

Half year results 2006

28 July 2006

Bert De Graeve, Chief Executive Officer

- **Highlights**
- Sales
- Segment reporting
 - Advanced wire products
 - Advanced materials
 - Advanced coatings
 - Other activities
- Profitability
- Balance sheet
- Cash flow
- Outlook

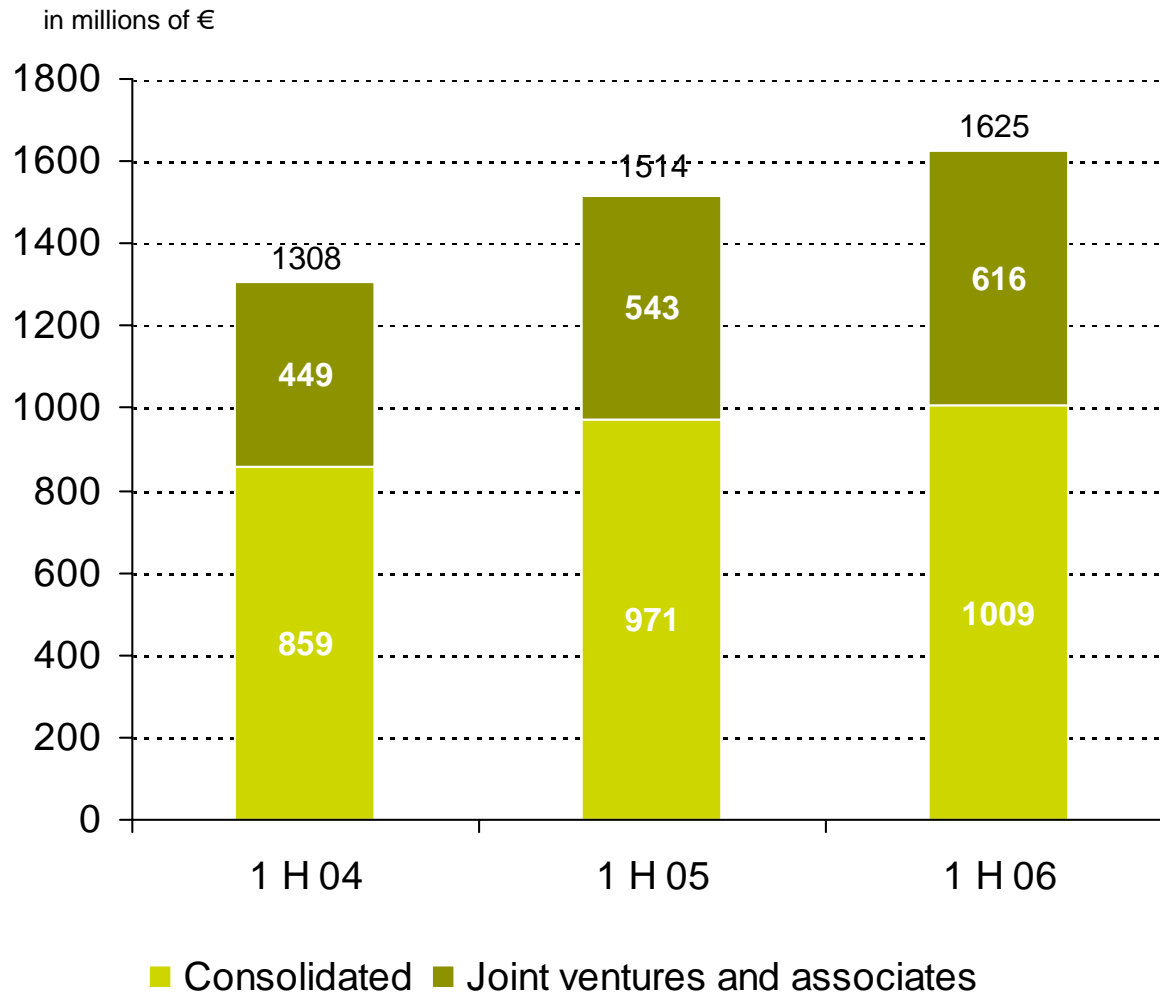
Introductory remark

- Half year results are unaudited
- Combined sales are sales generated by consolidated companies, joint ventures and associates
- All comparisons are made relative to the figures of the first half of 2005

Highlights first half 2006

- 38% growth in steel cord China, built on major investment program
- 16% growth in Latin America
- Mature markets remain challenging
- 4% total sales increase, after record growth in 2004 and 2005
- EBIT margin on sales of 7.5%
- Increased investments in sales organizations and R&D activities
- EPS of €3.51 compared with €3.49 (continuing operations)

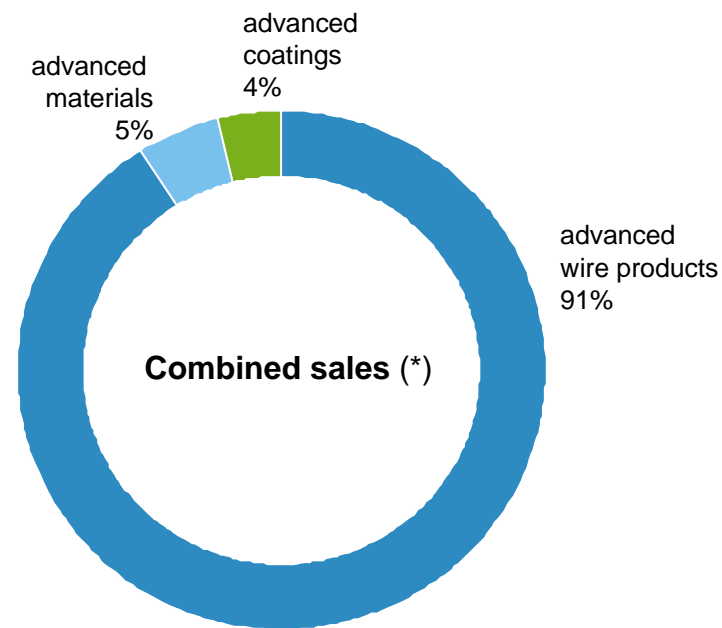
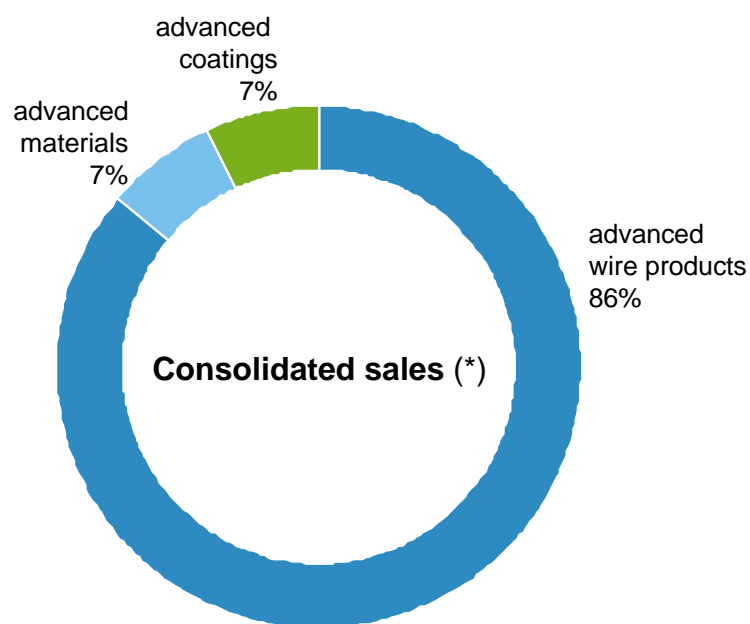
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- After its rapid growth in 2004 and 2005, Bekaert posted a 4% increase in consolidated sales in the first half of 2006.
- Currency movements had a positive impact of 2%
- Targeted acquisitions within the various activity platforms contributed 4% to the growth.
- Sales in various markets were affected by lower selling prices, largely reflecting the trend in wire rod prices

Sales by business segment

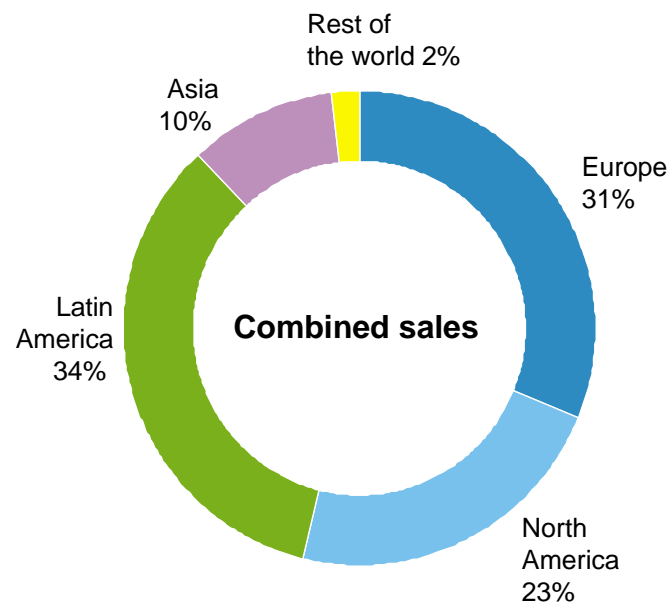
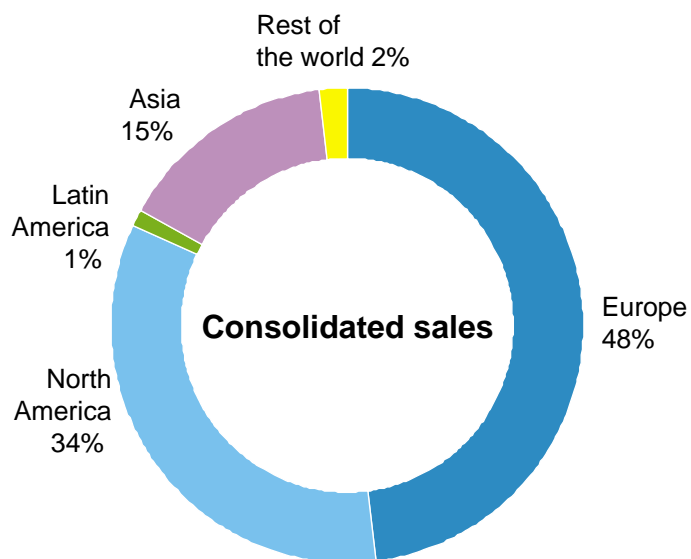
	Consolidated sales		Combined sales	
	in millions of €	variance	in millions of €	variance
Advanced wire products	870	+4%	1 463	+8%
Advanced materials	74	+17%	74	+17%
Advanced coatings	68	+2%	68	+2%
Intersegment and others	-3	-	20	-
Total	1 009	+4%	1 625	+7%



(*) excluding intersegment sales and others.

