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Press release
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Press - Investors
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First half year 2015 results

Bekaert reports continued strong growth, driven by acquisitions and currency effects

Highlights[1]

Bekaert achieved strong sales growth in the first half of 2015. The company's consolidated top line increased by 18% to € 1.9 billion as a result of acquisitions and favorable currency movements. Compared with the first half of 2014, REBIT grew by 12% thanks to a significant improvement of profitability as from the second quarter of 2015 onwards.

Bekaert achieved excellent results in EMEA and increased the profitability of its Latin American activities significantly. While volumes in Asian tire markets have steadily increased since March 2015, profit margins in Asia Pacific have not yet reached the desired levels due to a very weak start of the year. The business in North America continued to be affected by subdued market conditions in various sectors and by the consequences of the fire at the Rome plant in the US, end of 2014.

- Consolidated sales of € 1.9 billion (+18%) and combined sales of € 2.3 billion (+14%)
- Currency impact : € +174 million (+11%) on consolidated sales; € +157 million (+8%) on combined sales
- M&A impact: € +162 million (+10%) on consolidated sales and € +153 million (+8%) on combined sales
- Gross profit of € 304 million (16% margin) compared with € 257 million (16% margin)
- REBIT of € 112 million (5.9% margin) compared with € 100 million (6.2% margin)
- Non-recurring items of € -2.5 million compared with € +16.6 million
- EBIT of € 110 million (5.8% margin) compared with € 117 million (7.3% margin)
- REBITDA of € 219 million (11.5% margin) compared with € 180 million (11.2% margin)
- EPS: € 0.94 compared with € 1.33
- Net debt of € 1 023 million, versus € 673 million as at 30 June 2014 and € 853 million as at year-end 2014

Outlook

Bekaert expects continued strong demand from automotive and construction markets in EMEA and North America for the rest of the year, but perceives subdued demand in oil and gas markets worldwide. The tire cord market in China is expected to remain stable at the level of the second quarter. Low oil and commodity prices affect government budgets and public spending in Latin American markets where economic conditions are weakening.

Bekaert is undertaking a set of actions to drive value creation over time, including a program aimed at optimizing the company's manufacturing cost base and a product portfolio analysis. In addition, we have stepped up our investments in innovation and manufacturing capacity to support future growth.

We expect to see more benefits from recent acquisitions and investments come into effect in the second half of 2015. These benefits will partially offset the normal seasonality impact.

[1] All comparisons are made relative to the figures for the first half of 2014.

Key Figures

in millions of €	1H 2014 (*)	2H 2014 (*)	1H 2015
Consolidated sales	1 609	1 607	1 897
Operating result before non-recurring items (REBIT)	100	64	112
REBIT margin on sales	6.2%	4.0%	5.9%
Non-recurring items	17	-11	-3
Operating result (EBIT)	117	53	110
EBIT margin on sales	7.3%	3.3%	5.8%
Depreciation, amortization and impairment losses	84	98	107
Negative goodwill	-11	0	0
EBITDA	189	151	217
EBITDA margin on sales	11.8%	9.4%	11.4%
Combined sales	2 023	2 017	2 304

(*) restated, see annex 10

Sales[2]

Bekaert achieved consolidated sales of € 1.9 billion and combined sales of € 2.3 billion, an increase of 18% and 14% respectively, compared with the same period of last year.

Acquisitive growth boosted the company's consolidated top line by 10% and favorable currency movements added almost 11%. The organic sales decline (-3%) reflected a combination of: lower sales volumes in North America and Asia (-3%); lower wire rod prices (-4%) passed on to our customers; and an improved product- and price-mix (+4%).

Combined sales[3] increased by 14%. The weaker Brazilian real tempered the translation effect of exchange rate movements at the combined level (+8%). The impact of acquisitions accounted for +8% and organic sales were 2% down from the same period last year.

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

Consolidated sales	1H 2014	1H 2015	Variance	Share	FX impact[4]
EMEA	555	644	+16%	34%	-2
North America	281	313	+11%	16%	+55
Latin America	295	400	+36%	21%	+37
Asia Pacific	478	541	+13%	29%	+85
Total	**1 609**	**1 897**	**+18%**	**100%**	**+174**

Combined sales	1H 2014	1H 2015	Variance	Share	FX impact[4]
EMEA	548	640	+17%	28%	-2
North America	281	313	+11%	14%	+55
Latin America	693	786	+13%	34%	+17
Asia Pacific	501	565	+13%	24%	+88
Total	**2 023**	**2 304**	**+14%**	**100%**	**+157**

2 All comparisons are made relative to the figures for the first half of 2014.
3 Combined sales are sales of consolidated companies plus 100% of sales of joint ventures and associates after intercompany elimination.
4 Foreign exchange impact on 2015 first half sales.

Quarter-on-quarter sales 2015 (in millions of €)

Consolidated sales	1st Q	2nd Q	Q2:Q1
EMEA	313	331	+6%
North America	152	160	+5%
Latin America	195	205	+5%
Asia Pacific	243	297	+22%
Total	**904**	**993**	**+10%**

Combined sales	1st Q	2nd Q	Q2:Q1
EMEA	311	329	+6%
North America	152	160	+5%
Latin America	393	393	=
Asia Pacific	249	315	+27%
Total	**1 106**	**1 198**	**+8%**

Segment reports

EMEA

Key figures (in millions of €)	1H 2014	2H 2014	1H 2015
Consolidated sales	555	509	644
Operating result before non-recurring items (REBIT)	64	51	80
REBIT margin on sales	11.5%	10.0%	12.4%
Non-recurring items	7	-5	7
Operating result (EBIT)	70	46	87
EBIT margin on sales	12.7%	9.0%	13.5%
Depreciation, amortization and impairment losses	22	27	28
EBITDA	93	72	115
EBITDA margin on sales	16.7%	14.2%	17.8%
Segment assets	780	877	969
Segment liabilities	203	211	241
Capital employed	578	666	728

Bekaert's activities in EMEA delivered excellent results driven by strong volume growth and an improved product-mix. The successful integration of the steel cord plants acquired from Pirelli in Italy, Romania and Turkey accounted for 14% of the sales increase and strengthened EMEA's solid, double digit profit base.

Compared with a strong first half of 2014, demand from European markets remained solid. This applied to automotive and construction markets in particular, while energy-related markets showed a slowdown in demand due to a downturn in the oil and gas sector.

Non-recurring items amounted to € +7 million and mainly related to the gain on the disposal of the European activities of the divested Carding Solutions business. These activities have been excluded from Bekaert's consolidated statements as from 1 May 2015.

