

Press release regulated information

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Press

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Annual results 2008

Bekaert delivers

Highlights¹

Bekaert delivers vigorous growth, record results and continuing strong dividend

+59%	:	EPS before non-recurring items: €13.08 compared with €8.22
+58%	:	EBIT before non-recurring items of €294 million
+38%	:	EBITDA of €412 million
+23%	:	Consolidated sales of €2.66 billion
+17%	:	Combined sales of €4 billion
+16%	:	EPS: €8.83 compared with €7.63

Strong dividend of €2.80 per share

The combination of strong organic growth in emerging markets, an innovation-based product mix, and overall price increases reflecting higher raw materials prices, resulted in vigorous sales growth in 2008.

Bekaert's continued efforts to enhance its global operational excellence and innovation strategy, combined with accelerated growth in emerging markets and fast growing industries, contributed to the strong earnings growth.

¹ All comparisons are made relative to the financial year 2007.

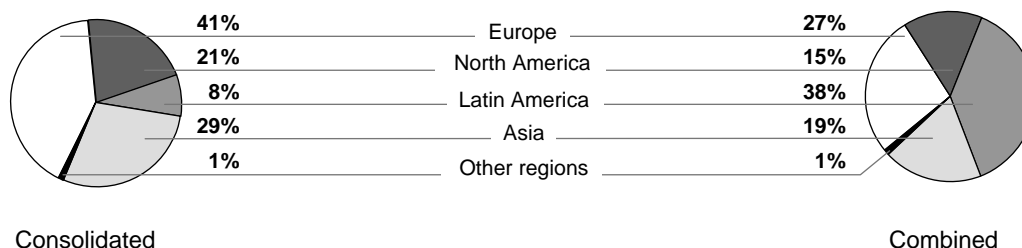
Record sales

In 2008, Bekaert achieved consolidated sales of €2.66 billion and combined sales of €4.01 billion, an increase of 22.5% and 17.3% respectively.^{2 3}

Growth in consolidated sales stemmed 17.7% from organic growth, largely driven by passed-on raw material price increases, and 5.8% from the acquisitions in Vicson (Venezuela) and Proalco (Colombia). Fluctuations in several exchange rates largely compensated each other with a net negative impact of 1.0%.

Consolidated and combined sales by geographical area

2008	Consolidated sales		Combined sales	
	In millions of €	Variance	In millions of €	Variance
Europe	1 095	+4.2%	1 100	+4.0%
North America	559	+9.3%	589	+8.3%
Latin America	216	+204.0%	1 515	+21.4%
Asia	759	+50.2%	764	+47.8%
Other regions	33	-6.2%	42	-19.5%
Total	2 662	+22.5%	4 010	+17.3%

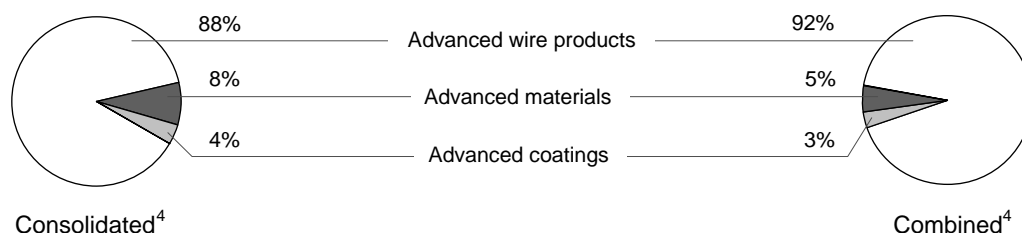


Consolidated

Combined

Consolidated and combined sales by business segment

2008	Consolidated sales		Combined sales	
	In millions of €	Variance	In millions of €	Variance
Advanced wire products	2 331	+26.4%	3 690	+19.2%
Advanced materials	199	-2.0%	199	-2.0%
Advanced coatings	121	-3.1%	121	-3.1%
Intersegment sales and others	11	-	-	-
Total	2 662	+22.5%	4 010	+17.3%


 Consolidated⁴

 Combined⁴

² All comparisons are made relative to the financial year 2007.

³ Combined sales are sales of consolidated companies plus 100% of sales of joint ventures and associates after intercompany elimination.

⁴ Excluding 'intersegment sales and others'.

