

Press release

Regulated information

Press - Investors
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First half year 2016 results

Bekaert continues performance improvement trend

8.6% REBIT, up 40% to €157 million on strong volume growth and improved business performance

Highlights¹

Bekaert achieved strong volume and margin growth in the first half of 2016. The Group's 6% volume growth² stemmed from firm demand in automotive and solar markets and steadily increasing sales volumes in industrial steel wire and construction markets. The robust volume growth was more than offset in Bekaert's top line by adverse currency movements (-3%), lower wire rod prices (-4%) which we pass on to our customers, and price erosion and mix effects (-3%). The slowdown in oil and gas markets affected the product-mix due to declining demand for profiled wires and steel ropes.

Bekaert's overall stronger business portfolio and the growing impact of the various global transformation programs drove a significant profit improvement. REBIT increased by 40% to €157 million at a REBIT margin on sales of 8.6%, compared with 5.9% in the first half of 2015.

Bekaert achieved excellent results in EMEA (13.6% REBIT margin), very strong margin growth in Asia Pacific (12.2%, more than doubling the margin of the first half of 2015) and Latin America (9.3% REBIT margin, up 70%), and improved margins in North America (4.8%, up 30%).

- Consolidated sales of €1.8 billion (-4%) and combined sales of €2.1 billion (-8%)
- Currency impact: €-63 million (-3%) on consolidated sales; €-141 million (-6%) on combined sales
- Gross profit of €347 million (19% margin) compared with €304 million (16% margin)
- REBIT of €157 million (8.6% margin) compared with €112 million (5.9% margin)
- Non-recurring items of €-13.7 million compared with €-2.5 million
- EBIT of €144 million (7.9% margin) compared with €110 million (5.8% margin)
- REBITDA of €259 million (14.3% margin) compared with €219 million (11.5% margin)
- EBITDA of €242 million (13.3% margin) compared with €217 million (11.4% margin)
- Net debt of €1 151 million, including €298 million acquisition impact of the Bridon merger deal. Net debt on EBITDA was 2.4, unchanged from the same period last year and up from 1.9 at year-end 2015. Excluding the Bridon impact, net debt on EBITDA was 1.8, slightly down from year-end 2015.

¹ All comparisons are made relative to the figures for the first half of 2015.

² 4% volume growth when including the -2% effect of the temporary shutdown of the Venezuelan operations due to raw material shortages.

Outlook

Bekaert's actions to drive value creation have begun to show their effectiveness through strong profit growth and robust cash generation. We project continued strong demand from automotive, solar and construction markets in the second half of the year.

However, we do see an increased impact from the low activity in global oil and gas markets, both in Bekaert's specialty steel wire platform as well as through the consolidation of the Bridon ropes business which will pull Bekaert's profit performance down in the second half of the year. We are concerned about the continued weak economic environment in Latin America. We also project some slowdown in Europe from growing uncertainty and lack of confidence following Britain's choice to leave the European Union and we anticipate normal seasonality for the second half of the year.

Despite this caution over the second half, we remain confident we will continue to outperform the market environment over coming months and we believe we will end the year ahead of our target goal of 7% REBIT, achieving between 7% and 8% REBIT for full year 2016.

Key Figures

in millions of €	1H 2015	2H 2015 ³	1H 2016
Consolidated sales	1 897	1 774	1 819
Operating result before non-recurring items (REBIT)	112	120	157
REBIT margin on sales	5.9%	6.8%	8.6%
Non-recurring items	-3	-10	-14
Operating result (EBIT)	110	110	144
EBIT margin on sales	5.8%	6.2%	7.9%
Depreciation, amortization and impairment losses	107	114	98
REBITDA	219	218	259
REBITDA margin on sales	11.5%	12.3%	14.3%
EBITDA	217	225	242
EBITDA margin on sales	11.4%	12.7%	13.3%
Combined sales	2 304	2 098	2 125

Sales⁴

Bekaert achieved consolidated sales of € 1.8 billion and combined sales of € 2.1 billion, a decrease of 4% and 8% respectively, compared with the same period of last year.

Robust volume growth drove consolidated sales 6%⁵ up. This effect was, however, more than offset by adverse currency effects (-3%), passed-on lower wire rod prices (-4%), and price erosion and mix effects (-3%).

Combined sales decreased by almost 8% as a result of unfavorable currency effects (-6%), mainly driven by the drastic devaluation of the Brazilian real in comparison with the same period last year (-25%). The net effect of acquisitions and divestments was 1% negative due to a transfer of control in a Chinese partnership.

³ Restated: acquisition related expenses have been reclassified from SG&A to non-recurring items – see annex 1.

⁴ All comparisons are made relative to the figures for the first half of 2015.

⁵ 4% including the -2% volume effect from the temporary shutdown in Venezuela. Currency effects almost neutralized this impact (-0.5%) in consolidated sales.

Consolidated and combined sales by segment (in millions of €)

Consolidated sales	1H 2015	1H 2016	Variance	Share	FX impact ⁶
EMEA	644	629	-2%	35%	-3
North America	313	291	-7%	16%	-2
Latin America	400	352	-12%	19%	-34
Asia Pacific	541	547	+1%	30%	-24
Total	1 897	1 819	-4%	100%	-63

Combined sales	1H 2015	1H 2016	Variance	Share	FX impact ⁶
EMEA	640	629	-2%	30%	-3
North America	313	291	-7%	14%	-2
Latin America	786	658	-16%	31%	-111
Asia Pacific	565	547	-3%	26%	-25
Total	2 304	2 125	-8%	100%	-141

Quarter-on-quarter sales 2016 (in millions of €)

Consolidated sales	1st Q	2nd Q	Q2:Q1
EMEA	307	322	+5%
North America	146	145	-1%
Latin America	173	179	+4%
Asia Pacific	258	289	+12%
Total	884	935	+6%

Combined sales	1st Q	2nd Q	Q2:Q1
EMEA	307	322	+5%
North America	146	145	-1%
Latin America	319	339	+6%
Asia Pacific	258	289	+12%
Total	1 030	1 095	+6%

⁶ Foreign exchange impact on 2016 first half year sales.

Segment reports⁷

EMEA

Key figures (in millions of €)	1H 2015	2H 2015	1H 2016
Consolidated sales	644	583	629
Operating result before non-recurring items (REBIT)	80	59	85
REBIT margin on sales	12.4%	10.1%	13.6%
Non-recurring items	7	-1	-5
Operating result (EBIT)	87	58	81
EBIT margin on sales	13.5%	9.9%	12.8%
Depreciation, amortization and impairment losses	28	29	29
REBITDA	108	87	115
REBITDA margin on sales	16.7%	14.9%	18.3%
Segment assets	969	884	1 220
Segment liabilities	241	224	262
Capital employed	728	660	958

Bekaert's activities in EMEA delivered excellent results driven by firm volume growth, especially in the second quarter.

