6. Balance sheet items

6.1. Intangible assets

in thousands of € Cost	Licenses, patents & similar rights	Computer software	Rights to use land	Develop-ment costs	Other	Total
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**
As at 1 January 2013	8 817	62 717	71 041	1 001	19 494	163 070
Expenditure	309	1 667	-	-	200	2 176
Disposals and retirements	-500	-6	-3 763	-982	-	-5 251
Transfers[1]	130	1 673	-	-	33	1 836
Deconsolidations	-	-111	-	-	-3 150	-3 261
Exchange gains and losses (-)	-65	-1 149	-2 594	-	-520	-4 328
As at 31 December 2013	**8 691**	**64 791**	**64 684**	**19**	**16 057**	**154 242**
Accumulated amortization and impairment						
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**
As at 1 January 2013	7 462	48 453	7 888	1 001	16 006	80 810
Charge for the year	1 079	5 242	1 377	-	764	8 462
Impairment losses	125	-	-	-	-	125
Disposals and retirements	-500	-6	-303	-982	-	-1 791
Deconsolidations	-	-111	-	-	-2 951	-3 062
Exchange gains (-) and losses	-28	-724	-174	-	-420	-1 346
As at 31 December 2013	**8 138**	**52 854**	**8 788**	**19**	**13 399**	**83 198**
Carrying amount as at 31 December 2012	**1 355**	**14 263**	**63 153**	**-**	**3 488**	**82 259**
Carrying amount as at 31 December 2013	**553**	**11 936**	**55 896**	**-**	**2 658**	**71 043**

[1] *Transfers equal zero if the balances of 'Intangible assets' and 'Property, plant and equipment' (see note 6.3.) are added up.*

The expenditure on software mainly relates to ERP software (SAP). As for the rights to use land, the 2013 disposal relates to the resale of land by Bekaert (Huizhou) Steel Cord Co Ltd to the government. Other intangible assets predominantly consist of customer lists and trademarks acquired in business combinations. The carrying amount mainly relates to Bekaert Corporation (€ 1.1 million vs. € 1.3 million in 2012), Bekaert (Qingdao) Wire Products Co Ltd (€ 0.8 million vs. € 1.1 million in 2012) and Ideal Alambrec SA (€ 0.5 million vs. € 0.7 million in 2012). As for the deconsolidations, this relates to the disposal of the Advanced Filtration business in 2013.

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 €	**2012**	**2013**
As at 1 January	40 355	41 569
Increases	1 194	-
Deconsolidation	-	-4 844
Exchange gains and losses (-)	20	-1 159
As at 31 December	**41 569**	**35 566**

Impairment losses in thousands of €	**2012**	**2013**
As at 1 January	19 447	24 628
Impairment losses	5 260	-
Deconsolidation	-	-4 844
Exchange gains (-) and losses	-79	-587
As at 31 December	**24 628**	**19 197**
Carrying amount as at 31 December	**16 941**	**16 369**

There were no new business combinations, and consequently no increases in goodwill in 2013. 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). The net effect of deconsolidation in 2013 is zero, as it relates to goodwill that had been fully impaired at the time of disposal of the cash-generating units, i.e. the Advanced Filtration business and the Flaring business. The impairment losses in 2012 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 2011**	**Impairment 2012**	**Carrying amount 31 Dec 2012**	**Impairment 2013**	**Carrying amount 31 Dec 2013**
Subsidiaries						
EMEA	Cold Drawn Products Ltd	2 680	-	2 743	-	2 685
EMEA	Combustion - heating EMEA	3 027	-	3 027	-	3 027
North America	Bekaert Canada Ltd	4 860	-4 999	-	-	-
North America	Orrville plant (USA)	9 065	-	8 890	-	8 505
Latin America	Inchalam group[1]	-	-	1 005	-	876
Latin America	Bekaert Ideal SL companies	844	-	844	-	844
Asia Pacific	Bekaert Southern Wire companies[2]	-	-261	-	-	-
Asia Pacific	Bekaert (Qingdao) Wire Products Co Ltd	385	-	385	-	385
Asia Pacific	Bekaert-Jiangyin Wire Products Co Ltd	47	-	47	-	47
Subtotal		**20 908**	**-5 260**	**16 941**	**-**	**16 369**
Joint ventures and associates						
Latin America	Belgo Bekaert Arames Ltda	6 221	-	5 559	-	4 614
Subtotal		**6 221**	**-**	**5 559**	**-**	**4 614**
Total		**27 129**	**-5 260**	**22 500**	**-**	**20 983**

1 *The Inchalam group was acquired from the Chilean partners as from 1 January 2012.*
2 *The Southern Wire companies were acquired from Southern Steel as from 30 August 2012. The resulting goodwill was rather immaterial (€ 0.3 million) and was impaired at year-end 2012.*

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			**3.0%**	**2.9%**	**6.2%**
Long term interest rate			3.4%	3.5%	6.4%
Short term interest rate			1.6%	1.3%	5.4%
Cost of Bekaert equity	$= R_f + \beta \,.\, E_m$		**9.0%**	**9.4%**	**13.1%**
Risk free rate= R_f			2.4%	2.9%	6.6%
Beta = β		1.31			
Market equity risk premium= E_m		5%			
Corporate tax rate			**27.0%**	**27.0%**	**27.0%**
Cost of equity before tax			**12.3%**	**12.9%**	**17.9%**
WACC - nominal			**9.2%**	**9.6%**	**14.0%**
Expected inflation			2.1%	2.1%	3.6%
WACC in real terms			**7.1%**	**7.5%**	**10.4%**

Based on current knowledge, reasonable changes in key assumptions (including discount rate, sales and margin evolution) would not generate impairments for any of the cash-generating units.

6.3. Property, plant and equipment

in thousands of € Cost	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Finance leases	Other PP&E	Assets under construction	Total
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**
As at 1 January 2013	934 199	2 261 204	92 811	9 800	4 351	62 150	3 364 516
Expenditure	23 955	53 448	6 492	73	1 269	11 472	96 709
Disposals and retirements	-1 711	-19 104	-4 630	-323	-393	-54	-26 215
Deconsolidations	-3 740	-3 167	-516	-	-	-5	-7 428
Transfers[1]	-	-	-	-	-	-1 836	-1 836
Reclassification to (-) / from held for sale	-21 752	-	-	-	-	-	-21 752
Exchange gains and losses (-)	-35 306	-69 915	-3 863	-1 125	-157	-4 210	-114 576
Inflation effects on opening balances	1 224	1 373	151	-	-	54	2 802
Other inflation effects	-	-	-	-	-	18	18
As at 31 December 2013	**896 869**	**2 223 839**	**90 445**	**8 425**	**5 070**	**67 589**	**3 292 238**
Accumulated depreciation and impairment							
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**
As at 1 January 2013	389 022	1 512 618	72 561	1 434	2 315	-	1 977 949
Charge for the year	34 570	119 625	8 519	274	667	-	163 655
Impairment losses	339	8 450	39	-	182	-	9 010
Reversal impairment losses and depreciations	-	-471	-35	-	-	-	-506
Disposals and retirements	-1 538	-17 684	-4 239	-202	-206	-	-23 869
Deconsolidations	-1 976	-3 084	-488	-	-	-	-5 548
Reclassification to (-) / from held for sale	-19 656	-	-	-	-	-	-19 656
Exchange gains (-) and losses	-12 301	-43 346	-2 621	-85	-103	-	-58 456
Inflation effects on opening balances	254	584	99	-	-	-	937
As at 31 December 2013	**388 714**	**1 576 692**	**73 835**	**1 421**	**2 855**	**-**	**2 043 516**

