

Press release

Regulated information

14 November 2013

Press

Katelijn Bohez
T +32 56 23 05 71

Investor Relations

Jérôme Lebecque
T +32 56 23 05 72

www.bekaert.com

Bekaert: third quarter trading update 2013

Sales¹

Bekaert maintained stable sales volumes in the first nine months of 2013, compared with the same period of last year. The Group achieved consolidated sales of € 2 422 million and combined² sales of € 3 142 million.

The strong euro and a drastic depreciation of the Venezuelan bolivar in the third quarter of 2013 have led to significant unfavorable translation effects in Bekaert's top-line. Compared with the first nine months of 2012, the year-to-date 2013 currency impact on consolidated sales was attributable to Venezuela (-3.1%) and in part also to the foreign exchange evolution of other currencies (-1.8%). The net effect of acquisitions and divestments was limited to +1.2%. Notwithstanding stable volumes, the organic sales decline was -4.8% as a result of price-mix effects. In total, consolidated sales thus decreased by -8.5%.

At the combined level, sales were down 6.5% in comparison with the first nine months of 2012. Currency translation effects accounted for -6.4% (-2.4% related to the Venezuelan activities and -4.0% to fluctuations of other currencies, including the Brazilian real). The net effect of acquisitions and divestments was limited to +0.9% and compensated for a slight organic decline of -1.0% year-on-year.

Consolidated and combined sales by segment

First nine months of consolidated sales in millions of €

Consolidated sales	2012	2013	Variance	Share
EMEA	810	791	-2%	33%
North America	517	424	-18%	17%
Latin America	608	496	-19%	21%
Asia Pacific	711	711	0%	29%
Total	2 647	2 422	-8.5%	100%

2013 quarter-on-quarter progress per segment in millions of €

Consolidated sales	1 st Q	2 nd Q	3 rd Q	Q3 y-o-y ³
EMEA	260	272	259	+2%
North America	146	148	129	-22%
Latin America	176	175	144	-32%
Asia Pacific	216	254	241	+3%
Total	799	850	773	-11%

¹ All comparisons are made relative to the figures for the first nine months of 2012. 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.

³ Q3 year-on-year sales: 3rd quarter 2013 versus 3rd quarter 2012.

First nine months of combined sales in millions of €

Combined sales	2012	2013	Variance	Share
EMEA	807	783	-3%	25%
North America	517	424	-18%	13%
Latin America	1 285	1 187	-8%	38%
Asia Pacific	751	748	0%	24%
Total	3 361	3 142	-6.5%	100%

2013 quarter-on-quarter progress per segment in millions of €

Combined sales	1 st Q	2 nd Q	3 rd Q	Q3 y-o-y ⁴
EMEA	259	268	257	+2%
North America	146	148	129	-22%
Latin America	404	418	364	-18%
Asia Pacific	226	269	253	+3%
Total	1 036	1 103	1 003	-9%

Performance by segment**EMEA**

Bekaert's activities in EMEA reported relatively stable volumes and sales in comparison with the same period of last year. Demand in Europe improved in the third quarter of 2013, notably for the rubber reinforcement and stainless technology platforms.

North America

Unfavorable market evolutions in our sectors, such as the continued investment delays in energy and construction markets, combined with fierce competition from Asian imports and a significant unfavorable currency translation effect due to the strong euro, drove revenues further down in North America.

Bekaert exited from unprofitable markets and trading activities in competition with cheap imports. The company will also cease its operations in Surrey, Canada, and will serve customers from its other manufacturing units in North America.

Latin America

In Venezuela, Bekaert continued to achieve high sales volumes but saw revenue drop drastically as a result of the continuous depreciation of the Venezuelan bolivar. Based on prudence principles, Bekaert has consolidated its bolivar-denominated financial statements using the corresponding economic exchange rate⁵, since the beginning of 2013. The company therefore avoids overvalued financial statements at the official currency rate.

Excluding currency effects, the Latin American segment recorded a limited sales decline of 2.5%. Compared with the same period last year, the higher sales volumes in the first nine months of 2013 were more than compensated by the passed-on lower wire rod prices obtained through changed sourcing policies.