Bekaert anticipates continued solid demand and performance in most European markets, especially those related to the automotive sector, while taking into account normal seasonality.

NORTH AMERICA

Key figures (in millions of €)	1H 2014	2H 2014	1H 2015
Consolidated sales	281	274	313
Operating result before non-recurring items (REBIT)	14	6	12
REBIT margin on sales	5.1%	2.1%	3.7%
Non-recurring items	1	7	-5
Operating result (EBIT)	15	13	7
EBIT margin on sales	5.4%	4.6%	2.1%
Depreciation, amortization and impairment losses	5	5	5
EBITDA	20	17	12
EBITDA margin on sales	7.2%	6.4%	3.8%
Segment assets	289	303	369
Segment liabilities	69	69	83
Capital employed	220	234	286

Bekaert's activities in North America recorded a top line growth of 11%. Currency effects drove up sales by 19% while the segment reported an organic sales decline of 8% compared with the same period last year. Tough conditions in industrial steel wire markets continued to weigh on the segment's performance. In addition, the volume loss from the plant closure in Surrey, Canada (end of first quarter 2014) and the fire damage in Rome, Georgia (US) (November 2014) adversely affected the region's performance.

The non-recurring items (€ -5 million) mainly related to the Rome plant and are expected to be offset by the insurance settlement in the second half of 2015.

Bekaert anticipates solid demand from automotive and construction markets and continued difficult conditions in other industrial sectors. The production plant in Rome, US, has been reconstructed and is expected to increase its contribution from the final quarter onwards.

LATIN AMERICA

Key figures (in millions of €)	1H 2014 (*)	2H 2014 (*)	1H 2015
Consolidated sales	295	336	400
Operating result before non-recurring items (REBIT)	11	14	22
REBIT margin on sales	3.8%	4.3%	5.5%
Non-recurring items	10	-3	-1
Operating result (EBIT)	21	11	21
EBIT margin on sales	7.1%	3.4%	5.3%
Depreciation, amortization and impairment losses	8	9	14
Negative goodwill	-11	-	-
EBITDA	18	20	35
EBITDA margin on sales	6.1%	5.9%	8.9%
Combined sales	693	729	786
Segment assets	507	620	648
Segment liabilities	98	112	125
Capital employed	409	508	523

(*) restated, see annex 10

Bekaert's consolidated top line in Latin America increased by +36% year-on-year thanks to the significant impact from acquisitions, stable organic volumes and an improved price-mix. Favorable currency movements added 12% while the passed-on lower raw materials prices tempered the growth.

Acquisitive growth accounted for +20% of the year-on-year sales increase and included: the addition of the former Pirelli tire cord plant in Sumaré, Brazil, from January 2015 onwards; the consolidation of the Bekaert Cimaf ropes plant in Brazil and the wire business acquired from ArcelorMittal in Costa Rica at the end of April 2014.

The successful integration of the Sumaré plant and increased sales and margins in the Chilean and Ecuadorian entities drove up profitability and cash generation in the region. REBIT and EBITDA doubled in comparison with the same period last year.

While our activities in Venezuela performed well despite difficult conditions, it remains impossible to forecast market and business developments. Bekaert perceives increased instability in the whole region with a weakening business climate in Brazil, Peru and Ecuador. Bekaert, however, believes that the benefits of its strong market shares, acquisitions, cost savings and enhanced price-mix will offset the macro-economic headwinds in the region.

ASIA PACIFIC

Key figures (in millions of €)	1H 2014	2H 2014	1H 2015
Consolidated sales	478	488	541
Operating result before non-recurring items (REBIT)	43	20	30
REBIT margin on sales	8.9%	4.2%	5.6%
Non-recurring items	-4	-6	1
Operating result (EBIT)	39	15	31
EBIT margin on sales	8.2%	3.0%	5.8%
Depreciation, amortization and impairment losses	49	57	61
Negative goodwill	-	-	0
EBITDA	88	71	92
EBITDA margin on sales	18.4%	14.6%	17.1%
Combined sales	501	513	565
Segment assets	1 219	1 282	1 408
Segment liabilities	143	144	156
Capital employed	1 076	1 139	1 251

Bekaert achieved 13% sales growth in Asia Pacific. This was the result of favorable exchange rate movements (+18%), the net effect of acquisitions and divestments (+5%) and an organic sales decline of 10%. This organic decline was due to the weak demand in Chinese tire markets in the first quarter of 2015 and an overall industrial slowdown in China. Moreover, we passed on lower wire rod prices and experienced continued price erosion. The solar sector showed strong growth but remains highly competitive due to significant overcapacity in the market.

Profitability improved in the past months but was tempered by building up bad debt reserves for solar customers, in line with the company's prudent valuation rules, and by continued weak performance in South-East Asia. Moreover, last year's results were positively impacted by government grants in China.

The acquisitive growth in Asia Pacific did not yet have a full half-year effect: both the former Pirelli plant in Yanzhou, China, and the former Arrium ropes plant in Newcastle, Australia, have been integrated since 1 March 2015. The divestment of the Carding business, with activities in China and India, was finalized on 1 May 2015.

Bekaert expects the higher run rate in Chinese tire markets to continue but also anticipates further price erosion. The full effect of the acquisitions in China and Australia, as well as our ongoing efforts to enhance our product portfolio and manufacturing cost base in the region, are projected to add revenue and profitability.

Investment update and other information

On 24 March 2015, Bekaert purchased the remaining 30% of the shares in Shanghai Bekaert-Ergang Co., Ltd. from Baosteel, to become the full owner of the Dramix® production plant in Shanghai. The entity has been renamed Bekaert Applied Material Technology (Shanghai) Co., Ltd.

On 12 June 2015, Bekaert acquired the remaining 50% of the shares in BOSFA from OneSteel, to become the full owner of the Dramix® sales and distribution activity with headquarters in New Zealand.

Capital expenditure amounted to € 81 million in the first half of 2015, of which € 79 million in property, plant and equipment (versus € 58 million in the same period last year). The expansion investments and equipment upgrades mainly applied to Bekaert's manufacturing locations in Slovakia, Belgium, Brazil, India, Indonesia and China. The largest investment project was the reconstruction of the Rome plant in the US.

Bekaert's expenditure in research and development totaled € 33 million in the first six months of 2015, up € 3 million from last year and mainly related to the R&D expenses of the tire cord business acquired from Pirelli.

Net debt increased to € 1 023 million from € 673 million on 30 June 2014 and € 853 million at year-end 2014. This was mainly the result of the integration of the acquisitions.

No purchases or cancellations of shares took place in 2015. The total number of shares booked as treasury shares as at 30 June 2015 amounted to 4 275 010, unchanged from year-end 2014.