Compared with a strong first half of 2015, demand from European markets remained solid. This applied to automotive and construction markets in particular, while demand for profiled wires declined due to investment delays and cancellations in the oil and gas sector.

The organic volume growth of almost +6% was mainly achieved in the second quarter (+8% compared with the same period last year). Its effect was more than cancelled out on the top line level due to passed-on lower raw material prices, declining volumes of profiled wires for flexible pipes, and volume growth in lower priced product groups.

High capacity utilization in most platforms, a strengthened business portfolio after the recent acquisitions, divestments and business exits, and increased benefits from various transformation programs drove EMEA's solid, double-digit profit base to a record high REBIT of 13.6% (up 10% from the same period last year).

Non-recurring items amounted to €-5 million (versus €+7 million for the same period last year) and mainly related to restructuring costs in Turkey.

Bekaert anticipates continued strong demand from most markets in the third quarter but perceives limited visibility on the seasonal effects for the last quarter of the year. We project an increasingly negative effect from the low investment activity in oil and gas markets over the course of the second half of 2016 and also anticipate some economic slowdown due to growing uncertainty following Britain's choice to leave the European Union.

⁷ As a result of the establishment of the Bridon-Bekaert Ropes Group on 28 June 2016, a joint venture in which Bekaert holds a majority stake and of which the financial statements will be consolidated in Bekaert's financials, a new segmentation presentation will be applied as from the second half of 2016 onwards. For reference purposes, the figures of the first half of 2015 and 2016 have been restated accordingly and are included in annex 10.

NORTH AMERICA

Key figures (in millions of €)	1H 2015	2H 2015	1H 2016
Consolidated sales	313	281	291
Operating result before non-recurring items (REBIT)	12	8	14
REBIT margin on sales	3.7%	2.9%	4.8%
Non-recurring items	-5	19	-0
Operating result (EBIT)	7	27	14
EBIT margin on sales	2.1%	9.5%	4.7%
Depreciation, amortization and impairment losses	5	8	7
REBITDA	17	16	21
REBITDA margin on sales	5.4%	5.6%	7.4%
Segment assets	369	335	401
Segment liabilities	83	68	85
Capital employed	286	266	316

Bekaert's activities in North America recorded an organic volume growth of almost 9%. This growth was largely offset in the sales number due to a 6% decrease in passed-on wire rod prices. Price pressure and unfavorable mix effects driven by firm growth in lower priced product groups accounted for -7%. The effect of business divestments was -2% and currency movements were limited to -1%.

Automotive, construction and industrial wire markets performed well, while decreased demand from the oil and gas sector drove sales of ropes and profiled wires down. Bekaert's Rome plant in Georgia, US, which was reconstructed after a fire led to a shutdown of almost one year, accounted for much of the significant volume increase.

Better capacity utilization driven by higher volumes and the first effects from actions put in place to raise our competitiveness in target markets, led to a REBIT margin increase of 30%. We project more effects from these improvement actions in the course of 2016, while remaining cautious for an increasing impact from the slowdown in oil markets.

LATIN AMERICA

Key figures (in millions of €)	1H 2015	2H 2015	1H 2016
Consolidated sales	400	365	352
Operating result before non-recurring items (REBIT)	22	24	33
REBIT margin on sales	5.5%	6.6%	9.3%
Non-recurring items	-1	0	-0
Operating result (EBIT)	21	24	32
EBIT margin on sales	5.3%	6.6%	9.2%
Depreciation, amortization and impairment losses	14	13	14
REBITDA	35	36	47
REBITDA margin on sales	8.9%	9.9%	13.3%
Combined sales	786	665	658
Segment assets	648	582	612
Segment liabilities	125	113	129
Capital employed	523	469	483

In Latin America, consolidated sales were down 12% due to the translation effect of adverse exchange rate movements (-9%) and a limited decrease of sales volumes (excluding Venezuela). Significant fluctuations of local currencies against the USD explain the counterbalancing effects of wire rod prices (-6%) and the price-mix from sales in local currency (+5%). The 9% volume loss in Venezuela (due to the temporary shutdown of our operations) reflected a sales decline of -2%.

The combination of Bekaert's strengthened business portfolio in the region, strong sales in Chile, and better pricing and cost competitiveness in Peru drove gross profit in the region up by more than 30%. Reversals of provisions added to the REBIT growth, leading to a margin of 9.3%, up 70% from last year.

Bekaert's combined sales in Latin America were 16% down due to the sharp devaluation of the Brazilian real (-25% compared with the same period last year) and the weak economic climate in the country. Our joint ventures outperformed the market thanks to high sales for the automotive sector.

Bekaert perceives increased instability in the whole region, with a weakening business climate in Brazil and Ecuador. In Venezuela, we were forced to shut down operations temporarily due to raw material shortages. Notwithstanding the economic evolutions in Latin America, and worsening conditions in oil and gas markets in particular, Bekaert expects to maintain the benefits of its strong market positions, sustained cost savings and an improved business portfolio.

ASIA PACIFIC

Key figures (in millions of €)	1H 2015	2H 2015	1H 2016
Consolidated sales	541	546	547
Operating result before non-recurring items (REBIT)	30	52	67
REBIT margin on sales	5.6%	9.5%	12.2%
Non-recurring items	1	-12	0
Operating result (EBIT)	31	40	67
EBIT margin on sales	5.8%	7.3%	12.3%
Depreciation, amortization and impairment losses	61	68	54
REBITDA	92	106	122
REBITDA margin on sales	17.1%	19.5%	22.3%
Segment assets	1 408	1 269	1 287
Segment liabilities	156	173	171
Capital employed	1 251	1 097	1 116

Compared with the first half of 2015 which started off weakly in China, Bekaert achieved 12% organic volume growth in Asia Pacific. Strong demand from automotive and solar markets boosted the growth which was almost entirely offset by passed-on lower wire rod prices (-3%), price erosion (-4%) and currency movements (-4%). The net effect of acquisitions and divestments was limited (+1%).

Bekaert improved its portfolio by decreasing the share of loss-making and low margin businesses while growing the share of high value added activities. Sawing wire sales, in particular, increased by 15% over the first half of 2015 (20% when excluding adverse currency effects) and accounted for 13% of sales in Asia Pacific. Bekaert's rubber reinforcement platform recorded robust growth across the region. Divestments included the Asian activities of the carding solutions business (China, India) in May 2015; the exit from stainless steel wire activities (India) in October 2015 and the deconsolidation of the loss-generating entities in Xinyu (China) at the end of 2015. Bekaert acquired over the course of 2015 the former Pirelli steel cord plant in China, the former Arrium ropes plant in Australia (both included in the consolidated statements since March 2015) and the remaining shares held by business partners in the Dramix® plant in Shanghai, the Jiangyin-based steel wire plant in China, the Dramix® sales and distribution activity in Australia/New Zealand, and the Malaysian steel wire and rope activities.

