

6. Balance sheet items

6.1. Intangible assets

in thousands of €

	Licenses, patents & similar rights	Computer software	Rights to use land	Develop- ment costs	Other	Total
Cost						
As at 1 January 2011	29 453	56 731	55 461	1 001	22 294	164 940
Expenditure	6 267	4 088	855	-	-	11 210
Disposals and retirements	-30 421	-1 597	-37	-	-22	-32 077
Transfers ¹	4 845	173	-	-	-4 104	913
Reclassification to (-) / from held for sale	-741	-57	-	-	-383	-1 181
New consolidations	128	-	2 390	-	1 366	3 884
Deconsolidations	-	-654	-	-	-540	-1 194
Exchange gains and losses (-)	48	583	3 616	-	655	4 902
As at 31 December 2011	9 579	59 266	62 285	1 001	19 266	151 397
As at 1 January 2012	9 579	59 266	62 285	1 001	19 266	151 397
Expenditure	-649	2 562	1 990	-	83	3 986
Disposals and retirements	-112	-419	-	-	-	-531
Transfers ¹	-	751	-	-	-	751
New consolidations	-	760	7 703	-	73	8 536
Exchange gains and losses (-)	-1	-203	-937	-	72	-1 069
As at 31 December 2012	8 817	62 717	71 041	1 001	19 494	163 070
Accumulated amortization and impairment						
As at 1 January 2011	26 596	40 898	5 171	933	18 290	91 888
Charge for the year	2 488	4 405	1 037	37	1 138	9 105
Expenditure	9	-	18	-	93	120
Disposals and retirements	-30 421	-1 585	-37	-	-22	-32 065
Deconsolidations	-	-654	-	-	-372	-1 026
Transfers ¹	4 104	6	-	-	-4 104	6
Reclassification to (-) / from held for sale	-28	-57	-	-	-383	-468
Exchange gains (-) and losses	22	270	501	-	403	1 196
As at 31 December 2011	2 770	43 283	6 690	970	15 043	68 756
As at 1 January 2012	2 770	43 283	6 690	970	15 043	68 756
Charge for the year	1 759	5 085	1 275	31	846	8 996
Impairment losses	3 073	387	-	-	-	3 460
Disposals and retirements	-111	-133	-	-	-	-244
Deconsolidations	-26	-	-	-	-	-26
Exchange gains (-) and losses	-3	-169	-77	-	117	-132
As at 31 December 2012	7 462	48 453	7 888	1 001	16 006	80 810
Carrying amount						
as at 31 December 2011	6 809	15 983	55 595	31	4 223	82 640
Carrying amount						
as at 31 December 2012	1 355	14 263	63 153	0	3 488	82 259

¹ Transfers equal zero if the balances of 'Intangible assets' and 'Property, plant and equipment' (see note 6.3.) are added up. Transfers in 2011 were adjusted so as to include a reclassification of € 4.1 million from other intangible assets to licenses, patents & similar rights, both in the cost section and in the accumulated amortization and impairment section (i.e. carrying amounts remained unchanged).

The expenditure on software mainly relates to ERP software (SAP). As for rights to use land, the 2012 expenditure mainly relates to Bekaert (Xinyu) New Materials (China), while the new consolidations relate to the Southern Wire companies in Malaysia. The impairment losses for licenses relate to the sawing wire business. Other intangible assets predominantly consist of customer lists and trademarks acquired in a business combination. The carrying amount mainly relates to Bekaert Corporation (€ 1.3 million vs. € 1.5 million in 2011), Bekaert (Qingdao) Wire Products (€ 1.1 million vs. € 1.4 million in 2011) and Ideal Alambre SA (€ 0.7 million vs. € 0.9 million in 2011).

No intangible assets have been identified as having an indefinite useful life at the balance sheet date.

6.2. Goodwill

This note relates only to goodwill on acquisition of subsidiaries. Goodwill in respect of joint ventures and associates is disclosed in note 6.4. 'Investments in joint ventures and associates'.

Cost		
in thousands of €	2011	2012
As at 1 January	77 494	40 355
Increases	356	1 194
Exchange gains and losses (-)	113	20
Deconsolidation	-33 323	-
Reclassification from / to (-) held for sale	-4 285	-
As at 31 December	40 355	41 569
Impairment losses		
in thousands of €	2011	2012
As at 1 January	19 397	19 447
Impairment losses	-	5 260
Exchange gains (-) and losses	50	-79
As at 31 December	19 447	24 628
Carrying amount as at 31 December	20 908	16 941

The increase in 2012 relates to the step acquisition of the Inchalam group (Chile, Peru and Canada) and the acquisition of the Southern Wire companies (Malaysia). For both of these deals, refer to note 7.2. 'Effect of new business combinations and disposals'. The impairment losses mainly relate to Bekaert Canada Ltd.

Goodwill by cash-generating unit (CGU)

Goodwill acquired in a business combination is allocated on acquisition to the cash-generating units (CGU) that are expected to benefit from that business combination.

The carrying amount of goodwill and related impairment have been allocated as follows:

Segment in thousands of €	Group of cash-generating units	Carrying amount 31 Dec 2010	Impairment 2011	Carrying amount 31 Dec 2011	Impairment 2012	Carrying amount 31 Dec 2012
Subsidiaries						
EMEA	Cold Drawn Products Ltd	2 600	-	2 680	-	2 743
EMEA	Combustion - heating EMEA	3 027	-	3 027	-	3 027
EMEA	Industrial coatings EMEA ¹	4 285	-	-	-	-
North America	Bekaert Canada Ltd ²	4 821	-	4 860	-4 999	-
North America	Orrville plant (USA)	8 779	-	9 065	-	8 890
North America	Specialty films North America ³	33 697	-	-	-	-
Latin America	Inchalam group ⁴	-	-	-	-	1 005
Latin America	Bekaert Ideal SL companies	844	-	844	-	844
Asia Pacific	Bekaert Southern Wire companies ⁵	-	-	-	-261	-
Asia Pacific	Bekaert (Qingdao) Wire Products Co Ltd	-	-	385	-	385
Asia Pacific	Bekaert-Jiangyin Wire Products Co Ltd	44	-	47	-	47
Subtotal		58 097	-	20 908	-5 260	16 941
Joint ventures and associates						
Latin America	Belgo Bekaert Arames Ltda	6 777	-	6 221	-	5 559
Subtotal		6 777	-	6 221	-	5 559
Total		64 874	-	27 129	-5 260	22 500

¹ This cash-generating unit was classified as held for sale at 31 December 2011 (refer to note 6.10. 'Assets classified as held for sale and liabilities associated with those assets') and has been sold in 2012 (refer to note 7.2. 'Effect of new business combinations and business disposals').

² This cash-generating unit has now been identified separately, whereas it was previously defined in combination with the Van Buren plant (USA). The main reason is that, while both entities have been managed as one business for a long time, they are operating more and more independently from each other.

³ The Specialty Films activity was sold to Saint-Gobain on 30 September 2011.

⁴ The Inchalam group was acquired from the Chilean partners as from 1 January 2012 (refer to note 7.2. 'Effect of new business combinations and business disposals').

⁵ The Southern Wire companies were acquired from Southern Steel as from 30 August 2012 (refer to note 7.2. 'Effect of new business combinations and business disposals'). The resulting goodwill was rather immaterial (€ 0.3 million) and was impaired at year-end.

Cash-generating units to which goodwill has been allocated are tested for impairment at least annually on the basis of their value in use, applying the following assumptions:

- The time horizon is normally 12 years (average lifetime of equipment) but can differ case by case.
- The future free cash flows are based on the latest budgeting/planning exercises for the coming 3 years. In the budgeting exercise the key assumptions relate to sales forecasts which mainly reflect regional industrial GDP evolution, and margin evolutions taking into account agreed action plans. All cash flows thereafter are extrapolations made by the management of the cash-generating unit. Given the uncertain outlook in the midterm, the Group takes a conservative approach on extrapolations (no increase in sales and sales margins). No cost structure improvements are taken into account unless they can be substantiated.
- The future cash flows are based on the assets in their current condition and do not include future restructuring not yet committed or future capital expenditures improving or enhancing the assets in excess of their originally assessed standard of performance. Only that capital expenditure required to maintain the assets in good working order is included. The cash outflows relating to working capital are calculated as a percentage of incremental sales based on the past performance of the specific cash-generating unit.
- The discount factor is based on a (long-term) pre-tax cost of capital, the risks being implicit in the cash flows. A weighted average cost of capital (WACC) is determined for euro, US dollar and Chinese renminbi regions. For countries with a higher perceived risk, the WACC is raised with 1% - 8%. The WACC is pre-tax based,

since relevant cash flows are also pre-tax based. Similarly, it is stated in real terms (without inflation), since cash flows are also stated in real terms. In determining the weight of the cost of debt vs. the cost of equity, a target gearing (net debt relative to equity) of 50% is used. The discount factors are reviewed at least annually.

