



Press conference 7 March 2002  
Embargo until 5.40 pm

*Explanatory notes on the results and developments within the Bekaert Group  
in 2001 by Mr R. Decaluwé, Chief Executive Officer.*

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Evolution Bekaert's share price

Evolution of sales

Comments on activities : Wire

Merchant Products Europe

Steel Cord

Bekaert Advanced Materials

Bekaert Group consolidated financial statements

Strategy

Outlook

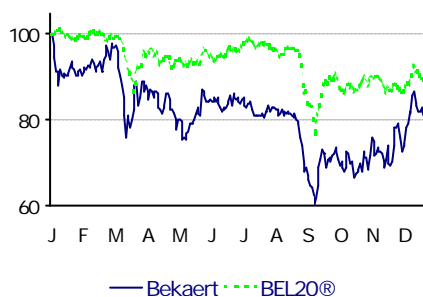
## Evolution Bekaert's share price

*Bekaert closing prices*

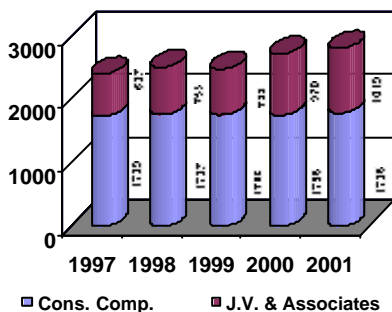


- Poor year for the Bekaert share
- Decrease by 13 %
- Far beneath book value level
- High dividend yield

*Relative position on the Brussels Stock Exchange (B-100%)*

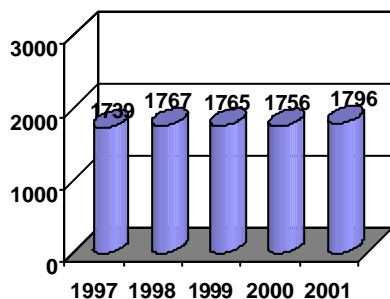


- 6% stronger decrease than BEL20® index
  - Lowest price : 28,00 euro (21.09.2001)
  - Highest price : 51,00 euro (02.01.2001)
- Market capitalisation decreased from 1 112 million euros to 959 million euros.

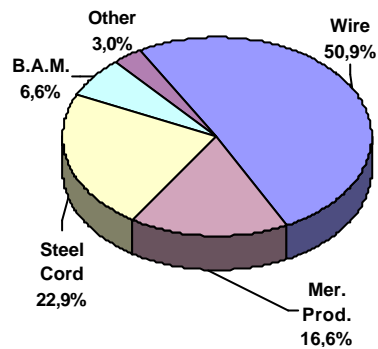


### Sales of consolidated companies, joint ventures and associates

- Combined sales of the Group increased to 2 815 million euros.
- Sales of consolidated companies increased by 2,3 %.
- Sales of joint ventures and associates increased by 5 %.
- Bekaert Advanced Materials (BAM) rose by 39 %.

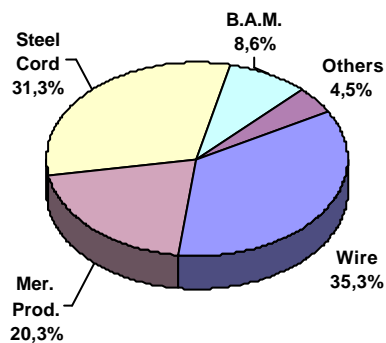


## Sales per activity



### Group sales : consolidated companies, joint ventures and associates

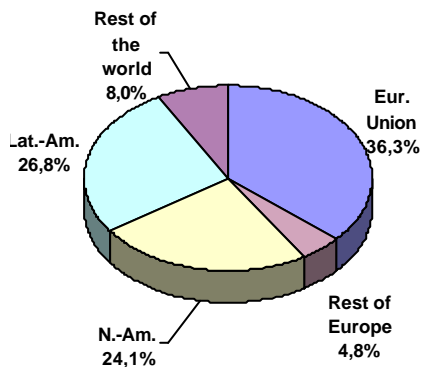
- Combined sales went up with 3.2 %.
- BAM now reaches 6.6 % of the Group's sales. Increase by 39 % for BAM.
- Wire : 50.9 % of total sales
- Steel Cord : 22.9 %
- Merchant Products Europe : 16.6 %



