

Analyst Conference Call

8 December 2015

Disclaimer

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Transaction Highlights

- Bekaert and Ontario Teachers' Pension Plan (OTPP) have reached a definitive agreement to combine the steel rope and advanced cords businesses of Bekaert with Bridon to form a joint venture company, [Bridon Bekaert Ropes Group](#).
- Bekaert will hold a controlling equity interest of 66.7% and OTPP will hold 33.3%.
- Bruno Humblet will be appointed CEO of Bridon Bekaert Ropes Group and Andrew Caffyn will be the Chairman of the Board. Bruno will be heading a combined Bridon-Bekaert management team and will be replaced as CFO of Bekaert.
- The JV will leverage the skills and capabilities of almost 3 000 employees, 19 plants in 11 countries, market-focused R&D, and a global sales and service network
- Pro-forma revenues of € 600 million combined; adding € 350 million to Bekaert's consolidated top line.
- JV will raise new third party debt finance (ring-fenced from Bekaert)
- Cash-neutral merger transaction
- Definitive merger agreement is subject to customary closing conditions including regulatory approvals - deal closing expected in the first half of 2016

Transaction Rationale

Fit With Bekaert Strategy

- Consistent with Bekaert's strategy to become a global leader in ropes
- Combination is the culmination of Bekaert's recent moves, including the acquisitions in Brazil, Texas US and Australia
- Highly complementary across geographies and sectors

Product Offering

- Full range of state-of-the-art steel, synthetic and hybrid solutions, ancillary products and specialist services
- New product development pipeline to build next generation offering

Manufacturing Capability

- Efficient and flexible factories, optimized for cost and serving customers from a global platform

Transaction Benefits

- Leveraging scale and synergies in operations, procurement, technology, brand and customer service

Agenda

- About Bridon
- About OTPP
- Bekaert activities and entities within scope
- Bridon Bekaert Ropes Group
- Q&A



BRIDON

A vertically integrated global wire and fibre rope manufacturer





1800s
Natural fibre ropes

1950s
Steel wire rope
lubricant development

BRILUBE



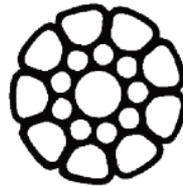
1970s
Synthetic fibre rope
manufacture commences

1990s
3 layer multi-strand
ropes



2013
Bridon Technology
Centre

1900s
First steel wire ropes



1960s
Dyform rope technology
introduced

1980s
Bristar extruded polymer
core ropes launched



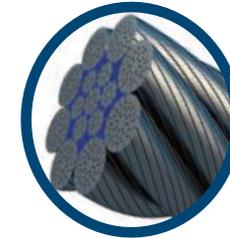
2012
Bridon Neptune Quay
4 layer multi-strand ropes



Land and off shore exploration, infrastructure build, production, and decommissioning



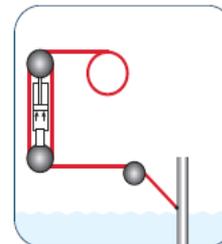
Hydra 



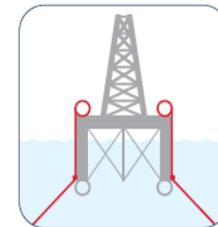
BRISTAR[®]

Riser Tensioner Lines

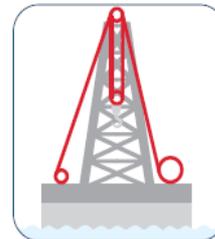
Anchor Lines

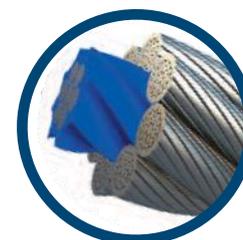
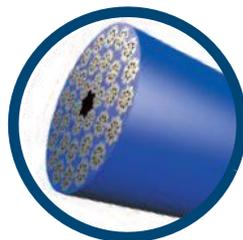


