

## Press release

### Regulated information

10 November 2011

### Third quarter trading update 2011

#### Press

Katelijin Bohez  
T +32 56 23 05 71

#### Investor Relations

Jacques Anckaert  
T +32 56 23 05 72

[www.bekaert.com](http://www.bekaert.com)  
[www.bekaert.mobi](http://www.bekaert.mobi)

## Economic slowdown in China offsets Bekaert's performance in the rest of the world

Bekaert achieved solid sales growth in most segments throughout the first nine months of 2011, compared with the same period of last year. Business activities in China were affected by reduced growth in the sectors Bekaert serves and by stringent credit restrictions. Moreover, continued low demand and increased price pressure, driven by substantial overcapacity in the solar energy markets, led to a significant reduction of revenues in the sawing wire activities.

### Sales

In the first nine months of 2011, Bekaert achieved consolidated sales of € 2 595 million and combined sales of € 3 550 million, an increase of 8.1% and 7.3% respectively.<sup>1 2</sup>

Strong volumes in most sectors drove an organic consolidated sales growth of 11.4%. The net effect of acquisitions and divestments amounted to -0.5% while currency movements had an adverse effect of -2.8% as a result of the stronger euro (compared with the same period last year).

The combined sales increase was 9.3% from organic growth. Both the net movement in acquisitions and divestments (-0.4%) and currency movements (-1.6%) were negative.

### Consolidated and combined sales by segment

#### First nine months of consolidated sales in millions of €

| Consolidated sales | 2010         | 2011         | Variance   | Share       |
|--------------------|--------------|--------------|------------|-------------|
| EMEA               | 797          | 907          | +14%       | 35%         |
| North America      | 484          | 526          | +9%        | 20%         |
| Latin America      | 233          | 269          | +16%       | 10%         |
| Asia Pacific       | 888          | 893          | +1%        | 35%         |
| <b>Total</b>       | <b>2 401</b> | <b>2 595</b> | <b>+8%</b> | <b>100%</b> |

#### 2011 quarter-on-quarter progress per segment in millions of €

| Consolidated sales | 1 <sup>st</sup> Q | 2 <sup>nd</sup> Q | 3 <sup>rd</sup> Q | Q3 y-o-y <sup>3</sup> |
|--------------------|-------------------|-------------------|-------------------|-----------------------|
| EMEA               | 307               | 308               | 293               | +8%                   |
| North America      | 176               | 178               | 172               | +1%                   |
| Latin America      | 82                | 90                | 97                | +10%                  |
| Asia Pacific       | 353               | 286               | 254               | -24%                  |
| <b>Total</b>       | <b>918</b>        | <b>862</b>        | <b>816</b>        | <b>-6%</b>            |

<sup>1</sup> All comparisons are made relative to the figures for the first nine months of 2010. The figures in this press release are provisional and unaudited.

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

<sup>3</sup> Q3 year-on-year sales: 3<sup>rd</sup> quarter 2011 versus 3<sup>rd</sup> quarter 2010.

**First nine months of combined sales in millions of €**

| Combined sales | 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%         |
| <b>Total</b>   | <b>3 307</b> | <b>3 550</b> | <b>+7%</b> | <b>100%</b> |

**2011 quarter-on-quarter progress per segment in millions of €**

| Combined sales | 1 <sup>st</sup> Q | 2 <sup>nd</sup> Q | 3 <sup>rd</sup> Q | Q3 y-o-y <sup>4</sup> |
|----------------|-------------------|-------------------|-------------------|-----------------------|
| EMEA           | 305               | 303               | 289               | +7%                   |
| North America  | 174               | 175               | 171               | +1%                   |
| Latin America  | 401               | 413               | 422               | =                     |
| Asia Pacific   | 353               | 288               | 256               | -24%                  |
| <b>Total</b>   | <b>1 233</b>      | <b>1 179</b>      | <b>1 138</b>      | <b>-5%</b>            |

## Performance by segment

### EMEA

Bekaert's activity platforms performed well in most EMEA markets, with automotive sales recording solid growth in comparison to the first nine months of 2010. Sales declined slightly in the third quarter of 2011 due to substantial lower demand in solar energy markets.

### North America

Sustained demand in all markets, except construction and agriculture, and a positive product mix led to increased sales in North America. The strong nominal sales growth was, however, to a large extent offset by unfavorable exchange rates.