Discount rates for impairment testing		Euro region	USD region	CNY region
Group target ratio's				
Gearing: net debt/equity	50%			
% debt	33%			
% equity	67%			
% LT debt	75%			
% ST debt	25%			
Cost of Bekaert debt				
Long term interest rate		3.7%	3.2%	6.4%
Short term interest rate		2.5%	1.7%	5.6%
Cost of Bekaert equity				
	$= R_f + \beta \cdot E_m$	7.8%	7.5%	12.3%
Risk free rate= R_f		2.1%	1.8%	6.6%
Beta = β	1.15			
Market equity risk premium= E_m	5%			
Corporate tax rate				
		27.0%	27.0%	27.0%
Cost of equity before tax				
		10.7%	10.3%	16.8%
WACC - nominal				
		8.4%	7.9%	13.4%
Expected inflation				
		2.0%	2.0%	3.0%
WACC in real terms				
		6.4%	5.9%	10.4%

For Bekaert Canada Ltd, the recoverable amount was based on the fair value which was determined for a number of fixed assets which are expected to be sellable (€ 0.66 million). Consequently, the goodwill was fully impaired (€ 5.0 million) and an impairment loss of € 5.4 million was recognized on the property, plant and equipment. Based on current knowledge, reasonable changes in key assumptions (including discount rate, sales and margin evolution) would not generate material impairments for any of the other cash-generating units.

6.3. Property, plant and equipment

in thousands of €	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Leases and similar rights	Other PP&E	Assets under construction	Total
Cost							
As at 1 January 2011	732 711	1 990 267	82 708	1 255	4 866	117 649	2 929 456
Expenditure	82 254	172 170	12 680	159	67	1 545	268 875
Disposals and retirements	-2 073	-34 248	-4 582	-	-112	-5	-41 019
New consolidations	4 795	7 920	110	-	-	382	13 207
Deconsolidations	-2 945	-33 942	-2 454	-	-489	-5 486	-45 317
Transfers ¹	-	-	-	-	-	-913	-913
Reclassification to (-) / from held for sale	-4 221	-18 195	-918	-	-121	-155	-23 610
Exchange gains and losses (-)	28 964	79 164	2 941	27	167	3 936	115 201
As at 31 December 2011	839 486	2 163 136	90 485	1 441	4 378	116 952	3 215 879
As at 1 January 2012	839 486	2 163 136	90 485	1 441	4 378	116 952	3 215 879
Expenditure	64 367	118 584	6 704	54	461	-64 083	126 087
Disposals and retirements	-10 006	-41 392	-4 048	-70	-514	-448	-56 478
New consolidations	58 096	46 041	2 150	7 843	-	11 302	125 432
Deconsolidations	-	580	-63	-	-	-805	-288
Transfers ¹	-	-	-	-	-	-751	-751
Reclassification to (-) / from held for sale	640	4 326	46	-	-	-	5 012
Exchange gains and losses (-)	-18 384	-30 071	-2 463	532	26	-17	-50 377
As at 31 December 2012	934 199	2 261 204	92 811	9 800	4 351	62 150	3 364 516
Accumulated depreciation and impairment							
As at 1 January 2011	328 144	1 235 388	61 179	1 035	2 121	-	1 627 867
Charge for the year	27 477	133 380	9 704	88	585	-	171 233
Impairment losses	539	5 968	-	-	-	-	6 507
Disposals and retirements	-1 214	-32 053	-4 325	-4	-	-	-37 596
Deconsolidations	-1 097	-26 353	-1 897	-	-482	-	-29 829
Reclassification to (-) / from held for sale	-2 512	-11 652	-745	-	-71	-	-14 980
Exchange gains (-) and losses	8 690	40 860	1 926	22	78	-	51 575
As at 31 December 2011	360 028	1 345 538	65 842	1 140	2 231	-	1 774 778
As at 1 January 2012	360 028	1 345 538	65 842	1 140	2 231	-	1 774 778
Charge for the year	38 836	144 124	11 985	266	507	-	195 718
Impairment losses	8 116	77 866	285	-	-	-	86 267
Disposals and retirements	-8 413	-38 083	-3 776	-	-429	-	-50 701
Deconsolidations	-40	650	-46	-	-8	-	556
Reclassification to (-) / from held for sale	15	2 951	44	-	-	-	3 010
Exchange gains (-) and losses	-9 520	-20 428	-1 773	28	14	-	-31 679
As at 31 December 2012	389 022	1 512 618	72 561	1 434	2 315	-	1 977 949
Carrying amount as at 31 December 2011 before investment grants and reclassification of leases	479 458	817 598	24 644	301	2 147	116 952	1 441 100
Net investment grants	-2 902	-4 598	-	-	-	-	-7 499
Reclassification of leases	-	43	259	-301	-	-	-
Carrying amount as at 31 December 2011	476 556	813 043	24 902	-	2 147	116 952	1 433 601
Carrying amount as at 31 December 2012 before investment grants and reclassification of leases	545 177	748 586	20 251	8 366	2 036	62 150	1 386 566
Net investment grants	-5 156	-3 868	-	-	-	-	-9 024
Reclassification of leases	8 093	28	245	-8 366	-	-	-
Carrying amount as at 31 December 2012	548 114	744 746	20 496	-	2 036	62 150	1 377 542

¹ Total transfers amount to zero when aggregating the balances of 'Intangible assets' (see note 6.1.) and 'Property, plant and equipment'.

The investment programs in Belgium, China, India, Indonesia, United States and Slovakia accounted for most of the expenditure. The net exchange loss for the year (€ -18.7 million) relates mainly to assets denominated in Chinese renminbis (€ -3.9 million), US dollars (€ -22.6 million), Indian rupees (€ -2.7 million), Peruvian nuevos soles (€ 1.4 million), Chilean pesos (€ 6.0 million), Colombian pesos (€ 1.3 million) and Russian rubles (€ 1.3 million).

Impairment losses mainly related to the sawing wire business (€ 64.0 million). The methodology for impairment testing is consistent with the one presented in note 6.2. 'Goodwill'. For reclassifications to or from held for sale, please refer to note 6.11. 'Assets classified as held for sale and liabilities associated with those assets'. For new consolidations and deconsolidations, refer to note 7.2. 'Effect of new business combinations and business disposals'.

No items of PP&E are pledged as securities.

6.4. Investments in joint ventures and associates

The Group has no investments in entities qualified as associates.

Investments excluding related goodwill

Carrying amount in thousands of €	2011	2012
As at 1 January	237 018	252 039
Result for the year	25 423	10 383
Dividends	-7 169	-7 207
Exchange gains and losses	-15 474	-15 899
Deconsolidations	-	-77 280
New consolidations	12 222	-
Other comprehensive income	19	-
As at 31 December	252 039	162 036

For an analysis of the result for the year, please refer to note 5.6. 'Share in the results of joint ventures and associates'. Exchange losses in 2012 relate mainly to the substantial depreciation of the Brazilian real versus the Euro (closing rate 2.7 vs. opening rate 2.4). The deconsolidations relate to the Inchalam group which has been acquired as from 1 January 2012 (refer to note 7.2. 'Effect of new business combinations and business disposals'). The new consolidations in 2011 relate to the acquisition of Bekaert (Xinyu) Metal Products Co Ltd on 13 December 2011.

