

Bekaert

December 2011

Bekaert in essence

Strategy review

Annex:

Trading update 3th quarter 2011

1 Half results 2011



Sustainable Profitable Growth

**Worldwide
market and technological leadership
advanced metal transformation and coatings**

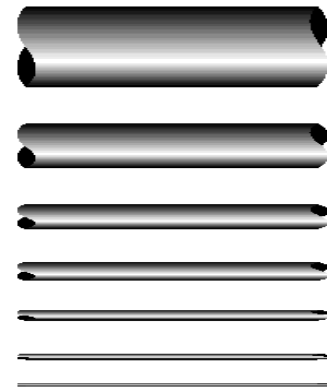
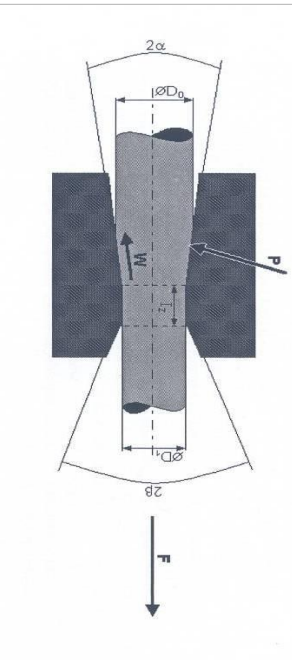
	<u>2010</u>	<u>3Q 2011</u>
Combined sales	€ 4.5 billion	€ 3.5 billion
consolidated	€ _b 3.3	€ _b 2.6
joint ventures	€ _b 1.2	€ _b 0.9
		<u>1st half 2011</u>
Operational cash flow	€ 853 million	€ 401 million
consolidated	€ _m 725	€ _m 342
joint ventures	€ _m 128	€ _m 59
Worldwide production platform		30 countries 28 000 employees
Listed on Euronext Brussels		BEL20®, DJ Stoxx, FTSE, SRI Market capitalization of € 2 billion 15-20 million euro per day

Core competences

Metal transformation



From wire rod
6.5 mm

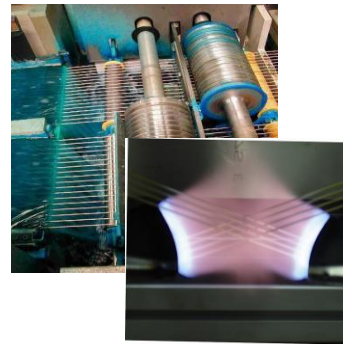


1 μm
to metal fibers

Advanced coatings



From traditional
coatings

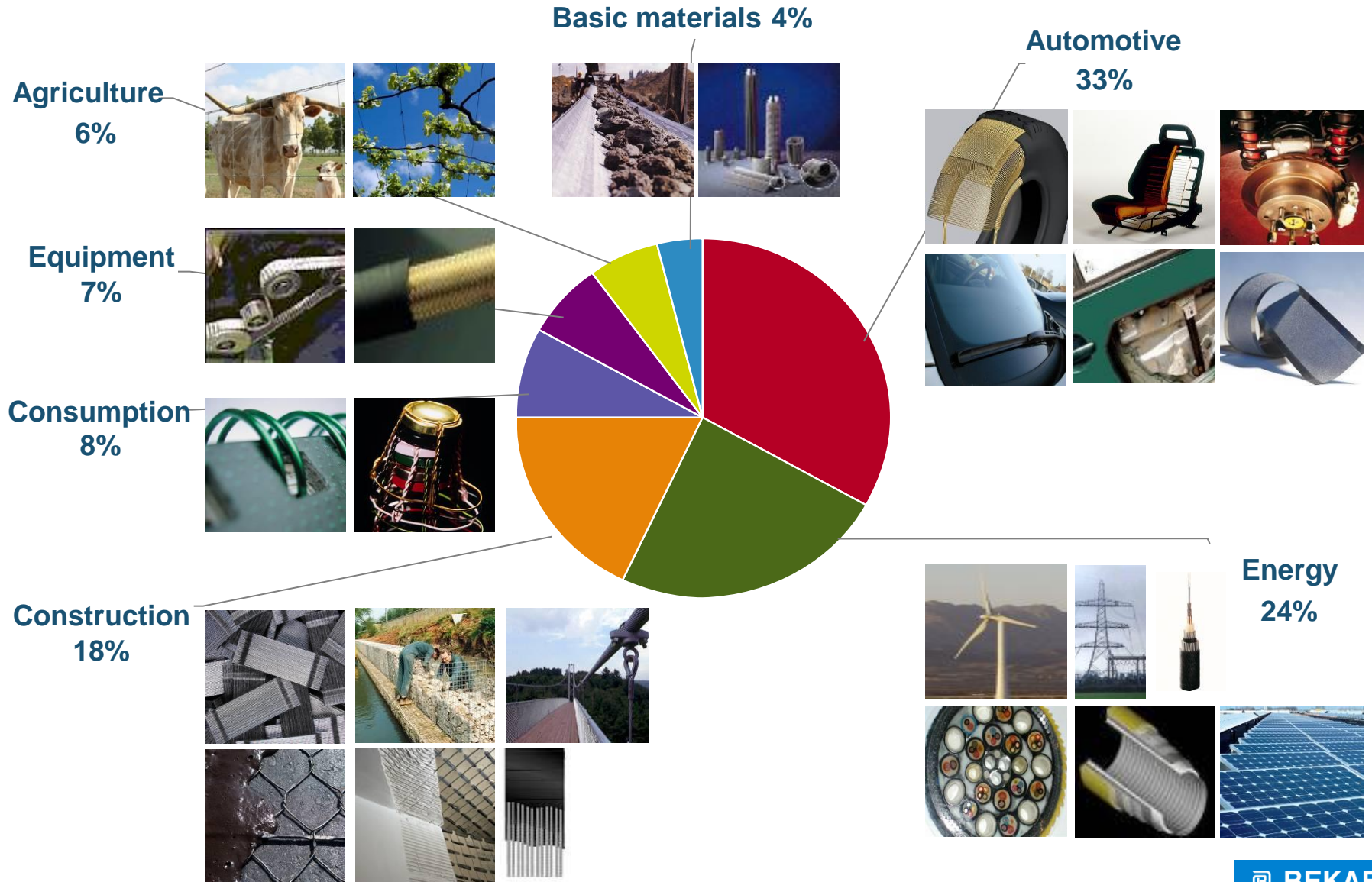


Adhesion
Corrosion resistance
Wear resistance
Anti-fouling



to advanced
coatings

Bekaert in brief: market leadership in diverse sectors



Bekaert creates **Sustainable Profitable Growth** by focusing on key issues:

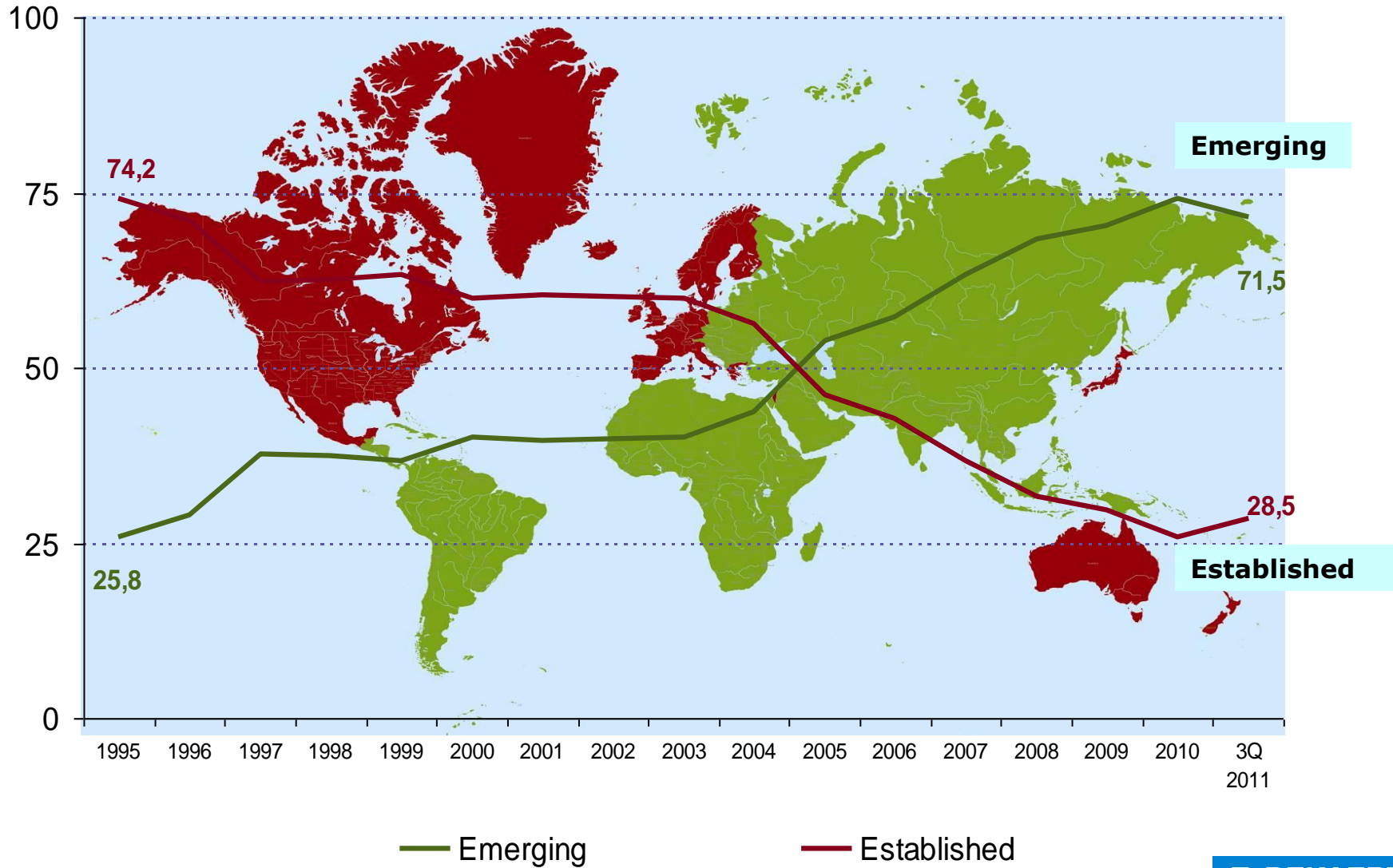
- **Diversified geographic presence with a broad product portfolio**
 - Continue investments in growth markets
 - Be close to the customers
 - Maintain a strategic presence in mature markets
- **Innovation**
 - Continue investments to identify new applications
 - Improve current product portfolio
 - Invest in technology
- **Operational excellence**
 - Swift cost-control measures at all levels
 - Pro-active production alignment with a high capacity utilization
 - Processes with strong customer focus
 - Quality is leading to market leadership
 - Invest in people

Over 80% of expansion capital is spent in emerging markets in order to support the future growth

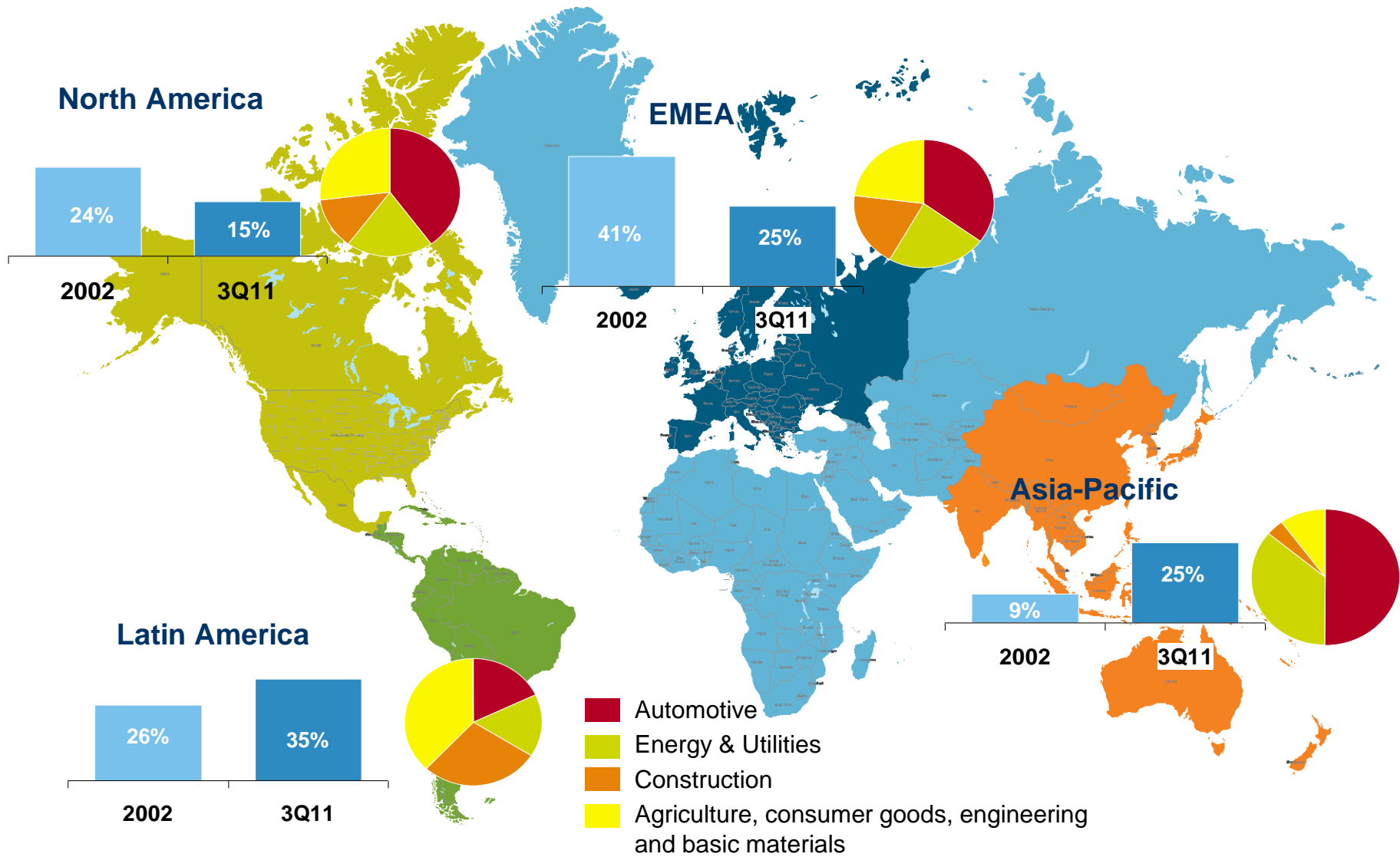
- Continue investments in the growth markets
- Further increase of tire cord capacity in Emerging Europe and Asia
- Broadening of the product offering in Asia (Xinyu, Qingdao Hansun)



