

Consolidated income statement

YEARS ENDED 31 DECEMBER	Notes	2003	2002 IFRS	Restatement IFRS	2002 reported
Sales	3	1 796 987	1 863 467		1 863 467
Cost of sales	5	(1 424 481)	(1 489 779)		(1 489 779)
GROSS PROFIT	4	372 506	373 688		373 688
Distribution & selling expenses	5	(111 496)	(109 958)		(109 958)
General & administrative expenses	5	(100 632)	(108 891)		(108 891)
Research & development expenses	5	(35 928)	(36 068)		(36 068)
Other revenues	4	20 135	19 629		19 629
Other expenses	4 / 5	(32 784)	(74 158)		(74 158)
RESULT FROM OPERATIONS	4	111 801	64 242		64 242
Interest income & expenses	6	(32 305)	(29 522)	3 405	(32 927)
Non-operating income & expenses	7	(10 660)	(100 595)		(100 595)
RESULT FROM ORDINARY ACTIVITIES BEFORE TAXES		68 836	(65 875)	3 405	(69 280)
Income taxes	8	(8 158)	7 246	(160)	7 406
RESULT FROM ORDINARY ACTIVITIES AFTER TAXES		60 678	(58 629)	3 245	(61 874)
Share in the result of companies accounted for under the equity method	13	35 450	23 096		23 096
Amortisation goodwill on companies accounted for under the equity method	13	(3 429)	(4 043)		(4 043)
Minority interests		(7 486)	(6 690)		(6 690)
CONSOLIDATED NET RESULT OF THE GROUP		85 213	(46 266)	3 245	(49 511)
EARNINGS / (LOSS) PER SHARE	31				
RESULT FROM ORDINARY ACTIVITIES BEFORE TAXES (euros per share)					
Basic		3.113	(2.974)	0.154	(3.128)
Diluted		3.113	(2.972)	0.154	(3.126)
CONSOLIDATED NET RESULT OF THE GROUP (euros per share)					
Basic		3.854	(2.089)	0.146	(2.235)
Diluted		3.854	(2.087)	0.147	(2.234)
RESULTS BEFORE NON-RECURRING EVENTS	9 / 31				
RESULT FROM OPERATIONS		121 703	123 831		123 831
RESULT FROM ORDINARY ACTIVITIES BEFORE TAXES		79 268	79 917	3 405	76 512
EARNINGS PER SHARE					
RESULT FROM ORDINARY ACTIVITIES BEFORE TAXES (euros per share)					
Basic		3.585	3.608	0.154	3.454
Diluted		3.585	3.606	0.154	3.452

The accompanying notes are an integral part of this income statement.

Consolidated balance sheet

ASSETS 31 DECEMBER	Notes	2003	2002 IFRS	Restatement IFRS	2002 reported
NON-CURRENT ASSETS		1 153 760	1 163 904		1 163 904
Intangible assets	10	48 542	54 950		54 950
Goodwill and negative goodwill	11	70 917	72 178		72 178
Property, plant & equipment	12	757 564	777 586		777 586
- Land and buildings		211 542	223 220		223 220
- Plant, machinery and equipment		475 266	496 361		496 361
- Furniture and vehicles		9 557	10 797		10 797
- Other		3 425	3 041		3 041
- Under construction and advance payments		57 774	44 167		44 167
Investments accounted for under the equity method	13	189 122	204 637		204 637
Loans and receivables	15	860	1 018		1 018
Financial assets		86 755	53 535		53 535
- Available-for-sale financial assets	14	13 126	10 279		10 279
- Derivatives	26	73 629	43 256		43 256
CURRENT ASSETS		756 936	747 525	(37 332)	784 857
Inventories	16	322 642	311 826		311 826
- Raw materials & consumables		102 284	102 944		102 944
- Work in progress & finished goods		200 971	184 373		184 373
- Goods purchased for resale & advance payments		19 387	24 509		24 509
Amounts receivable		338 588	353 189	(37 332)	390 521
- Trade receivables	16	307 740	311 413		311 413
- Loans	17	5 766	8 124		8 124
- Other receivables	18	25 082	33 652	(37 332)	70 984
Financial assets		32 571	21 379		21 379
- Available-for-sale financial assets		48	134		134
- Derivatives	26	1 916	1 391		1 391
- Short term deposits		30 607	19 854		19 854
Cash & cash equivalents		50 468	52 381		52 381
Deferred charges and accrued income	18	12 667	8 750		8 750
DEFERRED TAX ASSETS	19	15 064	10 665	6 246	4 419
TOTAL		1 925 760	1 922 094	(31 086)	1 953 180

The accompanying notes are an integral part of the balance sheet.

