



Press release

Regulated information

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Bekaert and Xinyu Steel announce successful closing of partnership deal in Xinyu, Jiangxi Province, China

Bekaert, worldwide technological and market leader in drawn wire products and applications, and Xinyu Iron & Steel Co., Ltd (Xinsteel), a Xinyu-based (Jiangxi, China) iron and steel company, announced today the successful closing of their partnership transaction by which Bekaert acquires 50% of the spring wire and Aluclad activities of Xinsteel in Xinyu, Jiangxi Province, China. These activities represent an annual turnover of approximately CNY 500 million.

The partnership includes:

- two manufacturing plants in Xinyu which produce high carbon steel wires, mainly spring wires for the automotive, motorcycle, and engineering sectors. The portfolio complements Bekaert's existing product range manufactured in its wire plant in Jiangyin, Jiangsu Province.
- the Aluclad (aluminium clad) wire and strand production unit, serving markets for overhead conductor networks and data communication. Manufacturing is concentrated in one production plant in Xinyu.

The acquisition deal follows all customary closing and approval processes and represents a purchase value of CNY 107 million. The companies herewith formally enter a partnership aimed at combining complementary technologies and applications to open up new opportunities in the respective target markets. The results of the joint venture will be included in Bekaert's financial records under the equity accounting method as from 1 December 2011.

About Bekaert

Bekaert (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. In China, Bekaert is present with a manufacturing platform since the early nineties and now operates 21 sites within 18 legal entities at 10 locations there (Shenyang, Weihai, Jiangyin, Wuxi, Shanghai, Suzhou, Chongqing, Huizhou, Qingdao, Xinyu), employing more than 11 000 people.

About Xinyu Steel

Xinyu Iron & Steel Co., Ltd (Xinyu Steel) is located in Xinyu, Jiangxi Province, China. The State Owned Enterprise includes steel, mining, equipment and construction activities. Xinyu Steel employs 28 000 people and reported total sales of CNY 38 billion in 2010.

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