BEKAERT

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Press release

Regulated information

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Press - Investors
Katelijn Bohez
T +32 56 23 05 71

www.bekaert.com

First half 2017 results

Bekaert achieves strong sales and profits

Highlights[1]

Bekaert achieved a 15% increase in consolidated revenue, reaching a record € 2 095 million in first half sales. The growth stemmed from strong organic sales (+6.5%), M&A (+6.5%) reflecting the incremental impact of the Bridon integration within the Bridon-Bekaert Ropes Group, and favorable currency movements (+2%).

Underlying EBIT increased 12% to € 176 million at a margin of 8.4%.

The main factors contributing to the strong performance in the first half of 2017 were:
- firm demand from automotive, industrial steel wire and construction markets;
- a turn-around in profitability in North America;
- incremental benefits from the transformation programs which all focus on creating value.

The margin was slightly down from 8.6% in the first half of 2016 due to:
- the incorporation of the Bridon activities in Bridon-Bekaert Ropes Group at lower than average margins;
- increased difficulty in passing on wire rod price increases to customers;
- a deterioration of Latin American markets due to political and economic instability;
- tailing off demand in various markets at the end of the second quarter due to stock reduction actions.

Key Financials

- Consolidated sales of € 2.1 billion (+15%) and combined[2] sales of € 2.4 billion (+14%)
- Currency impact: € +36 million (+2%) on consolidated sales; € +97 million (+5%) on combined sales
- Underlying gross profit of € 382 million (18% margin) compared with € 347 million (19% margin)
- Underlying EBIT of € 176 million (8.4% margin) compared with € 157 million (8.6% margin)
- EBIT of € 197 million (9.4% margin) compared with € 143 million (7.9% margin)
- Underlying EBITDA of € 277 million (13.2% margin) compared with € 259 million (14.2% margin)
- EBITDA of € 297 million (14.2% margin) compared with € 242 million (13.3% margin)
- Underlying ROCE of 13.1% compared with 12.7% and ROCE of 14.6% compared with 11.6%
- Net debt of € 1 230 million. Net debt on underlying EBITDA was 2.2, unchanged from the same period last year and slightly up from 2.1 at year-end 2016

[1] All comparisons are made relative to the first half of 2016.
[2] Combined sales are sales of consolidated companies plus 100% of sales of joint ventures and associates after intercompany elimination.

Outlook

We reiterate our view that we will broadly repeat in 2017 our underlying absolute EBIT of 2016.

We see continued positive opportunities in the near future arising from:

- the underlying strength and growth perspectives in the automotive sector;
- the margin improvement actions in Bridon-Bekaert Ropes Group;
- the confidence we have in the effectiveness of our improvement actions in North America;
- the growing impact of our transformation programs as they increase in speed and scope across the organization. We will increase spend during the second half in some areas of our transformation program as we invest to enable further improvement of our core capabilities, greater efficiency and speed, and prepare the business for further growth.
- investments to expand and upgrade production capacity. We intend to invest € 250 million in property, plant and equipment in FY 2017, around € 100 million higher than last year.

On the downside, the recent integration of the Sumaré activities into the ArcelorMittal-Bekaert joint venture partnership in Brazil* and the projected normal seasonality of the second half of the year will have an impact on results. We also remain cautious about:

- fast changing raw materials price trends;
- the lack of signs of improvement in oil and gas markets in the short term;
- market developments in North America due to the uncertainty arising from US Trade and other policies;
- the continued difficult economic and political environment in Latin America; and
- the effects of changes to feed-in tariffs and the technology shift in solar markets in China.

We remain confident about our underlying strategy and the impact of our transformation actions, and believe that these will allow us to move towards a 10% margin over the coming years.

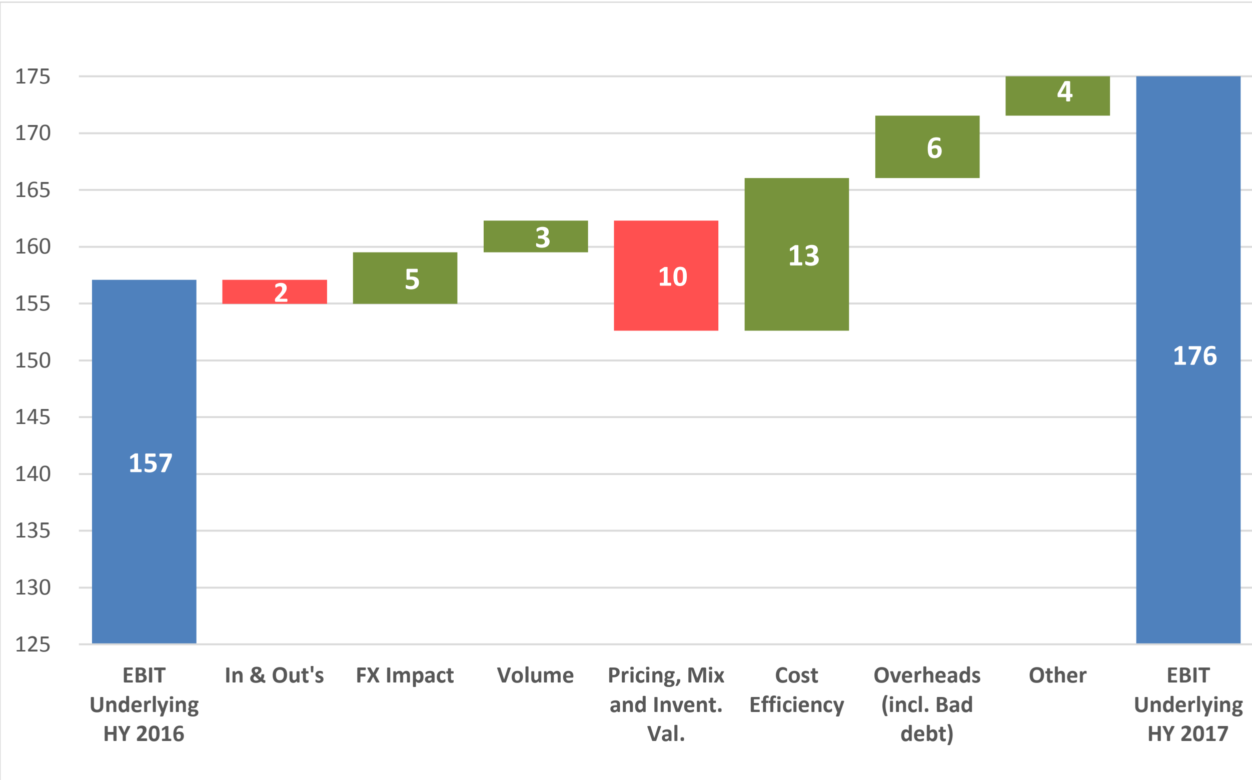
*See page 8: investment update.