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

in thousands of €	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Finance leases	Other PP&E	Assets under construc-tion	Total
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
Finance leases by asset category	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**
Carrying amount as at 31 December 2013 before investment grants and reclassification of leases	**508 155**	**647 147**	**16 611**	**7 004**	**2 215**	**67 589**	**1 248 721**
Net investment grants	-6 271	-3 392	-	-	-	-	-9 663
Finance leases by asset category	6 794	17	193	-7 004	-	-	-

The investment programs in Belgium, Chile, China, India, Slovakia, and United States accounted for most of the expenditure. The net exchange loss for the year (€ -56.1 million) relates mainly to assets denominated in Chilean pesos (€ -14.0 million), Chinese renminbis (€ -8.5 million), Indian rupees (€ -7.5 million), US dollars (€ -7.4 million), Venezuelan bolivars (€ -6.0 million) and Russian rubles (€ -4.0 million).
The methodology for impairment testing is consistent with the one presented in note 6.2. 'Goodwill'. For reclassifications to or from assets held for sale, please refer to note 6.11. 'Assets classified as held for sale and liabilities associated with those assets'. For deconsolidations, refer to note 7.2. 'Effect of business disposals'.
Inflation effects relate to the application of inflation accounting in Venezuela.
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 €	**2012**	**2013**
As at 1 January	252 039	162 036
Result for the year	10 383	30 244
Dividends	-7 207	-12 509
Exchange gains and losses	-15 899	-28 547
Deconsolidations	-77 280	-
As at 31 December	**162 036**	**151 224**

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 2013 relate mainly to the substantial depreciation of the Brazilian real versus the euro (closing rate 3.3 BRL/EUR vs. opening rate 2.7 BRL/EUR).

Related goodwill

Related goodwill **Cost** in thousands of €	**2012**	**2013**
As at 1 January	6 221	5 559
Exchange gains and losses	-662	-945
As at 31 December	**5 559**	**4 614**
Carrying amount of related goodwill as at 31 December	**5 559**	**4 614**
Total carrying amount of investments in joint ventures as at 31 December	**167 595**	**155 838**

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

in thousands of €		**2012**	**2013**
Joint ventures			
BOSFA Pty Ltd	Australia	3 001	3 087
Bekaert Faser Vertriebs GmbH	Germany	102	102
Belgo Bekaert Arames Ltda	Brazil	134 165	125 538
BMB-Belgo Mineira Bekaert Artefatos de Arame Ltda	Brazil	16 030	14 382
Bekaert Xinyu Metal Products Co Ltd	China	8 738	8 115
Total for joint ventures excluding related goodwill		**162 036**	**151 224**
Carrying amount of related goodwill		**5 559**	**4 614**
Total for joint ventures including related goodwill		**167 595**	**155 838**

No major contingent assets relating to joint ventures 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 € 10.9 million (2012: € 21.0 million). They also have been facing claims relating to ICMS incentives totaling € 1.5 million (2012: € 1.7 million) and several other tax claims, most of which date back several years, for a total nominal amount of € 20.8 million (2012: € 35.2 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%).

In accordance with IFRS 12, Disclosures of Interests in Other Entities, following information is provided on material joint ventures. The two Brazilian joint ventures have been aggregated in order to emphasize the predominance of the partnership with ArcelorMittal when analyzing the relative importance of the joint ventures.

Name of joint venture in thousands of €	Country	Proportion of ownership interest (and voting rights) held by the Group at year-end 2012	 2013
Belgo Bekaert Arames Ltda	Brazil	45.0% (50.0%)	45.0% (50.0%)
BMB-Belgo Mineira Bekaert Artefatos de Arame Ltda	Brazil	44.5% (50.0%)	44.5% (50.0%)

Belgo Bekaert Arames Ltda manufactures and sells a wide variety of wire products mostly for industrial customers, and BMB manufactures and sells mainly wires and cables for rubber reinforcement in tires.

Brazilian joint ventures: income statement in thousands of €	2012	2013
Sales	875 220	904 143
Operating result (EBIT)	60 575	95 025
Interest income	15 844	7 484
Interest expense	-21 157	-8 959
Other financial income and expenses	-4 455	-5 745
Income taxes	-6 203	-11 821
Result for the period	44 604	75 984
Other comprehensive income for the period	-	-
Total comprehensive income for the period	44 604	75 984
Depreciation and amortization	19 217	22 170
EBITDA	79 792	117 195
Dividends received from the entity	7 174	12 494

Brazilian joint ventures: balance sheet in thousands of €	2012	2013
Current assets	228 155	245 809
Non-current assets	292 965	231 043
Current liabilities	-132 788	-115 254
Non-current liabilities	-54 620	-51 073
Net assets	**333 712**	**310 525**

Brazilian joint ventures: net debt elements in thousands of €	2012	2013
Non-current interest-bearing debt	898	292
Current interest-bearing debt	33 298	10 804
Total financial debt	**34 196**	**11 096**
Non-current financial receivables and cash guarantees	-27 547	-23 130
Current loans	-	-
Short-term deposits	-	-
Cash and cash equivalents	-2 788	-15 158
Net debt	**3 861**	**-27 192**

Brazilian joint ventures: reconciliation with carrying amount in thousands of €	**2012**	**2013**
Net assets of Belgo Bekaert Arames Ltda	297 907	278 548
Proportion of the Group's ownership interest	45.0%	45.0%
Proportionate net assets	134 058	125 347
Consolidation adjustments	107	191
Carrying amount of the Group's interest in Belgo Bekaert Arames Ltda	**134 165**	**125 538**
Net assets of BMB-Belgo Mineira Bekaert Artefatos de Arame Ltda	35 805	31 977
Proportion of the Group's ownership interest	44.5%	44.5%
Proportionate net assets	15 933	14 230
Consolidation adjustments	97	152
Carrying amount of the Group's interest in BMB-Belgo Mineira Bekaert Artefatos de Arame Ltda	**16 030**	**14 382**
Carrying amount of the Group's interest in the Brazilian joint ventures	**150 195**	**139 920**

Aggregate information of the other joint ventures in thousands of €	**2012**	**2013**
The Group's share in the result from continuing operations	-5 893	203
The Group's share in the result from discontinued operations	-	-
The Group's share of other comprehensive income	-	-
The Group's share of total comprehensive income	-5 893	203
Aggregate carrying amount of the Group's interests in these joint ventures	11 841	11 304

6.5. Other non-current assets

in thousands of €	2012	2013
Non-current financial receivables and cash guarantees	21 505	21 421
Reimbursement rights and other non-current amounts receivable	2 968	3 887
Derivatives (cf. note 7.3.)	7 954	14 760
Available-for-sale financial assets	11 305	8 713
Total other non-current assets	**43 732**	**48 781**

The non-current financial receivables are mainly due to the deferred proceeds on the sale of the Industrial Coating activity in 2012.

