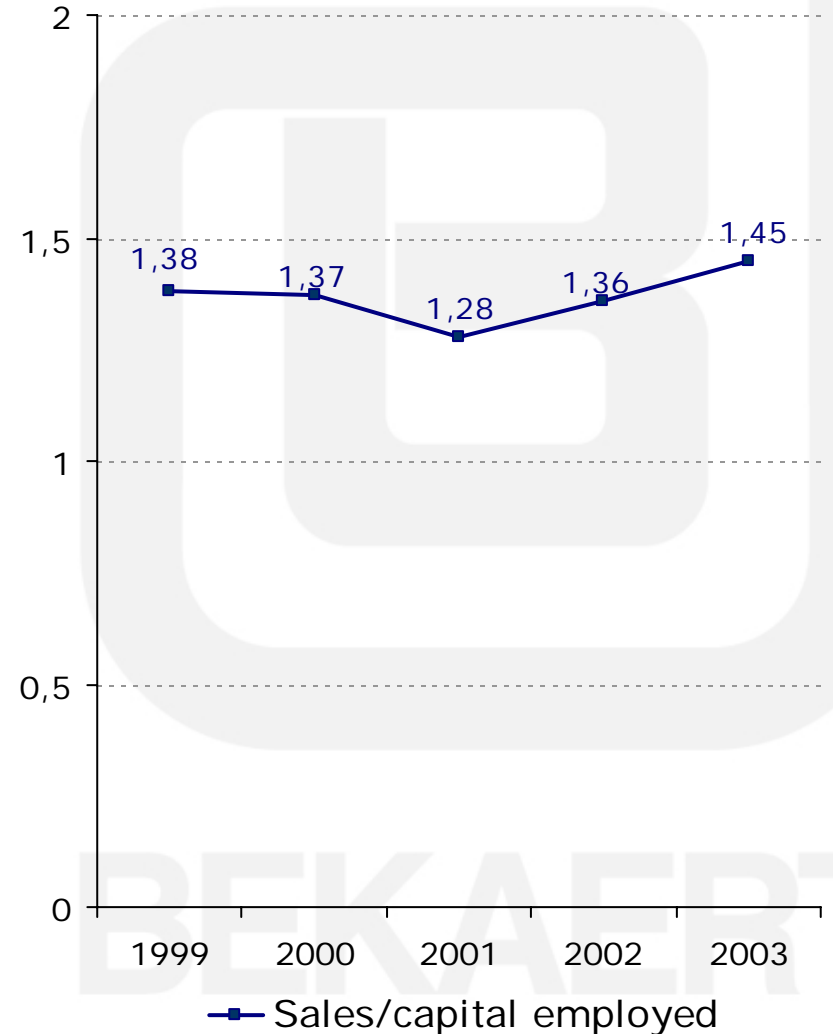


36 Return on capital employed

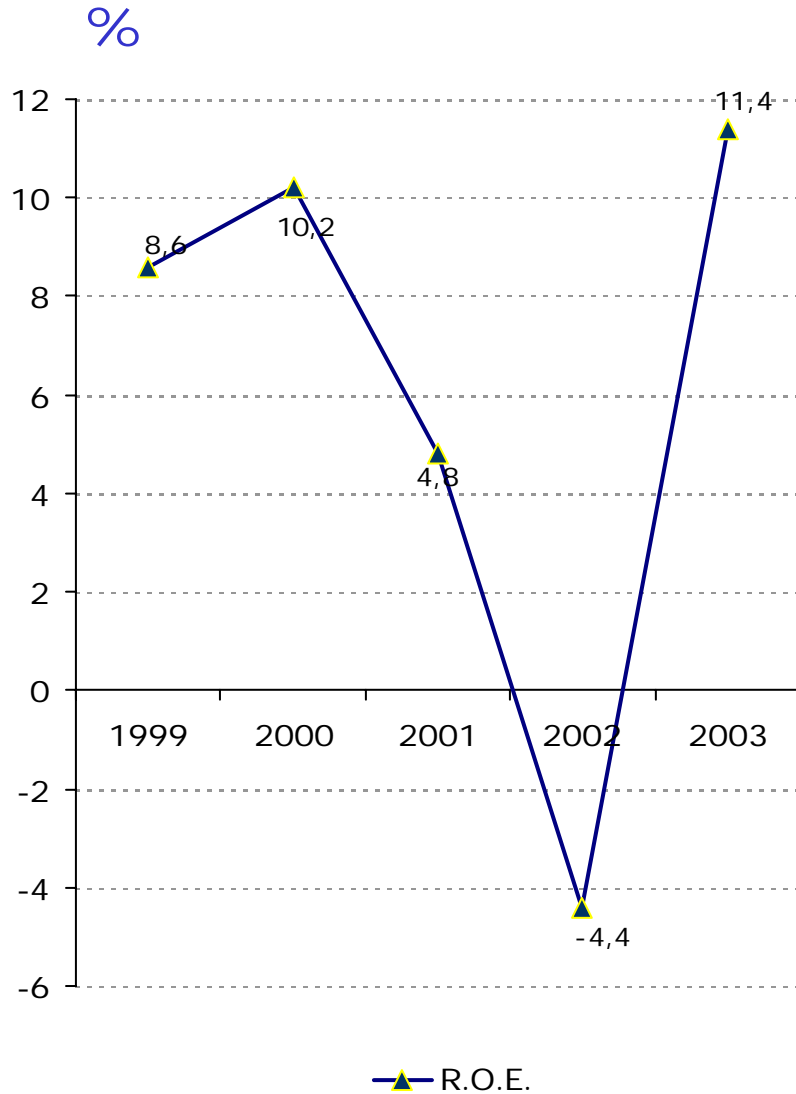