### Consolidated companies

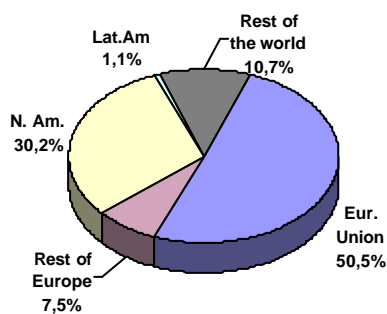
- Consolidated sales went up with 2.3 %.
- BAM now reaches 8.6 % of consolidated sales. Increase of 40 % for BAM.
- Better activity for Merchant Products.
- Wire sales increased thanks to acquisitions.
- Decrease for Steel Cord (6 %).

## Geographical spread of sales



### Group sales : consolidated companies, joint ventures and associates

- Ongoing internationalisation
- European share decreased further to 36.3 %
- Rest of the world increased by 10 %

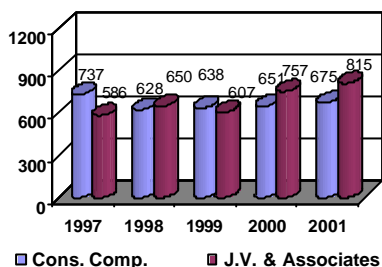


### Consolidated companies

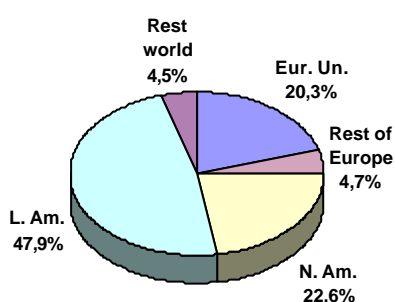
- European share decreased from 51.2 % to 50.5 %
- Asia accounts for more than 10 %

## Wire

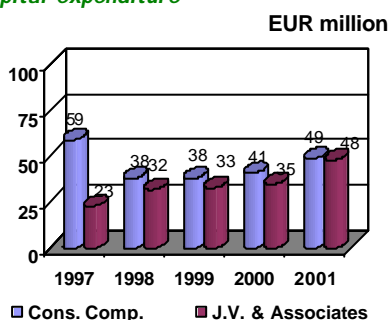
### Sales



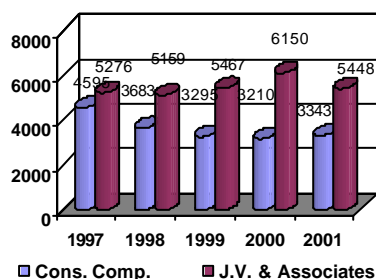
### Combined sales



### Capital expenditure



### Staff



## Sales

Combined Sales	1 490	million euro	+ 5.8 %
Consolidated Sales	675	million euro	+ 3.6 %
Joint Ventures & Associates	815	million euro	+ 7.6 %

## Comments

### Cable Solutions

### Global businesses

- Crisis in telecommunication
- Stabilisation in energy transmission

### High carbon specialties

- Poor year
- Start-up cost of profiled wire investment

### Low carbon specialties

- Decreased demand in staple wire and fine galvanised coated wire
- Price erosion

### Building products

- Sales up in all markets, except in North-America
- Breakthrough tunnelling HSL to London

### Galvanised wire

### Wire Europe

- General hesitant climate
- Imports from South-Africa and Central Europe
- Low price

### Rope wire

- Good year with good demand in offshore and in markets for hoisting cable
- Success for super high tensile rope wire