Available-for-sale financial assets - non-current

Carrying amount in thousands of €	2012	2013
As at 1 January	8 997	11 305
Expenditure	32	14
Disposals	-5	-1 916
Fair value changes	-263	773
Impairment losses	-	-1 284
New consolidations	2 390	-
Exchange gains and losses	154	-179
As at 31 December	**11 305**	**8 713**

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 € 1.3 million has been recognized through profit or loss in June 2013. On the same investment, an increase in fair value (€ 0.6 million) since that moment has been recognized through equity again in accordance with IAS 39, Financial Instruments: Recognition and Measurement. The amount reported as disposals mainly relates to Transportes Puelche Ltda, an investment held by Acma SA (Chile).

6.6. Deferred tax assets and liabilities

Carrying amount	**Assets**		**Liabilities**	
in thousands of €	**2012**	**2013**	**2012**	**2013**
As at 1 January	83 731	58 563	26 716	31 988
Increase or decrease via income statement	-24 714	-18 511	-4 304	-34 976
Increase or decrease via equity	1 618	500	-515	1 875
New consolidations	6 212	-	18 044	-
Deconsolidations	12	-1 467	-43	-37
Exchange gains and losses	-3 910	-3 808	-3 524	-4 101
Change in set-off of assets and liabilities	-4 386	42 274	-4 386	42 274
As at 31 December	**58 563**	**77 551**	**31 988**	**37 023**

Recognized deferred tax assets and liabilities

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

	Assets		**Liabilities**		**Net assets**	
in thousands of €	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**
Intangible assets	267	143	7 332	5 174	-7 065	-5 031
Property, plant and equipment	9 886	35 454	28 971	22 037	-19 085	13 417
Financial assets	2 307	1 532	20 642	22 293	-18 335	-20 761
Inventories	9 383	7 139	3 336	3 589	6 047	3 550
Receivables	11 222	8 299	137	73	11 085	8 226
Other current assets	673	284	5 758	1 605	-5 085	-1 321
Employee benefit obligations	23 376	20 367	169	92	23 207	20 275
Other provisions	1 855	1 541	1 244	1 187	611	354
Other liabilities	7 588	10 416	2 142	1 380	5 446	9 036
Tax deductible losses carried forward, tax credits and recoverable income taxes	29 749	12 783	-	-	29 749	12 783
Tax assets / liabilities	**96 306**	**97 958**	**69 731**	**57 430**	**26 575**	**40 528**
Set-off of assets and liabilities	-37 743	-20 407	-37 743	-20 407	-	-
Net tax assets / liabilities	**58 563**	**77 551**	**31 988**	**37 023**	**26 575**	**40 528**

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

Movements in deferred tax assets and liabilities arise from the following:

2012 in thousands of €	**As at 1 January**	**Recognized via income statement**	**Recognized via equity**	**Acquisitions and disposals**[1]	**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 deductible 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**

2013 in thousands of €	**As at 1 January**	**Recognized via income statement**	**Recognized via equity**	**Acquisitions and disposals**[1]	**Exchange gains and losses**	**As at 31 December**
Temporary differences						
Intangible assets	-7 065	1 812	-	-	222	-5 031
Property, plant and equipment	-19 085	30 684	-	27	1 791	13 417
Financial assets	-18 335	-497	-2 231	-	302	-20 761
Inventories	6 047	-2 481	-	-59	43	3 550
Receivables	11 085	-2 661	-	-3	-195	8 226
Other current assets	-5 085	3 711	30	-	23	-1 321
Employee benefit obligations	23 207	-2 745	826	-130	-883	20 275
Other provisions	611	-195	-	-3	-59	354
Other liabilities	5 446	3 925	-	-	-335	9 036
Tax deductible losses carried forward, tax credits and recoverable income taxes	29 749	-15 088	-	-1 262	-616	12 783
Total	**26 575**	**16 465**	**-1 375**	**-1 430**	**293**	**40 528**

[1] *Relates to the acquisitions of the Inchalam group and the Southern Wire companies, and to the disposal of the Industrial Coatings activities in 2012, and to the disposal of the Advanced Filtration activities in 2013 (see note 7.2. 'Effect of business disposals').*

Deferred taxes related to other comprehensive income (OCI)

2012 in thousands of €	Before tax	Tax impact	After tax
Exchange differences	-57 955	2 463	-55 492
Cash flow hedges	2 133	-817	1 316
Available-for-sale investments	7 644	-	7 644
Remeasurement gains and losses on defined-benefit plans	-6 487	487	-6 000
Total	**-54 665**	**2 133**	**-52 532**

2013 in thousands of €	Before tax	Tax impact	After tax
Exchange differences	-86 105	-1 904	-88 009
Inflation adjustments	758	-	758
Cash flow hedges	854	30	884
Available-for-sale investments	773	-327	446
Remeasurement gains and losses on defined-benefit plans	21 734	826	22 560
Total	**-61 986**	**-1 375**	**-63 361**

Unrecognized deferred tax assets

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

in thousands of €	2012	2013	Variance 2013 vs 2012
Deductible temporary differences	262 795	236 728	-26 067
Capital losses	35 201	34 254	-947
Trade losses and tax credits	710 192	717 923	7 731
Total	**1 008 188**	**988 905**	**-19 283**

The majority of the trade losses have no expiry date (€ 446.9 million) and the rest will not expire in the near future.

6.7. Operating working capital

in thousands of €	2012	2013
Raw materials, consumables and spare parts	*206 381*	*192 818*
Work in progress and finished goods	*269 619*	*257 233*
Goods purchased for resale	*91 665*	*89 214*
Inventories	567 665	539 265
Trade receivables	589 109	583 215
Bills of exchange received	162 734	110 218
Advances paid	21 981	22 176
Trade payables	-321 760	-338 864
Advances received	-4 155	-8 717
Remuneration and social security payables	-103 122	-101 111
Employment-related taxes	-14 108	-13 346
Operating working capital	**898 344**	**792 836**

Carrying amount in thousands of €	**2012**	**2013**
As at 1 January	1 031 032	898 344
Organic increase or decrease (-)	-226 813	-78 491
Write-downs and write-down reversals	-24 575	19 338
New consolidations	131 472	-
Deconsolidations	-2 756	-1 140
Reclassifications	1 606	109
Exchange gains and losses (-)	-11 622	-45 324
As at 31 December	**898 344**	**792 836**

Average operating working capital represented 26.5% of sales (2012: 27.9%).

Additional information is as follows:

- Inventories

  The cost of sales include expenses related to transport and handling of finished goods amounting to € 136.1 million (2012: € 147.8 million), which have never been capitalized in inventories. Movements in inventories include net reversals of write-downs in 2013 of € 7.1 million (2012: net write-downs of € 12.1 million).

  No inventories were pledged as security for liabilities (2012: none).

- Trade receivables

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

Allowance for bad debt in thousands of €	**2012**	**2013**
As at 1 January	-36 229	-52 820
Losses recognized	-18 552	-3 426
Losses reversed	6 033	15 529
New consolidations	-4 316	-
Deconsolidations	-9	55
Reclassification to / from (-) assets held for sale	-15	-
Exchange gains and losses (-)	268	1 291
As at 31 December	**-52 820**	**-39 371**

The losses reversed mainly relate to receivables from sawing wire customers in Asia Pacific initially allowed for in 2012.