Geographical expansion: established and emerging markets



With a focus on growth markets



- R&D increased by 17% in 1H 2011, mainly in Belgium and China
- Doubling investment in innovation over the last 10 years, with simultaneous shift and focus on core competences
- Sales product portfolio renewed with 50% in the last 10 years
- Enhanced presence in sectors less sensitive to an economic downturn



Focus on innovation

- 80 million euro in-house R&D (3% consolidated sales)
- International R&D team in Belgium (350 employees)
- R&D in China (350 employees) and start up in India
- About 2 000 patent rights



with the right partners and priorities:

- Customer focused innovation and co-development
- Focus on high-tech products, systems and solutions
- Outward orientation
 - ⇒ internationalization of technologists
 - ⇒ cooperation with internationally renowned research centers & universities
 - ⇒ venture capital and R&D partnerships
- Assuring intellectual property protection
- Cooperating in quality assurance programs



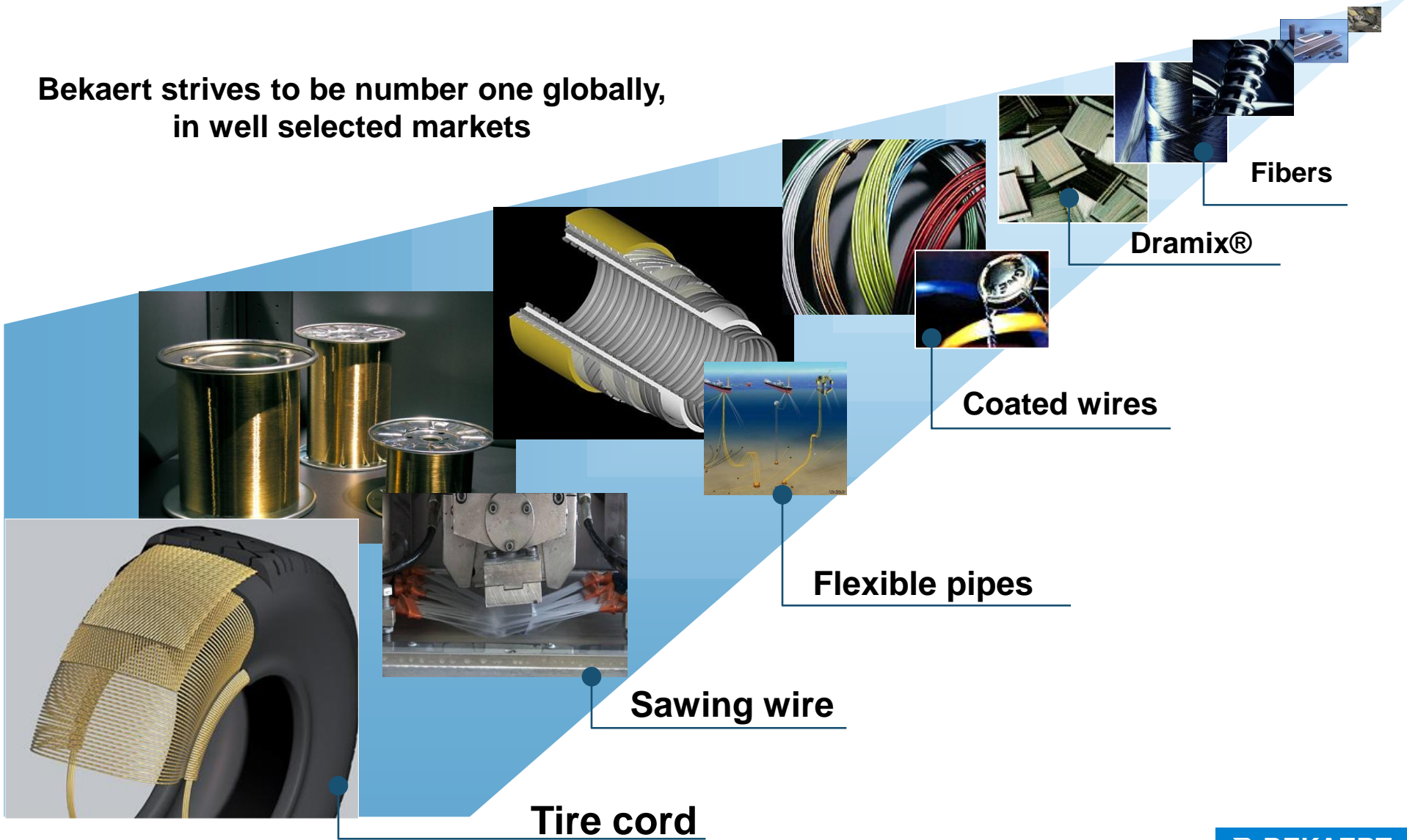
Operational excellence

- Continued focus on **quality** to differentiate us from our competitors
- **Customer focus** to improve total value creation
- Leverage **propriety engineering** department to ensure quality and cost competitive equipment
- Implementation of **cost reduction programs** across all entities and business platforms (energy consumption reduction programs)
- Efficiency of financial reporting organization and systems



