Annual results 2007

14 March 2008

Baron Buysse, Chairman of the Board of Directors
Bert De Graeve, Chief Executive Officer
Bruno Humblet, Chief Financial Officer

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Address by Baron Buysse, Chairman of the Board of Directors

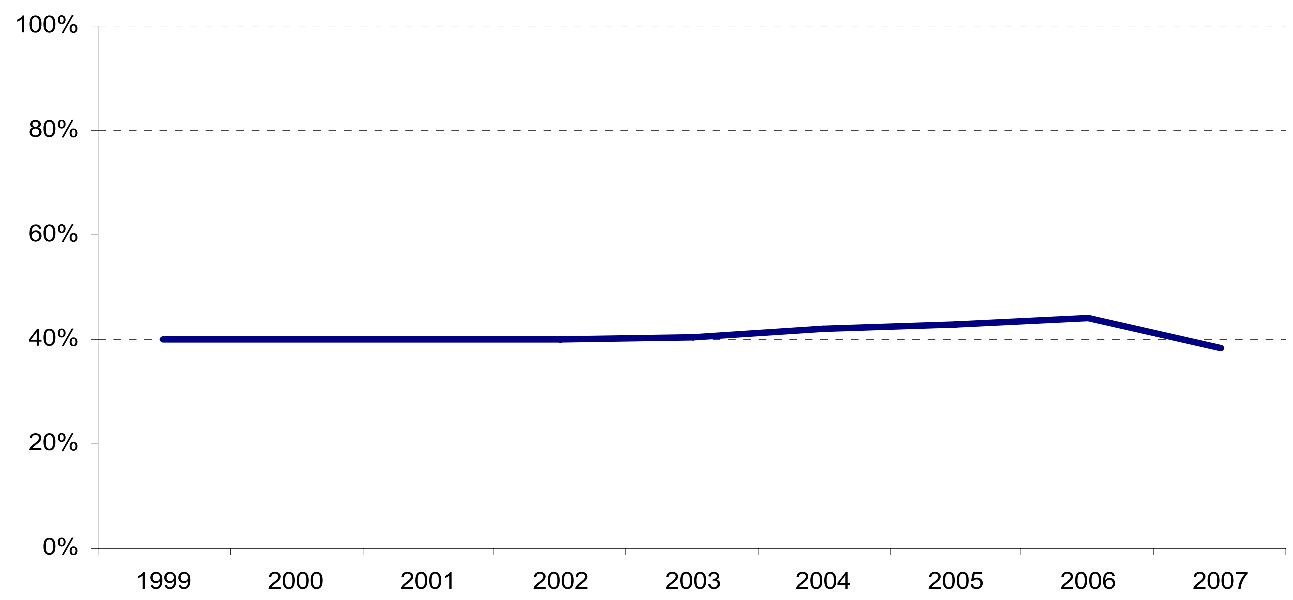
Corporate Governance

Confirmation of a successful transition

- Correct functioning of Board and Committees
- Fast Board decision process if required
- More emphasis on longer term strategic positioning
- Impeccable change at board level
- Full year of new BGE team, with again a recent change at the top (youngest management team in years).

Principal shareholdings

Important update transparency declaration



Bekaert continues its sustainable profitable growth strategy

Cash flow allocation

- Capital expenditures
- Acquisitions
- Dividends
- Share buy back

Dividends

The Board seeks

⇨ To provide a stable or growing dividend, while maintaining an adequate level of cash flow

⇨ To maintain a pay-out ratio of around 40% of the result of the Group

Share buy back

- Optimizing the balance structure and create shareholder value

  ⇨ Share buy back in 2007: 1 157 645 shares at 95.59 euro (€m 111) and cancelled. Total number at year end: 19 831 000 shares.

- Overview share buy backs

2005	585 000 shares	35 700 000 euro
2006	636 656 shares	56 485 000 euro
2007	1 157 645 shares	110 660 000 euro
2008	161 000 shares	13 500 000 euro
Total	**2 540 301 shares**	**216 345 000 euro**

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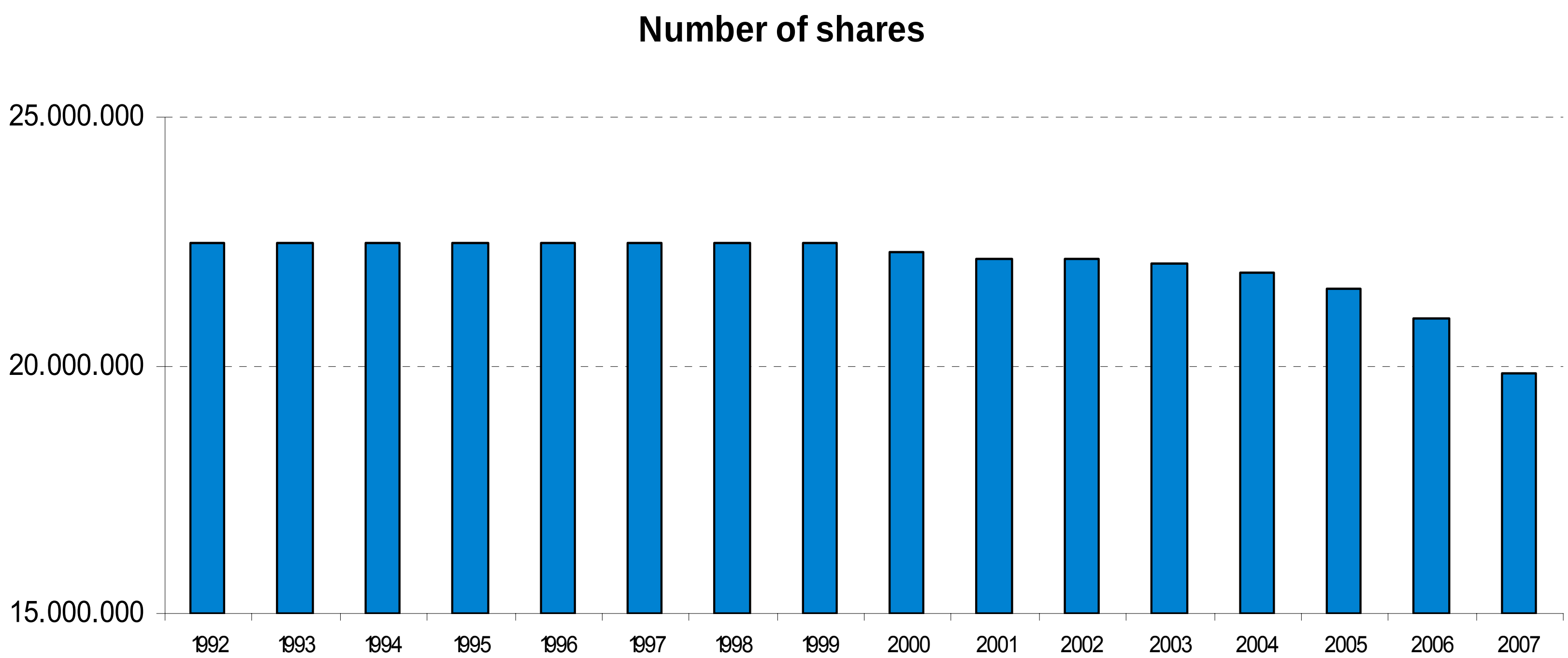
Overview share buy back program



Bekaert share

Good resistance in a turbulent environment

- Good start based on excellent 2006 results
- Record share price in July with an all-time high at €113.9
- Bekaert share could not benefit from the 1 half results (sub prime crisis)
- Q3 trading update confirmed the business fundamentals
- In Q4, the share price dropped to an 82.90 euro low as a result of the sub-prime lending market crisis, the weakness of the dollar, the impact of an US economical downturn and the fear for inflation
- Bekaert is a member of the Belgian BEL20 reference index

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Bekaert share

- No negative effects from ending the deal with Uralkord by the fact that the acquisition criteria could not be met. Entering Russia via local production remained a part of Bekaert's BRIC strategy and is realized in the meantime.