The improved business portfolio, the high capacity utilization and the significant benefits from various transformation programs drove REBIT up to €67 million (more than doubling the result for the same period last year) at a REBIT margin of 12.2%. Asia Pacific has become the Group's largest cash generator with a (R)EBITDA margin of more than 22%, up 30% from the first half of 2015.

Price erosion may continue in Asian tire markets but we remain confident that our ongoing efforts will continue to enhance our competitive position and product portfolio in the region.

Investment update and other information

On 19 May 2016, Bekaert announced the successful placement of convertible bonds due June 2021, for an amount of €380 million and the repurchase of the outstanding €300 million convertible bonds due 2018.

On 28 June Bekaert and Ontario Teachers' Pension Plan closed the definitive merger deal of their ropes and advanced cords businesses and established and started the Bridon-Bekaert Ropes Group.

On 29 June Bekaert announced the appointment of Beatriz García-Cos Muntañola as the new CFO of Bekaert in succession of Bruno Humblet who became Chief Executive Officer of Bridon-Bekaert Ropes Group.

Since 11 May 2016, 131 765 treasury shares were disposed of in connection with the exercise of stock options and the sale to members of the Bekaert Group Executive in the context of the Personal Shareholding Requirement Plan. As a result, the company currently owns 3 865 661 treasury shares.

Financial Review

Results

Bekaert achieved an operating result before non-recurring items (REBIT) of €157.3 million, up 40% from the same period last year. This equates to a REBIT margin on sales of 8.6%. REBITDA was €259 million (14.3% margin) compared with €219 million (11.5% margin) for the same period last year.

Non-recurring items amounted to €-13.7 million compared with €-2.5 million in the first half of 2015 and were due to restructuring and acquisition expenses.

Including non-recurring items, EBIT was €143.7 million (EBIT margin on sales of 7.9%) compared with €109.7 million in the first half of 2015 (5.8% margin). EBITDA amounted to €242.1 million, resulting in an EBITDA margin on sales of 13.3% (compared with €216.7 million at an EBITDA margin of 11.4%).

Selling and administrative expenses amounted to €155.2 million, almost stable compared to the same period of last year (€155.5 million). Research and development expenses decreased from €33.1 million to €31.6 million due to cost savings.

Interest income and expenses amounted to €-27.9 million (versus €-30.0 million). Other financial income and expenses amounted to €-53.2 million (versus €-13.9 million) and reflected the increase of the fair value of the conversion option of the previous convertible bond (€-42.7 million) in line with the evolution of the share price and a loss of €-2.9 million that was incurred on the repurchase of the previous bonds that were not traded for new bonds⁸.

Taxation on profit amounted to €32.7 million versus €25.6 million in the same period last year. The share in the result of joint ventures and associated companies was €12.8 million, which was about the same as in the first half of 2015.

The result for the period was €42.6 million compared with €52.7 million. After non-controlling interests (€9.5 million), the result for the period attributable to the Group was €33.1 million, compared with €52.3 million in the first half of 2015.

Balance sheet

As at 30 June 2016, shareholder's equity represented 34.1% of total assets, compared with 39.4% at 30 June 2015 and 39.1% at 31 December 2015.

Net debt increased to €1 151 million, including €298 million acquisition impact of the Bridon merger deal. Net debt on EBITDA was 2.4, unchanged from the same period last year and up from 1.9 at year-end 2015. Excluding the Bridon impact, net debt on EBITDA was 1.8, slightly down from year-end 2015.

⁸ See Annex 11 for more detail on the repayment and issue of debt securities.

Cash flow statement

Cash from operating activities amounted to € 115.3 million, compared with € 160.8 million in the same period last year. The increase of € 31.3 million of the gross cash flow from operating activities was more than offset by the increase in working capital.

Cash flows from investing activities amounted to € -11.9 million (versus € -218.7 million in the first half of 2015). The cash flows from new business combinations of € 29.8 million (versus € -140.4 million), a decrease of capital expenditure by € 27.5 million and the increase in the received dividends by € 11.2 million explain the year-on-year variance.

Cash flows from financing activities totaled € -51 million (versus € -96 million) in the same period 2015.

NV Bekaert SA (statutory accounts)

The Belgium-based parent entity's sales amounted to € 187.8 million, compared with 225.8 million in the first half of 2015. The operating result was € -5.7 million (versus € 20.6 million). The financial result amounted to € -5.5 million (versus € 291.7 million) and the extraordinary result was € -49.2 million (versus € 2.2 million). NV Bekaert SA achieved a result for the period of € -58.4 million (versus € 315.6 million for the first half of 2015).

Financial calendar

2016 half year results	29	July	2016
The CEO and CFO of Bekaert will present the results to the investment community at 02:00 p.m. CET. This conference can be accessed live upon registration via the Bekaert website in listen-only mode.			
Third quarter trading update 2016	18	November	2016
2016 results	24	February	2017
2016 annual report available on the internet	24	March	2017
First quarter trading update 2017	10	May	2017
General Meeting of Shareholders	10	May	2017

Notes

These unaudited and condensed consolidated interim financial statements have been prepared using accounting policies consistent with IFRSs as adopted by the European Union including IAS 34 – Interim Financial Reporting. This interim report only provides an explanation of events and transactions that are significant to understand the changes in financial position and financial performance since the last annual reporting period, and should therefore be read in conjunction with the consolidated financial statements for the financial year ended on December 31, 2015.

In preparing this interim report, the same accounting policies and methods of computation have been used as in the 2015 annual consolidated financial statements. None of the new, amended or revised IFRSs that have been adopted as of January 1, 2016 has had a significant impact on this interim report. For an overview of the IFRS standards, amendments and interpretations that have become effective in 2016, please refer to the Statement of Compliance (section 2.1) of the financial review in the 2015 Annual Report at <http://www.bekaert.com/en/investors/financials/financial-statements/full-year>.

Statement from the responsible persons

The undersigned states that, to the best of his knowledge:

- the consolidated condensed interim financial statements of NV Bekaert SA and its subsidiaries as of 30 June 2016 have been prepared in accordance with the International Financial Reporting Standards, and give a true and fair view of the assets and liabilities, financial position and results of the whole of the companies included in the consolidation; and
- the interim management report gives a fair overview of the information required to be included therein.