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

Trade receivables and bills of exchange received in thousands of €	**2012**	**2013**
Gross amount	804 663	732 804
Allowance for bad debts (impaired)	-52 820	-39 371
Net carrying amount	751 843	693 433
of which past due but not impaired		
amount	*129 913*	*110 422*
average number of days outstanding	*123*	*90*

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 €	**2012**	**2013**
As at 1 January	88 319	84 325
Increase or decrease	-1 776	8 337
Write-downs and write-down reversals	-837	-746
New consolidations	7 008	-
Deconsolidations	-34	-299
Reclassifications	101	-313
Exchange gains and losses	-8 456	-7 524
As at 31 December	**84 325**	**83 780**

Other receivables relate mainly to taxes (€ 67.6 million (2012: € 69.3 million)) and social loans to employees (€ 5.4 million (2012: € 6.3 million)). No collection issues are expected.

6.9. Cash & cash equivalents and short-term deposits

Carrying amount in thousands of €	**2012**	**2013**
Cash & cash equivalents	352 312	391 857
Short-term deposits	104 792	10 172

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 € 100 million in February 2013 and the repayment of a bond of € 104 million in April 2014. 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 €	**2012**	**2013**
Current loans and receivables	10 890	6 440
Advances paid	21 981	22 176
Derivatives (cf. note 7.3.)	14 976	13 565
Deferred charges and accrued revenues	12 282	9 032
As at 31 December	**60 129**	**51 213**

The current loans and receivables mainly relate to loans to joint ventures in China (€ 2.1 million) and Australia (€ 0.8 million), to a remaining receivable on the disposal of the Advanced Filtration activities (€ 0.8 million) and to various cash guarantees (€ 2.2 million). The derivatives mainly relate to CCIRS agreements (€ 13.0 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 €	**2012**	**2013**
As at 1 January	35 492	-
Increases and decreases (-)	-4 078	2 096
Deconsolidations	-31 363	-
Exchange gains and losses	-51	-
As at 31 December	**-**	**2 096**

in thousands of €	**2012**	**2013**
Individual items of property, plant and equipment	-	2 096
Disposal groups	-	-
Total assets classified as held for sale	**-**	**2 096**
Disposal groups	-	-
Total liabilities associated with assets classified as held for sale	**-**	**-**

In 2013 no disposal groups are classified as held for sale at the balance sheet date.

The individual items of property, plant and equipment in 2013 relate to land and buildings in Belgium. No impairment loss was recognized on reclassification of the property as held for sale, as management expects that the fair value (based on recent market prices of similar properties in similar locations) less costs to sell is higher than the carrying amounts.

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

Issued capital in thousands of €		2012 Nominal value	Number of shares	2013 Nominal value	Number of shares
1	As at 1 January	176 512	59 976 198	176 586	60 000 942
	Movements in the year				
	Issue of new shares	*74*	*24 744*	*187*	*62 929*
	As at 31 December	176 586	60 000 942	176 773	60 063 871
2	Structure				
2.1	Classes of ordinary shares				
	Ordinary shares without par value	*176 586*	*60 000 942*	*176 773*	*60 063 871*
2.2	Registered shares		1 720 765		1 721 925
	Non-material shares		58 217 474		58 302 193
	Shares to be dematerialized		62 703		39 753
Authorized capital not issued		**175 926**		**175 739**	

A total of 62 929 subscription rights were exercised under the Company's SOP1 and SOP 2005-2009 stock option plans in 2013, requiring the issue of a total of 62 929 new shares of the Company.

In addition to the 939 700 treasury shares held by it as of 31 December 2012, the Company purchased 712 977 own shares in the course of 2013. None of those shares were disposed of in connection with any stock option plans or cancelled in 2013. As a result, the Company held an aggregate 1 652 677 treasury shares as of 31 December 2013.

Details of the stock option plans which, either at the balance sheet date or at the previous balance sheet date, showed an outstanding balance, 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 Granted	Exercised	Forfeited	Out-standing	First exercise period	Last exercise period
14.07.2000	12.09.2000	26.09.2000	18.000	319 941	317 481	2 460	-	01.06 - 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	104 532	720	900	22.05 - 30.06.2006	22.05 - 15.06.2015
11.07.2003	09.09.2003	06.10.2003	13.630	100 740	100 740	-	-	22.05 - 30.06.2007	22.05 - 15.06.2013
09.07.2004	07.09.2004	30.09.2004	15.765	502 182	489 665	3	12 514	22.05 - 30.06.2008	22.05 - 15.06.2014
				1 447 932	**1 428 077**	**5 601**	**14 254**		

Overview of SOP2 Stock Option Plan

Date offered	Date granted	Exercise price (in €)	Number of options: Granted	Exercised	Forfeited	Out-standing	First exercise period	Last exercise period
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: Granted	Exercised	Forfeited	Out-standing	First exercise period	Last exercise period
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	76 434	19 500	192 216	22.05 - 30.06.2012	15.11 - 15.12.2018
17.12.2009	15.02.2010	08.09.2010	33.990	225 450	-	33 600	191 850	22.05 - 30.06.2013	15.11 - 15.12.2019
				1 087 308	**488 207**	**75 700**	**523 401**		

Overview of SOP 2010-2014 Stock Option Plan

Date offered	Date granted	Exercise price (in €)	Number of options: Granted	Exercised	Forfeited	Out-standing	First exercise period	Last exercise period
16.12.2010	14.02.2011	77.000	360 925	-	10 000	350 925	28.02 - 13.04.2014	Mid Nov.- 15.12.2020
22.12.2011	20.02.2012	25.140	287 800	-	2 600	285 200	End Feb. - 12.04.2015	Mid Nov. - 21.12.2021
20.12.2012	18.02.2013	19.200	267 200	-	2 700	264 500	End Feb. - 10.04.2016	Mid Nov. - 19.12.2022
29.03.2013	28.05.2013	21.450	260 000	-	-	260 000	End Feb. - 09.04.2017	End Feb. - 28.03.2023
			1 175 925	**-**	**15 300**	**1 160 625**		

SOP1 Stock Option Plan	2012 Number of subscription rights	2012 Weighted average exercise price (in €)	2013 Number of subscription rights	2013 Weighted average exercise price (in €)
Outstanding as at 1 January	25 673	16.019	21 749	15.977
Forfeited during the year	-180	17.535	-	-
Exercised during the year	-3 744	16.190	-7 495	16.573
Outstanding as at 31 December	**21 749**	**15.977**	**14 254**	**15.664**

SOP2 Stock Option Plan	2012 Number of options	2012 Weighted average exercise price (in €)	2013 Number of options	2013 Weighted average exercise price (in €)
Outstanding as at 1 January	143 500	25.166	143 500	25.166
Outstanding as at 31 December	**143 500**	**25.166**	**143 500**	**25.166**

SOP 2005-2009 Stock Option Plan	2012 Number of subscription rights	2012 Weighted average exercise price (in €)	2013 Number of subscription rights	2013 Weighted average exercise price (in €)
Outstanding as at 1 January	618 435	25.143	597 435	25.441
Forfeited during the year	-	-	-18 600	33.990
Exercised during the year	-21 000	16.660	-55 434	16.660
Outstanding as at 31 December	**597 435**	**25.441**	**523 401**	**26.068**