Operational excellence: market leadership enhances effectiveness

**Bekaert strives to be number one globally,
in well selected markets**

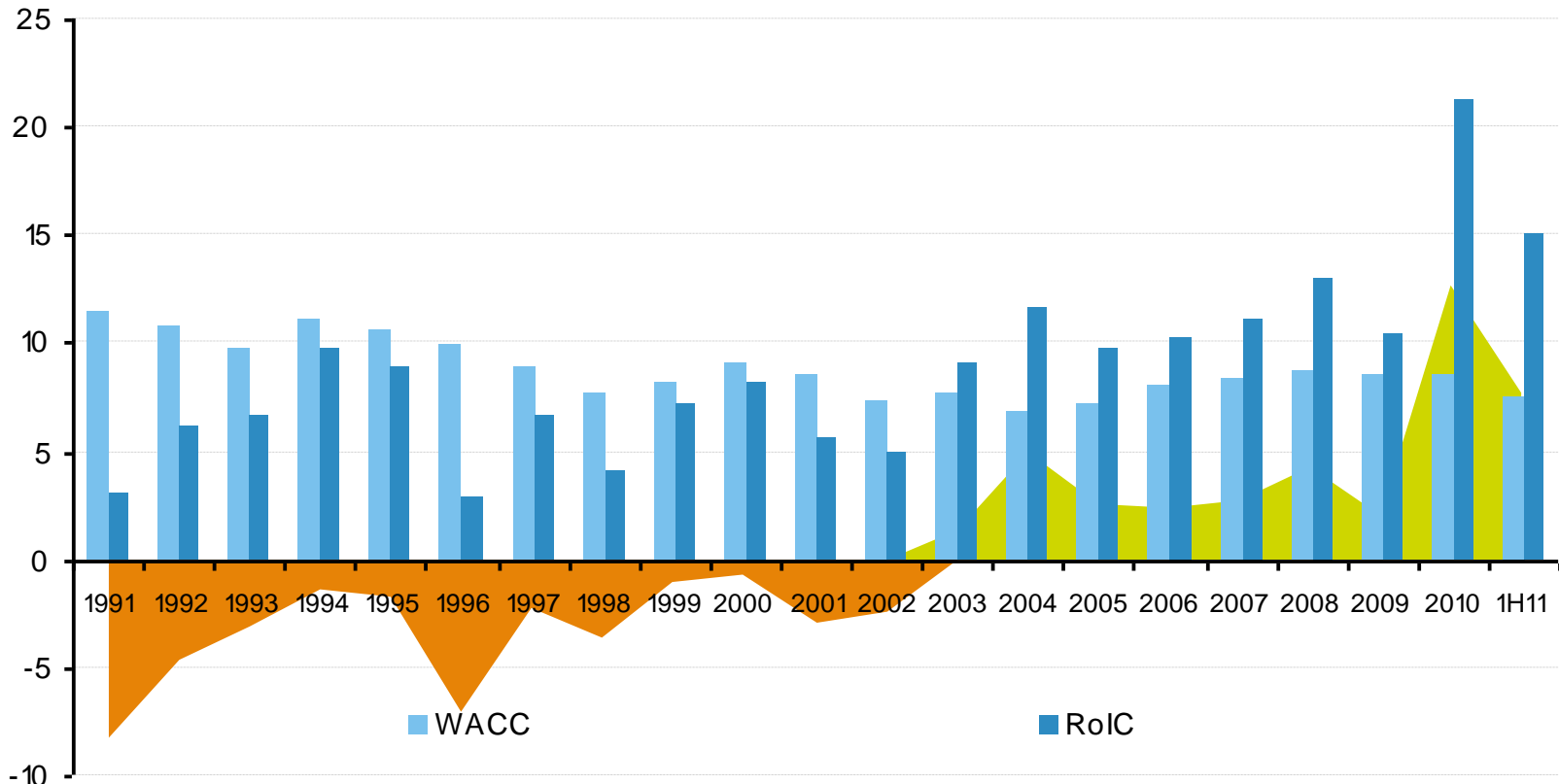


Operational excellence: based on a strong financial structure

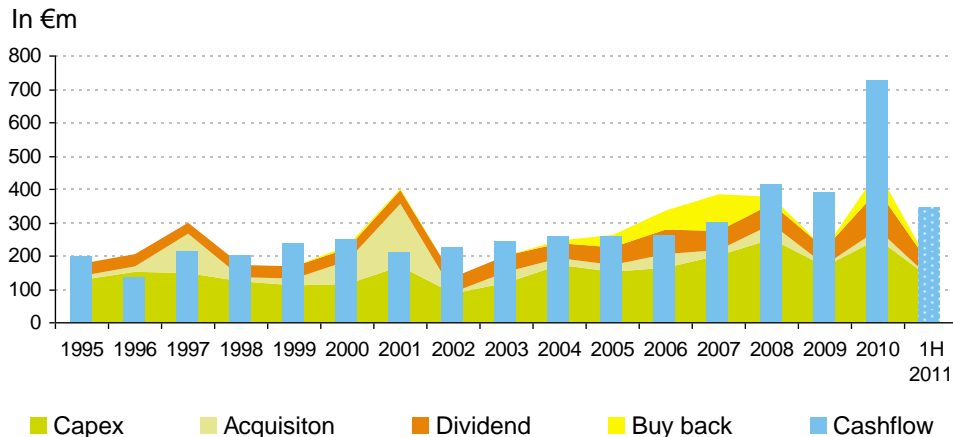
	L/T guidance	1H 2011	2010	2009	2005 - Actual	1990 – 2004
Growth	GDP +	15.9%	33.9%	-8.5%	11.3%	1.5%
ROIC > WACC	>	15.1 > 8.0	21.3 > 8.6	10.5 > 8.5	12.6 > 8.2	6.5 < 9.3
EBITDA on sales	15%	19.2%	22.2%	15.8%	15.6%	11.8%
EBIT	7-9%	13.0%	16.4%	9.5%	9.5%	4.6%
Working capital on sales	20%	27.0%	20.9%	24.1%	21.8%	19.1%
Dividend pay out	40% stable/increase	27%	27%	38%	34%	52%
Tax	27%	27%	28%	20%	20%	22%
Debt						
Equity / total assets	>40%	46%	46%	49%	48%	48%
Gearing (net debt / Eq)	<50%	47%	31%	29%	35%	37%
Net debt / EBITDA	<2	1.2	0.7	1.0	1.2	1.7

