

Press release

Regulated information

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Third quarter trading update 2010

Press

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Bekaert reports solid Q3 sales

Bekaert recorded sustained strong demand throughout the first nine months of 2010. Revenue was lifted by a better product mix driven by Bekaert's continued innovation efforts. Consequently, Bekaert's sales for the first nine months of 2010 equaled total sales of 2009.

Sales

In the first nine months of 2010 Bekaert achieved consolidated sales of €2 401 million and combined sales of €3 307 million, an increase of 32.0% and 33.8% respectively.^{1 2}

Strong volumes and a favorable product mix drove an organic consolidated sales growth of 30.8%. The net effect of acquisitions and divestments amounted to 1.5% while currency movements, particularly in Venezuela, had a negative effect of 0.3%.

The combined sales' increase was 27.0% from organic growth and 1.1% from the net movement in acquisitions and divestments. The currency effect turned positive (+5.7%) at the combined sales level due to the strong Brazilian Real and Chilean Peso.

Consolidated and combined sales by segment

First nine months consolidated sales in millions of €

Consolidated sales	2009	2010	Variance	Share
EMEA	608	797	+31.1%	33%
North America	370	484	+30.9%	20%
Latin America	247	233	-5.9%	10%
Asia Pacific	594	888	+49.3%	37%
Total	1 819	2 401	+32.0%	100%

2010 quarter-on-quarter progress per segment in millions of €

Consolidated sales	1 st Q	2 nd Q	3 rd Q	Q3:Q2
EMEA	244	282	271	-4%
North America	141	172	170	-1%
Latin America	67	77	89	+16%
Asia Pacific	242	310	336	+8%
Total	694	841	866	+3%

¹ All comparisons are made relative to the figures for the first nine months of 2009. 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.

First nine months combined sales in millions of €

Combined sales	2009	2010	Variance	Share
EMEA	604	792	+31.1%	24%
North America	365	478	+31.2%	14%
Latin America	905	1 147	+26.7%	35%
Asia Pacific	598	890	+48.9%	27%
Total	2 472	3 307	+33.8%	100%

2010 quarter-on-quarter progress per segment in millions of €

Combined sales	1 st Q	2 nd Q	3 rd Q	Q3:Q2
EMEA	243	280	269	-4%
North America	139	171	169	-1%
Latin America	329	398	420	+6%
Asia Pacific	242	311	337	+8%
Total	953	1 160	1 195	+3%

Performance by segment

EMEA

Sustained demand and further change and improvement in product mix resulted in higher sales across all activity platforms in EMEA, with the exception of building products.

North America

In North America, the market rebound in the automotive sector was confirmed during the third quarter, while industrial and agricultural applications continued to perform well. In addition, Bekaert's specialty films performed strongly across all sectors. Favorable exchange rates and wire rod prices also contributed to strong quarter sales.

Latin America

Bekaert's subsidiaries in Latin America delivered robust sales growth, in particular Bekaert's operations in Ecuador, Colombia and Peru. In Venezuela, consolidated sales have been negatively affected since the beginning of the year as a result of the applicable exchange rate of the Bolivar.

Combined revenues were up 26.7% in Latin America. Bekaert's joint ventures in Brazil and Chile reported increased volumes in a highly competitive environment which was caused by the strong local currencies.

Asia Pacific

All product groups and respective markets continued strong growth in Asia Pacific, with the automotive and renewable energy sectors as fast developing markets. Firm industrial development across the region is reflected in the close to 50% sales growth. Seasonal effects and controlled economic growth in China are expected to bring growth ratios down to more normal levels as from the fourth quarter onwards.

Other information

Bekaert has increased its investments in additional manufacturing capacity, especially in emerging markets like China, India, Indonesia and Central and Eastern Europe, and has further invested substantially in R&D.

Bekaert signed an agreement for the acquisition of 75% of the shares of the spring wire and overhead conductor business of Xinyu Iron & Steel Co., Ltd in Xinyu (Jiangxi Province, China) on 21 September. The transaction closing is subject to regulatory approvals. Bekaert also celebrated the opening of its *greenest steel cord plant* in the world on 8 October in Shenyang (Liaoning Province, China).

Net debt decreased to €463 million (versus €583 million as per 30 June 2010), mainly due to a decrease of working capital and healthy cash flow generation.

Bekaert distributed, as proposed by the Board of Directors and approved by the Special General Meeting of 7 October 2010, a gross intermediate dividend of €2. The dividend became payable as from 15 October.

Outlook

After a strong third quarter, Bekaert expects fourth quarter consolidated sales in line with the average quarterly sales of the first half of 2010. Traditional seasonal effects such as year-end destocking by customers and holiday periods, as well as negative currency effects and measures toward controlled growth in China are indicators for more tempered sales growth in the months ahead.

Share split

The three-for-one share split as proposed by the Board of Directors and approved by the Extraordinary General Meeting of 7 October 2010, came into effect today, 10 November 2010.

Financial calendar

2010 results	25	February	2011
2010 annual report available on the Internet	31	March	2011
First quarter trading update 2011	11	May	2011
General Meeting of Shareholders	11	May	2011
Dividend ex-date	13	May	2011
Dividend payable (coupon nr. 13)	18	May	2011
2011 half year results	29	July	2011
Third quarter trading update 2011	10	November	2011

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 over 25 000 people worldwide. Serving customers in 120 countries, Bekaert pursues sustainable profitable growth in all its activities and generated €3.3 billion combined sales in 2009.