

Half Year Results 2005

1 August 2005



**BUILDING THE FUTURE.
TOGETHER.
WORLDWIDE.**

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Julien De Wilde, CEO

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Highlights

Sales

Segment reporting

- Advanced wire products
- Advanced materials
- Advanced coatings

Profitability

Balance sheet

Cash flow

Outlook



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3 Introductory remark

- Half year results are unaudited
- Reporting in line with IFRS re continuing vs discontinued operations:
Fencing systems Europe = 'discontinued operations'
- All comparisons re sales and results are made relative to the restated figures for 'continuing operations' in first half 2004
- 2004 figures:
 - P&L items restated
 - Balance sheet items on 31 December 2004 (non restated)
- Combined sales are sales generated by consolidated companies, joint ventures and associates

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4 Highlights first half 2005

Strong sales growth in all regions:

- Higher sales price levels compared to first half 2004, due to increased raw material prices
- Delayed orders due to expected wire rod price decreases

Further investments in capacity optimisation and streamlining of the product portfolio

Sale of Bekaert Fencing NV and its subsidiaries

Challenging second half year ahead, due to clear weakening of economic environment

5 Highlights first half 2005

- Result from operations: € 85 million, compared to € 71 million
- Total net profit: € 130 million, compared to € 79 million:
 - Net result from continuing operations: € 76 million, compared to € 64 million
 - Net result from discontinued operations: € 54 million (capital gain), compared to € 15 million

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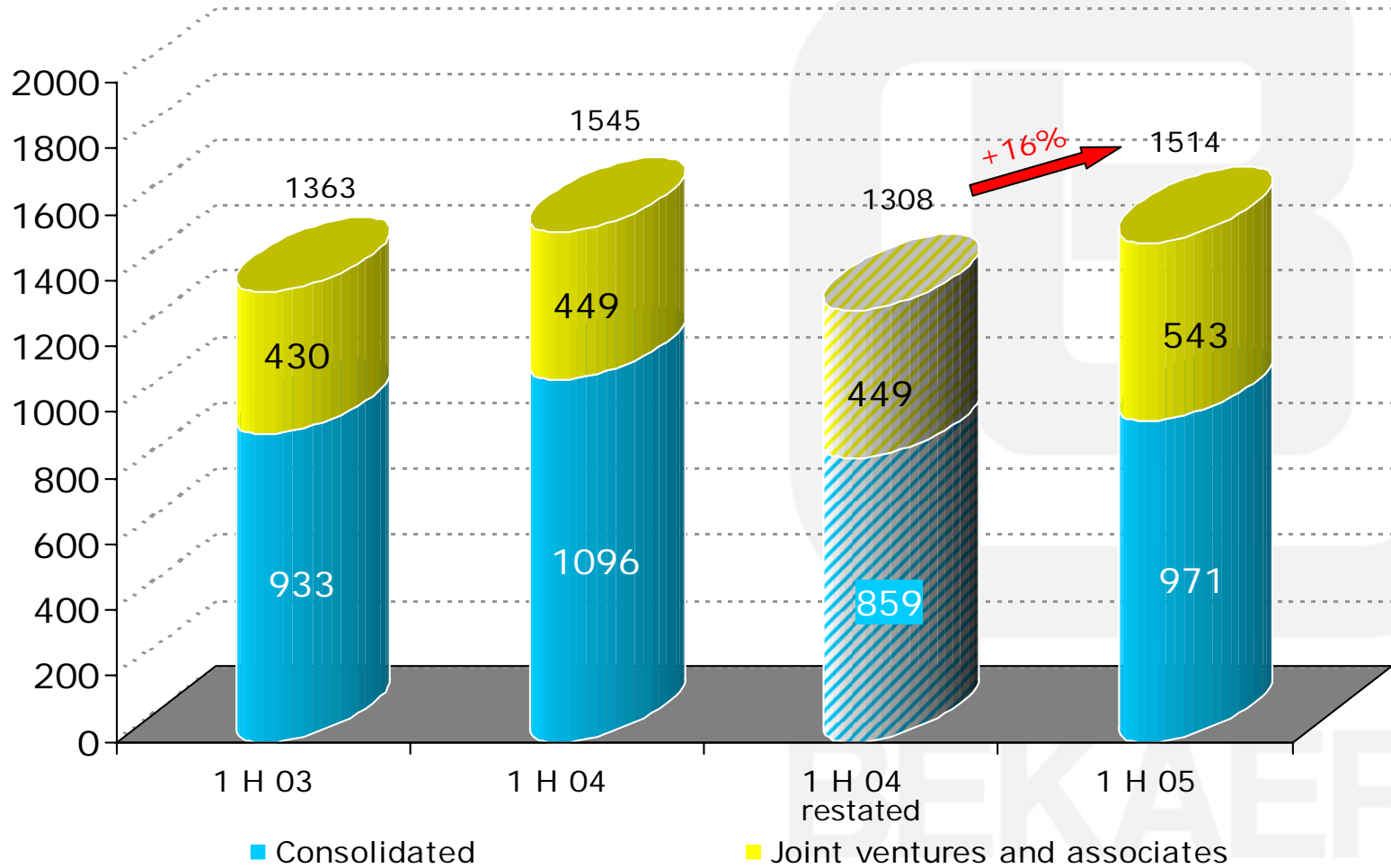
Outlook



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7 Sales

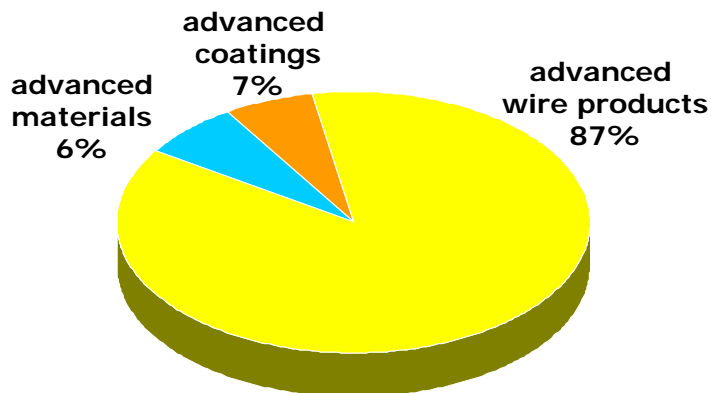
in millions of €



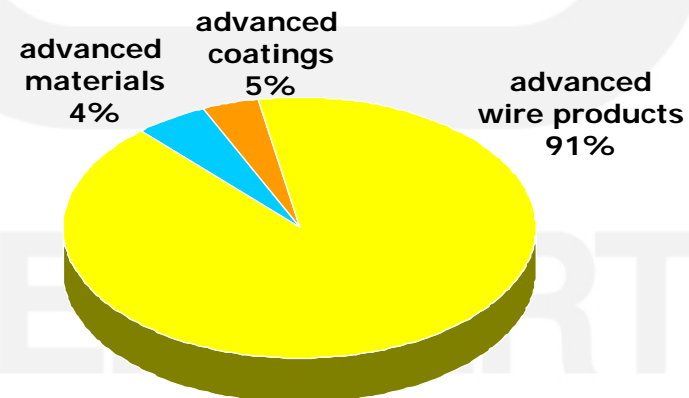
8 Sales by business segment

	Consolidated sales		Combined sales	
	in millions of €	variance	in millions of €	variance
Advanced wire products	840	+11%	1 351	+15%
Advanced materials	63	+17%	63	+17%
Advanced coatings	67	-1%	67	-1%
Intersegment and others	1		33	
Total	971	+13%	1514	+16%

Consolidated sales (*)



Combined sales (*)

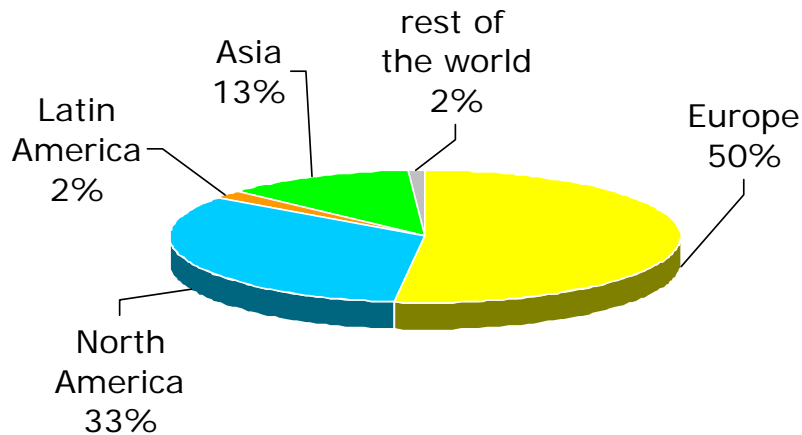


(*) excluding intersegment sales and others.

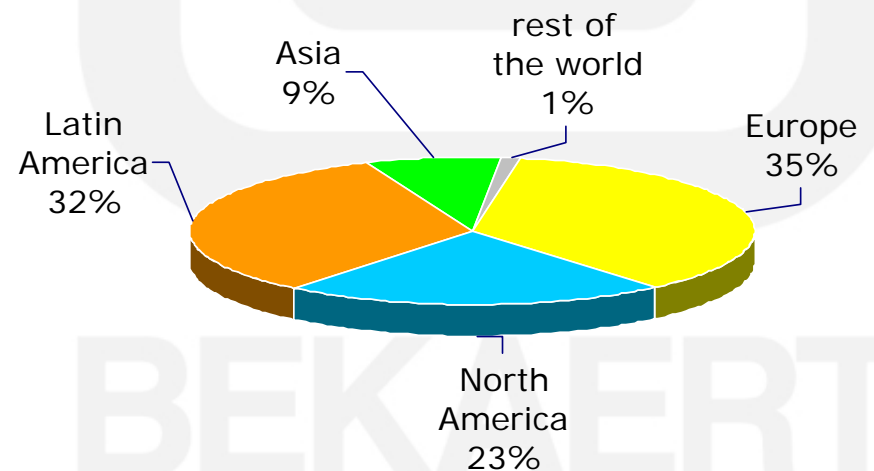
9 Sales by geographical area

	Consolidated sales		Combined sales	
	in millions of €	variance	in millions of €	variance
Europe	489	+12%	531	+12%
North America	323	+10%	344	+11%
Latin America	15	+11%	487	+22%
Asia	127	+23%	130	+23%
Rest of the world	17	+29%	22	+6%
Total	971	+13%	1514	+16%

