

## Press release

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## Bekaert expands wire business in China through acquisition and 75/25 partnership with Xinyu Steel

Bekaert, a worldwide technological and market leader in drawn wire products and advanced coatings, today signed an agreement for the acquisition of 75% of the shares of the spring wire and overhead conductor business of Xinyu Iron & Steel Co., Ltd in Xinyu, Jiangxi Province, China.

Henri-Jean Velge, Bekaert Group Executive Vice President Wire and Stainless Technologies, stated: *"The integration of these activities will strengthen our position in the Chinese market and adds complementary technologies and applications to Bekaert's existing product portfolio. The partnership contributes to our ambitions for growth into promising sectors."*

Mark Goyens, President of Bekaert Asia, added: *"This acquisition and partnership will open up new opportunities for Bekaert. After years of intensive expansion of our Steelcord platform in the country, this agreement ensures the immediate extension of Bekaert China's Wire business."*

### Products and Markets

- **Spring wire:** the acquired activities encompass two production plants in Xinyu. The product portfolio includes spring wires for the automotive, motorcycle, and engineering sectors and complements Bekaert's existing product range manufactured in its wire plant in Jiangyin, Jiangsu Province. The transaction involves the transfer of 630 employees. A new manufacturing site will be built in Xinyu where the acquired activities will be concentrated to increase manufacturing capacity and technological capabilities.
- The **overhead conductor business** serves the utilities sector which shows strong growth potential driven by the high number of investments in energy transmission and data communication networks in China. Manufacturing is concentrated in one production plant in Xinyu, employing 240 people.

### Deal structure and transaction closing

Bekaert will purchase, through its 75/25 holding with Shougang Concord Century Holdings Ltd, 75% of the shares of the legal entity covering the acquired activities. Xinyu Steel will retain the remaining 25% and the entity will be renamed Bekaert (Xinyu) Metal Products Company Ltd. The transaction, with a purchase value of CNY 161.2 million, is subject to regulatory approvals and is expected to close by year-end 2010.

### Bekaert Profile

Bekaert ([www.bekaert.com](http://www.bekaert.com)) is a global technological leader in its two core competences: advanced metal transformation and advanced materials and coatings, and a market leader in drawn wire products and applications. Bekaert (Euronext Brussels: BEKB) is a global company with headquarters in Belgium, employing over 25 000 people worldwide. Serving customers in 120 countries, Bekaert pursues sustainable profitable growth in all its activities and generated €3.3 billion combined sales in 2009.

### Bekaert in China Profile

Bekaert is present with a manufacturing platform in China since the early nineties. The company experienced significant growth in China in recent years and operates 17 sites at 8 locations there (Shenyang, Weihai, Jiangyin, Wuxi, Shanghai, Suzhou, Chongqing, Huizhou), including 13 manufacturing plants, an R&D center and Engineering plant, a trading company, and the Regional Headquarters Bekaert Asia. At present, close to 10 000 people are working for Bekaert in China.

### Xinyu Steel Profile

Xinyu Iron & Steel Co., Ltd (Xinyu Steel) is located in Xinyu, Jiangxi Province, China. The State Owned Enterprise includes steel, mining, equipment and construction activities. Xinyu Steel employs 26 500 people and reported total sales of CNY 24 billion in 2009.