Shareholder value

in %

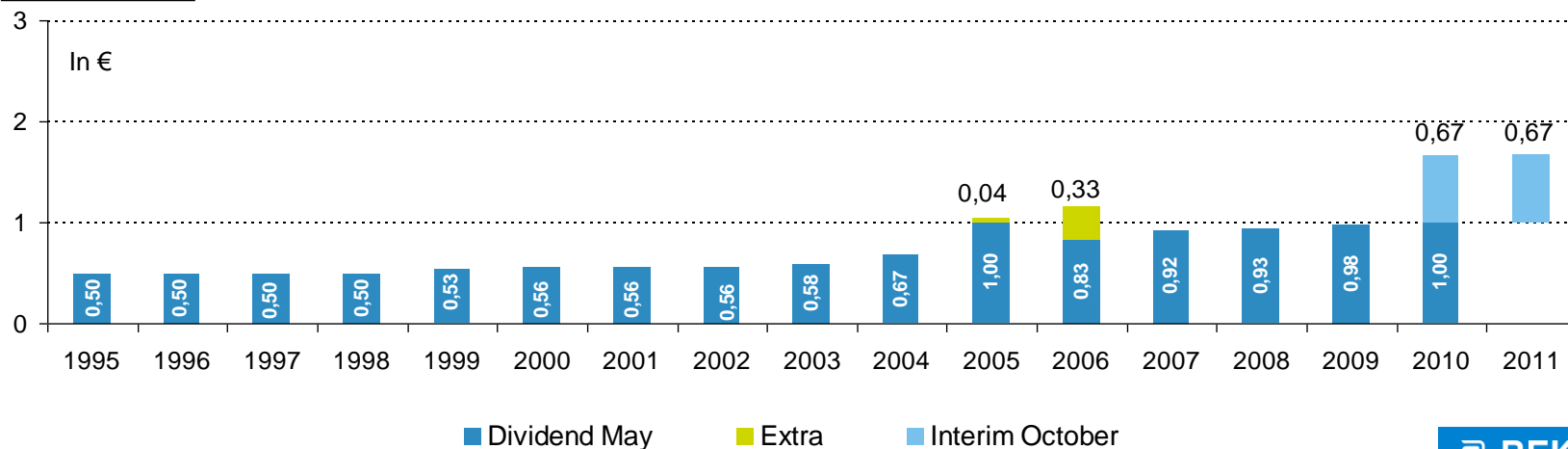


Cash flow allocation



- **Capital investments**
2011 :estimated at €m 260
2012: estimated at €m 180
- **Depreciation and amortization**
estimated around €m 200

Dividend

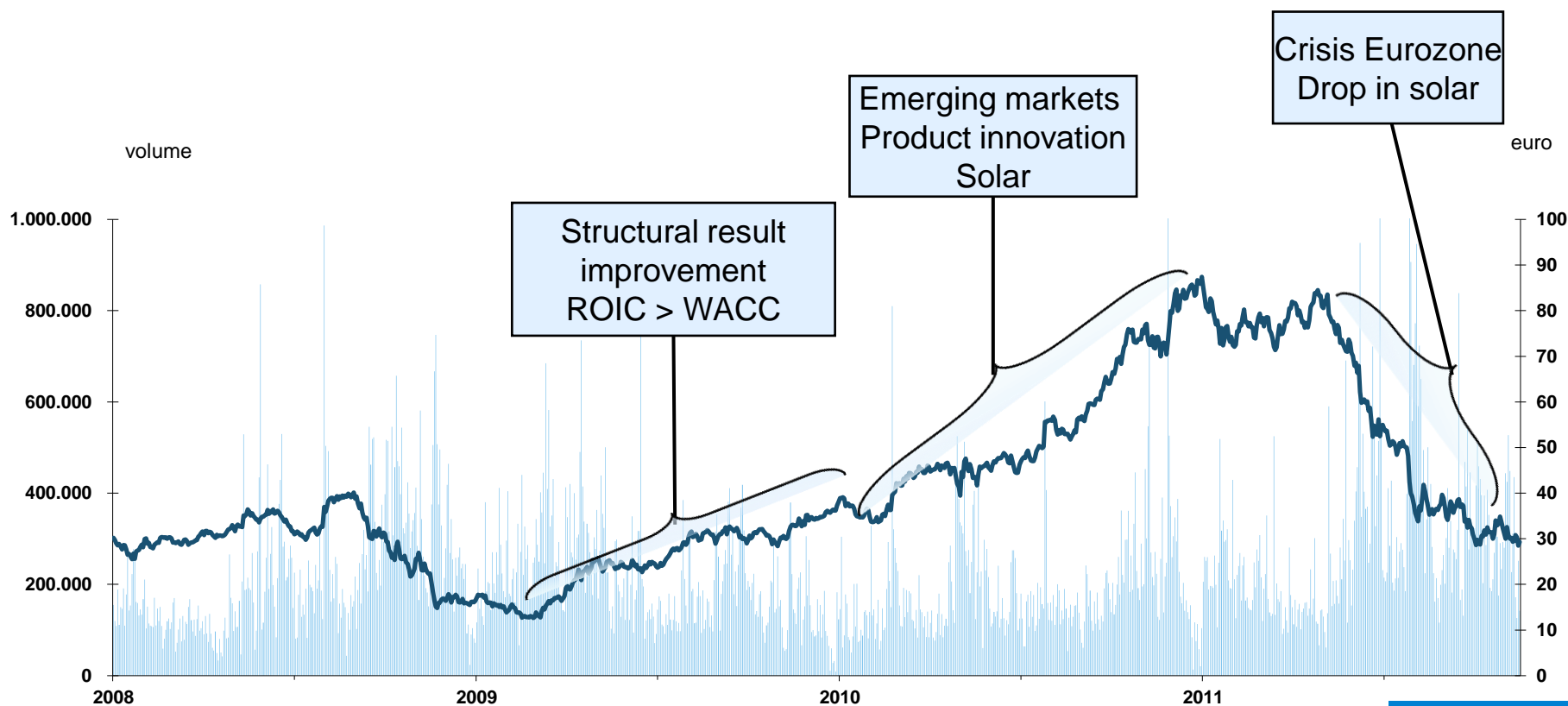


Influences on Bekaert stock price

Fact sheet

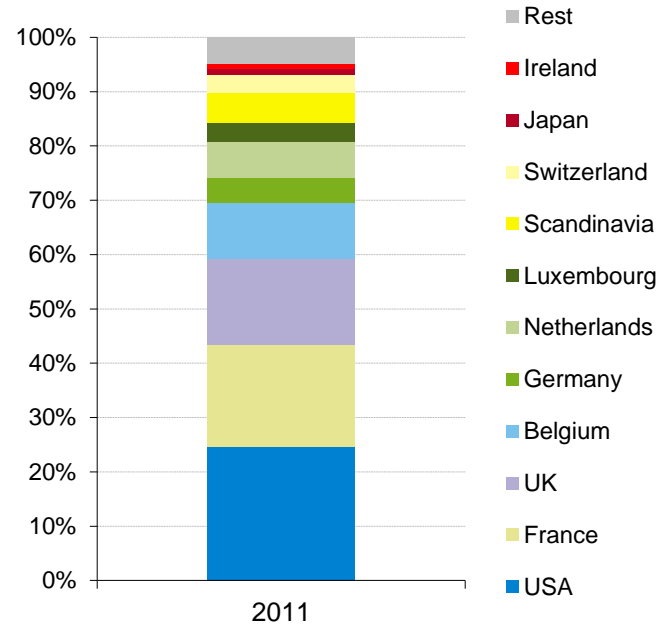
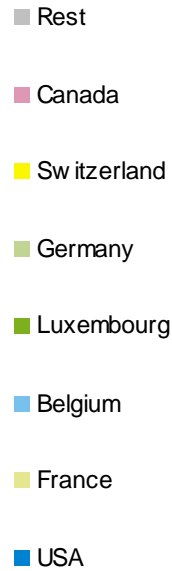
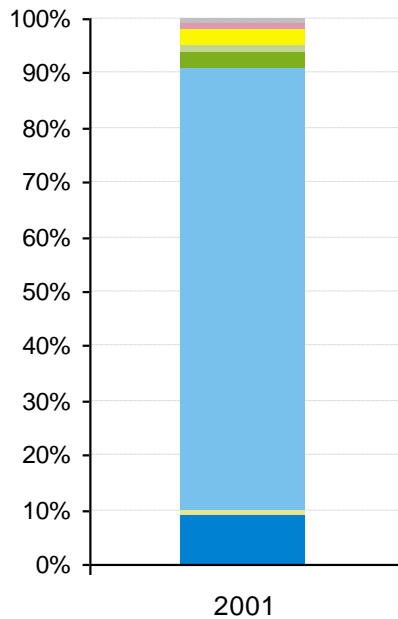
Number of shares : 59 973 198
 Number of VVPR strips 12 645 201
 Average daily traded volume 289 000
 Average daily traded value €_m 15-20
 Market capitalization €m 2 000