### Latin America

The Bekaert subsidiaries in Latin America continued to deliver robust sales growth throughout the first nine months of the year. Sales volumes were strong, in particular in Venezuela and Peru, while currency movements had an adverse effect of -6%.

Due to strong local currencies and a resulting highly competitive environment in Brazil and Chile, the sales growth was tempered to 8% at the combined sales level.

### Asia Pacific

Although top line sales in Asia Pacific were in line with the first nine months of 2010, the quarterly trend is negative. The economic slowdown in the sectors Bekaert serves in China and the substantial overcapacity and price fall in the solar energy sector in particular, drove third quarter sales down 24%<sup>4</sup> from last year, thereby more than offsetting the continued growth in India and Indonesia.

<sup>4</sup> Q3 year-on-year sales: 3<sup>rd</sup> quarter 2011 versus 3<sup>rd</sup> quarter 2010

## Other information

Following the announcement of 10 August 2011, the acquisition of Bekaert's Solar Gard Specialty Films by Saint-Gobain was successfully closed on 30 September 2011. The transaction covers the production facilities in San Diego (US), Zulte (Belgium) and Suzhou (China), the operations under development in China and all sales and service centers worldwide. The deal involves all employees working in the specialty films platform, which is known as Solar Gard Specialty Films in the wide range of markets served. As of the fourth quarter of 2011, Bekaert's financial figures will no longer include the Solar Gard specialty films activities, representing sales of about €30 million on a quarterly basis, mainly on the account of North America.

On 1 September 2011, Bekaert and Hankuk Steel Wire Co. Ltd (South Korea) successfully closed the transaction by which Bekaert acquires the Qingdao Hansun steel wire plant in Qingdao, Shandong Province, China. The acquisition aims to strengthen Bekaert's position in the Chinese wire market. The company has been renamed Bekaert (Qingdao) Wire Products Co., Ltd and its integration within the Bekaert Group came into effect immediately.

Bekaert inaugurated on 15 September 2011 its plant extension in Lipetsk, Russia. Bekaert has been present in Russia with steel cord manufacturing operations since the beginning of 2010 and has built a growing customer base in the region. In view of expected efficiency and flexibility gains, Bekaert decided to extend its production platform in Lipetsk with a half products manufacturing unit.

Following the decision of the Board of Directors to distribute a gross interim dividend of €0.67 - as announced on 29 July 2011 in Bekaert's press release with the company's 2011 first half year results - the dividend became payable as of 17 October 2011.

Net debt was €763 million and includes the proceeds of the sale of the specialty films activities.

## Outlook

Bekaert achieved solid growth in all markets but China in the first nine months of 2011. In addition to the usual seasonal effects at year-end, 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 the next quarter.

In solar energy markets, substantial manufacturing overcapacity and persistent low demand drove prices down by more than 50% toward the end of the third quarter. Bekaert expects a further deterioration of price levels in the months ahead.

Although sales volumes were solid in most markets during the first nine months of the year, Bekaert anticipates growing uncertainty and margin pressure, in line with global expectations. Working capital is expected to remain high in the difficult financial and business environment, and the volatility of raw materials prices and exchange rates adds uncertainty to business performance perspectives.

Notwithstanding the above uncertainties, Bekaert remains confident that its strong balance sheet, its broad geographical coverage with a strong position in emerging markets, its extensive product portfolio, and the group's ongoing efforts to further enhance its operational excellence, will enable the company to weather these turbulent times successfully.

## Financial calendar

|  |    |          |      |
|--|----|----------|------|
| 2011 results                                 | 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 |
| Dividend ex-date                             | 11 | May      | 2012 |
| Dividend payable                             | 16 | May      | 2012 |
| 2012 half year results                       | 27 | July     | 2012 |
| Third quarter trading update 2012            | 14 | November | 2012 |

### 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](http://www.bekaert.com)) is a global technological and market leader in advanced solutions based on metal transformation and coatings, and the world's largest independent manufacturer of drawn steel wire products. Bekaert (Euronext Brussels: BEKB) is a global company with headquarters in Belgium, employing 28 000 people worldwide. Serving customers in 120 countries, Bekaert pursues sustainable profitable growth in all its activities and generated combined sales of €4.5 billion in 2010.