Consolidated sales



Combined sales



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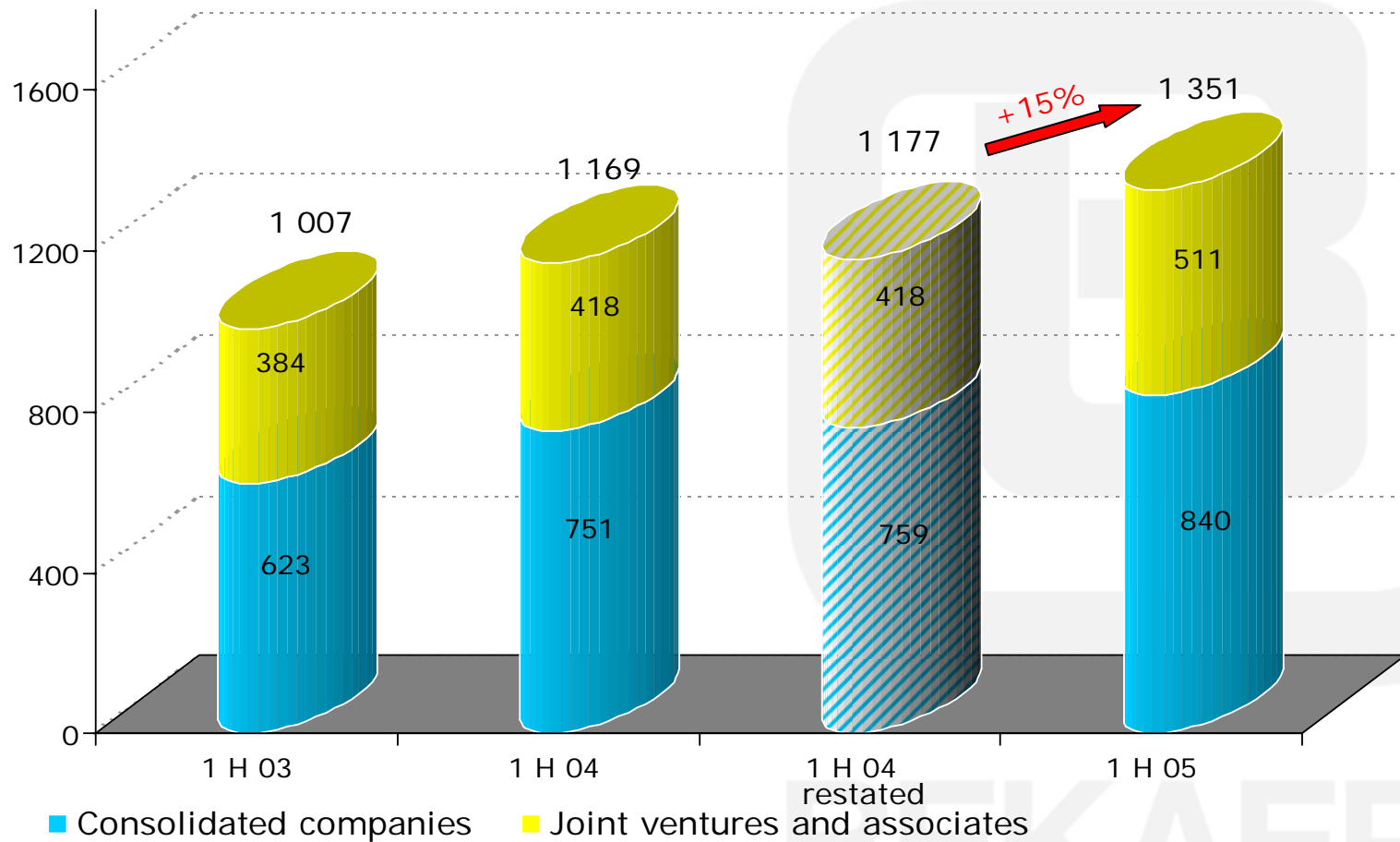
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11 Advanced wire products: sales

in millions of €



12 Advanced wire products

- Strong performance in Latin America and also in Asia, especially in China
- Clear weakening in Europe and North America
- Demand for steel cord products increased worldwide
- Major investment programmes on schedule
- Acquisition of ECC Card Clothing in June 2005

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13 Advanced wire products: combined sales

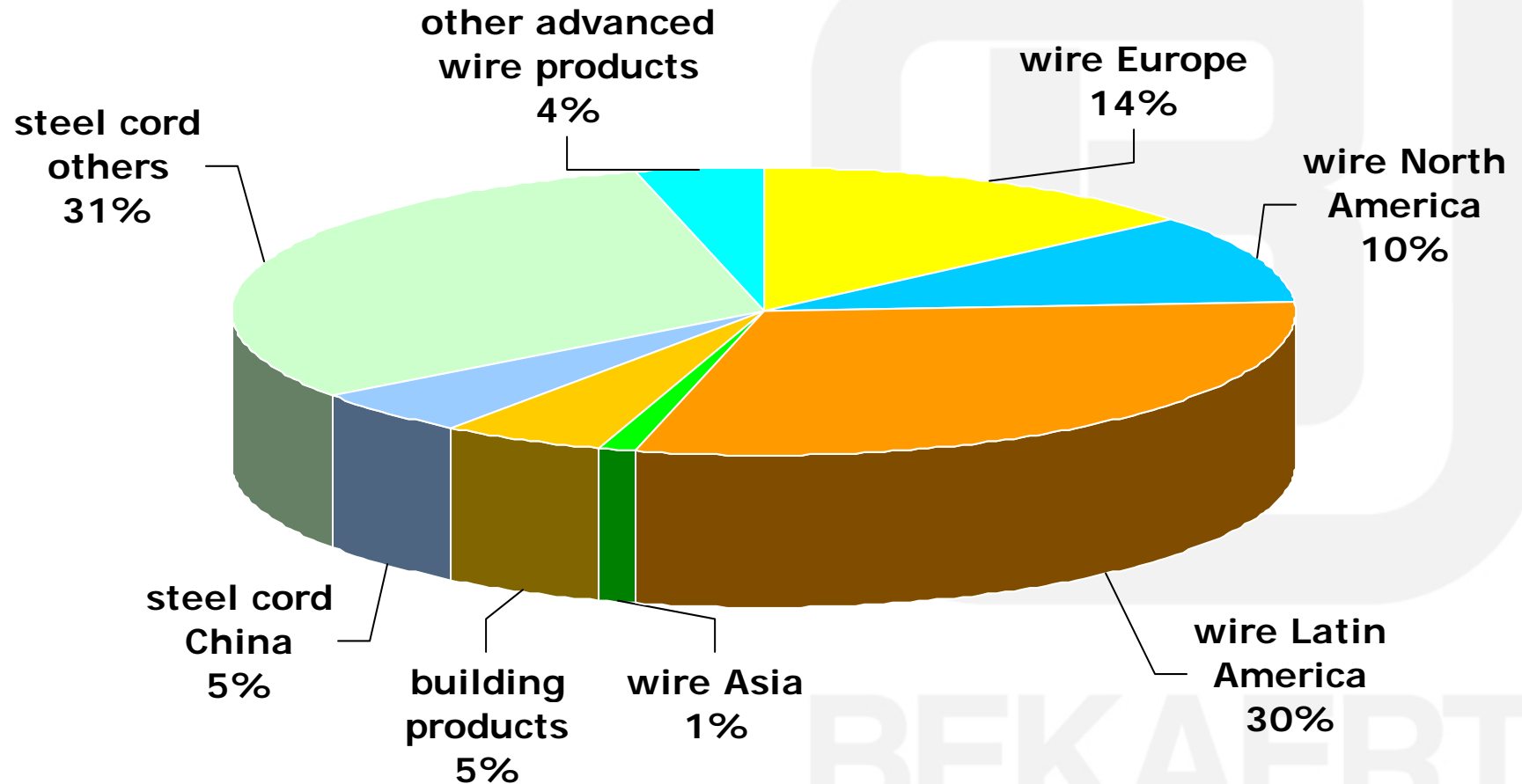
Advanced wire products : +15%

wire Europe	-2%
wire North America	-1%
wire Latin America	+24%
wire Asia	+12%
building products	-2%
steel cord China	+28%
steel cord others	+24%
other advanced wire products	+7%

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14 Advanced wire products

Combined sales per activity platform



15 Advanced wire products: financials

in millions of €	1 H 05	1 H 04 restated
Sales	840	759
EBIT <i>before non-recurring</i>	105	98
Non-recurring events	0	-4
EBIT	105	94
EBIT margin	12.6%	12.4%
Depreciation and amortisation	39	39
EBITDA	145	133
EBITDA margin	17.3%	17.6%
Sales joint ventures	511	418
Share in result joint ventures	28	24

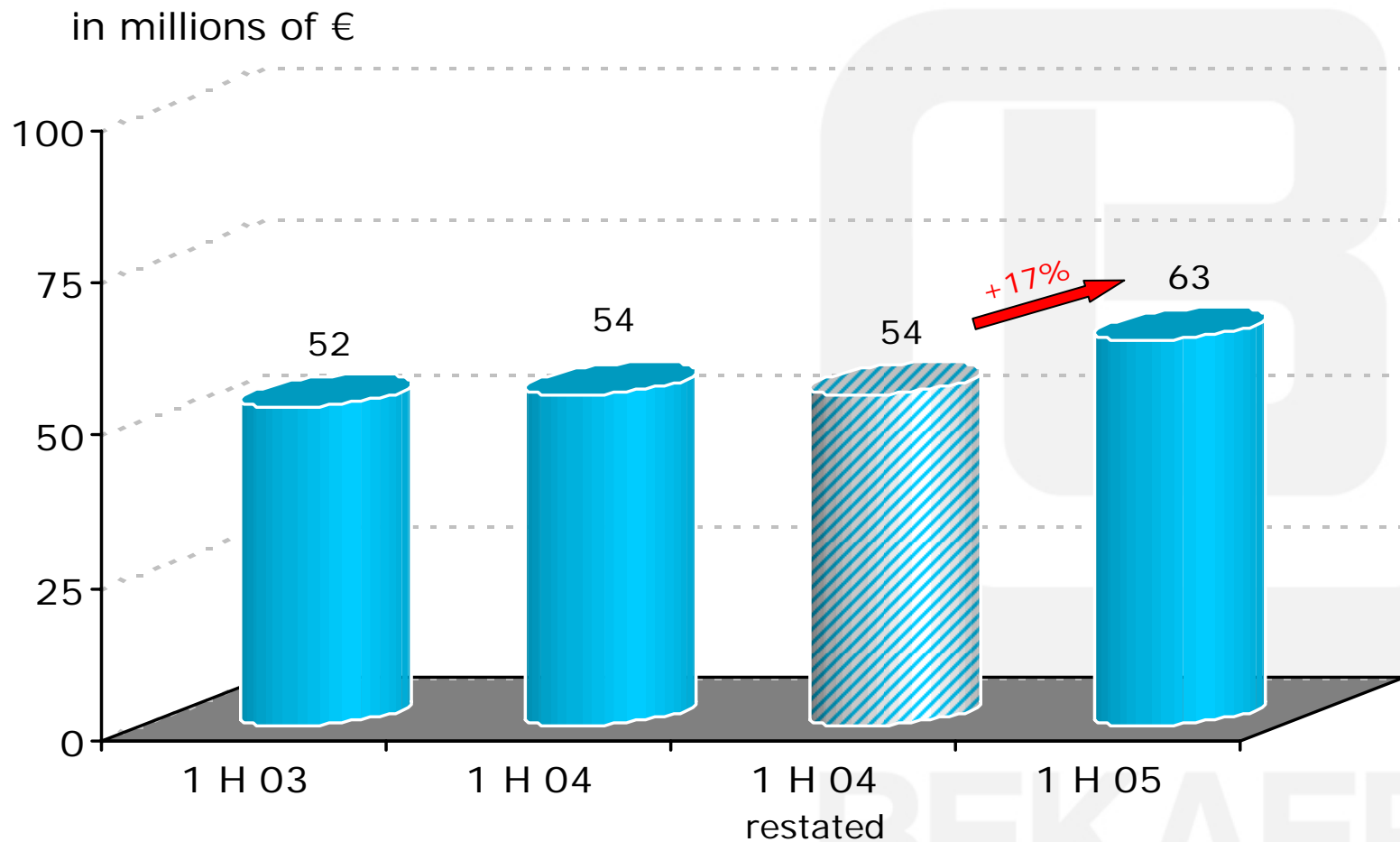
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17 Advanced materials: sales