Financial Statements Summary

	Underlying			Reported		
in millions of €	**1H 2016**	**2H 2016**	**1H 2017**	**1H 2016**	**2H 2016**	**1H 2017**
Consolidated sales	1 819	1 896	2 095	1 819	1 896	2 095
Operating result (EBIT)	157	148	176	143	116	197
EBIT margin on sales	8.6%	7.8%	8.4%	7.9%	6.1%	9.4%
Depreciation, amortization and impairment losses	102	106	101	98	123	101
EBITDA	259	254	277	242	240	297
EBITDA margin on sales	14.2%	13.4%	13.2%	13.3%	12.6%	14.2%
ROCE	12.7%	11.8%	13.1%	11.6%	10.0%	14.6%
Combined sales	2 125	2 226	2 424	2 125	2 226	2 424

Underlying EBIT bridge

Bekaert's underlying EBIT increased by 12% to € 176 million, reflecting a margin of 8.4%. This was the result of modest volume growth, incremental cost savings from manufacturing excellence and overhead reductions and favorable currency effects. These margin enhancing effects were partially offset by the integration of the Bridon activities in the Bridon-Bekaert Ropes Group and the net impact of price-mix and inventory valuation effects.



Sales[3]

Bekaert achieved consolidated sales of € 2.1 billion and combined sales of € 2.4 billion, an increase of 15% and 14% respectively, compared with the same period of last year.

The consolidated sales growth (+15%) consisted of +6.5% organic growth (+1% volume driven and +5.5% from the aggregate effect of wire rod price increases and price-mix), +6.5% M&A growth from the Bridon merger and +2% from positive currency movements.

Combined sales increased by 14%. The Brazilian joint ventures, which are included in combined sales, reported higher sales on lower volumes and positive translation effects due to the significant revaluation of the Brazilian real in comparison with the same period last year. Currency effects accounted for almost +5% at the combined sales level. The incremental effect of the Bridon merger was almost 6% at the combined level and organic sales growth was 4%.

Consolidated and combined sales by segment – in millions of €

Consolidated sales	1H 2016	1H 2017	Share	Variance	Organic	FX	M&A
EMEA	608	653	31%	+7%	+7%	-	-
North America	264	287	14%	+9%	+6%	+3%	-
Latin America	328	356	17%	+8%	+1%	+8%	-
Asia Pacific	517	565	27%	+9%	+10%	-1%	-
BBRG	102	234	11%	+130%	+7%	+4%	+119%
Total	**1 819**	**2 095**	**100%**	**+15%**	**+6.5%**	**+2%**	**+6.5%**

Combined sales	1H 2016	1H 2017	Share	Variance	Organic	FX	M&A
EMEA	607	646	27%	+6%	+6%	-	-
North America	264	287	12%	+9%	+6%	+3%	-
Latin America	636	692	29%	+9%	-4%	+13%	-
Asia Pacific	517	565	23%	+9%	+10%	-1%	-
BBRG	101	234	10%	+131%	+8%	+4%	+119%
Total	**2 125**	**2 424**	**100%**	**+14%**	**+4%**	**+5%**	**+6%**

Quarter-on-quarter sales 2017 – in millions of €

Consolidated sales	1st Q	2nd Q	Q2:Q1
EMEA	325	328	+1%
North America	147	140	-4%
Latin America	183	173	-5%
Asia Pacific	290	275	-5%
BBRG	117	117	+1%
Total	**1 061**	**1 035**	**-2%**

Combined sales	1st Q	2nd Q	Q2:Q1
EMEA	321	326	+2%
North America	147	140	-4%
Latin America	350	342	-2%
Asia Pacific	290	275	-5%
BBRG	117	117	+1%
Total	**1 223**	**1 201**	**-2%**

[3] All comparisons are made relative to the figures for the first half of 2016, unless otherwise indicated.

Segment reports

EMEA

Key figures (in millions of €)	Underlying 1H 2016	Underlying 2H 2016	Underlying 1H 2017	Reported 1H 2016	Reported 2H 2016	Reported 1H 2017
Consolidated sales	608	541	653	608	541	653
Operating result (EBIT)	81	60	81	74	62	80
EBIT margin on sales	13.3%	11.1%	12.3%	12.1%	11.4%	12.3%
Depreciation, amortization and impairment losses	30	29	31	30	28	31
EBITDA	111	89	111	104	90	111
EBITDA margin on sales	18.2%	16.5%	17.1%	17.1%	16.7%	17.0%
Segment assets	911	881	965	911	881	965
Segment liabilities	240	240	268	240	240	268
Capital employed	671	642	697	671	642	697
ROCE – FY2016 references		22.1%	24.1%		21.3%	23.9%

Compared with a very strong first half of 2016, Bekaert's activities in EMEA delivered solid sales growth and results.

Strong automotive, construction and other industrial markets boosted the growth while demand for profiled wires declined as a result of lagging investment activity in the oil and gas sector. Increased price pressure in highly competitive construction markets affected our ability to immediately pass on wire rod price increases to the market. However, the high capacity utilization in most platforms - particularly in rubber reinforcement - and the increasing benefits from various transformation programs drove a strong underlying EBIT margin of 12.3%.