SOP 2010-2014 Stock Option Plan	2012 Number of options	2012 Weighted average exercise price (in €)	2013 Number of options	2013 Weighted average exercise price (in €)
Outstanding as at 1 January	350 925	77.000	638 725	53.633
Granted during the year	287 800	25.140	527 200	20.310
Forfeited during the year	-	-	-5 300	22.114
Outstanding as at 31 December	**638 725**	**53.633**	**1 160 625**	**38.640**

Weighted average remaining contractual life in years	2012	2013
SOP1	1.3	0.5
SOP2	6.7	5.7
SOP 2005-2009	7.2	6.3
SOP 2010-2014	8.5	8.2

The weighted average share price at the date of exercise in 2013 was € 23.49 for the SOP1 subscription rights (2012: € 18.44), not applicable for the SOP2 options (2012: not applicable) and € 27.23 for the SOP 2005-2009 subscription rights (2012: € 20.68). 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'). The fair value of the options is determined using a binomial pricing model. Inputs and outcome of this option pricing model are detailed below:

Option pricing model details	**Granted in February 2012**	**Granted in February 2013**	**Granted in May 2013**	**Granted in February 2014**[1]
Inputs to the model				
Share price at grant date (in €)	32.10	22.02	23.45	27.32
Exercise price (in €)	25.14	19.20	21.45	25.38
Expected volatility	39%	39%	39%	39%
Expected dividend yield	3.0%	3.0%	3.0%	3.0%
Vesting period (years)	3	3	3	3
Contractual life (years)	10	10	10	10
Employee exit rate	3%	3%	3%	3%
Risk-free interest rate	3.3%	0.9%	1.7%	1.0%
Exercise factor	1.30	1.40	1.40	1.40
Outcome of the model				
Fair value (in €)	13.68	6.76	7.96	7.96

[1] *See note 7.6. 'Events after the balance sheet date'.*

The model allows for the effects of early exercise through an exercise factor. An exercise factor of 1.40 stands for the assumption that the beneficiaries exercise the options and the subscription rights after the vesting date when the share price exceeds the exercise price by 40% (on average).

During 2013, 527 200 options (2012: 287 800) were granted under SOP 2010-2014 at a weighted average fair value per unit of € 7.35 (2012: € 13.68). The Group has recorded an expense against equity of € 4.4 million (2012: € 4.2 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.

6.13. Retained earnings and other Group reserves

Carrying amount in thousands of €	**2012**	**2013**
Hedging reserve	*-1 477*	*-623*
Revaluation reserve for available-for-sale investments	*10*	*693*
Remeasurements on defined-benefit plans	*-72 599*	*-52 076*
Fair value remeasurements for business combinations	*-5 894*	*-5 894*
Deferred taxes booked in equity	*29 417*	*28 014*
Equity-settled share-based payment plans	*14 987*	*19 343*
Treasury shares	*-58 577*	*-73 851*
Other reserves	-94 133	-84 394
Cumulative translation adjustments	-16 087	-84 776
Total other Group reserves	**-110 220**	**-169 170**
Retained earnings	**1 325 410**	**1 307 618**

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

Hedging reserve in thousands of €	**2012**	**2013**
As at 1 January	-3 610	-1 477
Recycled to income statement	-1 293	-3 035
Fair value changes to hedging instruments	3 426	3 889
As at 31 December	**-1 477**	**-623**
Of which		
Cross-currency interest-rate swaps (on Eurobonds)	*-1 477*	*-623*

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 €	**2012**	**2013**
As at 1 January	-7 634	10
Recycled to income statement	7 906	-10
Fair value changes	-262	693
As at 31 December	**10**	**693**
Of which		
Investment in Shougang Concord Century Holdings Ltd	*10*	*596*
Other	*-*	*97*

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. In 2012, an amount of € 7.9 million was recycled to income statement as a result of an impairment loss.

Remeasurements on defined-benefit plans in thousands of €	**2012**[1]	**2013**
As at 1 January	-66 924	-72 599
Remeasurements (-) of the period	-6 128	20 747
Inflation effects	-	-224
Deconsolidations	453	-
As at 31 December	**-72 599**	**-52 076**

[1] *Restated, see note 7.9. 'Restatement effects'.*

The remeasurements originate from using different actuarial assumptions in calculating the defined-benefit obligation and from differences with actual returns on plan assets 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.

Deferred taxes booked in equity in thousands of €	**2012**	**2013**
As at 1 January	27 879	29 417
Deferred taxes relating to other comprehensive income	1 678	-1 479
Inflation effects	-	76
Changes in ownership	-140	-
As at 31 December	**29 417**	**28 014**

Deferred taxes relating to other comprehensive income are also recognized directly in equity (see note 6.6. 'Deferred tax assets and liabilities').

Equity-settled share-based payment plans in thousands of €	**2012**	**2013**
As at 1 January	10 809	14 987
Equity instruments granted	4 178	4 356
As at 31 December	**14 987**	**19 343**

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, Share-based Payment.

Treasury shares in thousands of €	**2012**	**2013**
As at 1 January	-58 582	-58 577
Shares purchased	-	-15 274
Proceeds from shares sold	5	-
As at 31 December	**-58 577**	**-73 851**

In 2013, the Company purchased 712 977 of its own shares on the stock exchange to anticipate the exercise of options granted under its option plans (see note 6.12. 'Ordinary shares, treasury shares, subscription rights and share options').

Cumulative translation adjustments in thousands of €	**2012**	**2013**
As at 1 January	33 553	-16 087
Exchange differences on dividends declared	-6 898	-21 153
Recycled to income statement - relating to disposed entities or step acquisitions	-7 963	-463
Other CTA movements	-34 779	-47 073
As at 31 December	**-16 087**	**-84 776**
Of which relating to entities with following functional currencies		
Chinese renminbi	*80 852*	*72 086*
US dollar	*-2 186*	*-6 707*
Brazilean real	*-80 212*	*-109 414*
Chilean peso	*12 618*	*-311*
Venezuelan bolivar	*-38 063*	*-37 342*
Indian rupee	*-4 654*	*-9 141*
Czech koruna	*9 907*	*6 950*
Other currencies	*5 651*	*-897*

Since the Venezuelan entities changed 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 €	**2012**	**2013**
As at 1 January	72 534	181 623
Changes in Group structure	109 003	-74
Share of the result for the period	6 375	11 498
Share of other comprehensive income excluding CTA	97	-604
Dividend pay-out	-14 888	-12 960
Capital increases	10 435	-
Reclassifications	-	-7 171
Exchange gains and losses (-)	-1 933	-14 712
As at 31 December	**181 623**	**157 600**

