

# Press release

## Regulated information

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## Bekaert reports strong 3<sup>rd</sup> quarter sales

### Sales<sup>1</sup>

Bekaert posted consolidated quarterly revenues of € 814 million in the three-month period from July to September 2014, compared to € 773 million in the same period last year. Solid volumes and a favorable product mix drove the quarter's sales growth rate above 5% year-on-year. Sales rose in all segments with the largest increases in North America and Latin America.

The solid quarter performance drove a year-to-date organic sales growth of 4%, all of which was offset by the translation effect of significant adverse currency movements in the first half of 2014.

### Consolidated and combined sales by segment

#### 2014 quarter-on-quarter progress per segment – consolidated sales in millions of €

Consolidated sales	1 <sup>st</sup> Q	2 <sup>nd</sup> Q	3 <sup>rd</sup> Q	Q3 y-o-y <sup>2</sup>	FX impact <sup>3</sup>
EMEA	275	279	264	+2%	-2
North America	139	142	140	+8%	-1
Latin America	141	154	163	+13%	-10
Asia Pacific	226	252	247	+3%	-1
<b>Total</b>	<b>782</b>	<b>827</b>	<b>814</b>	<b>+5%</b>	<b>-13</b>

#### First nine months of consolidated sales in millions of €

Consolidated sales	2013	2014	Variance <sup>4</sup>	Share	FX impact <sup>5</sup>
EMEA	791	819	+4%	34%	-7
North America	424	420	-1%	17%	-16
Latin America	496	458	-8%	19%	-46
Asia Pacific	711	725	+2%	30%	-29
<b>Total</b>	<b>2 422</b>	<b>2 423</b>	<b>=</b>	<b>100%</b>	<b>-97</b>

<sup>1</sup> The figures in this press release are provisional and unaudited.

<sup>2</sup> Q3 year-on-year sales: 3<sup>rd</sup> quarter 2014 versus 3<sup>rd</sup> quarter 2013.

<sup>3</sup> Foreign exchange impact on sales in the 3<sup>rd</sup> quarter of 2014, computed on the basis of ytd Q3 versus ytd Q2 – in millions of €

<sup>4</sup> Comparisons are made relative to the figures for the first nine months of 2013.

<sup>5</sup> Foreign exchange impact on sales for the first nine months of 2014 – in millions of €

### 2014 quarter-on-quarter progress per segment – combined sales<sup>6</sup> in millions of €

Combined sales	1 <sup>st</sup> Q	2 <sup>nd</sup> Q	3 <sup>rd</sup> Q	Q3 y-o-y <sup>7</sup>	FX impact <sup>8</sup>
EMEA	273	275	259	+1%	-2
North America	139	142	140	+8%	-1
Latin America	340	353	370	+2%	-6
Asia Pacific	237	264	260	+3%	-1
<b>Total</b>	<b>990</b>	<b>1 033</b>	<b>1 029</b>	<b>+3%</b>	<b>-10</b>

### First nine months of combined sales in millions of €

Combined sales	2013	2014	Variance	Share	FX impact <sup>9</sup>
EMEA	783	807	+3%	26%	-7
North America	424	420	-1%	14%	-16
Latin America	1 187	1 064	-10%	35%	-115
Asia Pacific	748	761	+2%	25%	-31
<b>Total</b>	<b>3 142</b>	<b>3 052</b>	<b>-3%</b>	<b>100%</b>	<b>-168</b>

## Performance by segment

### EMEA

Bekaert's activities in EMEA reported solid third quarter sales, continuing the strong performance of the previous quarters. The segment has seen a constant uplift in volumes and revenue in each quarter versus the respective quarter of the prior year.

Demand from European markets was strong throughout the first nine months of 2014. This was particularly apparent in the automotive sector, the energy-related markets and other industrial sectors. Bekaert anticipates a moderate slowdown in demand from the tire industry in the fourth quarter of the year, on top of the usual seasonal effects.

### North America

Following flat growth rates in the previous quarters, Bekaert's North American activities achieved strong volume and sales growth in the third quarter of 2014, driven by higher demand from automotive and construction markets compared with the same period last year.

The segment's revenue for the first nine months of 2014 was similar to the prior year as a result of subdued demand and unfavorable currency fluctuations in the first half of the year. The company projects fourth quarter demand to remain stable in its key sectors while taking into account seasonality effects.

### Latin America

Excluding Venezuela, where market conditions have remained very difficult, Bekaert's consolidated activities in Latin America achieved an organic volume growth of 4% in the third quarter year-on-year. Additionally, the company successfully implemented selling price increases outperforming inflation, which significantly contributed to an organic sales growth of 9%. The full top line growth in the third quarter was 13%, including the net positive impact of the acquisitions in Costa Rica and Brazil and unfavorable currency movements.