- Polarization in the opinions of investors about China believers and non-believers. Some consider the production shift from the US to China as a potential long term risk and fear that a slowdown of China will hurt. Others are strongly convinced about the smart and profitable strategic move to enter China with full capacity.

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Bekaert share

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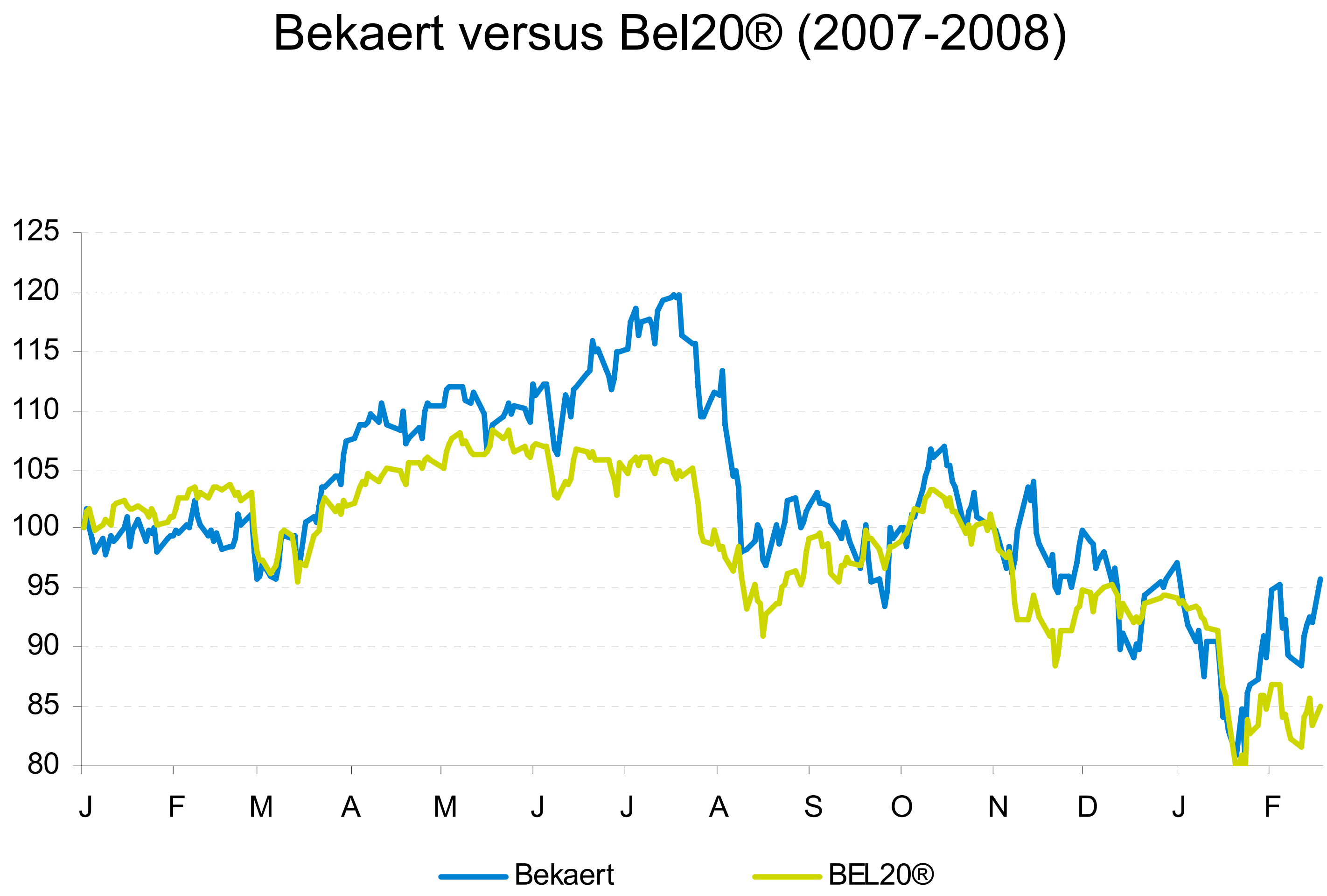

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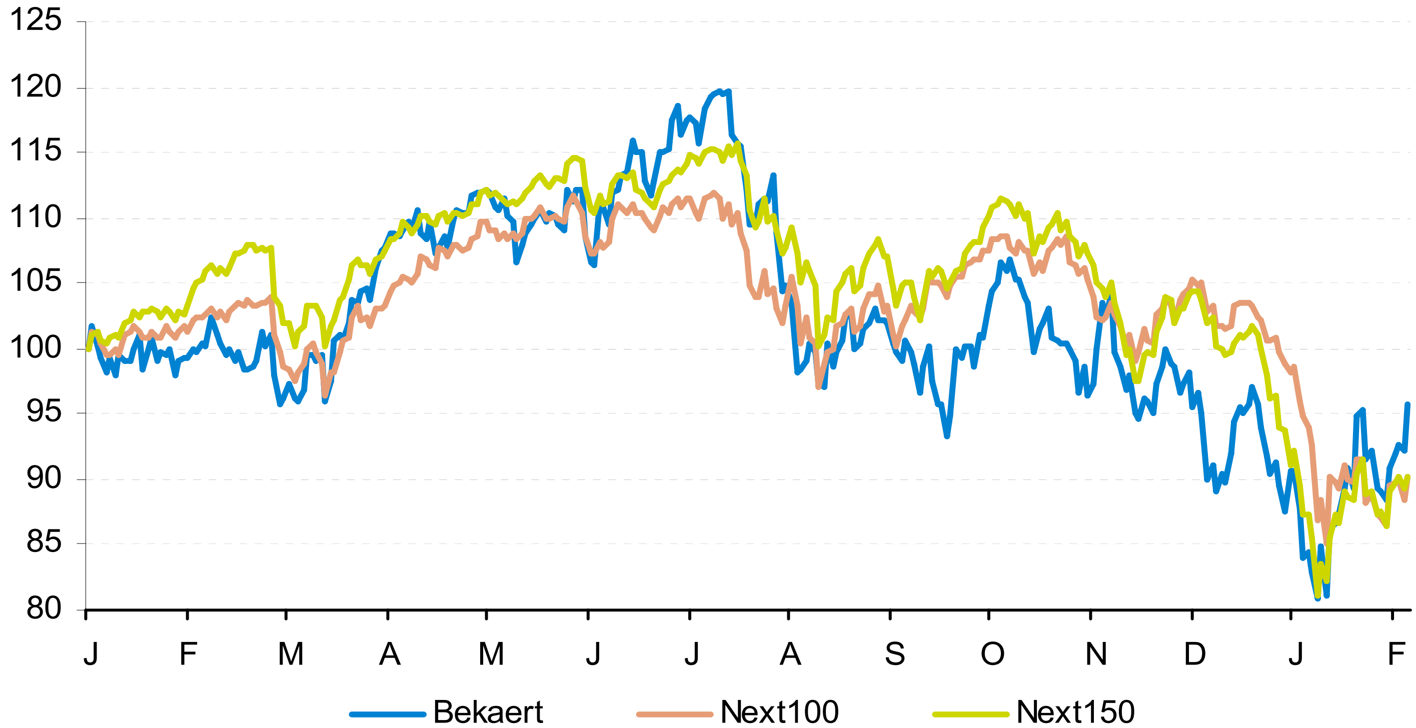
Bekaert share