18 Advanced materials

- Major sales increase in combustion technologies, with acquisition of Solaronics
- Sales increase for composites but increased competition
- Sales for fibre technologies remain stable
- Move up the value chain for filtration applications with acquisition of Southwest Screens & Filters

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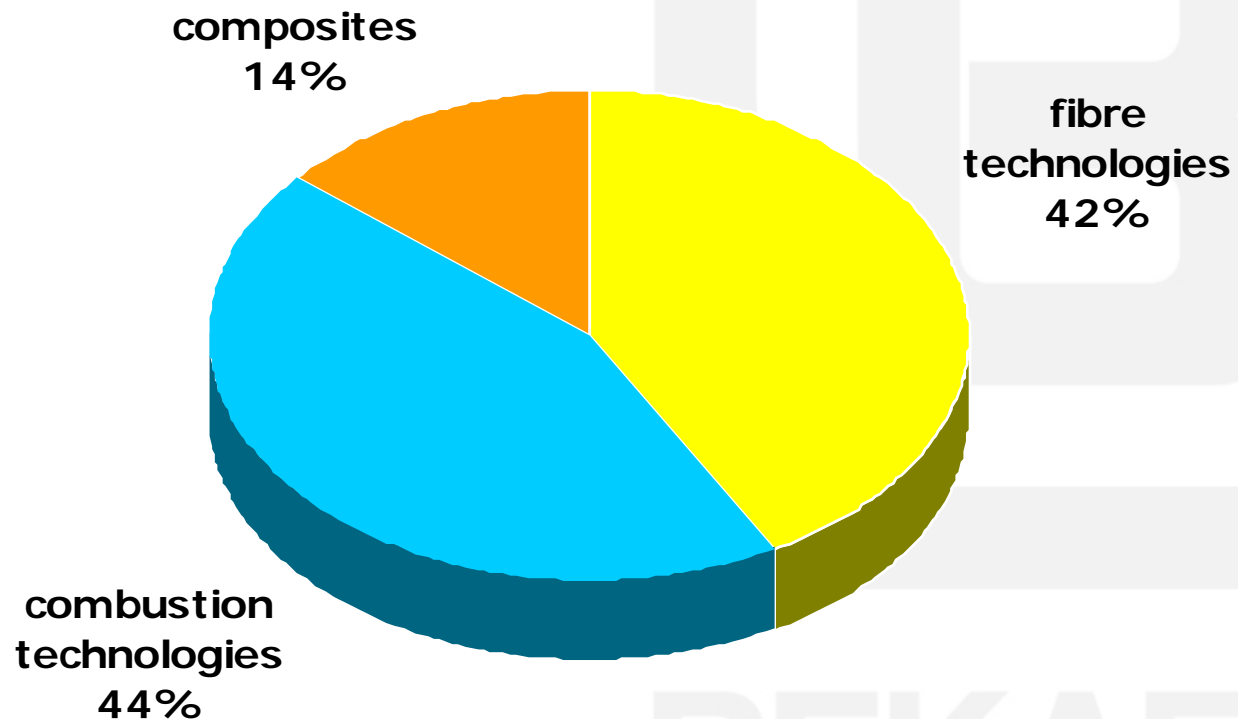
19 Advanced materials: sales

Advanced materials: +17%

fibre technologies	+0%
combustion technologies	+42%
composites	+10%

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Combined sales per activity platform



21 Advanced materials: financials

in millions of €	1 H 05	1 H 04 restated
Sales	63	54
EBIT <i>before non-recurring</i>	7	5
Non-recurring events	-2	0
EBIT	5	5
EBIT margin	8.5%	9.0%
Depreciation and amortisation	3	3
EBITDA	8	8
EBITDA margin	12.7%	14.1%

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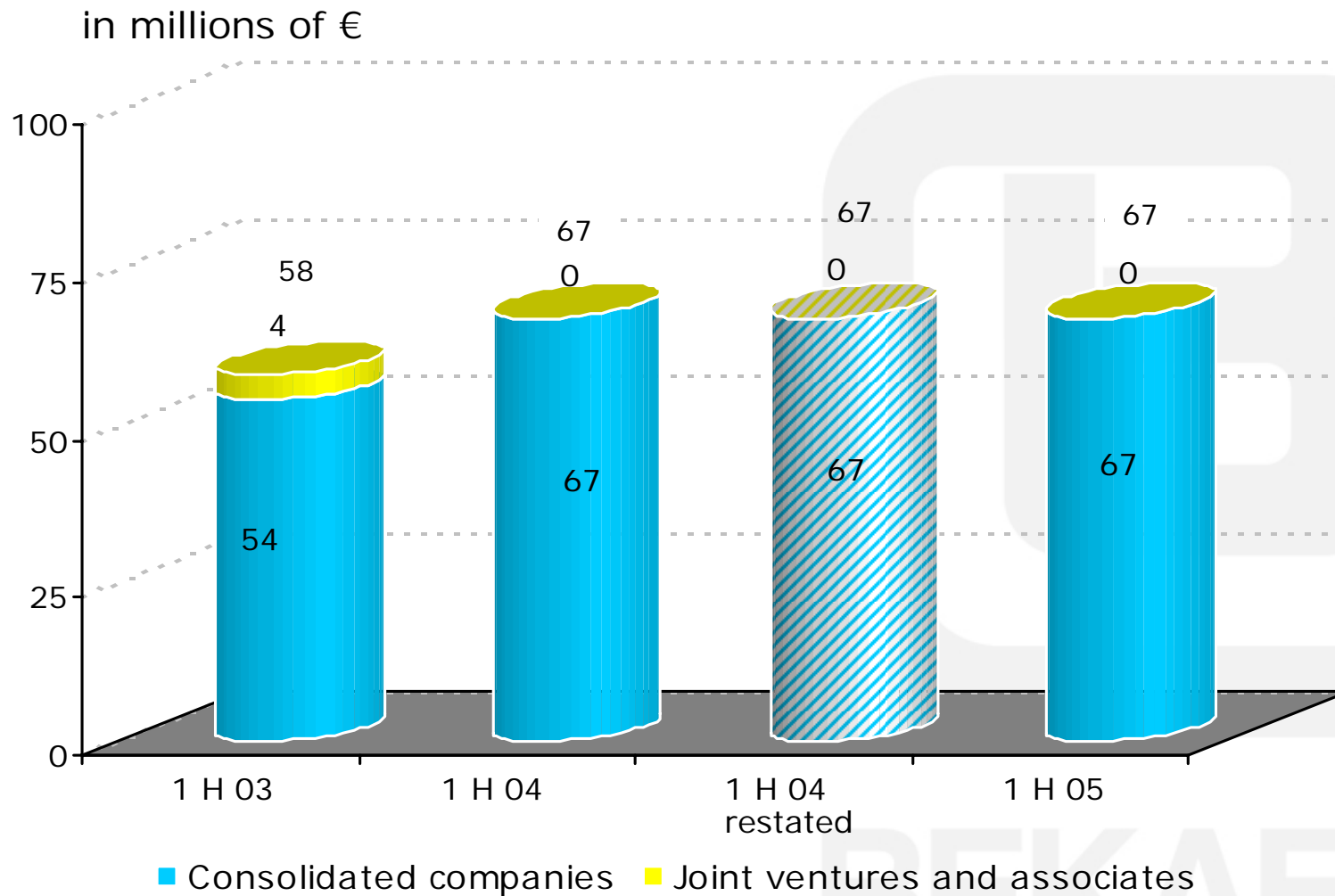
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23 Advanced coatings: sales



24 Advanced coatings

Industrial coatings:

- decreased sales from sputter products (project business)
- prepare for growth in diamond-like coatings with new facilities in US

Specialised films:

- sales in US stable
- launch of new technological developments in window film
- extended activities in Asia
- negative impact of currency movements

Non-recurring (€ 5.5 million) for reallocation of worldwide production capacity in sputtered films