Financial Review

Results

Bekaert achieved an operating result before non-recurring items (REBIT) of € 112.2 million, up 12% from the same period last year. This equates to a REBIT margin on sales of 5.9%. Non-recurring items amounted to € -2.5 million compared with € +16.6 million in the first half of 2014 and were due to restructuring expenses, largely offset by a gain on the disposal of the carding solutions business.

Including non-recurring items, EBIT was € 109.7 million (EBIT margin on sales of 5.8%) compared with € 116.7 million in the first half of 2014. EBITDA amounted to € 216.7 million, resulting in an EBITDA margin on sales of 11.4% (compared with € 189.4 million at an EBITDA margin of 11.8%).

Selling and administrative expenses amounted to € 155.5 million, up from € 132.9 million due to the impact of acquisitions and currency, an increase of the bad debt reserve and consultancy fees. Research and development expenses increased from € 29.8 million to € 33.1 million, mainly due to acquisition effects.

Interest income and expenses amounted to € -30.0 million (versus € -27.4 million) as a result of the increase of debt. Other financial income and expenses amounted to € -13.9 million (versus € +0.5 million) and included a stamp duty on the acquisition in Australia as well as realized and unrealized exchange losses.

Taxation on profit amounted to € 25.6 million versus € 22.6 million in the same period last year.

The share in the result of joint ventures and associated companies was € 12.5 million, which was about the same as in the first half of 2014.

The result for the period was € 52.7 million compared with € 79.7 million. After non-controlling interests (€ 0.4 million), the result for the period attributable to the Group was € 52.3 million, compared with € 77.7 million in the first half of 2014.

Balance sheet

As at 30 June 2015, shareholder's equity represented 39.4% of total assets, compared with 41.4% at 30 June 2014 and 39.4% at 31 December 2014.

Net debt increased to € 1 023 million from € 853 million at year-end 2014 as a result of the acquisitions (cash-out of € 140 million and debt acquisition of € 33 million) and of the dividend payment. Net debt on EBITDA was 2.4 compared to 2.5 at 31 December 2014. The gearing ratio was 62.2% versus 54.7% at year-end.

Cash flow statement

Cash from operating activities amounted to € 160.8 million, compared with € 9.6 million in the same period last year when cash flow was significantly impacted by increased working capital.

Cash flows from investing activities amounted to € -218.7 million (versus € -45.8 million in the first half of 2014). Cash flows from new business combinations (€ -140 million) and an increase of capital expenditure by € 20 million explain the year-on-year variance.

Cash flows from financing activities totaled € -96 million (versus € +177.5 million in the same period 2014, driven by the proceeds of the convertible bond (€ +300 million) of June 2014).

NV Bekaert SA (statutory accounts)

The Belgium-based parent entity's sales amounted to € 225.8 million, compared with € 217.0 million in the first half of 2014. The operating result was € 20.6 million (versus € 14.8 million). The financial result amounted to € 291.7 million (versus € -11.2 million) driven by dividend income and the extraordinary result was € 2.2 million (versus € 9.5 million). NV Bekaert SA achieved a result for the period of € 315.6 million (versus € 13.6 million for the first half of 2014).

Financial calendar

2015 half year results	31	July	2015

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 2015	13	November	2015
2015 results	26	February	2016
2015 annual report available on the internet	25	March	2016
First quarter trading update 2016	11	May	2016
General Meeting of Shareholders	11	May	2016

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, 2014.
In preparing this interim report, the same accounting policies and methods of computation have been used as in the 2014 annual consolidated financial statements, except for following accounting and reporting policies which have been applied retrospectively as from January 1, 2014: IFRIC 21 'Levies', an amendment to IAS 19 'Employee Benefits', and two reclassifications within Group equity; please refer to annex 10 'Restatement effects' in this interim report. None of the other new, amended or revised IFRSs that have been adopted as of January 1, 2015 has had a significant impact on this interim report.
For an overview of the IFRS standards, amendments and interpretations that have become effective in 2015, please refer to the Statement of Compliance (section 2.1) of the financial review in the 2014 Annual Report at http://www.bekaert.com/en/investors/financials/financial-statements/full-year.

Statement from the responsible persons

The undersigned persons state that, to the best of their knowledge:
- the consolidated condensed interim financial statements of NV Bekaert SA and its subsidiaries as of 30 June 2015 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 Humblet	-	Chief Financial Officer
Matthew Taylor	-	Chief Executive Officer

Disclaimer

Profile

Bekaert (www.bekaert.com) is a world market and technology leader in steel wire transformation and coating technologies. We pursue to be the preferred supplier for our steel wire products and solutions by continuously delivering superior value to our customers worldwide. Bekaert (Euronext Brussels: BEKB) is a global company with approximately 30 000 employees worldwide, headquarters in Belgium and € 4 billion in annual revenue.

Annex 1: Press release 31 July 2015

Consolidated income statement

(in thousands of €)	1H 2014 (*)	2H 2014 (*)	1H 2015
Sales	1 608 803	1 606 910	1 896 872
Cost of sales	-1 351 306	-1 379 063	-1 593 104
Gross profit	**257 497**	**227 848**	**303 768**
Selling expenses	-67 858	-70 268	-82 504
Administrative expenses	-65 086	-61 808	-73 024
Research and development expenses	-29 814	-29 448	-33 065
Other operating revenues	12 615	9 363	8 457
Other operating expenses	-7 290	-11 718	-11 392
Operating result before non-recurring items (REBIT)	**100 063**	**63 969**	**112 240**
Non-recurring items	16 630	-11 183	-2 530
Operating result (EBIT)	**116 693**	**52 786**	**109 710**
Interest income	2 605	2 686	4 343
Interest expense	-30 030	-37 987	-34 407
Other financial income and expenses	478	-4 209	-13 868
Result before taxes	**89 746**	**13 276**	**65 778**
Income taxes	-22 553	-19 476	-25 604
Result after taxes (consolidated companies)	**67 193**	**-6 200**	**40 174**
Share in the results of joint ventures and associates	12 495	12 835	12 552
RESULT FOR THE PERIOD	**79 688**	**6 635**	**52 726**
Attributable to			
the Group	77 703	8 755	52 289
non-controlling interests	1 985	-2 120	437
EARNINGS PER SHARE (in € per share)			
Result for the period attributable to the Group			
Basic	1.33	0.15	0.94
Diluted	1.32	0.06	0.93

