

# Press release

## Regulated information

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## Bekaert reports continued strong growth, driven by acquisitions and currency

### Sales<sup>1</sup>

Bekaert achieved strong sales growth in the first nine months of 2015, compared with the same period last year. The company's consolidated top line increased from €2 423 million to €2 795 million, up more than 15%. Acquisitive growth boosted sales by almost 10% and the company's improving price-mix delivered 3% organic sales growth. The favorable effect of currency movements, while declining over the course of the third quarter, accounted for almost +10% year-to-date. Organic sales were down on lower volumes (-2%) due to a weak start to the year and on lower wire rod prices, passed on to our customers (-5% over the first nine months of the year).

Bekaert's consolidated quarterly revenues in the three-month period from July to September 2015 were 10% higher than in the third quarter of 2014. Acquisitive growth and currency effects accounted for more than 15%. The organic decline (-5%) was the result of positive price-mix and volume effects (+1%) and significantly lower wire rod prices (-6%).

Combined sales<sup>2</sup> totaled €3 377 million in the first nine months of 2015, up 11% compared with the same period last year. The strong devaluation of the Brazilian real tempered the translation effect of exchange rate movements at the combined level (+5% year-to-date and neutral in the third quarter). The impact of acquisitions accounted for +7% and organic sales were almost 2% down from the same period last year.

### Outlook

Bekaert anticipates continued solid demand from automotive markets in the final quarter of 2015. Global oil and gas markets are projected to remain subdued and the difficult economic environment in Latin America is likely to persist.

We expect the strong performance of our recent acquisitions and investments to continue. As opposed to the final quarter of last year, we do not project a major sales decline in Chinese tire markets. We forecast a neutral effect of currency movements in the fourth quarter. The company's top line will, however, be impacted by lower wire rod prices, similar to the effect of the third quarter (-6%).

Bekaert is implementing a set of actions to drive value creation over time, including a program aimed at optimizing the company's manufacturing cost base and a product portfolio analysis. These actions are expected to continue driving improved margin performance in the second half of the year and going forward.

<sup>1</sup> 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.

## Consolidated sales by segment

First nine months - in millions of €

Consolidated sales	2014	2015	Variance <sup>3</sup>	Share	FX impact <sup>4</sup>
EMEA	819	940	+15%	34%	-4
North America	420	458	+9%	16%	+76
Latin America	458	580	+27%	21%	+43
Asia Pacific	725	817	+13%	29%	+117
<b>Total</b>	<b>2 423</b>	<b>2 795</b>	<b>+15%</b>	<b>100%</b>	<b>+232</b>

## 2015 quarter-on-quarter progress - 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>5</sup>	FX impact <sup>6</sup>
EMEA	313	331	296	+12%	-1
North America	152	160	146	+4%	+21
Latin America	195	205	180	+10%	+6
Asia Pacific	243	297	277	+12%	+33
<b>Total</b>	<b>904</b>	<b>993</b>	<b>898</b>	<b>+10%</b>	<b>+59</b>

## Combined sales<sup>7</sup> by segment

First nine months - in millions of €

Combined sales	2014	2015	Variance <sup>3</sup>	Share	FX impact <sup>4</sup>
EMEA	807	936	+16%	28%	-4
North America	420	458	+9%	14%	+76
Latin America	1 064	1 129	+6%	33%	-31
Asia Pacific	761	854	+12%	25%	+123
<b>Total</b>	<b>3 052</b>	<b>3 377</b>	<b>+11%</b>	<b>100%</b>	<b>+163</b>

## 2015 quarter-on-quarter progress - 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>5</sup>	FX impact <sup>6</sup>
EMEA	311	329	296	+14%	-2
North America	152	160	146	+4%	+21
Latin America	393	393	343	-7%	-48
Asia Pacific	249	315	289	+11%	+34
<b>Total</b>	<b>1 106</b>	<b>1 198</b>	<b>1 073</b>	<b>+4%</b>	<b>+6</b>

<sup>3</sup> Comparisons are made relative to the figures for the first nine months of 2014, unless when otherwise indicated.

<sup>4</sup> Foreign exchange impact on sales over the first nine months of 2015 – in millions of €.

<sup>5</sup> Q3 year-on-year sales: 3<sup>rd</sup> quarter 2015 versus 3<sup>rd</sup> quarter 2014.