25 Advanced coatings: sales

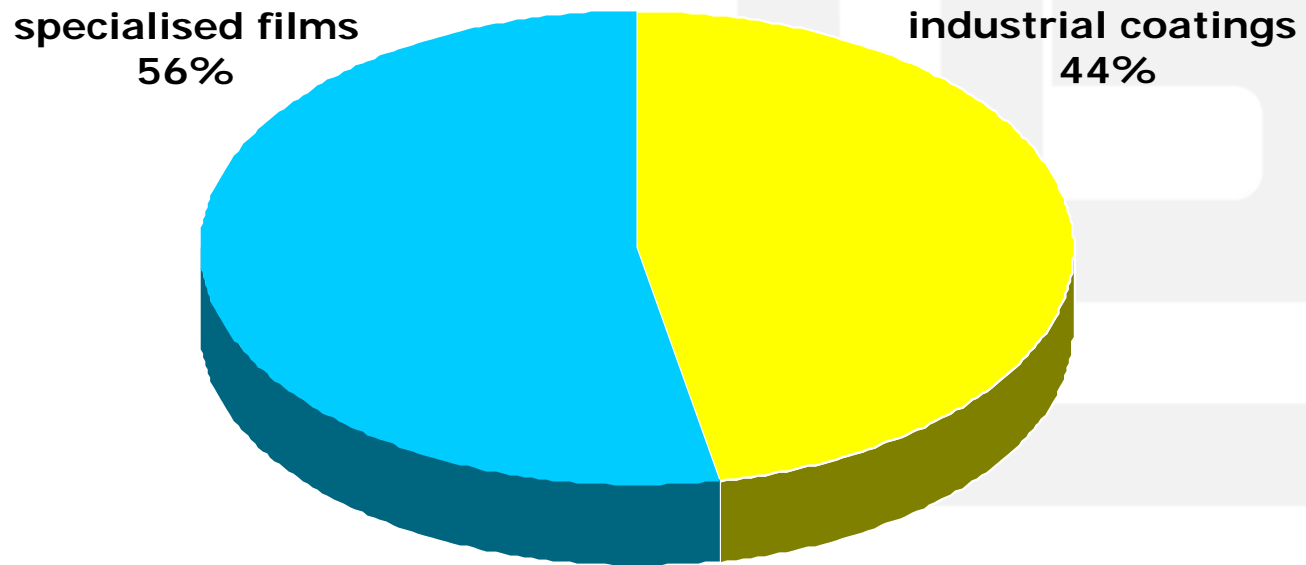
Advanced coatings : **-1%**

industrial coatings
specialised films

-2%
-1%

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Combined sales per activity platform










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27 Advanced coatings: financials

in millions of €	1 H 05	1 H 04 restated
Sales	67	67
EBIT <i>before non-recurring</i> Non-recurring events	3 -5	0 0
EBIT	-2	0
EBIT margin	-3.3 %	-0.1 %
Depreciation and amortisation	11	7
EBITDA	9	7
EBITDA margin	13.3 %	10.9 %

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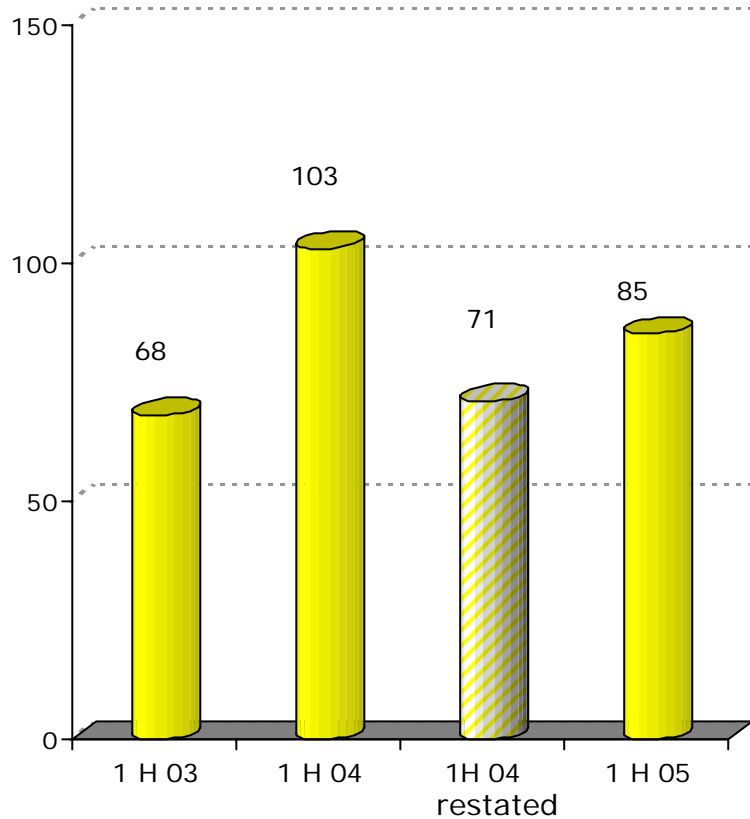
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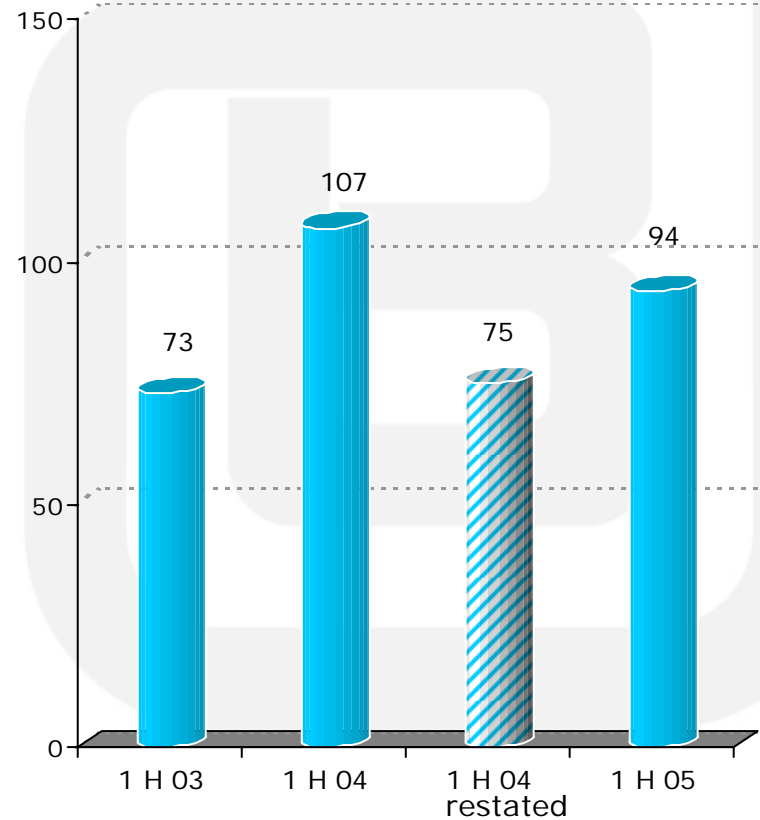
29 EBIT

in millions of €



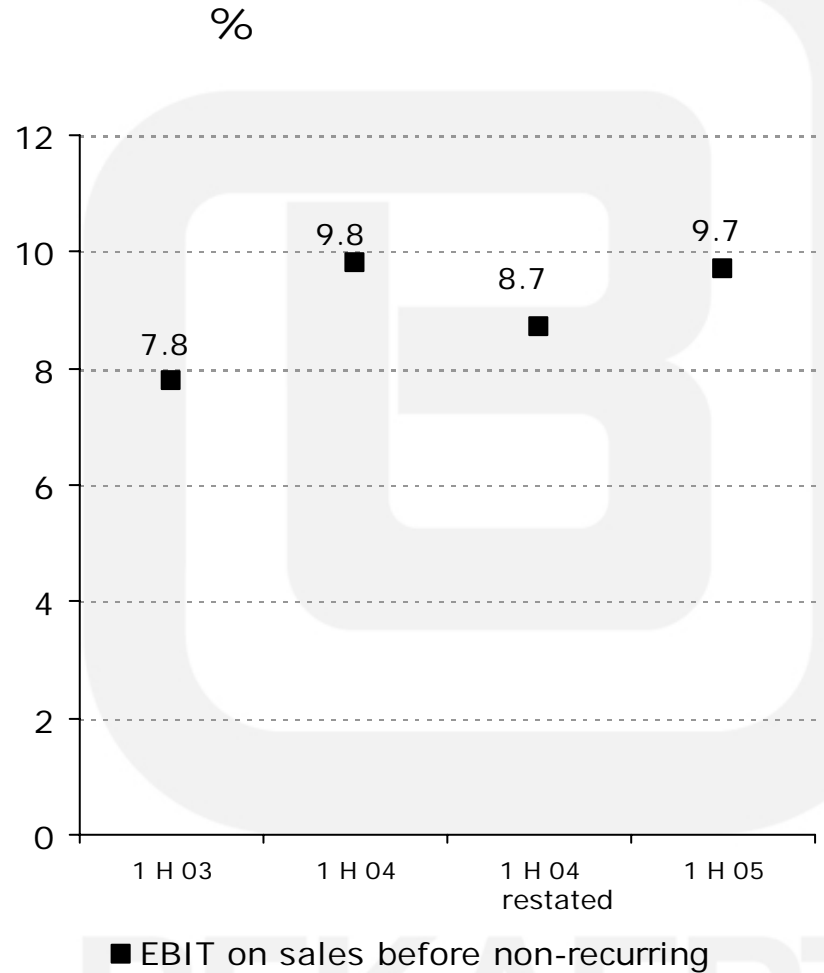
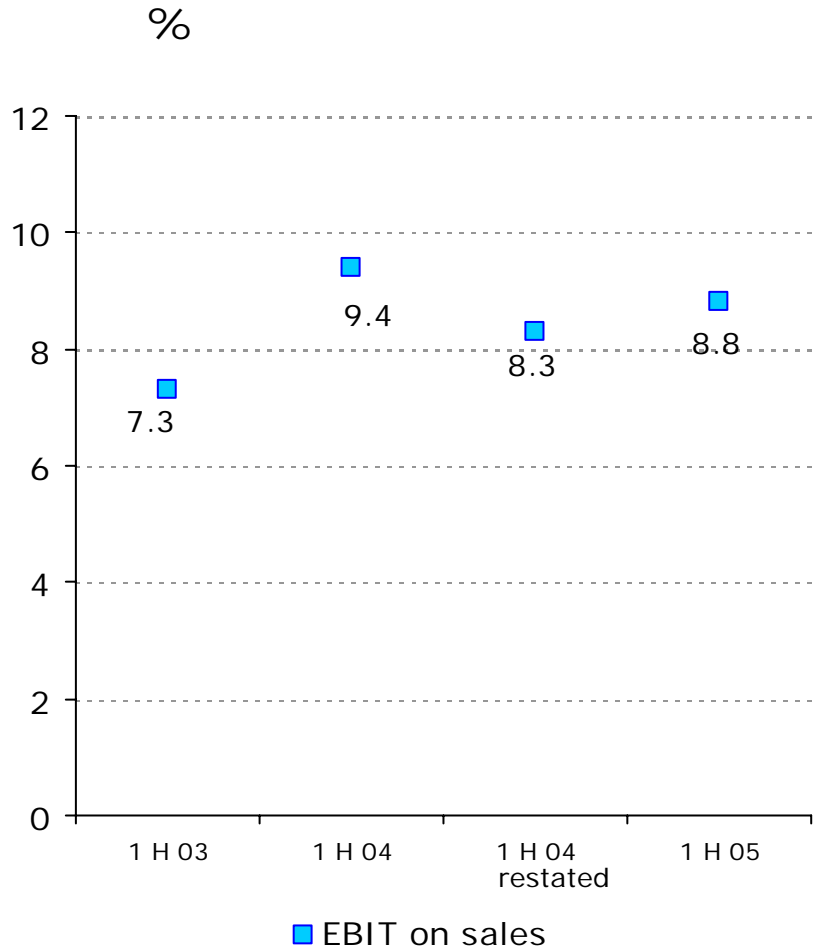
EBIT