### Stainless steel wire

- Poor year 2001
- Large decrease in raw material prices

### Wire North America

### Wire America and Asia

- 2001 : no recurrence of the good previous years
- Poorer product mix, except for agriculture segment
- Further penetration at the West coast

### Wire Latin America

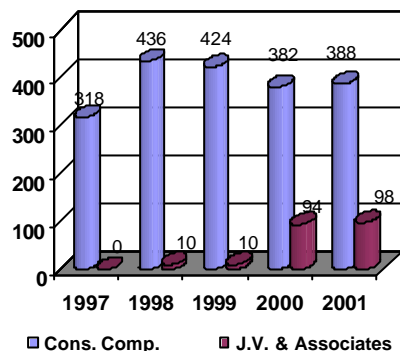
- Restricted impact of the economic downturn
- Brazilian economy seems disconnected from Argentina
- Loss in conversion into euro

### Wire Asia

- Difficult year, except for China
- Jiangyin becomes Asian production base for wire specialties

## Merchant Products Europe

### Sales



### Sales

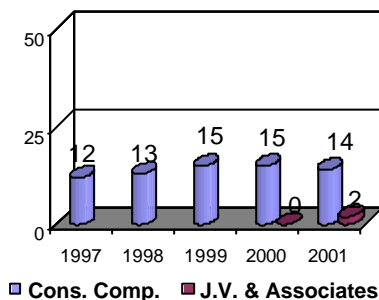
Combined sales	486 million	euro	+ 2.1 %
Consolidated sales	388 million	euro	+ 1.4 %
Joint Ventures & Associates	98 million	euro	+ 4.6 %

### Comments

Substantially better than previous year  
Upgraded product mix  
Selective price increases

### Capital expenditure

In millions of euros



### Agricultural Market

- Agricultural applications hardest hit due to the foot-and-mouth disease in the U.K.

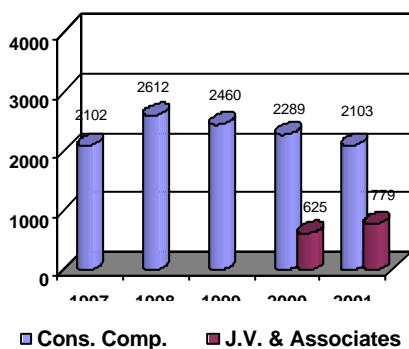
### Garden products

- Improved product mix
- Strong growth of the new panel Bekafor® Garden

### Fencing systems

- Full range security fencing products
- Growth more than 5%
- New range automatic sliding gates with Bekaert technology and electronics

### Staff



### Industrial Mesh

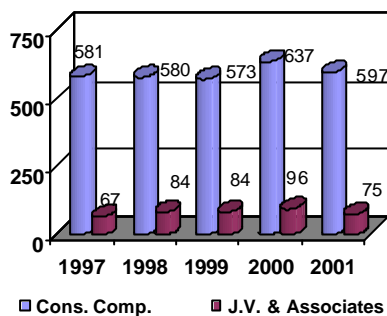
- Good year for Armapipe® projects and for cage netting
- Growing market in safety fences for machines and warehouses

### Handling & Display

- Increased sales, but pressure on margins
- Market oriented group structure is set up
- New applications have been launched

## Steel Cord

### Sales



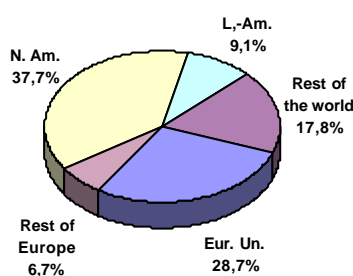
### Sales

Combined Sales	672 million	EUR	- 8.4 %
Consolidated sales	597 million	EUR	- 6.4 %
J.V. & Associates	75 million	EUR	-21.9 %

Decreased demand after years of continuous growth.