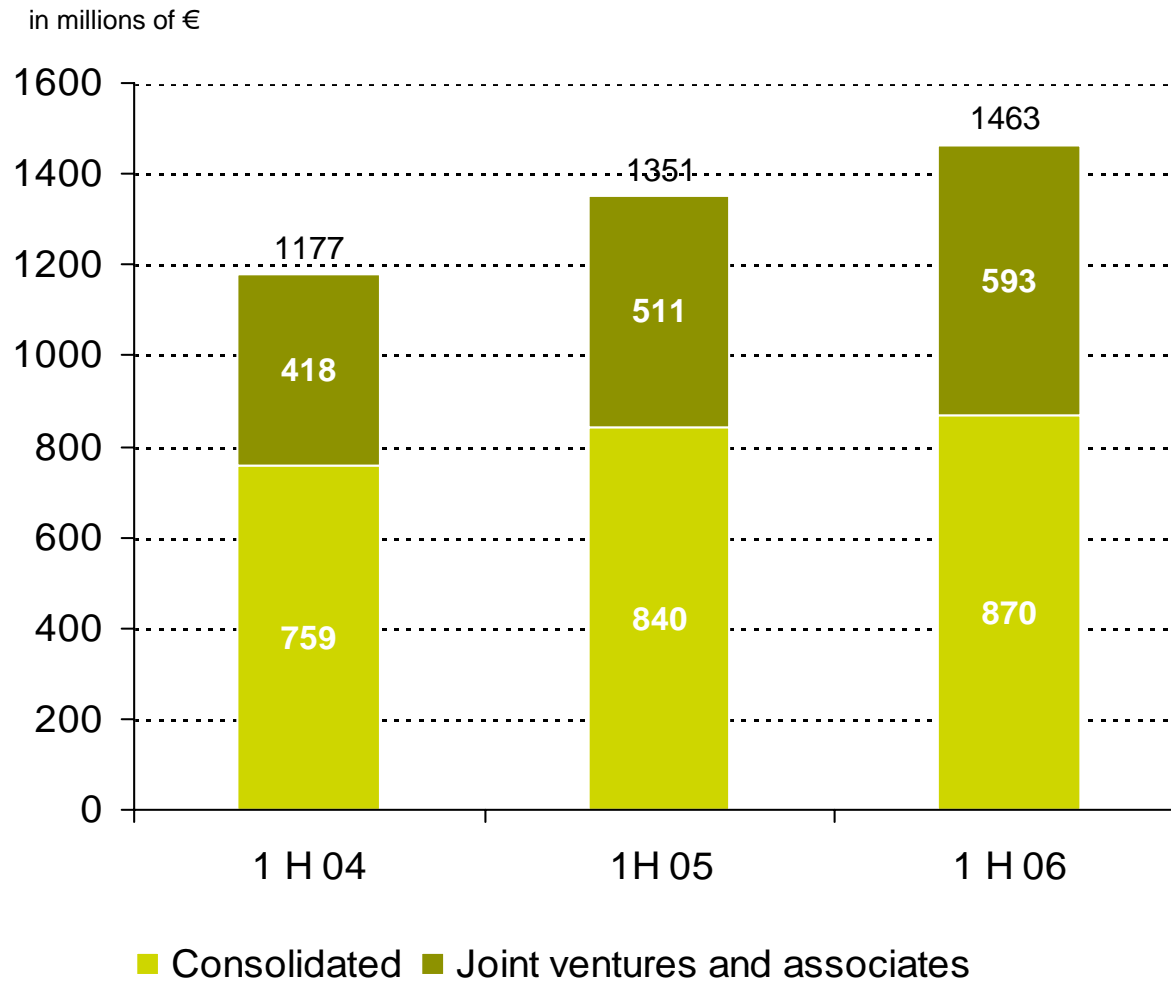
Sales by geographical area

	Consolidated sales		Combined sales	
	in millions of €	variance	in millions of €	variance
Europe	480	-2%	508	-4%
North America	347	+7%	368	+7%
Latin America	15	+6%	562	+16%
Asia	150	+18%	154	+18%
Rest of the world	17	+4%	33	+47%
Total	1 009	+4%	1 625	+7%



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Advanced wire products: sales



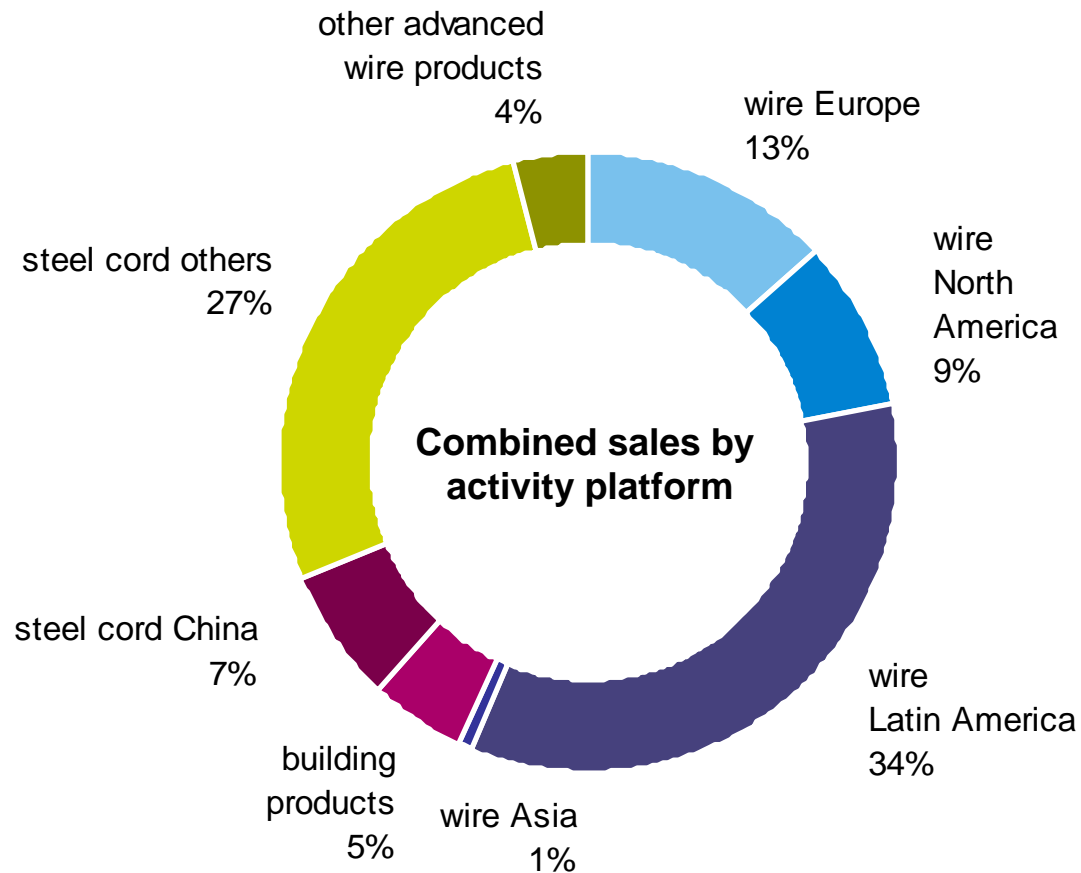
Advanced wire products

- Sales benefited from positive impact of currency movements, most notably in Brazil and Chile
- Increased pressure on prices in the mature markets in Europe and North America and rapidly rising cost of energy and certain raw materials such as zinc.
- Demand for advanced wire products for the automotive sector remained weak in both Europe and North America
- More intense competition in the European steel cord market, especially in passenger tires
- Acquisition of Delta Wire, a major supplier of bead wire for tire reinforcement
- Investigation of opportunities in Russia and talks on exclusive cooperation with Uralkord ongoing

- Streamlining of product portfolio and optimization of production capacity:
 - wire plant in Muskegon (Michigan, USA) was closed
 - acquisition of Conflandey Inc.'s business
 - acquisition of Cold Drawn Products Ltd.
- High level of activity in building products worldwide
- Strengthening of position on the Chinese market by:
 - building closer cooperative relationships with customers
 - providing high-quality service
 - expanding production capacity
- Acquisition of ECC Card Clothing in 2005 in other advanced wire products

Advanced wire products:	+8%
wire Europe	+0%
wire North America	+1%
wire Latin America	+21%
wire Asia	+12%
building products	+2%
steel cord China	+38%
steel cord others	-4%
other advanced wire products	+30%