Related goodwill

Cost in thousands of €	2011	2012
As at 1 January	6 777	6 221
Exchange gains and losses	-556	-662
As at 31 December	6 221	5 559
Carrying amount of related goodwill as at 31 December	6 221	5 559
Total carrying amount of investments in joint ventures and associates as at 31 December	258 260	167 595

Combined items

The Group's share of the assets, liabilities and results of joint ventures (excluding related goodwill) is summarized below:

in thousands of €	2011	2012
Property, plant and equipment	153 927	97 822
Other non-current assets	106 635	38 731
Current assets	241 167	117 509
Non-current liabilities	-96 353	-24 846
Current liabilities	-153 337	-67 180
Total net assets	252 039	162 036

in thousands of €	2011	2012
Sales	599 437	419 755
Operating result (EBIT)	46 022	18 931
Result for the period	25 423	10 383
Total comprehensive income for the period	25 442	10 383

The Group's share in the equity of joint ventures is analyzed as follows:

in thousands of €		2011	2012
Joint ventures			
BOSFA Pty Ltd	Australia	4 425	3 001
Bekaert Faser Vertriebs GmbH	Germany	102	102
Belgo Bekaert Arames Ltda and subsidiary ¹	Brazil	140 752	134 165
BMB-Belgo Mineira Bekaert Artefatos de Arame Ltda	Brazil	16 003	16 030
Inchalam group ²	Chile	77 515	-
Bekaert (Xinyu) Metal Products Co Ltd ³	China	13 242	8 738
Total for joint ventures excluding related goodwill		252 039	162 036
Carrying amount of related goodwill		6 221	5 559
Total for joint ventures including related goodwill		258 260	167 595

¹ As from 1 February 2012, Belgo Bekaert Arames Ltda has absorbed its subsidiary (Belgo Bekaert Nordeste SA).

² As from 1 January 2012, the Inchalam group has been fully consolidated. See note 7.2. 'Effect of new business combinations and disposals'.

³ Bekaert (Xinyu) Metal Products Co Ltd has been acquired on 13 December 2011.

No major contingent assets relating to joint ventures and associates have been identified at the balance sheet date. The main contingent liabilities identified at the balance sheet date relate to taxes at Belgo Bekaert Arames Ltda and BMB-Belgo Mineira Bekaert Artefatos de Arame Ltda. These Brazilian joint ventures have been trying to compensate ICMS tax receivables with a total carrying amount of € 21.0 million (2011: € 25.5 million). They also have been facing claims relating to ICMS incentives totaling € 1.7 million (2011: € 1.8 million) and several other tax claims, most of which date back several years, for a total nominal amount of € 35.2 million (2011: € 35.0 million). Evidently, any potential losses resulting from the above-mentioned contingencies would only affect the Group to the extent of their interest in the joint ventures involved (i.e. 45%).

The merger of Belgo Bekaert Arames Ltda with its subsidiary Belgo Bekaert Nordeste SA which was effected on 1 February 2012 will help to reduce ICMS receivables substantially over the coming years.

6.5. Other non-current assets

in thousands of €	2011	2012
Non-current financial receivables and cash guarantees	4 224	21 505
Reimbursement rights and other non-current amounts receivable	2 196	2 968
Derivatives (cf. note 7.3.)	5 461	7 954
Available-for-sale financial assets	8 997	11 305
Total other non-current assets	20 878	43 732

The increase in non-current financial receivables is mainly due to the deferred proceeds on the sale of the industrial coating activity (see note 7.2. 'Effect of new business combinations and business disposals').

Available-for-sale financial assets - non-current

Carrying amount in thousands of €	2011	2012
As at 1 January	23 176	8 997
Expenditure	-	32
Disposals and closures	-	-5
Fair value changes	-14 179	-263
New consolidations	-	2 390
Exchange gains and losses	-	154
As at 31 December	8 997	11 305

The available-for-sale financial assets mainly consist of the investment in Shougang Concord Century Holdings Ltd, a Hong Kong Stock Exchange listed company. On this investment, an impairment loss of € 7.9 million has been recognized through profit or loss in June 2012, which has been recycled from fair value changes previously recognized through equity. A slight increase in fair value (€ 0.01 million) since that moment has been recognized through equity again in accordance with IAS 39 Financial Instruments: Recognition and Measurement. The amount reported as new consolidations mainly relates to Transportes Puelche Ltda, an investment held by Acma SA (Chile).

6.6. Deferred tax assets and liabilities

Carrying amount in thousands of €	Assets		Liabilities	
	2011	2012	2011	2012
As at 1 January	63 687	83 731	41 711	26 716
Increase or decrease via income statement	18 710	-24 714	-11 453	-4 304
Increase or decrease via equity	2 722	1 618	835	-515
New consolidations	719	6 212	703	18 044
Deconsolidations	-122	12	-96	-43
Reclassification as held for sale	-343	-	-1 192	-
Exchange gains and losses	2 905	-3 910	755	-3 524
Change in set-off of assets and liabilities	-4 547	-4 386	-4 547	-4 386
As at 31 December	83 731	58 563	26 716	31 988

Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following items:

in thousands of €	Assets		Liabilities		Net assets	
	2011	2012	2011	2012	2011	2012
Intangible assets	561	267	6 196	7 332	-5 635	-7 065
Property, plant and equipment	26 509	9 886	18 713	28 971	7 796	-19 085
Financial assets	2 819	2 307	24 601	20 642	-21 782	-18 335
Inventories	4 925	9 383	4 488	3 336	437	6 047
Receivables	7 334	11 222	167	137	7 167	11 085
Other current assets	1 019	673	113	5 758	906	-5 085
Employee benefit obligations	24 553	23 376	114	169	24 439	23 207
Other provisions	555	1 855	4 175	1 244	-3 620	611
Other liabilities	8 464	7 588	1 507	2 142	6 957	5 446
Tax losses carried forward, tax credits and recoverable income taxes	40 350	29 749	-	-	40 350	29 749
Tax assets / liabilities	117 089	96 306	60 074	69 731	57 015	26 575
Set-off of assets and liabilities	-33 358	-37 743	-33 358	-37 743	-	-
Net tax assets / liabilities	83 731	58 563	26 716	31 988	57 015	26 575

The deferred taxes on property, plant and equipment relate mainly to temporary differences due to differences in useful lives between IFRS and tax books. The deferred tax liabilities on financial assets relate mainly to temporary differences arising from undistributed profits from subsidiaries and joint ventures.

Movements in deferred tax assets/(liabilities) arise from the following:

2011 in thousands of €	As at 1 January	Recognized via income statement	Recognized via equity	Acquisitions and disposals	Reclassifi- cations ¹	Exchange gains and losses	As at 31 December
Temporary differences							
Intangible assets	-10 666	5 861	-	-711	27	-146	-5 635
Property, plant and equipment	-5 357	10 178	-	288	1 163	1 524	7 796
Financial assets	-26 975	6 166	-1 052	-	-	79	-21 782
Inventories	-308	836	-	-5	-33	-53	437
Receivables	2 793	3 550	-	394	-169	599	7 167
Other current assets	-245	1 110	-	-	-	41	906
Employee benefit obligations	29 139	-7 548	2 948	-	-136	36	24 439
Other provisions	695	-4 290	-	-	-3	-22	-3 620
Other liabilities	7 864	-1 450	-9	74	-	478	6 957
Tax losses carried forward, tax credits and recoverable income taxes	25 036	15 750	-	-50	-	-386	40 350
Total	21 976	30 163	1 887	-10	849	2 150	57 015

2012 in thousands of €	As at 1 January	Recognized via income statement	Recognized via equity	Acquisitions and disposals ²	Reclassifi- cations	Exchange gains and losses	As at 31 December
Temporary differences							
Intangible assets	-5 635	-507	-	-1 033	-	110	-7 065
Property, plant and equipment	7 796	-12 108	-	-14 648	-	-125	-19 085
Financial assets	-21 782	3 838	-301	-124	-	34	-18 335
Inventories	437	4 765	-	414	-	431	6 047
Receivables	7 167	3 185	-	845	-	-112	11 085
Other current assets	906	-6 012	-	-64	-	85	-5 085
Employee benefit obligations	24 439	-2 737	486	1 640	-	-621	23 207
Other provisions	-3 620	3 927	-	332	-	-28	611
Other liabilities	6 957	-3 366	1 948	284	-	-377	5 446
Tax losses carried forward, tax credits and recoverable income taxes	40 350	-11 395	-	577	-	217	29 749
Total	57 015	-20 410	2 133	-11 777	-	-386	26 575

¹ Relates to the Industrial Coatings activities which were classified as held for sale (see note 6.11. 'Assets classified as held for sale and liabilities associated with those assets').