Bekaert versus Next100 & Next150 (2007-2008)



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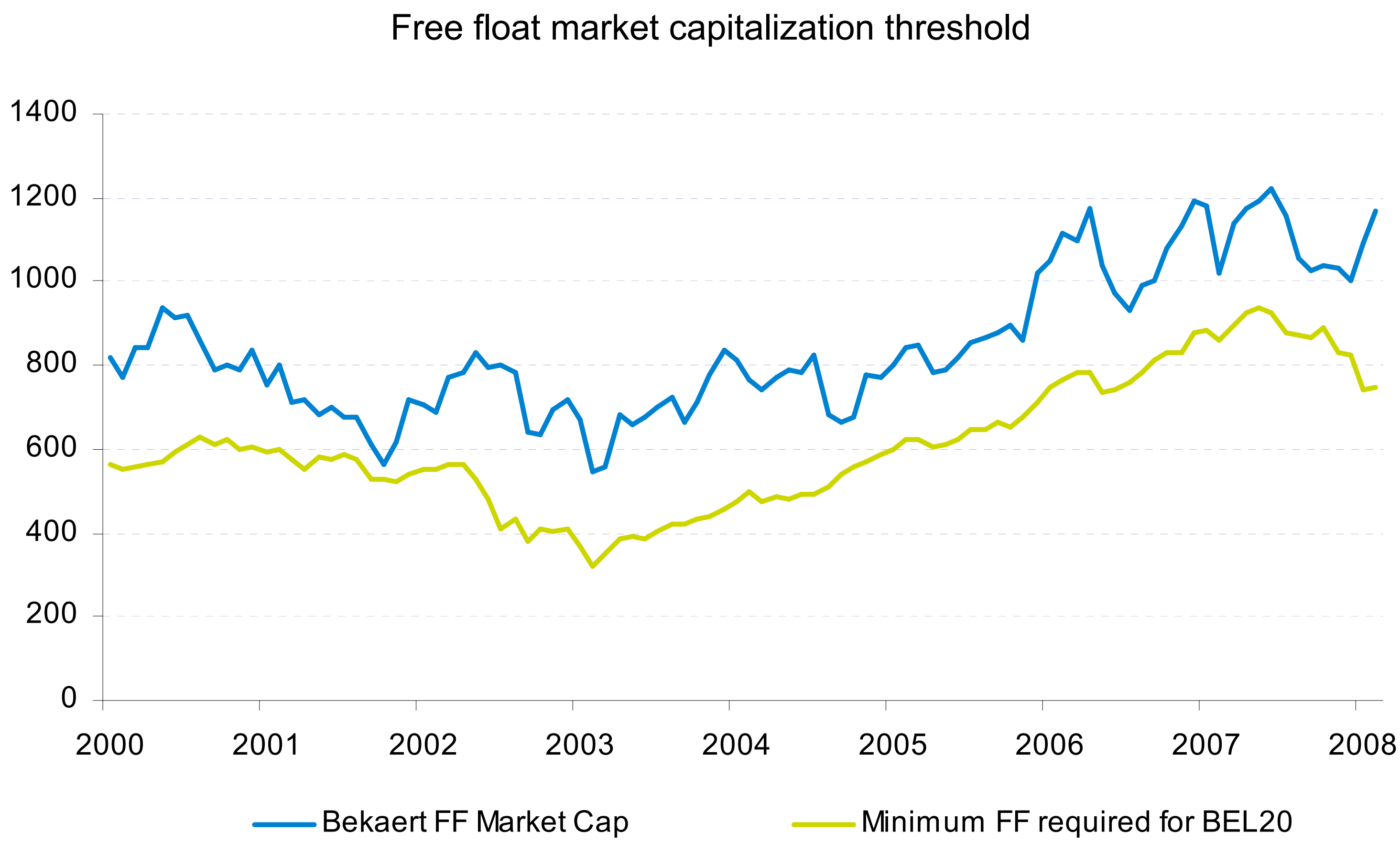
Bekaert as member of the BEL20 index



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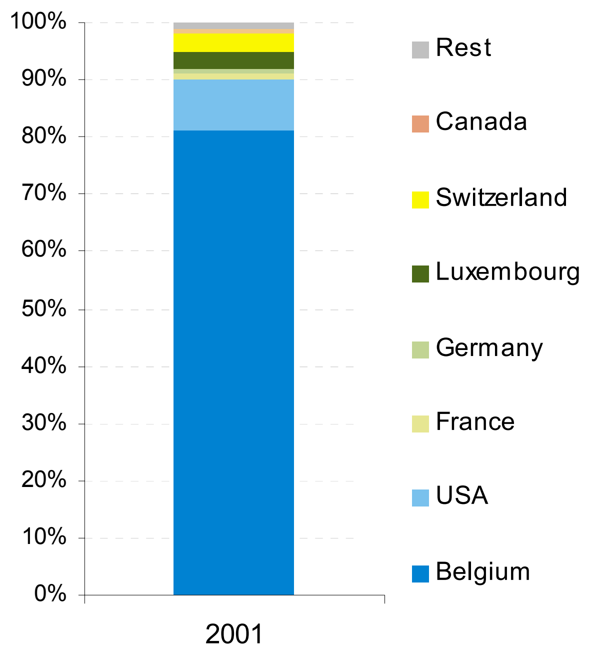
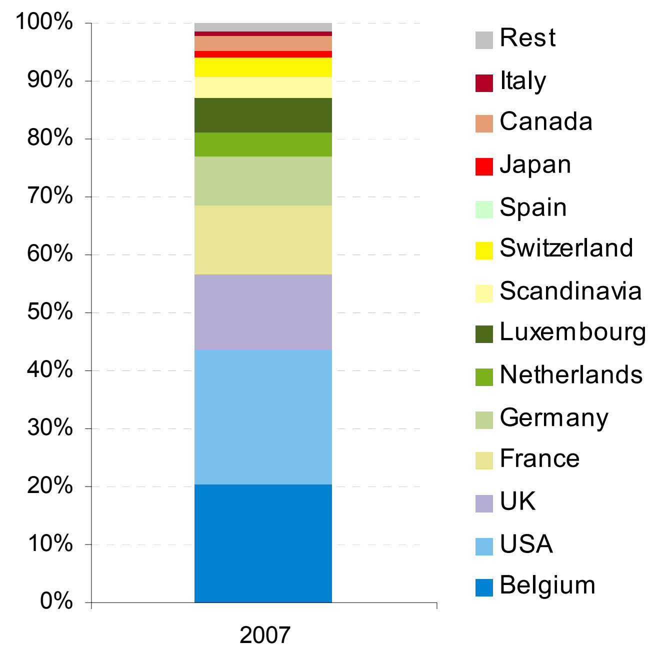
Evolution of the consensus target share price

Bekaert share

	2001	2007
Principal shareholder Institutional shareholdings Registered shares Management Stock Options Public (unidentified)	40.1% 15.1% 0.2% 0.7% 43.9%	**38.3%** **42.1%** **0.1%** **1.4%** **18.1%**
Institutional (Belgium) Institutional (International)	81% 19%	**20%** **80%**





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A fascinating world ?