Drilling Lines



Crane Ropes





Surface and underground extraction

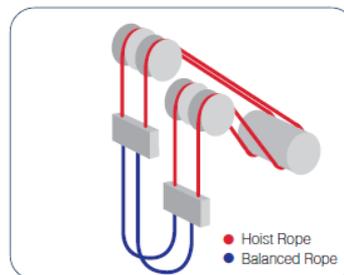
Under Ground



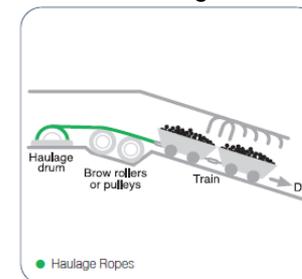
NORILSK NICKEL



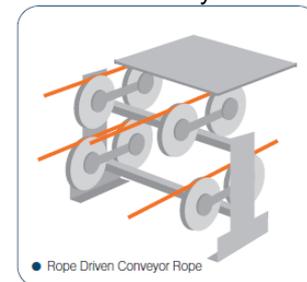
Hoist and Balance



Haulage

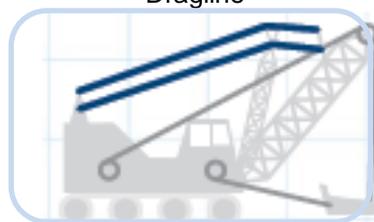


Conveyor

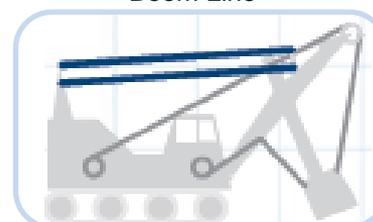


Surface

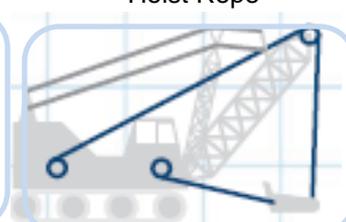
Dragline



Boom Line



Hoist Rope





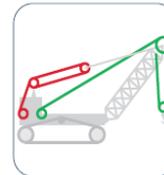
Constructex®



Port and Crane Equipment



Mobile Lattice and Boom Crane



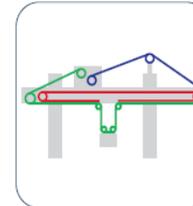
● Boom Hoist Rope
● Main Hoist Rope

Telescopic Mobile Crane



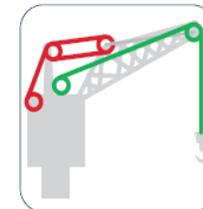
● Main Hoist Rope

Container Crane



● Trolley Rope
● Boom Hoist Rope
● Main Hoist Rope

Dockside Crane



● Boom Hoist Rope
● Main Hoist Rope

Structures



❖ Bridges Buildings Stadiums

Marine



❖ Trawl Warps and Purse Wires
❖ Harbour, Escort & Ocean Towing

Wires



❖ Wire rope, Armouring, General Engineering

Services



❖ Repair and maintenance, Installation and replacement services, Inspection and testing, Non-destructive examination (NDE), Splicing



Production plants in:

- Doncaster UK
- Neptune Quay UK
- Willington Quay UK
- Coatbridge (Scotland) UK
- Tønsberg Norway (Scanrope)
- Gelsenkirchen Germany
- Hanover Pennsylvania USA
- Exeter Pennsylvania USA
- Oakland City Indiana USA
- Hangzhou China
- Jakarta Indonesia

Worldwide sales, services and distribution network. Main hubs in:

- Macae, Brasil
- Hong Kong
- Dubai
- Auckland, NZ
- etc.

Bridon Technology Centre

- ✓ New Product Development
 - Research in Technology
 - Joint Industry Projects
 - Customer Initiatives
 - Intellectual Property
- ✓ Technology Specialists
 - Wire
 - Fibre
 - Polymer & Lubrication
- ✓ BTC Management
 - Test Lab
 - Forensics
 - Operations

Design & Applications

- ✓ Rope Engineering
 - Terminations
 - Reels & lifting
 - Rope Design
 - Rope Modelling
- ✓ Applications Specialists
 - Standards Bodies
 - External Conferences
 - Customer Relations
 - Industry Bodies

Advanced Manufacturing

- ✓ Group Engineering
 - Component Modelling
 - FEA
 - Bespoke Projects
 - Manufacturing Specialists
 - Process Development
 - Data Analysis
 - Capital Equipment Projects