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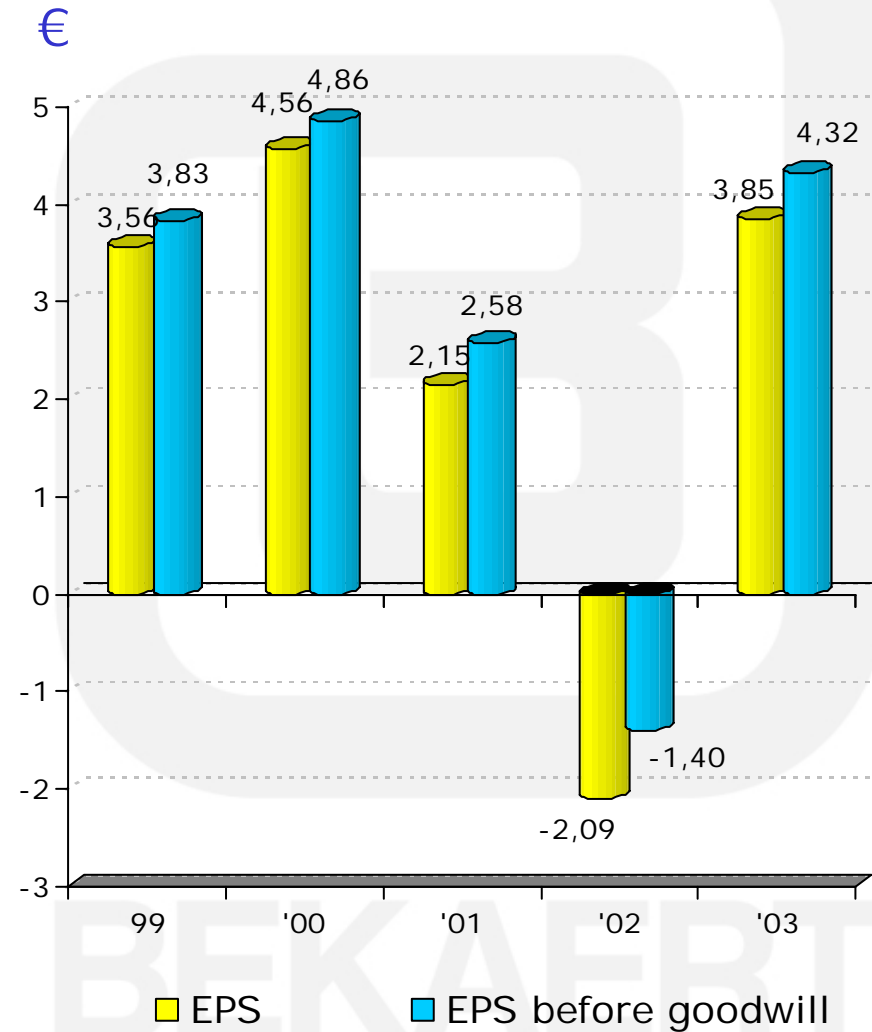
Asset rotation