(*) restated, see annex 10

Annex 2: Press release 31 July 2015

Reconciliation of segment reporting

Key figures per segment

(in millions of €)	EMEA	N-AM	L-AM	APAC	GROUP[1]	RECONC[2]	1H 2015
Consolidated sales	644	313	400	541	-	-	1 897
Operating result before non-recurring items	80	12	22	30	-33	1	112
REBIT margin on sales	12.4%	3.7%	5.5%	5.6%	-	-	5.9%
Non-recurring items	7	-5	-1	1	-5	-	-3
Operating result (EBIT)	87	7	21	31	-38	1	110
EBIT margin on sales	13.5%	2.1%	5.3%	5.8%	-	-	5.8%
Depreciation, amortization, impairment losses	28	5	14	61	6	-7	107
Negative goodwill	-	-	-	0	-	-	0
EBITDA	115	12	35	92	-32	-6	217
EBITDA margin on sales	17.8%	3.8%	8.9%	17.1%	-	-	11.4%
Segment assets	969	369	648	1 408	163	-211	3 346
Segment liabilities	241	83	125	156	68	-111	563
Capital employed	728	286	523	1 251	95	-100	2 783

[1] Group and Business Support
[2] Reconciliations

Annex 3: Press release 31 July 2015

Consolidated statement of comprehensive income

(in thousands of €)	1H 2014 (*)	1H 2015
Result for the period	**79 688**	**52 726**
Other comprehensive income (OCI)		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences	6 359	54 285
Inflation adjustments	942	896
Cash flow hedges	357	174
Available-for-sale investments	-596	3 754
Share of other comprehensive income of joint ventures and associates	-	-29
Deferred taxes relating to OCI to be reclassified	1 219	-66
OCI to be reclassified to profit or loss in subsequent periods, after tax	**8 281**	**59 014**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Remeasurements on defined benefit plans	-10 881	14 785
Share of other comprehensive income of joint ventures and associates	-216	-
Deferred taxes relating to OCI not to be reclassified	295	143
OCI not to be reclassified to profit or loss in subsequent periods, after tax	**-10 802**	**14 928**
Other comprehensive income for the period	**-2 521**	**73 942**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**77 167**	**126 668**
Attributable to		
the Group	76 958	117 311
non-controlling interests	209	9 357

(*) restated, see annex 10

Annex 4: Press release 31 July 2015

Consolidated balance sheet

(in thousands of €)	31-Dec-14 (*)	30-Jun-15
Non-current assets	**1 852 457**	**2 009 248**
Intangible assets	98 087	111 729
Goodwill	18 483	38 446
Property, plant and equipment	1 432 803	1 537 856
Investments in joint ventures and associates	155 734	158 965
Other non-current assets	44 468	49 692
Deferred tax assets	102 882	112 560
Current assets	**2 106 873**	**2 166 773**
Inventories	640 807	698 359
Bills of exchange received	114 118	84 689
Trade receivables	707 569	854 905
Other receivables	106 627	100 521
Short-term deposits	14 160	10 934
Cash and cash equivalents	458 542	309 395
Other current assets	65 050	107 970
Assets classified as held for sale	-	-
Total	**3 959 330**	**4 176 021**
Equity	**1 560 487**	**1 644 429**
Share capital	176 914	176 914
Share premium	31 693	31 693
Retained earnings	1 367 772	1 379 179
Other Group reserves	-212 930	-146 841
Equity attributable to the Group	**1 363 449**	**1 440 945**
Non-controlling interests	**197 038**	**203 484**
Non-current liabilities	**1 211 921**	**1 284 455**
Employee benefit obligations	183 114	177 598
Provisions	55 744	51 000
Interest-bearing debt	910 074	987 647
Other non-current liabilities	8 736	15 641
Deferred tax liabilities	54 253	52 569
Current liabilities	**1 186 922**	**1 247 137**
Interest-bearing debt	441 552	440 051
Trade payables	390 943	440 812
Employee benefit obligations	121 934	121 805
Provisions	20 493	25 832
Income taxes payable	97 424	104 051
Other current liabilities	114 576	114 586
Liabilities associated with assets classified as held for sale	-	-
Total	**3 959 330**	**4 176 021**

(*) restated, see annex 10

Annex 5: Press release 31 July 2015

Consolidated statement of changes in equity

in thousands of €	Share capital	Share premium	Retained earnings	Other Group reserves: Treasury shares	Other Group reserves: Cumulative translation adjust-ments	Other Group reserves: Other reserves	Equity attributable to the Group	Non-controlling interests	Total
Balance as at 1 January 2014 (as previously reported)	**176 773**	**31 055**	**1 307 618**	**-73 851**	**-84 776**	**-10 543**	**1 346 276**	**157 600**	**1 503 876**
Adjustments (see annex 10)	-	-	13 449	-	-	-15 633	**-2 184**	-547	-2 731
Balance as at 1 January 2014 (adjusted)	**176 773**	**31 055**	**1 321 067**	**-73 851**	**-84 776**	**-26 176**	**1 344 092**	**157 053**	**1 501 145**
Total comprehensive income for the period (restated)	-	-	78 795	-	7 974	-9 811	**76 958**	209	**77 167**
Capital contribution by non-controlling interests	-	-	-	-	-	-	**-**	3 359	**3 359**
Effect of business combination with ArcelorMittal	-	-	7 238	-	1 459	900	**9 597**	11 206	**20 803**
Effect of other changes in group structure	-	-	-2 935	-	306	591	**-2 038**	1 405	**-633**
Equity-settled share-based payment plans	-	-	1 744	-	-	-	**1 744**	-	**1 744**
Creation of new shares	-	-	-	-	-	-	**-**	-	**-**
Treasury shares transactions	-	-	-	-8 598	-	-	**-8 598**	-	**-8 598**
Dividends	-	-	-49 650		-	-	**-49 650**	-4 273	**-53 923**
Balance as at 30 June 2014	**176 773**	**31 055**	**1 356 259**	**-82 449**	**-75 037**	**-34 496**	**1 372 105**	**168 959**	**1 541 064**
Balance as at 1 January 2015 (as previously reported)	**176 914**	**31 693**	**1 352 197**	**-145 953**	**-6 149**	**-41 911**	**1 366 791**	**199 421**	**1 566 212**
Adjustments (see annex 10)	-	-	12 764	-	-349	-15 757	**-3 342**	-2 383	-5 725
Balance as at 1 January 2015 (adjusted)	**176 914**	**31 693**	**1 364 961**	**-145 953**	**-6 498**	**-57 668**	**1 363 449**	**197 038**	**1 560 487**
Total comprehensive income for the period	-	-	53 531	-	45 559	18 221	**117 311**	9 357	**126 668**
Capital contribution by non-controlling interests	-	-	-	-	-	-	**-**	15 895	**15 895**
Effect of business combination with Pirelli	-	-	227	-	-	-227	**-**	1 732	**1 732**
Effect of business combination with Arrium	-	-	-	-	-	-	**-**	-7 086	**-7 086**
Effect of Ropes portfolio restructuring with Chilean partners	-	-	4 681	-	-14	-36	**4 631**	-6 878	**-2 247**
Effect of other changes in group structure	-	-	1 671	-	-220	-5	**1 446**	-4 872	**-3 426**
Equity-settled share-based payment plans	-	-	1 569	-	-	-	**1 569**	-	**1 569**
Creation of new shares	-	-	-	-	-	-	**-**	-	**-**
Treasury shares transactions	-	-	-	-	-	-	**-**	-	**-**
Dividends	-	-	-47 461	-	-	-	**-47 461**	-1 702	**-49 163**
Balance as at 30 June 2015	**176 914**	**31 693**	**1 379 179**	**-145 953**	**38 827**	**-39 715**	**1 440 945**	**203 484**	**1 644 429**

