

Press release

Regulated information

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Third quarter trading update 2009

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Bekaert confirms strengthening business in emerging markets

Bekaert's third quarter business performance improved in comparison with the previous quarter. The sales increase was driven by volume growth, while the effect of fluctuations in raw material prices and currency became insignificant quarter-to-quarter.

- **Sales volumes** have steadily improved during 2009:
Increased market demand, mainly in Asia Pacific, drove Bekaert's third quarter sales volumes higher than in the same period of the prior year. Bekaert expects to maintain high sales volumes in the fourth quarter of this year, driven by solid market demand in emerging markets.
- **Raw material prices** seem to have bottomed out:
After a long period of steep decline, raw material prices have stabilized at 40% below the 2008 third quarter level. Obviously, the substantially lower raw material prices year-on-year do have a corresponding impact on Bekaert's sales throughout the second half of the year.
- **Stronger euro** reduces favorable currency movements:
The positive effect of currency movements was neutralized in the third quarter due to the stronger euro. This currency trend is expected to produce a negative impact on sales during the fourth quarter of 2009.

The Bekaert strategy, with focus on emerging markets and an innovation based product portfolio, is proving crucial in getting through the crisis.

Sales

In the first nine months of 2009 Bekaert achieved consolidated sales of € 1 819 million and combined sales of € 2 472 million, a decrease of 11.2% and 20.8% respectively¹.

Bekaert's consolidated sales were 11.2% down in comparison with the first nine months of an exceptional 2008, with strong differences between regions. Weak market demand in EMEA and North America drove an organic sales decline of 21.7%. This was partly offset by strong demand in Asia Pacific, and by the integration of Prodac (Peru) and Ideal Alambrec (Ecuador) in Latin America which added 5.7%. The positive impact of currency movements contributed 4.9%.

Combined sales² decreased 20.8% in comparison with the first nine months of last year. This was a result of lower market demand that was reflected in an organic decline of 22.4%, slightly tempered by favorable exchange rate differences of 1.7%.

Consolidated sales by segment³

In millions of €

First nine months	2008	2009	Variance	Share
EMEA	915	608	-33.5%	33%
North America	461	370	-19.9%	20%
Latin America	133	247	+86.0%	14%
Asia Pacific	539	594	+10.3%	33%
Total	2 047	1 819	-11.2%	100%

The table below gives a closer view on the regional differences in the 2009 quarter-on-quarter progress:

Quarterly sales 2009	1 st Q	2 nd Q	3 rd Q	Q3-Q2
EMEA	210	200	198	-1%
North America	142	122	106	-13%
Latin America	81	79	87	+10%
Asia Pacific	159	207	228	+10%
Total	592	608	619	+2%

¹ All comparisons are made relative to the first nine months of 2008, which have been readjusted according to the new segment reporting. The figures in this press release are provisional and unaudited.

² Combined sales are sales of consolidated companies plus 100% of sales of joint ventures and associates after intercompany elimination.

³ The new segment reporting implemented by Bekaert as from January 2009 implies segmentation by geographical market. More details can be found on www.bekaert.com: investors-datacenter.

Combined sales by segment⁴

In millions of €

First nine months	2008	2009	Variance	Share
EMEA	907	604	-33.4%	24%
North America	458	365	-20.4%	15%
Latin America	1 203	905	-24.8%	37%
Asia Pacific	551	598	+8.5%	24%
Total	3 119	2 472	-20.8%	100%

The table below gives a closer view on the regional differences in the 2009 quarter-on-quarter progress:

Quarterly sales 2009	1 st Q	2 nd Q	3 rd Q	Q3-Q2
EMEA	209	198	197	-
North America	139	120	105	-12%
Latin America	280	299	326	+9%
Asia Pacific	160	209	229	+10%
Total	788	826	857	+4%

EMEA

Low demand, especially in automotive and construction markets, resulted in a sales drop versus the prior year across most EMEA activity platforms. The sales decline was further driven by substantially lower raw material prices year-on-year, and partly compensated by adding volumes of basic products in order to drive up capacity utilization.

North America

In North America, sales dropped as a result of passed-on raw material price decreases and continued weak market demand, notably in the automotive sector. Comparable actions as in EMEA were taken from the second quarter onwards, in order to increase capacity utilization.

Latin America

Latin America's consolidated sales growth was the result of the integration of Ideal Alambrec (Ecuador) and Prodac (Peru). Year-to-date combined revenues were lower than in the same period of an exceptionally strong 2008, partly driven by the negative currency impact in Brazil. 2009 quarterly sales show, however, a steady positive trend.

Asia Pacific

Bekaert's activity platforms in Asia Pacific continued operating at high capacity utilization. Sales growth was somewhat tempered by less favorable currency movements in the third quarter.

⁴ Combined sales are sales of consolidated companies plus 100% of sales of joint ventures and associates after intercompany elimination.

Other information

Healthy cash flow generation further reduced net debt to € 500 million (€ 622 million as per 30 June 2009).

In June 2008 Bekaert and Sulzer announced their intention to sign a take-over agreement of the Bekaert Diamond-like Carbon coating activities. After lengthy discussions on terms and conditions and legal clearance, the take-over talks have reached a point at which Bekaert decided to end discussions with Sulzer. The DLC business accounts for less than 1% of Bekaert's consolidated sales.

Outlook

Bekaert is active in a very wide range of sectors. The largest markets for Bekaert's products are the automotive, construction and energy sectors. Although Bekaert's automotive-related sales figures have been impacted by an overall weak demand in mature markets, the trend is gradually improving. The economic crisis also has affected sales in the construction sector. Bekaert continued to perform well across several applications in the energy-related and mining sectors.

In line with earlier guidance the substantially lower raw material prices year-on-year will continue to have a corresponding impact on Bekaert's sales for the last quarter of 2009. Notwithstanding this pricing impact as well as the forecasted negative effect of the strong euro, Bekaert expects fourth quarter consolidated sales in line with previous quarters.

Financial calendar

2009 results	26	February	2010
2009 annual report available on the internet	31	March	2010
First quarter trading update 2010	12	May	2010
General Meeting of Shareholders	12	May	2010
Dividend payable (coupon nr. 11)	19	May	2010
2010 half year results	30	July	2010
Third quarter trading update 2010	10	November	2010

Safe Harbor

This document 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.

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.