Capital expenditure (PP&E) was € 36 million and included capacity expansions and equipment upgrades across the region, particularly in Central and Eastern Europe.

While taking into account the usual seasonal effects for the second half of the year, we anticipate continued solid demand from most markets with the exception of oil and gas.

NORTH AMERICA

Key figures (in millions of €)	Underlying 1H 2016	Underlying 2H 2016	Underlying 1H 2017	Reported 1H 2016	Reported 2H 2016	Reported 1H 2017
Consolidated sales	264	248	287	264	248	287
Operating result (EBIT)	13	13	21	13	13	21
EBIT margin on sales	5.0%	5.1%	7.2%	5.0%	5.1%	7.2%
Depreciation, amortization and impairment losses	6	7	7	6	7	7
EBITDA	19	19	28	19	20	28
EBITDA margin on sales	7.4%	7.8%	9.6%	7.4%	7.9%	9.6%
Segment assets	280	300	301	280	300	301
Segment liabilities	68	62	76	68	62	76
Capital employed	212	237	225	212	237	225
ROCE – FY2016 references		11.7%	17.9%		11.7%	17.9%

Bekaert's activities in North America achieved 9% sales growth and a significant improvement in profitability.

The organic growth accounted for almost 6% and was mainly driven by passed-on higher wire rod prices and other price-mix effects. While the volume growth was relatively modest due to tailed-off demand in the second quarter, the transformation programs recently put in place in the region have had a strong impact: Bekaert's activities in North America have clearly realized a turnaround in profitability.

The underlying EBIT increased by 56% to € 21 million at a margin of 7.2%. The segment also reported a significant increase in EBITDA and ROCE margins, compared with previous reporting periods.

Capital expenditure (PP&E) was € 7 million in North America.

We project more positive effects from our improvement actions in the course of 2017, but remain cautious about the effects of US trade policy changes and the growing uncertainty about the economic developments in general.

LATIN AMERICA

	Underlying			Reported		
Key figures (in millions of €)	**1H 2016**	**2H 2016**	**1H 2017**	**1H 2016**	**2H 2016**	**1H 2017**
Consolidated sales	328	353	356	328	353	356
Operating result (EBIT)	33	34	28	32	34	54
EBIT margin on sales	9.9%	9.7%	8.0%	9.9%	9.7%	15.1%
Depreciation, amortization and impairment losses	13	9	11	13	9	11
EBITDA	45	43	40	45	43	65
EBITDA margin on sales	13.8%	12.2%	11.1%	13.7%	12.2%	18.2%
Combined sales	636	684	692	636	684	692
Segment assets	527	464	448	527	464	448
Segment liabilities	124	118	117	124	118	117
Capital employed	403	347	331	403	347	331
ROCE - FY 2016 references		16.6%	16.9%		16.5%	32.1%

The translation effect of currency movements (+7.6%) drove consolidated sales up in Latin America. This was particularly due to the revaluation of the Brazilian real (+17%), the Colombian peso (+9%) and the Chilean peso (+7%). Volumes were down -2.5% compared with the same period last year and the aggregate effect of higher wire rod prices and price-mix was +3.3%.

Bekaert's activities reported a decline in underlying EBIT due to the overall economic and political uncertainty in the region. Moreover, we faced increased competitive pressure from Asian imports in the course of the first half of 2017 due to the stronger local currencies, making it more difficult to push raw material price increases onto the market.

EBIT increased to € 54 million at a margin of 15% as a result of the gain on the sale of 55.5% of the shares of the Sumaré plant in Brazil.

Capital expenditure (PP&E) amounted to € 7 million and mainly related to investments in Ecuador, Chile and Peru.

The significant impact of currency movements on combined sales was due to the volatility of the Brazilian real. While the currency has devaluated versus the euro since May 2016, the total average year-on-year effect of the real was € +70 million on sales. The joint ventures in Brazil reported lower volumes and profitability as a result of the weak economic conditions in the country and the adverse effects of the high currency on the competitiveness of domestic operations.

While we expect to maintain the benefits of our strong market positions and the impact of the transformation programs started up in several countries, profit levels will be affected by the continued economic and political instability in the region and by the integration of the Sumaré plant within the ArcelorMittal-Bekaert joint venture partnership.

ASIA PACIFIC

Key figures (in millions of €)	Underlying 1H 2016	Underlying 2H 2016	Underlying 1H 2017	Reported 1H 2016	Reported 2H 2016	Reported 1H 2017
Consolidated sales	517	535	565	517	535	565
Operating result (EBIT)	58	62	61	58	42	57
EBIT margin on sales	11.1%	11.5%	10.7%	11.3%	7.9%	10.1%
Depreciation, amortization and impairment losses	51	52	47	50	69	47
EBITDA	108	113	108	108	111	105
EBITDA margin on sales	21.0%	21.2%	19.0%	20.9%	20.8%	18.5%
Combined sales	517	535	565	517	535	565
Segment assets	1 162	1 115	1 191	1 162	1 115	1 191
Segment liabilities	156	179	175	156	179	175
Capital employed	1 006	936	1 015	1 006	936	1 015
ROCE – FY 2016 references		12.2%	12.5%		10.3%	11.7%

Bekaert achieved more than 9% sales growth in Asia Pacific, compared with the first half of 2016. Organic sales surged 10% in Asia Pacific thanks to the favorable aggregate effect of passed-on wire rod price increases and price-mix. The impact of currency movements was -1%.

After a very strong first quarter with vigorous volume growth across the region, demand from tire markets dropped in the second quarter as a result of temporary capacity reduction actions implemented by Chinese tire manufacturers in anticipation of declining prices for steel and rubber. We also noted a slowdown in demand in South East Asia during the month of June due to lower economic activity in Ramadhan. Bekaert's sawing wire activities faced demand volatility across the first half of 2017. These evolutions cancelled out the firm organic volume growth realized in the first quarter of the year.