<sup>6</sup> Foreign exchange impact on sales in the 3<sup>rd</sup> quarter of 2015, computed on the basis of ytd Q3 versus ytd Q2 – in millions of €.

<sup>7</sup> Combined sales are sales of consolidated companies plus 100% of sales of joint ventures and associates after intercompany elimination.

## Performance by segment

### EMEA

Bekaert's activities in EMEA reported solid third quarter sales driven by acquisitive growth and continued firm demand in the region. Compared with a strong third quarter last year, the activities in the region achieved flat organic growth driven by higher volumes, normal seasonality and an adverse impact of passed-on lower raw materials prices.

Demand from European markets has been robust throughout the first nine months of 2015. This was particularly apparent in the automotive sector and construction markets. Energy-related markets showed a slowdown in demand due to a downturn in the oil and gas sector.

Bekaert anticipates continued solid demand and performance for the balance of the year, particularly driven by automotive markets, while taking into account the usual seasonal effects at year-end.

### North America

Bekaert's North American activities reported 4% sales growth in the third quarter of 2015, compared with the same period last year. Currency effects accounted for +15% while the volume loss from the fire damage in Rome (Georgia, US) was the main driver of the organic decline.

Demand from automotive and construction markets has been solid throughout the year while tough conditions in other industrial steel wire markets have been weighing on the segment's top line.

Bekaert projects fourth quarter demand to remain stable in its key sectors.

### Latin America

In Latin America, Bekaert's consolidated top line was up 10% in the third quarter, compared with the same quarter last year. Acquisitions, organic volume growth and an improved price-mix drove up sales significantly. Currency effects were almost neutralized as various devaluations (versus USD) in the region offset the impact of a weaker euro. The segment's top line was, moreover, adversely impacted by declining raw materials prices.

Consolidated sales were up 27% over the first nine months of the year as a result of acquisitive growth (+16%), positive currency effects (9% year-to-date), stable volumes and an improved price-mix which was cancelled out by the effect of the passed-on lower wire rod prices.

The currency effects were negative on the combined sales level due to a significant devaluation of the Brazilian real in the third quarter of 2015.

Bekaert anticipates continued adverse effects from economic evolutions in the region as well as negative effects from exchange rate movements and raw materials prices. The company expects to maintain the benefits from its strong market positions and improved business portfolio.

### Asia Pacific

In Asia Pacific, Bekaert achieved 12% sales growth in the third quarter, compared with the same period last year. Acquisitions boosted sales by 7% and currency effects accounted for +13%. The price erosion which made up most of the organic sales decline was mainly the result of passed-on lower wire rod prices.

Bekaert kept pace with growing demand in the solar sector and has regained market share in the Chinese tire cord markets. The company's other activity platforms in the region continued to be affected by an overall industrial slowdown.

We expect the higher run rate in our tire markets to continue into the final quarter of the year, as opposed to the very weak last quarter of 2014.

## Investment update and other information

Net debt was €906 million as at 30 September 2015, €117 million down from 30 June 2015 thanks to a decrease of working capital and healthy cash generation. Bekaert projects a year-end net debt closing balance at the current level (€900 million).

On 29 September 2015, Bekaert acquired Southern Steel's 45% stake in Bekaert Southern Wire Pte Ltd, the holding company with entities in Malaysia and Indonesia. The holding has become a wholly owned subsidiary of Bekaert.

On 1 October 2015, Bekaert exited the stainless steel wire business. This decision has an impact on the Zwevegem (Belgium) and Lonand (India) manufacturing sites and on the related sales organization. Bekaert took this decision as a result of the continued weak performance and outlook for this business activity.

On 7 October 2015, the bead wire production plant in Rome, Georgia (US) was officially reopened. The plant is poised to return as the preferred bead wire supplier to US tire makers who have all qualified Bekaert Rome's production from the new manufacturing lines.

5 700 stock options under the management Share Option Plan 2010-2014 were exercised since June 2015. As a result, the company held an aggregate 4 269 310 treasury shares at the end of September 2015.

## Financial calendar

2015 results	26	February	2016
2015 annual report available on the Internet	25	March	2016
First quarter trading update 2016	11	May	2016
General Meeting of Shareholders	11	May	2016
2016 half year results	29	July	2016
Third quarter trading update 2016	18	November	2016

### Disclaimer

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### Profile

Bekaert ([www.bekaert.com](http://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 approximately 30 000 employees worldwide, headquarters in Belgium and €4 billion in annual revenue.