Annex 6: Press release 31 July 2015

Consolidated cash flow statement

(in thousands of €)	1H 2014 (*)	1H 2015
Operating result (EBIT)	116 693	109 710
Non-cash items included in operating result	81 554	118 537
Investing items included in operating result	-9 158	-11 764
Amounts used on provisions and employee benefit obligations	-32 179	-19 414
Income taxes paid	-21 454	-27 319
Gross cash flows from operating activities	**135 456**	**169 750**
Change in operating working capital	-124 851	-31 249
Other operating cash flows	-1 047	22 279
Cash flows from operating activities	**9 558**	**160 780**
New business combinations	-	-140 386
Other portfolio investments	-632	-14 201
Proceeds from disposals of investments	1 052	14 430
Dividends received	83	544
Purchase of intangible assets	-2 450	-1 919
Purchase of property, plant and equipment	-58 152	-78 878
Other investing cash flows	14 268	1 702
Cash flows from investing activities	**-45 831**	**-218 708**
Interest received	2 829	4 279
Interest paid	-22 878	-24 836
Gross dividend paid	-57 176	-49 748
Proceeds from non-current interest-bearing debt	303 161	97 303
Repayment of non-current interest-bearing debt	-127 345	-127 682
Cash flows from current interest-bearing debt	87 393	58 117
Treasury shares transactions	-8 598	-
Other financing cash flows	99	-53 434
Cash flows from financing activities	**177 485**	**-96 001**
Net increase or decrease (-) in cash and cash equivalents	**141 211**	**-153 929**
Cash and cash equivalents at the beginning of the period	**391 857**	**458 542**
Effect of exchange rate fluctuations	86	4 782
Cash and cash equivalents at the end of the period	**533 154**	**309 395**

(*) restated, see annex 10

Annex 7: Press release 31 July 2015

Additional key figures

(in € per share)	1H 2014 (*)	1H 2015
Number of existing shares at 30 June	60 063 871	60 111 405
Book value	22.84	23.97
Share price at 30 June	27.29	25.31
Weighted average number of shares		
Basic	58 388 094	55 836 395
Diluted	58 682 658	56 067 501
Result for the period attributable to the Group		
Basic	1.33	0.94
Diluted	1.32	0.93

(in thousands of € - ratios)		
EBITDA	189 355	216 650
Depreciation and amortization and impairment losses	83 555	107 195
Negative goodwill	-10 893	-254
Capital employed	2 271 188	2 782 782
Operating working capital	935 104	1 094 751
Net debt	673 384	1 022 971
REBIT on sales	6.2%	5.9%
EBIT on sales	7.3%	5.8%
EBITDA on sales	11.8%	11.4%
Equity on total assets	41.4%	39.4%
Gearing (net debt on equity)	43.7%	62.2%
Net debt on EBITDA	1.78	2.36

NV Bekaert SA - Statutory Profit and Loss Statement

(in thousands of €)		
Sales	216 998	225 823
Operating result	14 773	20 627
Financial result	-11 168	291 748
Profit from ordinary activities	3 605	312 375
Extraordinary results	9 463	2 178
Profit before income taxes	13 068	314 553
Income taxes	530	1 064
Result for the period	13 598	315 617

(*) restated, see annex 10

Annex 8: Press release 31 July 2015

Effect of new business combinations

Business combinations (1): the acquisition of Pirelli's steel cord plants

On 28 February 2014, Bekaert announced the signing of an agreement with Pirelli, the global tire manufacturer, for the acquisition of Pirelli's steel cord activities for a total enterprise value of € 255 million. The acquisition agreement includes Pirelli's manufacturing sites in Figline Valdarno (Italy), Slatina (Romania), Izmit (Turkey), Yanzhou (China) and Sumaré (Brazil). The transaction is estimated to add approximately € 300 million to Bekaert's consolidated sales on an annual basis.
On 18 December 2014, Bekaert and Pirelli successfully closed the acquisition by Bekaert of the Pirelli steel cord plants in Figline Valdarno (Italy), Slatina (Romania) and Sumaré (Brazil). Due to delays in regulatory approvals, the acquisition of the Pirelli plants in Turkey and China could not be closed before year-end 2014. On 6 February 2015, Bekaert completed the acquisition of the Pirelli steel cord plant in Izmit (Turkey) and on 27 March 2015, Bekaert completed the acquisition of the Pirelli steel cord plant in Yanzhou (Shandong province, China). Bekaert now holds 100% of the interests in the Pirelli steel cord plants in Italy, Brazil and Turkey, i.e. (by their new name):

- Bekaert Figline SpA;
- Bekaert Sumaré Ltda;
- Bekaert Kartepe Çelik Kord Sanayi ve Ticaret AS.

It holds 80% of the interests of the Pirelli steel cord plants in Romania and China, i.e. (by their new name):

- Bekaert Slatina SRL, the remaining 20% being retained by Continental AG;
- Bekaert (Jining) Steel Cord Co Ltd, the remaining 20% being retained by Hixih Rubber Industrial Group Co Ltd.

As part of this transaction, Bekaert and Pirelli entered into a long-term supply agreement of tire cord to Pirelli.

The initial accounting for the business combination presented in last year's financial statements was evidently partial and provisional, since control had only been acquired in three out of the five targeted plants shortly before year-end. Now that the business combination has been fully completed, Bekaert has performed an extensive analysis to identify, and to assess the fair value of, the net assets acquired and the liabilities assumed.

The fair value assessments on property, plant and equipment are based on external appraisals for land and buildings and on internal appraisals for plant, machinery and equipment. Deferred tax assets and liabilities arising from any of these adjustments have been recognized at the applicable tax rates in the respective jurisdictions.