Chief Technologists

- Key Projects
- Intellectual property
- Customer Support
- Key Account Support
- Technical Leadership





**ONTARIO
TEACHERS'**
PENSION PLAN

Ontario Teachers' Pension Plan (OTPP)

Canada's largest
single profession **pension plan**

Global leader in pension
investment and service delivery

381,000 plan
members counting on us
for **pension**
security

\$154.5
billion in
net assets

#1 for
value added
over last 10 years*

#1 Global ranking for
member services*

2nd Highest 10-year total
returns among global fund peers*

*According to the latest survey of global pension plans by CEM Benchmarking Inc.



Differentiated Position

Flexible around...	... control	Long history as a control and minority co-investor
	... timing	Long-term investment horizon
	... structure	Offer flexible capital for transactions where limited or no debt is available
Track Record		Strong performance attracts partners and new investment opportunities

Well-positioned to compete globally for **Private Equity** investment opportunities



Direct Investment Sector Focus

Focused Sectors

	TMT (Tech, Media & Telecomm)	Energy & Power	Consumer & Retail	Industrials	Healthcare	Financial Services
	<ul style="list-style-type: none"> Enterprise Software Metro Fiber Datacenters Broadcast Communications 	<ul style="list-style-type: none"> Exploration & Production (E&P) Midstream Oilfield Services Renewable Power 	<ul style="list-style-type: none"> Infant Care Food & Beverage Recreational Products Personal Care / OTC Restaurants 	<ul style="list-style-type: none"> Packaging Specialty Chemicals Capital Goods Building Products 	<ul style="list-style-type: none"> Outsourced Pharma Services Outsourced Hospital Services Specialty Clinics Specialty Diagnostics Cost Containment 	<ul style="list-style-type: none"> P&C Insurance Specialty Finance Services Businesses



Bekaert activities within scope

Bekaert activities and entities within scope

Activities: ropes and advanced cords activities

Entities within scope:

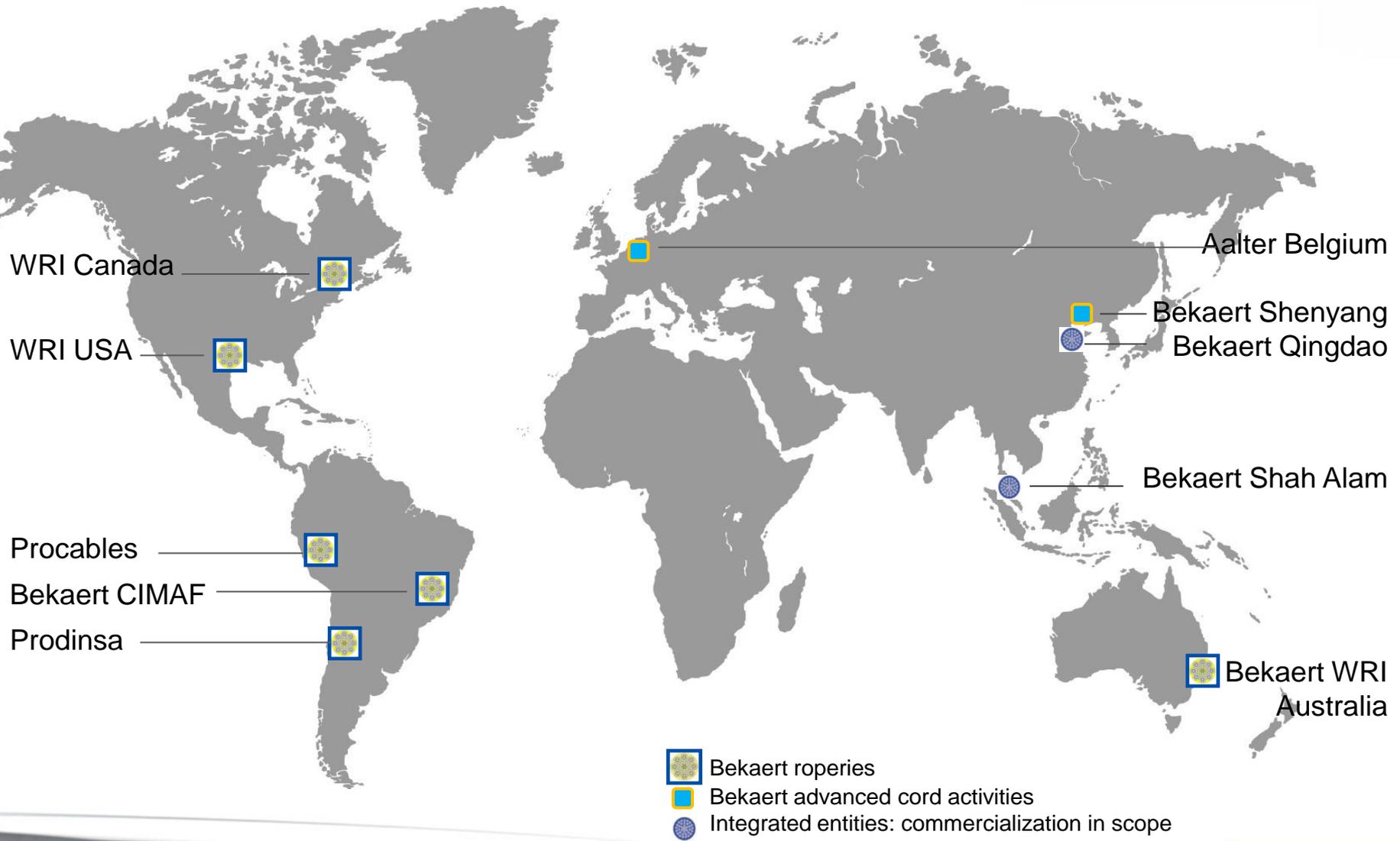
- Wire Rope Industries Canada – US – Australia
- Bekaert Cimaf in Brazil
- Prodinsa in Chile
- Procables in Peru
- Bekaert advanced cords activities in Aalter (Belgium) and Shenyang (China)