	2010	31/10/11
Average closing	53.82	63,20
High price	86.96	87.98
Low price	32.86	27,80
Closing price	85.90	30,87



Internationalized shareholder structure

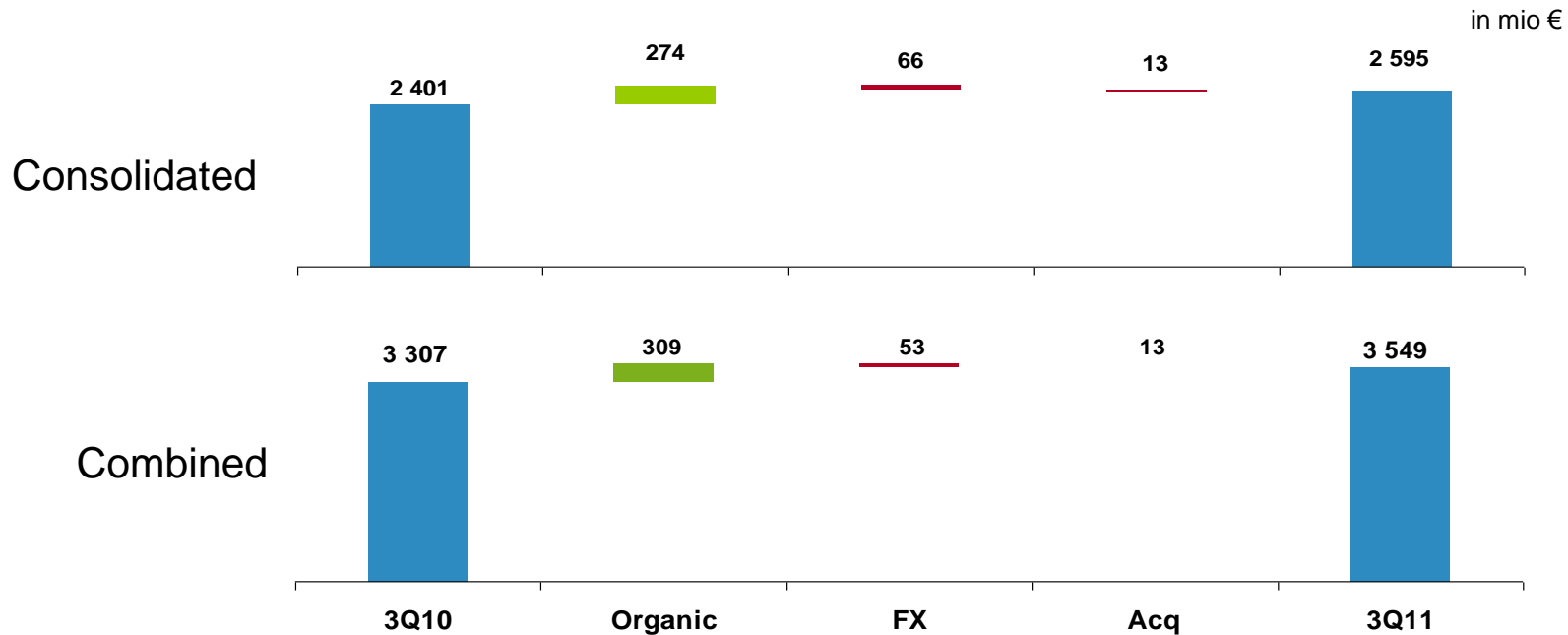
	2001	2011
Principal shareholder	40.1%	38.3%
Institutional shareholdings	15.1%	48,3%
Public (unidentified)	44.8%	13,4%
Institutional (Belgium)	82%	10%
Institutional (International)	18%	90%



Trading update 3Q 2011

- Economic slowdown in China offsets Bekaert's performance in the rest of the world.
- China affected by reduced growth and stringent credit restrictions
- Continued low demand and increased price pressure in saw wire, driven by substantial overcapacity in the solar market
- Solid sales and volume growth in most other sectors
- Acquisition of the Qingdao Hansun steel wire plant on 1 September
- Divestment of Specialty Films closed on 30 September
- Production platform in Lipetsk extended with half products
- Net debt at €m 763

Sales 3Q11

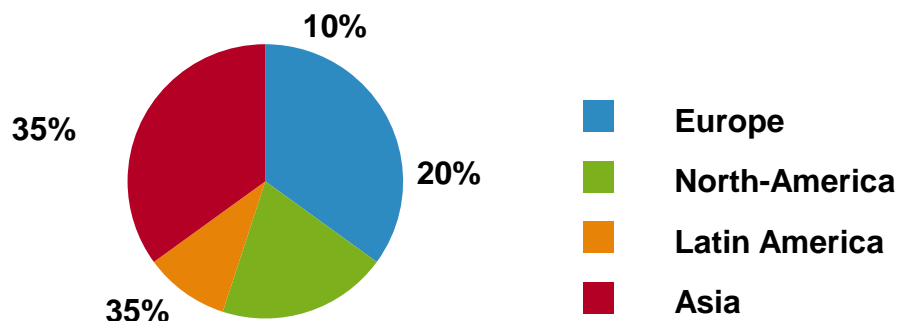


- EMEA: All platforms performed well, with solid growth in automotive but substantial lower demand in solar energy markets
- North America: Sustained demand and improved mix, except construction and agriculture. Strong nominal sales growth offset by unfavorable exchange rates.
- Latin America: Robust sales volumes in Venezuela and Peru, but adverse currency movements. Competitive environment in Brazil and Chile due to strong local currencies.
- Asia Pacific: Economic slowdown and substantial overcapacity and price fall in solar energy. Continued growth in India and Indonesia.