- The world is changing with the speed of light
- New areas for growth: China, India, Central-Europe, Latin-America,…
- A lot of opportunities, but also a lot of challenges:
  - Macro-economics
    - Recession, inflation fear
    - Major problem in the financial markets
  - Micro-economics
    - Price increases in raw materials
    - Competitive threats of new players
    - Belgian social environment

But, Bekaert is well-positioned and prepared

- Well-positioned in emerging countries, prepared for growth
- Well-managed cost structures and margins
- Well-prepared for the future by high investments in R&D

Address by Bert De Graeve, Chief Executive Officer

Introductory remark

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Combined sales are sales generated by consolidated companies plus 100% of sales of joint ventures and associates after intercompany elimination.

This document contains forward-looking information that involves risks and uncertainties. Readers are cautioned that forward-looking statements include known and unknown risks and are subject to significant business, economic and competitive uncertainties and contingencies. Bekaert, nor any other person, assumes any responsibility for the accuracy of these forward-looking statements. The company undertakes no obligation to publicly update any forward-looking statements.

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- **Highlights**
- Business review
- Financials
- Key challenges & Outlook

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Highlights 2007 results

- ⇨ Growth of 8.2% leading to record sales
- ⇨ EBITDA record of € 299 million
- ⇨ 8.6% EBIT margin on sales before non-recurring items, compared with 8.1%
- ⇨ 8.0% EBIT margin on sales, compared with 7.3%
- ⇨ EPS of € 7.63 compared with € 6.64 (+15%)
- ⇨ Gross dividend of € 2.76 per share compared with € 2.50 (+10%)

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Bekaert further adapted its geographical footprint to the evolving markets

- **Acquisitions**

• Titan Steel & Wire (Surrey, Canada)	Integration remaining 30%
• Mukand (Indian steel company)	50/50 joint venture
• Vicson (Venezuela)	Full ownership
• Proalco (Colombia)	Indirectly acquired
• Lipetsk (Russia) – 2008	Greenfield operation
• Beksa (Turkey) – 2008	Full ownership

- **Realignment**

• Beksa (Turkey)	Cost cutting program
• BASC (Australia)	Closure of a steel cord plant
• Cleckheaton (UK)	Closure of carding plant
• Roubaix (France)	Closure of carding plant
• Zwevegem (Belgium)	Reconfiguration fine galvanized wires

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Highlights 2007

- **Commercial successes with clean tech products:**
  - Dramix® Green (metal fibers for concrete reinforcement that contain an environmentally-friendly corrosion inhibitor)
  - Metal fibers for diesel particulate filters for trucks

- **Commercial successes with continued innovations :**
  - Ultra Tensile steel cord (stronger and lighter and hence requiring less steel)
  - Bezinal2000® coated wire (improved coating for double corrosion resistance)

- **Commercial successes in booming industries:**
  - Strong global growth in offshore and all energy related product segments
  - Tire Cord China

Highlights 2007

- **R&D sustains growth:**
  - Further increase investments in R&D (€ 57 million)
  - Opening of Bekaert Asia Research & Development Center for customer-oriented research in Jiangyin (Jiangsu province, China)
  - Modernization and upgrading of Belgian Technology Center in Deerlijk

- **Organizational set up follows growth objectives:**
  - Further growth of technology department
  - +2000 employees in the course of 2007

- **Bekaert builds further on “good citizenship” by:**
  - Top Employer 2008 award by CRF International
  - € 3 million investments in energy-saving measures
  - Several CSR awards in China
  - Continued research in the development of environmentally-friendly products

- **Share buy back program creates shareholder value:**
  - Cash investment of € 111 million to optimize our balance structure

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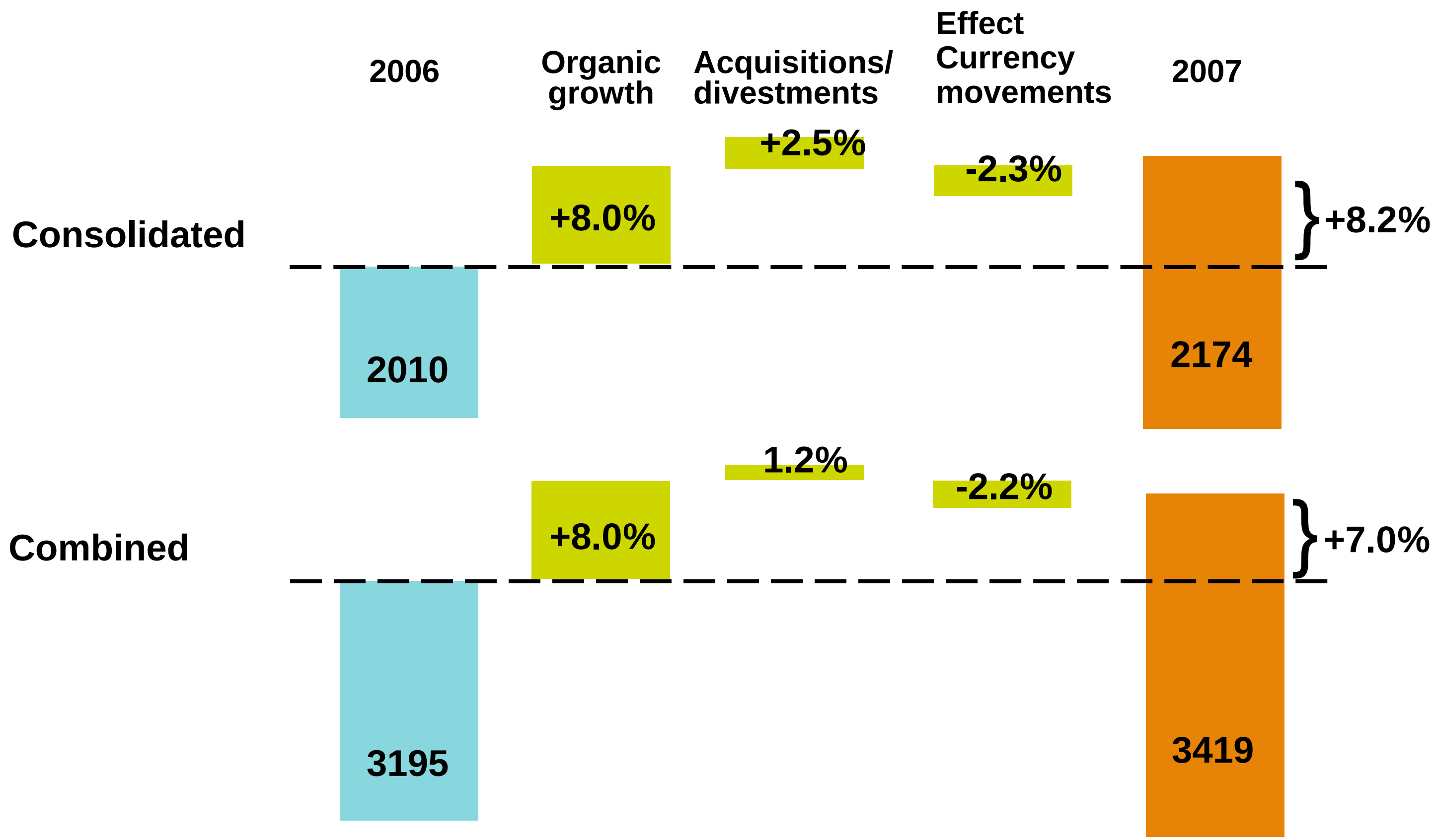
Sales