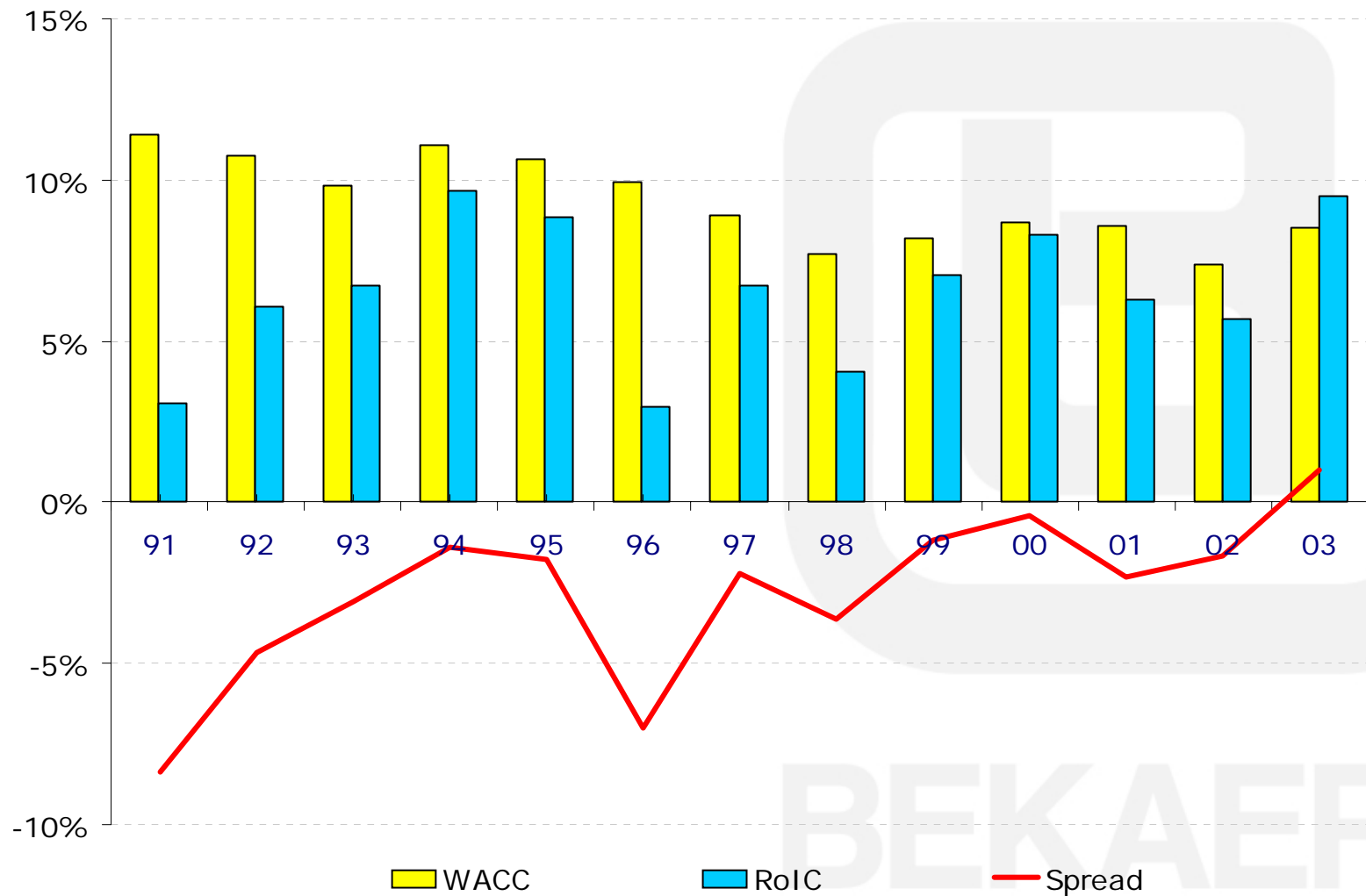
37 Return on equity



Earnings per share

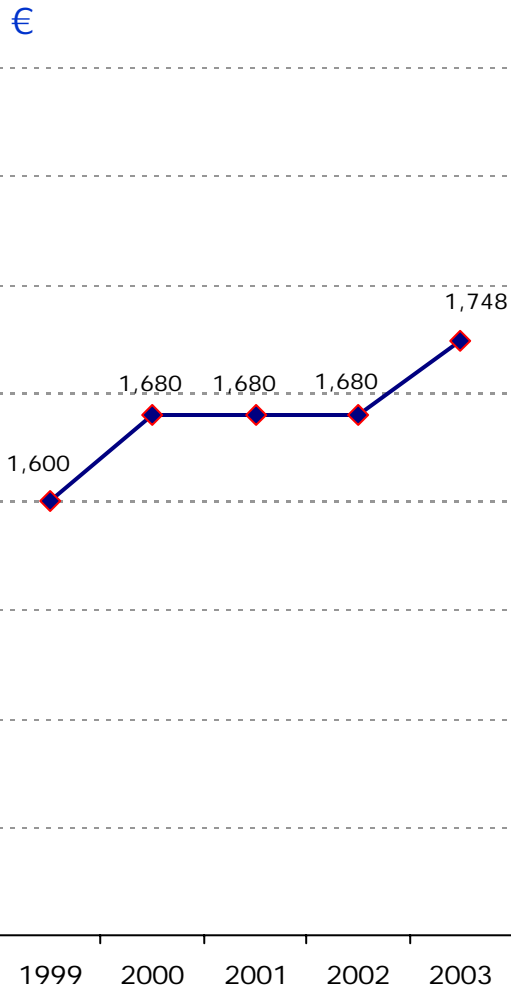


38 WACC

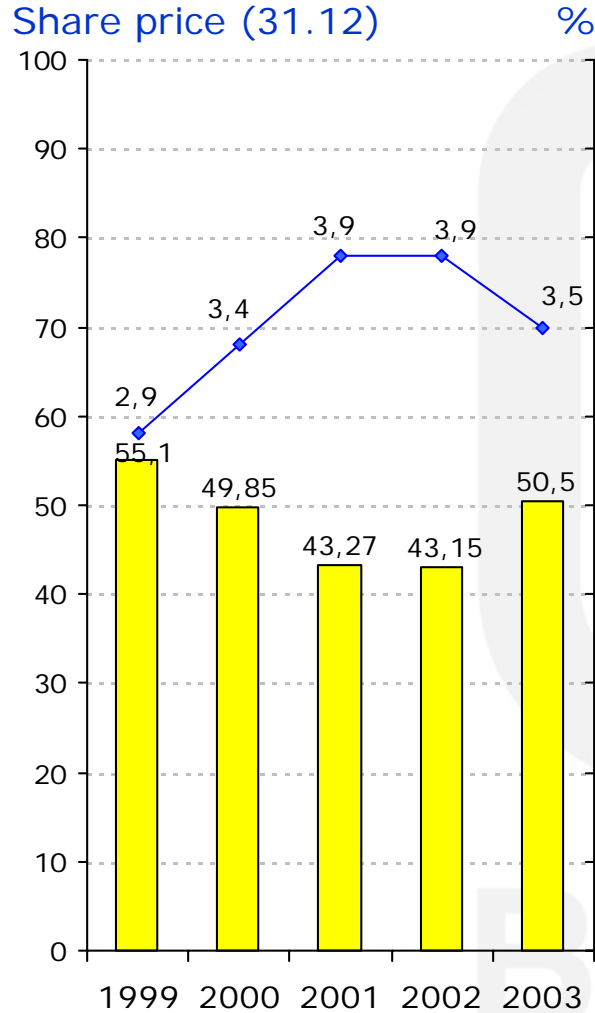


39 Dividend

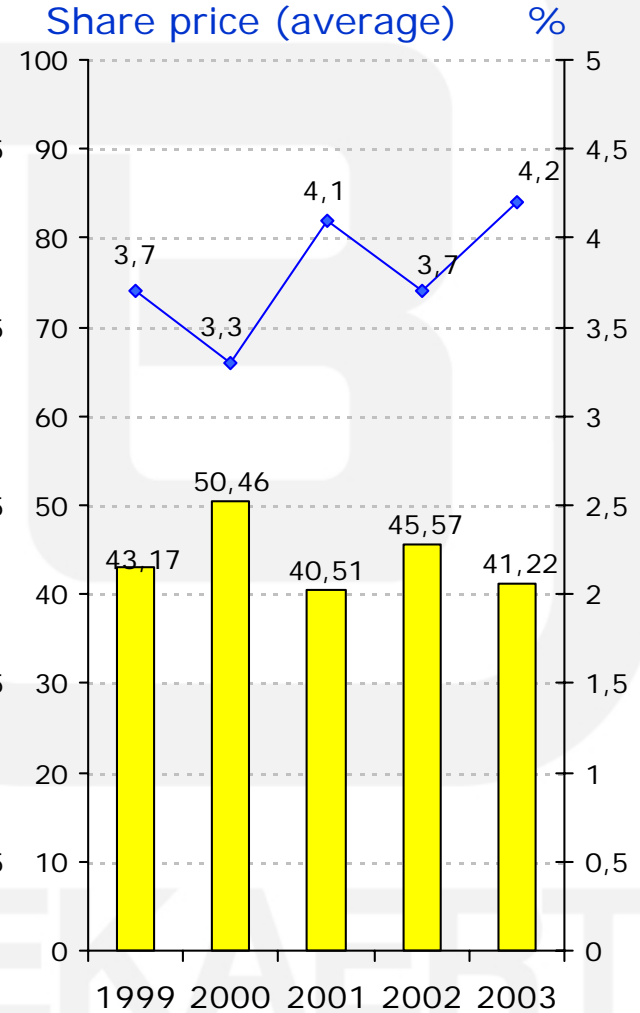
Gross dividend



Dividend yield



Dividend yield



Share price 31.12

% yield

Share price (average)

% yield

Outlook

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Outlook

- North American and West European markets remain hesitant
- Further growth expected in Latin America, Central Europe and Asia
- Order book
 - Slightly increasing within advanced wire products
 - High for steel cord products for tire reinforcement
 - Season for fencing activities took off well
 - Forecast for advanced materials and coatings is good

Challenges

- Wire rod price increase and wire rod supply
- \$/€ exchange rate
- Continuous evaluation of the product portfolio