

Parent company information

Annual report of the Board of Directors and financial statements of NV Bekaert SA

The report of the Board of Directors and the financial statements of the parent company, NV Bekaert SA (the 'Company'), are presented below in a condensed form.

The report of the Board of Directors ex Article 96 of the Belgian Companies Code is not included in full in the report ex Article 119.

Copies of the full directors' report and of the full financial statements of the Company are available free of charge upon request from:

NV Bekaert SA
 President Kennedypark 18
 BE-8500 Kortrijk
 Belgium
www.bekaert.com

The statutory auditor has issued an unqualified report on the financial statements of the Company.

The directors' report and financial statements of the Company, together with the statutory auditor's report, will be deposited with the National Bank of Belgium as provided by law.

Condensed income statement

in thousands of € - Year ended 31 December	2011	2012
Sales	529 041	386 142
Operating profit or loss	-2 462	-46 699
Financial result	44 324	-16 020
Extraordinary result	211 519	-96 324
Current and deferred income taxes	2 724	1 317
Profit or loss for the year	256 105	-157 726

Condensed balance sheet after profit appropriation

in thousands of € - 31 December	2011	2012
Fixed assets	1 994 798	2 054 120
Formation expenses, intangible fixed assets	42 534	28 170
Tangible fixed assets	80 865	63 778
Financial fixed assets	1 871 399	1 962 172
Current assets	303 193	241 503
Total assets	2 297 991	2 295 623
Shareholders' equity	697 636	540 292
Share capital	176 512	176 586
Share premium	29 857	30 194
Revaluation surplus	1 995	1 995
Statutory reserve	17 651	17 651
Unavailable reserve	23 295	58 563
Reserves available for distribution, retained earnings	448 295	255 301
Investment grants	30	2
Provisions and deferred taxes	64 147	82 686
Creditors	1 536 208	1 672 645
Amounts payable after one year	750 150	1 050 150
Amounts payable within one year	786 058	622 495
Total equity and liabilities	2 297 991	2 295 623

Valuation principles

Valuation and foreign currency translation principles applied in the parent company's financial statements are based on Belgian accounting legislation.

Summary of the annual report of the Board of Directors

The Belgium-based entity's sales amounted to € 386.1 million, a decrease of 27% compared to 2011.

The operating loss was € -46.7 million, compared with a loss of € -2.5 million last year. The operating loss was caused by the reduced sales and lower revenue from technical support. Despite the sharp decrease in expenses (€ -29.1 million), obtained thanks to the extensive cost-cutting plan, the margin was not enough to cover all operating costs. Both the depreciation and other operating costs decreased compared to last year.

The financial result decreased to € -16.0 million due to a lower dividend income (€ 44.3 million in 2011).

The extraordinary result amounts € -96.3 million, mainly related to the restructuring costs and provisions and asset impairments (2011: € 211.5 million). The gain in 2011 mainly stemmed from gains on transactions with shares of subsidiaries.

The combination of the operating loss, the financial and extraordinary result explain the net profit for the year ended 31 December 2012: € -157.7 million compared with € 256.1 million in 2011.

Environmental programs

The provision for environmental programs decreased to € 25.0 million (2011: € 27.1 million).

Information on research and development

Information on the company's research and development activities can be found in the 'Technology and Innovation' section in the 'Report of the Board of Directors'.

Interests in share capital

In connection with the entry into force of the Act of 2 May 2007 on the disclosure of significant participations (the Transparency Act) the Company has in its Articles of Association set the thresholds of 3% and 7.50% in addition to the legal thresholds of 5% and each multiple of 5%. An overview of the current notifications of participations of 3% or more is presented below. On 31 December 2012 the total number of securities conferring voting rights was 60 000 942.

Notifier	Date of notification	Number of voting rights	Percentage of total number of voting rights
Stichting Administratiekantoor Bekaert (Chasséveld 1, NL-4811 DH Breda, The Netherlands), on its own behalf and on behalf of Velge International NV, Berfin SA, Subeco SA, Millenium 3 SA and Gedecor SA	22.08.12	22 876 601	38,13%

Stichting Administratiekantoor Bekaert (holding 22 404 881 shares) has declared that it is acting in concert with Velge International NV (57 000 shares), Berfin SA (91 920 shares), Subeco SA (157 800 shares), Millenium 3 SA (90 000 shares) and Gedecor SA (75 000 shares) in that they have concluded an agreement (a) aimed either at acquiring control, at frustrating the successful outcome of a bid or at maintaining control, and (b) to adopt, by concerted exercise of the voting rights they hold, a lasting common policy. Stichting Administratiekantoor Bekaert is not controlled. The other above-mentioned persons are controlled by physical persons, (i) whose (directly or indirectly held) individual participation does not reach 3% and (ii) who (on an individual basis) have an interest of less than 3%.

On 8 December 2007 Stichting Administratiekantoor Bekaert disclosed in accordance with Article 74 of the Act of 1 April 2007 on public takeover bids that it was holding individually more than 30% of the securities with voting rights of the Company on 1 September 2007.

Proposed appropriation of NV Bekaert SA 2012 result

The after-tax result for the year was € -157 726 209, compared with a profit after tax of € 256 104 593 for the previous year.

The Board of Directors has proposed that the Annual General Meeting to be held on 8 May 2013 appropriate the above result as follows:

	in €
Result of the year 2012 to be appropriated	-157 726 209
Profit brought forward from previous year	91 920 479
Transfer from reserves	116 007 786
Profit for distribution	50 202 056

The Board of Directors has proposed that the Annual General Meeting approve the distribution of a gross dividend of € 0.85 per share (2011: € 1.17 per share).

The dividend will be payable in euros on 15 May 2013 by the following banks:

- ING Belgium, BNP Paribas Fortis, KBC Bank, Bank Degroof and Belfius Bank in Belgium;
- Société Générale in France;
- ABN AMRO Bank in the Netherlands;
- UBS in Switzerland.

Appointments pursuant to the Articles of Association

The term of office of the Directors Messrs Roger Dalle, François de Visscher, Bernard van de Walle de Ghelcke and Baudouin Velge, and of the independent Director Lady Barbara Thomas Judge will expire at the close of the Annual General Meeting of 8 May 2013.

The Board of Directors has proposed that the General Meeting:

- re-appoint Mr Roger Dalle as Director for a term of two years, up to and including the Annual General Meeting to be held in 2015;
- re-appoint Messrs François de Visscher, Bernard van de Walle de Ghelcke and Baudouin Velge as Directors for a term of three years, up to and including the Annual General Meeting to be held in 2016;
- re-appoint Lady Barbara Thomas Judge as independent Director for a term of three years, up to and including the Annual General Meeting to be held in 2016.