in millions of €

⇨ Growth, both consolidated and combined, leads to record sales

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Growth for sustainable profitability

⇨ **Focused top line growth:**

- Internal growth by further investing in growth markets:
  - Expansion of capacity in China (250 000 ton Tire Cord at year end)
  - Expansion of capacity in Karawang, Indonesia (galvanized wire plant)
  - Expansion of capacity in Zwevegem, Belgium (wire for flatblade wiper and flexible pipes, fibers)
  - Green field steelcord plant investment in Russia (2010), Lipetsk Special Economic Zone
- External growth by acquisitions:
  - Full ownership of Vicson, S.A. Venezuela
  - Full ownership of Beksa (Turkey)

⇨ **Profitable growth:**

- Margin management leading to EBIT 8%
  EPS: +15%

⇨ **Sustainable growth:**

- Organic growth in profitable businesses
- Invest in innovation to ensure continued technological leadership

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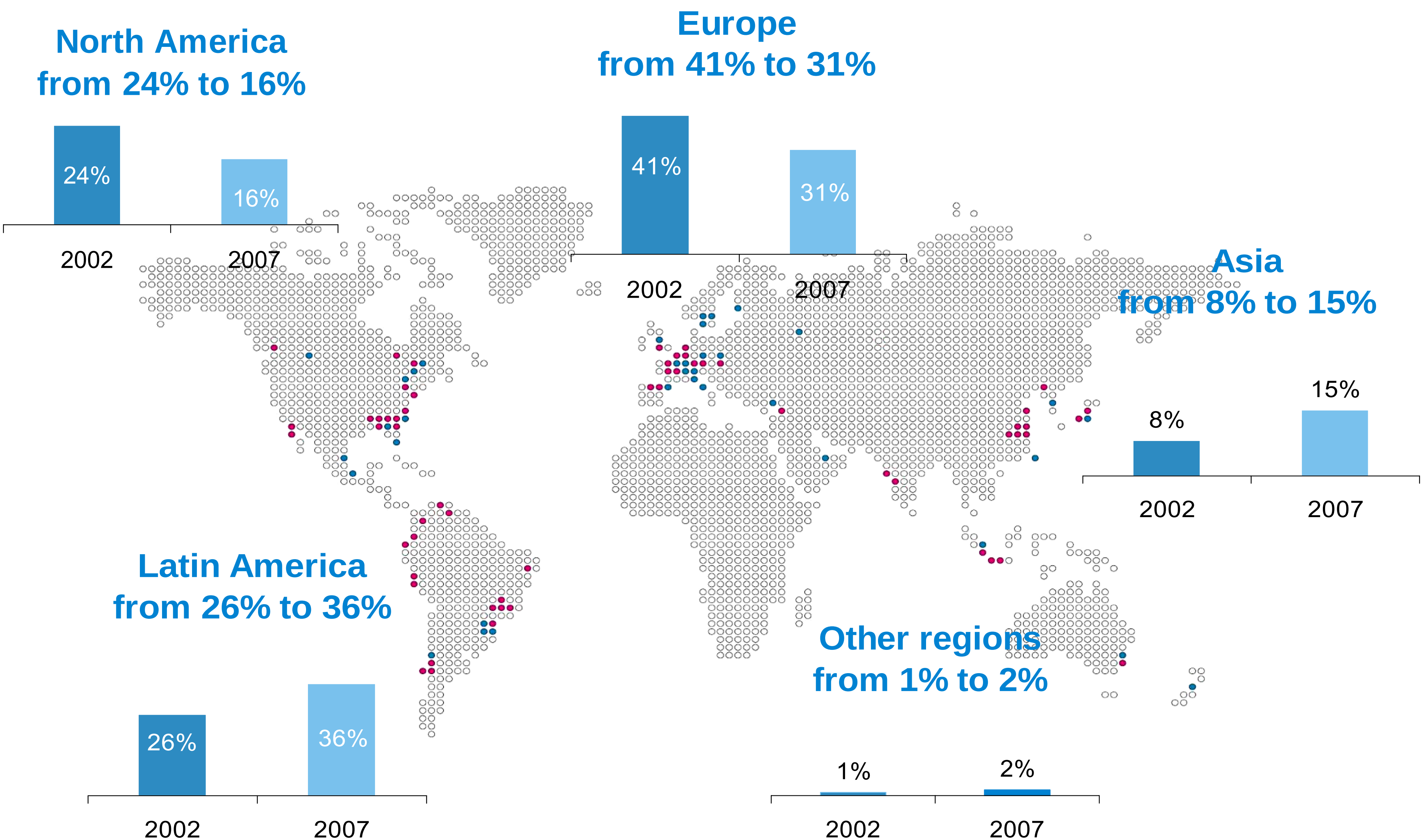
Reinforcing Bekaert's global presence



Bekaert continues its sustainable profitable growth strategy

- **Focus on growth markets**
  - Build capacity ahead of market growth to have capacity available to be first to capture the growth
  - Grow with and close to the customer
  - Protect worldwide market leadership position

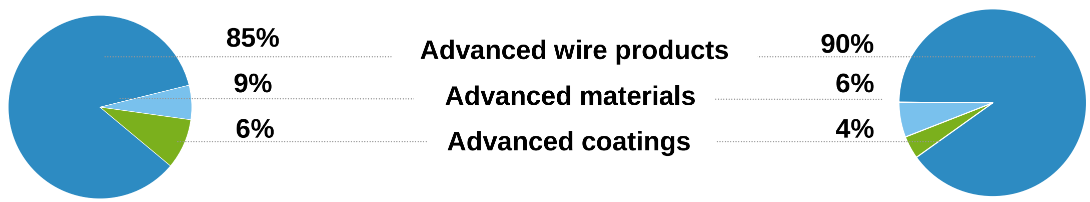
- **Profitable growth**
  - Operational excellence and being the most cost competitive
  - Product and process innovation
  - Manage volume requirements
  - Realign if and when opportune

- **Sustainable profitable growth**
  - Flexible and continuous adjustments of production platforms
  - Global risk management by worldwide presence, decreasing the impact of regional cycles
  - Innovation supports broad product portfolio both in mature and emerging markets

Sales by business segment

2007	Consolidated sales		Combined sales	
	in millions of €	variance	in millions of €	variance
Advanced wire products	1 844	+9.2%	3 095	+8.4%
Advanced materials	204	+10.4%	204	+10.4%
Advanced coatings	124	-8.9%	124	-8.9%
Intersegment and others	2		-4	
Total	**2 174**	**+8.2%**	**3 419**	**+7%**

Consolidated sales (*) **Combined sales (*)**



(*) excluding intersegment sales and others

- ⇨ Solid growth in advanced wire products in challenging market conditions, mainly driven by growth in developing markets
- ⇨ Growth in advanced materials boosted by increase in fiber sales for diesel particulate filters and growth in stainless reflecting high nickel based wire rod prices
- ⇨ Lower sales in advanced coatings due to very competitive market conditions
- ⇨ Overall solid volumes but sustained pressure on price levels.