Our activities achieved strong profit growth across the region: underlying EBIT increased by 5% to € 61 million, reflecting a margin of 10.7%. Underlying EBITDA was € 108 million, at the same strong level of the same period last year. ROCE continued to improve and reached 12.5%.

This robust performance across the whole region was the result of high capacity utilization in the first 5 months of the year and significant benefits from various transformation programs. On the downside, we noted increased price and margin pressure in our sawing wire activities in anticipation of changes to feed-in tariffs in China and of a technology shift to new generation product solutions. The ongoing expansion programs in India and Indonesia generated additional costs related to hiring and training personnel. Bekaert invested € 48 million in PP&E in the first half of the year, including expansion investments in China, India and Indonesia.

EBIT was € 57 million and included the restructuring expenses related to the Huizhou plant closure in China and the changes to the manufacturing footprint in Malaysia.

We project tire markets to pick up after the temporary drop caused by stock correction actions from Chinese tire makers in anticipation of declining raw materials prices and are confident of the inherent strength and growth perspectives of tire markets across the region. We will be taking actions to upgrade our sawing wire offering and position so we can play a part in the ongoing technology shift in solar markets. We also expect that our transformation programs will enable us to sustain a high revenue and profitability in the second half of 2017.

BRIDON-BEKAERT ROPES GROUP

	Underlying			Reported		
Key figures (in millions of €)	**1H 2016**	**2H 2016**	**1H 2017**	**1H 2016**	**2H 2016**	**1H 2017**
Consolidated sales	102	219	234	102	219	234
Operating result (EBIT)	10	3	11	2	-11	11
EBIT margin on sales	9.6%	1.6%	4.7%	2.3%	-5.0%	4.5%
Depreciation, amortization and impairment losses	7	15	11	5	16	11
EBITDA	16	18	22	8	5	21
EBITDA margin on sales	16.2%	8.3%	9.4%	7.6%	2.4%	9.1%
Segment assets	619	613	591	619	613	591
Segment liabilities	74	92	87	74	92	87
Capital employed	545	522	504	545	522	504
ROCE - FY 2016 references		3.4%	4.3%		-2.3%	4.1%

Bridon-Bekaert Ropes Group (BBRG) achieved 130% sales growth. The integration of the Bridon activities since 28 June 2016, accounted for an increase of 119%. The former Bekaert activities within BBRG delivered 7% organic growth reflecting a 9% volume increase stemming from double-digit growth in the advanced cords business and 7% volume increase in ropes. Currency movements added 4% to consolidated sales.

Underlying EBIT was € 11 million at a margin of 4.7%, reflecting the difficult conditions in oil & gas and other steel ropes markets.

BBRG invested € 7 million in PP&E in the first half of the year, half of which in advanced cords and the other half in steel ropes manufacturing sites worldwide.

We project continued challenging market circumstances in oil & gas markets in the near future. The management of Bridon-Bekaert Ropes Group is implementing actions to strengthen its market positions and to gradually leverage the benefits of its increased scale.

Investment update and other information

On 21 June 2017 Bekaert and ArcelorMittal closed the transaction to integrate Bekaert's formerly wholly-owned subsidiary in Sumaré (Brazil) into the BMB (Belgo Mineira Bekaert Artefatos de Arame Ltda) partnership. The Sumaré plant accounted for € 41 million in consolidated revenue over the first half of 2017, representing € 6 million in net result. As of 1 July 2017, the entity - renamed ArcelorMittal Bekaert Sumaré Ltda – will be accounted for by Bekaert under the equity method: 44.5% of the net result of the entity will then be represented as 'share in the results of joint ventures and associates'. Under IFRS, the transaction is accounted for in two stages: (1) the disposal of Bekaert's full interests (100% of the shares) in Bekaert Sumaré Ltda; and (2) the acquisition of 44.5% of the shares in the disposed company at their fair value. The second stage requires a fair valuation of the net assets acquired in order to determine any goodwill arising on the transaction. Pending this fair valuation, which is expected to be finalized before year-end 2017, no goodwill or negative goodwill has yet been recognized. The final gain on the Sumaré divestment is less than the original estimate communicated at the transaction date because of a consolidation adjustment relating to the fair valuation of the retained interest and also due to variances between estimated and actual net assets disposed.

Bekaert is investing in all continents to expand and upgrade the production capacity to the levels needed. Investments in property, plant and equipment amounted to € 103 million in the first half of 2017 and included expansion programs in all segments.

Between 1 January 2017 and 30 June 2017, Bekaert acquired 52 719 own shares pursuant to its share buy-back program (that was announced on 16 December 2016 and ran until 30 June 2017) and disposed of 404 318 treasury shares in connection with the exercise of stock options and the sale to members of the Bekaert Group Executive pursuant to the Bekaert Personal Shareholding Requirement Plan. As a result, Bekaert owned 3 533 847 treasury shares at 30 June 2017.

Financial Review

Results

Bekaert achieved an operating result (EBIT-Underlying) of € 176 million up, 12% from the first half of 2016 (€ 157 million). This equates to a margin on sales of 8.4% (versus 8.6%). The one-off items amounted to a net positive € 21 million (€ -14 million in the same period last year) and included € 25 million gain on the divestment of 55.5% of the shares in the formerly wholly-owned Bekaert subsidiary in Sumaré, Brazil, partly offset by expenses related to previously announced restructuring programs (€ -4 million). Including these one-offs, EBIT was € 197 million, representing an EBIT margin on sales of 9.4% (compared with € 143 million at a margin of 7.9% in the first half of 2016).

Underlying selling and administrative expenses increased by € 20 million to € 175 million due to the impact of the Bridon merger (€ 24 million) and currency movements (€ 3 million), partially offset by a net reversal of bad debt allowances (€ -3 million). The research and development expenses were stable (€ 32 million). Net underlying other operating revenues and expenses totaled € 2 million, up € 5 million from last year.