Matthew Taylor
Chief Executive Officer

Disclaimer

This press release may contain forward-looking statements. Such statements reflect the current views of management regarding future events, and involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Bekaert is providing the information in this press release as of this date and does not undertake any obligation to update any forward-looking statements contained in this press release in light of new information, future events or otherwise. Bekaert disclaims any liability for statements made or published by third parties and does not undertake any obligation to correct inaccurate data, information, conclusions or opinions published by third parties in relation to this or any other press release issued by Bekaert.

Profile

Bekaert (www.bekaert.com) is a world market and technology leader in steel wire transformation and coating technologies. We pursue to be the preferred supplier for our steel wire products and solutions by continuously delivering superior value to our customers worldwide. Bekaert (Euronext Brussels: BEKB) is a global company with almost 30 000 employees worldwide, headquarters in Belgium and € 4.4 billion in annual revenue.

Annex 1: Press release 29 July 2016

Consolidated income statement

(in thousands of €)	1H 2015	2H 2015	1H 2016
Sales	1 896 872	1 774 209	1 819 106
Cost of sales	-1 593 104	-1 479 569	-1 472 112
Gross profit	303 768	294 640	346 995
Selling expenses	-82 504	-73 602	-82 601
Administrative expenses	-73 024	-67 656	-72 635
Research and development expenses	-33 065	-31 532	-31 554
Other operating revenues	8 457	8 663	5 698
Other operating expenses	-11 392	-10 539	-8 590
Operating result before non-recurring items (REBIT)	112 240	119 974	157 313
Non-recurring items	-2 530	-9 564	-13 659
Operating result (EBIT)	109 710	110 410	143 654
Interest income	4 343	4 242	3 234
Interest expense	-34 407	-36 534	-31 153
Other financial income and expenses	-13 868	-19 943	-53 204
Result before taxes	65 778	58 175	62 530
Income taxes	-25 604	-10 783	-32 724
Result after taxes (consolidated companies)	40 174	47 392	29 807
Share in the results of joint ventures and associates	12 552	5 768	12 815
RESULT FOR THE PERIOD	52 726	53 160	42 622
Attributable to			
the Group	52 289	49 680	33 092
non-controlling interests	437	3 480	9 530
EARNINGS PER SHARE (in € per share)			
Result for the period attributable to the Group			
Basic	0.94	0.89	0.59
Diluted	0.93	0.89	0.58

Annex 2: Press release 29 July 2016

Reconciliation of segment reporting

Key figures per segment

(in millions of €)	EMEA	N-AM	L-AM	APAC	GROUP ¹	RECONC ²	1H 2016
Consolidated sales	629	291	352	547			1 819
Operating result before non-recurring items	85	14	33	67	-45	4	157
REBIT margin on sales	13.6%	4.8%	9.3%	12.2%			8.6%
Non-recurring items	-5	-	-	-	-6	-3	-14
Operating result (EBIT)	81	14	32	67	-51	1	144
EBIT margin on sales	12.8%	4.7%	9.2%	12.3%			7.9%
Depreciation, amortization, impairment losses	29	7	14	54	1	-7	98
REBITDA	115	21	47	122	-43	-3	259
REBITDA margin on sales	18.3%	7.4%	13.3%	22.3%			14.3%
EBITDA	110	21	46	121	-50	-6	242
EBITDA margin on sales	17.4%	7.3%	13.1%	22.1%			13.3%
Segment assets	1 220	401	612	1 287	157	-187	3 491
Segment liabilities	262	85	129	171	96	-92	651
Capital employed	958	316	483	1 116	61	-96	2 839

¹ Group and Business Support

² Reconciliations

Annex 3: Press release 29 July 2016

Consolidated statement of comprehensive income

(in thousands of €)	1H 2015	1H 2016
Result for the period	52 726	42 622
Other comprehensive income (OCI)		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences	54 285	15 522
Inflation adjustments	896	916
Cash flow hedges	174	-
Available-for-sale investments	3 754	-
Share of other comprehensive income of joint ventures and associates	-29	-
Deferred taxes relating to OCI to be reclassified	-66	-
OCI to be reclassified to profit or loss in subsequent periods, after tax	59 014	16 438
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>		
Remeasurements on defined benefit plans	14 785	-24 526
Deferred taxes relating to OCI not to be reclassified	143	86
OCI not to be reclassified to profit or loss in subsequent periods, after tax	14 928	-24 440
Other comprehensive income for the period	73 942	-8 002
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	126 668	34 620
Attributable to		
the Group	117 311	21 636
non-controlling interests	9 357	12 984

Annex 4: Press release 29 July 2016

Consolidated balance sheet

(in thousands of €)	31-Dec-15	30-Jun-16
Non-current assets	1 920 697	2 183 685
Intangible assets	109 448	150 155
Goodwill	35 699	161 266
Property, plant and equipment	1 490 454	1 554 600
Investments in joint ventures and associates	114 119	139 041
Other non-current assets	39 773	42 302
Deferred tax assets	131 204	136 321
Current assets	1 960 422	2 237 118
Inventories	628 731	682 993
Bills of exchange received	68 005	82 417
Trade receivables	686 364	837 767
Other receivables	99 286	108 081
Short-term deposits	10 216	6 642
Cash and cash equivalents	401 771	441 690
Other current assets	66 049	77 528
Assets classified as held for sale	-	-
Total	3 881 119	4 420 803
Equity	1 515 911	1 506 852
Share capital	176 957	176 957
Share premium	31 884	31 884
Retained earnings	1 397 356	1 365 069
Other Group reserves	-221 498	-214 045
Equity attributable to the Group	1 384 699	1 359 865
Non-controlling interests	131 212	146 987
Non-current liabilities	1 077 862	1 521 991
Employee benefit obligations	167 131	194 819
Provisions	50 198	62 744
Interest-bearing debt	792 116	1 146 629
Other non-current liabilities	15 204	49 089
Deferred tax liabilities	53 213	68 710
Current liabilities	1 287 346	1 391 960
Interest-bearing debt	494 714	497 384
Trade payables	456 783	516 451
Employee benefit obligations	131 281	132 653
Provisions	26 973	34 967
Income taxes payable	105 832	117 936
Other current liabilities	71 763	92 569
Liabilities associated with assets classified as held for sale	-	-
Total	3 881 119	4 420 803