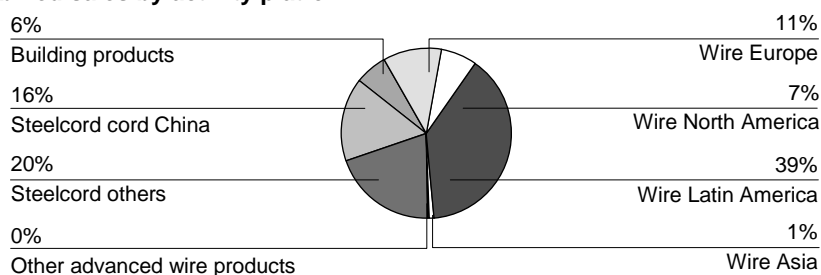
Advanced wire products

Key figures (in millions of €)	2007	2008
Consolidated sales	1 844	2 331
Operating result (EBIT) before non-recurring items	215	352
Operating result (EBIT)	208	290
Depreciation and amortization	106	158
EBITDA	314	448
EBITDA margin on sales	17.0%	19.2%
Combined sales	3 095	3 690
Share in result of the joint ventures	47	57

Combined sales growth by activity platform

Wire Europe	+7.3%	Building products	+21.7%
Wire North America	+19.2%	Steel cord China	+63.7%
Wire Latin America	+19.8%	Steel cord others	+1.4%
Wire Asia	+73.8%	Other advanced wire products	-24.3%

Share in combined sales by activity platform



Bekaert **advanced wire products** posted vigorous sales growth across nearly all activity platforms throughout 2008. Earnings increased significantly as a result of accelerated business development in emerging countries and Bekaert's continued efforts for product portfolio and capacity optimization.

- Significant expansion in emerging markets
Steel cord China (+64%), wire Asia (+74%) and wire Latin America (+20%) represented 56% of the revenues of the advanced wire products business segment, versus 52% in the same period of last year. Combined with sales generated by the Central European activity platforms, total sales in emerging markets added up to over 70%.
- Accelerated growth through innovation
Major investments in R&D and in Bekaert's production capacity for product innovations – especially when built up in emerging countries – created strong leverage on results. These innovation efforts allowed Bekaert to significantly improve profitability, taking maximum advantage of growth sectors such as energy and mining.
- Adjusted production capacity in mature markets
In wire North America, sales grew by almost 20%. This strong growth was driven partly by the start-up of a sales and trading operation. Lower market demand in North America and in Western Europe has led to almost flat sales in steel cord others. Wire Europe experienced difficult market conditions, especially in the Western European platforms. Bekaert took appropriate actions in 2008 to adjust the wire and steel cord capacity in Belgium in line with declining demand.

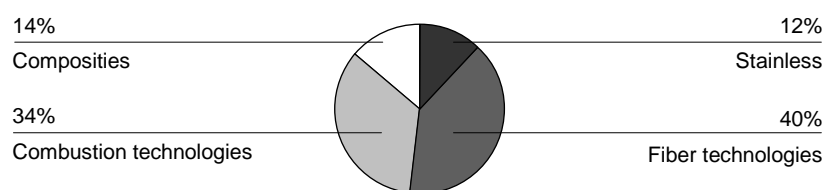
Advanced materials

Key figures (in millions of €)	2007	2008
Sales	204	199
Operating result (EBIT) before non-recurring items	17	1
Operating result (EBIT)	17	-17
Depreciation and amortization	8	35
EBITDA	26	18
EBITDA margin on sales	12.6%	9.2%
Share in result of the joint ventures	0	-1

Combined sales growth by activity platform

Stainless	-33.5%	Combustion technologies	-5.6%
Fiber technologies	+3.7%	Composites	+42.9%

Share in combined sales by activity platform



Throughout 2008, sales of **advanced materials** were relatively stable in the aggregate, but showed fluctuations by individual activity platform and ended with a 2% decline year-on-year. The sales drop in stainless was the result of decreased volumes and sustained pressure on margins from strong fluctuations in nickel-based raw materials prices. Other activity platforms operated in a highly competitive market environment and were impacted by the economic downturn towards the end of the year. Consequently, Bekaert advanced materials ended with an almost break-even operating result before non-recurring items.

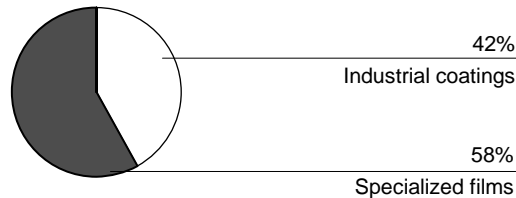
Advanced coatings

Key figures (in millions of €)	2007	2008
Sales	124	121
Operating result (EBIT) before non-recurring items	3	4
Operating result (EBIT)	-1	3
Depreciation and amortization	12	8
EBITDA	11	11
EBITDA margin on sales	9.0%	9.2%

Combined sales by activity platform

Industrial coatings	-7.0%	Specialized films	-0.1%
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Share in combined sales by activity platform



Both in terms of sales and results, the **advanced coatings segment** showed comparable year-on-year figures in the aggregate. Industrial coatings was particularly impacted by the economic downturn in the last months of the year, while the nominal growth of specialized film coatings (+6%) was canceled out entirely by exchange rate movements. Solid growth in industrial film applications compensated for the declining demand from residential and car film markets.