In 2012, the changes in Group structure mainly relate to the acquisition of the Inchalam group and the Southern Wire companies. In 2013, the slight decrease in non-controlling interests (€ -0.1 million) results from a capital increase by Bekaert in Bekaert Mukand Wire Industries Pvt Ltd.
The total comprehensive income, which includes the share of the result for the period and other comprehensive income including CTA (or exchange gains and losses), mainly relates to the Latin American subsidiaries (€ -3.8 million vs. € 12.6 million in 2012) and the Chinese subsidiaries (€ 2.0 million vs. € -6.4 million in 2012). The dividend pay-out mainly relates to the Latin American subsidiaries (€ -11.6 million vs. € -11.0 million in 2012) and the Chinese subsidiaries (€ -1.3 million vs. € -4.3 million in 2012). Reclassifications relate to prepaid dividends to the partners in China and to CTA on dividends from Latin America.
In accordance with IFRS 12, Disclosures of Interests in Other Entities, following information is provided on subsidiaries that have non-controlling interests that are material to the Group. The objective of IFRS 12 is to require an entity to disclose information that enables users of its financial statements to evaluate (a) the nature and risks associated with its interests in other entities, and (b) the effects of those interests on its financial position, financial performance and cash flows. In order to meet this objective, the Group has opted to aggregate all of its not wholly-owned subsidiaries in Latin America. The main reason for this aggregation is that the Group has many partnerships in Latin America, through a large number of legal entities, many of which may not be individually material enough to disclose, but which in total represent about two thirds of the Group's accumulated non-controlling interests. In aggregating this information, only intercompany effects between the listed Latin American subsidiaries have been eliminated, while all other entities of the Group have been treated as third parties.

		Proportion of NCI at year-end	
Non-wholly owned subsidiaries in Latin America	**Country**	**2012**	**2013**
Acma Inversiones SA	Chile	48.0%	48.0%
Acma SA	Chile	48.0%	48.0%
Acmanet SA	Chile	48.0%	48.0%
Industrias Acmanet limitada	Chile	48.0%	48.0%
Industrias Chilenas de Alambre - Inchalam SA	Chile	48.0%	48.0%
Prodalam SA	Chile	48.0%	48.0%
Productos de Acero SA Prodinsa	Chile	48.0%	48.0%
Productora de Alambres Colombianos - Proalco SAS	Colombia	20.0%	20.0%
Bekaert Costa Rica SA	Costa Rica	-	19.8%
Ideal Alambrec SA	Ecuador	20.0%	20.0%
Impala SA	Panama	48.0%	48.0%
Productos de Acero Cassadó SA	Peru	62.5%	62.5%
Prodac Contrata SAC	Peru	62.5%	62.5%
Prodac Selva SAC	Peru	62.5%	62.5%
Procables SA	Peru	50.0%	50.0%
InverVicson SA	Venezuela	20.0%	20.0%
Vicson SA	Venezuela	20.0%	20.0%

The principal activity of the main entities listed above is manufacturing and selling wire, ropes and other wire products, mainly for the local market. Following entities are essentially holdings, having interests in one or more of the other entities listed above: Acma Inversiones SA, Industrias Acmanet Limitada and Impala SA.

in thousands of €	Result attributable to NCI 2012	Result attributable to NCI 2013	Equity attributable to NCI 2012	Equity attributable to NCI 2013
Non-wholly owned subsidiaries in Latin America	13 413	11 045	120 374	106 124

Non-wholly owned subsidiaries in Latin America
in thousands of €

	2012	2013
Current assets	315 355	264 583
Non-current assets	217 639	193 319
Current liabilities	198 591	178 745
Non-current liabilities	68 868	51 222
Equity attributable to the Group	**145 161**	**121 811**
Equity attributable to NCI	**120 374**	**106 124**

Non-wholly owned subsidiaries in Latin America
in thousands of €

	2012	2013
Sales	805 731	637 563
Expenses	-774 150	-615 373
Result for the period	31 581	22 190
Result for the period attributable to the Group	18 168	11 145
Result for the period attributable to NCI	13 413	11 045
Other comprehensive income for the period	-23 873	-9 258
OCI attributable to the Group	-22 393	-344
OCI attributable to NCI	-1 480	-8 914
Total comprehensive income for the period	7 708	12 932
Total comprehensive income attributable to the Group	-4 225	10 801
Total comprehensive income attributable to NCI	11 933	2 131
Dividends paid to NCI	-11 903	-17 068
Net cash inflow (outflow) from operating activities	32 807	49 451
Net cash inflow (outflow) from investing activities	-27 417	-16 073
Net cash inflow (outflow) from financing activities	19 977	-37 790
Net cash inflow (outflow)	25 367	-4 412

6.15. Employee benefit obligations

The total net liabilities for employee benefit obligations, which amounted to € 257.7 million as at 31 December 2013 (€ 302.6 million as at year-end 2012), are as follows:

in thousands of €	2012	2013
Liabilities for		
Post-employment defined-benefit plans	*167 896*	*134 089*
Other long-term employee benefits	*2 417*	*2 418*
Cash-settled share-based payment employee benefits	*871*	*1 333*
Short-term employee benefits	*103 122*	*101 111*
Other employee benefit obligations	*28 278*	*18 768*
Total liabilities in the balance sheet	**302 584**	**257 719**
of which		
Non-current liabilities	*180 321*	*136 602*
Current liabilities	*122 263*	*121 117*
Liabilities associated with assets held for sale	-	-
Assets for		
Defined-benefit pension plans	-	-
Total assets in the balance sheet	**-**	**-**
Total net liabilities	**302 584**	**257 719**

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.

For Belgium: Belgian pension legislation imposes a minimum return on employee contributions and employer contributions paid after 1 January 2004. The majority of contributions is invested in insurance products with guaranteed rate of return of at least the legal minimum. As there is no material shortfall on legal minimum return at balance sheet date, no liability has been recognized.

For the Netherlands: 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 (2012: € 0.7 million).

Defined-contribution plans in thousands of €	2012	2013
Expenses recognized	14 933	13 476

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.

The latest actuarial valuations under IAS 19 were carried out as of 31 December 2013 for all significant post-employment defined-benefit plans by independent actuaries. The Group’s largest defined-benefit obligations are in Belgium and the United States. They account for 85.7 % (2012: 86.5 %) of the Group’s defined-benefit obligations and 99.9 % (2012: 99.9 %) of the Group’s plan assets.

Plans in Belgium

Retirement plans represent a defined-benefit obligation of € 98.2 million (2012: € 98.6 million) and € 84.4 million assets (2012: € 78.4 million). They foresee in a lump sum payment upon retirement and risk benefits in case of death or disability prior to retirement. The plans are externally funded through two self-administrated institutions for occupational retirement provision (IORP). On a regular basis an Asset Liability Matching (ALM) study is performed in which the consequences of strategic investment policies are analyzed in terms of risk-and-return profiles. Statement of investment principles and funding policy are derived from this study. The purpose is to have a well-diversified asset allocation to control the risk. Investment risk and liability risk are monitored on a quarterly basis. Funding policy targets to be at least fully funded in terms of statutory minimum requirements (Long Term Liabilities).

Other plans mainly relate to pre-retirement pensions (defined-benefit obligation € 32.4 million (€ 38.4 million in 2012)) which are not externally funded. An amount of € 8.3 million (2012: € 8.1 million) relates to employees in active service who have not yet entered into any pre-retirement agreement.