Annex 5: Press release 29 July 2016

Consolidated statement of changes in equity

in thousands of €	Other Group reserves								Total
	Share capital	Share premium	Retained earnings	Treasury shares	Cumulative translation adjustments	Other reserves	Equity attributable to the Group	Non-controlling interests	
Balance as at 1 January 2015 (as previously reported)	176 914	31 693	1 352 197	-145 953	-6 149	-41 911	1 366 791	199 421	1 566 212
Adjustments	-	-	12 764	-	-349	-15 757	-3 342	-2 383	-5 725
Balance as at 1 January 2015 (adjusted)	176 914	31 693	1 364 961	-145 953	-6 498	-57 668	1 363 449	197 038	1 560 487
Total comprehensive income for the period (restated)	-	-	53 531	-	45 559	18 221	117 311	9 357	126 668
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	15 895	15 895
Effect of business combination with Pirelli	-	-	227	-	-	-227	-	1 732	1 732
Effect of business combination with Arrium	-	-	-	-	-	-	-	-7 086	-7 086
Effect of Ropes portfolio restructuring with Chilean partners	-	-	4 681	-	-14	-36	4 631	-6 878	-2 247
Effect of other changes in group structure	-	-	1 671	-	-220	-5	1 446	-4 872	-3 426
Equity-settled share-based payment plans	-	-	1 569	-	-	-	1 569	-	1 569
Dividends	-	-	-47 461	-	-	-	-47 461	-1 702	-49 163
Balance as at 30 June 2015	176 914	31 693	1 379 179	-145 953	38 827	-39 715	1 440 945	203 484	1 644 429
Balance as at 1 January 2016	176 957	31 884	1 397 356	-144 747	-30 450	-46 301	1 384 699	131 212	1 515 911
Total comprehensive income for the period	-	-	34 328	-	12 003	-24 695	21 636	12 984	34 620
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-116	-116
Effect of Bridon-Bekaert Ropes Group business combination	-	-	-9 229	-	3 119	-480	-6 590	10 726	4 136
Effect of other changes in group structure	-	-	-114	-	115	-	1	-5	-4
Equity-settled share-based payment plans	-	-	2 227	-	-	-	2 227	-	2 227
Treasury shares transactions	-	-	-9 027	17 391	-	-	8 364	-	8 364
Dividends	-	-	-50 472	-	-	-	-50 472	-7 814	-58 286
Balance as at 30 June 2016	176 957	31 884	1 365 069	-127 356	-15 213	-71 476	1 359 865	146 987	1 506 852

Annex 6: Press release 29 July 2016

Consolidated cash flow statement

(in thousands of €)	1H 2015	1H 2016
Operating result (EBIT)	109 710	143 654
Non-cash items included in operating result	118 537	119 591
Investing items included in operating result	-11 764	925
Amounts used on provisions and employee benefit obligations	-19 414	-19 435
Income taxes paid	-27 319	-43 679
Gross cash flows from operating activities	169 750	201 055
Change in operating working capital	-31 249	-96 551
Other operating cash flows	22 279	10 755
Cash flows from operating activities	160 780	115 260
New business combinations	-140 386	29 830
Other portfolio investments	-14 201	-
Proceeds from disposals of investments	14 430	3
Dividends received	544	11 695
Purchase of intangible assets	-1 919	-2 437
Purchase of property, plant and equipment	-78 878	-50 908
Other investing cash flows	1 702	-68
Cash flows from investing activities	-218 708	-11 884
Interest received	4 279	4 044
Interest paid	-24 836	-15 493
Gross dividend paid	-49 748	-57 528
Proceeds from non-current interest-bearing debt	97 303	151 061
Repayment of non-current interest-bearing debt	-127 682	-123 615
Cash flows from current interest-bearing debt	58 117	-8 670
Treasury shares transactions	-	8 364
Other financing cash flows	-53 434	-9 180
Cash flows from financing activities	-96 001	-51 017
Net increase or decrease (-) in cash and cash equivalents	-153 929	52 359
Cash and cash equivalents at the beginning of the period	458 542	401 771
Effect of exchange rate fluctuations	4 782	-12 439
Cash and cash equivalents at the end of the period	309 395	441 690

Annex 7: Press release 29 July 2016

Additional key figures

(in € per share)	1H 2015	1H 2016
Number of existing shares at 30 June	60 111 405	60 125 525
Book value	23.97	22.62
Share price at 30 June	25.31	38.97
Weighted average number of shares		
Basic	55 836 395	56 083 085
Diluted	56 067 501	56 636 688
Result for the period attributable to the Group		
Basic	0.94	0.59
Diluted	0.93	0.58
(in thousands of € - ratios)		
EBITDA	216 650	242 122
Depreciation and amortization and impairment losses	107 195	98 469
Negative goodwill	-254	-
Capital employed	2 782 782	2 839 478
Operating working capital	1 094 751	973 457
Net debt	1 022 971	1 150 780
REBIT on sales	5.9%	8.6%
EBIT on sales	5.8%	7.9%
EBITDA on sales	11.4%	13.3%
Equity on total assets	39.1%	34.1%
Gearing (net debt on equity)	62.2%	76.4%
Net debt on EBITDA	2.36	2.38
NV Bekaert SA - Statutory Profit and Loss Statement		
(in thousands of €)		
Sales	225 823	187 809
Operating result	20 627	-5 652
Financial result	291 748	-5 505
Profit from ordinary activities	312 375	-11 157
Extraordinary results	2 178	-49 195
Profit before income taxes	314 553	-60 352
Income taxes	1 064	1 909
Result for the period	315 617	-58 443

Annex 8: press release 29 July 2016

Effect of new business combinations

The establishment of Bridon-Bekaert Ropes Group

On 7 December 2015, Bekaert announced the signing of an agreement with Ontario Teachers' Pension Plan (Ontario Teachers'), the owner of Bridon, to establish Bridon-Bekaert Ropes Group, a new joint venture in which Bekaert and Ontario Teachers' planned to hold respectively 67% and 33%. The new group combines the ropes and advanced cords businesses including 19 manufacturing entities across 11 countries, market-focused R&D, and a global sales and service network.

On 28 June 2016, Bekaert and Ontario Teachers' successfully closed the definitive merger of the ropes and advanced cords businesses of Bekaert and Bridon. Bekaert is contributing its advanced cords business and a well-established ropes presence in Latin America, Canada and Australia. Bridon holds strong positions in Europe and the USA with a portfolio of rope wire, strand and steel and synthetic ropes. The merger will allow for both operational and commercial synergies. The complementary geographic and sector profiles should enable growth ahead of the market; the combination of rope technology strength and wire technology strength will provide a platform for strong differentiation in the high-end rope markets. The merger creates the leading ropes group in the world with approximately USD 650 million in sales (current equivalent of € 580 million) on an annual basis in a normalized business context. The group is estimated to add approximately USD 350 million (€ 315 million at current rates) to Bekaert's consolidated sales on an annual basis in a normalized business context. The Group projects a lower run rate over the first two years due to the current demand instability in oil and gas and mining markets.