Advanced wire products

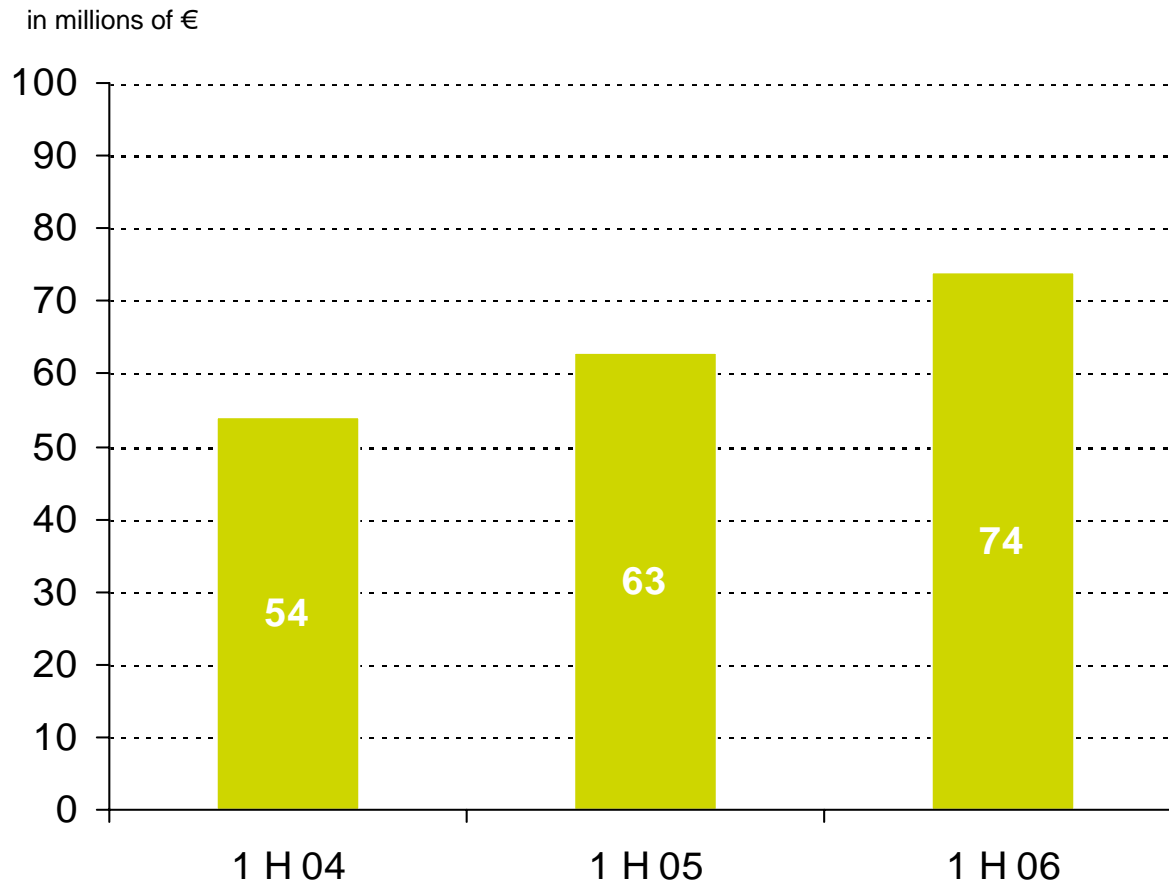


Advanced wire products: financials

in millions of €	1 H 06	1 H 05
Consolidated sales	870	840
Operating result (EBIT) before non-recurring items	87	105
Operating result (EBIT)	85	105
Depreciation and amortization	45	39
EBITDA	130	145
EBIT margin on sales	9.8 %	12.6 %
EBITDA margin on sales	15.0 %	17.3 %
Combined sales	1 463	1 351
Share in the results of the joint ventures	28	28

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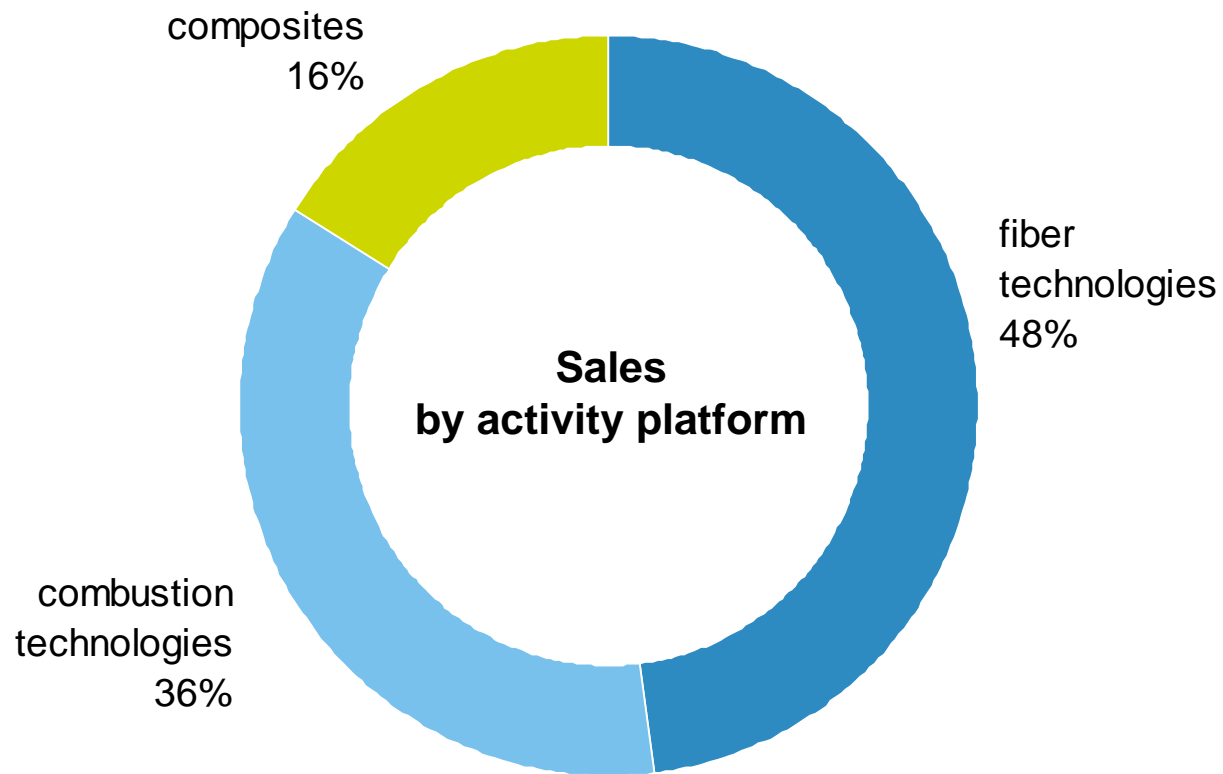
Advanced materials: sales



Combined sales equal consolidated sales as the advanced materials segment has no joint ventures and associates

- **Fiber technologies:**
 - Completion of large order for environment-friendly gas filtration
 - Acquisition of Southwest Screens & Filters SA boosts sales
- **Combustion technologies:**
 - Fewer projects for the paper industry.
 - Acquisition of Aluheat, which specializes in environment-friendly technologies used in condensing boilers for heating systems
- **Composites:**
 - Sales increase, despite the extremely competitive environment

Advanced materials:	+17%
fiber technologies	+34%
combustion technologies	-4%
composites	+34%

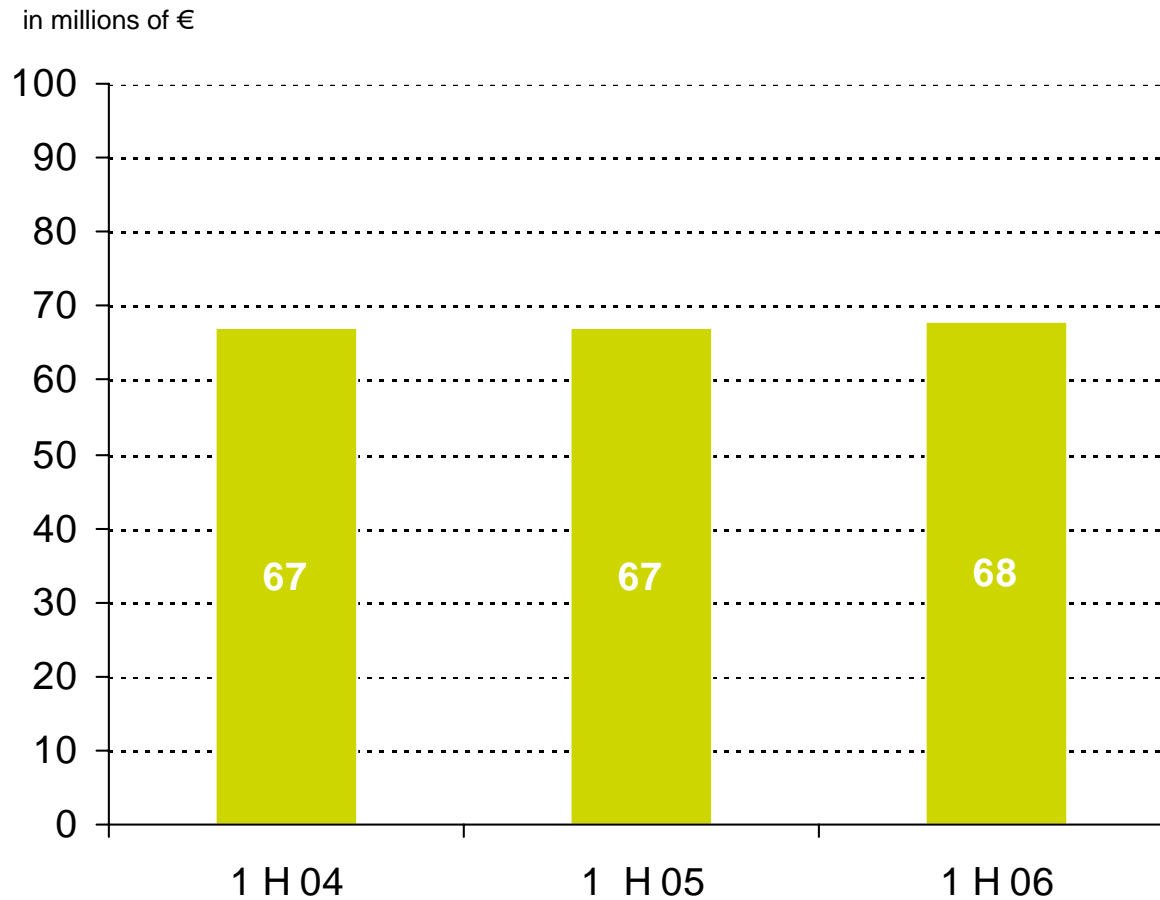


Advanced materials: financials

in millions of €	1 H 06	1 H 05
Sales	74	63
Operating result (EBIT) before non-recurring items	6	7
Operating result (EBIT)	6	5
Depreciation and amortization	3	3
EBITDA	9	8
EBIT margin on sales	7.7 %	8.5 %
EBITDA margin on sales	12.5 %	12.7 %

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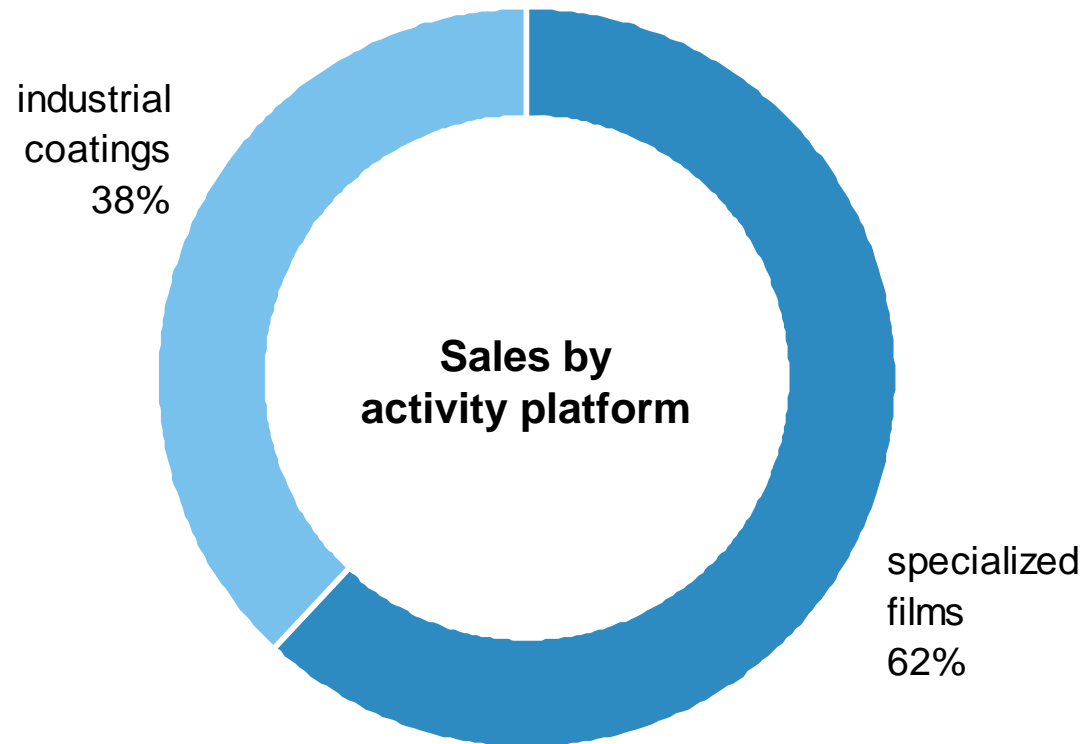
Advanced coatings: sales



