

Press release

Regulated information

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Bekaert delivers solid volume growth and results in the first half of 2014

Highlights¹

Bekaert achieved 4% volume growth and also increased profitability in the first half of 2014. While adverse currency fluctuations continued to impact the company's top-line significantly, Bekaert enhanced its profitability as a result of the sustained effects of cost savings and of an improved product mix.

- Consolidated sales of € 1.61 billion (-2.4%) and combined sales of € 2.02 billion (-5.4%)
- Currency impact : € -85 million (-5.1%) on consolidated sales and € -158 million (-7.4%) on combined sales
- Gross profit of € 258 million (16.0% margin) compared with € 249 million (15.1% margin)
- REBIT of € 101 million (6.3% margin) compared with € 91 million (5.5% margin)
- Non-recurring items of € +16.6 million compared with € -2.3 million
- EBIT of € 118 million (7.3% margin) compared with € 89 million (5.4% margin)
- EBITDA of € 190 million (11.8% margin) compared with € 172 million (10.4% margin)
- EPS: € 1.34 compared with € 0.45
- Net debt of € 673 million, versus € 770 million as at 30 June 2013 and € 574 million as at year-end 2013
- The European Commission has approved in July 2014 the acquisition by Bekaert of Pirelli's steel cord activities (additional merger control procedures are in process in Turkey and Brazil). The Commission also has approved Bekaert's sales and distribution joint venture with Maccaferri.

There were strong differences in market performance between regions in the first half of 2014. The company's activities in Europe and Asia achieved good volume growth. The EMEA region delivered excellent results driven by strong demand and regained competitiveness, while the rubber reinforcement platform in China defended its market share in a highly competitive market. Bekaert also managed to maintain its market positions in Latin America but was affected by the economic downturn in the region, and by fiscal and political instability in several countries. The climate remained difficult for domestic industries in North America, but picked up modestly in the second quarter of the year.

Outlook

Bekaert assumes an unchanged overall global business climate for the rest of the year, but remains cautious on the outlook because of further price erosion in Chinese tire markets. We also anticipate a moderate slowdown in the European tire markets and an impact of the usual seasonal effects in the second half of the year. We believe our markets in Latin America have bottomed out.

We also expect to start seeing some benefits from recent investments come into effect in the second half of 2014 and we will accelerate capital investments in the coming months to support future growth.

¹ All comparisons are made relative to the figures for the first half of 2013.

Key Figures

in millions of €	1H 2013	2H 2013	1H 2014
Consolidated sales	1 649	1 537	1 609
Operating result before non-recurring items (REBIT)	91	75	101
REBIT margin on sales	5.5%	4.9%	6.3%
Non-recurring items	-2	-27	17
Operating result (EBIT)	89	48	118
EBIT margin on sales	5.4%	3.1%	7.3%
Depreciation, amortization and impairment losses*	83	77	72
EBITDA	172	125	190
EBITDA margin on sales	10.4%	8.1%	11.8%
Combined sales	2 139	1 972	2 023

* 1H2014 includes €-10.9 million negative goodwill (cf. annex 8)

Sales²

In the first half of 2014, Bekaert achieved consolidated sales of €1.61 billion (-2.4%). On a constant currency basis, this represented an increase of 2.7% compared with the first six months of 2013. This growth - driven by higher demand in Europe and Asia - was, however, more than offset by the translation effect of adverse currency movements³ (-5.1%) versus a strong euro.

Combined sales⁴ increased by 2.0% on an organic basis. A substantially weaker Brazilian real compared with the first half of 2013, added to the negative currency impact at the combined level (-7.4%), which resulted in a combined revenue of €2.02 billion, 5.4% down from the same period last year.

Consolidated and combined sales by segment (in millions of €)

Consolidated sales	1H2013	1H2014	Variance	Share	FX impact ³
EMEA	532	555	+4%	35%	-5
North America	295	281	-5%	17%	-15
Latin America	352	295	-16%	18%	-37
Asia Pacific	470	478	+2%	30%	-28
Total	1 649	1 609	-2%	100%	-85

Combined sales	1H2013	1H2014	Variance	Share	FX impact ³
EMEA	527	548	+4%	27%	-5
North America	294	281	-5%	14%	-15
Latin America	823	693	-16%	34%	-109
Asia Pacific	495	501	+1%	25%	-29
Total	2 139	2 023	-5%	100%	-158

² All comparisons are made relative to the figures for the first half of 2013.

³ Foreign exchange impact on first half-year sales 2014 – in millions of €

In this report, Bekaert represents the total business and currency impact in Venezuela as an organic business effect. Consequently, the reported foreign exchange effects exclude the impact of the depreciation of the Venezuelan bolivar. The year-on-year sales decline for Vicson, Venezuela was €-11 million or -0.7% of consolidated sales and -0.5% of combined sales.

⁴ Combined sales are sales of consolidated companies plus 100% of sales of joint ventures and associates after intercompany elimination.

Quarter-on-quarter sales 2014 (in millions of €)

Consolidated sales	1st Q	2nd Q	Q2:Q1
EMEA	275	279	+1%
North America	139	142	+2%
Latin America	141	154	+10%
Asia Pacific	226	252	+11%
Total	782	827	+6%

Combined sales	1st Q	2nd Q	Q2:Q1
EMEA	273	275	+1%
North America	139	142	+2%
Latin America	340	353	+4%
Asia Pacific	237	264	+11%
Total	990	1 033	+4%

Segment reports

EMEA

Key figures (in millions of €)	1H 2013	2H 2013	1H 2014
Consolidated sales	532	508	555
Operating result before non-recurring items (REBIT)	46	42	64
REBIT margin on sales	8.7%	8.3%	11.5%
Non-recurring items	-1	-2	7
Operating result (EBIT)	45	40	70
EBIT margin on sales	8.5%	7.9%	12.7%
Depreciation, amortization and impairment losses	23	25	22
EBITDA	68	65	93
EBITDA margin on sales	12.8%	12.8%	16.7%
Segment assets	779	716	780
Segment liabilities	183	188	203
Capital employed	596	528	578

Bekaert's activities in EMEA delivered excellent results driven by strong volume growth, a favorable product mix and the sustained effects of the cost savings implemented in the past years. Bekaert realized 37% REBIT increase in the region and lifted its profit margins to double digits.