The non-controlling interest arising on the acquirees have been measured at their share in the fair value of the net assets acquired. The accounting for the business combination resulted in a goodwill of € 6.7 million, which mainly reflects the importance for Bekaert of reinforcing its global competitive position through this deal.

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 for the full transaction, including the part effected last year.

Total in thousands of €	Acquiree's carrying amount before combination	Fair value adjustments	Full business combination totals
Intangible assets	5 882	-	5 882
Property, plant and equipment	136 072	34 848	170 920
Deferred tax assets	4 969	5 600	10 569
Non-current loans and receivables	629	-	629
Other non-current assets	92	-	92
Inventories	32 376	7 923	40 299
Trade receivables	107 777	-	107 777
Advances paid	4 033	-	4 033
Other receivables	9 353	2	9 355
Short-term deposits	5 857	-	5 857
Cash and cash equivalents	8 365	-	8 365
Current loans and receivables	4 230	-	4 230
Other current assets	1 683	-154	1 529
Non-current employee benefit obligations	-12 485	-60	-12 545
Non-current provisions	-7 542	-1 558	-9 100
Non-current interest-bearing debt	-17 733	-	-17 733
Deferred tax liabilities	-3 425	-14 375	-17 800
Current interest-bearing debt	-61 969	-	-61 969
Trade payables	-49 062	124	-48 938
Current employee benefit obligations	-5 581	-	-5 581
Current provisions	-24	-	-24
Income taxes payable	-1 668	-728	-2 396
Other current liabilities	-6 678	-1 500	-8 178
Total net assets acquired in the business combination	**155 151**	**30 122**	**185 273**
Non-controlling interests arising on the acquirees	-13 929	3 001	-10 928
Receivable from Pirelli for purchase price adjustments			11 959
Goodwill			6 663
Consideration paid in cash			**-192 967**
Cash acquired			8 365
New business combinations			**-184 602**

The positive fair value adjustments on property, plant and equipment mainly relate to the land and buildings in Brazil (€ 23.0 million) and Turkey (€ 22.2 million), as these plants are located on premium industrial sites. These surpluses are partially compensated by negative fair value adjustments on land and buildings in the other locations (€ -3.8 million, mainly China) and on plant, machinery and equipment (€ -7.1 million). The positive fair value adjustments on inventories mainly reflect the capitalization of spare parts and consumables that had been directly expensed under Pirelli accounting policies, and the gross profit to be generated on work in process and finished goods upon their subsequent sales.
Contingent liabilities relating to taxes in Romania and Turkey have been identified amounting to € 4.1 million.

A summary of the business combination accounting by period is presented below:

Total in thousands of €	**Full business combination totals**	**Summary disclosure presented at year-end 2014**	**Effects recognized in 2015**
Total net assets acquired in the business combination	**185 273**	**119 066**	**66 207**
Non-controlling interests arising on the acquirees	-10 928	-9 197	-1 731
Receivable from Pirelli for purchase price adjustments	11 959	-	11 959
Goodwill	6 663	713	5 950
Consideration paid in cash	**-192 967**	**-110 582**	**-82 385**
Cash acquired	8 365	1 103	7 262
New business combinations	**-184 602**	**-109 479**	**-75 123**

It also clarifies the contribution of the business combination to the amount shown in the consolidated cash flow statement as 'new business combinations' by period. The total purchase consideration paid in 2014 amounted to € 110.6 million and was settled in cash. After cash acquired, the net cash-out amounted to € 109.5 million. In December 2014, Bekaert also paid € 15.0 million to Pirelli for the acquisition of intellectual property, mainly manufacturing know-how and patents, all of which have been capitalized as intangible assets and will be amortized over 10 years. During the first semester of 2015, an additional amount of € 82.4 million was paid in cash, covering the purchase consideration for the two plants acquired during the period, as well as purchase price adjustments for variances from target working capital and debt. After cash acquired, the net cash-out for the period amounted to € 75.1 million. At 30 June 2015, Bekaert had a receivable from Pirelli for purchase price adjustments amounting to € 12.0 million.

Following table shows the effect of the business combination on consolidated sales and result for the period (after acquisition-related expenses):

Total in thousands of €	**Net sales for the period**	**Result for the period**
Total for all 5 entities acquired	136 608	10 828

The acquisition-related expenses, which consisted mainly of consultancy fees, amounted to € 4.8 million (of which € 0.6 million incurred in 2015) and were included in administrative expenses.

Business combinations (2): the acquisition of Arrium's ropes business in Australia

On 5 February 2015, Bekaert announced the signing of an agreement with Arrium Ltd of Australia, for the acquisition of its wire ropes business for an enterprise value of approximately € 60 million. The deal includes all of the personnel and assets of the business located in Newcastle, Australia. The transaction is estimated to add approximately € 40 million to Bekaert's consolidated sales.

On 2 March 2015, Bekaert successfully completed the acquisition of Arrium's ropes business in Australia. The Australian entity has been named Bekaert Wire Ropes Pty Ltd and is part of the Bekaert Rope Group in which Bekaert and their Chilean partners (through Matco Cables SpA) hold 65% and 35% respectively of the ropes entities in Canada, Chile, Peru, Brazil, the US, and Australia. With this deal Bekaert confirms its strategy to expand its steel wire ropes platform to serve mining, oil & gas, lifting equipment and infrastructure markets with high performance ropes. The platform's strategy targets both organic and acquisitive growth in markets with interesting potential where Bekaert's core competences, global reach and service model offer a differentiating lever to the industry.

The accounting for the business combination resulted in a goodwill of € 13.2 million, which mainly reflects the synergies expected to arise on the integration of the Australian business in Bekaert's expanding global ropes platform. Since Bekaert opted not to apply the full goodwill option, only 65% of the full goodwill is recognized while 35% is accounted for through a reduction of the non-controlling interests on behalf of the Chilean partners. The table below presents the net assets acquired by balance sheet caption, showing the effect of fair value adjustments in accordance with IFRS 3, 'Business Combinations', and the goodwill calculation.