in millions of €

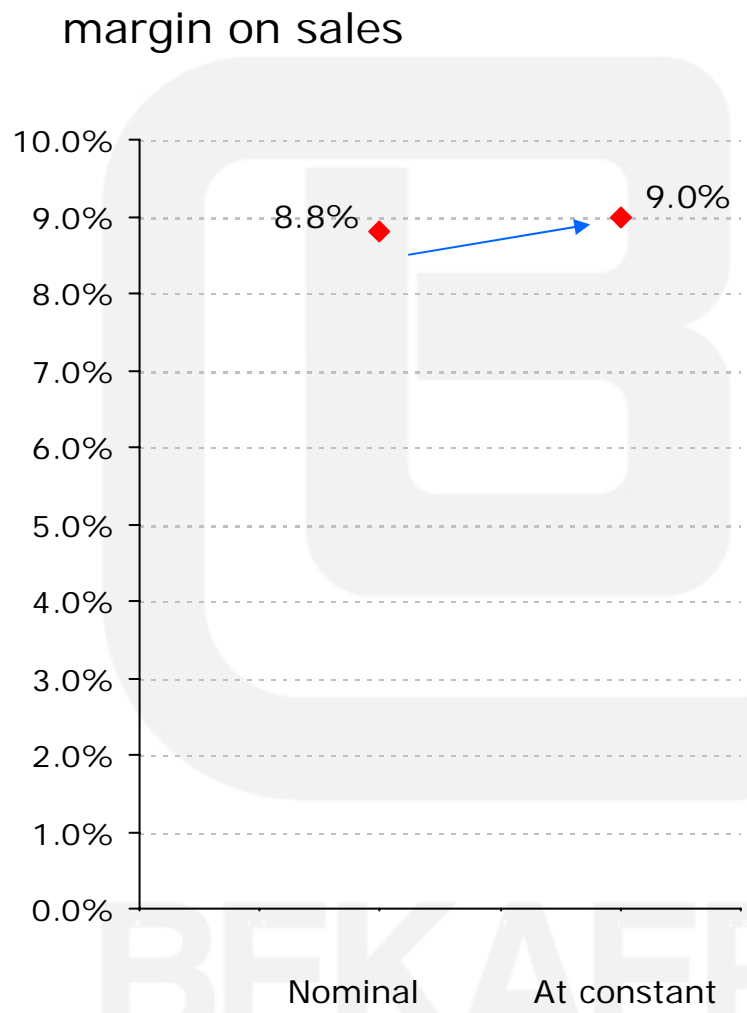
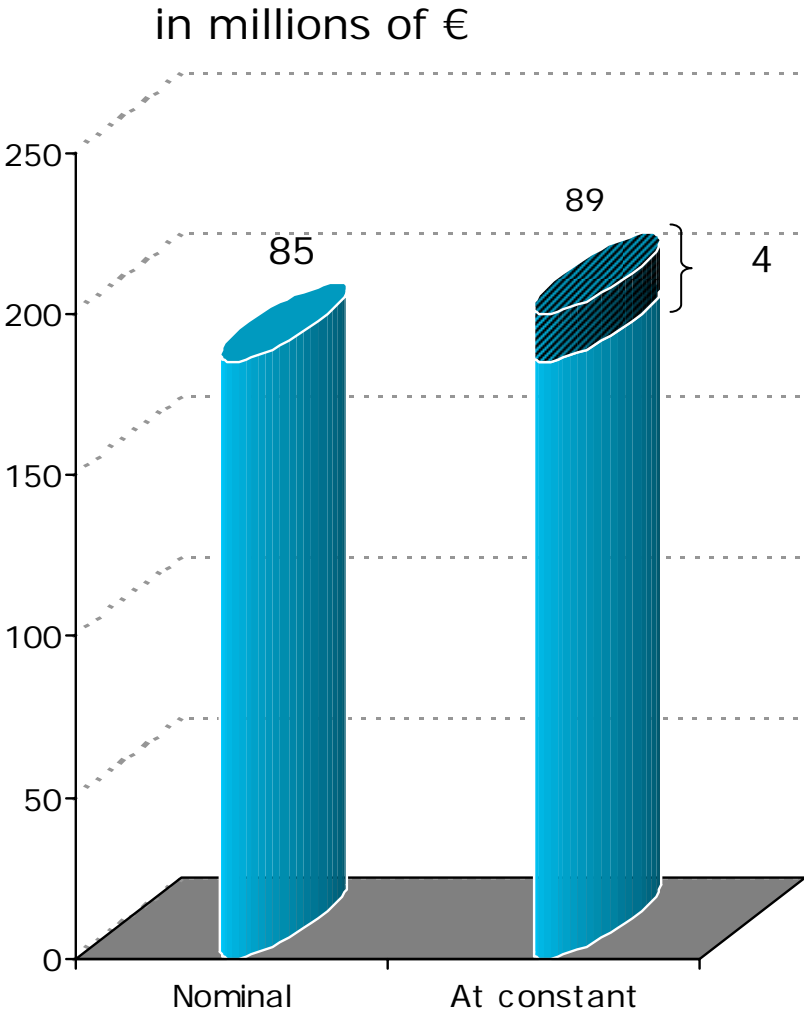