### Comments

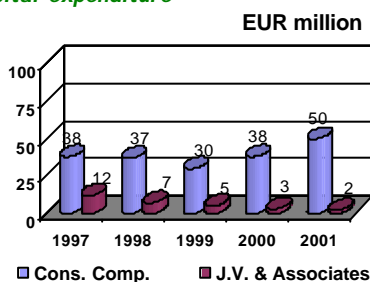
### Consolidated Sales



### Tyre Reinforcement

- Decline in demand mainly in North America
- Adjustment of stocks
- Shifting from West to Central Europe
- China : increased volumes
- New plants in Slovakia and India ready for start-up

### Capital expenditure



### Bead wire

- Sales : stable
- Growing market share

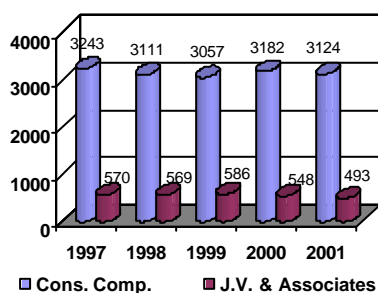
### High-pressure hose wire

- Volumes : stable
- U.S. weak, Europe good

### Conveyor belt cord

- Good year

### Staff



### Fine Cables

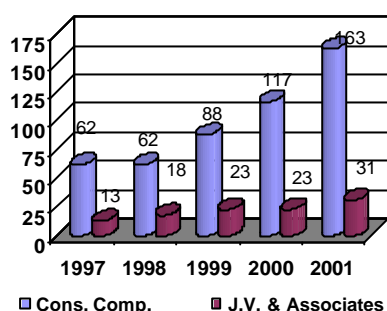
- Good year
- Success in elevator applications

### Steel cord mats

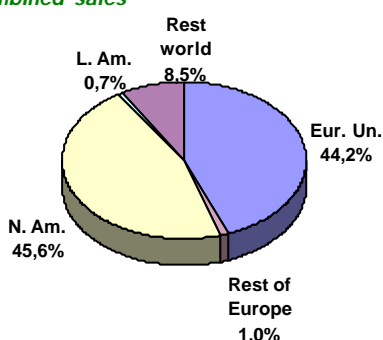
- Important projects have been postponed

## Bekaert Advanced Materials

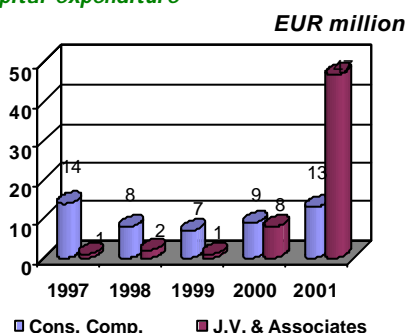
### Sales



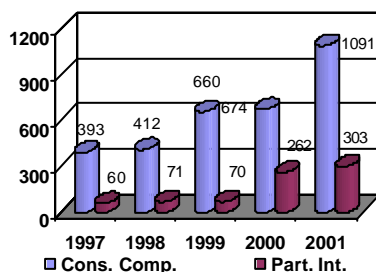
### Combined sales



### Capital expenditure



### Staff



### Sales

Combined sales	194 million euro	+ 39 %
Consolidated sales	163 million euro	+ 40 %
Joint Ventures & Associates	31 million euro	+34 %

### Comments

Growth : 1/3 natural growth  
2/3 alliances and acquisitions

Natural growth illustrates resistance in downcycles

Sales objective for 2003 of at 300 million euros will be exceeded

Important step in the field of coated film

BAM employs 1 400 people

### Fibre Technology

- Small sales decrease
- Breakthrough filtration media for inkjet printers
- Stable sales for metal-fibre textiles
- Success in Bekidisk® for wine filtration
- Joint venture with Tokyo Rope

### Combustion Technology

- Modest sales increase
- Good sales of domestic boilers in the U.S.
- Furigas : strong position in burners for high efficiency boilers

### Advanced Coatings

- Growth with more than 30 %
- Bekaert Dymonics : undiminished growth, besides niches, also applications for high volumes
- Sinvaco : splendid year

### Specialised Film Coatings

- Difficult for existing applications
- Acquisition of Specialty Films division of Material Sciences Corporation for 122 million dollars.