While Qingdao (China) and Shah Alam (Malaysia) will remain Bekaert plants (with ropes production being part of their activities), the commercialization of the ropes manufactured by these plants will be integrated in the new group.

Excluded:

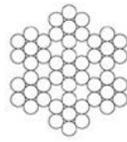
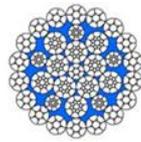
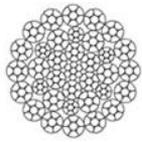
- production and commercial activities of rope wire
- the ropes platform activities in Hlohovec (sawing cord, Fleximat®, belt cord)
- the ropes activities in Venezuela

Bekaert entities and commercialization activities within scope



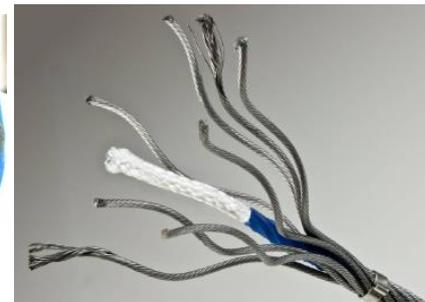
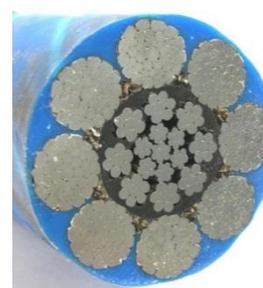
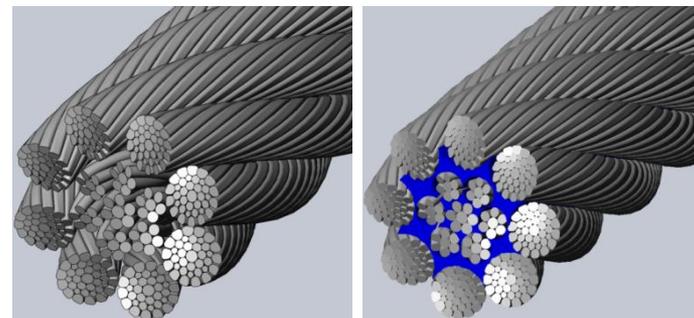
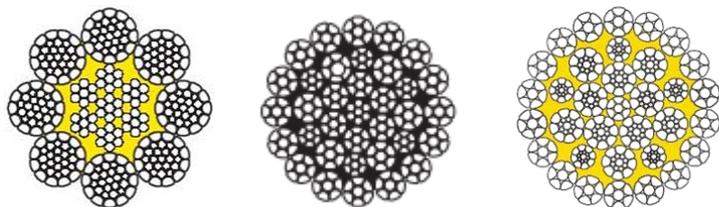
Bekaert offers a wide range of ropes for a variety of applications,