EBIT before non-recurring

30 EBIT on sales

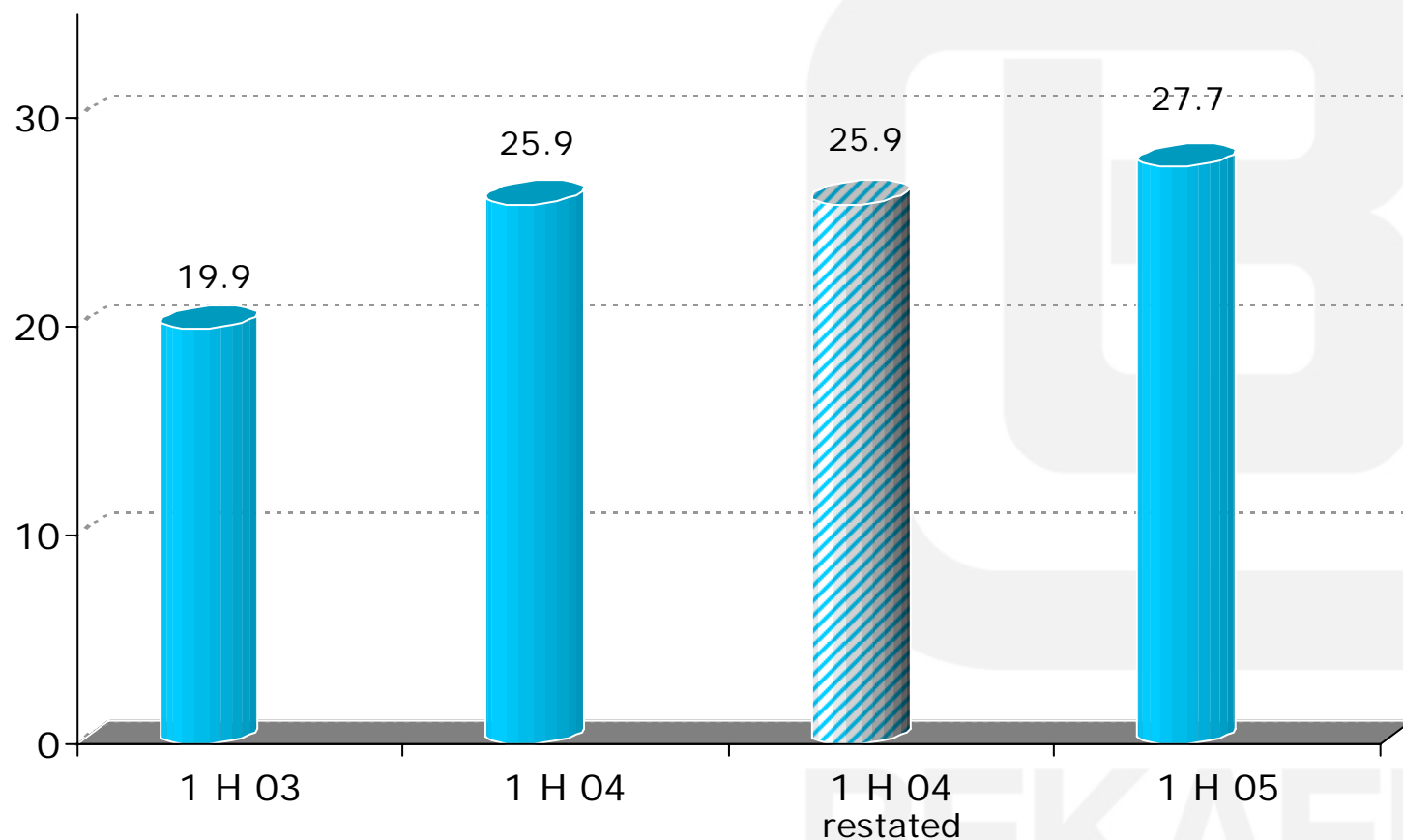


31 EBIT: currency impact



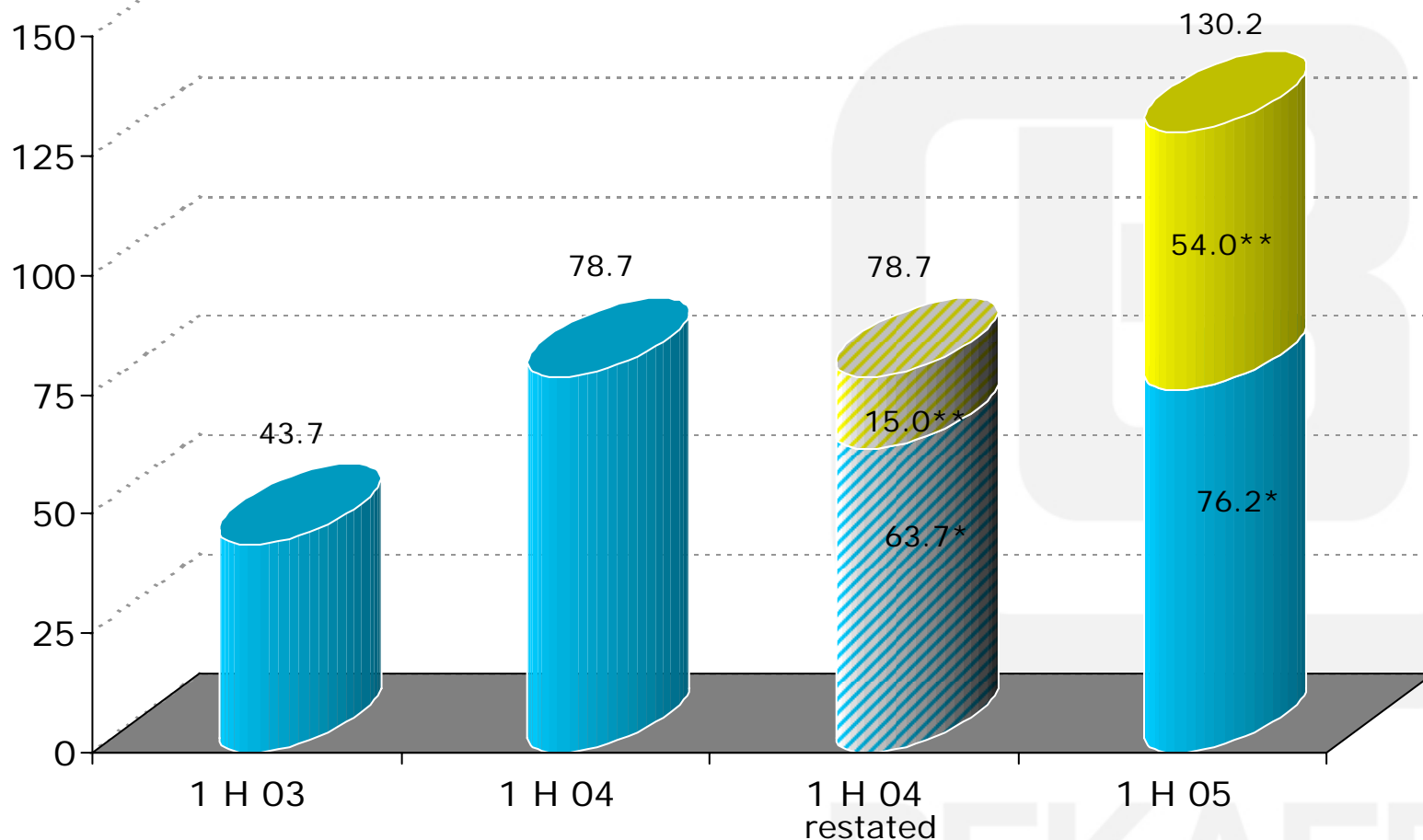
32 Share in the result of joint ventures and associates

in millions of €



33 Consolidated net result

in millions of €



* from continuing operations

** from discontinued operations

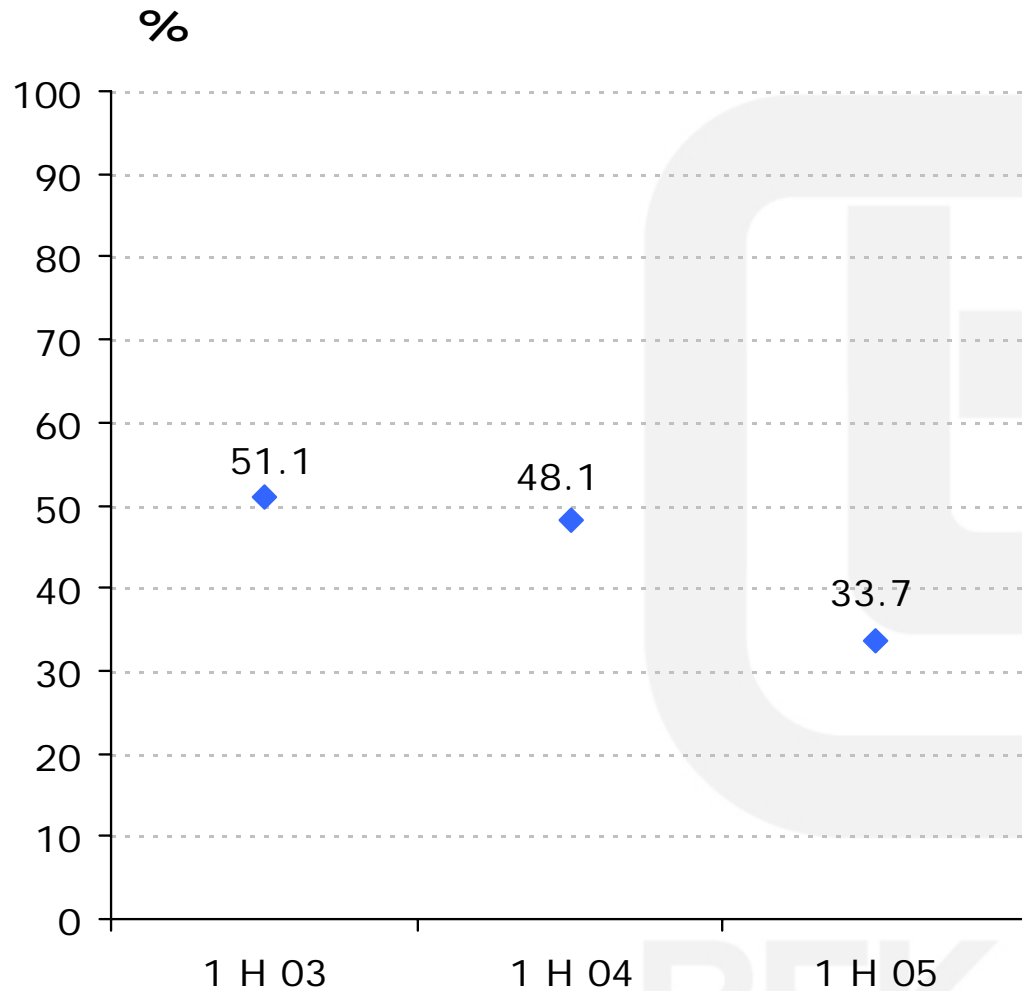
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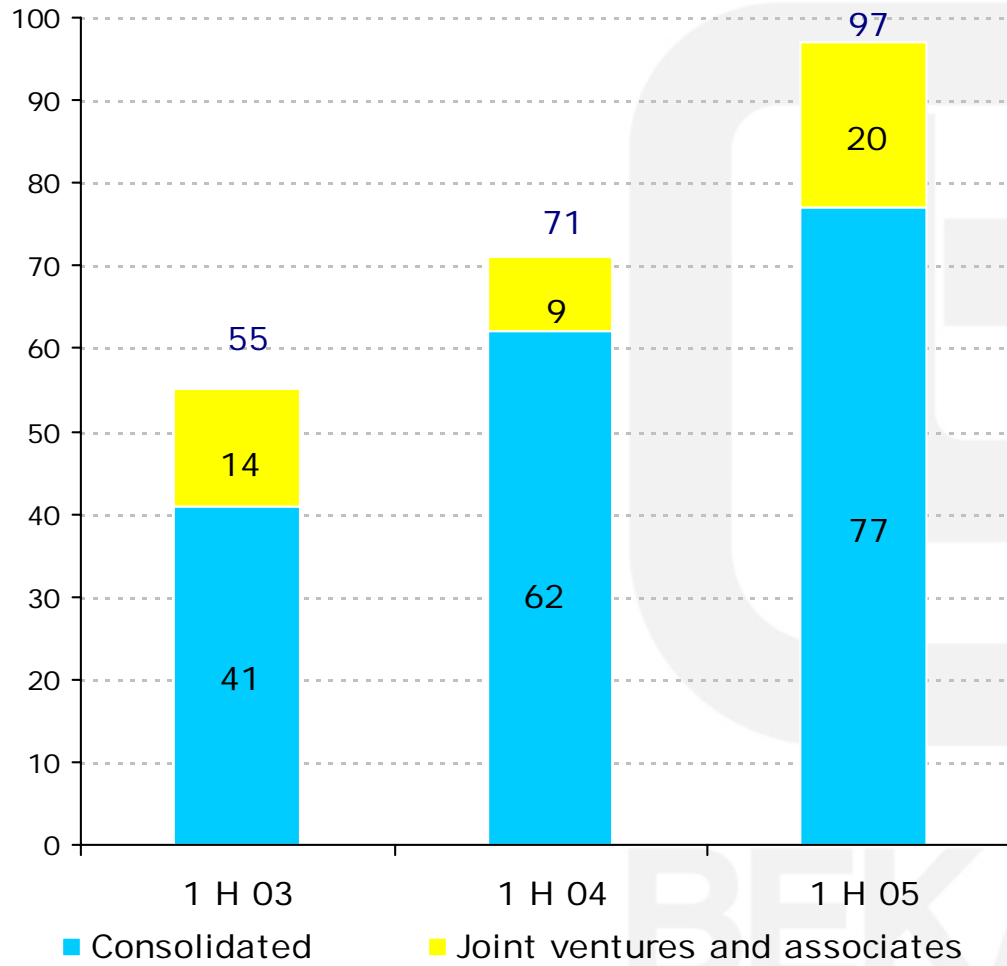
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35 Net debt to equity (gearing)

