



In partnership with customers, Bekaert produces environment-friendly gas burners for boilers. Optimum combustion of the gas/air mixture is assured by the structure of the burner surface, which consists of a knitted textile of ultra-thin metal fibers.



Segment reporting

- 54 Advanced wire products
- 56 Advanced materials
- 57 Advanced coatings

Advanced wire products

Combined sales of advanced wire products were 5% higher in 2006 (wire Europe +8%, wire North America -6%, wire Latin America +7%, wire Asia +7%, building products +11%, steel cord China +54%, steel cord others -6% and other advanced wire products +7%).

Despite the heightened competition, Bekaert was able to advance its position in China significantly and posted a 54% sales growth in steel cord products, mainly for truck tire reinforcement. With an investment program of close to € 100 million Bekaert increased its production capacity in China, by extending the production plant in Weihai (Shandong province) and by building two new plants in very short order, in Jiangyin (Jiangsu province) and in Shenyang (Liaoning province). In 2007, Bekaert will maintain this level of investment as the Chinese market shows strong and sustained growth.

In the fall, Bekaert acquired a minority interest in Shougang Concord Century Holdings Ltd, a company which is listed on the Hong Kong Stock Exchange and whose activities include steel cord production. A framework was defined for closer cooperation in the provision of services and material supplies, which will further consolidate Bekaert's position in China and speed up the joint introduction of top-quality products on this growing market.

In Europe, Bekaert recorded a lower demand for steel cord products. In North America, the company acquired Delta Wire Corporation, a major supplier of bead wire for tire reinforcement based in Clarksdale (Mississippi). The strike at Goodyear in the fourth quarter had a severe impact on the level of activity at the steel cord plants in the United States. In anticipation of a sustained downturn trend in demand on the North American market, Bekaert decided to close the plant in Dyersburg (Tennessee).

Demand for other wire products for the automotive sector weakened in the mature markets. Bekaert strengthened its position in wires for offshore applications with the acquisition of Cold Drawn Products Limited, a supplier of specialized profile wires in Western Europe. Bekaert also expanded its operations in Central Europe to consolidate its competitive position. In North America, there were clear signs of weakening of several economic sectors in which the company is active.

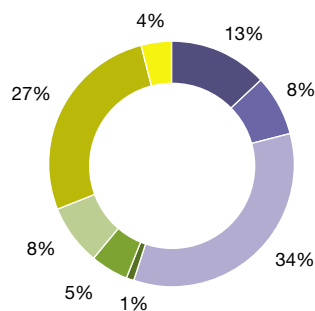
Helped by the mild winter, Bekaert was able to maintain a high level of activity in building products in Europe and Asia. In the other advanced wire products, the company expanded its carding business with the acquisition of ECC Card Clothing in 2005. The plant in Huddersfield (United Kingdom) was closed and manufacture of the short-staple products for textile machinery was integrated into the new plant in Wuxi (Jiangsu province, China).

Although volatility on raw material markets decreased in 2006, wire rod prices generally remained high, driven by the increasing global demand for steel. Prices of other raw materials, such as zinc, rose sharply. Higher energy costs also added to the pressure on margins.

The company recorded a higher level of activity in Latin America, but faced increasing competition from Asian imports and hence sustained pressure on prices. The performance benefited from a positive impact of currency movements, most notably in Brazil and Chile.

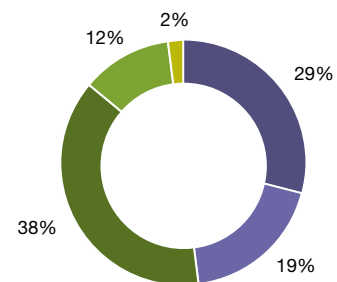
	in millions of €		
Advanced wire products	2004	2005 ¹	2006
Consolidated			
Sales	1 501	1 640	1 724
Operating result (EBIT)	181	182	180
EBIT on sales (%)	12.0%	11.1%	10.4%
Capital expenditures	145	140	155
Personnel	8 217	8 592	10 123
Joint ventures and associates			
Sales	912	1 110	1 166
Capital expenditures	28	53	41
Personnel	5 467	5 507	5 787
Total			
Combined sales	2 413	2 750	2 890
Capital expenditures	173	193	196
Personnel	13 684	14 099	15 910

Share in combined sales by activity platform



- Wire Europe: 13%
- Wire North America: 8%
- Wire Latin America: 34%
- Wire Asia: 1%
- Building products: 5%
- Steel cord China: 8%
- Steel cord others: 27%
- Other advanced wire products: 4%

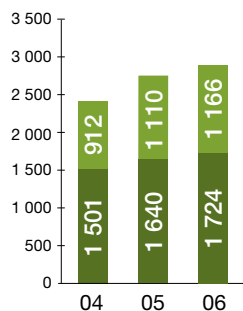
Share in combined sales by geographical area



- Europe: 29%
- North America: 19%
- Latin America: 38%
- Asia: 12%
- Other regions: 2%

Sales

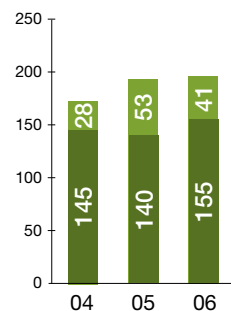
in millions of €



- Joint ventures and Associates
- Consolidated

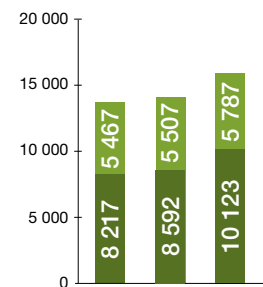
Capital expenditures

in millions of €



- Joint ventures and Associates
- Consolidated

Personnel



- Joint ventures and Associates
- Consolidated

¹ The key figures for the business segments were restated following the introduction of a more refined method of allocating results to the various business segments. This did not affect the Group's consolidated figures.