Demand from European markets was strong in the first half of 2014. This applies to most sectors but was particularly apparent in the automotive sector, the energy-related markets and other industrial sectors. This led to robust volume growth for tire cord, flat and shaped specialty wires, advanced cords and industrial steel wires. Also Bekaert's building products platform delivered solid results thanks to an innovation-driven product mix.

Non-recurring items amounted to € 7 million and mainly related to the gain on the sale of property in Belgium.

Bekaert anticipates a moderate slowdown in demand from the tire industry in the second half of the year, on top of the usual seasonal effects during summer holidays and at year-end.

NORTH AMERICA

Key figures (in millions of €)	1H 2013	2H 2013	1H 2014
Consolidated sales	295	253	281
Operating result before non-recurring items (REBIT)	13	6	14
REBIT margin on sales	4.3%	2.4%	5.1%
Non-recurring items	0	-11	1
Operating result (EBIT)	12	-4	15
EBIT margin on sales	4.2%	-1.6%	5.4%
Depreciation, amortization and impairment losses	6	8	5
EBITDA	18	4	20
EBITDA margin on sales	6.2%	1.6%	7.2%
Segment assets	286	245	289
Segment liabilities	62	58	69
Capital employed	223	187	220

Bekaert's ropes activities performed well in North America and demand in automotive markets increased as of the second quarter of 2014. Agriculture and construction markets did not yet recover from the harsh winter in the first quarter of the year and demand for cable armoring products remained at the low level of 2013 when US Government put the power grid renewal investments on hold. Bekaert's activities realized a modest volume increase and an improved product mix, but saw its top-line decrease by 5% as a result of unfavorable currency movements, year-on-year.

Profit margins improved slightly but remained low as a result of underutilized production capacity and price pressure from import flows.

The company projects the upward trend in automotive markets to continue, and demand in other sectors to remain stable at the current levels.

LATIN AMERICA

Key figures (in millions of €)	1H 2013	2H 2013	1H 2014
Consolidated sales	352	293	295
Operating result before non-recurring items (REBIT)	28	16	11
REBIT margin on sales	7.9%	5.5%	3.9%
Non-recurring items	0	0	10
Operating result (EBIT)	28	16	21
EBIT margin on sales	7.9%	5.5%	7.1%
Depreciation, amortization and impairment losses*	11	9	-3
EBITDA	39	25	18
EBITDA margin on sales	11.1%	8.5%	6.2%
Combined sales	823	711	693
Segment assets	458	407	507
Segment liabilities	91	76	98
Capital employed	367	331	409

* 1H2014 includes €-10.9 million negative goodwill (cf. annex 8)

Latin American markets have become more competitive as they continue to be impacted by a downturn in mining and public infrastructure. A continued weaker growth rate in China drove commodity prices down, having a direct impact on government budgets and public spending in Latin America. Fiscal reforms and elections in several countries added to the uncertainty in various sectors, such as housing and infrastructure. The economy in Venezuela came to a complete standstill as a result of the political and monetary instability.

Compared with a strong first half of 2013, Bekaert's activities in Latin America maintained their solid market shares but reported a substantial drop in consolidated revenues as a result of the depreciation of several currencies versus the strong euro, among which the Chilean peso (-21% versus the euro, year-on-year). The passed-on lower raw materials prices obtained through changed sourcing policies, an overall unfavorable price-mix and the business climate in Venezuela added to the sales decline.

Bekaert's operations in Venezuela recorded a volume drop of 50% as a result of a forced shutdown due to raw material shortages. This represented a sales decline of €-11 million and an EBIT impact of €-6 million, compared with the first half of 2013.

The non-recurring items mainly relate to the acquisition deal in Costa Rica and Brazil.

The significant impact of currency movements on combined sales was due to the sharp devaluation of the Brazilian real (while picking up in second quarter, its year-on-year effect totaled -18%).

Bekaert believes its markets in Latin America have bottomed out and anticipates a modest upward trend in the second half of the year.

ASIA PACIFIC

Key figures (in millions of €)	1H 2013	2H 2013	1H 2014
Consolidated sales	470	483	478
Operating result before non-recurring items (REBIT)	39	38	43
REBIT margin on sales	8.4%	7.9%	8.9%
Non-recurring items	0	-4	-4
Operating result (EBIT)	39	34	39
EBIT margin on sales	8.4%	7.0%	8.2%
Depreciation, amortization and impairment losses	44	36	49
EBITDA	84	69	88
EBITDA margin on sales	17.8%	14.3%	18.4%
Combined sales	495	506	501
Segment assets	1 341	1 221	1 219
Segment liabilities	119	134	143
Capital employed	1 222	1 087	1 076

Bekaert achieved an organic sales growth of 8% in Asia, most of which was neutralized by adverse currency effects (-6%). Compared with the first half of 2013, profitability slightly increased. The positive effects of cost savings and product mix were largely cancelled out as a result of further price pressure.

Bekaert's tire cord activities in China recorded 10% volume growth year-on-year. The company defended its market share in a highly competitive environment. Our activities in Asia also achieved solid growth in other platforms serving, among others, the automotive and solar industries. However, we could not yet turn around the underperformance of the recently acquired entities in China and Malaysia, where the integration process is taking more time than anticipated in a business environment with increased competition and weaker demand.

The non-recurring items relate to impairments booked on assets in the Malaysian platform.