- Bekaert has entered the following entities in Bridon-Bekaert Ropes Group: the WRI roperies in Canada, US and Australia, Bekaert Cimaf of Brazil, Prodinsa in Chile, Procables in Peru and its advanced cord businesses in Aalter (Belgium) and Shenyang (China). The commercialization of the ropes activities integrated in Bekaert's wire plants in Qingdao (China) and Shah Alam (Malaysia) will as from now also be managed by the new group. About 1 000 people have joined Bridon-Bekaert Ropes Group.
- Ontario Teachers' has contributed its entire ownership in Bridon to Bridon-Bekaert Ropes Group, which includes the wire and steel and fiber rope manufacturing facilities in Doncaster, Newcastle, and Coatbridge (UK), in Exeter, Hanover and Wilkes Barre (PA, USA), in Gelsenkirchen (Germany), Hangzhou (China), Jakarta (Indonesia) and the ScanRope plant in Tønsberg (Norway). Also all commercial and service centers worldwide have been integrated into the new group. About 1 500 people have joined Bridon-Bekaert Ropes Group.

The initial accounting for the business combination presented in these interim financial statements is provisional, since the acquisition has only been closed at the end of the first semester. On such short notice it proved impossible to organize and complete full-fledged fair value appraisals of all assets acquired, liabilities assumed and contingent liabilities identified. Therefore, the purchase price allocation has provisionally been based on the accounting values on the books of the acquirees, which reflect negative net assets totaling € -107 million. The main reason for this lies with Bridon's highly leveraged financing structure, the acquired net debt amounting to € 297.6 million.

The non-controlling interest arising on the acquirees have provisionally been measured at their share in the book value of the net assets acquired.

Since the purchase consideration consisted of a 33% stake in Bekaert's advanced cords and global ropes businesses, it is measured at the fair value of the non-controlling interests disposed, which is based on the valuation of the shares that was agreed between the partners.

The accounting for the business combination resulted in a provisional goodwill of € 124.2 million, which mainly reflects the importance for Bekaert of reinforcing its global competitive position through this deal. The table below presents the net assets acquired by balance sheet caption, before the effect of fair value adjustments applied in accordance with IFRS 3, 'Business combinations', and the goodwill calculation. It also clarifies the amount shown in the consolidated cash flow statement as 'new business combinations'.

Total in thousands of €	Acquiree's carrying amount before combination	Fair value adjustments	Full business combination totals
Intangible assets	46 637	-	46 637
Property, plant and equipment	118 688	-	118 688
Deferred tax assets	911	-	911
Non-current loans and receivables	123	-	123
Other non-current assets	6 707	-	6 707
Inventories	54 195	-	54 195
Trade receivables	38 281	-	38 281
Advances paid	20	-	20
Other receivables	7 324	-	7 324
Cash and cash equivalents	29 830	-	29 830
Other current assets	5 481	-	5 481
Non-current employee benefit obligations	-4 273	-	-4 273
Non-current provisions	-13 152	-	-13 152
Non-current interest-bearing debt	-301 887	-	-301 887
Deferred tax liabilities	-25 816	-	-25 816
Other non-current liabilities	-16	-	-16
Current interest-bearing debt	-25 651	-	-25 651
Trade payables	-24 437	-	-24 437
Current employee benefit obligations	-2 995	-	-2 995
Current provisions	-1 188	-	-1 188
Income taxes payable	-407	-	-407
Advances received	-979	-	-979
Other current liabilities	-14 583	-	-14 583
Total net assets acquired in the business combination	-107 187	-	-107 187
Non-controlling interests disposed	-46 480	-5 820	-52 300
Non-controlling interests arising on the acquirees	35 315	-	35 315
Goodwill			124 172
Consideration paid in cash			0
Cash acquired			29 830
New business combinations			29 830

Since the closing date of the acquisition was 28 June, the 30 June financials were used for the opening balance at the acquisition date, and no income statement effects were recognized other than the acquisition-related expenses incurred.

The acquisition-related expenses, which consisted mainly of consultancy fees, amounted to €6.3 million and were included in non-recurring items.

Annex 9: Press release 29 July 2016

Additional disclosure on fair value of financial instruments

In accordance with IFRS 13, Fair Value Measurement, the Group presents information on fair value measurement of financial assets and liabilities in its interim financial statements.

The following tables list the different classes of financial assets and liabilities with their carrying amounts in the balance sheet and their respective fair value and analyzed by their measurement category in accordance with IAS 39, Financial Instruments: Recognition and Measurement.

Cash and cash equivalents, short-term deposits, trade and other receivables, bills of exchange received, loans and receivables primarily have short terms to maturity; hence, their carrying amounts at the reporting date approximate the fair values. Furthermore, the Group has no exposure to collateralized debt obligations (CDOs). Trade and other payables also generally have short times to maturity and, hence, their carrying amounts also approximate their fair values.

The following categories and abbreviations are used in the table below:

Abbreviation	Category in accordance with IAS 39
L&R	Loans & Receivables
AfS	Available for Sale
FAFVTPL	Financial Assets at Fair Value Through Profit or Loss
FLMaAC	Financial Liabilities Measured at Amortized Cost
Hedge accounting	Hedge accounting
FLFVTPL	Financial Liabilities at Fair Value Through Profit or Loss
n.a.	Not applicable

Carrying amount vs fair value in thousands of €	Category in accordance with IAS 39	31 Dec 2015		30 June 2016	
		Carrying amount	Fair value	Carrying amount	Fair value
Assets					
Cash and cash equivalents	L&R	401 771	401 771	441 690	441 690
Short term deposits	L&R	10 216	10 216	6 642	6 642
Trade receivables	L&R	686 364	686 364	837 767	837 767
Bills of exchange received	L&R	68 005	68 005	82 417	82 417
Other receivables	L&R	99 286	99 286	108 081	108 081
Loans and receivables	L&R	51 428	51 428	53 817	53 817
Available for sale financial assets	AfS	15 626	15 626	15 074	15 074
Derivative financial assets					
- without a hedging relationship	FAFVTPL	15 644	15 644	6 334	6 334
- with a hedging relationship	Hedge accounting	-	-	-	-
Liabilities					
Interest-bearing debt					
- finance leases	n.a.	3 764	3 764	3 787	3 787
- credit institutions	FLMaAC	452 026	452 026	765 349	765 349
- bonds	FLMaAC	831 040	869 422	874 876	917 121
Trade payables	FLMaAC	456 783	456 783	516 451	516 451
Other payables	FLMaAC	142 359	142 359	162 968	162 968
Derivative financial liabilities					
- without a hedging relationship	FLFVTPL	36 620	36 620	59 156	59 156
- with a hedging relationship	Hedge accounting	-	-	594	594
Aggregated by category in accordance with IAS 39					
Loans and receivables	L&R	1 317 070	1 317 070	1 530 414	1 530 414
Available-for-sale financial assets	AfS	15 626	15 626	15 074	15 074
Financial assets at fair value through profit or loss	FAFVTPL	15 644	15 644	6 334	6 334
Financial liabilities measured at amortized cost	FLMaAC	1 882 208	1 920 590	2 319 643	2 361 888
Financial liabilities - hedge accounting	Hedge accounting	-	-	594	594
Financial liabilities at fair value through profit or loss	FLFVTPL	36 620	36 620	59 156	59 156