² Relates to the acquisitions of the Inchalam group and the Southern Wire companies, and to the disposal of the Industrial Coatings activities in 2012 (see note 7.2. 'Effect of business combinations and business disposals').

Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following deductible items (gross amounts):

in thousands of €	2011	2012	Variance 2012 vs 2011
Deductible temporary differences	165 843	262 795	96 952
Capital losses	28 452	35 201	6 749
Trade losses and tax credits	419 835	710 192	290 357
Total	614 130	1 008 188	394 058

The majority of the trade losses have no expiry date and the rest will not expire in the near future.

6.7. Operating working capital

in thousands of €	2011	2012
<i>Raw materials, consumables and spare parts</i>	256 292	206 381
<i>Work in progress and finished goods</i>	264 415	269 619
<i>Goods purchased for resale</i>	57 228	91 665
Inventories	577 935	567 665
Trade receivables	586 937	589 109
Bills of exchange received	241 392	162 734
Advances paid	32 725	21 981
Trade payables	-290 635	-321 760
Advances received	-6 910	-4 155
Remuneration and social security payables	-96 953	-103 122
Employment-related taxes	-13 459	-14 108
Operating working capital	1 031 032	898 344

Operating working capital decreased by € 132.7 million in 2012, explained by:

- decrease of € 226.8 million organically (as reflected in the consolidated cash flow statement);
- decrease of € 11.6 million from currency movements;
- decrease of € 24.6 million from net write-downs on inventories and trade receivables;
- increase of € 131.4 million from new consolidations;
- increase of € 1.6 million from reclassifications as held for sale;
- decrease of € 2.8 million from deconsolidations.

Average operating working capital represented 27.9% of sales (2011: 28.0%).

Additional information is as follows:

- Inventories

The cost of inventories recognized as an expense during the period amounted to € 2 684.9 million (2011: € 2 404.2 million), including net write-downs in 2012 of € 12.1 million (2011: net write-downs of € 3.7 million). No inventories were pledged as security for liabilities (2011: none).

- Trade receivables

The following table presents the movements in the allowance for bad debt:

Allowance for bad debt in thousands of €	2011	2012
As at 1 January	-15 037	-36 229
Losses recognized	-23 871	-18 552
Losses reversed	5 612	6 033
New consolidations	-1 737	-4 316
Deconsolidations	812	-9
Reclassification to / from (-) assets held for sale	642	-15
Exchange gains and losses	-2 650	268
As at 31 December	-36 229	-52 820

The losses recognized mainly relate to receivables from sawing wire customers in Asia Pacific (€ 14.7 million vs. € 18.2 million in 2011).

More information about allowances and past due receivables is provided in the following table:

Trade receivables and bills of exchange received in thousands of €	2011	2012
Gross amount	864 558	804 663
Allowance for bad debts (impaired)	-36 229	-52 820
Net carrying amount	828 329	751 843
<i>of which past due but not impaired</i>		
<i>amount</i>	170 692	129 913
<i>average number of days outstanding</i>	122	123

Regarding trade receivables that are neither impaired nor past due, there are no indications that the debtors will not meet their payment obligations. For more information on credit enhancement techniques, refer to note 7.3. 'Financial risk management and financial derivatives'.

6.8. Other receivables

Carrying amount in thousands of €	2011	2012
As at 1 January	63 942	88 319
Increase or decrease	25 035	-1 776
Write-downs and write-down reversals	-36	-837
New consolidations	116	7 008
Deconsolidations	-969	-34
Reclassifications	-850	101
Exchange gains and losses	1 081	-8 456
As at 31 December	88 319	84 325

Other receivables relate mainly to taxes (€ 69.3 million (2011: € 79.5 million)) and social loans to employees (€ 6.3 million (2011: € 3.1 million)). No collection issues are expected.

6.9. Cash & cash equivalents and short-term deposits

Carrying amount in thousands of €	2011	2012
Cash & cash equivalents	293 856	352 312
Short-term deposits	382 607	104 792

For the changes in cash & cash equivalents, refer to the consolidated cash flow statement and to note 7.1. 'Notes to the cash flow statement'. Short-term deposits have been converted to cash equivalents in view of the repayment of a bond of € 150 million in April 2012 and the repayment of a bond of € 100 million in February 2013. Cash equivalents and short-term deposits do not include any listed securities or equity instruments at the balance sheet date and are all classified as loans and receivables.

6.10. Other current assets

Carrying amount in thousands of €	2011	2012
Current loans and receivables	18 261	10 890
Advances paid	32 725	21 981
Derivatives (cf. note 7.3.)	1 095	14 976
Deferred charges and accrued revenues	10 468	12 282
As at 31 December	62 549	60 129

The current loans and receivables mainly relate to loans with venture partners in Australia (€ 0.8 million) and to various cash guarantees mainly related to bank notes issued in China as a payment of wire rod invoices (€ 9.7 million). The derivatives mainly relate to CCIRS agreements (€ 13.9 million). No collection issues are expected.

6.11. Assets classified as held for sale and liabilities associated with those assets

Carrying amount in thousands of €	2011	2012
As at 1 January	-	35 492
Increases and decreases (-)	34 311	-4 078
Deconsolidations	-	-31 363
Exchange gains and losses	1 181	-51
As at 31 December	35 492	-

in thousands of €	2011	2012
Individual items of property, plant and equipment	1 994	-
Disposal groups	33 498	-
Total assets classified as held for sale	35 492	-
Disposal groups	12 672	-
Total liabilities associated with assets classified as held for sale	12 672	-

In 2012 no assets and liabilities associated with those assets are classified as held for sale at the balance sheet date.

With respect to the disposal groups, the Group sold its Industrial Coatings activities on 2 April 2012 to Element Partners (see note 7.2. 'Effect of new business combinations and business disposals').

The individual items of property, plant and equipment in 2011 relate partly to assets from the Industrial Coatings activity in the US which were not taken over by Element Partners, and a plot of land in Hemiksem (Belgium), both of which were sold in 2012.

6.12. Ordinary shares, treasury shares, subscription rights and share options

Issued capital in thousands of €		2011		2012	
		Nominal value	Number of shares	Nominal value	Number of shares
1	As at 1 January	176 242	59 884 973	176 512	59 976 198
	Movements in the year				
	<i>Issue of new shares</i>	270	91 225	74	24 744
	As at 31 December	176 512	59 976 198	176 586	60 000 942
2	Structure				
2.1	Classes of ordinary shares				
	<i>Ordinary shares without par value</i>	176 512	59 976 198	176 586	60 000 942
2.2	Registered shares	-	1 722 629	-	1 720 765
	Non-material shares	-	57 942 556	-	58 217 474
	Shares to be dematerialized	-	311 013	-	62 703
	Authorized capital not issued	167 151		175 926	

A total of 24 744 subscription rights were exercised under the Company's SOP1 and SOP 2005-2009 stock option plans in 2012, requiring the issue of a total of 24 744 new shares of the Company.

The Company held 939 700 treasury shares as of 31 December 2012, same as at year-end 2011.

No purchases or cancellations of shares took place in 2012.