Bekaert perceives an acceleration of price erosion in the Chinese tire markets and expects that the recently initiated US anti-dumping measures against imports of passenger and light truck tires from China, will affect the activities of export-driven Chinese tire makers. Bekaert therefore is cautious on the outlook for the coming months.

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.

On 30 July 2014, the European Commission has approved under the EU Merger Regulation, the proposed acquisition of Pirelli's steel cord activities by Bekaert. Additional merger control approval procedures are in process in Turkey and Brazil.

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 is expected to start up in the course of the 4th quarter of 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 311 489 own shares for a total amount of €8.6 million in the course of the first half of 2014. 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 1 964 166 treasury shares as at 30 June 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 and is being continued. More details are reported in Annex 10 of this press release.

Capital expenditure amounted to €61 million of which €58 million in property, plant and equipment (versus €32 million in the same period last year). Several expansion investments came into effect in the course of the first half of 2014, such as additional production capacity for bead wire for tire reinforcement and Dramix® for concrete reinforcement.

Bekaert's expenditure in research and development totaled €30 million in the first six months of 2014. These R&D expenses related mainly to the activities of the international technology centers in Deerlijk (Belgium) and Jiangyin (China) and were slightly lower than in the same period last year (€32 million).

Net debt was €673 million as at 30 June 2014, versus €770 million as at 30 June 2013 and €574 million as at 31 December 2013 (further details on page 7: Balance Sheet).

Financial Review

Results

Bekaert achieved an operating result before non-recurring items (REBIT) of €101.1 million, up 11% from the same period last year. This equates to a REBIT margin on sales of 6.3%. Non-recurring items amounted to €+16.6 million compared with €-2.3 million in the first half of 2013 and were the result of gains on the sale of property and the reversal of environmental provisions in Belgium (€+14.2 million), the acquisition transaction in Latin America (€+11.3 million), and impairments on assets and restructuring costs for a total amount of €-8.9 million.

Including non-recurring items, EBIT was €117.8 million (EBIT margin on sales of 7.3%) compared with €88.7 million in the first half of 2013. EBITDA amounted to €190.5 million, resulting in an EBITDA margin on sales of 11.8% (compared with €172.0 million at an EBITDA margin of 10.4%).

Selling and administrative expenses amounted to € 132.9 million, slightly higher than in the first half of 2013. Research and development expenses decreased from € 32.0 million to € 29.8 million.

Net interest expenses amounted to € 27.5 million (versus € 32.8 million).

Taxation on profit amounted to € 22.9 million versus € 29.7 million in the same period last year.

The share in the result of joint ventures and associated companies amounted to € 12.5 million versus € 17.1 million in the first half of 2013 which then included favorable one-off gains in Brazil as a result of social tax recovery.

The result for the period was € 80.4 million compared with € 34.9 million. After non-controlling interests (€ 2.0 million), the result for the period attributable to the Group was € 78.4 million, compared with € 26.2 million in the first half of 2013.

Balance sheet

As at 30 June 2014, shareholders' equity represented 41.5% of total assets, compared with 44.2% as at 30 June 2013.

Net debt increased to € 673 million from € 574 million at year-end 2013 as a result of the dividend payment and the share buy-back in the first half of 2014, and of an increase of the working capital. The net debt level remained significantly lower than at the balance sheet date of 30 June 2013 (€ 770 million) and resulted in a net debt on EBITDA ratio of 1.77, compared with 2.24. The gearing ratio was 43.6% (versus 49.3%).

Cash flow statement

Cash from operating activities amounted to € 9.6 million (versus € 61.8 million in the same period last year), mainly as a result of a higher increase in operating working capital compared with the same period last year and of the disbursement of employee benefits.

Cash flow attributable to investing activities amounted to € -45.8 million, of which € -58.2 million related to capital expenditure (PP&E) compared with € -32.2 million in the first half of 2013.

Cash flows from financing activities totaled € 177.5 million (versus € -79.8 million in the same period of 2013) and were, among other elements, driven by the proceeds of the convertible bond of June 2014 (€ +300 million), the bond repayment of April 2014 (€ -100 million), the dividend payments (€ -57.2 million), and the share buy-back program (€ -8.6 million).

NV Bekaert SA (statutory accounts)

The Belgium-based parent entity's sales amounted to € 217.0 million, compared with € 201.0 million in the first half of 2013. The operating result was € 14.8 million (versus € 2.2 million). The financial result amounted to € -11.2 million (versus € 4.9 million) and the extraordinary result was € 9.5 million (versus € 0.7 million).

NV Bekaert SA achieved a result for the period of € 13.6 million (versus € 8.4 million for the first half of 2013).

Financial calendar

2014 half year results	1	August	2014
The CEO and CFO of Bekaert will present the results to the investment community at 02:00 p.m. CET.			
This conference can be accessed live upon registration via the Bekaert website in listen-only mode.			
Third quarter trading update 2014	14	November	2014
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

Notes

These unaudited and condensed consolidated interim financial statements have been prepared using accounting policies consistent with IFRSs as adopted by the European Union including IAS 34 – Interim Financial Reporting. This interim report only provides an explanation of events and transactions that are significant to understand the changes in financial position and financial performance since the last annual reporting period, and should therefore be read in conjunction with the consolidated financial statements for the financial year ended on December 31, 2013.

In preparing this interim report, the same accounting policies and methods of computation have been used as in the 31 December 2013 annual consolidated financial statements. None of the new, amended or revised IFRSs that have been adopted as of January 1, 2014 has had a significant impact on this interim report. For an overview of the IFRS standards, amendments and interpretations that have become effective in 2014, please refer to the Statement of Compliance (section 2.1) of the financial review in the 2013 Annual Report (<http://annualreport.bekaert.com>).