### Renewable Energy

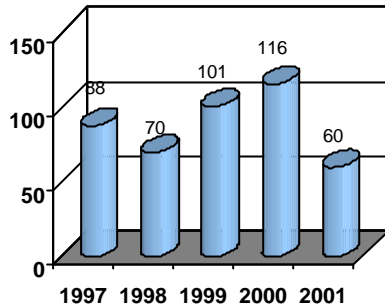
- Doubled sales
- Capacity expansion with 25 Megawatt
- Expansion distribution network
- Accent on grid-connected systems

### Bekaert Composites

- Strong growth with more than 20 %
- European market leadership in transport sector
- High potential in high-pressure pipes for seawater desalination

## Consolidated financial statements

### Profit from operations

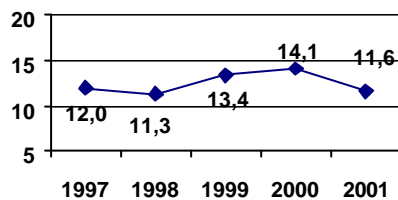


### Profit from operations

Profit from operations has been halved :

- Deterioration of activity levels
- Higher costs to develop BAM and new business
- Wire Europe and North America hit the hardest
- Drop in Steelcord
- Better performance for Merchant Products
- BAM unchanged

### Ebitda/sales

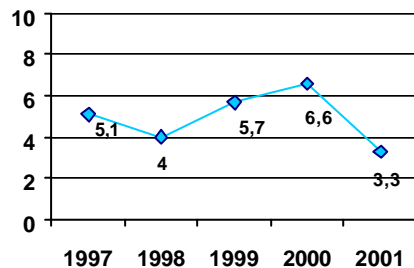


The **gross margin on sales (EBITDA)** –profit from operations plus depreciation – dropped from 14.1 % to 11.6 %.

**Profit margin from operations** decreased from 6.6 % to 3.3 % of sales.

The measures Bekaert has taken result in a less pronounced drop in profits compared to previous economic downturns.

### Operating profit as % of sales



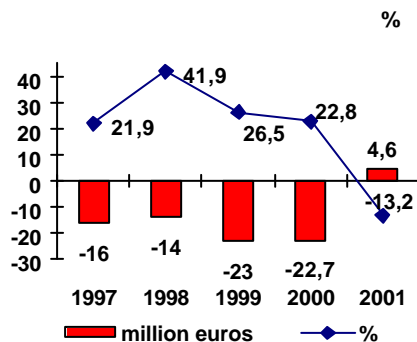
### Interest income and charges

- Increased by 15 %
- Net debt increased from 344 million euros to 544 million euros
- Additional financing cost partly offset by lower interest rates

### Non operating income and expenses

Mainly related to exchange rate fluctuations.

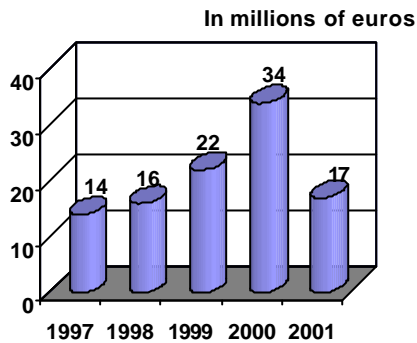
### Taxes



### Taxes

- Negative tax rate of 13.2 %
- Taxes of current year 11.6 million euros
- Deferred taxes evolved to a benefit of 15.7 million euros