Details of the stock option plans outstanding at the balance sheet date are as follows:

Overview of SOP1 Stock Option Plan

Date offered	Date granted	Date of issue of subscription rights	Exercise price (in €)	Number of subscription rights			Out-standing	First exercise period	Last exercise period
				Granted	Exercised	Forfeited			
14.07.2000	12.09.2000	26.09.2000	18.000	319 941	313 746	2 460	3 735	01.06 - 22.05 - 15.06.2004	22.05 - 15.06.2013
13.07.2001	11.09.2001	26.09.2001	13.980	418 917	415 659	2 418	840	22.05 - 30.06.2005	22.05 - 15.06.2014
12.07.2002	10.09.2002	25.09.2002	15.825	106 152	104 352	720	1 080	22.05 - 30.06.2006	22.05 - 15.06.2015
11.07.2003	09.09.2003	06.10.2003	13.630	100 740	99 660	-	1 080	22.05 - 30.06.2007	22.05 - 15.06.2013
09.07.2004	07.09.2004	30.09.2004	15.765	502 182	487 165	3	15 014	22.05 - 30.06.2008	22.05 - 15.06.2014
				1 447 932	1 420 582	5 601	21 749		

Overview of SOP2 Stock Option Plan

Date offered	Date granted	Exercise price (in €)	Number of options				Out-standing	First exercise period	Last exercise period
			Granted	Exercised	Forfeited				
21.12.2006	19.02.2007	30.175	37 500	27 500	-	10 000	22.05 - 30.06.2010	15.11 - 15.12.2021	
20.12.2007	18.02.2008	28.335	12 870	12 690	-	180	22.05 - 30.06.2011	15.11 - 15.12.2017	
20.12.2007	18.02.2008	28.335	30 630	11 310	-	19 320	22.05 - 30.06.2011	15.11 - 15.12.2022	
18.12.2008	16.02.2009	16.660	64 500	-	-	64 500	22.05 - 30.06.2012	15.11 - 15.12.2018	
17.12.2009	15.02.2010	33.990	49 500	-	-	49 500	22.05 - 30.06.2013	15.11 - 15.12.2019	
			195 000	51 500	-	143 500			

Overview of SOP 2005-2009 Stock Option Plan

Date offered	Date granted	Date of issue of subscription rights	Exercise price (in €)	Number of subscription rights				Out-standing	First exercise period	Last exercise period
				Granted	Exercised	Forfeited				
22.12.2005	20.02.2006	22.03.2006	23.795	190 698	180 483	-	10 215	22.05 - 30.06.2009	15.11 - 15.12.2020	
21.12.2006	19.02.2007	22.03.2007	30.175	153 810	143 540	-	10 270	22.05 - 30.06.2010	15.11 - 15.12.2021	
20.12.2007	18.02.2008	22.04.2008	28.335	14 100	2 100	9 900	2 100	22.05 - 30.06.2011	15.11 - 15.12.2017	
20.12.2007	18.02.2008	22.04.2008	28.335	215 100	85 650	12 700	116 750	22.05 - 30.06.2011	15.11 - 15.12.2022	
18.12.2008	16.02.2009	20.10.2009	16.660	288 150	21 000	19 500	247 650	22.05 - 30.06.2012	15.11 - 15.12.2018	
17.12.2009	15.02.2010	08.09.2010	33.990	225 450	-	15 000	210 450	22.05 - 30.06.2013	15.11 - 15.12.2019	
				1 087 308	432 773	57 100	597 435			

Overview of SOP 2010-2014 Stock Option Plan

Date offered	Date granted	Exercise price (in €)	Number of options				Out-standing	First exercise period	Last exercise period
			Granted	Exercised	Forfeited				
16.12.2010	14.02.2011	77,000	360 925	-	10 000	350 925	28.02 - 13.04.2014	Mid Nov.- 31.12.2020	
22.12.2011	20.02.2012	25,140	287 800	-	-	287 800	End Feb. - 13.04.2015	Mid Nov. - 31.12.2021	
			648 725	-	10 000	638 725			

SOP1 Stock Option Plan	2011		2012	
	Number of subscription rights	Weighted average exercise price (in €)	Number of subscription rights	Weighted average exercise price (in €)
Outstanding as at 1 January	28 701	16.027	25 673	16.019
Forfeited during the year	-3	15.765	-180	17.535
Exercised during the year	-3 025	16.148	-3 744	16.190
Outstanding as at 31 December	25 673	16.019	21 749	15.977

SOP2 Stock Option Plan	2011		2012	
	Number of options	Weighted average exercise price (in €)	Number of options	Weighted average exercise price (in €)
Outstanding as at 1 January	167 500	25.619	143 500	25.166
Exercised during the year	-24 000	28.335	-	-
Outstanding as at 31 December	143 500	25.166	143 500	25.166

SOP 2005-2009 Stock Option Plan	2011		2012	
	Number of subscription rights	Weighted average exercise price (in €)	Number of subscription rights	Weighted average exercise price (in €)
Outstanding as at 1 January	755 635	25.529	618 435	25.143
Forfeited during the year	-49 000	25.397	-	-
Exercised during the year	-88 200	28.312	-21 000	16.660
Outstanding as at 31 December	618 435	25.143	597 435	25.441

SOP 2010-2014 Stock Option Plan	2011		2012	
	Number of options	Weighted average exercise price (in €)	Number of options	Weighted average exercise price (in €)
Outstanding as at 1 January	-	-	350 925	77.000
Granted during the year	360 925	77.000	287 800	25.140
Forfeited during the year	-10 000	77.000	-	-
Outstanding as at 31 December	350 925	77.000	638 725	53.633

Weighted average remaining contractual life in years	2011	2012
	SOP1	2.2
SOP2	7.7	6.7
SOP 2005-2009	8.1	7.2
SOP 2010-2014	9.0	8.5

The weighted average share price at the date of exercise in 2012 was € 18.44 for the SOP1 subscription rights (2011: € 60.84), not applicable for the SOP2 options (2011: € 56.15) and € 20.68 for the SOP 2005-2009 subscription rights (2011: € 67.01). The exercise price of the subscription rights and options is equal to the lower of (i) the average closing price of the Company's share during the thirty days preceding the date of the offer, and (ii) the last closing price preceding the date of the offer. When subscription rights are exercised under the SOP1 or SOP 2005-2009 plan, equity is increased by the amount of the proceeds received. Under the terms of the SOP1 and SOP2 plans any subscription rights or options granted through 2004 were vested immediately.

Under the terms of the SOP 2010-2014 stock option plan, options to acquire existing Company shares will be offered to the members of the Bekaert Group Executive, Senior Management and senior executive personnel during the period 2010-2014. The dates of grant of each offering are scheduled in the period 2011-2015. The exercise price of the SOP 2010-2014 options is determined in the same manner as in the previous plans. The vesting conditions of the SOP 2010-2014 grants, as well as of the SOP 2005-2009 grants and of the SOP2 grants beginning in 2006, are such that the subscription rights or options will be fully vested on 1 January of the fourth year after the date of the offer. In accordance with the Economic Recovery Act of 27 March 2009, the exercise

period of the SOP2 options and SOP 2005-2009 subscription rights granted in 2006, 2007 and 2008 was extended by five years in favor of the persons who were plan beneficiaries and subject to Belgian income tax at the time such extension was offered. The incremental fair value granted as a result of this amounts to € 0.3 million.

The options granted under SOP2 and SOP 2010-2014 and the subscription rights granted under SOP 2005-2009 are recognized at their fair value at grant date in accordance with IFRS 2 (see note 6.13. 'Retained earnings and other Group reserves'). During 2012, 287 800 options (2011: 360 925) were granted under SOP 2010-2014 at a weighted average fair value per unit of € 13.68 (2011: € 17.85). The Group has recorded an expense against equity of € 4.2 million (2011: € 3.1 million) based on a straight-line amortization over the vesting period of the fair value of options and subscription rights granted over the past three years. The fair value of the options is determined using a binomial pricing model. The inputs to the model are: share price of € 32.10 at grant date (2011: € 78.42), exercise price of € 25.14 (2011: € 77.00), expected volatility of 39% (2011: 38%), expected dividend yield of 2.5% (2011: 2.5%), vesting period of 3 years, contractual life of 10 years, employee exit rate of 3% (2011: 2%) and a risk-free interest rate of 4.0%: (2011: 4.0%). To allow for the effects of early exercise, it was assumed that the employees would exercise the options and the subscription rights after the vesting date when the share price was 1.30 (2011: 1.25) times the exercise price.

