

Press release

Regulated information

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Bekaert and Ontario Teachers' Pension Plan announce merger of the global ropes and advanced cords businesses of Bekaert and Bridon

- Bekaert and Ontario Teachers' Pension Plan, current owner of Bridon, have reached an agreement to establish Bridon Bekaert Ropes Group, a new joint venture where Bekaert will hold a majority stake.
- The new group will combine the ropes and advanced cords capabilities of almost 3 000 employees, 19 manufacturing entities across 11 countries, market-focused R&D, and a global sales and service network.
- Bruno Humblet, currently Chief Financial Officer of Bekaert, has been appointed CEO of Bridon Bekaert Ropes Group. Andrew Caffyn, currently Non-Executive Chairman of Bridon, has been appointed Chairman of the Board.

Bekaert and Ontario Teachers' Pension Plan have entered into an agreement to merge the ropes and advanced cords businesses of Bekaert with Bridon. Bekaert will hold a 67% equity share and Ontario Teachers' will hold 33%.

The intended combination will leverage the scale and complementary strengths of Bekaert and Bridon and will pursue value creation for customers and for the new group. Bekaert is contributing its advanced cords business and a well-established ropes presence in Latin America, Canada and Australia. Bridon holds strong positions in Europe and the USA with a portfolio of rope wire, strand and steel and synthetic ropes. The merger will also create opportunities for further growth in Asia. The combined business will account for approximately € 600 million in sales on an annual basis.

Upon completion of the deal, the transaction is estimated to add approximately € 350 million to Bekaert's consolidated sales on an annual basis. Alongside this transaction, which has an overall cash-neutral impact, Bekaert has purchased the remaining 35% shareholding held by Matco Cables SpA in Bekaert's ropes entities. The definitive merger agreement is subject to customary closing conditions including regulatory approvals and is expected to complete in the first half of 2016. Until closing, both businesses will operate separately and continue to serve their customers autonomously.

About Bekaert

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.

About Bridon

Bridon International Ltd (www.bridon.com) is a world leading specialist in the manufacture of wire and rope solutions for the most demanding applications. Bridon operates eleven manufacturing units worldwide with market focused technical and sales offices, supported by a global network of agents and distributors. Bridon generated consolidated sales of € 350 million in 2014 and employs more than 1 600 people worldwide.

About Ontario Teachers' Pension Plan

Ontario Teachers' (www.otpp.com) is Canada's largest single-profession pension plan with CAD 155 billion in net assets at December 31, 2014. It pays pensions and invests plan assets on behalf of 311 000 working and retired teachers. Since its establishment as an independent organization in 1990, Ontario Teachers' has built an international reputation for innovation and leadership in investment management and member services. Ontario Teachers' employs more than 1 000 employees at its head office in Toronto, Canada and investment offices in London and Hong Kong.

Businesses and entities within scope of Bridon Bekaert Ropes Group

- **Bekaert** has been gradually expanding its wire ropes platform to serve mining, oil & gas, lifting equipment and infrastructure markets with high performance ropes. The company's recent growth strategy has targeted both organic and acquisitive growth in markets where Bekaert's core competences, global reach and service model offer a differentiating lever to the industry. The company's advanced cords activities serve automotive, elevator and other industrial markets with fine cords for transmission, conveying and hoisting applications.

Bekaert will enter the following entities in Bridon Bekaert Ropes Group: the WRI roperies in Canada, US and Australia, Bekaert Cimaf of Brazil, Prodinsa in Chile, Procables in Peru and the advanced cords businesses of Bekaert in Aalter (Belgium) and Shenyang (China). The commercialization of the ropes activities integrated in Bekaert's wire plants in Qingdao (China) and Shah Alam (Malaysia) will also be managed by the new group. About 1 250 people will join Bridon Bekaert Ropes Group.

- **Bridon's** position in demanding worldwide markets stems from the ability to provide a comprehensive and competitive range of solutions in steel wire, rope and strand. Bridon delivers high quality wire and rope products, seamless service and on-site operational support.

Ontario Teachers' will contribute its entire ownership interest in Bridon to Bridon Bekaert Ropes Group, which includes the wire and steel and fibre rope manufacturing facilities in Doncaster, Newcastle, and Coatbridge (UK), in Exeter, Hanover and Wilkes Barre (PA, USA), in Gelsenkirchen (Germany), Hangzhou (China), Jakarta (Indonesia) and the Scanrope plant in Tønsberg (Norway). Also all commercial and service centers worldwide will be integrated into the new group. More than 1 600 people will join Bridon Bekaert Ropes Group.

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