### Profit of J.V. & Associates



### Profit of joint ventures and associates

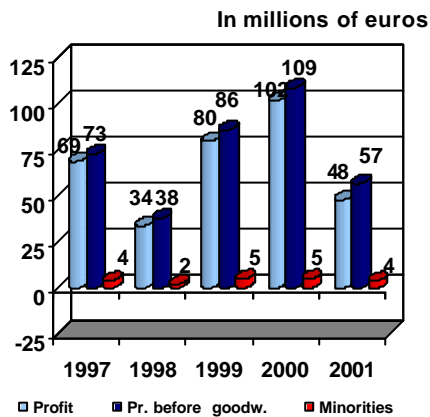
Profit of joint ventures and associates dropped from 34 million euros to 17 million euros.

This decrease was due to 1) Latin America :

- Brazil (- 6)
- Chile (- 4)

2) : full year impact investment in renewable energy (- 6)

### Consolidated net result



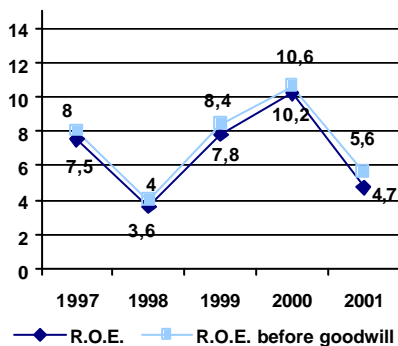
### Consolidated net result

Consolidated net result for the 2001 financial year was 47.8 million euros, a decrease of 53 %.

Minority interests contributed 3.5 million euros.

Consolidated net result before goodwill decreased by 47 % to 57 million euros.

### Return on equity



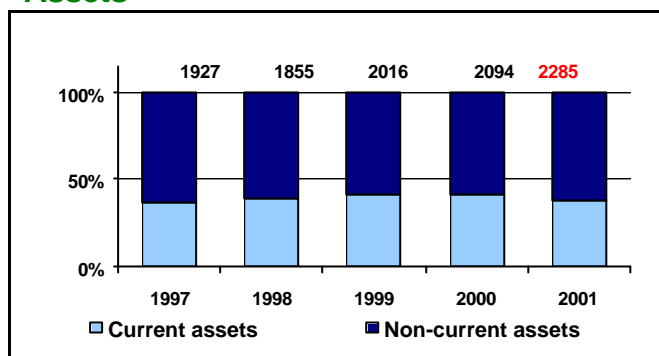
### Return on equity

The return on the average equity (ROE) decreased from 10.2 % to 4.7 %.

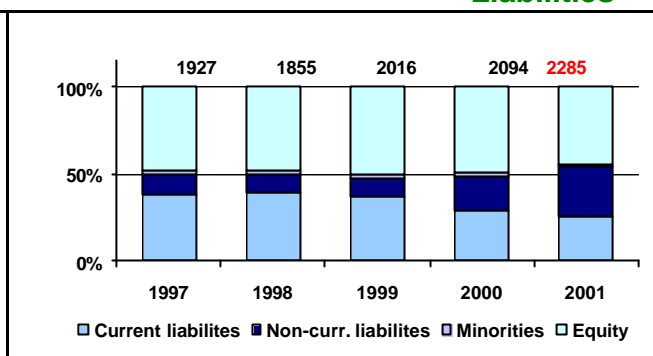
The average ROE before goodwill decreased from 10.6 % to 5.6 %.

## Balance sheet

### Assets



### Liabilities



### Assets

Intangible assets increased to 33 million euros due to :

- the purchase and implementation of ERP software
- the patents for the Specialty Films business

Goodwill increased due to acquisitions (mainly BSF)

Total amortisation of goodwill amounts to 9.5 million euros.