Combined sales equal consolidated sales as the advanced coatings segment has no joint ventures and associates

- **Industrial coatings:**
 - Decreased sales from sputter products (project business)
- **Specialized films:**
 - Significant sales increase, both in USA and Asia
 - Withdrawal from ITO film for electronics applications
 - Focus on the development of window films for buildings and vehicles

Advanced coatings:	+2%
industrial coatings	-13%
specialized films	+13%



Advanced coatings: financials

in millions of €	1 H 06	1 H 05
Sales	68	67
Operating result (EBIT) before non-recurring items	2	3
Operating result (EBIT)	1	-2
Depreciation and amortization	6	11
EBITDA	7	9
EBIT margin on sales	2.0 %	-3.3 %
EBITDA margin on sales	11.0 %	13.3 %

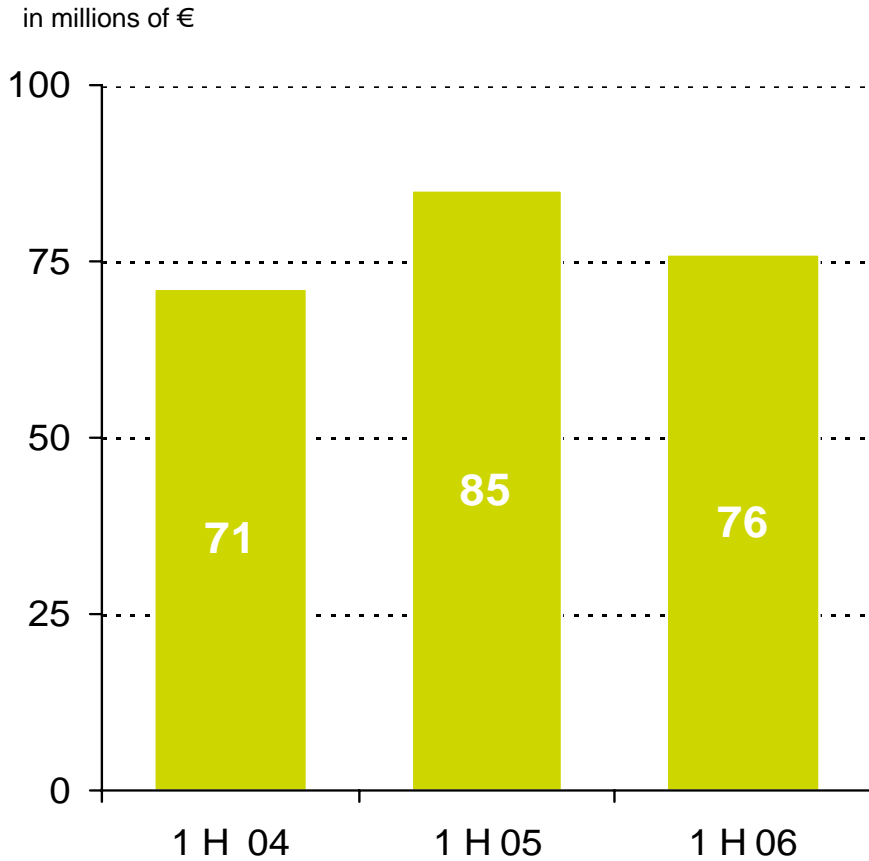
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Other activities

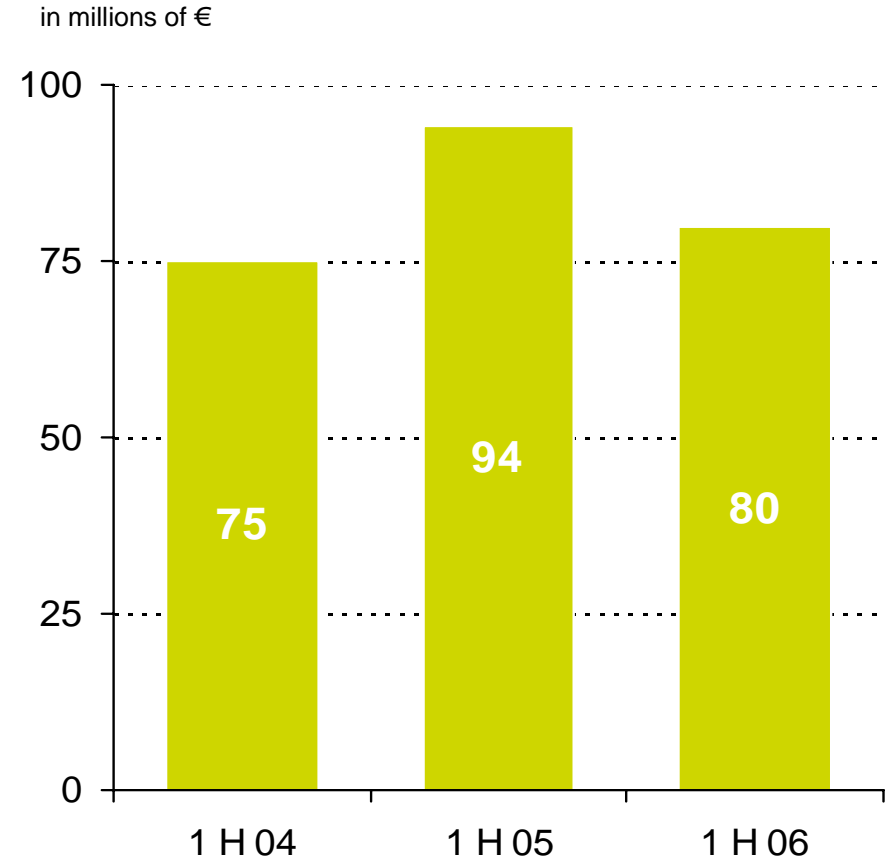
- Enhanced R&D and technological support to the customers in Asian markets
- Further developing of efficient, customer-oriented research unit in Jiangyin (Jiangsu province, China), in close cooperation with government authorities
- Higher activity level in engineering (major supplier of equipment for investment programs)
- Divestment of 50% share in handling business in Europe

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Operating result (EBIT)

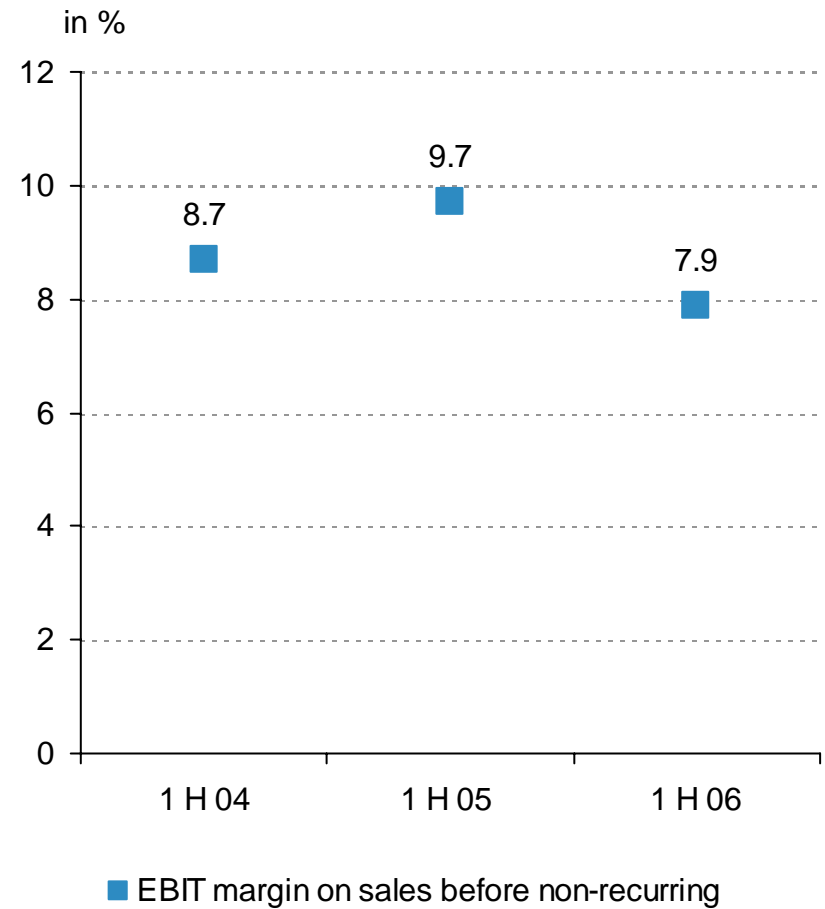
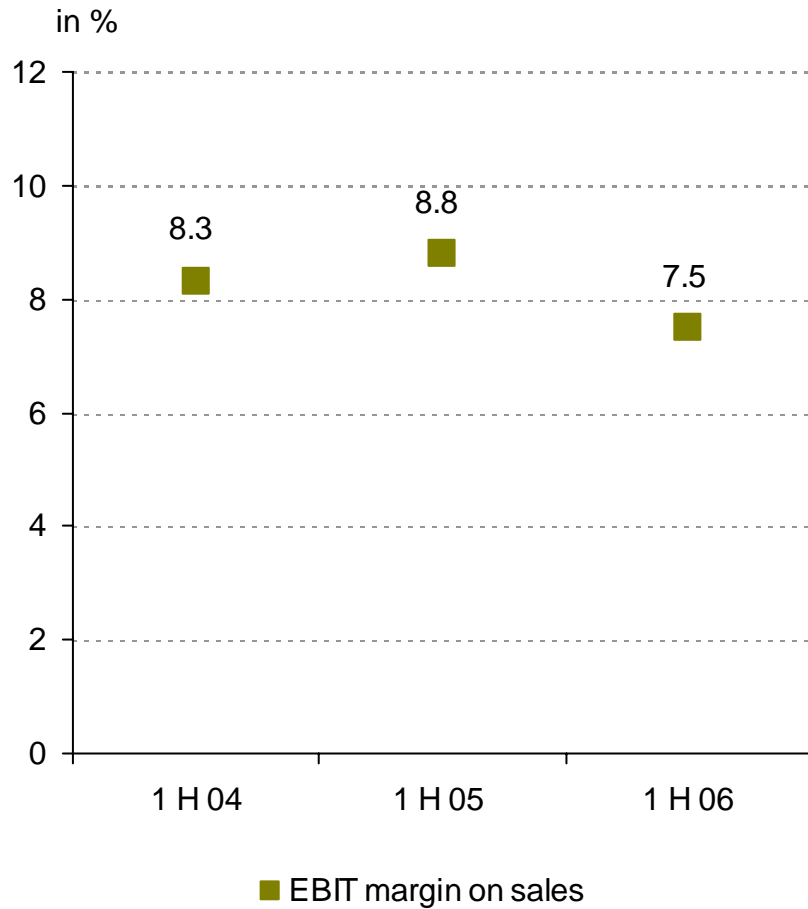