Statement from the responsible persons

The undersigned persons state that, to the best of their knowledge:

- the condensed financial statements of NV Bekaert SA and its subsidiaries as of 30 June 2014 have been prepared in accordance with the International Financial Reporting Standards, and give a true and fair view of the assets and liabilities, financial position and results of the whole of the companies included in the consolidation; and
- the interim management report gives a fair overview of the information required to be included therein.

Bruno Humbert
Chief Financial Officer

Matthew Taylor
Chief Executive Officer

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 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.

Annex 1: Press release 1 August 2014

Consolidated income statement

(in thousands of €)	1H 2013	2H 2013	1H 2014
Sales	1 648 533	1 537 095	1 608 803
Cost of sales	-1 399 593	-1 303 723	-1 351 124
Gross profit	248 940	233 372	257 679
 Selling expenses	-68 086	-60 121	-67 858
Administrative expenses	-62 987	-61 937	-65 086
Research and development expenses	-32 000	-30 429	-29 815
Other operating revenues	12 642	-140	12 615
Other operating expenses	-7 525	-5 812	-6 367
Operating result before non-recurring items (REBIT)	90 984	74 933	101 168
Non-recurring items	-2 267	-26 380	16 630
Operating result (EBIT)	88 717	48 553	117 798
 Interest income	3 029	3 420	2 605
Interest expense	-35 810	-34 344	-30 126
Other financial income and expenses	-8 413	-11 409	478
Result before taxes	47 523	6 220	90 755
 Income taxes	-29 698	-18 218	-22 886
Result after taxes (consolidated companies)	17 825	-11 998	67 869
Share in the results of joint ventures and associates	17 115	13 129	12 495
 RESULT FOR THE PERIOD	34 940	1 131	80 364
 Attributable to			
the Group	26 168	-1 594	78 351
non-controlling interests	8 772	2 725	2 013
 EARNINGS PER SHARE (in € per share)			
Result for the period attributable to the Group			
Basic	0.45	-0.03	1.34
Diluted	0.45	-0.03	1.34

Annex 2: Press release 1 August 2014

Reconciliation of segment reporting

Key figures per segment

(in millions of €)	EMEA	N-AM	L-AM	APAC	GROUP ¹	RECONC ²	1H 2014
Consolidated sales	555	281	295	478	-	-	1 609
Operating result before non-recurring items	64	14	11	43	-32	1	101
REBIT margin on sales	12%	5%	4%	9%	-	-	6%
Non-recurring items	7	1	10	-4	3	-	17
Operating result (EBIT)	70	15	21	39	-29	2	118
EBIT margin on sales	13%	5%	7%	8%	-	-	7%
Depreciation, amortization, impairment losses*	22	5	-3	49	6	-7	72
EBITDA	93	20	18	88	-23	-6	190
EBITDA margin on sales	17%	7%	6%	18%	-	-	12%
Segment assets	780	289	507	1 219	147	-169	2 774
Segment liabilities	203	69	98	143	68	-79	502
Capital employed	578	220	409	1 076	79	-90	2 271

* 1H2014 includes €-10.9 million negative goodwill (cf. annex 8)

¹ Group and Business Support

² Reconciliations

Annex 3: Press release 1 August 2014

Consolidated statement of comprehensive income

(in thousands of €)	1H 2013	1H 2014
Result for the period	34 940	80 364
Other comprehensive income (OCI)		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences	-15 430	6 387
Inflation adjustments	831	942
Cash flow hedges	277	357
Available-for-sale investments	-10	-596
Deferred taxes relating to OCI to be reclassified	-56	1 219
OCI to be reclassified to profit or loss in subsequent periods, after tax	-14 388	8 309
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>		
Remeasurements on defined benefit plans	10 915	-10 156
Share of other comprehensive income of joint ventures and associates	-	-216
Deferred taxes relating to OCI not to be reclassified	108	136
OCI not to be reclassified to profit or loss in subsequent periods, after tax	11 023	-10 236
Other comprehensive income for the period	-3 365	-1 927
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	31 575	78 437
Attributable to		
the Group	28 677	77 953
non-controlling interests	2 898	484

Annex 4: Press release 1 August 2014

Consolidated balance sheet

(in thousands of €)	31-Dec-13	30-Jun-14
Non-current assets	1 608 640	1 619 261
Intangible assets	71 043	69 620
Goodwill	16 369	16 526
Property, plant and equipment	1 239 058	1 249 939
Investments in joint ventures and associates	155 838	170 111
Other non-current assets	48 781	36 605
Deferred tax assets	77 551	76 460
Current assets	1 771 817	2 105 233
Inventories	539 265	618 244
Bills of exchange received	110 218	106 276
Trade receivables	583 215	685 731
Other receivables	83 781	90 289
Short-term deposits	10 172	9 780
Cash and cash equivalents	391 857	533 154
Other current assets	51 213	61 759
Assets classified as held for sale	2 096	-
Total	3 380 457	3 724 494
Equity	1 503 876	1 545 065
Share capital	176 773	176 773
Share premium	31 055	31 055
Retained earnings	1 307 618	1 344 525
Other Group reserves	-169 170	-177 660
Equity attributable to the Group	1 346 276	1 374 693
Non-controlling interests	157 600	170 372
Non-current liabilities	904 966	1 108 476
Employee benefit obligations	136 602	145 419
Provisions	40 510	42 278
Interest-bearing debt	688 244	860 011
Other non-current liabilities	2 587	17 437
Deferred tax liabilities	37 023	43 331
Current liabilities	971 615	1 070 953
Interest-bearing debt	321 907	390 731
Trade payables	338 864	378 390
Employee benefit obligations	121 117	111 556
Provisions	23 912	19 498
Income taxes payable	83 329	78 089
Other current liabilities	82 486	92 689
Liabilities associated with assets classified as held for sale	-	-
Total	3 380 457	3 724 494