Working capital decreased with 4 % to 421 million euros, notwithstanding additional working capital from acquisitions

### Liabilities

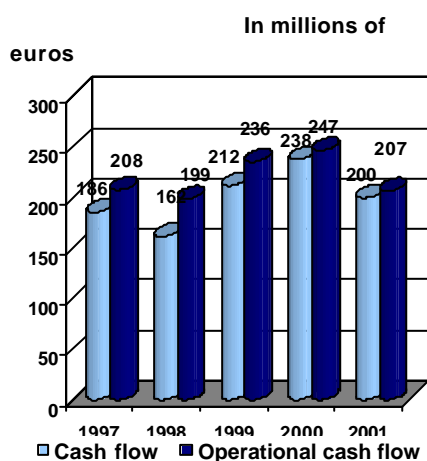
Shares repurchased and cancelled : 143 514 shares. Purchase price 5.5 million euros.

Financial liabilities increase : emission of a 100 million euros Eurobond.

### Structure

The financial structure of the Group remains strong. 44.7 % of total consolidated assets are financed by equity.

### Cash flow



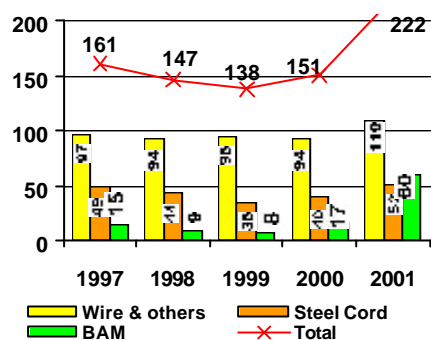
### Cash flow

Consolidated cash flow for 2001 totalled 200 million euros. This represents a decrease of only 16 %.

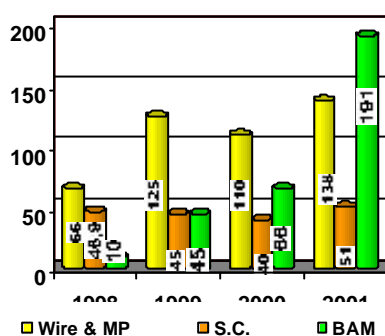
Operational cash flow decreased from 247 million euros to 207 million euros.

Timely measures were able to mitigate the effect of the recession.

## Capital expenditure



## Capital expenditure incl. acquisitions



## Capital expenditure

Consolidated companies : 122 million euros.

Capital expenditure for the Group's joint ventures and associates : 100 million euros (Unisolar).

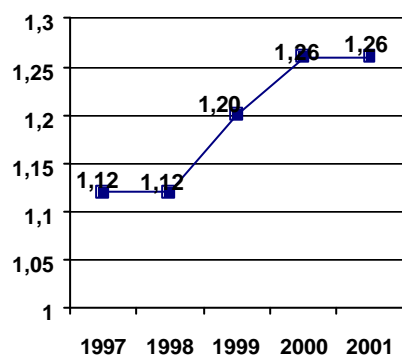
Total Group capital expenditure : 222 million euros (+ 47 %)

Per business unit :

- Wire 42 %
- Merchant Products 7 %
- Steel Cord 23 %
- BAM 27%

Taking the acquisitions into account, BAM accounts for more than 50 %.

## Dividend

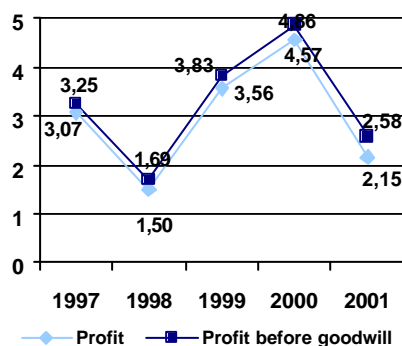


## Dividend

Gross dividend : 1.68 euros  
 Net dividend : 1.26 euros  
 Net with VVPR-strip : 1 428 euros

