BEKAERT
better together

Press release
Regulated information

09 May 2012

Press
Katelijn Bohez
T +32 56 23 05 71

Investor Relations
Jérôme Lebecque
T +32 56 23 05 72

www.bekaert.com
www.bekaert.mobi

Bekaert: first quarter trading update 2012

In the first quarter of 2012 Bekaert achieved consolidated sales of € 895 million and combined[1] sales of € 1 135 million, a decrease of 2.6% and 7.9% respectively, compared to the first quarter of 2011, while considerably exceeding top line sales of the last quarter of 2011.

The drastic demand and price evolution in the sawing wire market, which impacted Bekaert's activities as from May 2011, drove organic consolidated sales down by 13.7% in comparison with the exceptionally strong first quarter of 2011. The net effect of acquisitions[2] and divestments[3] contributed 8.3%. Currency movements had a positive effect of 2.9%.

Combined sales declined 7.9%. The net movement in acquisitions[4] and divestments[3] was slightly negative (-1.1%) while currency movements contributed 2.0%. Compared to the last quarter of 2011, combined sales increased by 8.2%.

Consolidated and combined sales by segment

First quarter consolidated sales in millions of €

Consolidated sales	2011	2012	Variance	Share
EMEA	307	290	-5%	32%
North America	176	176	=	20%
Latin America	82	197	+139%	22%
Asia Pacific	353	232	-34%	26%
Total	**918**	**895**	**-3%**	**100%**

First quarter combined sales in millions of €

Combined sales	2011	2012	Variance	Share
EMEA	305	290	-5%	26%
North America	174	176	+1%	15%
Latin America	401	423	+6%	37%
Asia Pacific	353	247	-30%	22%
Total	**1 233**	**1 135**	**-8%**	**100%**

1 Combined sales are sales of consolidated companies plus 100% of sales of joint ventures and associates after intercompany elimination.
2 Acquisitions include the steel wire entity in Qingdao, China (press release of 1 September 2011) and Bekaert's majority stake in the partnership entities in Chile, Peru and Canada (press release of 13 March 2012).
3 Divested Specialty Films activities.
4 The new 50/50 joint venture in Xinyu, China (press release of 15 December 2011) which is accounted for under the equity method, further contributed to the combined sales of the first quarter of 2012.

Sales by segment

EMEA
The 5% sales decrease compared with the same period of last year was almost completely on the account of the heavily impacted sawing wire business. Other activity platforms performed well in both Western and Central Europe, and drove total sales up 12% compared with the last quarter of 2011.

North America
In North America, the addition of the Canadian ropes activities[5] into consolidated sales and better performance in most activity platforms, compensated for the impact of the divested Specialty Films activities. Sales were at a much higher level than in the last months of 2011 and well in line with those of the previous quarters.

Latin America
Consolidated sales were up 139% in Latin America due to the consolidation of the entities within the Chilean partnership[5] in which Bekaert now holds a majority stake (first quarter impact amounts to € 90 million), and as a result of solid sales growth in Venezuela and Peru. At the combined level, sales increased by 6% to a record high for the segment.

Asia Pacific
Sales were stable in comparison with the last quarter of 2011 but substantially lower versus an exceptionally strong first quarter of 2011 as a result of the solar business collapse, which materially impacted the sawing wire activities in China. Bekaert's other platforms in China achieved stable business performance, while India and Indonesia continued to grow.

First quarter market developments

Bekaert is active in many sectors. The largest markets for Bekaert's products are the automotive, energy, and construction sectors. In the **automotive** sector, sales demand continued to perform well in replacement markets, but slowed down in the European original equipment markets. While solar energy markets are down at a global level, other **energy**-related sectors continued to perform well across different applications. **Construction** markets remained under pressure as a result of a difficult economic environment in most segments.

Other information

Net debt remained about stable in comparison with the level at year-end 2011.

Bekaert and its Chilean partners successfully closed the shareholding transaction by which Bekaert became the principal shareholder (52%) in the partnership with operations in Chile, Peru and Canada. In 2011 these platforms accounted for a net turnover of € 345 million.

On 2 April 2012, Bekaert announced the successful closing of the sale of its Industrial Coatings activities to Element Partners, a Pennsylvania, US-based equity fund. The transaction covers the production facilities

[5] Bekaert increased its shareholding in the partnership entities in Chile, Peru and Canada (press release of 13 March 2012). This led to a majority stake and the integration of the respective platforms into Bekaert's consolidated statements.

and all personnel in Deinze (Belgium) and Jiangyin (China), the maintenance activity at Spring Green (US), and the respective sales organization.

Bekaert announced today that an agreement was signed with Southern Steel Berhad (SSB), a leading Malaysian Steel group, to establish a joint venture in which Bekaert will hold 55% of the shares and SSB the remaining 45%. The deal covers SSB's interests in two platforms in Malaysia and Bekaert's galvanized wire activities in Indonesia. The transaction has an enterprise value of approximately € 47 million and is expected to be closed in the third quarter of 2012. Based upon the 2011 turnover, the deal would add approximately € 60 million in annualized sales to Bekaert's consolidated statements.

In response to longer term overall instability and to the drastic changes in the global solar energy market, Bekaert announced on 2 February 2012 a major realignment program, consisting of the plan to rightsize its global sawing wire operations as well as measures aimed at substantially improving the cost structure of the Group in view of restoring Bekaert's long-term profitability by 2014. Status of the announced measures:

- On 27 April 2012, Bekaert reached an agreement on a social plan for the restructuring in Belgium that affects 609 jobs. This plan will be executed as from the end of May 2012.
- In China, actions to rightsize the sawing wire manufacturing footprint has led to a reduction of 1 250 jobs.
- In order to secure its investment capacity in future growth, the Group has started a detailed study to identify measures to reduce its overall global cost structure by € 100 million annually in the forthcoming years. This identification study is in process on a global scale. Its impact on results is expected to come into effect from 2013 onwards.

Outlook

Bekaert has limited visibility in most markets.

The company expects that the realignment measures in view of the drastically changed solar energy market will produce positive effects as of mid-2012 and continues the identification process of the cost structure optimization project. These measures aim at securing Bekaert's investment capacity for future growth.

The Group also confirms its determination to remain a market and technological leader in full support of its customers and all other stakeholders on a worldwide scale.

Financial calendar

General Meeting of Shareholders	09	May	2012
Dividend ex-date	11	May	2012
Dividend payable	16	May	2012
2012 half year results	27	July	2012
Third quarter trading update 2012	14	November	2012

Disclaimer

This press release may contain forward-looking statements. Such statements reflect the current views of management regarding future events, and involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Bekaert is providing the information in this press release as of this date and does not undertake any obligation to update any forward-looking statements contained in this press release in light of new information, future events or otherwise. Bekaert disclaims any liability for statements made or published by third parties and does not undertake any obligation to correct inaccurate data, information, conclusions or opinions published by third parties in relation to this or any other press release issued by Bekaert.

Profile

Bekaert (www.bekaert.com) is a global technological and market leader in advanced solutions based on metal transformation and coatings, and the world's largest independent manufacturer of drawn steel wire products. Bekaert (Euronext Brussels: BEKB) is a global company with headquarters in Belgium, employing 28 000 people worldwide. Serving customers in 120 countries, Bekaert pursues sustainable profitable growth in all its activities and generated combined sales of € 4.6 billion in 2011.