EBIT

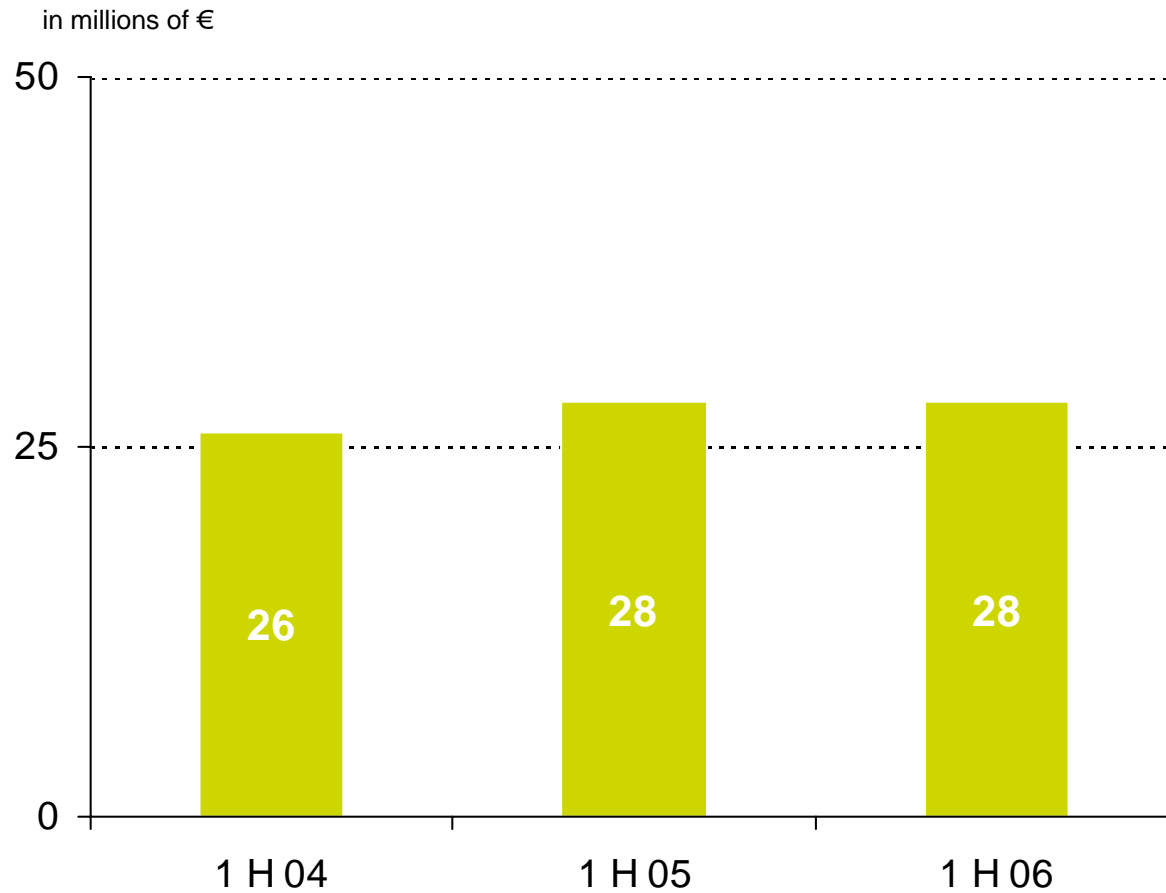


EBIT before non-recurring

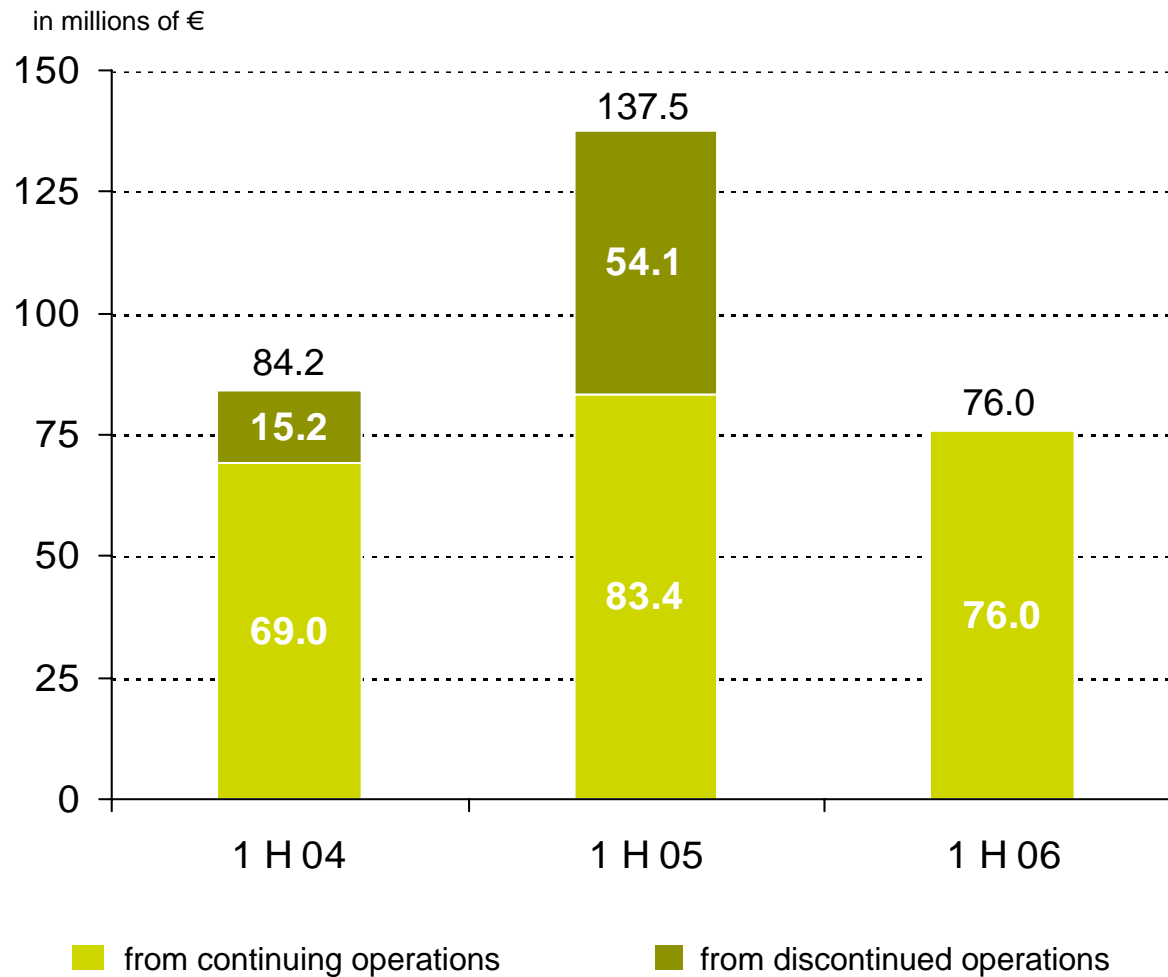
EBIT margin on sales



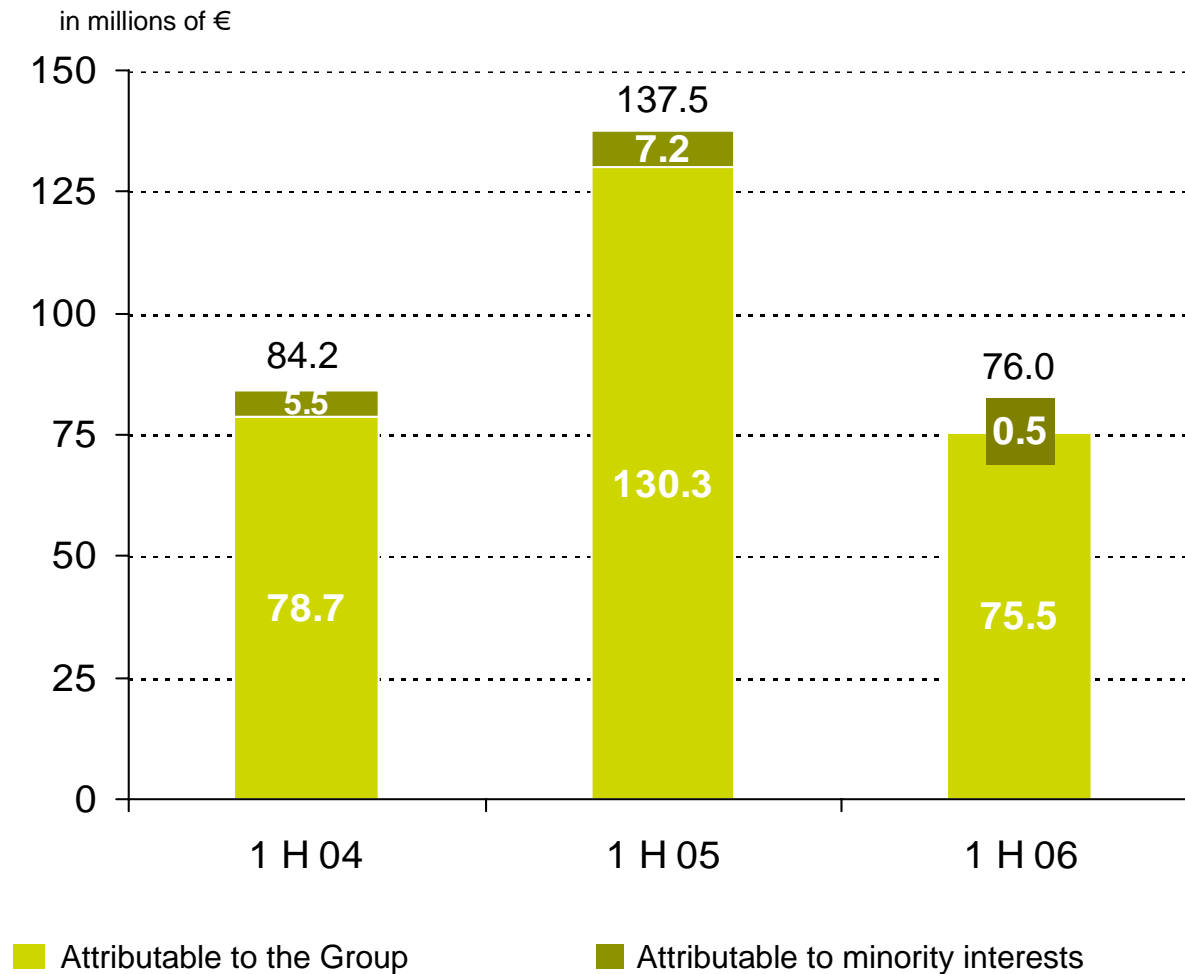
Share in the result of joint ventures and associates