Plans in the United States

Pension plans represent a defined-benefit obligation € 97.9 million (2012: € 128.5 million) and € 64.6 million assets (2012: € 81.5 million) and are externally funded. The plans provide for benefits for the life of the plan members but have been closed for new entrants. Further de-risking of the plans has been accomplished during 2013 by offering a lump sum payment window to terminated vested participants. Plan assets are invested, in fixed-income funds and in equities. Based on an Asset Liability Matching study the strategic asset allocation has been shifted more towards long duration fixed income funds. Funding policy targets to be sufficiently funded in terms of Pension Protection Act requirements and thus to avoid benefit restrictions or at-risk status of the plans.

Other plans mainly relate to medical care (defined-benefit obligation € 4.8 million (2012: € 5.6 million)) which are not externally funded.

The amounts recognized in the balance sheet are as follows:

in thousands of €	2012	2013
Belgium		
Present value of funded obligations	101 273	98 199
Fair value of plan assets	-78 420	-84 448
Deficit / surplus (-) of funded obligations	**22 853**	**13 751**
Present value of unfunded obligations	45 201	38 874
Total deficit / surplus (-) of obligations	**68 054**	**52 625**
United States		
Present value of funded obligations	128 511	97 901
Fair value of plan assets	-81 454	-64 655
Deficit / surplus (-) of funded obligations	**47 057**	**33 246**
Present value of unfunded obligations	9 172	7 902
Total deficit / surplus (-) of obligations	**56 229**	**41 148**
Other		
Present value of funded obligations	501	437
Fair value of plan assets	-238	-225
Deficit / surplus (-) of funded obligations	**263**	**212**
Present value of unfunded obligations	43 350	40 104
Total deficit / surplus (-) of obligations	**43 613**	**40 316**
Total		
Present value of funded obligations	230 285	196 537
Fair value of plan assets	-160 112	-149 328
Deficit / surplus (-) of funded obligations	**70 173**	**47 209**
Present value of unfunded obligations	97 723	86 880
Total deficit / surplus (-) of obligations	**167 896**	**134 089**

The movement in the defined-benefit obligation, plan assets, net liability and asset over the year is as follows:

in thousands of €	Defined-benefit obligation	Plan assets	Net liability / (asset)
As at 1 January 2012	**306 687**	**-144 213**	**162 474**
Current service cost	13 902	-	13 902
Past service cost	4 995	-	4 995
Gains (-) / losses from settlements	-3 171	-	-3 171
Interest expense / income (-)	15 375	-6 565	8 810
Net benefit expense / income (-) recognized in profit and loss	**31 102**	**-6 565**	**24 537**
Components recognized in EBIT			*15 726*
Components recognized in financial result			*8 810*
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / income (-)	-	-13 359	-13 359
(Gain) / loss from change in financial assumptions	18 251	-	18 251
Experience gains (-) / losses	913	-	913
Changes recognized in equity	**19 163**	**-13 359**	**5 804**
Contributions			-
Employer contributions / direct benefit payments	-	-27 788	-27 788
Employee contributions	131	-131	-
Payments from plans			
Benefit payments	-28 314	28 314	-
Settlement payments	-1 047	1 047	-
Acquisitions	**10 905**	**-**	**10 905**
Disposals	**-1 304**	**904**	**-399**
Foreign-currency translation effect	**-9 315**	**1 678**	**-7 637**
As at 31 December 2012	**328 008**	**-160 113**	**167 896**

in thousands of €	Defined-benefit obligation	Plan assets	Net liability / (asset)
As at 1 January 2013	**328 008**	**-160 113**	**167 896**
Current service cost	10 812	-	10 812
Past service cost	-16	-	-16
Gains (-) / losses from settlements	1 094	-	1 094
Interest expense / income (-)	11 054	-5 309	5 746
Net benefit expense / income (-) recognized in profit and loss	**22 943**	**-5 309**	**17 635**
Components recognized in EBIT			*11 889*
Components recognized in financial result			*5 746*
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / income (-)	-	-5 518	-5 518
Gain (-) / loss from change in demographic assumptions	205	-	205
(Gain) / loss from change in financial assumptions	-15 680	-	-15 680
Experience gains (-) / losses	-741	-	-741
Changes recognized in equity	**-16 216**	**-5 518**	**-21 734**
Contributions			
Employer contributions / direct benefit payments	-	-22 752	-22 752
Employee contributions	135	-135	-
Payments from plans			
Benefit payments	-26 461	26 461	-
Settlement payments	-14 361	14 361	-
Disposals	**-1 062**	**623**	**-439**
Foreign-currency translation effect	**-9 567**	**3 051**	**-6 516**
As at 31 December 2013	**283 419**	**-149 330**	**134 089**

In the income statement, current and past service cost, including gains or losses from settlements are included in the operating result (EBIT), and interest expense or income is included in interest expense, under interest element of interest-bearing provisions.

Reimbursement rights arising from reinsurance contracts covering retirement pensions, death and disability benefits in Germany amount to € 0.3 million (2012: € 0.4 million).

Estimated contributions and direct benefit payments for 2014 are as follows:

Estimated contributions and direct benefit payments in thousands of €	**2014**
Pension plans	32 850
Total	**32 850**

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

in thousands of €	**2012**	**2013**
Belgium		
Bonds		
Euro Government Bonds	22 823	20 421
Euro Corporate Bonds	17 827	18 145
Equity		
Euro Equity	21 786	26 907
Non Euro Equity	13 949	15 322
Cash	**2 035**	**3 653**
Total Belgium	**78 420**	**84 448**
United States **Bonds**		
USD Long Duration Bonds	43 623	34 432
USD Fixed Income	7 356	4 326
USD Guaranteed Deposit	5 890	5 270
Equity		
USD Equity	17 115	14 575
Non USD Equity	7 470	6 052
Total United States	**81 454**	**64 655**
Other		
Bonds	**238**	**225**
Total Other	**238**	**225**
Total	**160 112**	**149 328**

In the US, investments are primarily made through mutual fund investments and insurance company separate accounts, in quoted equity and debt instruments. In Belgium, investments are made through mutual fund investments in quoted equity and debt instruments. Investments are well-diversified so that the failure of any single investment would not have a material impact on the overall level of assets. The Group's plan assets include no direct positions in Bekaert shares or bonds, nor do they include any property used by a Bekaert entity.

The principal actuarial assumptions on the balance sheet date (weighted averages based on outstanding DBO) were:

Actuarial assumptions	**2012**	**2013**
Discount rate	3.8%	4.0%
Future salary increases	3.5%	3.4%
Underlying inflation rate	2.7%	2.5%
Health care cost increases (initial)	7.0%	6.8%
Health care cost increases (ultimate)	5.0%	5.0%
Health care (years to ultimate rate)	8	7

The discount rate for the USA and Belgium is reflective both of the current interest rate environment and the plan's distinct liability characteristics. The plan's projected cash flows are matched to spot rates, after which an associated present value is developed. A single equivalent discount rate is then determined that produces that same present value. The underlying yield curve for deriving spot rates is based on high quality AA-credit rated corporate bonds issues denominated in the currency of the applicable regional market. This resulted into the following discount rates:

Discount rates	**2012**	**2013**
Belgium	3.0%	3.1%
United States	3.9%	4.7%
Other	6.9%	5.3%

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in each territory. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 65:

	2012	**2013**
Life expectancy of a man aged 65 (years) at balance sheet date	19.1	19.3
Life expectancy of a man aged 65 (years) ten years after balance sheet date	19.9	20.0

Sensitivity analyses show the following effects:

Sensitivity analysis in thousands of €	**Change in assumption**	**Impact of defined-benefit obligation**		
Discount rate	-0.50%	Increase by	15 076	5.3%
Salary growth rate	0.50%	Increase by	8 708	3.1%
Health care cost	0.50%	Increase by	206	0.1%
Life expectancy	Increase by 1 year	Increase by	2 976	1.1%

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

Through its defined-benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility	The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit.
Changes in bond yields	A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings.
Salary risk	The majority of the plans' benefit obligations are calculated by reference to the future salaries of plan members. As such, a salary increase of plan members higher than expected will lead to higher liabilities.
Longevity risk	Belgian pension plans provide for lump sum payments upon retirement. As such there is limited or no longevity risk. Pension plans in the USA provide for benefits for the life of the plan members, so increases in life expectancy will result in an increase in the plan's liabilities.