Total in thousands of €	**Acquiree's carrying amount before combination**	**Fair value adjustments**	**Business combination totals**
Intangible assets	258	1 556	1 814
Property, plant and equipment	21 019	11 820	32 839
Deferred tax assets	573	68	641
Cash	-	-	-
Trade receivables	5 509	-14	5 495
Inventories	7 604	1 160	8 764
Other current assets	123	-	123
Non-current employee benefit obligations	-783	-227	-1 010
Deferred tax liabilities	-	-	-
Trade payables	-1 537	-	-1 537
Advances received	-320	-	-320
Current employee benefit obligations	-1 126	-	-1 126
Current provisions	-15	-109	-124
Total net assets acquired in the business combination	**31 305**	**14 254**	**45 559**
Non-controlling interests adjustment relating to goodwill			7 086
Goodwill			13 160
Consideration paid in cash			**65 805**
Cash acquired			-
New business combinations			**65 805**

As a result of the purchase price allocation, the acquired patents and trademarks were valued at € 1.6 million and recognized as intangible assets. The fair value assessments on property, plant and equipment are based on external appraisals for land and buildings and on internal appraisals for plant, machinery and equipment. Positive fair value adjustments on PP&E consisted of € 3.8 million on land and buildings and € 13.2 million on plant, machinery and equipment. The positive fair value adjustments on inventories mainly reflect the gross profit to be generated on work in process and finished goods upon their subsequent sales. An actuarial review of the employee benefits obligations entailed an increase of € 0.3 million. A contingent liability relating to product warranties was recognized for € 0.2 million. Deferred tax consequences of all fair value adjustments were very limited (€ 0.1 million additional assets).
The business combination required a net cash-out of € 65.8 million, included in the amount shown in the consolidated cash flow statement as 'new business combinations'.

Following table shows the effect of the business combination on consolidated sales and result for the period (after acquisition-related expenses):

Total in thousands of €	**Acquisition date**	**Net sales for the period**	**Result for the period**
Total for the acquired business Bekaert Wire Ropes Pty Ltd	1 March 2015	13 926	-3 623

The acquisition-related costs amounted to € 3.6 million, consisting of € 3.2 million stamp duties reported in other financial expenses and € 0.4 million consultancy fees and other expenses reported in administrative expenses.

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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.

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

Carrying amount vs fair value in thousands of €	Category in accordance with IAS 39	31 Dec 2014		30 June 2015	
		Carrying amount	Fair value	Carrying amount	Fair value
Assets					
Cash and cash equivalents	L&R	458 542	458 542	309 395	309 395
Short term deposits	L&R	14 160	14 160	10 934	10 934
Trade receivables	L&R	707 569	707 569	854 906	854 906
Bills of exchange received	L&R	114 118	114 118	84 689	84 689
Other receivables	L&R	106 627	106 627	100 521	100 521
Loans and receivables	L&R	42 523	42 523	93 553	93 553
Available for sale financial assets	AfS	9 979	9 979	13 825	13 825
Derivative financial assets					
- without a hedging relationship	FAFVTPL	24 157	24 157	16 400	16 400
- with a hedging relationship	Hedge accounting	-	-	-	-
Liabilities					
Interest-bearing debt					
- finance leases	n.a.	1 548	1 548	93 553	93 553
- credit institutions	FLMaAC	426 154	426 154	598 400	598 400
- bonds	Hedge accounting	100 184	100 594	-	-
- bonds	FLMaAC	823 740	868 376	826 729	865 840
Trade payables	FLMaAC	390 943	390 943	440 812	440 812
Other payables	FLMaAC	143 497	143 497	158 270	158 270
Derivative financial liabilities					
- without a hedging relationship	FLFVTPL	49 411	49 411	44 253	44 253
- with a hedging relationship	Hedge accounting	7 750	7 750	-	-
Aggregated by category in accordance with IAS 39					
Loans and receivables	L&R	1 443 539	1 443 539	1 453 997	1 453 997
Available-for-sale financial assets	AfS	9 979	9 979	13 825	13 825
Financial assets at fair value through profit or loss	FAFVTPL	24 157	24 157	16 400	16 400
Financial liabilities measured at amortized cost	FLMaAC	1 784 334	1 828 970	2 024 211	2 063 322
Financial liabilities - hedge accounting	Hedge accounting	107 934	108 344	-	-
Financial liabilities at fair value through profit or loss	FLFVTPL	49 411	49 411	44 253	44 253

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 that are not based on observable market data. The share conversion option in the convertible bond issued in June 2014 is a non-closely related embedded derivative that has to be separated from the host debt instrument and measured at fair value through profit or loss. The main inputs in the valuation model for this conversion option are the Bekaert share price (level 1), the reference swap rate and Bekaert's credit spread (level 2), as well as the volatility level of the Bekaert share (level 3). Consequently, the conversion option is classified as a level 3 financial instrument.

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

Sensitivity analysis

in thousands of €	Change	Impact on derivative liability	
Volatility	3.5%	increase by	3 285
	-3.5%	decrease by	-2 715

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:

2015 H1

in thousands of €	Level 1	Level 2	Level 3	Total
Financial assets - hedge accounting				
Derivative financial assets	-	-	-	-
Financial assets at fair value through profit or loss				
Derivative financial assets	-	*16 400*	-	*16 400*
Available-for-sale financial assets				
Equity investments	*12 249*	*518*	-	*12 767*
Total assets	**12 249**	**16 918**	**-**	**29 167**
Financial liabilities - hedge accounting				
Interest-bearing debt	-	-	-	-
Derivative financial liabilities	-	-	-	-
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	-	*38 530*	*5 723*	*44 253*
Total liabilities	**-**	**38 530**	**5 723**	**44 253**

2014

in thousands of €	Level 1	Level 2	Level 3	Total
Financial assets - hedge accounting				
Derivative financial assets	-	-	-	-
Financial assets at fair value through profit or loss				
Derivative financial assets	-	*24 157*	-	*24 157*
Available-for-sale financial assets				
Equity investments	*8 495*	*503*	-	*8 998*
Total assets	**8 495**	**24 660**	**-**	**33 155**
Financial liabilities - hedge accounting				
Interest-bearing debt	-	*31 076*	-	*31 076*
Derivative financial liabilities	-	*7 750*	-	*7 750*
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities	-	*41 490*	*7 921*	*49 411*
Total liabilities	**-**	**80 316**	**7 921**	**88 237**

Annex 10: Press release 31 July 2015

Restatement effects

The 2014 comparative information has been restated due to the retrospective application of