Result from continuing and discontinued operations

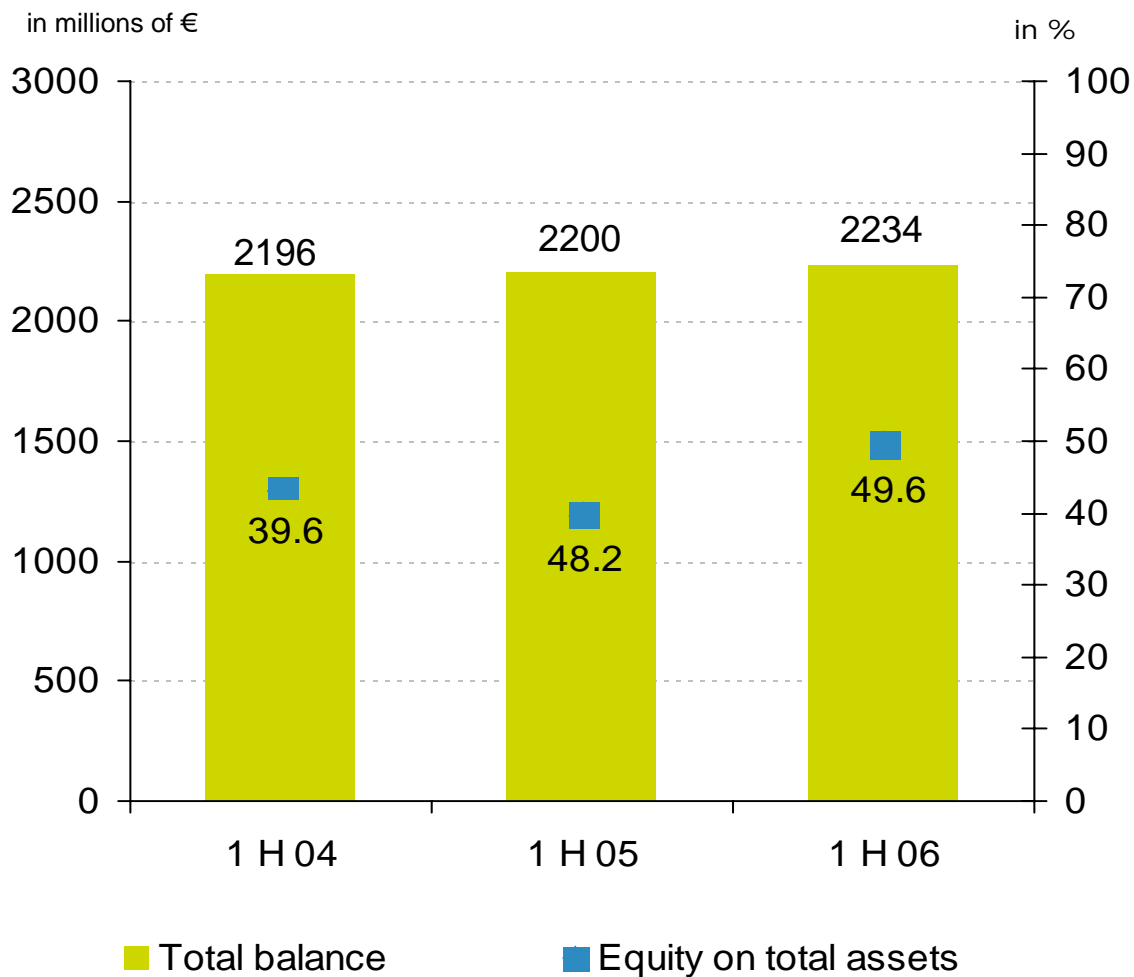


Result for the period

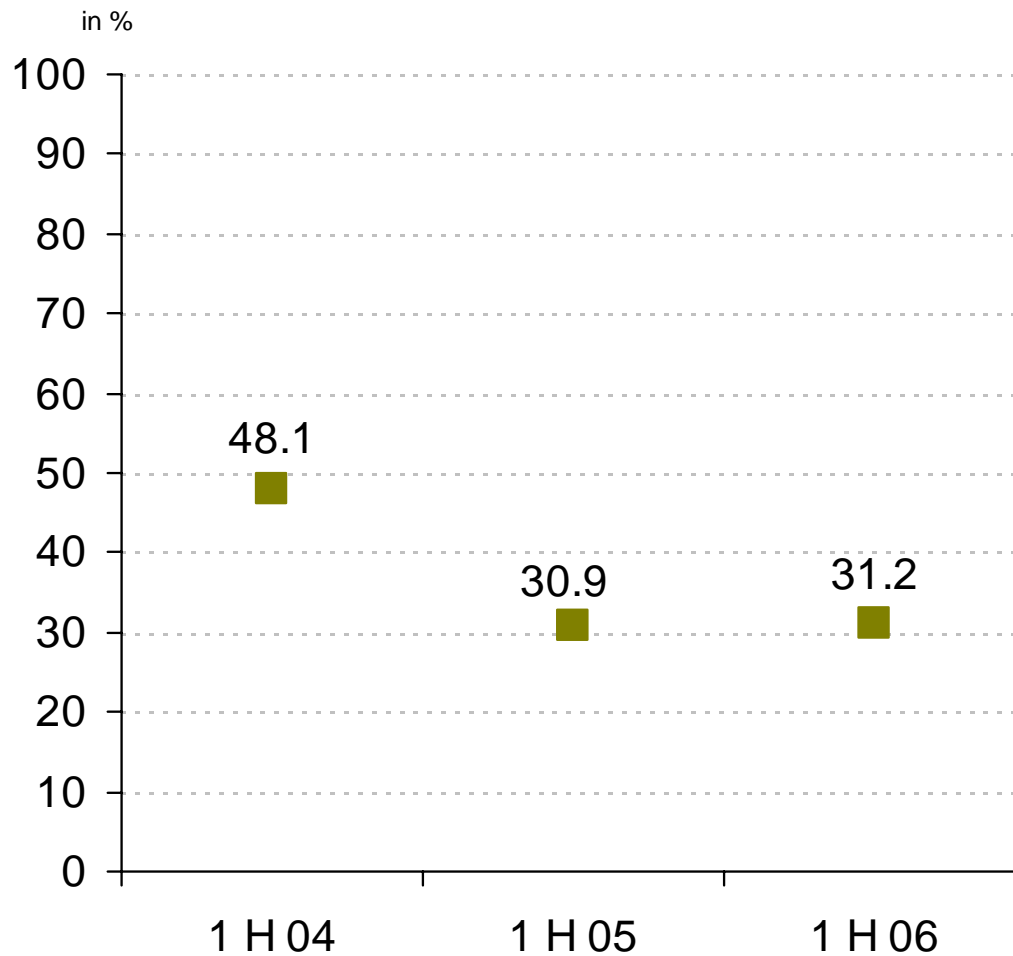


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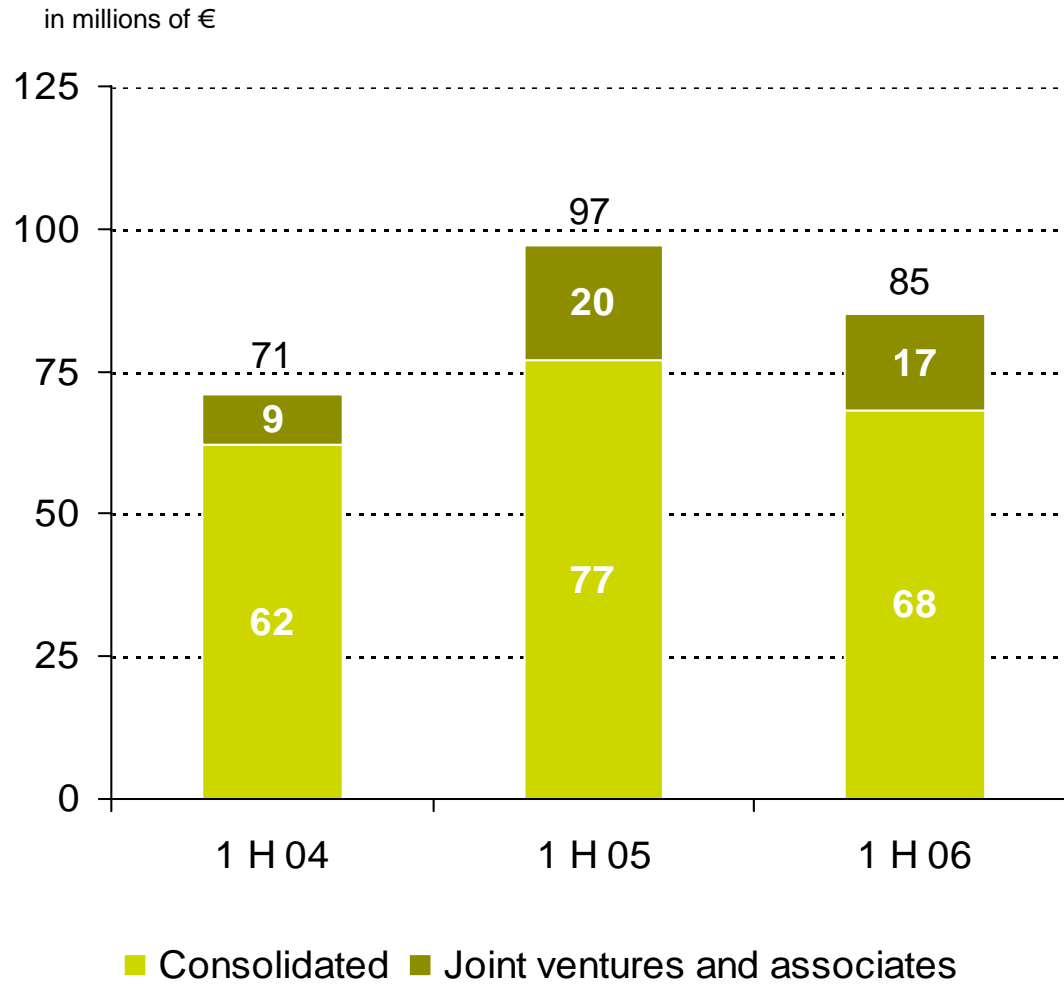
Equity on total assets