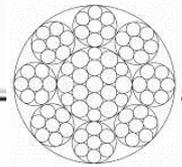
- Open pit mining and underground
- Structures
- Hoisting (port, steelmills, mineral unloaders and starting with offshore cranes)
- O&G (onshore and offshore)
- Elevators, cables, industrial fishing, forestry, ...



Backed by ropes expertise in the R&D centres in Belgium and China, our dedicated rope development centres in Canada and Latin America, and the reserach partnerships with universities and business partners globally, we constantly add new ropes types to our portfolio:

- High performance ropes
- Hybrid ropes
- Compact ropes
- Plastic-enhanced dragline ropes





Automotive applications:

- Window elevator cable
- Heating cord



Hoisting applications:

- Flexisteel® elevator rope
- Steel cord for elevator belts



Timing belt reinforcement:

- Industrial handling systems
- Automatic storage equipment
- Automatic gates and garage doors
- ATM bank note and other dispensers



“Showing the ropes” ..



- Bekaert's global ropes platform has 50 years of ropes manufacturing history
- 6 roperies (Canada, USA, Peru, Chile, Brazil, Australia)
2 advanced cords plants (Belgium, China)
commercial activities for the ropes part of
2 integrated wire plants (China, Malaysia)
- A team of 1250 people
- 100KT ropery capacity
- 40% mining – 15% O&G – 15% other
heavy duty - 30% other
- Constantly investing and growing
- Clear ambition to become a global rope solution provider