1. IFRIC 21 'Levies' (effective 1 January 2014). This interpretation addresses the timing and recognition for a liability to pay a levy if that levy is within the scope of IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. IFRIC 21 is applicable to the Belgian property taxes, which constitute a liability to be recognized in full when an entity owns the property at 1 January.
2. IAS 19 'Employee Benefits', amendment included in the Annual Improvements to IFRSs (2012-2014 Cycle) (effective 1 January 2016, but early adopted). This amendment clarifies that, for currencies for which there is no deep market in high quality corporate bonds, the discount rate to be used for post-employment benefit obligations should be based on market yields on government bonds denominated in that currency. It also requires the application of this principle from the beginning of the earliest comparative period presented in the first financial statements in which the entity applies the amendment. This amendment is applicable to Ideal Alambrec SA (Ecuador), whose functional currency is the US dollar.
3. A reclassification of two equity elements from other Group reserves to retained earnings:
    - Other revaluation reserves: part of these reserves includes historical fair value adjustments relating to business combinations before 2011. The active use of revaluation reserves may suggest certain readers of our financial statements that Bekaert does apply the revaluation model to measure its fixed assets, which is not the case. Therefore, fair value adjustments relating to business combinations have been consistently recognized directly in retained earnings since 2011. Consequently, the relevant part of other revaluation reserves has now been reclassified retrospectively to retained earnings.
    - Equity-settled share-based payment plans: under IFRS 2 'Share-based Payment', the fair value of stock option plans is expensed over the vesting period, with a corresponding increase in equity. Ever since IFRS 2 was first applied, this reserve has been increasing, which does not seem to make much sense to the readers of Bekaert's financial statements. Consequently, it was decided to reclassify this reserve retrospectively to retained earnings and to recognize any subsequent movements directly in retained earnings.

For the purpose of this interim report, the restatement effects are not presented on the face of the financial statements. Instead, they are summarized below in a concise format.

Restated items (in thousands of €)	**Restatement effects 1H 2014**	**Restatement effects FY 2014**
Consolidated income statement		
Cost of sales (2)	*-182*	*-375*
Gross profit	-182	-375
Other operating expenses (1)	*-923*	*-*
Operating result before non-recurring items (REBIT)	-1 105	-375
Non-recurring items (2)	*-*	*-1 401*
Operating result (EBIT)	-1 105	-1 776
Interest expenses (2)	*96*	*198*
Result before taxes	-1 009	-1 578
Income taxes (1)	*314*	*-*
Income taxes (2)	*19*	*347*
Result after taxes (consolidated companies)	-676	-1 231
Result for the period	-676	-1 231
Attributable to the Group	-648	-719
Attributable to non-controlling interests	-28	-512
EARNINGS PER SHARE (in € per share)		
Result for the period attributable to the Group		
Basic	-0.01	-0.01
Diluted	-0.01	-0.01
Consolidated statement of comprehensive income		
Exchange differences (2)	*-28*	*-597*
OCI to be reclassified to profit or loss in subsequent periods, after tax	-28	-597
Remeasurements on defined benefit plans (2)	*-725*	*-1 495*
Deferred taxes relating to OCI not to be reclassified (2)	*159*	*329*
OCI not to be reclassified to profit or loss in subsequent periods, after tax	-566	-1 166
Other comprehensive income for the period	-594	-1 763
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-1 270	-2 994
Attributable to the Group	-995	-1 749
Attributable to non-controlling interests	-275	-1 245

(1) IFRIC 21 effects

(2) IAS 19 effects

Restated items (in thousands of €)	**Restatement effects 1H 2014**	**Restatement effects FY 2014**
Consolidated balance sheet		
Deferred tax assets (1)	*365*	*-*
Deferred tax assets (2)	*905*	*1 615*
TOTAL ASSETS	1 270	1 615
Retained earnings (1)	*-609*	*-*
Retained earnings (2)	*-39*	*-719*
Retained earnings (3)	*12 382*	*13 483*
Other Group reserves (2)	*-1 940*	*-2 623*
Other Group reserves (3)	*-12 382*	*-13 483*
Equity attributable to the Group	-2 588	-3 342
Non-controlling interests (2)	-1 413	-2 383
Employee benefit obligations (2)	*4 348*	*7 340*
Non-current liabilities	4 348	7 340
Other taxes payable (1)	*923*	*-*
Current liabilities	923	-
TOTAL EQUITY & LIABILITIES	*1 270*	*1 615*
Consolidated cash flow statement		
Operating result (EBIT)	*-1 105*	*-1 776*
Non-cash items included in operating result	*182*	*1 776*
Gross cash flows from operating activities	-923	-
Other operating cash flows (1)	*923*	*-*
Cash flows from operating activities	-	-

(1) IFRIC 21 effects

(2) IAS 19 effects

(3) Reclassifications within Group equity

The restatement effect on the Key Figures summary (presented in the Press release) was as follows:

Key figures (in thousands of €)	**Restatement effects 1H 2014**	**Restatement effects 2H 2014**
Operating result before non-recurring items (REBIT)	-1 105	730
REBIT margin on sales	-0.1%	0.0%
Non-recurring items	0	-1 401
Operating result (EBIT)	-1 105	-671
EBIT margin on sales	-0.1%	0.0%
EBITDA	-1 105	-671
EBITDA margin on sales	-0.1%	0.0%

As for segment reporting, the IFRIC 21 restatement was absorbed in the Group services and the IAS 19 restatement only affected Latin America:

Segment Latin America (in thousands of €)	**Restatement effects 1H 2014**	**Restatement effects 2H 2014**
Operating result before non-recurring items (REBIT)	-182	-193
REBIT margin on sales	-0.1%	-0.1%
Non-recurring items	-	-1 401
Operating result (EBIT)	-182	-1 594
EBIT margin on sales	-0.1%	-0.5%
EBITDA	-182	-1 594
EBITDA margin on sales	-0.1%	-0.5%

Furthermore, following additional key figures (see annex 7) were affected by the restatement in the following way:

Additional key figures	**Restatement effects 1H 2014**	**Restatement effects FY 2014**
Equity on total assets	-0.12%	-0.16%
Gearing (net debt on equity)	0.11%	0.20%
Net debt on EBITDA	0.01	0.01

Annex 11: Press release 31 July 2015

Other disclosures

Repayment of debt securities

In March 2015, a € 100 million Eurobond has been repaid. The Eurobond had been issued in March 2005 by Bekaert Corporation at a 4.125% interest rate and with a tenor of 10 years. As a consequence, the related cross-currency interest-rate swaps and interest-rate swaps have been unwound. These financial instruments had been designated for € 69.1 million as cash flow hedges and for € 30.1 million as fair value hedges.

Treasury shares

No treasury shares transactions were effected in the course of the first semester. The number of treasury shares held by NV Bekaert SA amounts to 4 275 010 at 30 June 2015.

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

Except for the contingent liabilities identified and recognized as part of the business combination accounting (see annex 8), no material contingent assets and liabilities have been identified since the annual report 2014 was issued.

Events after the balance sheet date

There were no material events after the balance sheet date that need to be disclosed.

Annex 12: Press release 31 July 2015

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 weighted by the number of periods that an entity has contributed to the consolidated result.

EBIT
Operating result (earnings before interest and taxation).

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

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 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.