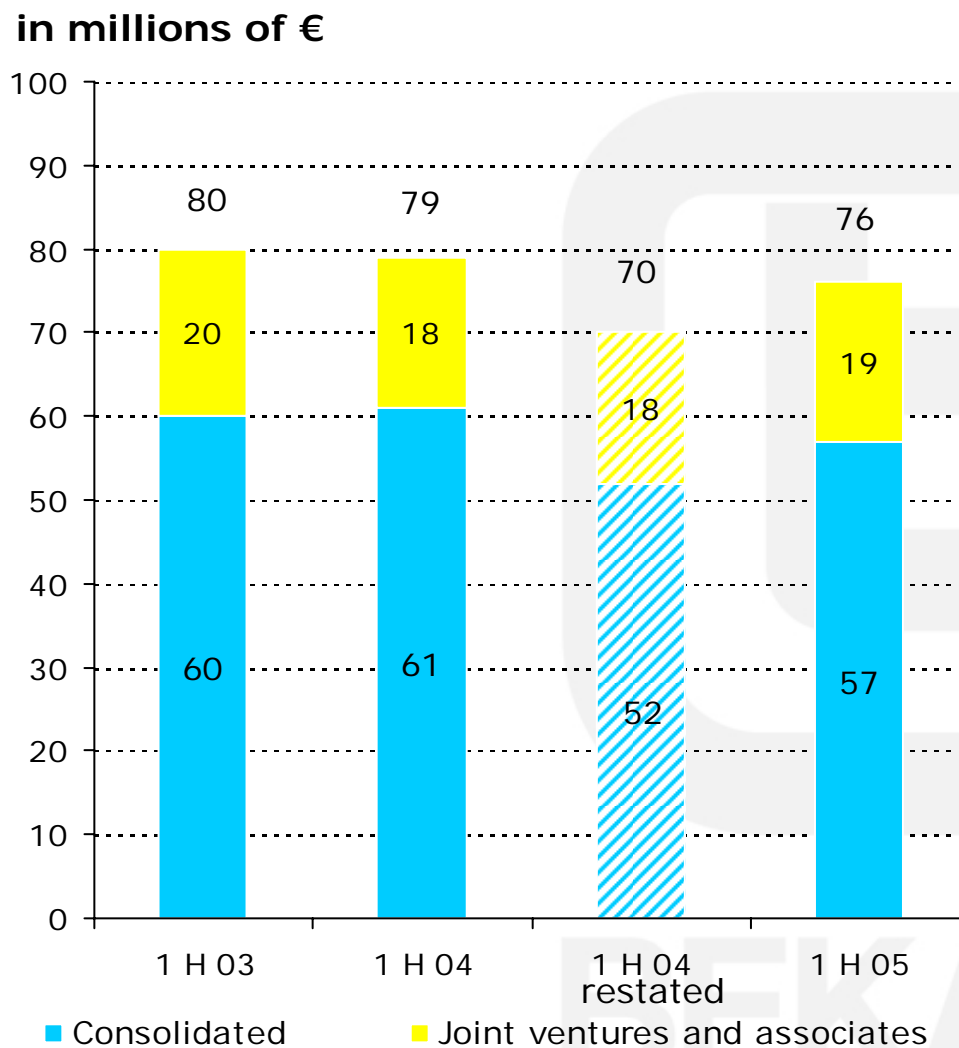


36 Capital expenditure

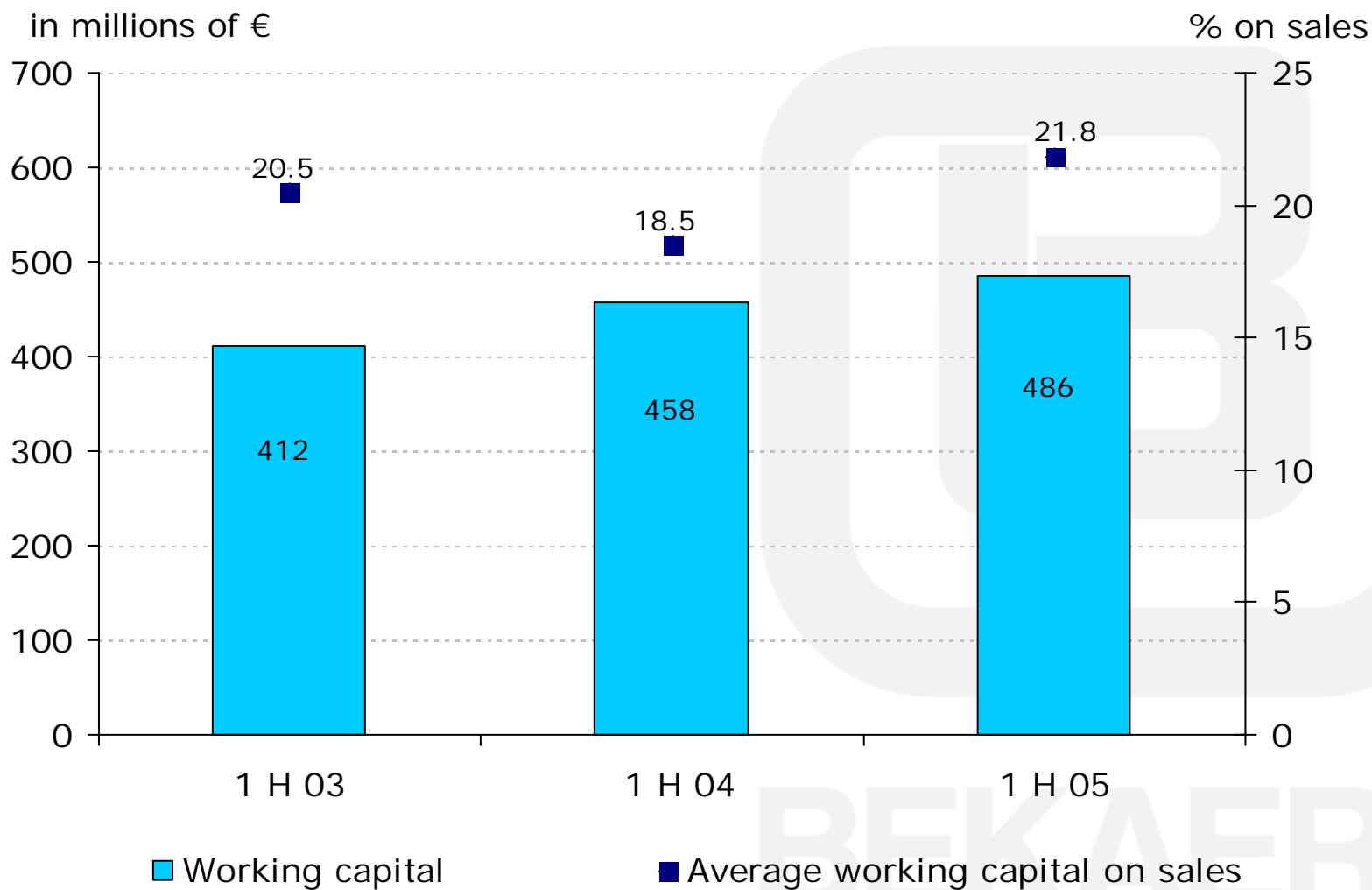
in millions of €



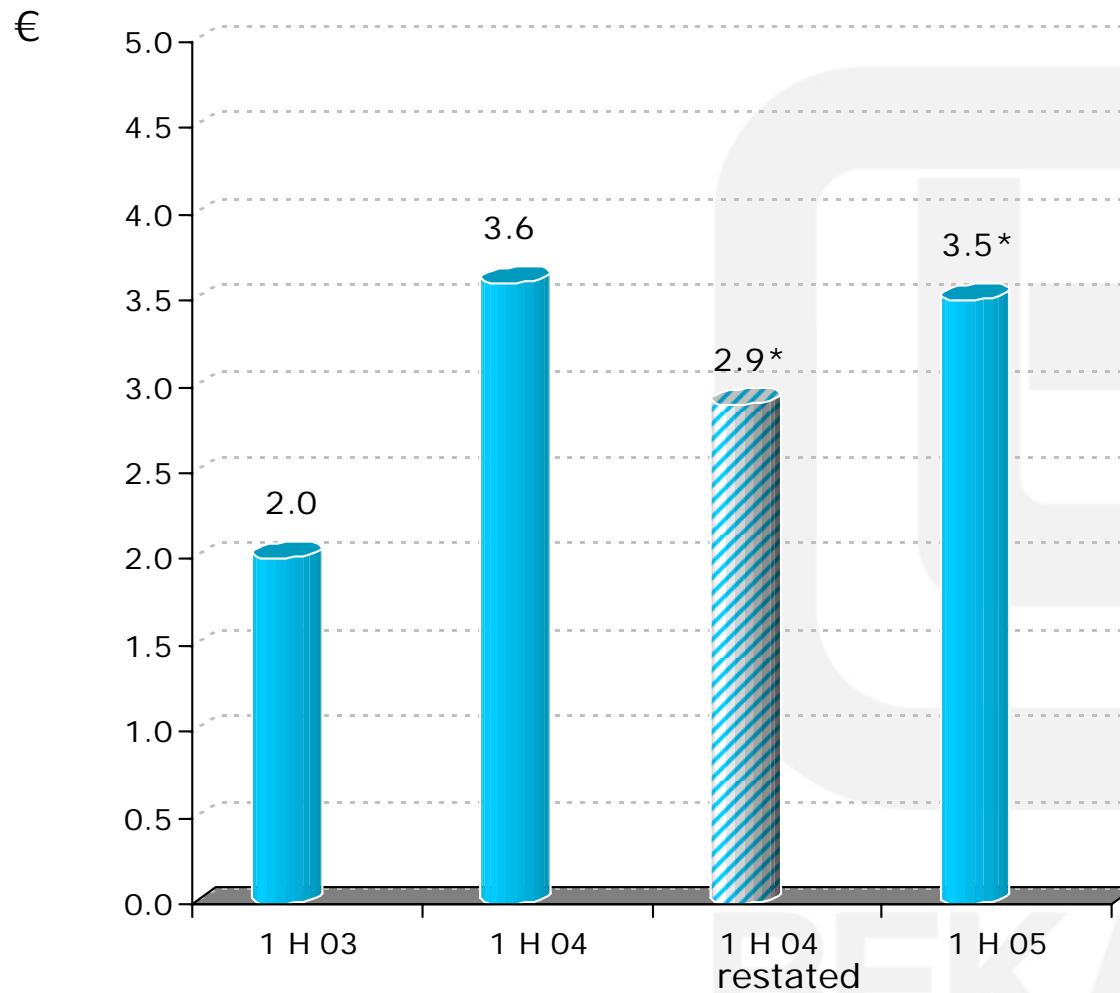
37 Depreciation and amortisation



38 Working capital










39 Earnings per share



*From continuing operations

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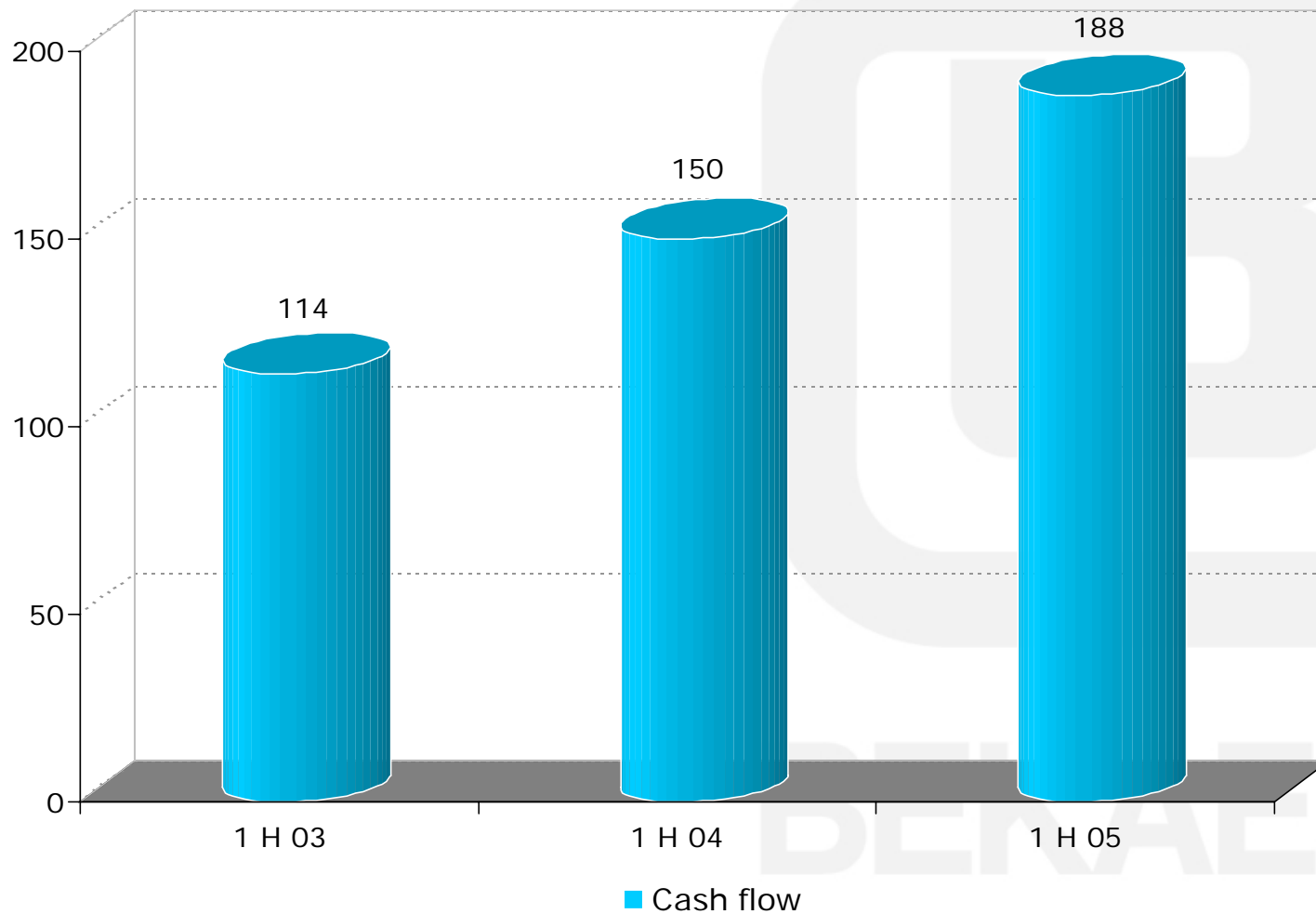
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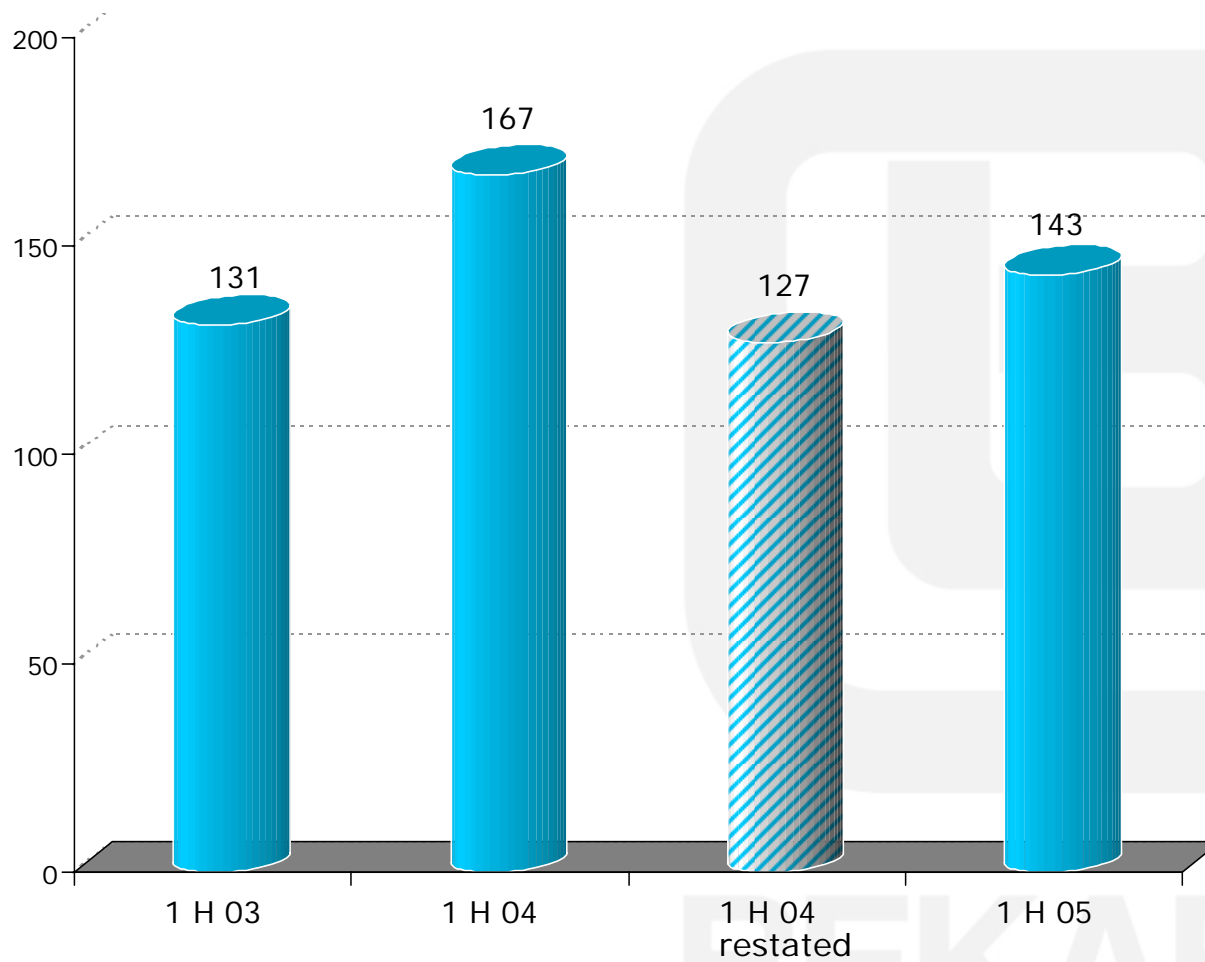