Interest income and expenses amounted to € -41 million, up from the same period last year (€ -28 million) as a result of the net debt incurred upon the Bridon merger transaction. Other financial income and expenses amounted to € -35 million (versus € -53 million) and include the adjustment in fair value of the conversion option embedded in the convertible bonds (€ -21 million in the first half of 2017 vs € -41.6 million in the first half of last year).

Taxation on profit amounted to € 42 million, compared with € 33 million in the first half of 2016, reflecting the taxation impact of increased profits and higher withholding taxes.

The share in the result of joint ventures and associated companies decreased from € 13 million to € 9 million due to lower profitability in the Brazilian joint ventures.

The result for the period thus totaled € 88 million, compared with € 42 million in the first half of 2016. The result attributable to non-controlling interests decreased from € 9 million to € 1 million. After non-controlling interests, the result for the period attributable to the Group was € 87 million, compared with € 33 million in the first half of 2016. Earnings per share amounted to € 1.53, up from € 0.59 in the first half 2016.

Balance sheet

As at 30 June 2017, shareholders' equity represented 35.3% of total assets, up from 33.9% in the first half of 2016. The gearing ratio (net debt to equity) was 81.7% (versus 76.9%).

Net debt was € 1 230 million, up from € 1 148 million as at 30 June 2016 and up from € 1 068 million as at year-end 2016. Net debt on underlying EBITDA was 2.2, unchanged from the same period last year and 2.1 at year-end 2016.

Cash flow statement

Cash from operating activities amounted to € 205 million, slightly above € 201 million for the first half of 2016. Underlying EBITDA was € 277 million (13.2% margin) compared with € 259 million (14.2%) and EBITDA reached € 297 million, representing an EBITDA margin on sales of 14.2% (versus 13.3%).

Cash flows from investing activities amounted to € -81 million (versus € -1 million). € -103 million related to capital expenditure (PP&E) and € +20 million to the net impact of acquisitions and divestments.

Cash flows from financing activities totaled € +17 million (versus € -51 million in the first half of 2016) and were driven by an increase of gross debt.

NV Bekaert SA (statutory accounts)

The Belgium-based entity's sales amounted to € 201 million, compared with € 188 million in the first half of 2016. The operating loss before non-recurring results was € -1 million, compared with a loss of € -6 million in the first half of 2016, while non-recurring result as part of the operating result was € 52 million, compared to nil last year. The financial result was € 9 million (€ -55 million for the first half of 2016), mainly related to the dividend income. This led to a result for the period of € 62 million compared with € -58 million in the first half of 2016.

Financial calendar

2017 half year results 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.	28	July	2017
Third quarter trading update 2017	10	November	2017
2017 full year results	28	February	2018

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, 2016.
In preparing this interim report, the same accounting policies and methods of computation have been used as in the 2016 annual consolidated financial statements. None of the new, amended or revised IFRSs that have been adopted as of January 1, 2017 has had a significant impact on this interim report. For an overview of the IFRS standards, amendments and interpretations that have become effective in 2017, we refer to the Statement of Compliance (section 2.1) of the financial review in the 2016 Annual Report at https://www.bekaert.com/en/investors/information-center/annual-reports.

Statement from the responsible persons

The undersigned states that, to the best of his knowledge:
- the consolidated condensed interim financial statements of NV Bekaert SA and its subsidiaries as of 30 June 2017 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.

Beatriz García-Cos   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 almost 30 000 employees worldwide, headquarters in Belgium and € 4.4 billion in annual revenue.

Annex 1: Press release 28 July 2017

Consolidated income statement

(in thousands of €)	1H 2016	2H 2016	1H 2017
Sales	1 819 106	1 896 111	2 095 439
Cost of sales	-1 478 207	-1 579 886	-1 717 136
Gross profit	**340 899**	**316 225**	**378 303**
Selling expenses	-82 672	-93 097	-95 402
Administrative expenses	-79 640	-72 087	-80 699
Research and development expenses	-31 443	-31 879	-32 374
Other operating revenues	7 016	7 641	42 889
Other operating expenses	-10 761	-10 548	-16 074
Operating result (EBIT)	**143 399**	**116 255**	**196 643**
EBIT - Underlying	**157 059**	**147 893**	**176 040**
Interest income	3 234	3 091	1 901
Interest expense	-31 066	-48 427	-42 793
Other financial income and expenses	-53 204	15 746	-35 378
Result before taxes	**62 363**	**86 665**	**120 373**
Income taxes	-32 685	-29 367	-41 914
Result after taxes (consolidated companies)	**29 678**	**57 298**	**78 459**
Share in the results of joint ventures and associates	12 815	12 630	9 428
RESULT FOR THE PERIOD	**42 493**	**69 928**	**87 887**
Attributable to			
the Group	33 011	72 155	86 886
non-controlling interests	9 482	-2 227	1 001
EARNINGS PER SHARE (in € per share)			
Result for the period attributable to the Group			
Basic	0.59	1.28	1.53
Diluted	0.58	1.27	1.52

Annex 2: Press release 28 July 2017

Reconciliation of segment reporting

Key figures per segment

	Underlying							
(in millions of €)	EMEA	N-AM	L-AM	APAC	GROUP[1]	BBRG	RECONC[2]	1H 2017
Consolidated sales	653	287	356	565	-	234	-	2 095
Operating result (EBIT)	81	21	28	61	-24	11	-1	176
EBIT margin on sales	12.3%	7.2%	8.0%	10.7%	-	4.7%	-	8.4%
Depreciation, amortization, impairment losses	31	7	11	47	2	11	-8	101
EBITDA	111	28	40	108	-22	22	-10	277
EBITDA margin on sales	17.1%	9.6%	11.1%	19.0%	-	9.4%	-	13.2%
Segment assets	965	301	448	1 191	190	591	-258	3 428
Segment liabilities	268	76	117	175	103	87	-111	715
Capital employed	697	225	331	1 015	87	504	-146	2 713
ROCE	24.1%	17.9%	16.9%	12.5%	-	4.3%	-	13.1%
Capital expenditure - PP&E	36	7	7	48	6	7	-9	103