Annex 5: Press release 1 August 2014

Consolidated statement of changes in equity

(in thousands of €)	1H 2013	1H 2014
Opening balance	1 603 593	1 503 876
Total comprehensive income for the period	31 575	78 437
Capital contribution by non-controlling interests	-	3 359
Effect of acquisitions and disposals	-	20 170
Creation of new shares	-	-
Treasury shares transactions	-15 275	-8 598
Dividends to shareholders of NV Bekaert SA	-49 596	-49 650
Dividends to non-controlling interests	-8 870	-4 273
Share-based payments	2 118	1 744
Closing balance	1 563 545	1 545 065

Annex 6: Press release 1 August 2014

Consolidated cash flow statement

(in thousands of €)	1H 2013	1H 2014
Operating result (EBIT)	88 716	117 798
Non-cash items included in operating result	93 553	81 372
Investing items included in operating result	37	-9 158
Amounts used on provisions and employee benefit obligations	-21 464	-32 179
Income taxes paid	-24 156	-21 454
Gross cash flows from operating activities	136 686	136 379
Change in operating working capital	-82 695	-124 851
Other operating cash flows	7 809	-1 971
Cash flows from operating activities	61 800	9 557
New business combinations	-	-
Other portfolio investments	-	-632
Proceeds from disposals of investments	394	1 052
Dividends received	2 704	83
Purchase of intangible assets	-356	-2 450
Purchase of property, plant and equipment	-32 188	-58 152
Other investing cash flows	9 078	14 268
Cash flows from investing activities	-20 368	-45 831
Interest received	7 087	2 829
Interest paid	-38 043	-22 878
Gross dividend paid	-58 535	-57 176
Proceeds from non-current interest-bearing debt	24 240	303 161
Repayment of non-current interest-bearing debt	-127 161	-127 345
Cash flows from current interest-bearing debt	43 300	87 393
Treasury shares transactions	-15 275	-8 598
Other financing cash flows	84 585	99
Cash flows from financing activities	-79 802	177 485
Net increase or decrease (-) in cash and cash equivalents	-38 370	141 211
Cash and cash equivalents at the beginning of the period	352 312	391 857
Effect of exchange rate fluctuations	3 670	86
Cash and cash equivalents at the end of the period	317 612	533 154

Annex 7: Press release 1 August 2014

Additional key figures

(in € per share)	1H 2013	1H 2014
Number of existing shares at 30 June	60 000 942	60 063 871
Book value	23.13	22.89
Share price at 30 June	24.44	27.29
Weighted average number of shares		
Basic	58 653 506	58 388 094
Diluted	58 767 109	58 682 658
Result for the period attributable to the Group		
Basic	0.45	1.34
Diluted	0.45	1.34
(in thousands of € - ratios)		
EBITDA	171 964	190 460
Depreciation and amortization and impairment losses*	83 247	72 662
Capital employed	2 393 084	2 271 188
Operating working capital	974 129	935 104
Net debt	770 065	673 384
REBIT on sales	5.5%	6.3%
EBIT on sales	5.4%	7.3%
EBITDA on sales	10.4%	11.8%
Equity on total assets	44.2%	41.5%
Gearing (net debt on equity)	49.3%	43.6%
Net debt on EBITDA	2.24	1.77
NV Bekaert SA - Statutory Profit and Loss Statement		
(in thousands of €)		
Sales	200 988	216 998
Operating result	2 240	14 773
Financial result	4 890	-11 168
Profit from ordinary activities	7 130	3 605
Extraordinary results	748	9 463
Profit before income taxes	7 878	13 068
Income taxes	510	530
Result for the period	8 388	13 598

* 1H2014 includes €-10.9 million negative goodwill (cf. annex 8)

Annex 8: Press release 1 August 2014

Effect of new business combinations

On 10 December 2013, Bekaert announced the signing of an agreement with ArcelorMittal including the start-up of a Dramix® plant in Costa Rica, the acquisition of the majority of the shares of the ArcelorMittal steel wire plant in Costa Rica, and raising its share from 45% to 100% in the Cimaf ropes plant in Brazil. The deal was finalized on 30 April 2014 when Bekaert and ArcelorMittal signed the Closing Memoranda which confirm:

- The acquisition by Bekaert, through its Bekaert Ideal Holding, of the majority of the shares (73%) of the ArcelorMittal steel wire plant in Costa Rica (renamed BIA Alambres Costa Rica SA);
- The set-up of the same shareholding structure in the new Dramix® plant in Costa Rica (Bekaert Costa Rica SA) and in Bekaert's steel wire entity in Ecuador (Ideal Alambrec SA);
- The acquisition by Bekaert of the remaining shares of the Cimaf ropes plant, by which Bekaert obtains full ownership. This entity has been renamed Bekaert Cimaf Cabos Ltda.

By this strategic transaction, Bekaert intends to better serve customers from various sectors in the region with a broader steel wire product portfolio in the construction, mining, oil & gas, agricultural, fencing and industrial markets. The deal builds on existing partnerships in the region with ArcelorMittal and the Kohn family.

In accordance with IFRS 3 (revised 2008), when a business combination is achieved in stages, also known as a step acquisition, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date, and any resulting gain or loss is recognized in profit or loss. In this case, the fair value of the Group's previously held 45% interest in the Cimaf Ropes plant was extrapolated from the equity valuation agreed between the partners. This extrapolation established the fair value at € 9.7 million. The carrying amount of the Group's interest in the Cimaf Ropes plant at the acquisition date amounted to € 7.9 million. This resulted in a gain on step acquisition of € 1.8 million, which is presented in 'non-recurring items' in the income statement.

In accordance with IFRS 3, any amounts arising from interests in the acquiree prior to the acquisition date that have been recognized in the Group's other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if the interests were disposed of. This resulted in a loss of € 1.4 million from a reclassification of cumulative translation adjustments, which is also presented in 'non-recurring items' in the income statement.