6.13. Retained earnings and other Group reserves

Carrying amount in thousands of €	2011	2012
<i>Hedging reserve</i>	-3 610	-1 477
<i>Revaluation reserve for available-for-sale investments</i>	-7 634	10
<i>Actuarial gains and losses on defined-benefit plans</i>	-66 924	-74 414
<i>Fair value remeasurements for business combinations</i>	-5 392	-5 894
<i>Deferred taxes booked in equity</i>	27 879	29 417
<i>Equity-settled share-based payment plans</i>	10 809	14 987
<i>Treasury shares</i>	-58 582	-58 577
Other reserves	-103 454	-95 948
Cumulative translation adjustments	33 553	-16 087
Total other Group reserves	-69 901	-112 035
Retained earnings	1 557 419	1 327 346

The movements in the main items of other reserves were as follows:

Hedging reserve in thousands of €	2011	2012
As at 1 January	-4 187	-3 610
New instruments added	-22	-
Existing instruments settled	22	-
Recycled to income statement	2 175	-1 293
Fair value changes to hedging instruments	-1 598	3 426
As at 31 December	-3 610	-1 477
Of which		
<i>Cross-currency interest-rate swaps (on Eurobonds)</i>	-3 610	-1 477

Changes in the fair value of hedging instruments designated as effective cash flow hedges are calculated and recognized directly in equity on a quarterly basis. In accordance with IFRS hedge accounting policies for cash flow hedges, exchange gains or losses arising from translating the underlying debt at the closing rate are offset by recycling the equivalent amounts to the income statement on a quarterly basis.

Revaluation reserve for available-for-sale investments in thousands of €	2011	2012
As at 1 January	6 545	-7 634
Recycled to income statement	-	7 906
Fair value changes	-14 179	-262
As at 31 December	-7 634	10
Of which		
<i>Investment in Shougang Concord Century Holdings Ltd</i>	-7 634	10

The revaluation of the investment in Shougang Concord Century Holdings Ltd is based on the closing price of the share on the Hong Kong Stock Exchange. An amount of € 7.9 million was recycled to income statement as a result of an impairment loss recognized at 30 June 2012.

Actuarial gains and losses on defined-benefit plans in thousands of €	2011	2012
As at 1 January	-41 746	-66 924
Actuarial gains and losses (-) of the period	-25 178	-7 943
Deconsolidations	-	453
As at 31 December	-66 924	-74 414

The actuarial gains and losses on defined-benefit plans result from a remeasurement of the defined-benefit obligations and any related plan assets using different actuarial assumptions at the balance sheet date.

The amounts reported as Fair value remeasurements for business combinations in other Group reserves have been frozen since any such fair value adjustments have been reported directly in retained earnings as from 2011 onwards. Any small changes in this reserve relate to disposals or partial disposals of the related entities (changes in ownership without loss of control).

Deferred taxes booked in equity in thousands of €	2011	2012
As at 1 January	26 196	27 879
Deferred taxes relating to other comprehensive income	1 683	1 678
Changes in ownership	-	-140
As at 31 December	27 879	29 417

Deferred taxes relating to other comprehensive income are also recognized directly in equity (see note 5.8. 'Total comprehensive income').

Equity-settled share-based payment plans in thousands of €	2011	2012
As at 1 January	7 663	10 809
Equity instruments granted	3 146	4 178
As at 31 December	10 809	14 987

Options granted under the SOP2 and SOP 2010-2014 stock option plans and subscription rights granted under the SOP 2005-2009 stock option plan (see note 6.12. 'Ordinary shares, treasury shares, subscription rights and share options') are accounted for as equity-settled share-based payments in accordance with IFRS 2.

Treasury shares in thousands of €	2011	2012
As at 1 January	-59 689	-58 582
Proceeds from shares sold	681	5
Price difference on shares sold	426	-
As at 31 December	-58 582	-58 577

Proceeds from shares sold are based on their FIFO cost, while price differences relate to the differences between the FIFO cost and the sales price. In 2012, no treasury shares of the Company were sold or cancelled (see note 6.12. 'Ordinary shares, treasury shares, subscription rights and share options'). A small movement was recorded in the treasury shares reserve relating to Productos de Acero Cassadó SA (Prodac).

Cumulative translation adjustments in thousands of €	2011	2012
As at 1 January	13 615	33 553
Exchange differences on dividends declared	-6 963	-6 898
Recycled to income statement - relating to disposed entities or step acquisitions	-1 009	-7 963
Other CTA movements	27 910	-34 779
As at 31 December	33 553	-16 087
Of which relating to entities with following functional currencies		
<i>Chinese renminbi</i>	84 312	80 852
<i>US dollar</i>	-11 557	-2 186
<i>Brazilian real</i>	-56 667	-80 212
<i>Chilean peso</i>	6 869	12 618
<i>Venezuelan bolivar</i>	-	-38 063
<i>Czech koruna</i>	9 180	9 907
<i>Other currencies</i>	1 416	997

Since the Venezuelan entities change their functional currency from USD to VEF as from 31 December 2012, an important amount of CTA is now reported as relating to Venezuelan bolivar.

6.14. Non-controlling interests

Carrying amount in thousands of €	2011	2012
As at 1 January	85 960	72 534
Changes in Group structure	-1 111	109 003
Share of net profit of subsidiaries	14 564	6 375
Share of other comprehensive income excluding CTA	-438	97
Dividend pay-out	-32 728	-14 888
Capital increases	2 262	10 435
Exchange gains and losses (-)	4 025	-1 933
As at 31 December	72 534	181 623

In 2011, the changes in Group structure mainly relate to the acquisition of the remaining 2% non-controlling interests in Bekaert-Shenyang Steelcord Co Ltd. In 2012, the changes in Group structure mainly relate to the acquisition of the Inchalam group and the Southern Wire companies (see note 7.2. 'Effect of new business combinations and business disposals').

The total comprehensive income, which includes the share of net profit and other comprehensive income including CTA (or exchange gains and losses), mainly relates to the Chinese subsidiaries (€ -6.4 million vs. € 12.3 million in 2011) and the Latin American subsidiaries (€ 12.6 million vs. € 6.2 million in 2011).

The dividend pay-out mainly relates to the Latin American subsidiaries (€ -11.0 million vs. € -1.2 million in 2011) and the Chinese subsidiaries (€ -4.3 million vs. € -30.6 million in 2011). Capital increases relate to the Chinese subsidiaries, both in 2011 and in 2012.

6.15. Employee benefit obligations

The total net liabilities for employee benefit obligations, which amounted to € 302.5 million as at 31 December 2012 (€ 270.9 million as at year-end 2011), are as follows:

in thousands of €	2011	2012
Liabilities for		
<i>Defined-benefit pension plans</i>	105 756	114 326
<i>Other defined-benefit plans</i>	53 269	50 883
<i>Other long-term employee benefits</i>	2 328	2 417
<i>Cash-settled share-based payment employee benefits</i>	1 511	871
<i>Short-term employee benefits</i>	98 125	103 122
<i>Other employee benefit obligations</i>	9 941	30 843
Total liabilities in the balance sheet	270 930	302 463
of which		
<i>Non-current liabilities</i>	161 257	180 200
<i>Current liabilities</i>	107 978	122 263
<i>Liabilities associated with assets held for sale</i>	1 696	-
Assets for		
<i>Defined-benefit pension plans</i>	-	-
Total assets in the balance sheet	-	-
Total net liabilities	270 930	302 463

Post-employment benefit plans

In accordance with IAS 19 Employee benefits, post-employment benefit plans are classified as either defined-contribution plans or defined-benefit plans.

Defined-contribution plans

For defined-contribution plans, Bekaert pays contributions to publicly or privately administered pension funds or insurance companies. Once the contributions have been paid, the Group has no further payment obligation. These contributions constitute an expense for the year in which they are due. Bekaert participates in a multi-employer defined-benefit plan in the Netherlands funded through the Pensioenfonds Metaal & Techniek. This plan is treated as a defined-contribution plan because no information is available with respect to the plan assets attributable to Bekaert; contributions for this plan amounted to € 0.7 million (2011: € 0.6 million).