Other activities

Bekaert further increased its investments in research and development, totaling €68.5 million in 2008 (+21%). These R&D expenses applied to the activities of the technology centers in Deerlijk (Belgium) and in Jiangyin (China). The engineering department, which is the main supplier of proprietary machinery for the company's investment programs, operated at a high activity level during the first nine months of the year, and adjusted to changing market circumstances and the subsequent investment spread from the fourth quarter onwards.

Financial Review

Continuing strong dividend

In the light of Bekaert's strong performance in 2008 and confidence in its future, the Board of Directors will propose that the General Meeting of Shareholders on 13 May 2009 approve the distribution of a gross dividend of €2.80 per share, compared with €2.76 last year. If this proposal is accepted, the net dividend per share will amount to €2.10 and the net dividend on shares with VVPR strip, entitling the holder to reduced withholding tax of 15%, will be €2.38. The dividend will be payable as from 20 May 2009.

Non-recurring items

Non-recurring expenses totaled €83.7 million and included provisions for the restructuring of the Belgian manufacturing operations of advanced wire products (€42.5 million); for production platform moves within Europe; for environmental liabilities; and for several asset impairments, including those related to carding solutions (other advanced wire products: €10 million) and several activities within the advanced materials segment (€18.8 million), applying mainly to stainless and combustion technologies.

Excellent financial results

Bekaert achieved a record operating result (EBIT) before non-recurring income and expenses of €294 million, compared with €186 million for the financial year 2007 (+58%). This equates to an EBIT margin on sales before non-recurring income and expenses of 11.1%, compared with 8.6% last year. Including non-recurring items, EBIT was €210 million (2007: €175 million), representing an EBIT margin on sales of 7.9% compared with 8.0%.

EBITDA reached a record high €412 million, compared with €299 million in 2007 (+38%).

The increase in interest charges was due to the net debt position incurred to finance major capital expenditures and an increased working capital level in line with growth. Taxation on profit amounted to €25 million compared with €19 million in 2007.

Notwithstanding the transfer of Vicson and Proalco to the consolidated perimeter, the share in the results of joint ventures and associated companies totaled €56 million (2007: €47 million). This increase, reflecting the higher results posted by joint ventures, was mainly driven by the operations in Brazil.

The result for the period therefore attained €192 million, compared with €162 million in 2007. After third-party minority interests (€17.7 million as against €8.7 million), the result for the period attributable to the Group was €174 million, compared with €153 million last year.

Bekaert ended the year with earnings per share of €8.83 (2007: €7.63), an increase of 16%. Before non-recurring costs the earnings per share amounted to €13.08 compared with €8.22 a year ago, a significant increase of 59%.

Cash flow attributable to the Group totaled €376 million as against €277 million in 2007.

Strong balance sheet

As at 31 December 2008, shareholders' equity represented 44% of total assets. Net debt increased to €627 million (2007: €448 million), mainly due to capital expenditure programs and increased working capital in line with growth. The gearing ratio (net debt to equity) was 53.5%.

Bekaert repurchased 238 800 of its own shares in 2008. The company canceled 161 000 shares, kept 55 000 in portfolio, and delivered 22 800 to option holders. This reduced the total number of outstanding shares to 19 783 625 as at year-end 2008.

Cash flow statement

Net cash flow from operating activities amounted to €222 million (2007: €221 million). Operating working capital increased by €162 million to €653 million, mainly reflecting organic growth. Cash flows from investing activities amounted to €243 million, of which €239 million from expansions in Asia, Slovakia and Belgium.

Acquisitions represented an investment of €44 million (mainly the acquisition of the remaining 50% of the shares in Beksa Celik Kord Sanayi ve Ticaret AS, Turkey). Dividends received from joint ventures amounted to €46 million.

The share buy-back program represented a cash outflow of €20 million.

NV Bekaert SA (statutory accounts)

The Belgium based entity's sales amounted to € 608 million, compared with € 606 million in 2007. Operating profit for the period was € 0.6 million, compared with € 46.3 million last year. Increased energy and labor costs, rising raw materials and consumables prices, along with asset impairments and provisions for environmental liabilities and restructuring plans explained the strong decline in profit.