Bridon Bekaert Ropes Group

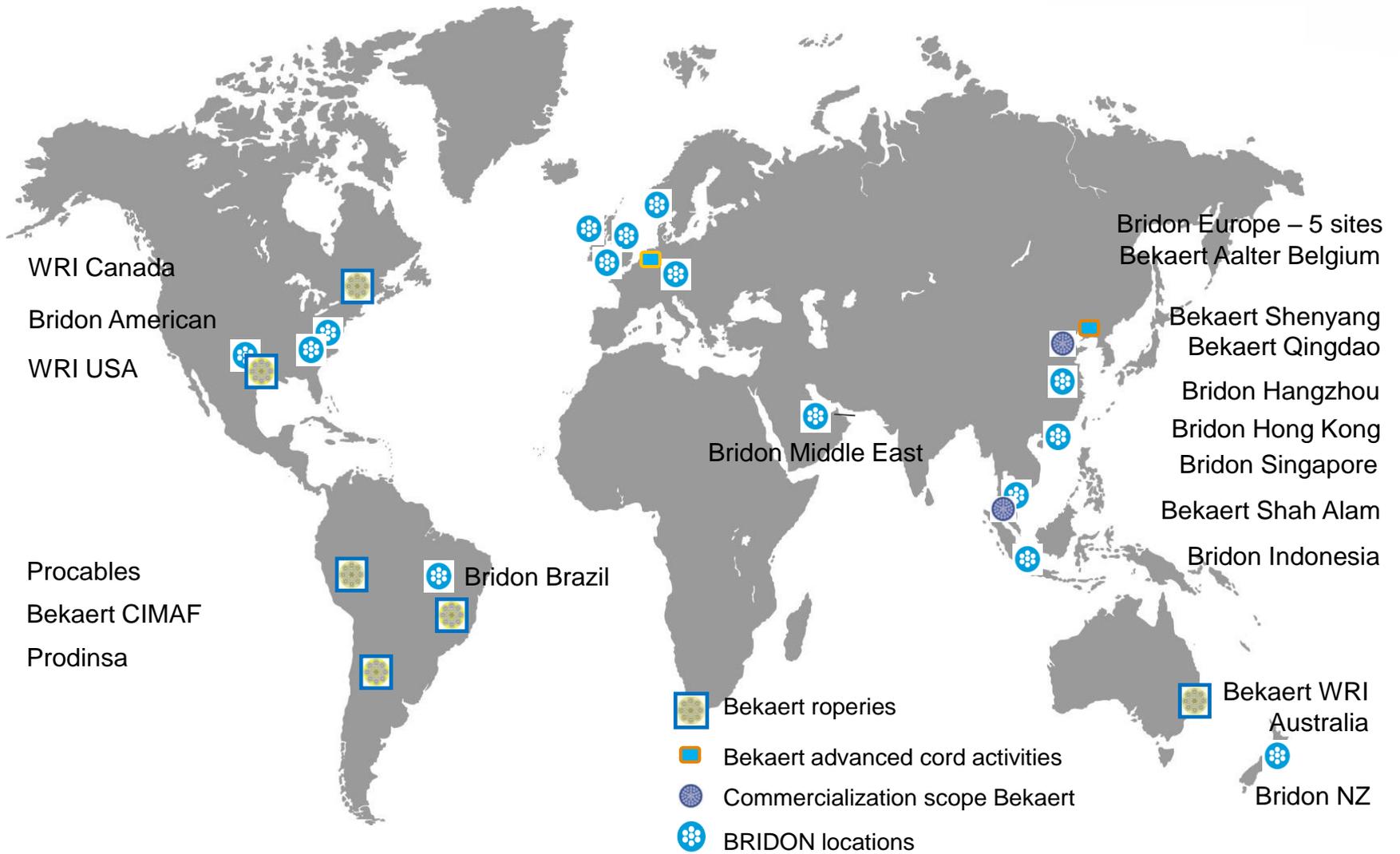
BRIDON · BEKAERT
THE ROPES GROUP

Bridon Bekaert Ropes Group

A merger to create global technology leadership, delivering enhanced value for all stakeholders



Bridon – Bekaert combined ropes group



Transaction Impact on Bekaert Consolidated Statements

Income Statement

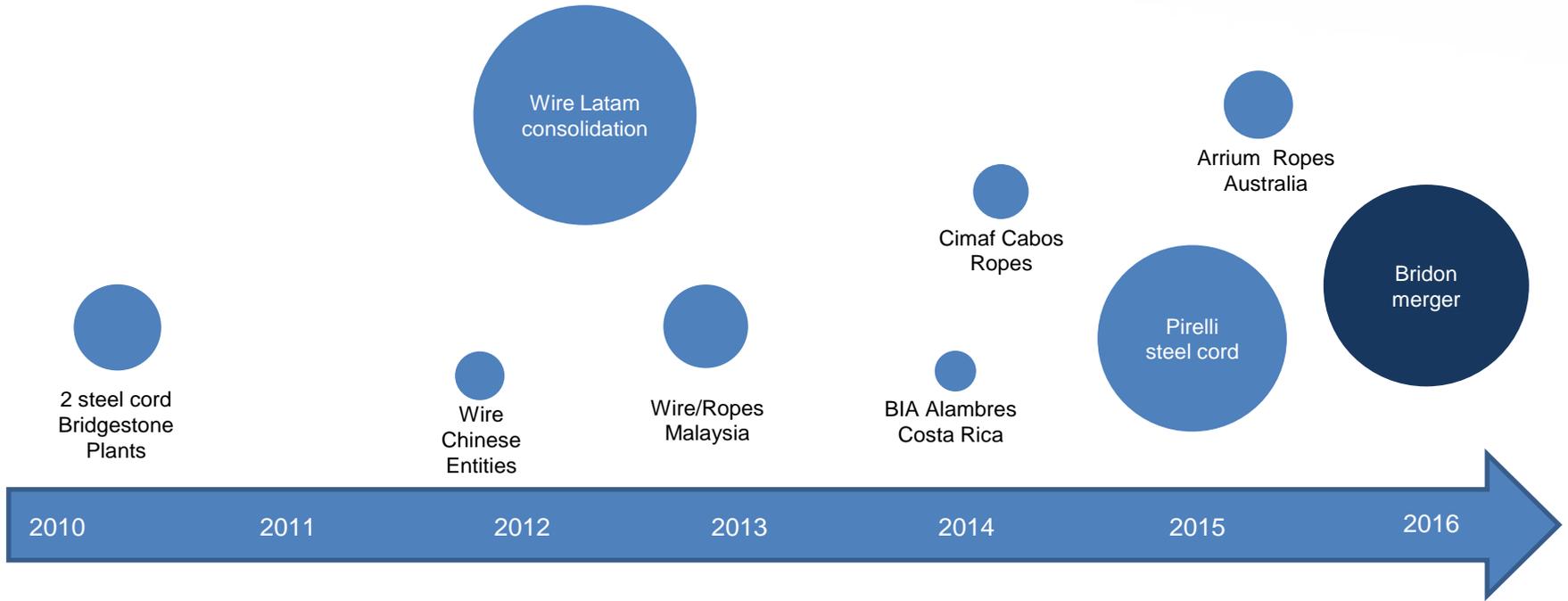
- Incremental sales of €350m (2014) - new group: total sales of €600m (2014)
- Potential cost savings expected to be realized within 3 years of completion
- Earnings enhancing from 2017