Sales by geographical area

2007	Consolidated sales		Combined sales	
	in millions of €	variance	in millions of €	variance
Europe	1 051	+7.5%	1 057	+5.1%
North America	511	-14.5%	544	-14.6%
Latin America	71	+124.8%	1 248	+12.2%
Asia	506	+36.9%	517	+33.9%
Other regions	35	+3.9%	53	-0.5%
Total	**2 174**	**+8.2%**	**3 419**	**+7.0%**

- ⇨ Latin America contributes over 1/3 of combined sales
- ⇨ Asia growing by 37%, now representing over 1/5 of consolidated sales
- ⇨ Europe performed well in difficult market conditions
- ⇨ North America affected by currency and weaker market conditions

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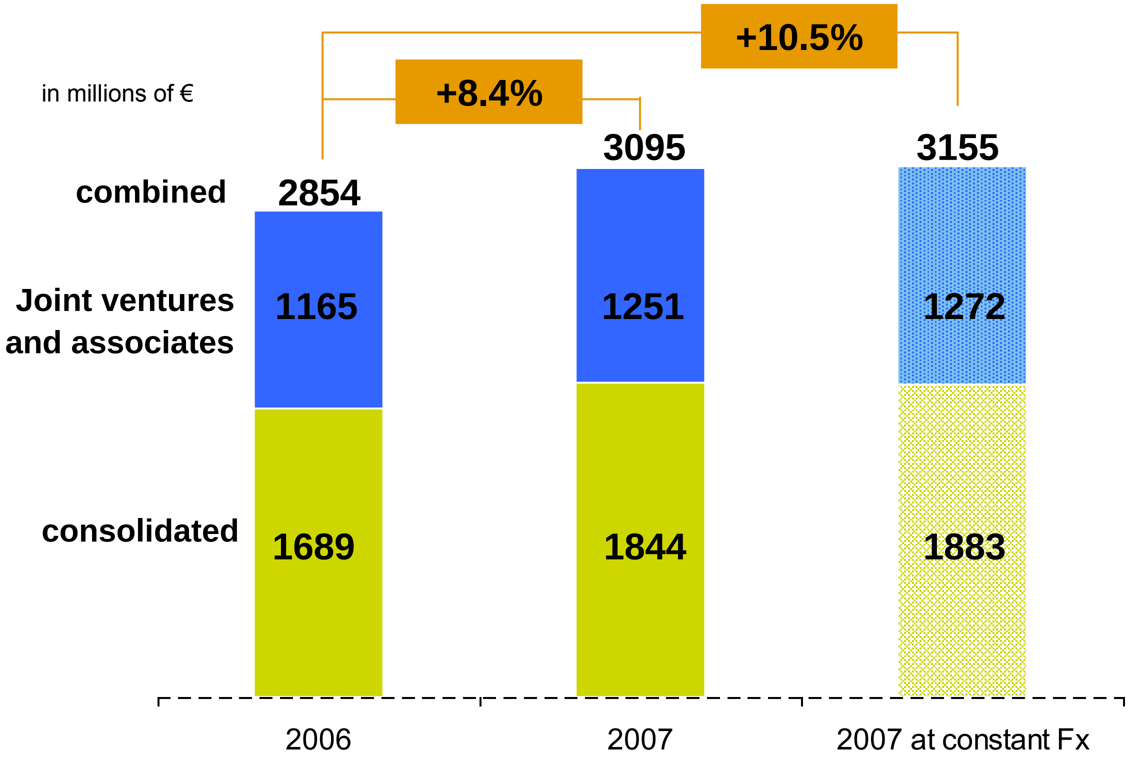
Advanced wire products: sales



Combined sales	
Wire Europe	+10%
Wire North America	-2%
Wire Latin America	+12%
Wire Asia	+14%
Building products	+11%
Steel Cord China	+48%
Steel Cord Others	-6%
Other advanced wire products	-2%

- ⇨ Record sales of +8.4%, despite negative currency rate impact (-2.1%)
- ⇨ In Europe, the improved product mix contributed to sales growth
- ⇨ Sales erosion in North America due to negative fx effect of 8%
- ⇨ Latin America: strong sales in Andina region (Venezuela, Peru, Ecuador); restrained growth in Chile due to sustained price pressure
- ⇨ Strong growth in steel cord China reflecting both market growth and market share increase
- ⇨ Modified manufacturing footprint (closure Australian + Dyersburg plant) adversely impacted sales in steel cord others

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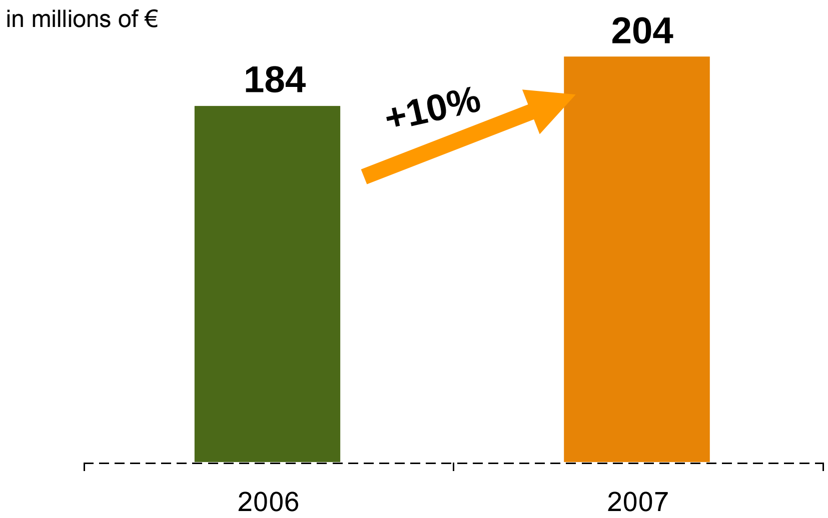
Advanced materials: sales



Stainless	+21%
Fiber technologies	+9%
Combustion technologies	+12%
Composites	-4%

- ⇨ Stainless: growth reflects impact nickel based wire rod price increases
- ⇨ Fiber technologies: diesel particulate filters for trucks
- ⇨ Combustion technologies: support from Aluheat B.V. acquisition + better demand for drying systems in the paper industry
- ⇨ Composites: extremely competitive market environment