Sales for the first nine months of 2014 were heavily impacted by adverse currency fluctuations and by the business situation in Venezuela. These factors represented a year-to-date sales impact of €-46 million and €-8 million respectively, compared with the same period of 2013. Bekaert anticipates a confirmation of the upward trend in its markets in Latin America in the last quarter of the year, with the exception of Brazil where subdued demand conditions are assumed to persist.

<sup>6</sup> Combined sales are sales of consolidated companies plus 100% of sales of joint ventures and associates after intercompany elimination.

<sup>7</sup> Q3 year-on-year sales: 3<sup>rd</sup> quarter 2014 versus 3<sup>rd</sup> quarter 2013.

<sup>8</sup> Foreign exchange impact on sales in the 3<sup>rd</sup> quarter of 2014, computed on the basis of ytd Q3 versus ytd Q2 – in millions of €

<sup>9</sup> Foreign exchange impact on sales for the first nine months of 2014 – in millions of €

## Asia Pacific

Bekaert achieved a volume growth of 9% in Asia in the third quarter of 2014 compared with the same period last year. This growth rate was mainly driven by strong sales volumes in highly competitive tire markets across Asia. Bekaert's sawing wire sales also grew, contributing to a positive product mix. Price pressure and passed-on lower wire rod prices tempered the top line growth rate to 3%.

Sales for the first nine months of 2014 were 2% higher than in the same period last year. The segment achieved better volumes and revenue each quarter versus the respective quarter of the prior year. Most of the organic growth (7% year-to-date) was, however, neutralized by significant adverse currency effects in the first half of 2014. Bekaert perceives continued price erosion in Chinese tire markets for the last quarter of the year, and anticipates an overall slowdown of demand in the key industrial markets served.

## Investment update and other information

On 28 February 2014, Bekaert announced its agreement with Pirelli for the acquisition of Pirelli's steel cord activities. The acquisition agreement includes the purchase by Bekaert of Pirelli's steel cord manufacturing sites in Figline Valdarno (Italy), Slatina (Romania), Izmit (Turkey), Yanzhou (China) and Sumaré (Brazil) and encompasses a long-term supply agreement of tire cord by Bekaert to Pirelli. Despite a rapid approval process by the respective merger control authorities in Europe and Brazil, Bekaert does not anticipate a deal closing in 2014 due to an extension of the applicable merger control procedure in Turkey.

On 17 June 2014, Bekaert announced the establishment of a global sales and distribution joint venture with Maccaferri to promote a combined offering of total construction reinforcement solutions for underground infrastructure projects such as road, railway, metro, utility and mining tunnels, as well as hydro power stations. On 15 July 2014, The European Commission has approved under the EU Merger Regulation, the creation of the joint venture, which was established on 1 October 2014.

On 10 June 2014, Bekaert announced the successful placement of convertible bonds due June 2018, for a principal amount of € 300 million. The company also announced the reactivation of its share buy-back program. In addition to the 1 652 677 treasury shares held as of 31 December 2013, Bekaert purchased 1 868 033 own shares for a total amount of € 52 021 515.84 during the period under review. None of those shares were cancelled or disposed of in connection with stock option plans in 2014. As a result, the company held an aggregate 3 520 710 treasury shares as at 30 September 2014. The share buy-back program relates to the company's obligations under the terms of the convertible bonds and to employee equity-based incentive plans.

Net debt was € 717 million as at 30 September 2014, slightly below the level of 30 September 2013 (€ 730 million) while up versus € 574 million as at year-end 2013 due to an increase in working capital and the share buy-back program.

## Outlook

Bekaert's underlying business performance has been solid throughout 2014, with better volumes and an overall solid organic sales growth, all of which was neutralized in the company's top line due to adverse currency movements and global price pressure.

In China, Bekaert perceives a weakening industrial demand and continued price erosion in tire markets. We also anticipate a moderate slowdown in the European tire markets and an impact of the usual seasonal effects at year-end, especially in Europe and North America. We project the turnaround in Latin American markets to remain for the coming months and we anticipate a mitigation of adverse currency effects on a year-to-date basis.

## Financial calendar

2014 results	27	February	2015
2014 annual report available on the Internet	27	March	2015
First quarter trading update 2015	13	May	2015
General Meeting of Shareholders	13	May	2015
2015 half year results	31	July	2015
Third quarter trading update 2015	13	November	2015

### Disclaimer

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### Profile

Bekaert ([www.bekaert.com](http://www.bekaert.com)) is a world market and technology leader in steel wire transformation and coatings. Bekaert (Euronext Brussels: BEKB) is a global company with headquarters in Belgium, employing 27 000 people worldwide. Serving customers in 120 countries, Bekaert pursues sustainable profitable growth in all its activities and generated combined sales of € 4.1 billion in 2013.