The sales decline was significantly tempered at the combined level as a result of the strongly performing Brazilian joint ventures.

⁴ Q3 year-on-year sales: 3rd quarter 2013 versus 3rd quarter 2012.

⁵ The economic exchange rate of the Venezuelan bolivar was 56 to the euro as of 30 September 2013.

Asia Pacific

Bekaert's activities in Asia Pacific achieved an organic volume growth of 6.5% in the first nine months of 2013, mainly as a result of regained market share in the tire sector and by seizing growth opportunities in other markets. The Asian segment achieved this solid organic volume growth particularly in the third quarter, with an increase of more than 10% compared with the same period in 2012.

Additionally, the integration of the acquired Malaysian activities added 5.6% to consolidated sales. Compared with the first nine months of 2012, the sales growth was, however, offset by wire rod price decreases (-3%), unfavorable currency movements (-2%) and a negative price-mix impact (-7%), leading to flat sales growth for the segment year-on-year.

Other information

Bekaert announced on 27 August 2013 the leadership succession plans of its Chairman and CEO. Baron Buysse, Chairman of the Board of Directors of Bekaert, will retire in May 2014 after 14 years in the chair of the company's Board. Bert De Graeve, CEO of Bekaert since 2006, will become Chairman of the Board in succession of Baron Buysse as from May 2014. The Board of Directors of Bekaert has appointed Matthew Taylor as CEO designate. Mr Taylor took up this position as of 1 September 2013 and became a member of the Bekaert Group Executive. He will assume the position of CEO of Bekaert in May 2014. His nomination as a member of the Board of Directors will then be subject to approval by the Annual Meeting of Shareholders.

NV Bekaert SA launched an unconditional public exchange offer in Belgium and Luxembourg for 150 000 fixed rate bonds in an aggregate amount of € 150 000 000 maturing 16 April 2014 and having a gross coupon of 6.75% (ISIN Code BE0002167337). With this voluntary exchange transaction, Bekaert wished to extend the maturity of part of its total existing bond financing. The holders of bonds had the opportunity to exchange their existing bonds for 7-year bonds with a gross coupon of 4.75% (ISIN Code BE0002206721) in an exchange ratio of 1 to 1. At the end of the exchange period on 7 October 2013, 45 614 existing bonds were tendered into the exchange offer, representing an aggregate nominal amount of € 45 614 000. These new bonds were issued on 17 October 2013 and will mature on 17 October 2020.

Bekaert will cease its operations in the Surrey plant, British Columbia, Canada after observing a structural downward trend in the market for steel wire for industrial applications in the Northwest of North America. An important share of the customer base has disappeared in the region and aggressive competition from Asian imports has put continuous pressure on sales prices and profitability. The closure will affect 110 employees. Bekaert intends to continue to serve its customers in North America from its other North American manufacturing sites.

Net debt was € 730 million on 30 September 2013, down from € 770 million on 30 June 2013.

Outlook

In addition to the usual year-end seasonal effects on volume, especially in EMEA and North America, Bekaert anticipates demand in Latin America to slow down in line with the GDP trend for the region. Bekaert will continue to defend and grow its strong market positions in Asia Pacific. The Group does not yet perceive consistent signs of a global economic recovery in its markets, but is ready to seize growth opportunities wherever they occur.

Currency movements are expected to cause an unfavorable translation impact also in the last quarter of the year.

Bekaert confirms its determination to remain an international market and technology leader and to take all measures needed to secure its unchanged strategic ambitions of sustainable profitable growth.

Financial calendar

2013 results	28	February	2014
2013 annual report available on the Internet	28	March	2014
First quarter trading update 2014	14	May	2014
General Meeting of Shareholders	14	May	2014
2014 half year results	1	August	2014
Third quarter trading update 2014	14	November	2014

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 coatings. Bekaert (Euronext Brussels: BEKB) is a global company with headquarters in Belgium, employing 27 000 people worldwide. Serving customers in 120 countries, Bekaert pursues sustainable profitable growth in all its activities and generated combined sales of € 4.4 billion in 2012.