Outlook

Consolidated sales from January onwards will include the revenues of Ideal Alambrec (Ecuador) and Prodac (Peru), as the regional holding company covering the businesses in Ecuador, Peru, Venezuela and Colombia came into effect on 1 January 2009. Bekaert holds 80% of the shares in this holding company. Consequently, all respective entities will be included in the consolidated perimeter as of the start of 2009.

Short-term visibility on market developments is extremely limited. However, Bekaert does not expect the current activity slowdown to last on a company-wide scale. The company's proven resilience now shows in its flexibility to optimally manage production capacity and capital spending in line with demand and to limit working capital and cost levels accordingly.

Notwithstanding the economic circumstances, Bekaert is confident that its broad geographical coverage with a strong presence in emerging markets, as well as its growing portfolio of product innovations and strong balance sheet, will be of strategic importance. Bekaert will closely monitor market developments and customer requirements, so advantage can be taken of opportunities the moment they arise.

Financial calendar

2008 annual report available on Internet	17	April	2009
First quarter trading update 2009	13	May	2009
General Meeting of Shareholders	13	May	2009
Dividend payable (coupon n° 10)	20	May	2009
2009 half-year results	31	July	2009
Third quarter trading update 2009	13	November	2009

The statutory auditor has confirmed that his audit procedures, which have been substantially completed, have revealed no material adjustments that would have to be made to the accounting information included in this press release. The consolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union and the same accounting policies and methods of computation as in the December 31, 2007 annual consolidated financial statements were used.

Profile

Bekaert (www.bekaert.com) is a global technological leader in its two core competences: advanced metal transformation and advanced materials and coatings, and a market leader in drawn wire products and applications. Bekaert (Euronext Brussels: BEKB) is a global company with headquarters in Belgium, employing 23 000 people worldwide. Serving customers in 120 countries, Bekaert pursues sustainable profitable growth in all its activities and generates annual combined sales of € 4 billion.

Annex 1: Press release 13 March, 2009

Consolidated income statement

(in thousands of €)

	2007	2008
CONTINUING OPERATIONS		
Sales	2 173 598	2 662 377
Cost of sales	-1 739 669	-2 060 619
Gross profit	433 929	601 758
Selling expenses	-98 239	-121 815
Administrative expenses	-96 582	-113 648
Research and development expenses	-56 700	-68 534
Other operating revenues	14 597	10 831
Other operating expenses	-10 665	-14 365
Operating result (EBIT) before non-recurring items	186 340	294 227
Non-recurring items	-11 738	-83 758
Operating result (EBIT)	174 602	210 469
Interest income	2 517	4 947
Interest expense	-35 017	-46 360
Other financial income and expenses	-8 482	-7 829
Result from continuing operations before taxes	133 620	161 227
Income taxes	-19 095	-25 533
Result from continuing operations (consolidated companies)	114 525	135 694
Share in the results of joint ventures and associates	47 100	56 109
Result from continuing operations	161 625	191 803
DISCONTINUED OPERATIONS		
Result from discontinued operations	-	-
RESULT FOR THE PERIOD		
Attributable to :		
- the Group	152 890	174 075
- minority interests	8 735	17 728

Annex 2: Press release 13 March, 2009

Consolidated statement of comprehensive income

(in thousands of €)	2007	2008
Result for the period	161 625	191 803
Other comprehensive income		
Exchange differences	5 748	4 383
Cash flow hedges	-4 168	-3 853
Remeasurement of net assets held prior to acquiring control	9 140	-
Available-for-sale investments	8 139	-15 523
Actuarial gains and losses (-) on defined benefit plans	26 255	-52 032
Share of other comprehensive income of joint ventures and associates	1 349	-95
Other	94	-4
Deferred taxes relating to other comprehensive income	-3 809	9 445
Other comprehensive income for the period, net of tax	42 748	-57 679
Total comprehensive income for the period	204 373	134 124
Attributable to		
the Group	196 008	113 109
minority interests	8 365	21 015