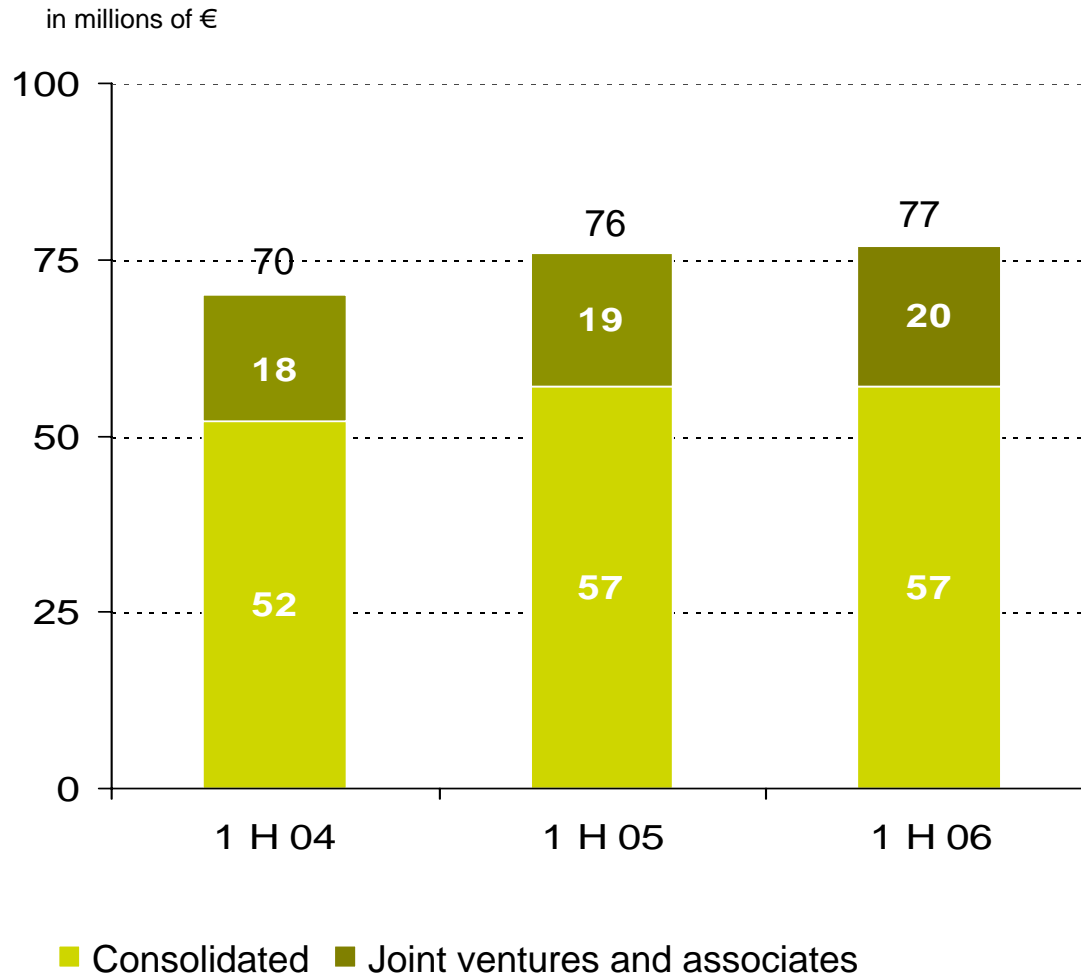
Net debt on equity (gearing)