	Reported							
(in millions of €)	EMEA	N-AM	L-AM	APAC	GROUP[1]	BBRG	RECONC[2]	1H 2017
Consolidated sales	653	287	356	565	-	234	-	2 095
Operating result (EBIT)	80	21	54	57	27	11	-53	197
EBIT margin on sales	12.3%	7.2%	15.1%	10.1%	-	4.5%	-	9.4%
Depreciation, amortization, impairment losses	31	7	11	47	2	11	-8	101
EBITDA	111	28	65	105	29	21	-61	297
EBITDA margin on sales	17.0%	9.6%	18.2%	18.5%	-	9.1%	-	14.2%
Segment assets	965	301	448	1 191	190	591	-258	3 428
Segment liabilities	268	76	117	175	103	87	-111	715
Capital employed	697	225	331	1 015	87	504	-146	2 713
ROCE	23.9%	17.9%	32.1%	11.7%	-	4.1%	-	14.6%
Capital expenditure - PP&E	36	7	7	48	6	7	-9	103

[1] Group and Business Support

[2] Reconciliations

Annex 3: Press release 28 July 2017

Consolidated statement of comprehensive income

(in thousands of €)	1H 2016	1H 2017
Result for the period	**42 493**	**87 887**
Other comprehensive income (OCI)		
Other comprehensive income reclassifiable to profit or loss in subsequent periods:		
Exchange differences	15 488	-92 355
Inflation adjustments	916	2 179
Cash flow hedges	-	23
Available-for-sale investments	-	-1 389
Deferred taxes relating to reclassifiable OCI	-	-3
OCI reclassifiable to profit or loss in subsequent periods, after tax	**16 404**	**-91 545**
Other comprehensive income non-reclassifiable to profit or loss in subsequent periods:		
Remeasurement gains and losses on defined-benefit plans	-24 526	8 002
Deferred taxes relating to OCI not to be reclassified	86	515
OCI non-reclassifiable to profit or loss in subsequent periods, after tax	**-24 440**	**8 517**
Other comprehensive income for the period	**-8 036**	**-83 028**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**34 457**	**4 859**
Attributable to		
the Group	24 416	17 269
non-controlling interests	10 041	-12 410

Annex 4: Press release 28 July 2017

Consolidated balance sheet

(in thousands of €)	31-Dec-16	30-Jun-17
Non-current assets	**2 136 528**	**2 091 802**
Intangible assets	140 377	126 531
Goodwill	152 345	151 022
Property, plant and equipment	1 514 714	1 449 919
Investments in joint ventures and associates	146 582	184 405
Other non-current assets	32 142	30 308
Deferred tax assets	150 368	149 617
Current assets	**2 167 785**	**2 173 093**
Inventories	724 500	783 197
Bills of exchange received	60 182	87 100
Trade receivables	739 145	811 595
Other receivables	108 484	123 240
Short-term deposits	5 342	5 836
Cash and cash equivalents	365 546	299 637
Other current assets	52 225	54 313
Assets classified as held for sale	112 361	8 175
Total	**4 304 313**	**4 264 895**

Equity	**1 597 893**	**1 505 927**
Share capital	177 612	177 612
Share premium	36 594	36 594
Retained earnings	1 432 394	1 423 581
Other Group reserves	-179 508	-223 933
Equity attributable to the Group	**1 467 092**	**1 413 854**
Non-controlling interests	**130 801**	**92 073**
Non-current liabilities	**1 504 487**	**1 482 562**
Employee benefit obligations	182 641	154 978
Provisions	63 107	56 317
Interest-bearing debt	1 161 310	1 157 748
Other non-current liabilities	44 873	66 189
Deferred tax liabilities	52 556	47 330
Current liabilities	**1 201 933**	**1 276 406**
Interest-bearing debt	297 916	392 635
Trade payables	556 361	588 003
Employee benefit obligations	132 913	125 979
Provisions	17 720	15 288
Income taxes payable	101 683	100 226
Other current liabilities	61 840	54 275
Liabilities associated with assets classified as held for sale	33 500	-
Total	**4 304 313**	**4 264 895**

Annex 5: Press release 28 July 2017

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.	Other Group reserves: Other reserves	Equity attributable to the Group	Non-controlling interests	Total
Balance as at 1 January 2016	**176 957**	**31 884**	**1 397 110**	**-144 747**	**-30 808**	**-48 185**	**1 382 211**	**129 440**	**1 511 651**
Total comprehensive income for the period (restated)	-	-	34 247	-	14 864	-24 695	**24 416**	10 041	**34 457**
Effect of BBRG merger	-	-	-16 411	-	-126	-20	**-16 557**	10 544	**-6 013**
Effect of other changes in group structure	-	-	-114	-	115	-	**1**	-5	**-4**
Equity-settled share-based payment plans	-	-	2 227	-	-	-	**2 227**	-	**2 227**
Treasury shares transactions	-	-	-9 027	17 391	-	-	**8 364**	-	**8 364**
Dividends	-	-	-50 472	-	-	-	**-50 472**	-7 814	**-58 286**
Balance as at 30 June 2016	**176 957**	**31 884**	**1 357 560**	**-127 356**	**-15 955**	**-72 900**	**1 350 190**	**142 206**	**1 492 396**
Balance as at 1 January 2017	**177 612**	**36 594**	**1 432 394**	**-127 974**	**4 286**	**-55 820**	**1 467 092**	**130 801**	**1 597 893**
Total comprehensive income for the period	-	-	89 419	-	-78 575	6 426	**17 270**	-12 410	**4 860**
Capital contribution by non-controlling interests	-	-	-	-	-	-	**-**	14	**14**
Effect of NCI purchase from Ansteel (China)	-	-	-18 268	-	17	-	**-18 251**	1 231	**-17 020**
Effect of other changes in group structure	-	-	84	-	-	-	**84**	-66	**18**
Equity-settled share-based payment plans	-	-	2 278	-	-	-	**2 278**	62	**2 340**
Treasury shares transactions	-	-	-19 897	27 707	-	-	**7 810**	-	**7 810**
Dividends	-	-	-62 429	-	-	-	**-62 429**	-27 559	**-89 988**
Balance as at 30 June 2017	**177 612**	**36 594**	**1 423 581**	**-100 267**	**-74 272**	**-49 394**	**1 413 854**	**92 073**	**1 505 927**