Balance Sheet

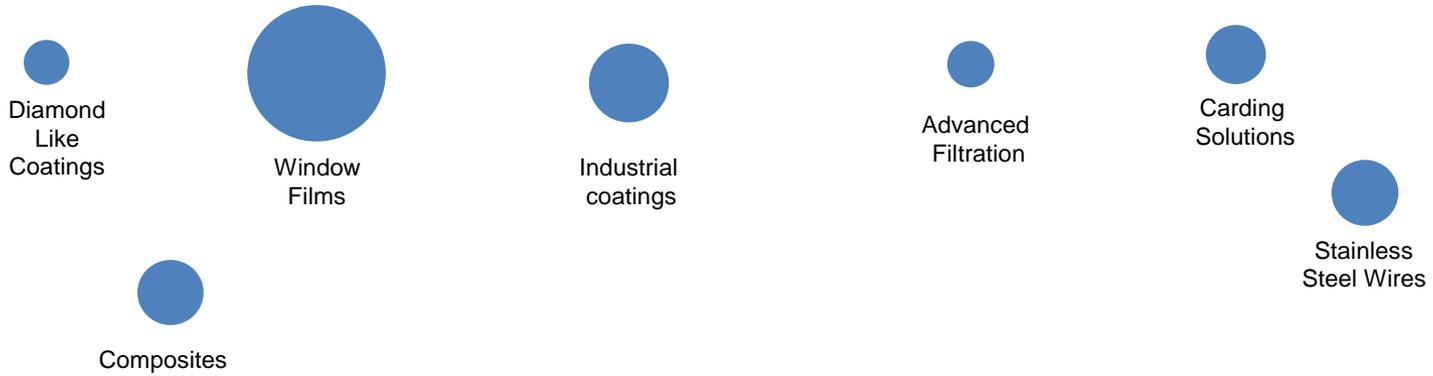
- Creation of JV with OTPP is a cash-neutral transaction
- Acquisition of MatCo Cables' stake in Bekaert Ropes Group will impact Bekaert's 2015 net debt
- New debt raised in JV at completion in 2016 will be ring-fenced – non-recourse to Bekaert
- The combined transaction impact (MatCo share and new JV) is expected to add €370m to Bekaert's pro-forma net debt at completion

Portfolio Optimization Bekaert

Acquisitions



Divestitures



- Regulatory filings expected shortly in key jurisdictions (EU, the US, Brazil, China, Korea, Australia and Chile)
- Carve out of relevant Bekaert assets in the first half of 2016
- Standard closing conditions
- Estimated time of completing the transaction: first half of 2016

Q&A

A close-up, high-angle photograph of several thick, braided steel ropes. The ropes are arranged in a series of parallel lines that recede into the distance, creating a strong sense of depth and perspective. The lighting is dramatic, highlighting the metallic sheen and the intricate texture of the braiding. A white rectangular box with a blue border is superimposed over the center of the image, containing the company name and tagline.

BRIDON · BEKAERT

THE ROPES GROUP