

# Press release

## Regulated information

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## First quarter trading update 2010

### Press

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# Emerging markets drive recovery

In the first quarter of 2010 Bekaert achieved consolidated sales of €694 million and combined<sup>1</sup> sales of €953 million, an increase of 17.2% and 20.9% respectively, compared to the first quarter of 2009.

Strong volumes drove an organic consolidated sales growth of 23.9%, while unfavorable currency movements, particularly in Venezuela, had a negative effect of 6.7%. The currency effect was almost neutralized (-0.3%) at the combined sales level due to the strong Brazilian Real. Organic growth of combined sales amounted to 21.2% compared to the same period last year.

## Consolidated and combined sales by segment

### First quarter consolidated sales in millions of €

	2009	2010	Variance	Share
EMEA	210	244	+16%	35%
North America	142	141	-1%	20%
Latin America	81	67	-17%	10%
Asia Pacific	159	242	+52%	35%
<b>Total</b>	<b>592</b>	<b>694</b>	<b>+17%</b>	<b>100%</b>

### First quarter combined sales in millions of €

	2009	2010	Variance	Share
EMEA	209	243	+16%	25%
North America	139	139	=	15%
Latin America	280	329	+18%	35%
Asia Pacific	160	242	+51%	25%
<b>Total</b>	<b>788</b>	<b>953</b>	<b>+21%</b>	<b>100%</b>

<sup>1</sup> Combined sales are sales of consolidated companies plus 100% of sales of joint ventures and associates after intercompany elimination.

## Combined sales by segment

### EMEA

Sustained recovery in EMEA markets resulted in higher sales across all activity platforms. Both in Western and in Central Europe, Bekaert's manufacturing platforms operated at high capacity utilization levels as a result of strong sales volumes.

### North America

In North America, volumes increased but the sales effect was offset by lower selling prices and unfavorable currency movements, when compared to the first quarter of 2009.

### Latin America

Revenues were up 18% in Latin America due to increased market demand in Brazil, Colombia and Peru. Bekaert successfully defended its market position in Brazil by adjusting its selling prices downward to compensate for the effect of the strong Real. Consolidated sales were negatively affected by the use of the parallel exchange rate of the Bolivar in Venezuela.<sup>2</sup>

### Asia Pacific

Compared to a very weak first quarter in 2009, the 51% sales growth in Asia Pacific reflects the high utilization of increased capacities and solid demand driven by strong industrial development across the region.

## First quarter market developments

Bekaert is active in many sectors. The largest markets for Bekaert's products are the automotive, construction, and energy sectors. In the **automotive** sector, sales demand continued to perform strongly in emerging markets, and improved after a long period of weak economic activity in mature markets. **Construction** markets remained under pressure while the **energy**-related sectors continued to perform well on a global level across many different applications, especially as regards alternative energy solutions.

## Investment update

Net debt increased to €484 million (year-end 2009: €395 million), mainly due to the acquisition of the two Bridgestone steel cord plants (of which €34 million of the total enterprise value of €70 million were paid on 31 March 2010) and the increase of working capital.

Following the transaction closing at the end of the first quarter, the Sardinian (Italy) and Huizhou (China) plants of Bridgestone have been integrated within the Bekaert Group and will be included in Bekaert's consolidated figures as from 1 April 2010.

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<sup>2</sup> Bekaert concluded that the parallel market rate should be used to convert *bolivares fuertes* as from 31 December 2009, in accordance with IAS 21 'The Effect of Changes in Foreign Exchange Rates'. For more information, see the Bekaert annual report 2009, chapter 3.2 'Critical judgments in applying the entity's accounting policies' of the Financial Review.

## Outlook

Thanks to the major efforts and fast response from all stakeholders to the dramatic earthquake in Chile, there will be little overall impact on Bekaert's activities in the country.

Bekaert expects continued strong performance in the second quarter of 2010. We remain nevertheless cautious about market developments for the second half of the year.

Bekaert's broad geographical coverage with a strong presence in emerging markets, as well as its growing portfolio of product innovations and strong balance sheet, will continue to be of strategic importance.

Notwithstanding uncertainties in monetary policies and exchange rate developments in Asia and in Latin America, Bekaert remains confident of the opportunities in emerging markets and will meet continued strong demand there with additional investments.

## Financial calendar

General Meeting of Shareholders	12	May	2010
Dividend ex-date	14	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

## Profile

Bekaert ([www.bekaert.com](http://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 €3.3 billion.