Annex 6: Press release 28 July 2017

Consolidated cash flow statement

(in thousands of €)	1H 2016	1H 2017
Operating result (EBIT)	143 399	196 643
Non-cash items included in operating result	119 845	97 585
Investing items included in operating result	925	-17 255
Amounts used on provisions and employee benefit obligations	-19 436	-23 492
Income taxes paid	-43 679	-48 533
Gross cash flows from operating activities	**201 054**	**204 948**
Change in operating working capital	-96 550	-185 898
Other operating cash flows	10 755	-12 923
Cash flows from operating activities	**115 259**	**6 127**
New business combinations	40 918	-
Other portfolio investments	-	-17 269
Proceeds from disposals of investments	3	37 596
Dividends received	11 695	892
Purchase of intangible assets	-2 437	-522
Purchase of property, plant and equipment	-50 908	-102 553
Other investing cash flows	-68	796
Cash flows from investing activities	**-797**	**-81 060**
Interest received	4 044	2 015
Interest paid	-15 493	-8 786
Gross dividend paid	-57 528	-87 253
Proceeds from non-current interest-bearing debt	151 061	52 149
Repayment of non-current interest-bearing debt	-123 615	-28 645
Cash flows from/to(-) current interest-bearing debt	-8 670	77 501
Treasury shares transactions	8 364	7 810
Other financing cash flows	-9 064	1 906
Cash flows from financing activities	**-50 901**	**16 697**
Net increase or decrease (-) in cash and cash equivalents	**63 561**	**-58 236**
Cash and cash equivalents at the beginning of the period	**401 771**	**365 546**
Effect of exchange rate fluctuations	-13 154	-15 914
Cash and cash equivalents reclassified from held for sale	-3 973	8 241
Cash and cash equivalents at the end of the period	**448 205**	**299 637**

Annex 7: Press release 28 July 2017

Additional key figures

(in € per share)	1H 2016	1H 2017
Number of existing shares at 30 June	60 125 525	60 347 525
Book value	22.46	23.43
Share price at 30 June	38.97	44.55
Weighted average number of shares		
Basic	56 083 085	56 643 016
Diluted	56 636 688	57 297 828
Result for the period attributable to the Group		
Basic	0.59	1.53
Diluted	0.58	1.52

(in thousands of € - ratios)	1H 2016	1H 2017
EBITDA	241 868	297 238
EBITDA - Underlying	259 148	276 981
Depreciation and amortization and impairment losses	98 469	100 595
Capital employed	2 805 022	2 712 929
Operating working capital	968 289	985 456
Net debt	1 148 085	1 229 820
EBIT on sales	7.9%	9.4%
EBIT - Underlying on sales	8.6%	8.4%
EBITDA on sales	13.3%	14.2%
EBITDA - Underlying on sales	14.2%	13.2%
Equity on total assets	33.9%	35.3%
Gearing (net debt on equity)	76.9%	81.7%
Net debt on EBITDA	2.4	2.1
Net debt on EBITDA - Underlying	2.2	2.2

NV Bekaert SA - Statutory Profit and Loss Statement

(in thousands of €)	1H 2016	1H 2017
Sales	187 809	200 809
Operating result before non-recurring items	-5 653	-627
Non-recurring operational items	-3	51 577
Operating result after non-recurring items	-5 656	50 950
Financial result before non-recurring items	-5 505	10 036
Non-recurring financial items	-49 192	-588
Financial result after non-recurring items	-54 697	9 448
Profit before income taxes	-60 353	60 398
Income taxes	1 909	1 831
Result for the period	-58 444	62 229

Annex 8: press release 28 July 2017

EBIT Reported and Underlying

(in thousands of €)	1H 2016 Reported	1H 2016 Underlying	1H 2016 One-offs	1H 2017 Reported	1H 2017 Underlying	1H 2017 One-offs
Sales	1 819 106	1 819 106		2 095 439	2 095 439	
Cost of sales	-1 478 207	-1 472 366	-5 841	-1 717 136	-1 713 760	-3 376
Gross profit	**340 899**	**346 740**	**-5 841**	**378 303**	**381 679**	**-3 376**
Selling expenses	-82 672	-82 601	-71	-95 402	-95 391	-11
Administrative expenses	-79 640	-72 635	-7 005	-80 699	-80 299	-400
Research and development expenses	-31 443	-31 554	111	-32 374	-32 355	-19
Other operating revenues	7 016	5 698	1 318	42 889	10 301	32 588
Other operating expenses	-10 761	-8 589	-2 172	-16 074	-7 895	-8 179
Operating result (EBIT)	**143 399**	**157 059**	**-13 660**	**196 643**	**176 040**	**20 603**
EBIT - Underlying	**157 059**	**157 059**		**176 040**	**176 040**	