Annex 3: Press release 13 March, 2009

Consolidated balance sheet

(in thousands of €)	31 Dec 2007	31 Dec 2008
Non-current assets	1 335 478	1 408 708
Intangible assets	51 887	52 332
Goodwill	70 118	59 133
Property, plant and equipment	917 617	1 070 667
Investments accounted for using the equity method	215 560	199 869
Other non-current assets	74 851	17 960
Deferred tax assets	5 445	8 747
Current assets	977 079	1 258 456
Inventories	385 443	510 541
Trade receivables	437 743	483 176
Other receivables	52 694	52 982
Short-term deposits	15 179	13 560
Cash and cash equivalents	58 063	104 761
Other current assets	20 395	72 300
Assets classified as held for sale	7 562	21 136
TOTAL ASSETS	2 312 557	2 667 164
Equity	1 146 586	1 172 332
Share capital	173 663	174 668
Retained earnings	995 481	1 098 816
Other reserves	-70 990	-142 902
Equity attributable to the Group	1 098 154	1 130 582
Minority interests	48 432	41 750
Non-current liabilities	525 507	513 684
Employee benefit obligations	120 796	143 375
Provisions	25 151	32 237
Interest-bearing debt	322 495	288 099
Other non-current liabilities	2 055	10 663
Deferred tax liabilities	55 010	39 310
Current liabilities	640 464	981 148
Interest-bearing debt	252 953	503 128
Trade payables	231 745	253 824
Employee benefit obligations	83 381	117 566
Provisions	12 434	30 271
Income taxes payable	12 642	18 150
Other current liabilities	44 434	53 502
Liabilities associated with assets classified as held for sale	2 875	4 707
TOTAL EQUITY AND LIABILITIES	2 312 557	2 667 164

Annex 4: Press release 13 March, 2009

Consolidated statement of changes in equity

(in thousands of €)	2007	2008
Opening balance	1 108 978	1 146 586
Total comprehensive income for the period	204 373	134 124
Gross increase or decrease in minority interests	382	-33 631
Creation of new shares	1 841	5 363
Acquisitions of own shares	-110 950	-19 749
Dividends to shareholders of NV Bekaert SA	-49 590	-54 289
Dividends to minority interests	-7 591	-7 796
Other	-857	1 724
Closing balance	1 146 586	1 172 332

Annex 5: Press release 13 March, 2009

Consolidated cash flow statement

(in thousands of €)	2007	2008
Operating result (EBIT)	174 602	210 469
Non-cash and investing items included in operating result	115 100	227 889
Income taxes paid	-24 874	-27 505
Gross cash flows from operating activities	264 828	410 853
Change in operating working capital	-41 933	-162 363
Other operating cash flows	-1 484	-26 279
Cash flows from operating activities	221 411	222 211
New business combinations and other portfolio investments	-14 736	-44 177
Proceeds from disposals of investments	4 210	668
Dividends received	54 715	46 066
Purchase of intangible assets	-7 393	-12 391
Purchase of property, plant and equipment	-192 415	-238 622
Other investing cash flows	3 744	5 292
Cash flows from investing activities	-151 875	-243 164
Interest received	2 517	4 947
Interest paid	-33 340	-36 495
Gross dividend paid	-57 213	-62 156
Proceeds from non-current interest-bearing debt	66 041	149 711
Repayment of non-current interest-bearing debt	-2 016	-25 274
Cash flows from current interest-bearing debt	59 012	40 245
Purchase of treasury shares	-110 950	-19 749
Other financing cash flows	13 363	15 672
Cash flows from financing activities	-62 586	66 901
Net increase or decrease (-) in cash and cash equivalents	6 950	45 948
Cash and cash equivalents at the beginning of the period	52 139	58 063
Effect of exchange rate fluctuations	-1 026	750
Cash and cash equivalents at the end of the period	58 063	104 761

Annex 6: Press release 13 March, 2009

Additional key figures

(in € per share)	2007	2008
Number of existing shares at 31 December	19 831 000	19 783 625
Book value	57.82	59.26
Share price at 31 December	92.00	48.32
Weighted average number of shares		
Basic	20 039 098	19 718 641
Diluted	20 169 889	19 796 210
Result for the period attributable to the Group		
Basic	7.63	8.83
Diluted	7.58	8.79
Basic before non-recurring items	8.22	13.08
Cash flow attributable to the Group		
Basic	13.82	19.06
Diluted	13.73	18.98

(in thousands of €)

Cash flow attributable to the Group (continuing operations)	276 866	375 764
EBITDA	298 579	412 158
Depreciation and amortization	123 977	201 689
Capital employed	1 533 704	1 835 436
Operating working capital	494 083	653 304
Net debt	448 084	627 467
EBIT on sales before non-recurring items	8.6%	11.1%
EBIT on sales	8.0%	7.9%
EBITDA on sales	13.7%	15.5%
Equity on total assets	49.6%	44.0%
Gearing (net debt on equity)	39.1%	53.5%
Average working capital on sales	21.8%	21.6%

NV Bekaert SA – Statutory Profit and Loss Statement (in thousands of €)

Sales	605 707	607 999
Operating result	46 260	625
Financial result	62 929	36 589
Profit from ordinary activities	109 189	37 214
Extraordinary results	-24 204	-100 307
Profit before income taxes	84 985	-63 093
Income taxes	1 783	4 507
Result for the period	86 768	-58 586