Financial instruments by fair value measurement hierarchy

The fair value measurement of financial assets and financial liabilities can be characterized in one of the following ways:

- *'Level 1'* fair value measurement: the fair values of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices in active markets for identical assets and liabilities. This mainly relates to available-for-sale financial assets such as the investment in Shougang Concord Century Holdings Ltd.
- *'Level 2'* fair value measurement: the fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments. This mainly relates to derivative financial instruments. Forward exchange contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching the maturities of the contracts. Interest-rate swaps are measured at the present value of estimated future cash flows and discounted using the applicable yield curves derived from quoted interest rates. The fair value measurement of cross-currency interest-rate swaps is based on discounted estimated cash flows using quoted forward exchange rates, quoted interest rates and applicable yield curves derived therefrom.
- *'Level 3'* fair value measurement: the fair values of the remaining financial assets and financial liabilities are derived from valuation techniques which include inputs that are not based on observable market data. The share conversion option in the convertible bond issued in June 2016 is a non-closely related embedded derivative that has to be separated from the host debt instrument and measured at fair value through profit or loss. The main inputs in the valuation model for this conversion option are the Bekaert share price (level 1), the reference swap rate and Bekaert's credit spread (level 2), as well as the volatility level of the Bekaert share (level 3). Consequently, the conversion option is classified as a level-3 financial instrument.

The following table shows the sensitivity of the fair value calculation of the conversion option to the most significant level-3 input.

Sensitivity analysis in thousands of €	Change	Impact on derivative liability	
Volatility	3,5%	increase by	7 790
	-3,5%	decrease by	-7 866

The following table provides an analysis of financial instruments measured at fair value in the balance sheet, in accordance with the fair value measurement hierarchy described above:

2016 H1 in thousands of €	Level 1	Level 2	Level 3	Total
Financial assets - hedge accounting				
<i>Derivative financial assets</i>	-	-	-	-
Financial assets at fair value through profit or loss				
<i>Derivative financial assets</i>	-	6 334	-	6 334
Available-for-sale financial assets				
<i>Equity investments</i>	5 602	9 472	-	15 074
Total assets	5 602	15 806	-	21 408
Financial liabilities - hedge accounting				
<i>Interest-bearing debt</i>	-	-	-	-
<i>Derivative financial liabilities</i>	-	594	-	594
Financial liabilities at fair value through profit or loss				
<i>Put option relating to non-controlling interests</i>	-	-	8 702	8 702
<i>Derivative financial liabilities</i>	-	19 788	39 368	59 156
Total liabilities	-	20 382	48 070	68 452

2015 in thousands of €	Level 1	Level 2	Level 3	Total
Financial assets - hedge accounting				
<i>Derivative financial assets</i>	-	-	-	-
Financial assets at fair value through profit or loss				
<i>Derivative financial assets</i>	-	15 644	-	15 644
Available-for-sale financial assets				
<i>Equity investments</i>	6 193	8 514	-	14 707
Total assets	6 193	24 158	-	30 351
Financial liabilities - hedge accounting				
<i>Interest-bearing debt</i>	-	-	-	-
<i>Derivative financial liabilities</i>	-	-	-	-
Financial liabilities at fair value through profit or loss				
<i>Put option relating to non-controlling interests</i>	-	-	8 559	8 559
<i>Derivative financial liabilities</i>	-	22 236	5 825	28 061
Total liabilities	-	22 236	14 384	36 620

Annex 10: Press release 29 July 2016

New segmentation

New segmentation as a consequence of the merger of the global ropes and advanced cords business of Bekaert and Bridon⁹

Due to the establishment of Bridon-Bekaert Ropes Group ('BBRG'), Bekaert will apply certain changes in its segment reporting going forward.

In accordance with IFRS 8 'Operating Segments', BBRG has been identified as a reportable segment, since financial information on BBRG will be reported separately to the Bekaert Group Executive for the purpose of allocating resources and assessing its performance. The regional segmentation will still be applied to all other businesses of the Bekaert Group.

As the merger was finalized on June 28, the newly acquired Bridon businesses did not yet contribute to the operating results. It was therefore decided not to change the presentation of segment information in the body of this interim report, but to present the effects of the restated segmentation basis in this annex. The main consequences of the restatement are as follows:

- All income statement elements (e.g. sales, (R)EBIT(DA)) and balance sheet elements (i.e. capital employed) relating to Bekaert's advanced cords and global ropes businesses have been taken out of their respective regional segments and are now presented under BBRG.
- No income statement effects from the newly acquired Bridon businesses, other than the acquisition related expenses, have been recognized so far, but the BBRG segment assets and liabilities shown at the end of 1H 2016 include the newly acquired Bridon businesses.

Consolidated and combined sales by segment (in millions of €)

Consolidated sales	1H 2015	1H 2016
EMEA	615	608
North America	278	264
Latin America	371	328
Asia Pacific	509	517
BBRG	123	102
Total	1 897	1 819

Combined sales	1H 2015	1H 2016
EMEA	612	607
North America	278	264
Latin America	759	636
Asia Pacific	534	517
BBRG	122	101
Total	2 304	2 125

⁹ Cf. annex 8 Effect of new business combinations: the establishment of Bridon-Bekaert Ropes Group

Segment reports

EMEA

Key figures (in millions of €)	1H 2015	1H 2016
Consolidated sales	615	608
Operating result before non-recurring items (REBIT)	73	81
REBIT margin on sales	11.9%	13.3%
Non-recurring items	7	-7
Operating result (EBIT)	81	74
EBIT margin on sales	13.1%	12.1%
Depreciation, amortization and impairment losses	27	30
REBITDA	101	111
REBITDA margin on sales	16.4%	18.2%
Segment assets	932	911
Segment liabilities	230	240
Capital employed	702	671