Annex 9: Press release 28 July 2017

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	FY 2016 Carrying amount	FY 2016 Fair value	1H 2017 Carrying amount	1H 2017 Fair value
Assets					
Cash and cash equivalents	L&R	365 546	365 546	299 637	299 637
Short term deposits	L&R	5 342	5 342	5 836	5 836
Trade receivables	L&R	739 145	739 145	811 595	811 595
Bills of exchange received	L&R	60 182	60 182	87 100	87 100
Other receivables	L&R	38 239	38 239	245 888	245 888
Loans and receivables	L&R	28 591	28 591	22 191	22 191
Available for sale financial assets	AfS	17 499	17 499	16 289	16 289
Derivative financial assets			-		
- without a hedging relationship	FAFVTPL	7 037	7 037	10 822	10 822
- with a hedging relationship	Hedge accounting	-	-	-	-
Liabilities					
Interest-bearing debt					
- finance leases	n.a.	3 855	3 855	3 374	3 374
- credit institutions	FLMaAC	781 915	781 915	868 391	868 391
- bonds	FLMaAC	673 455	715 186	678 618	721 438
Trade payables	FLMaAC	556 361	556 361	588 003	588 003
Other payables	FLMaAC	20 572	20 572	12 454	12 454
Derivative financial liabilities					
- without a hedging relationship	FLFVTPL	51 528	51 528	70 156	70 156
- with a hedging relationship	Hedge accounting	595	595	380	380
Aggregated by category in accordance with IAS 39					
Loans and receivables	L&R	1 237 046	1 237 046	1 472 247	1 472 247
Available-for-sale financial Assets	AfS	17 499	17 499	16 289	16 289
Financial assets at fair value through profit or loss	FAFVTPL	7 037	7 037	10 822	10 822
Financial liabilities measured at amortized cost	FLMaAC	2 032 304	2 074 034	2 147 465	2 190 285
Financial liabilities - hedge Accounting	Hedge accounting	595	595	380	380
Financial liabilities at fair value through profit or loss	FLFVTPL	51 528	51 528	70 156	70 156

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 2016 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 fair value of the conversion option is determined as the difference between the fair value of the convertible bond as a whole (mid – source: Bloomberg) and the fair value of the host debt contract using a valuation model based on the prevailing market interest rate for similar plain vanilla debt instruments. The main factors determining the fair value of the conversion option are the Bekaert share price (level 1), the reference swap rate (level 2), the volatility of the Bekaert share (level 3) and the credit spread (level 3). Consequently, the conversion option is classified as a level-3 financial instrument. Similarly, the fair value of the put option relating to non-controlling interests has not been based on observable market data, but on the business plan that was agreed between the partners in the business combination with Maccaferri. The fair value was established using discounted cash flows.

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	7 611
	-3.5%	decrease by	-7 741
Credit spread	25 bps	increase by	3 507
	-25 bps	decrease by	-3 550

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:

1H 2017

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	-	*10 822*	-	*10 822*
Available-for-sale financial assets				
Equity investments	*7 017*	*9 272*	-	*16 289*
Total assets	**7 017**	**20 094**	**-**	**27 111**
Financial liabilities - hedge accounting				
Interest-bearing debt	-	-	-	-
Derivative financial liabilities	-	*380*	-	*380*
Financial liabilities at fair value through profit or loss				
Put option relating to non-controlling interests	-	-	*8 989*	*8 989*
Derivative financial liabilities	-	*5 314*	*55 853*	*61 167*
Total liabilities	**-**	**5 693**	**64 842**	**70 535**

2016

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	-	*7 037*	-	*7 037*
Available-for-sale financial assets				
Equity investments	*7 951*	*9 548*	-	*17 499*
Total assets	**7 951**	**16 585**	**-**	**24 536**
Financial liabilities - hedge accounting				
Interest-bearing debt	-	-	-	-
Derivative financial liabilities	-	*595*	-	*595*
Financial liabilities at fair value through profit or loss				
Put option relating to non-controlling interests	-	-	*8 845*	*8 845*
Derivative financial liabilities	-	*7 476*	*35 207*	*42 683*
Total liabilities	**-**	**8 071**	**44 052**	**52 123**

Annex 10: Press release 28 July 2017

Other disclosures

Treasury shares

A total of 404 318 treasury shares were disposed of in the course of the first semester in relation to share-based incentive plans for management. A total of 52 719 treasury shares were bought back in the course of the first semester. The number of treasure shares held by NV Bekaert SA amounts to 3 533 847 at 30 June 2017.

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 2016 was issued.

Events after the balance sheet date

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

Annex 11: Press release 28 July 2017

Financial definitions

Added value	Operating result (EBIT) + remuneration, social security and pension charges + depreciation, amortization, impairment of assets and negative goodwill.
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.
Capital ratio	Equity relative to total assets.
Combined figures	Sum of consolidated companies + 100% of joint ventures and associated companies after elimination of intercompany transactions (if any). Examples: sales, capital expenditure, number of employees.
Dividend yield	Gross dividend as a percentage of the share price on 31 December.
EBIT	Operating result (earnings before interest and taxation).
EBIT - Underlying	EBIT before 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.
EBIT interest coverage	Operating result divided by net interest expense.
EBITDA	Operating result (EBIT) + depreciation, amortization, impairment of assets and negative goodwill.
EBITDA – Underlying	EBITDA before 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.
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 capitalization	Net debt + equity.
Net debt	Interest-bearing debt net of current loans, non-current financial receivables and cash guarantees, short-term deposits, cash and cash equivalents.
Return on capital employed (ROCE)	Operating result (EBIT) relative to the weighted average capital employed.
Return on equity (ROE)	Result for the period relative to average equity.
Return on invested capital (ROIC)	NOPLAT on invested capital. NOPLAT is EBIT after tax (using a target tax rate of 27%), and includes the Group's share in the NOPLAT of its joint ventures and associates. Invested capital is the aggregate of total equity, net debt, non-current employee benefit obligations and non-current other provisions, and includes the Group's share in the net debt of its joint ventures and associates.
Subsidiaries	Companies in which Bekaert exercises control and generally has an interest of more than 50%.
Weighted average cost of capital (WACC)	Cost of debt and cost of equity weighted with a target gearing of 50% (net debt/equity structure) after tax (using a target tax rate of 27%). Bekaert calculates a WACC for its three main currency environments: EUR, USD and CNY, the average of which (7.6%) has been rounded to 8% to set a long-term target.
Working capital (operating)	Inventories + trade receivables + bills of exchange received + advanced paid - trade payables - advances received - remuneration and social security payables - employment-related taxes.