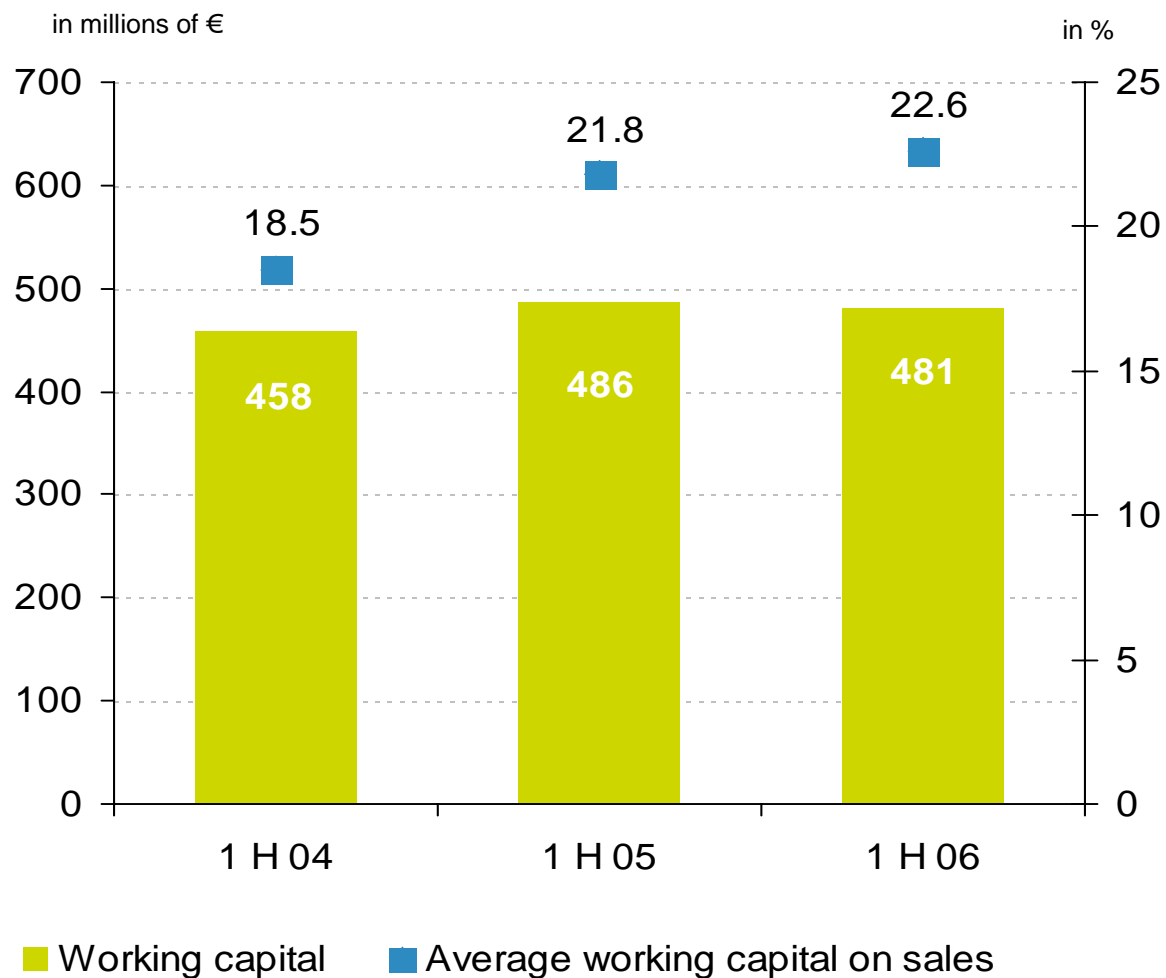
Capital expenditures



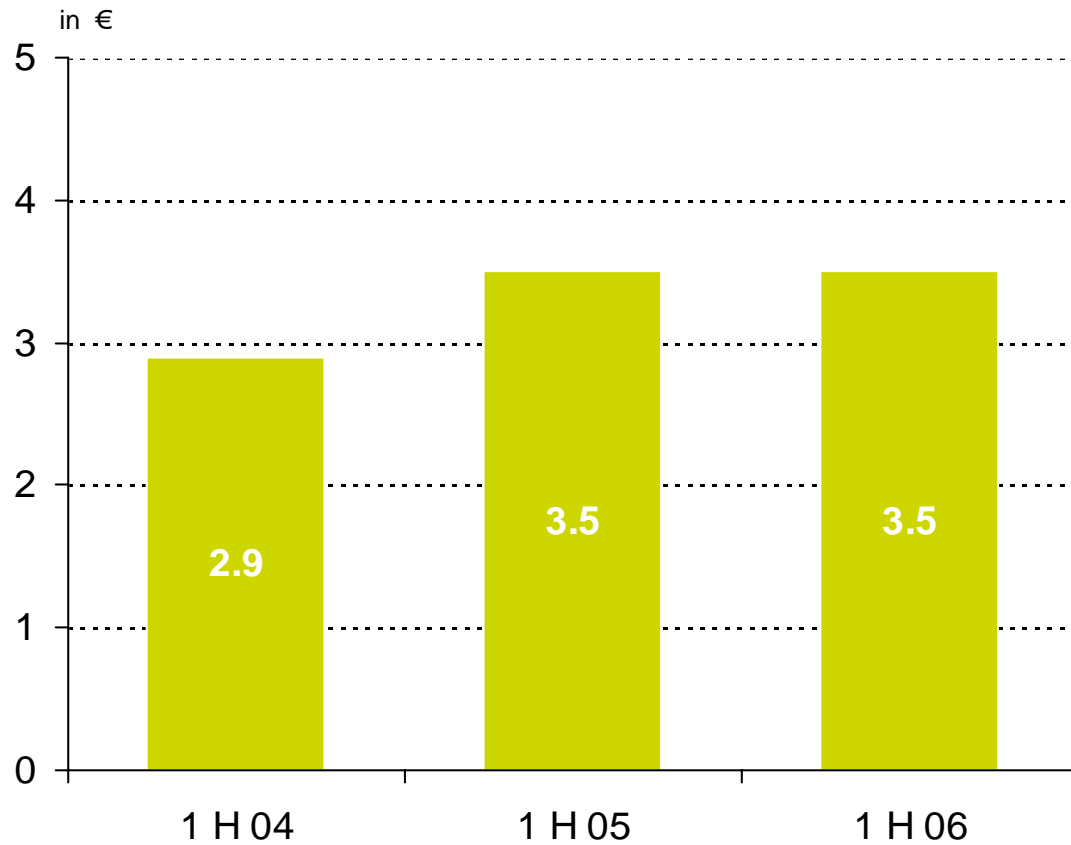
Depreciation and amortization



Operating working capital



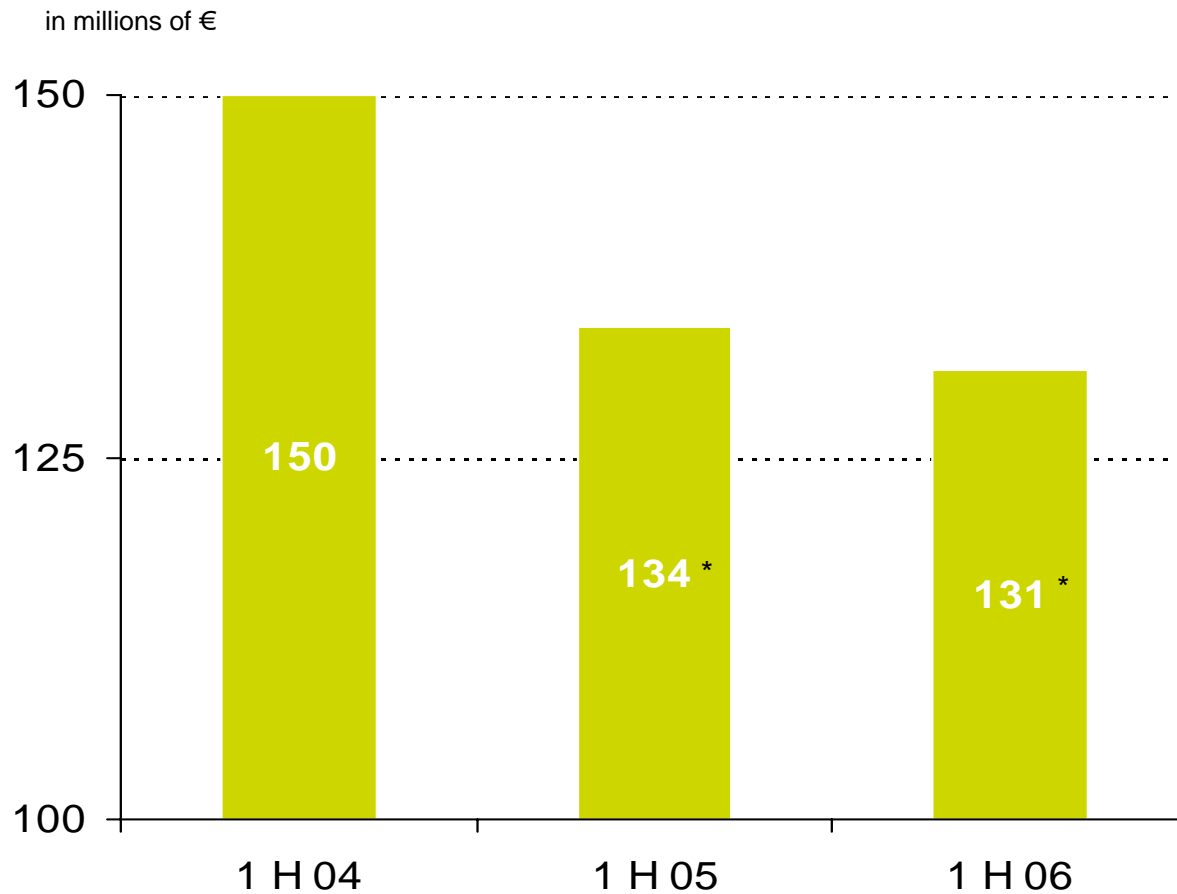
Earnings per share



Result for the period attributable to the Group from continuing operations (basic)

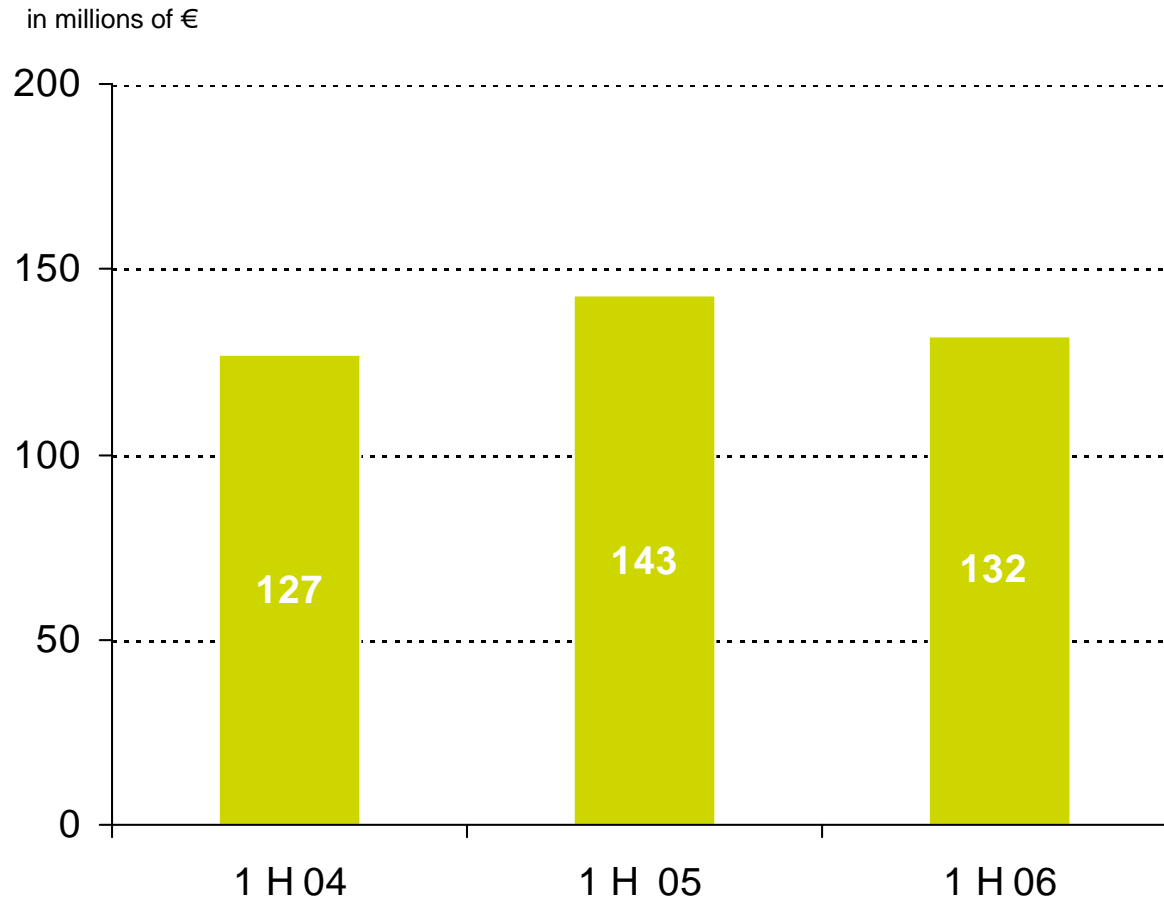
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Cash flow attributable to the Group

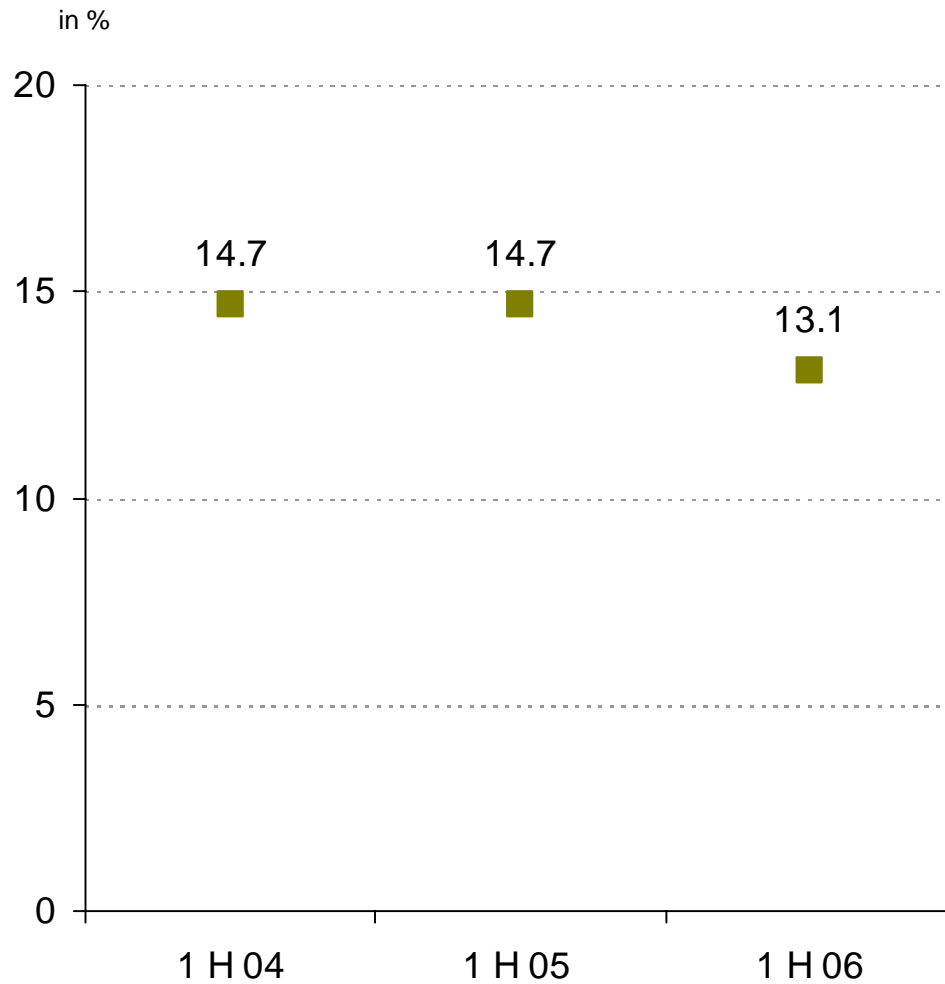


* from continuing operations

EBITDA



EBITDA margin on sales



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In what are expected to remain volatile market conditions, Bekaert will continue its robust drive to add value to its customers, in the pursuit of its strategy of sustainable profitable growth.

Sustainable Profitable Growth

Worldwide

market and technological leadership

in advanced metal transformation and

in advanced materials and coatings



better together