EQUITY AND LIABILITIES 31 DECEMBER	Notes	2003	2002 IFRS	Restatement IFRS	2002 reported
EQUITY		778 950	758 403	(73 500)	831 903
Share capital	20	170 000	170 000		170 000
- Issued capital		170 000	170 000		170 000
Reserves and retained earnings		747 042	707 262	(78 767)	786 029
Hedging reserve	21	(3 018)	(13 015)		(13 015)
Cumulative translation adjustment		(135 074)	(105 844)	5 267	(111 111)
MINORITY INTERESTS	22	43 344	44 343		44 343
NON-CURRENT LIABILITIES		539 270	596 603	46 867	549 736
Employee benefit obligations	23	171 435	176 389	46 867	129 522
Provisions	24	43 804	53 860		53 860
Financial liabilities		322 169	342 912		342 912
- Leasing and other similar obligations	25	1 034	555		555
- Credit institutions	25	204 317	216 744		216 744
- Bonds	25	106 998	106 991		106 991
- Derivatives	26	9 820	18 622		18 622
Other amounts payable	25	1 862	23 442		23 442
CURRENT LIABILITIES		499 516	456 683		456 683
Financial liabilities		177 343	152 020		152 020
- Current portion of non-current financial liabilities	25	8 480	8 358		8 358
- Credit institutions	25	168 103	138 376		138 376
- Derivatives	26	760	5 286		5 286
Trade payables	16	191 417	184 921		184 921
Advances received on contracts in progress	16	6 245	2 444		2 444
Employee benefit obligations	16	69 922	75 552		75 552
Taxes		24 937	21 591		21 591
- Income taxes		7 289	5 138		5 138
- Other taxes		17 648	16 453		16 453
Other amounts payable	27	22 005	12 493		12 493
Accrued charges and deferred income	27	7 647	7 662		7 662
DEFERRED TAX LIABILITIES	19	64 680	66 062	(4 453)	70 515
TOTAL		1 925 760	1 922 094	(31 086)	1 953 180

The accompanying notes are an integral part of the balance sheet.

Consolidated statement of changes in shareholders' equity

	Share capital	Treasury shares	Hedging reserve	Retained earnings	Deferred tax booked in equity	Cumulative translation adjustment	Total
BALANCE AT 1 JANUARY 2003	170 000	-	(13 015)	684 534	22 728	(105 844)	758 403
Result of the Group	-	-	-	85 213	-	-	85 213
Reclass to deferred tax	-	-	-	-	-	-	-
Result recognised directly in equity:							
- Foreign exchange translation differences	-	-	-	-	-	(29 230)	(29 230)
- Cash flow hedges (1)	-	-	9 997	-	-	-	9 997
- Timing difference dividends (2)	-	-	-	-	-	-	-
- Other	-	-	-	(3 287)	(1 382)	-	(4 669)
Own shares acquired	-	(2 185)	-	-	-	-	(2 185)
Cancellation own shares	-	2 185	-	(2 185)	-	-	-
Dividends to shareholders	-	-	-	(38 579)	-	-	(38 579)
BALANCE AT 31 DECEMBER 2003	170 000	-	(3 018)	725 696	21 346	(135 074)	778 950
BALANCE AT 1 JANUARY 2002	170 000	-	(15 091)	871 866	-	(5 365)	1 021 410
RESTATEMENT IFRS (3)	-	-	-	(95 029)	13 018	-	(82 011)
BALANCE AT 1 JANUARY 2002 AFTER RESTATEMENT IFRS	170 000	-	(15 091)	776 837	13 018	(5 365)	939 399
Result of the Group as reported	-	-	-	(49 511)	-	-	(49 511)
Restatement IFRS 2002 (4)	-	-	-	3 245	-	5 267	8 512
Reclass to deferred tax	-	-	-	(1 873)	1 873	-	-
Result recognised directly in equity:							
- Foreign exchange translation differences	-	-	-	-	-	(105 746)	(105 746)
- Cash flow hedges (1)	-	-	2 076	-	-	-	2 076
- Timing difference dividends (2)	-	-	-	(2 379)	-	-	(2 379)
- Other	-	-	-	(3 090)	7 837	-	4 747
Own shares acquired	-	(1 471)	-	-	-	-	(1 471)
Cancellation own shares	-	1 471	-	(1 471)	-	-	-
Dividends to shareholders	-	-	-	(37 224)	-	-	(37 224)
BALANCE AT 31 DECEMBER 2002	170 000	-	(13 015)	684 534	22 728	(105 844)	758 403