Goodwill is measured as the difference between:

- (i) The sum of the following elements:
 - a. The purchase consideration;
 - b. The amount of any non-controlling interests in the acquiree;
 - c. The fair value of the Group's previously held equity interest in the acquiree; and
- (ii) The net balance of the fair value of the identifiable assets acquired and the liabilities assumed.

Since the purchase consideration consisted of the Ideal Alambrec shares, it is measured at the fair value of the non-controlling interest disposed.

The initial accounting for the business combination resulted in a negative goodwill (€ -10.9 million) which was recognized as a gain in 'non-recurring items' of the income statement.

The table below presents the net assets acquired by balance sheet caption, showing the effect of fair value adjustments applied in accordance with IFRS 3 Business Combinations and the goodwill calculation. It also clarifies the amount shown in the consolidated cash flow statement as 'new business combinations', i.e. nil, since no cash was exchanged between the parties in this deal.

Total in thousands of €	Acquiree's carrying amount before combination		Fair value adjustments	Fair value
Intangible assets	13		-13	-
Property, plant and equipment	15 053		24 205	39 258
Deferred tax assets	615		2 531	3 146
Inventories	15 504		-131	15 373
Trade receivables	1 596		-	1 596
Provisions	-		-8 293	-8 293
Deferred tax liabilities	-1 261		-7 817	-9 078
Trade payables	-		-	-
Current employee benefit obligations	-554		-	-554
Other current liabilities	-22		-	-22
Total net assets acquired in the business combination	30 944		10 482	41 426
Equity method investment held prior to business combination	-7 927		-1 804	-9 731
Non-controlling interests arising on the acquirees	-5 544		1 637	-3 907
Non-controlling interests disposed	-4 981		-11 914	-16 895
Goodwill				-10 893
Consideration paid in cash				0
Cash acquired	-		-	-
New business combinations				0

The positive fair value adjustments on property, plant and equipment mainly relate to the land and buildings held by Bekaert Cimaf Cabos Ltda. and BIA Alambres Costa Rica SA. The fair value adjustments on inventories mainly consist of write-downs of slow moving and obsolete inventories to net realizable value. A provision has been recognized for the effects of the long-term secured wire rod supply contract that is part of the deal between Bekaert and ArcelorMittal.

The initial accounting of the above transaction was determined provisionally.

The effect on consolidated sales and on the result for the period is shown below:

Total in thousands of €	Acquisition date	Net sales for the period	Result for the period
Total for the acquired companies	30 April 2014	7 151	10 334

The result for the period includes € 11.3 million non-recurring items relating to the business combination accounting.

Annex 9: Press release 1 August 2014

Additional disclosure on fair value of financial instruments

In accordance with IFRS 13, Fair Value Measurement, the Group presents information on fair value measurement of financial assets and liabilities in its interim financial statements.

The following tables list the different classes of financial assets and liabilities with their carrying amounts in the balance sheet and their respective fair value and analyzed by their measurement category in accordance with IAS 39, Financial Instruments: Recognition and Measurement or IAS 17, Leases.

Cash and cash equivalents, short-term deposits, trade and other receivables, bills of exchange received, loans and receivables primarily have short terms to maturity; hence, their carrying amounts at the reporting date approximate the fair values. Furthermore, the Group has no exposure to collateralized debt obligations (CDOs). Trade and other payables also generally have short times to maturity and, hence, their carrying amounts also approximate their fair values.

The following categories and abbreviations are used in the table below:

Abbreviation	Category in accordance with IAS 39
L&R	Loans & Receivables
AfS	Available for Sale
FAFVTPL	Financial Assets at Fair Value Through Profit or Loss
FLMaAC	Financial Liabilities Measured at Amortized Cost
Hedge accounting	Hedge accounting
FLFVTPL	Financial Liabilities at Fair Value Through Profit or Loss
n.a.	Not applicable

2014 H1 in thousands of €	Category in accordance with IAS 39	2014 H1	Carrying amount		Amounts recognized in balance sheet in accordance with IAS 39 at		Fair value in accordance with IAS 17	Fair value 2014 H1
			Amortized cost	Fair value through equity	Fair value through profit or loss			
Assets								
Cash and cash equivalents	L&R	533 154	533 154	-	-	-	-	533 154
Short term deposits	L&R	9 780	9 780	-	-	-	-	9 780
Trade receivables	L&R	685 731	685 731	-	-	-	-	685 731
Bills of exchange received	L&R	106 276	106 276	-	-	-	-	106 276
Other receivables	L&R	90 289	90 289	-	-	-	-	90 289
Loans and receivables	L&R	35 803	35 803	-	-	-	-	35 803
Available for sale financial assets	AfS	7 933	968	6 965	-	-	-	7 933
Derivative financial assets								
- without a hedging relationship	FAFVTPL	11 269	-	-	11 269	-	-	11 269
- with a hedging relationship	Hedge accounting	4 825	-	2 928	1 897	-	-	4 825
Liabilities								
Interest-bearing debt								
- finance leases	n.a.	35 803	-	-	-	-	35 803	35 803
- credit institutions	FLMaAC	329 194	329 194	-	-	-	-	329 194
- bonds	Hedge accounting	100 663	69 107	31 556	-	-	-	102 147
- bonds	FLMaAC	820 727	820 727	-	-	-	-	861 853
Trade payables	FLMaAC	378 390	378 390	-	-	-	-	378 390
Other payables	FLMaAC	134 812	134 812	-	-	-	-	134 812
Derivative financial liabilities								
- without a hedging relationship	FLFVTPL	24 779	-	-	24 779	-	-	24 779
- with a hedging relationship	Hedge accounting	498	-	498	-	-	-	498
Aggregated by category in accordance with IAS 39								
Loans and receivables	L&R	1 461 033	1 461 033	-	-	-	-	1 461 033
Available-for-sale financial assets	AfS	7 933	968	6 965	-	-	-	7 933
Financial assets -hedge accounting	Hedge accounting	4 825	-	2 928	1 897	-	-	4 825
Financial assets at fair value through profit or loss	FAFVTPL	11 269	-	-	11 269	-	-	11 269
Financial liabilities measured at amortized cost	FLMaAC	1 663 123	1 663 123	-	-	-	-	1 704 249
Financial liabilities – hedge accounting	Hedge accounting	101 161	69 107	32 054	-	-	-	102 645
Financial liabilities at fair value through profit or loss	FLFVTPL	24 779	-	-	24 779	-	-	24 779