Defined-contribution plans in thousands of €	2011	2012
Expenses recognized	14 220	14 933

Defined-benefit plans

Several Bekaert companies operate retirement benefit and other post-employment benefit plans. These plans generally cover all employees and provide benefits which are related to salary and length of service. Most assets in Belgium are invested in mixed portfolios of shares and bonds, mainly denominated in local currency. Plan assets in the United States are invested in annuity contracts providing a guaranteed rate of return, in fixed-income funds and in equities. The pension funds hold no direct positions in Bekaert shares or bonds, nor do they own any property used by a Bekaert entity. It is general Group policy to fund pension benefits on an actuarial basis with contributions paid to insurance companies, independent pension funds or a combination of both.

Movement in defined-benefit obligation in thousands of €	Pension plans		Other plans	
	2011	2012	2011	2012
Present value as at 1 January	251 383	249 982	56 120	53 269
Current service cost	9 002	12 136	1 482	1 797
Interest cost	10 908	12 639	2 520	2 736
Plan participants' contributions	6	5	135	126
Past service cost	117	120	457	4 874
New consolidations	-	10 905	-	-
Deconsolidations	-	-1 257	-	-
Curtailments	-	-1 394	-	-1 759
Settlements	-	-470	-	-594
Reclassifications within employee benefit obligations	-21 768	-	-	-
Benefits paid	-18 563	-19 749	-9 072	-8 565
Actuarial gains (-) and losses	13 884	19 129	1 197	717
Exchange gains (-) and losses	5 012	-7 597	430	-1 718
Present value of defined-benefit obligation as at 31 December	249 981	274 449	53 269	50 883

Other plans mainly relate to pre-retirement pensions in Belgium (defined-benefit obligation € 38.4 million (€ 38.8 million in 2011)) and other post-employment benefits for medical care in the United States (defined-benefit obligation € 5.6 million (€ 6.2 million in 2011)), which are not externally funded. Of the defined-benefit obligation in Belgium, an amount of € 8.1 million (2011: € 12.9 million) relates to employees in active service who have not yet entered into any pre-retirement agreement.

Movement in plan assets in thousands of €	Pension plans		Other plans	
	2011	2012	2011	2012
Fair value as at 1 January	165 821	144 212	-	-
<i>Expected return on plan assets</i>	<i>8 573</i>	<i>7 846</i>	-	-
<i>Actuarial gains and losses (-)</i>	<i>-10 738</i>	<i>11 544</i>	-	-
Actual return on plan assets	-2 165	19 390	-	-
Company contributions	18 403	19 289	8 937	9 033
Plan participants' contributions	6	5	135	126
Reclassifications within employee benefit obligations	-21 768	-	-	-
Deconsolidations	-	-904	-	-
Settlements	-	-453	-	-594
Benefits paid	-18 563	-19 749	-9 072	-8 565
Exchange gains and losses (-)	2 478	-1 678	-	-
Fair value of plan assets as at 31 December	144 212	160 112	-	-

Movement in reimbursement rights in thousands of €	Pension plans		Other plans	
	2011	2012	2011	2012
Fair value as at 1 January	468	453	-	-
<i>Expected return on reimbursement rights</i>	<i>28</i>	<i>29</i>	-	-
<i>Actuarial gains and losses (-)</i>	<i>-14</i>	<i>8</i>	-	-
Actual return on reimbursement rights	14	37	-	-
Company contributions	32	-	-	-
Benefits paid	-61	-97	-	-
Fair value of reimbursement rights as at 31 December	453	393	-	-

Reimbursement rights arise from reinsurance contracts covering retirement pensions, death and disability benefits in Germany.

Funded status as at 31 December in thousands of €	Pension plans		Other plans	
	2011	2012	2011	2012
<i>Present value of funded obligations</i>	213 966	227 609	-	-
<i>Fair value of plan assets</i>	-144 213	-160 112	-	-
Surplus (-) or deficit for funded plans	69 753	67 497	-	-
Present value of unfunded obligations	36 016	46 839	53 269	50 883
Present value of net obligations	105 769	114 336	53 269	50 883
Unrecognized past service cost	-13	-10	-	-
Net assets (-) and liabilities	105 756	114 326	53 269	50 883
Amounts in the balance sheet				
<i>Assets</i>	-	-	-	-
<i>Liabilities</i>	105 756	114 326	53 269	50 883

Movement in liability in thousands of €	Pension plans		Other plans	
	2011	2012	2011	2012
Net assets (-) and liabilities as at 1 January	85 548	105 756	56 120	53 269
Contributions paid and direct benefit payments	-18 403	-19 289	-8 937	-9 033
Expense recognized in the income statement	11 427	15 610	4 459	7 648
Expected return on reimbursement rights	28	29	-	-
Actuarial gains (-) and losses recognized through equity	24 622	7 585	1 197	717
New consolidations and deconsolidations	-	10 553	-	-
Exchange gains (-) and losses	2 534	-5 918	430	-1 718
Net assets (-) and liabilities as at 31 December	105 756	114 326	53 269	50 883
Amounts in the balance sheet				
<i>Assets</i>	-	-	-	-
<i>Liabilities</i>	105 756	114 326	53 269	50 883

The actuarial gains and losses (-) recognized through equity are as follows:

Changes recognized in equity in thousands of €	Pension plans		Other plans	
	2011	2012	2011	2012
Cumulative changes as at 1 January	-52 639	-77 261	10 181	8 984
Actuarial gains and losses (-) for the period	-24 622	-7 585	-1 197	-717
Cumulative changes as at 31 December	-77 261	-84 846	8 984	8 267

The amounts recognized in the income statement are as follows:

Net benefit expense in thousands of €	Pension plans		Other plans	
	2011	2012	2011	2012
Current service cost	9 002	12 136	1 482	1 797
Interest cost	10 908	12 638	2 520	2 736
Expected return on plan assets	-8 573	-7 846	-	-
Expected return on reimbursement rights	-28	-29	-	-
Past service cost	118	122	457	4 874
Curtailments and settlements	-	-1 411	-	-1 759
Total	11 427	15 610	4 459	7 648

Estimated contributions and direct benefit payments for 2013 are as follows:

Estimated contributions and direct benefit payments in thousands of €	2013
Pension plans	13 386
Other plans	8 336
Total	21 722

Fair values of plan assets at 31 December were as follows:

Fair value of plan assets by type in thousands of €	2011	2012
Equity instruments	65 843	60 843
Debt instruments	49 353	99 269
Insurance contracts	29 016	-
Total plan assets	144 212	160 112
Equity instruments (%)	46%	38%
Debt instruments (%)	34%	62%
Insurance contracts (%)	20%	0%
Total plan assets (%)	100%	100%

Financial market-related parameters are derived from recent market information and determined in agreement with the contracted actuaries. The discount rate is based on the yields for AA corporate bonds with maturities approximating to those of the benefit obligations. The expected rate of return on plan assets is a weighted return based on the target asset allocation by plan. The risk premium may vary between parts of the world and for different types of equity instrument. The target mix is dependent on the investment strategy of each fund and may vary from 0% to 51% equity instruments. The principal actuarial assumptions on the balance sheet date (weighted averages) were:

Actuarial assumptions	Pension plans		Other plans	
	2011	2012	2011	2012
Discount rate ¹	5.1%	3.8%	5.6%	3.7%
Expected return on plan assets ²	6.3%	5.5%	-	-
Future salary increases	4.0%	3.6%	3.8%	3.2%
Health care cost increases (initial)	-	-	7.3%	7.0%
Health care cost increases (ultimate)	-	-	5.0%	5.0%
Health care (years to ultimate rate)	-	-	9	8
Underlying inflation rate	3.0%	2.8%	3.0%	2.6%
Life expectancy of a man aged 65 (years) at balance sheet date	19.0	19.1	18.9	19.2
Life expectancy of a man aged 65 (years) ten years from the balance sheet date	20.6	19.9	20.6	19.9

¹ The discount rate is a weighted average based on outstanding DBO:
31/12/2011: for the pension plans: 4.5% in the United States, 4.7% in Belgium; for other plans: 4.1% in the United States, 4.7% in Belgium,
31/12/2012: for the pension plans: 3.9% in the United States, 3.0% in Belgium; for other plans: 3.5% in the United States, 3.0% in Belgium;
other countries have higher discount rates which result in a higher average discount rate (Venezuela, Ecuador, Chili). Differences in duration
also have an effect on the discount rates used.