The accompanying notes are an integral part of this statement.

- (1) See note 21 "Hedging reserve".
- (2) "Timing difference dividends" relates to a Latin-American holding not taking part in the consolidation and to an entity having 30 September as annual closing date, as a result of which there may be a timing difference between dividends being declared by an entity and dividends being recognised by the parent company (N.V. Bekaert S.A.).
- (3) Relates to the IFRS restatement impact on the **opening** equity; see "Impact of first-time adoption of IFRS" under Note 1.
- (4) Relates to the IFRS restatement impact on the result and on the translation of the **closing** equity as of 31 December 2002.

Consolidated cash flow statement

See also Note 28

YEARS ENDED 31 DECEMBER	2003	2002
OPERATING ACTIVITIES		
Result from operations	111 801	64 242
Non-cash items included in result from operations	96 096	166 809
- Depreciation and amortisation	127 307	149 442
- Impairment losses on assets	-	12 095
- (Gains) / losses on disposals of assets	(2 602)	3 603
- Provision for liabilities and charges	(28 609)	1 669
Income taxes	(18 490)	(13 063)
GROSS CASH PROVIDED BY OPERATING ACTIVITIES	189 407	217 988
Change in operational working capital	(18 570)	39 487
Change in other working capital	(18 503)	(1 555)
Extraordinary & other non-operating cash flows	(2 201)	(7 104)
CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	150 133	248 816
INVESTING ACTIVITIES		
New investments acquired and capital increases	(33 947)	(5 505)
Proceeds from sales and disposals of investments	5 701	3 101
Gross (increase) / decrease non-current loans and receivables	(243)	(629)
Dividends received from companies accounted for under the equity method	18 902	14 289
CASH GENERATED BY / (USED IN) PORTFOLIO RELATED ACTIVITIES	(9 587)	11 256
Purchase of intangible assets	(9 519)	(7 333)
Purchase of property, plant & equipment	(108 630)	(77 595)
Proceeds from sales of intangible assets	-	46
Proceeds from sales of property, plant & equipment	11 738	13 683
Proceeds from government grants	(11)	(348)
CASH GENERATED BY / (USED IN) INDUSTRIAL RELATED ACTIVITIES	(106 422)	(71 547)
CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES	(116 009)	(60 291)
FINANCING ACTIVITIES		
Interest received	3 329	3 344
Interest paid	(21 574)	(30 025)
Gross dividend paid	(44 860)	(43 137)
Capital paid in by minority interests	249	1 089
(Increase) / decrease treasury shares at cost	(2 185)	-
Cash flows from non-current financial liabilities	82 153	5 334
Cash flows from current financial liabilities	(40 025)	(120 124)
(Increase) / decrease current loans and receivables	1 652	(3 019)
(Increase) / decrease current financial assets (1)	(11 542)	(4 199)
CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES	(32 803)	(190 737)
NET INCREASE IN CASH & CASH EQUIVALENTS	1 321	(2 212)
CASH & CASH EQUIVALENTS AT 1 JANUARY	52 381	58 324
Effect of exchange rate changes on cash & cash equivalents	(3 234)	(3 731)
CASH & CASH EQUIVALENTS AT 31 DECEMBER	50 468	52 381

(1) excluding derivatives

The accompanying notes are an integral part of this income statement.