41 Cash flow (net)

in millions of €

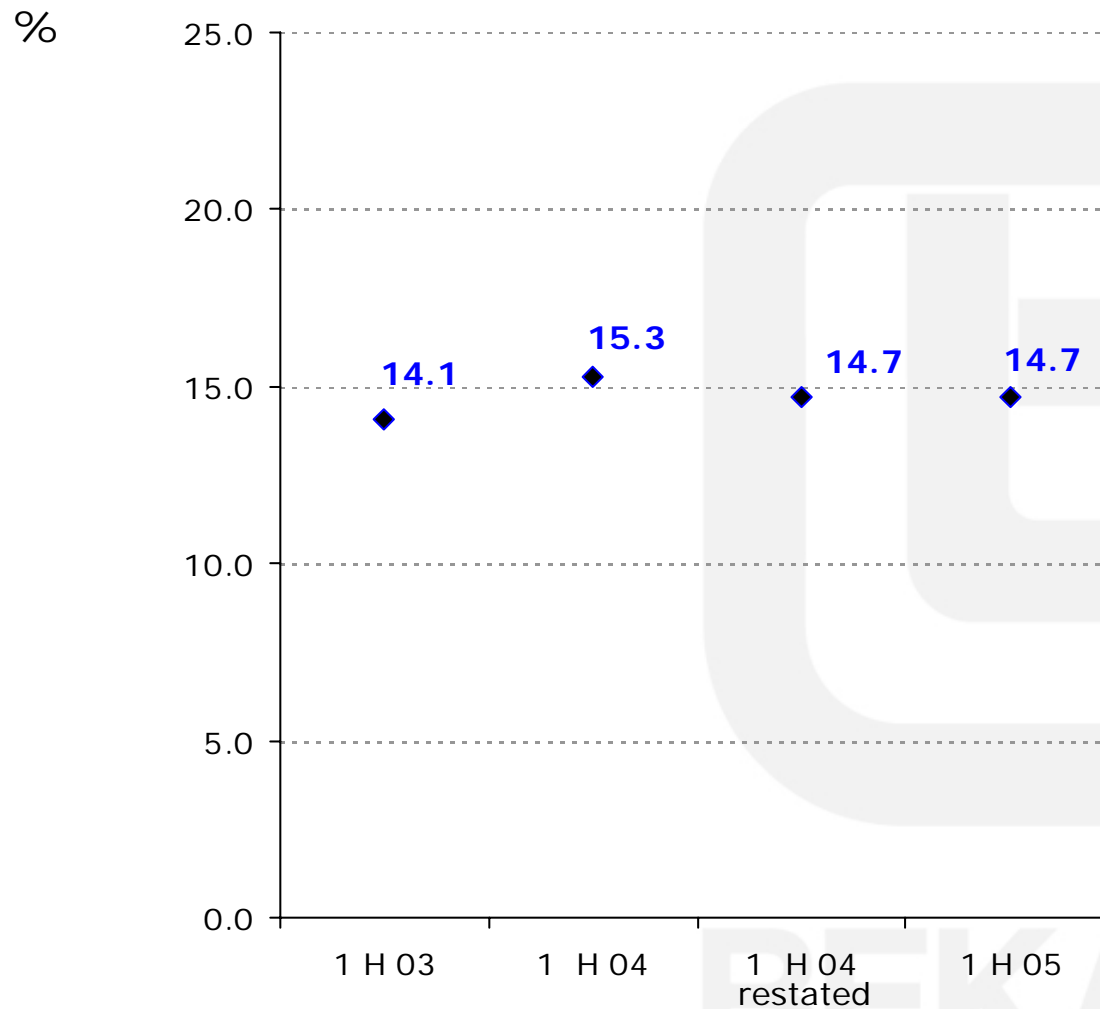


42 EBITDA

in millions of €



43 EBITDA on sales



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Challenging second half ahead:

- Slowdown in incoming orders, due to weakening of economic environment
- Sustained uncertainty in raw materials' markets

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