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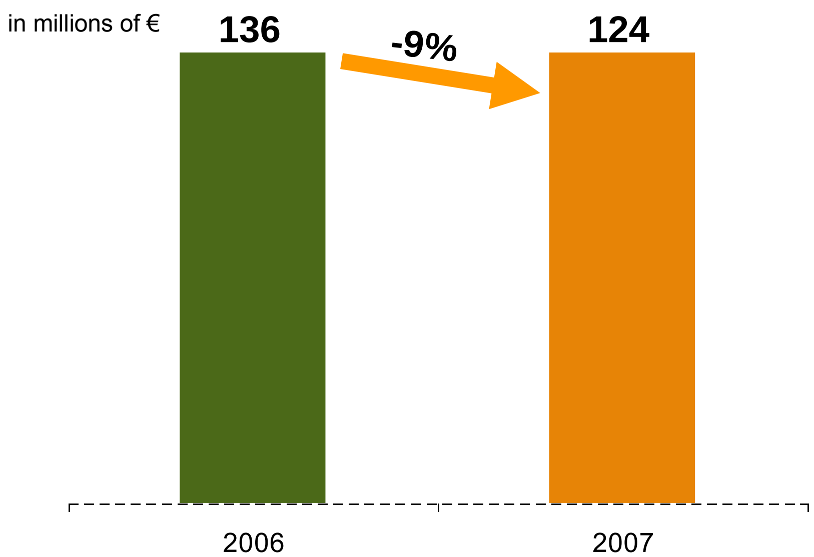
Advanced coatings: sales



Industrial coatings	-7%
Specialized films	-11%

- ⇨ Industrial coatings: very competitive market; low sales + cessation of semicon and optical disk business (Asia)
- ⇨ Specialized films: weak market demand in United States and weak USD offset by higher sales in Europe and Asia

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Address by Bruno Humblet, Chief Financial Officer

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Consolidated income statement : key figures

(in thousands of €)	2007	2006 restated
Sales	2 173 598	2 009 587
Cost of sales	-1 739 669	-1 614 703
Gross profit	433 929	394 884
Gross profit margin	20.0%	19.7%

⇨ Slight increase of gross profit margin, despite high raw material prices and energy costs

⇨ Key drivers:

- competitive cost base, driven by operational excellence
- better product mix
- ability to pass on wire rod price increases

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Consolidated income statement : key figures

(in thousands of €)	2007	2006
Gross profit	433 929	394 884
Selling expenses	-98 239	-96 697
Administrative expenses	-96 582	-95 314
R&D expenses	-56 700	-49 562
Others	3 932	9 417
Operating result (EBIT) before non-recurring items	186 340	162 728

⇨ SG&A expenses decrease to 9% of sales

⇨ R&D expenses reflect increased level of:

- long term research
- targeted product development
- *open innovation* projects (venture capital investments)

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Consolidated income statement : key figures

(in thousands of €)	2007	2006 restated
Operating result (EBIT) before non-recurring items	186 340	162 728
EBIT margin on sales before non-recurring items	8.6%	8.1%
Non-recurring items	-11 738	-16 794
Operating result (EBIT)	174 602	145 934
EBIT margin on sales	8.0 %	7.3 %
EBITDA	298 579	262 156
EBITDA margin on sales	13.7 %	13.0 %

⇨ Non-recurring items include:
  costs for restructuring programs in United States, Europe and Carding / Coating

⇨ Significant improvement of operating result (EBIT: +19.6%)

⇨ EBIT margin in the middle of the range of long term target (7% - 9%)

⇨ Record EBITDA

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Segment reporting: advanced wire products

(in millions of €)	2007	2006
Consolidated sales	1 844	1 689
Operating result (EBIT) before non-recurring items	215	189
Operating result (EBIT)	208	177
Depreciation and amortization	106	99
EBITDA	314	276
EBIT margin on sales	11.3 %	10.5 %
EBITDA margin on sales	17.0 %	16.4 %

- ⇨ 17.5% EBIT increase
- ⇨ Significant sales growth + better product mix is the main driver behind the increase of the operating result

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Segment reporting: advanced materials

(in millions of €)	2007	2006
Sales	204	184
Operating result (EBIT) before non-recurring items	17	16
Operating result (EBIT)	17	15
Depreciation and amortization	8	9
EBITDA	26	24
EBIT margin on sales	8.5%	8.2%
EBITDA margin on sales	12.6%	13.1%

- ⇨ Steep increase in nickel based wire rod prices reflected in sales prices
- ⇨ Fibers: sales increase largely due to diesel particulate filter product segment
- ⇨ Combustion:
  increase in heating, drying (higher systems sales) and flaring product segment
- ⇨ Composites: high material costs

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Segment reporting: advanced coatings

in millions of €	2007	2006
Sales	124	136
Operating result (EBIT) before non-recurring items	3	3
Operating result (EBIT)	-1	1
Depreciation and amortization	12	11
EBITDA	11	12
EBIT margin on sales	-0.6%	0.6%
EBITDA margin on sales	9.0%	8.5%

⇨ EBIT reduction reflects lower sales and non-recurring in coating area

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Consolidated income statement : key figures

(in thousands of €)	2007	2006 restated
Operating result (EBIT)	174 602	145 934
Interest income/expense	-32 500	-24 436
Other financial result	-8 482	-6 557
Result from continuing operations before taxes	133 620	114 941
Income taxes	-19 095	-18 370
Result from continuing operations (consolidated companies)	114 525	96 571

- ⇨ Interest expenses reflect an increase in market interest rates and an increase of the net debt position as a result of increased capex and the share buy-back program
- ⇨ Income tax rate of 14.3% includes benefits from tax incentives

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Consolidated income statement : key figures

(in thousands of €)	2007	2006 restated
Result from consolidated companies	114 525	96 571
Share in the results of JV’s and associates	47 100	50 991
Result for the period	161 625	147 562
Attributable to		
- the Group	*152 890*	*142 791*
- minority interests	*8 735*	*4 771*

⇨ More competitive market conditions leading to
- lower result in the joint ventures
- restructuring in Australia

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Cash flow: key figures

(in millions of €)	2007	2006
Gross cash from operations	264.8	233.0
Net cash from operations	221.4	192.7
Cash from investment activities	-151.9	-157.5
Cash from financing activities	-62.6	-113.2

Cash flow allocation:

⇨ Working capital: € 494 million (+42 million), mainly due to organic growth and new acquisitions

⇨ Capital investment: € 200 million; 50% is attributable to expansion investments in China

⇨ Dividends from joint ventures: € 55 million

⇨ Share buy-back: € 111 million

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Working capital: key figures

(in millions of €)	2007	2006
Inventories	385.4	368.8
Accounts receivable	437.7	398.9
Accounts payable	-329.1	-316.1
Working capital	494.1	451.6

⇨ Increase driven by fast growth of China business
⇨ Average working capital on sales: 21.8% (2006: 22.0%)