Advanced materials

Sales of advanced materials recorded growth of 11% (fiber technologies +15%, combustion technologies +9%, composites +4%).

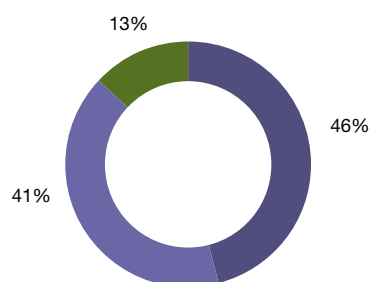
Bekaert achieved strong organic growth in fiber technologies. Performance also benefited from the acquisition in June 2005 of Southwest Screens & Filters SA (Belgium), which serves the industrial process filtration market.

In combustion technologies, Bekaert continued to advance its position in the market for environment-friendly burners for residential heating systems. The recent acquisition of the Dutch Aluheat B.V., which specializes in the latest technologies for condensing boilers, also contributed to growth, but 2006 was a difficult year for the project-based industrial burner system activities.

In composites, the company maintained its position in an extremely competitive environment.

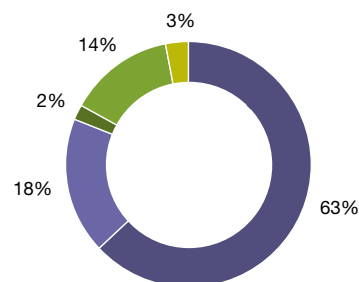
	in millions of €		
Advanced materials	2004	2005 ¹	2006
Consolidated companies			
Sales ²	117	141	156
Operating result (EBIT)	8	6	12
EBIT on sales (%)	6.5%	3.9%	7.7%
Capital expenditures	4	8	6
Personnel	712	892	949

Share in consolidated sales by activity platform



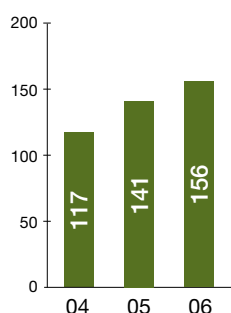
- Fiber technologies: 46%
- Combustion technologies: 41%
- Composites: 13%

Share in consolidated sales by geographical area

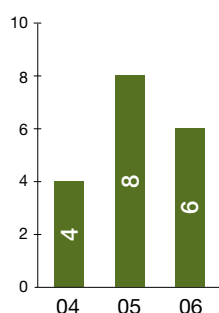


- Europe: 63%
- North America: 18%
- Latin America: 2%
- Asia: 14%
- Other regions: 3%

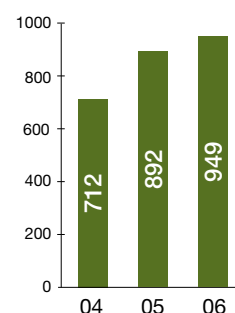
Sales
in millions of €



Capital expenditures
in millions of €



Personnel



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² Combined sales equal consolidated sales as there are no joint ventures and associates in the advanced materials segment.

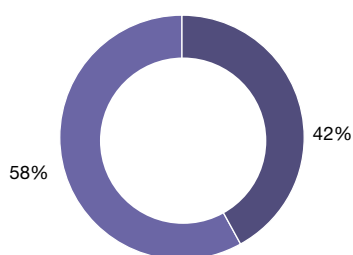
Advanced coatings

Sales of advanced coatings were up by 3% in 2006 (industrial coatings +1%, specialized films +4%).

After a difficult first half, the industrial coatings business picked up in the second half of the year. In specialized films, Bekaert's performance was adversely affected by currency movements. By increasing its sales effort, however, the company recorded sustained growth, most notably in North America and Asia.

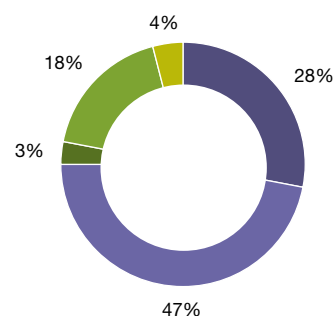
	in millions of €		
Advanced coatings	2004	2005 ¹	2006
Consolidated companies			
Sales ²	127	133	136
Operating result (EBIT)	-8	-4	1
EBIT on sales (%)	-6.1%	-3.2%	0.6%
Capital expenditures	7	9	4
Personnel	676	728	745

Share in consolidated sales by activity platform



- Industrial coatings: 42%
- Specialized films: 58%

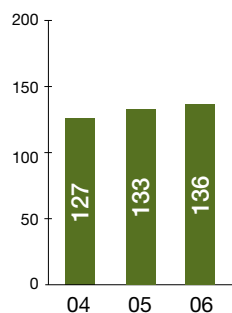
Share in consolidated sales by geographical area



- Europe: 28%
- North America: 47%
- Latin America: 3%
- Asia: 18%
- Other regions: 4%

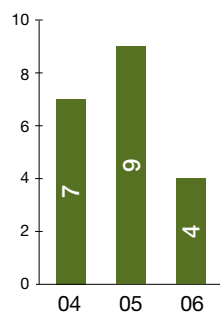
Sales

in millions of €

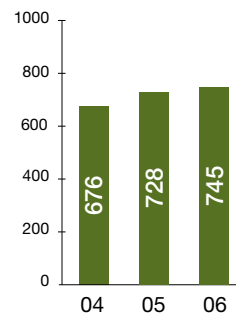


Capital expenditures

in millions of €



Personnel



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