Pay-out ratio : 78 %

## Earnings per share (EPS)

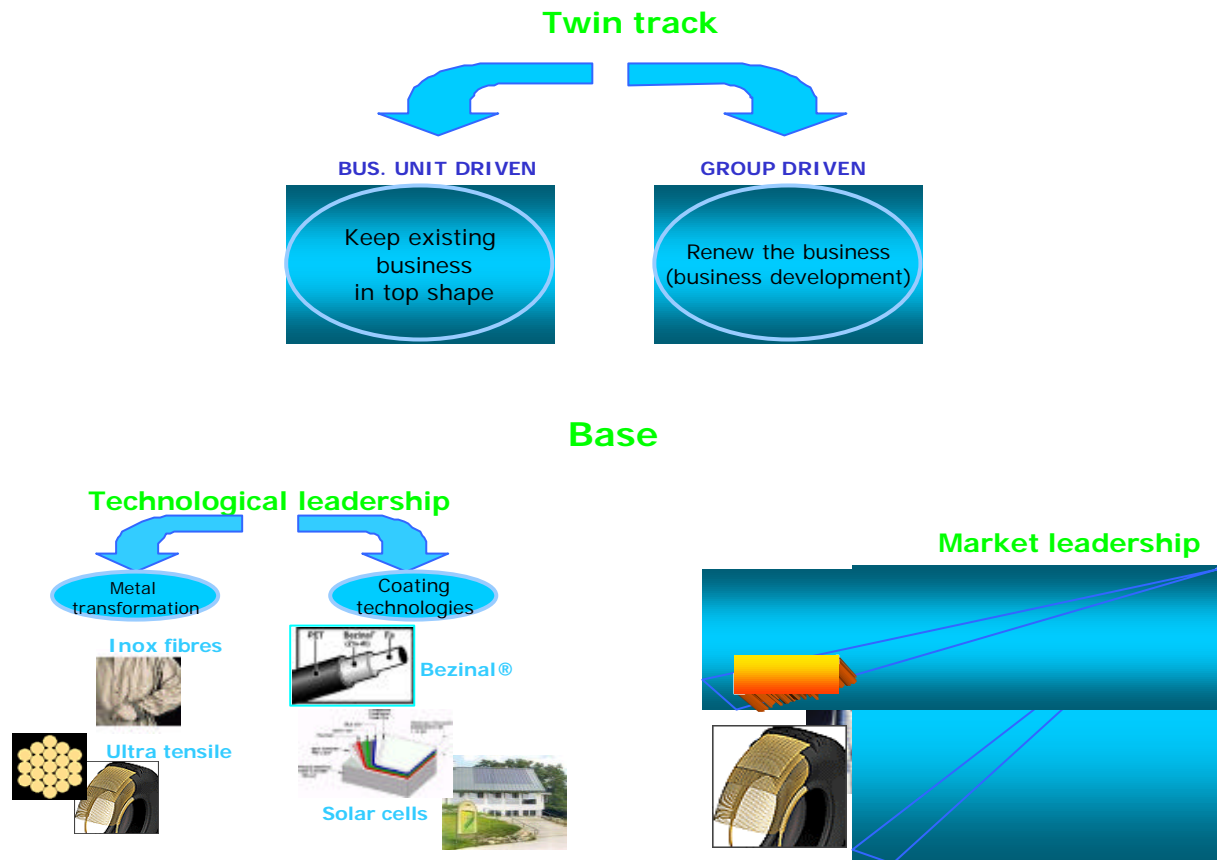


## Earnings per share

Earnings per share (EPS) : 2.15 euros

Earnings per share before goodwill : 2.58 euros

## Strategy



- Bekaert is in the middle of a strategic renewal process.
  - Twin track approach strategy :
    - Keep existing business in top shape
    - Renew the business
- Based on :
- Technological leadership : metal transformation  
advanced coating technologies
  - Market leadership
  - Solid cash flow
- Group's future : sustainable profitable growth  
shareholder value

## Outlook

- Depends on timing of the revival of the economy
- Modest upswing should result in immediate favourable effect
- Orderbook increasing : past the bottom  
seasonality plays  
sustainability unclear