Consolidated 3Q11 sales by segment

	2010	2011	variance	share
EMEA	797	907	+14%	35%
North America	484	528	+9%	20%
Latin America	233	269	+16%	10%
Asia Pacific	887	893	+1%	35%
Total	2 401	2 595	+8%	100%

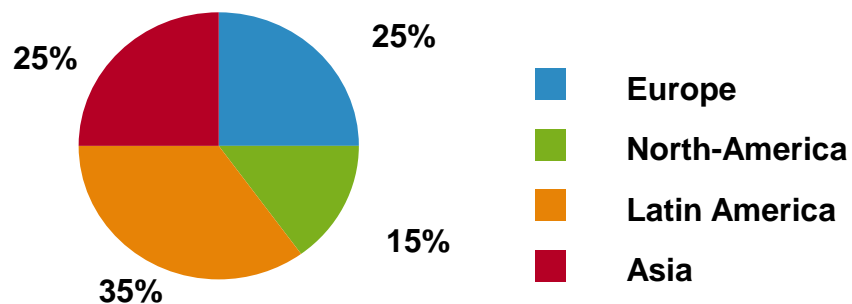
	1Q11	2Q11	3Q11	3Q10-3Q11
EMEA	307	308	293	+8%
North America	176	178	172	+1%
Latin America	82	90	97	+10%
Asia Pacific	353	286	254	-24%
Total	918	862	816	-6%



Combined 3Q11 sales by segment

	2010	2011	variance	share
EMEA	792	897	+13%	25%
North America	478	519	+9%	15%
Latin America	1 147	1 236	+8%	35%
Asia Pacific	890	897	+1%	25%
Total	3 307	3 350	+7%	100%

	1Q11	2Q11	3Q11	3Q10-3Q11
EMEA	305	303	289	+7%
North America	174	175	171	+1%
Latin America	401	413	422	=
Asia Pacific	353	288	256	-24%
Total	1 233	1 179	1 138	-5%



Mix analysis 3Q11

	Consolidated sales +8,1%	Combined sales +7,3%
Volume	+5,0%	+4,4%
Raw materials	+6,5%	+7,2%
Price/mix	0%	-2,2%
FX	-2,8%	-1,6%
Mergers and acquisitions	-0,6%	-0,4%

Consolidated	EMEA +13,8%	North America +8,7%	Latin America +15,8%	Asia Pacific +0,6%
Volume	+1,9%	+7,4%	+7,7%	+5,0%
Raw materials	+8,3%	+5,9%	+13,8%	+2,9%
Price/mix	+4,1%	+4,5%	+0,5%	-5,4%
FX	+0,3%	-7,1%	-6,2%	-2,3%
Mergers and acquisitions	-0,8%	-2,0%	0,0%	+0,3%

- Bekaert expects a growing impact from the global financial turbulence and the uncertain economic developments in most markets.
- Increased competition, stringent credit restrictions and cost increases will continue to create challenging conditions in China.
- In solar, substantial overcapacity and low demand drove prices down by more than 50%. Bekaert expects further deterioration of price levels.
- Growing uncertainty and margin pressure in line with global expectations
- Working capital is expected to remain high, while volatility of raw materials and exchange rates adds uncertainty to business performance perspectives.

Notwithstanding the above uncertainties, Bekaert remains confident:

- strong balance sheet
- broad geographical coverage and strong position in emerging markets
- its extensive product portfolio

Business update

1 Half 2011

Highlights first half 2011

- Consolidated sales € 1.8 billion (+16%)
Combined sales € 2.4 billion (+14%)
- Gross profit € 448 million (margin 25,2%)
EBITDA € 342 million (margin 19,2%)
EBIT € 232 million (margin 13,0%)
- Selling expenses: incremental reserves for bad debt for €m 21
Non-recurring charges mainly environmental liabilities in Belgium
Net debt at €m 816 due to increase in WC and high capex
- ROCE 19,5%
WC on sales 27,0%
ROE 18,4%
Gearing (net debt/eq) 47,3%
EPS € 2.45
Interim dividend € 0.67

- Consolidated sales increased with 16% versus strong first half in 2010
- Margin decline reflects weaker demand in China, combined with more competitive supply situation
- EBITDA of € 342 million or 19.2% of sales, well above long-term target
- Sustained investment in R&D (+17%)
- Continued investment in expansion projects to capture market growth in the emerging markets
- Share in the joint ventures is impacted by a more competitive environment due to strong currencies in Brazil and Chile

Sales

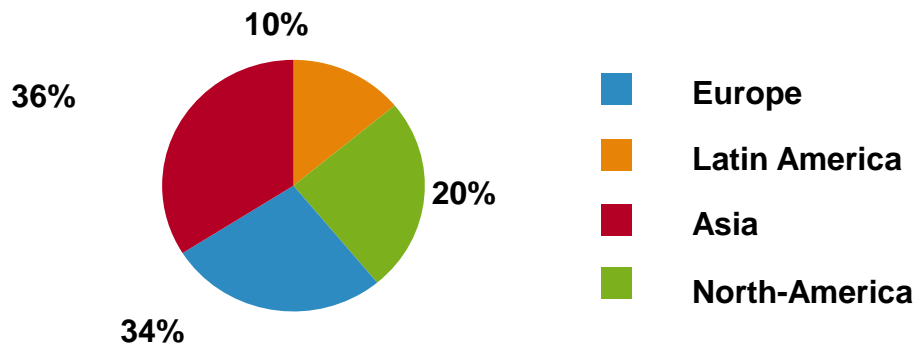


- Organic growth reflects continued volume growth and better mix/pricing, except for sawing wire
- Negative exchange rate effect in consolidated businesses mainly due to weaker USD as of the second quarter
- Combined sales show lower exchange rate effect as the strong currencies in Brazil and Chile partly offset the negative impact in the consolidated business

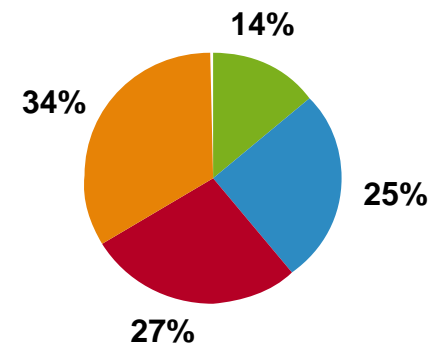
Sales by segment

First Half 2011	Consolidated sales		Combined sales	
	In mio €	variance	in mio €	variance
EMEA	614.1	+17%	607.6	+16%
North America	353.9	+13%	348.8	+13%
Latin America	172.5	+20%	814.1	+12%
Asia Pacific	639.1	+16%	641.3	+16%
Total	1 779.6	+16%	2 411.8	+14%

Consolidated sales

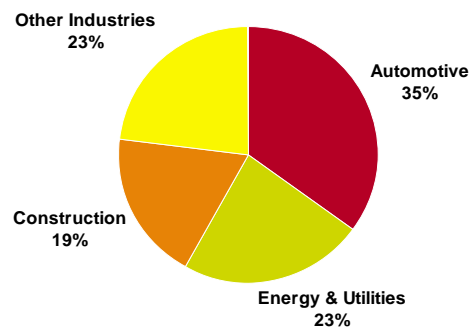


Combined sales



Europe

- Strong growth, mainly in automotive
- Other platforms performed well
- Margins impacted by :
 - Upscale industrial activities
 - Start-up costs expansions in Belgium, Slovakia and Russia
 - Increased R&D expenses
- Non-recurring: provisions for environmental liabilities