NORTH AMERICA

Key figures (in millions of €)	1H 2015	1H 2016
Consolidated sales	278	264
Operating result before non-recurring items (REBIT)	9	13
REBIT margin on sales	3.2%	5.0%
Non-recurring items	-5	-
Operating result (EBIT)	4	13
EBIT margin on sales	1.4%	5.0%
Depreciation, amortization and impairment losses	4	6
REBITDA	13	19
REBITDA margin on sales	4.8%	7.4%
Segment assets	301	280
Segment liabilities	75	68
Capital employed	227	212

LATIN AMERICA

Key figures (in millions of €)	1H 2015	1H 2016
Consolidated sales	371	328
Operating result before non-recurring items (REBIT)	21	33
REBIT margin on sales	5.8%	10.0%
Non-recurring items	-1	-
Operating result (EBIT)	21	33
EBIT margin on sales	5.6%	10.0%
Depreciation, amortization and impairment losses	13	13
REBITDA	34	46
REBITDA margin on sales	9.0%	13.9%
Combined sales	759	636
Segment assets	559	527
Segment liabilities	117	124
Capital employed	442	403

ASIA PACIFIC

Key figures (in millions of €)	1H 2015	1H 2016
Consolidated sales	509	517
Operating result before non-recurring items (REBIT)	25	58
REBIT margin on sales	5.0%	11.1%
Non-recurring items	1	1
Operating result (EBIT)	26	58
EBIT margin on sales	5.1%	11.3%
Depreciation, amortization and impairment losses	58	50
Negative goodwill	-0.3	-
REBITDA	84	108
REBITDA margin on sales	16.5%	21.0%
Segment assets	1 300	1 162
Segment liabilities	145	156
Capital employed	1 155	1 006

BRIDON-BEKAERT ROPES GROUP (BBRG)

Key figures (in millions of €)	1H 2015	1H 2016
Consolidated sales	123	102
Operating result before non-recurring items (REBIT)	15	10
REBIT margin on sales	12.5%	9.6%
Non-recurring items	0	-7
Operating result (EBIT)	15	2
EBIT margin on sales	12.4%	2.3%
Depreciation, amortization and impairment losses	5	5
REBITDA	21	16
REBITDA margin on sales	16.8%	16.2%
EBITDA	21	8
EBITDA margin on sales	16.7%	7.6%
Segment assets	304	643
Segment liabilities	43	64
Capital employed	262	579

Reconciliation of segment reporting
Key figures of segment reporting

(in millions of €)	EMEA	N-AM	L-AM	APAC	GROUP ¹	BBRG	RECONC ²	1H 2016
Consolidated sales	608	264	328	517		102		1 819
Operating result before non-recurring items	81	13	33	58	-40	10	3	157
REBIT margin on sales	13.3%	5.0%	10.0%	11.1%		9.6%		8.6%
Non-recurring items	-7	-	-	1	-	-7	-	-14
Operating result (EBIT)	74	13	33	58	-40	2	3	144
EBIT margin on sales	12.1%	5.0%	10.0%	11.3%		2.3%		7.9%
Depreciation, amortization, impairment losses	30	6	13	50	1	5	-7	98
REBITDA	111	19	46	108	-38	16	-4	259
REBITDA margin on sales	18.2%	7.4%	13.9%	21.0%		16.2%		14.3%
EBITDA	104	19	45	108	-39	8	-4	242
EBITDA margin on sales	17.1%	7.4%	13.8%	20.9%		7.6%		13.3%
Segment assets	911	280	527	1 162	149	643	-182	3 491
Segment liabilities	240	68	124	156	87	64	-89	651
Capital employed	671	212	403	1 006	62	579	-93	2 839

¹ Group and Business Support

² Reconciliations

Annex 11: Press release 29 July 2016

Other disclosures

Repayment/issue of debt securities

In June 2016, an existing € 300 million convertible bond maturing in 2018 was repurchased and a new € 380 million convertible bond maturing in 2021 was issued. The existing bond had a coupon interest of 0.75% while the new bond has a zero coupon interest. Existing bondholders were offered a 15.1% premium above par to trade their old bonds for new bonds, plus the accrued coupon interest. At the date of the offer, the fair value of the conversion option on the existing bond had increased by € 42.7 million since the beginning of the year, in line with the evolution of the share price. This increase was recognized in other financial expenses. Furthermore, a loss of € 2.9 million was incurred on the repurchase of the bonds that were not traded for new bonds.

Treasury shares

A total of 383 049 treasury shares were disposed of in connection with the exercise of stock options and the sale to members of the Bekaert Group Executive in the context of the Personal Shareholding Requirement Plan. The number of treasury shares held by NV Bekaert SA amounts to 3 865 661 at 30 June 2016.

Related parties

There were no other related parties transactions or changes that could materially affect the financial position or results of the Group.

Contingent assets and liabilities

No material contingent assets and liabilities have been identified since the annual report 2015 was issued.

Events after the balance sheet date

There were no material events after the balance sheet date that need to be disclosed.

Annex 12: Press release 29 July 2016

Definitions

Associates

Companies in which Bekaert has a significant influence, generally reflected by an interest of at least 20%. Associates are accounted for using the equity method.

Book value per share

Equity attributable to the Group divided by number of shares outstanding at balance sheet date.

Capital employed (CE)

Working capital + net intangible assets + net goodwill + net property, plant and equipment. The average CE is weighted by the number of periods that an entity has contributed to the consolidated result.

EBIT

Operating result (earnings before interest and taxation).

EBITDA

Operating result (EBIT) + depreciation, amortization and impairment of assets and negative goodwill.

Equity method

Method of accounting whereby an investment (in a joint venture or an associate) is initially recognized at cost and subsequently adjusted for any changes in the investor's share of the joint venture's or associate's net assets (i.e. equity). The income statement reflects the investor's share in the net result of the investee.

Gearing

Net debt relative to equity.

Joint ventures

Companies under joint control in which Bekaert generally has an interest of approximately 50%. Joint ventures are accounted for using the equity method.

Net debt

Interest-bearing debt net of current loans, non-current financial receivables and cash guarantees, short term deposits and cash and cash equivalents. For the purpose of debt calculation only, interest-bearing debt is remeasured to reflect the effect of any cross-currency interest-rate swaps (or similar instruments), which convert this debt to the entity's functional currency.

Non-recurring items

Operating income and expenses that are related to restructuring programs, impairment losses, business combinations, business disposals, environmental provisions or other events and transactions that have a one-time effect.

REBIT

Recurring EBIT = EBIT before non-recurring items.

Sales (combined)

Sales of consolidated companies + 100% of sales of joint ventures and associates after intercompany elimination.

Subsidiaries

Companies in which Bekaert exercises control and has an interest of more than 50%.

Working capital (operating)

Inventories + trade receivables + bills of exchange received + advances paid - trade payables - advances received - remuneration and social security payables - employment-related taxes.