

# 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](http://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	2012	2013
Sales	386 142	386 339
Operating profit or loss	-46 699	-4 122
Financial result	-16 020	5 644
Extraordinary result	-96 324	61 009
Current and deferred income taxes	1 317	1 013
<b>Result for the period</b>	<b>-157 726</b>	<b>63 544</b>

## Condensed balance sheet after profit appropriation

in thousands of € - 31 December	2012	2013
<b>Fixed assets</b>	<b>2 054 120</b>	<b>2 156 880</b>
Formation expenses, intangible fixed assets	28 170	28 327
Tangible fixed assets	63 778	33 298
Financial fixed assets	1 962 172	2 095 255
<b>Current assets</b>	<b>241 503</b>	<b>282 046</b>
<b>Total assets</b>	<b>2 295 623</b>	<b>2 438 926</b>
<b>Shareholders' equity</b>	<b>490 090</b>	<b>505 637</b>
Share capital	176 586	176 773
Share premium	30 194	31 055
Revaluation surplus	1 995	1 995
Statutory reserve	17 651	17 677
Unavailable reserve	20 556	42 507
Reserves available for distribution, retained earnings	243 106	235 630
Investment grants	2	-
<b>Provisions and deferred taxes</b>	<b>82 686</b>	<b>77 635</b>
<b>Creditors</b>	<b>1 722 847</b>	<b>1 855 654</b>
Amounts payable after one year	1 050 150	1 145 764
Amounts payable within one year	672 697	709 890
<b>Total equity and liabilities</b>	<b>2 295 623</b>	<b>2 438 926</b>

### 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 € 386.3 million, on the same level as in 2012.

The operating loss was € -4.1 million, compared with a loss of € -46.7 million last year. An increase of the margin and lower staff costs are the main reasons for the decrease of the operational loss.

The financial result increased to € 5.6 million compared to a loss of € -16.0 million in 2012, due to a higher dividend income (2013: € 48.7 million compared to 2012: € 42.1 million) and the revaluation of treasury shares (2013: € 6.7 million compared to 2012: € -2.7 million).

The extraordinary result amounts € 61.0 million, mainly related to the gain on the disposal of tangible fixed assets (€ 77.2 million) and the depreciation of financial fixed assets (€ 13.0 million). Last year's extraordinary result mainly related to the restructuring program, provisions and asset impairments.

The combination of the operating loss, the financial and extraordinary result explain the net profit for the year ended 31 December 2013: € 63.5 million compared with € -157.7 million in 2012.

### Environmental programs

The provision for environmental programs increased to € 30.3 million (2012: € 25.0 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 2013, the total number of securities conferring voting rights was 60 063 871.

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	28.08.2013	22 913 101	38.15%

Stichting Administratiekantoor Bekaert (holding 22 441 381 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 2013 result

The after-tax result for the year was € 63 544 449, compared with € -157 726 209 for the previous year.

The Board of Directors has proposed that the Annual General Meeting to be held on 14 May 2014 appropriate the above result as follows:

	in €
Result of the year 2013 to be appropriated	63 544 449
Transfer to statutory reserves	-26 100
Transfer to other reserves	-606 030
Profit carried forward	-13 868 834
<b>Profit for distribution</b>	<b>49 043 485</b>

The Board of Directors has proposed that the Annual General Meeting approve the distribution of a gross dividend of € 0.85 per share (2012: € 0.85 per share).

The dividend will be payable in euros on 21 May 2014 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 Baron Buysse and Sir Anthony Galsworthy, and of the independent Director Dr Alan Begg will expire at the close of the Annual General Meeting of 14 May 2014. In light of the retirement age set by the Bekaert Corporate Governance Charter Baron Buysse and Sir Anthony do not seek re-appointment. The Board of Directors has nominated Mrs Mei Ye and Mr Matthew Taylor for Board membership.

The Board of Directors has proposed that the General Meeting:

- re-appoint Dr Alan Begg as independent Director for a term of four years, up to and including the Annual General Meeting to be held in 2018;
- appoint Mrs Mei Ye as independent Director for a term of four years, up to and including the Annual General Meeting to be held in 2018;
- appoint Mr Matthew Taylor as Director for a term of four years, up to and including the Annual General Meeting to be held in 2018.