2013 in thousands of €	Category in accordance with IAS 39	2013	Carrying amount	Amounts recognized in balance sheet in accordance with IAS 39 at			Fair value 2013
			Amortized cost	Fair value through equity	Fair value through profit or loss		
Assets							
Cash and cash Equivalents	L&R	391 857	391 857	-	-	-	391 857
Short term deposits	L&R	10 172	10 172	-	-	-	10 172
Trade receivables	L&R	583 215	583 215	-	-	-	583 215
Bills of exchange received	L&R	110 218	110 218	-	-	-	110 218
Other receivables	L&R	83 781	83 781	-	-	-	83 781
Loans and receivables	L&R	31 748	31 748	-	-	-	31 748
Available for sale financial assets	AfS	8 713	975	7 738	-	-	8 713
Derivative financial assets							
- without a hedging Relationship	FAFVTPL	22 016	-	-	22 016	-	22 016
- with a hedging Relationship	Hedge accounting	6 309	-	3 638	2 671	-	6 309
Liabilities							
Interest-bearing debt							
- finance leases	n.a.	196	-	-	-	196	196
- credit institutions	FLMaAC	258 837	258 837	-	-	-	258 837
- bonds	Hedge accounting	101 118	69 107	-	32 011	-	103 619
- bonds	FLMaAC	650 000	650 000	-	-	-	676 637
Trade payables	FLMaAC	338 864	338 864	-	-	-	338 864
Other payables	FLMaAC	135 441	135 441	-	-	-	135 441
Derivative financial liabilities							
- without a hedging relationship	FLFVTPL	11 479	-	-	11 479	-	11 479
- with a hedging relationship	Hedge accounting	885	-	885	-	-	885
Aggregated by category in accordance with IAS 39							
Loans and receivables	L&R	1 210 991	1 210 991	-	-	-	1 210 991
Available-for-sale financial assets	AfS	8 713	975	7 738	-	-	8 713
Financial assets – hedge accounting	Hedge accounting	6 309	-	3 638	2 671	-	6 309
Financial assets at fair value through profit or loss	FAFVTPL	22 016	-	-	22 016	-	22 016
Financial liabilities measured at amortized cost	FLMaAC	1 383 142	1 383 142	-	-	-	1 409 779
Financial liabilities – hedge accounting	Hedge accounting	102 003	69 107	885	32 011	-	104 504
Financial liabilities at fair value through profit or loss	FLFVTPL	11 479	-	-	11 479	-	11 479

Financial instruments by fair value measurement hierarchy

The fair value measurement of financial assets and financial liabilities can be characterized in one of the following ways:

- 'Level 1' fair value measurement: the fair values of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices in active markets for identical assets and liabilities. This mainly relates to available-for-sale financial assets such as the investment in Shougang Concord Century Holdings Ltd.
- 'Level 2' fair value measurement: the fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments. This mainly relates to derivative financial instruments. Forward exchange contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching the maturities of the contracts. Interest-rate swaps are measured at the present value of estimated future cash flows and discounted using the applicable yield curves derived from quoted interest rates. The fair value measurement of cross-currency interest-rate swaps is based on discounted estimated cash flows using quoted forward exchange rates, quoted interest rates and applicable yield curves derived therefrom.
- 'Level 3' fair value measurement: the fair values of the remaining financial assets and financial liabilities are derived from valuation techniques which include inputs which are not based on observable market data. The characteristics of the convertible bond issued in June 2014 are such that, in accordance with IAS 39, Financial Instruments: Recognition and Measurement, it is broken down into two components in the balance sheet: (1) the host contract or plain vanilla debt (i.e. without the conversion option), which is measured at amortized cost and (2) the embedded derivative, i.e. the conversion option, which is measured at fair value through profit or loss. The fair value of the host contract is determined by discounting the contractual cash flows with the reference swap rate plus the appropriate credit spread. This fair value at inception is also the initial amortized cost of the plain vanilla debt. The fair value of the total convertible debt equals the gross proceeds at inception. Subsequently, the fair value of the total convertible debt is determined through an option pricing model that is mainly based on the contractual provisions and several inputs of level 1, level 2 and level 3 (see below). The fair value of the embedded derivative (i.e. the conversion option) is determined as the difference between the fair value of the total convertible debt and the fair value of the plain vanilla debt.

Inputs to the option pricing model

Contractual provisions

Issue size (in thousands of €)	300 000
Issue price	100%
Initial conversion premium	32.5%
Coupon	0.75%
Redemption price	at par
Dividend protection	above € 0.85 p.s.
Issuer call	after 2 years; at par, 130% trigger

	<u>At issue date</u>	<u>At 30 June 2014</u>
Level 1 inputs		
Share price	€ 27.97	€ 27.29
Level 2 inputs		
Reference swap rate	0.54%	0.50%
Credit spread	210 bps	210 bps
Level 3 inputs		
Implied volatility (source: Bloomberg)	25.40%	24.10%

Outcome of the model (in thousands of €)

Fair value of the convertible debt	300 000	296 856
Fair value of the plain vanilla debt	278 700	279 600
Fair value of the conversion option	21 300	17 256

At the balance sheet date, the quotation of the convertible debt on the Open Market segment of the Frankfurt Stock Exchange was deemed insufficiently reliable as a fair value measurement, in the absence of a significant number of transactions. Therefore, the implied volatility is derived from the Bloomberg quotation of the convertible debt, which is mainly based on dealer quotes.