² Preceding year.

Sensitivity analyses on discount rate and health care cost assumptions show the following effects:

Sensitivity analysis on discount rate in thousands of €	Pension plans		Other plans	
	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease
Defined-benefit obligation	-8 042	8 358	-787	823

Sensitivity analysis on health care cost in thousands of €	1% increase	1% decrease
Service cost and interest cost	98	-82
Defined-benefit obligation	525	-455

The above analyses were done on a mutually exclusive basis, and holding all other assumptions constant.

The following table presents a historical overview of the key indicators of the last 5 years:

Historical overview in thousands of €	2008	2009	2010	2011	2012
Pension plans					
Present value of defined-benefit obligation	224 598	225 913	251 383	249 981	274 449
Fair value of plan assets	134 647	154 201	165 821	144 212	160 112
Surplus (-) or deficit	89 951	71 712	85 562	105 769	114 337
Experience adjustments arising on					
<i>plan liabilities</i>	-2 566	-3 836	2 496	3 144	-638
<i>plan assets</i>	-56 989	15 951	1 467	-10 738	11 544
Other plans					
Present value of defined-benefit obligation	55 979	60 267	56 120	53 269	50 883
Fair value of plan assets	-	-	-	-	-
Surplus (-) or deficit	55 979	60 267	56 120	53 269	50 883
Experience adjustments arising on					
<i>plan liabilities</i>	1 694	-1 226	-3 153	1 230	2 234

Other long-term employee benefits

The other long-term employee benefits relate to service awards.

Cash-settled share-based payment employee benefits

The Group issued stock appreciation rights (SARs) to certain management employees, granting them the right to receive the intrinsic value of the SARs at the date of exercise. These SARs are accounted for as cash-settled share-based payments in accordance with IFRS 2. The fair value of the SARs is determined using a binomial pricing model. The inputs to the model are: share price at balance sheet date, exercise price, expected volatility of 39% (2011: 39%), expected dividend yield of 3.0% (2011: 3.0%), vesting period of 3 years, average contractual life of 5.2 years (2011: 5.1 years), employee exit rate of 3% (2011: 3%) and a risk-free interest rate of 2.0% (2011: 4.1%). To allow for the effects of early exercise, it was assumed that the employees would exercise the SARs after vesting date when the share price was 1.40 (2011: 1.30) times the exercise price. Historical volatility was between 20% and 60% over the last 12 years.

The Group recorded a total gain of € 0.1 million (2011: gain of € 4.7 million) during the year in respect of SARs. At 31 December 2012, the total fair value of the vested unexercised SARs was € 0.6 million (2011: € 0.7 million).

At 31 December 2012, the Group had recorded liabilities of € 0.9 million (2011: € 1.5 million) for SARs. These liabilities were measured at their closing date fair value in accordance with IFRS 2. Expenses and liabilities have not materially changed due to the relative stability of the Bekaert stock price over 2012.

Short-term employee benefit obligations

Short-term employee benefit obligations relate to liabilities for remuneration and social security that are due within twelve months after the end of the period in which the employees render the related service.

Other employee benefit obligations

The remaining other employee benefit obligations relate to termination benefits and taxes on future contributions.

6.16. Provisions

in thousands of €	Restructuring	Claims	Environment	Other	Total
As at 1 January 2012	104	7 100	34 422	3 617	45 243
Additional provisions	12 105	2 231	4 911	1 229	20 476
Unutilized amounts released	-	-1 794	-297	-	-2 091
Charged to the income statement	12 105	437	4 614	1 229	18 385
New consolidations	-	1 299	-	610	1 909
Deconsolidations	-	-31	-	-	-31
Amounts utilized during the year	-	-1 079	-2 564	-413	-4 056
Transfers	1 446	-	-	-224	1 222
Exchange gains (-) and losses	-27	-242	-86	-112	-467
As at 31 December 2012	13 628	7 484	36 386	4 707	62 205
Of which					
<i>current</i>	11 402	5 289	2 086	1 064	19 841
<i>non-current</i>	2 226	2 195	34 300	3 643	42 364

The additional provisions for restructuring mainly relate to lay-off costs for the global cost savings program which is in full implementation and scheduled to be almost completely finalized in the course of 2013.

Provisions for claims mainly relate to various product quality claims and warranties in several entities, most of which are expected to be settled in the coming year.

The environmental provisions mainly relate to sites in EMEA and North America. The expected soil sanitation costs are reviewed at each balance sheet date, supported by an external expert assessment. Timing of settlement is uncertain as it is often triggered by decisions on the destination of the premises. The amounts utilized mainly consist of a settlement with Betafence concerning historical pollution on sites which they acquired in 2005.

The other provisions mainly relate to workers' accidents coverage.

6.17. Interest-bearing debt

Information concerning the contractual maturities of the Group's interest-bearing loans and borrowings (current and non-current) is given below:

2012 in thousands of €	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total
Interest-bearing debt				
<i>Finance leases</i>	94	163	-	257
<i>Credit institutions</i>	242 455	96 704	1 114	340 273
<i>Bonds</i>	100 000	457 069	295 000	852 069
Carrying amount	342 549	553 936	296 114	1 192 599
Value adjustments	-	-2 903	-	-2 903
Total financial debt	342 549	551 033	296 114	1 189 696

2011 in thousands of €	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total
Interest-bearing debt				
<i>Finance leases</i>	49	220	-	269
<i>Credit institutions</i>	498 436	55 370	-	553 806
<i>Bonds</i>	150 000	556 983	295 000	1 001 983
Carrying amount	648 485	612 573	295 000	1 556 058
Value adjustments	-	-862	-	-862
Total financial debt	648 485	611 711	295 000	1 555 196

Total financial debt has decreased considerably, mainly because of the repayment of a € 150 million bond in February 2012 and the repayment of short-term debt. The origin of the value adjustments is explained below under 'net debt calculation'.

As a general principle, loans are entered into by Group companies in their local currency to avoid currency risk. If funding is in another currency without an offsetting position on the balance sheet, the companies hedge the currency risk through derivatives (cross-currency interest-rate swaps or forward exchange contracts). Some of these hedging relations are designated as fair value hedges or cash flow hedges. Bonds, commercial paper and debt towards credit institutions are unsecured.

For further information on financial risk management we refer to note 7.3. 'Financial risk management and financial derivatives'.

Net debt calculation

The debt calculation of the Group reflects the amount to be repaid as a result of hedging with a derivative, rather than the amount presented as a financial liability in the balance sheet. The Eurobond issued by Bekaert Corporation (US) in 2005 has been swapped to a USD debt by means of CCIRs, which are either designated as fair value hedges or as cash flow hedges. The Bekaert debt calculation therefore eliminates 'value adjustments' included in the carrying amount of this bond as a result of the spot revaluation, for the part designated as a cash flow hedge, and of the fair value adjustment, for the part designated as a fair value hedge. The table below summarizes the calculation of the net debt.

in thousands of €	2011	2012
Non-current interest-bearing debt	907 573	850 050
Value adjustments	-862	-2 903
Current interest-bearing debt	648 485	342 549
Total financial debt	1 555 196	1 189 696
Non-current financial receivables and cash guarantees	-4 224	-21 505
Current loans	-18 262	-10 890
Short-term deposits	-382 607	-104 792
Cash and cash equivalents	-293 856	-352 312
Net debt	856 247	700 197

Net debt is now presented after deducting non-current financial receivables and cash guarantees.

6.18. Other non-current liabilities

Carrying amount in thousands of €	2011	2012
Other non-current amounts payable	1 191	248
Derivatives (cf. note 7.3.)	9 231	5 323
Total	10 422	5 571

6.19. Other current liabilities

Carrying amount in thousands of €	2011	2012
Other amounts payable	4 659	4 908
Derivatives (cf. note 7.3.)	30 173	3 011
Advances received	6 910	4 155
Other taxes	37 317	36 193
Accruals and deferred income	36 964	32 233
Total	116 023	80 500

Other taxes relate mainly to VAT payable, employment-related taxes withheld and other non-income taxes payable. The accrued interest on outstanding interest-bearing debt is the most significant item of the accruals (€ 25.7 million (2011: € 30.4 million)).