The weighted average durations of the defined-benefit obligations are as follows:

Belgium	10.5
United States	12.1
Other	8.8
Total	10.9

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 each grant is recalculated at balance sheet date, using the same binomial pricing model as for the equity-settled share-based payments (see note 6.12. 'Ordinary shares, treasury shares, subscription rights and share options'). Based on local regulations, the exercise price for any grant under the USA SAR plan is equal to the average closing price of the Company's share during the thirty days following the date of the offer. The exercise price for the other SAR plans is determined in the same way as for the equity-settled stock option plans: it 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.

Following inputs to the model are used for all grants: share price at balance sheet date: € 25.72 (2012: € 21.88), expected volatility of 39% (2012: 39%), expected dividend yield of 3.0% (2012: 3.0%), vesting period of 3 years, contractual life of 10 years, employee exit rate of 4% in Asia (2012: 6%) and 3% in other countries (2012: 3%), and an exercise factor of 1.40 (2012: 1.40). Inputs for risk-free interest rates vary by grant and are based on the return of Belgian OLO[1]'s with a term equal to the maturity of the SAR grant under consideration.

Exercise prices and fair values of outstanding SARs by grant are shown below:

USA SAR Plan details by grant in €	**Exercise price**	**Fair value as at 31 Dec 2012**	**Fair value as at 31 Dec 2013**
Grant 2006	20.67	2.76	-
Grant 2007	25.03	2.48	2.91
Grant 2008	28.76	2.69	3.54
Grant 2009	16.58	6.51	9.25
Grant 2010	37.05	2.48	3.31
Grant 2011	83.43	1.21	1.60
Grant 2012	27.63	4.79	6.22
Grant 2013	22.09	6.19	8.24
Exceptional grant 2013	22.51	-	9.22
Grant 2014[2]	25.66	-	7.49

Other SAR Plans details by grant in €	**Exercise price**	**Fair value as at 31 Dec 2012**	**Fair value as at 31 Dec 2013**
Grant 2007	30.17	2.78	3.87
Grant 2008	28.33	3.39	4.80
Grant 2009	16.66	6.58	9.37
Grant 2010	33.99	3.12	4.37
Grant 2011	77.00	1.17	1.73
Grant 2012	25.14	4.78	6.68
Grant 2013	19.20	6.24	9.05
Exceptional grant 2013	21.45	-	9.56
Grant 2014[2]	25.38	-	7.30

[2] *See note 7.6. 'Events after the balance sheet date'.*

At 31 December 2013, the total liability for the USA SAR plan amounted to € 0.8 million (2012: € 0.6 million), while the total liability for the other SAR plans amounted to € 0.5 million (2012: € 0.3 million).

The Group recorded a total loss of € 0.7 million (2012: gain of € 0.1 million) during the year in respect of SARs.

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.

[1] *Obligation Linéaire / Lineaire Obligatie*

6.16. Provisions

in thousands of €	Restructuring	Claims	Environment	Other	Total
As at 1 January 2013	**13 628**	**7 484**	**36 386**	**4 707**	**62 205**
Additional provisions	8 292	3 472	19 916	168	31 848
Unutilized amounts released	-1 474	-1 328	-12 944	-331	-16 077
Charged to the income statement	**6 818**	**2 144**	**6 972**	**-163**	**15 771**
Deconsolidations	-	-103	-	-	-103
Amounts utilized during the year	-7 012	-3 753	-193	-1 141	-12 099
Exchange gains (-) and losses	-426	-386	-467	-73	-1 352
As at 31 December 2013	**13 008**	**5 386**	**42 698**	**3 330**	**64 422**
Of which					
current	*12 654*	*2 445*	*8 697*	*116*	*23 912*
non-current	*354*	*2 941*	*34 001*	*3 214*	*40 510*

The additional provisions for restructuring mainly relate to the shutdown of a plant in Surrey, Canada and to a lesser degree to adjustments of previously announced programs in EMEA. Most of the restructuring programs are expected to be finalized in the course of 2014.

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 Canada. 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 addition of provisions is a consequence of a reassessment of the risk given new investigations of polluted sites. The unutilized amounts released result from an anticipated sales transaction as part of which the clean-up requirement is taken over by the buyer.

The other provisions mainly relate to labor 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:

2013 in thousands of €	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total
Interest-bearing debt				
Finance leases	*69*	*127*	-	*196*
Credit institutions	*217 452*	*41 385*	-	*258 837*
Bonds	*104 386*	*601 118*	*45 614*	*751 118*
Carrying amount	**321 907**	**642 630**	**45 614**	**1 010 151**
Value adjustments	-	-6 245	-	-6 245
Total financial debt	**321 907**	**636 385**	**45 614**	**1 003 906**

2012 in thousands of €	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total
Interest-bearing debt				
Finance leases	*94*	*163*	-	*257*
Credit institutions	*242 455*	*96 704*	*1 114*	*340 273*
Bonds	*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**

Total financial debt has decreased considerably, mainly because of the repayment of a € 100 million bond in February 2013 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 CCIRSs, 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 €	2012	2013
Non-current interest-bearing debt	850 050	688 244
Value adjustments	-2 903	-6 245
Current interest-bearing debt	342 549	321 907
Total financial debt	**1 189 696**	**1 003 906**
Non-current financial receivables and cash guarantees	-21 505	-21 421
Current loans	-10 890	-6 440
Short-term deposits	-104 792	-10 172
Cash and cash equivalents	-352 312	-391 857
Net debt	**700 197**	**574 016**

6.18. Other non-current liabilities

Carrying amount in thousands of €	2012	2013
Other non-current amounts payable	248	187
Derivatives (cf. note 7.3.)	5 323	2 400
Total	**5 571**	**2 587**

6.19. Other current liabilities

Carrying amount in thousands of €	2012	2013
Other amounts payable	4 908	8 229
Derivatives (cf. note 7.3.)	3 011	9 964
Advances received	4 155	8 717
Other taxes	36 193	34 979
Accruals and deferred income	32 233	20 597
Total	**80 500**	**82 486**

The derivatives include FX contracts (€ 7.9 million (2012: € 0.6 million)) and CCIRSs (€ 2.0 million (2012: € 2.4 million)). 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 (€ 14.2 million (2012: € 25.7 million)).