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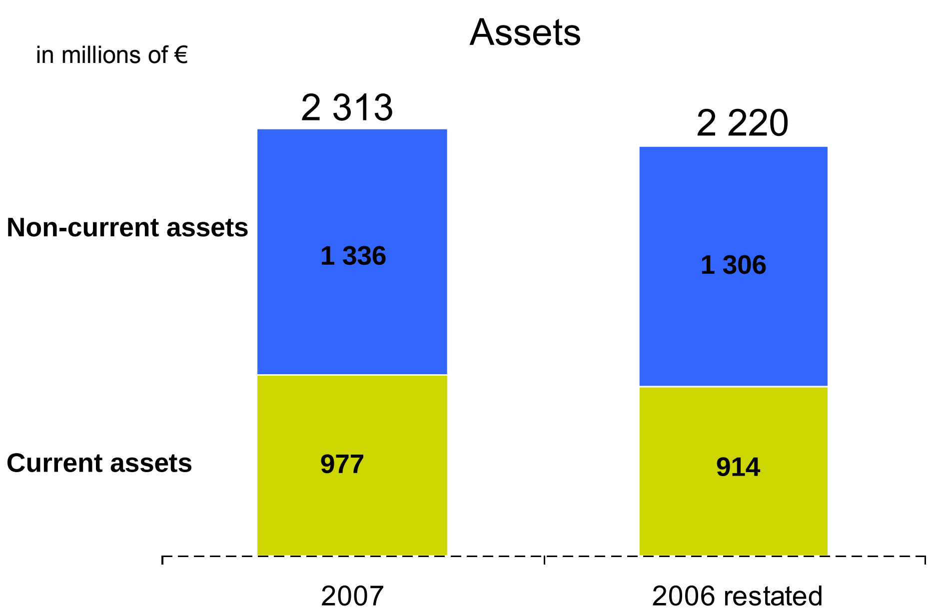
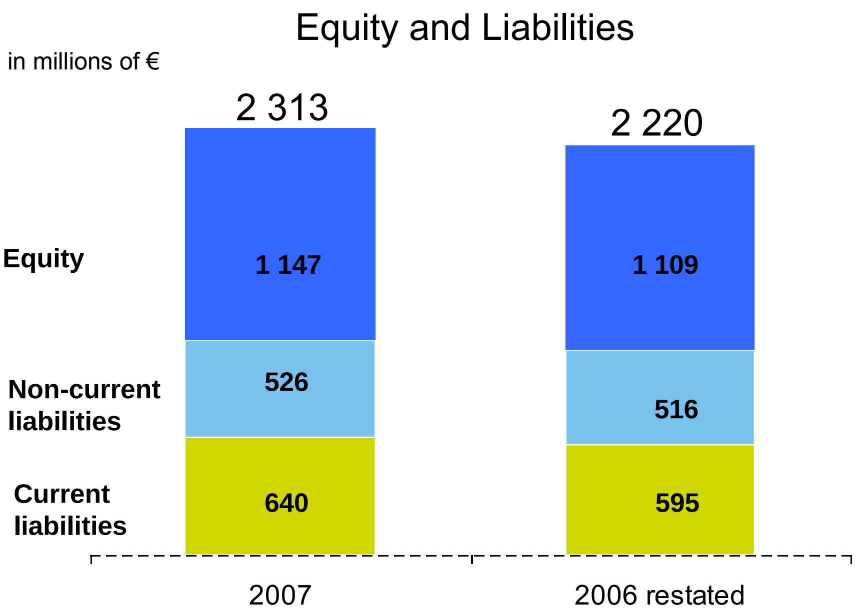
Consolidated balance sheet: key figures





- ⇨ Increase in current assets, due to change in inventory and receivables
- ⇨ Increased liabilities, mainly driven by higher net debt

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Balance sheet: key figures

(in millions of €)	2007	2006 restated
Net financial debt	448	375
Gearing (net debt to equity)	39.1%	33.8%

⇨ Net financial debt substantially increased as a result of share buy back program + higher capital expenditures

⇨ Gearing ratio of 39% closer to long term target (50%)

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Key figures: EBITDA

(in millions of €)	2007	2006
Operating result	175	146
Depreciations PP&E	109	103
Amortizations	11	7
Impairment losses	4	6
Total	**299**	**262**

⇨ Record EBITDA of 299 million euro (+ 14 %)

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Ratios: key figures

	2007	2006 restated
EBITDA on sales	13.7%	13.0%
EBIT margin on sales before non-recurring items	8.6%	8.1%
EBIT on sales	8.0%	7.3%
Sales on capital employed (asset rotation)	1.5	1.5
Return on capital employed	11.9%	10.5%
Return on equity	14.3%	13.3%

- ⇨ Increased return on equity reflects strong results
- ⇨ Further improvement of operational margin

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Key figures per share

(in €)	2007	2006 restated
Share price at 31 December	92.00	94.70
Number of existing shares at 31 December	19 831 000	20 946 779
Book value	57.82	52.94
Result for the period attributable to the Group	7.63	6.64
Weighted average number of shares	20 039 098	21 491 565
Cash flow attributable to the Group	13.82	12.21

- ⇨ Book value per share increased due to share buy back program
- ⇨ Earnings per share: +15%
- ⇨ Cash flow attributable to the Group: +13%

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2007 in a nutshell

- ⇨ Sales growth of 8.2% mainly driven by growth markets
- ⇨ Record EBITDA of € 299 million
- ⇨ EBIT increased by 19.6%
- ⇨ Interest expense increased due to higher interest rates and higher debt
- ⇨ More competitive market conditions leading to lower result in joint ventures
- ⇨ Gross dividend of € 2.76 per share (+10%)
- ⇨ Earnings per share increased to € 7.63 (+15%)

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Key challenges

- **Capture volume in growth markets**
  - Further increase production capacity in growth areas (China, Indonesia)
    - Total capital expenditures will exceed € 200 million in 2008
  - Establish presence in future markets supported by local production platforms:
    - Russia: greenfield steelcord plant in Lipetsk, south of Russia – operational as from 2010
    - India: greenfield plant to produce stainless steel wire, on a joint-venture basis with steel maker Mukand
    - Turkey: further develop Beksa as export platform
  - Continue to defend market positions globally

- **Invest in growth and sustaining innovation**
  - Broaden the product portfolio with high added value products
  - Focus on traditional businesses
  - Increased internationalization of innovation efforts
  - Process related innovation equally important (serving reduced cost of investment and operations)

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Key challenges: raw material and energy supply

- **Supply**
  - Wire rod
    - consolidation steelmakers continues
    - limitations from geo-political point of view
    - counterproductive anti-dumping files in Europe
    - barriers can be raised in mum of time (tax regulation in China) or have abrupt impact (tax regulation – rising freight cost)

  - Energy
    - Increasing importance in total cost structure
    - Continuous efforts to reduce energy consumption

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Outlook

- ⇨ Material prices will stay high, yet with some regional variances
- ⇨ Mature markets will remain challenging
- ⇨ Continue to defend our Latin American leadership positions
- ⇨ We will further sustain our investment programs, mainly in Asia
- ⇨ We will remain focused on worldwide operational excellence and innovation for maximum support of the company’s growth.

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Financial calendar

2007 annual report available on Internet	18	April	2008
First quarter trading update 2008	14	May	2008
General Meeting of Shareholders	14	May	2008
Dividend payable (coupon n°9)	21	May	2008
2008 half-year results	01	August	2008
Third quarter trading update 2008	07	November	2008
Fourth quarter trading update 2008	20	February	2009
2008 results	13	March	2009

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Contact

We like to keep on listening to you.
Any questions? Please do not hesitate to contact us:

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