

## Press release

### Regulated information

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## Bekaert further consolidates activities in Latin America

### Bekaert and Chilean partners reach agreement on majority shareholding by Bekaert

Today, Bekaert and its Chilean partners signed an agreement to restructure the shareholding of their joint venture operations in Chile, Peru and Canada. As a consequence, Bekaert becomes the principal shareholder (52%) in the partnership, and will consolidate the results of all respective entities as of 2012 in the Group's financial statements.

Bekaert and its Chilean partners<sup>1</sup>, represented by members of the families Matetic and Conrads, have agreed to restructure their interests in:

- Industrias Chilenas de Alambre – Inchalam SA in Talcahuano, Chile;
- Prodalam SA in Santiago, Chile;
- Acma SA in Santiago, Chile;
- Acmanet SA in Santiago, Chile;
- Productos de Acero SA – Prodinsa in Maipú, Chile;
- Wire Rope Industries Ltd in Pointe-Claire, Canada;
- Productos de Acero Cassadó SA (Prodac) in Callao, Peru;
- Procables SA in Callao, Peru;
- and all related sales entities and financial companies.

Bekaert's presence in Chile dates back to 1950 with a first investment in Inchalam and the start of a joint-venture with the families Matetic and Conrads, Bekaert's partners for more than 60 years now.

Henri-Jean Velge, Group Executive Vice President of Bekaert: *"Bekaert will further pursue the business strategy and approach in place. As proven by our long-standing partnership, Bekaert will be sustaining the entities' local identity and best practices, while we see increased opportunities for synergies and future growth in the respective businesses as part of Bekaert's consolidated platform and of its important Latin American segment more in particular."*

Jorge Matetic, Partner and Member of the Board of Directors of Inchalam SA and its subsidiaries: *"We are proud to set the basis for a new era of rewarding joint activities between Bekaert and the Conrads and Matetic families"*.

Juan Conrads, Partner and Member of the Board of Directors of Inchalam SA and its subsidiaries: *"After decades of a very successful partnership with Bekaert, we continue our collaboration by introducing some changes in our corporate structure, which will allow to complement more effectively and efficiently our businesses in Chile, Peru and Canada and offer further prospects for the entire Group"*.

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<sup>1</sup> Hereafter named "the Partners"

**Impact of the agreement on Bekaert’s consolidated income statement:**

Until today, Bekaert accounted for the above entities<sup>2</sup> using the equity method. As of 2012<sup>3</sup>, the financial records of the entities will be recognized in the consolidated statements of Bekaert. Simulated on the basis of the 2010 and 2011 financial statements, the impact on Bekaert's consolidated figures is estimated as follows:

- increase of consolidated sales by approximately € 300 million on an annual basis;
- EBIT increase in line with Bekaert’s long-term profitability guidance.

The transaction will be executed through an exchange of shares which will result in Inchalam increasing its shareholding in Prodac from 40% to 72% and Bekaert increasing its participation in Inchalam to 52%.

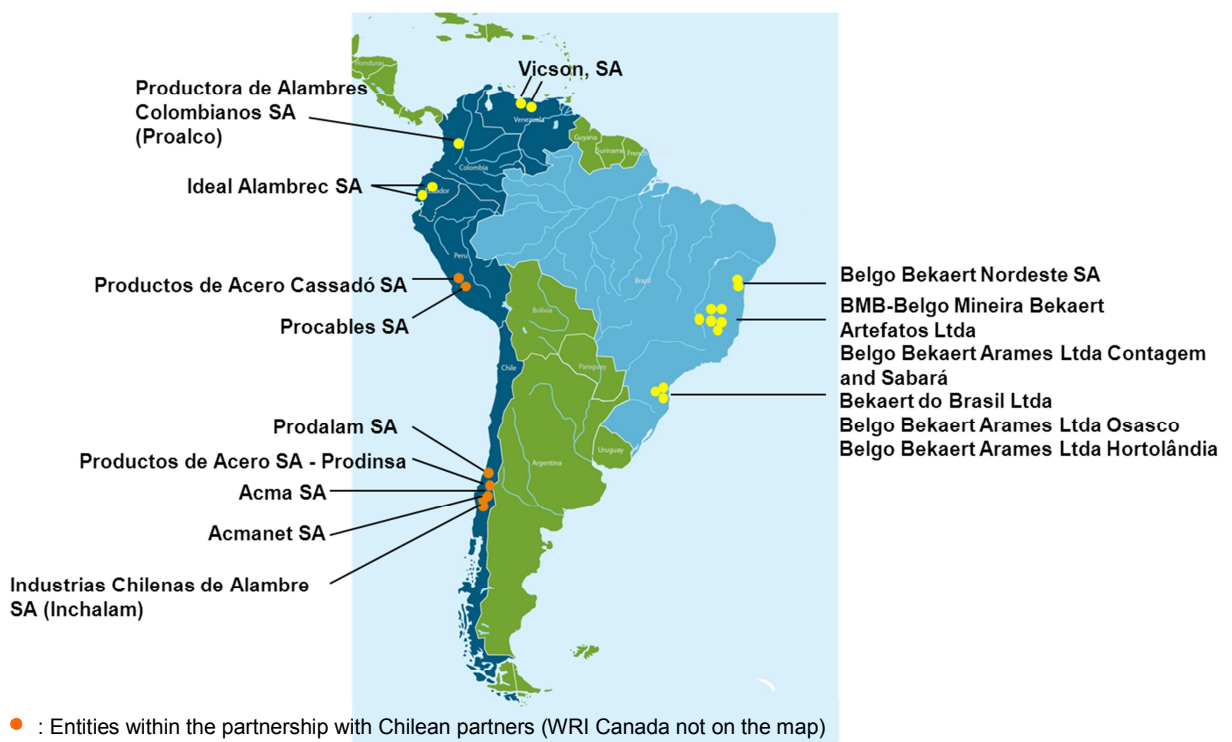
Bekaert and the Partners anticipate closing the transaction in the course of the first quarter of 2012, upon completion of customary closing conditions.

**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.

**Bekaert in Latin America**

Bekaert's activities in Latin America go back to 1950. Today, they represent more than 35% of combined sales by means of successful joint ventures with ArcelorMittal in Brazil, the subsidiaries under the Bekaert Ideal Holding in Ecuador, Venezuela and Colombia, and those within the partnership in Chile and Peru.



<sup>2</sup> With the exception of Productos de Acero Cassadó SA (Prodac) in Peru which has been part of Bekaert’s consolidated statements since 2008.  
<sup>3</sup> Starting date of consolidation as per closing terms.

## **Newly consolidated entities**

### **Chilean wire and building products activities**

The Chilean steel wire activities manufacture, sell and distribute wire products for construction, agricultural fencing, and industrial applications. The production activities are centralized in the Inchalam plant in Talcahuano near Concepción, Chile. The Chilean wire business also operates a global sales and distribution center in Santiago, Chile (Prodalam SA). The building products activities manufacture, sell and distribute rebars and welded mesh for concrete reinforcement, as well as galvanized and color coated fences. The production plants, Acma and Acmanet, are located in Santiago, Chile.

### **Ropes platform Chile, Peru, Canada**

Ropes for mining, hoisting, and marine applications are developed, manufactured, sold and distributed from the entities in Maipú, Santiago (Chile), Callao (Peru) and Pointe-Claire (Canada).