The carrying amount (i.e. the fair value) of the conversion derivative has evolved as follows:

Derivative liability w.r.t. the conversion option
in thousands of €

At issue of the convertible debt (10 June 2014)	21 300
(Gain) /loss in fair value	-4 044
At 30 June 2014	17 256

The following table shows the sensitivity of the fair value calculation to the most significant level-3 input.

Sensitivity analysis

in thousands of €	Change	Impact on derivative liability
Implied volatility	2.5% increase by	3 894
	-2.5% decrease by	-3 456

The fair value of all financial instruments measured at amortized cost in the balance sheet, either in accordance with IAS 39 or with IAS 17, has been determined using 'Level 2' fair value measurement techniques. The following table provides an analysis of financial instruments measured at fair value in the balance sheet, in accordance with the fair value measurement hierarchy described above:

2014 H1

in thousands of €	Level 1	Level 2	Level 3	Total
Financial assets - hedge accounting				
<i>Derivative financial assets</i>	-	4 825	-	4 825
Financial assets at fair value through profit or loss				
<i>Derivative financial assets</i>	-	11 269	-	11 269
Available-for-sale financial assets				
<i>Equity investments</i>	6 495	470	-	6 965
Total assets	6 495	16 564	-	23 059
Financial liabilities - hedge accounting				
<i>Interest-bearing debt</i>	-	31 556	-	31 556
<i>Derivative financial liabilities</i>	-	498	-	498
Financial liabilities at fair value through profit or loss				
<i>Derivative financial liabilities</i>	-	7 523	17 256	24 779
Total liabilities	-	39 577	17 256	56 833

2013

in thousands of €	Level 1	Level 2	Level 3	Total
Financial assets - hedge accounting				
<i>Derivative financial assets</i>	-	6 309	-	6 309
Financial assets at fair value through profit or loss				
<i>Derivative financial assets</i>	-	22 016	-	22 016
Available-for-sale financial assets				
<i>Equity investments</i>	7 248	490	-	7 738
Total assets	7 248	28 815	-	36 063
Financial liabilities - hedge accounting				
<i>Interest-bearing debt</i>	-	32 011	-	32 011
<i>Derivative financial liabilities</i>	-	885	-	885
Financial liabilities at fair value through profit or loss				
<i>Derivative financial liabilities</i>	-	11 479	-	11 479
Total liabilities	-	44 375	-	44 375

Annex 10: Press release 1 August 2014

Other disclosures

Issuance of debt securities

On 10 June 2014, Bekaert successfully placed €300 million senior unsecured convertible bonds due June 2018. The bonds were issued at 100% of their principal amount and have a coupon of 0.75% per annum. The conversion price of €37.06 per share has been set at a premium of 32.5% over the reference share price of €27.9704, being the volume weighted average price of the Company's ordinary shares on Euronext Brussels from launch to pricing.

Treasury shares

A total of 311 489 shares were bought back in the course of the first semester with a view to help meeting the Company's obligations under the terms of the convertible bonds, or in relation to employee equity-based incentive plans. At 30 June 2014, the total number of treasury shares amounts to 1 964 166. As Bekaert continues its program to buy back its own shares, please also refer to the 'Events after the balance sheet date' below.

Related parties

There were no other related parties transactions or changes that could materially affect the financial position or results of the Group.

Contingent assets and liabilities

No material contingent assets and liabilities have been identified since the annual report 2013 was issued.

Events after the balance sheet date

Bekaert continues its program to purchase its own shares, and communicates the volumes purchased by day in a weekly press release. For more information: www.bekaert.com/investors/share-information/share-buy-back.

Annex 11: Press release 1 August 2014

Definitions

Associates

Companies in which Bekaert has a significant influence, generally reflected by an interest of at least 20%. Associates are accounted for using the equity method.

Book value per share

Equity attributable to the Group divided by number of shares outstanding at balance sheet date.

Capital employed (CE)

Working capital + net intangible assets + net goodwill + net property, plant and equipment. The average CE is computed as capital employed at previous year-end plus capital employed at balance sheet date divided by two.

EBIT

Operating result (earnings before interest and taxation).

EBITDA

Operating result (EBIT) + depreciation, amortization and impairment of assets.

Equity method

Method of accounting whereby an investment (in a joint venture or an associate) is initially recognized at cost and subsequently adjusted for any changes in the investor's share of the joint venture's or associate's net assets (i.e. equity). The income statement reflects the investor's share in the net result of the investee.

Gearing

Net debt relative to equity.

Joint ventures

Companies under joint control in which Bekaert generally has an interest of approximately 50%. Joint ventures are accounted for using the equity method.

Net debt

Interest-bearing debt net of current loans, non-current financial receivables and cash guarantees, short term deposits and cash and cash equivalents. For the purpose of debt calculation only, interest-bearing debt is remeasured to reflect the effect of any cross-currency interest-rate swaps (or similar instruments), which convert this debt to the entity's functional currency.

Non-recurring items

Operating income and expenses that are related to restructuring programs, impairment losses, business combinations, business disposals, environmental provisions or other events and transactions that have a one-time effect.

REBIT

Recurring EBIT = EBIT before non-recurring items.

Sales (combined)

Sales of consolidated companies + 100% of sales of joint ventures and associates after intercompany elimination.

Subsidiaries

Companies in which Bekaert exercises control and generally has an interest of more than 50%.

Working capital (operating)

Inventories + trade receivables + bills of exchange received + advances paid - trade payables - advances received - remuneration and social security payables - employment-related taxes.