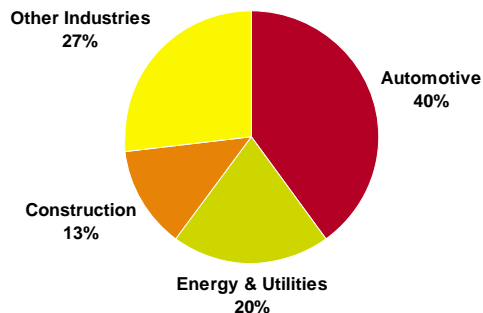
Sales mix 1H 2011

- Volume + 4%
- Raw materials +10%
- Price/mix + 2%
- FX + 1%
- M&A + 0%

Key figures (in €m)	2009	1H10	2H10	2010	1H11
Sales	827	526	540	1 066	614
REBIT	2	54	41	95	54
REBIT margin	0.2%	10.2%	7.7%	8.9%	8.9%
Non-recurring	-21	-2	-7	-9	-9
EBIT	-19	52	35	87	46
EBIT margin	-2.3%	9.8%	6.5%	8.1%	7.5%
Depr. & impairments	66	30	27	57	28
EBITDA	47	81	63	144	74
EBITDA margin	5.7%	15.5%	11.5%	13.5%	12.1%

Back on course

- Solid organic sales growth
- Strong demand in most platforms as automotive and energy related markets, as well as for specialty films
- Construction at a low level
- Increased profitability:
 - High capacity utilization
 - Stronger mix



Sales mix 1H 2011

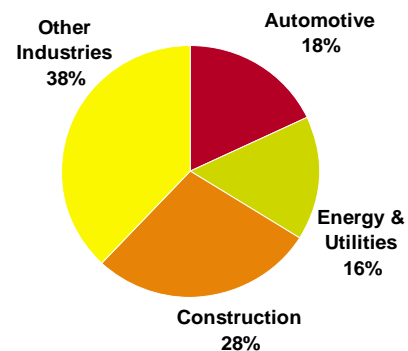
- Volume +11%
- Raw materials + 6%
- Price/mix + 5%
- FX - 6%
- M&A - 3%

Key figures (in €m)	2009	1H10	2H10	2010	1H11
Sales	474	313	324	638	354
REBIT	-5	21	13	34	28
REBIT margin	-1.1%	6.7%	4.0%	5.3%	7.8%
Non-recurring	-3	-1	-1	-2	-1
EBIT	-8	20	12	32	27
EBIT margin	-1.8%	6.5%	3.6%	5.0%	7.6%
Depr. & impairments	21	9	9	18	7
EBITDA	13	29	21	50	34
EBITDA margin	2.7%	9.3%	6.4%	7.8%	9.7%

A balanced performance

- Strong organic growth in most platforms (world cup 2014, Olympics 2016)
- Strong sales in Venezuela
- Weak construction market
- Stable solid margins

Joint ventures in Brazil and Chile suffered from competitive imports due to strong local currencies



Sales mix 1H 2011

- Volume + 7%
- Raw materials +18%
- Price/mix + 0%
- FX - 5%
- M&A + 0%

Key figures (in €m)	2009	1H10	2H10	2010	1H11
Sales	327	144	167	311	173
REBIT	28	14	13	26	16
REBIT margin	8.4%	9.5%	7.3%	8.3%	9.3%
Non-recurring	-1	-12	0	-12	0
EBIT	26	1	12	14	16
EBIT margin	8.0%	0.9%	7.3%	4.4%	9.3%
Depr. & impairments	10	19	6	25	6
EBITDA	36	20	18	38	22
EBITDA margin	11.1%	13.9%	10.9%	12.3%	12.6%
Combined sales	1 237	727	801	1 528	814

China: maintaining a steady course

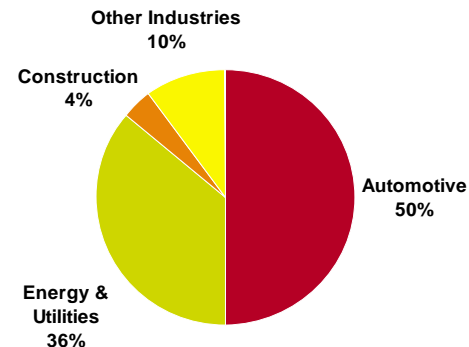
- Lower growth rates due to Government measures for more controlled growth
- Lower demand for tire cord in China due to overcapacity in the transport markets
- Significant demand reduction in the solar energy market with increased competitive activity
- Price adjustments to defend market position
- Price erosion not offset by better mix or more volume

India and Indonesia:

- Capacity expansion
- Strong growth

Sales mix 1H 2011

- Volume + 9%
- Raw materials + 4%
- Price/mix + 4%
- FX - 2%
- M&A + 1%



Key figures (in €m)	2009	1H10	2H10	2010	1H11
Sales	809	552	696	1 248	639
REBIT	288	206	264	471	185
REBIT margin	35.6%	37.4%	38.0%	37.7%	29.0%
Non-recurring	0	-3	-1	-4	-1
EBIT	288	203	264	467	185
EBIT margin	35.6%	36.8%	37.9%	37.4%	28.9%
Depr. & impairments	62	48	46	94	71
EBITDA	349	252	309	560	256
EBITDA margin	43.2%	45.6%	44.5%	44.9%	40.0%

Prudent short to mid-term outlook due to uncertain global financial and economic conditions

Continued measures to defend our market position in a more competitive environment, mainly in China

Early signs of a demand pick-up indicate that the solar market downturn might have bottomed out

Confirmed belief that our wide geographical spread and broad product offering remain of strategic importance

Continued investment in R&D and capital expenditure in emerging markets to support growth projects



www.bekaert.com



Investor Relations : Mr. Jacques Anckaert +32 56 23 05 72 jacques.anckaert@bekaert.com
Documentation : Mrs. Christine Clarysse +32 56 23 05 41 christine.clarysse@bekaert.com

Shareholders, investors and other interested parties wishing to receive the Group's annual report, the shareholders guide, the annual accounts of NV Bekaert SA or other information published by the Group may contact the Investor Relations department at any time.

Agenda

Results 2011	24 February	2012
2011 annual report available on the internet	29 March	2012
First quarter trading update 2012	9 May	2012
General Meeting of Shareholders	9 May	2012
Ex-date dividend	11 May	2012
Dividend payable	16 May	2012
Half year results 2012	27 July	2012

Safe Harbor

This presentation contains forward-looking information that involves risks and uncertainties. Readers are cautioned that forward-looking statements include known and unknown risks and are subject to significant business, economic and competitive uncertainties and contingencies. Bekaert, nor any other person, assumes any responsibility for the accuracy of these forward-looking statements. The company undertakes no obligation to publicly update any forward-looking statements.