

Consolidated financial statements

Consolidated income statement

in thousands of € - Year ended 31 December	Notes	2014	2015
Sales	5.1.	3 215 714	3 671 081
Cost of sales	5.1.	-2 729 995	-3 072 673
Gross profit	5.1.	485 719	598 408
Selling expenses	5.1.	-138 126	-156 106
Administrative expenses	5.1.	-126 894	-150 005
Research and development expenses	5.1.	-59 261	-64 597
Other operating revenues	5.1.	21 978	17 120
Other operating expenses	5.1.	-19 009	-21 931
Operating result before non-recurring items (REBIT)	5.1.	164 407	222 889
Non-recurring items	5.1.	6 847	-2 769
Operating result (EBIT)	5.1. / 5.2.	171 254	220 120
Interest income	5.3.	5 291	8 585
Interest expense	5.3.	-68 215	-70 941
Other financial income and expenses	5.4.	-3 730	-33 811
Result before taxes		104 600	123 953
Income taxes	5.5.	-42 376	-36 387
Result after taxes (consolidated companies)		62 224	87 566
Share in the results of joint ventures and associates	5.6.	25 330	18 320
RESULT FOR THE PERIOD		87 554	105 886
Attributable to			
<i>the Group</i>		87 176	101 969
<i>non-controlling interests</i>	6.14.	378	3 917
Earnings per share			
in € per share	5.7.	2014	2015
Result for the period attributable to the Group			
<i>Basic</i>		1.513	1.826
<i>Diluted</i>		1.333	1.819

The accompanying notes are an integral part of this income statement.

Consolidated statement of comprehensive income

in thousands of € - Year ended 31 December	Notes	2014	2015
Result for the period		87 554	105 886
Other comprehensive income (OCI)	6.13.		
<i>Other comprehensive income reclassifiable to income statement in subsequent periods</i>			
Exchange differences			
Exchange differences arising during the year		91 826	-16 463
Reclassification adjustments relating to entity disposals or step acquisitions		1 042	393
Inflation adjustments		1 574	1 208
Cash flow hedges			
Fair value changes to hedging instruments		-7 896	6 034
Reclassification adjustments for amounts recognized in income statement		8 651	-5 859
Available-for-sale investments			
Net fair value gain on available-for-sale investments during the year		1 248	-
Reclassification adjustments relating to impairments or disposals		157	-2 001
Deferred taxes relating to reclassifiable OCI	6.6.	1 066	-67
OCI reclassifiable to income statement in subsequent periods, after tax		97 668	-16 755
<i>Other comprehensive income non-reclassifiable to income statement in subsequent periods</i>			
Remeasurement gains and losses on defined-benefit plans		-28 418	11 321
Share of non-reclassifiable OCI of joint ventures and associates		-219	-30
Deferred taxes relating to non-reclassifiable OCI	6.6.	1 021	130
OCI non-reclassifiable to income statement in subsequent periods, after tax		-27 616	11 421
Other comprehensive income for the period		70 052	-5 334
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		157 606	100 552
Attributable to			
the Group		141 948	91 184
non-controlling interests	6.14.	15 658	9 368

The accompanying notes are an integral part of this statement of comprehensive income.

Consolidated balance sheet

Assets as at 31 December			
in thousands of €			
	Notes	2014	2015
Non-current assets		1 850 842	1 920 697
Intangible assets	6.1.	98 087	109 448
Goodwill	6.2.	18 483	35 699
Property, plant and equipment	6.3.	1 432 803	1 490 454
Investments in joint ventures and associates	6.4.	155 734	114 119
Other non-current assets	6.5.	44 468	39 773
Deferred tax assets	6.6.	101 267	131 204
Current assets		2 106 873	1 960 422
Inventories	6.7.	640 807	628 731
Bills of exchange received	6.7.	114 118	68 005
Trade receivables	6.7.	707 569	686 364
Other receivables	6.8.	106 627	99 286
Short-term deposits	6.9.	14 160	10 216
Cash and cash equivalents	6.9.	458 542	401 771
Other current assets	6.10.	65 050	66 049
Assets classified as held for sale	6.11.	-	-
Total		3 957 715	3 881 119

Equity and liabilities as at 31 December			
in thousands of €			
	Notes	2014	2015
Equity		1 566 212	1 515 911
Share capital	6.12.	176 914	176 957
Share premium		31 693	31 884
Retained earnings	6.13.	1 352 197	1 397 356
Treasury shares	6.13.	-145 953	-144 747
Other Group reserves	6.13.	-48 060	-76 751
Equity attributable to the Group		1 366 791	1 384 699
Non-controlling interests	6.14.	199 421	131 212
Non-current liabilities		1 204 581	1 077 862
Employee benefit obligations	6.15.	175 774	167 131
Provisions	6.16.	55 744	50 198
Interest-bearing debt	6.17.	910 074	792 116
Other non-current liabilities	6.18.	8 736	15 204
Deferred tax liabilities	6.6.	54 253	53 213
Current liabilities		1 186 922	1 287 346
Interest-bearing debt	6.17.	441 552	494 714
Trade payables	6.7.	390 943	456 783
Employee benefit obligations	6.7. / 6.15.	121 934	131 281
Provisions	6.16.	20 493	26 973
Income taxes payable		97 424	105 832
Other current liabilities	6.19.	114 576	71 763
Liabilities associated with assets classified as held for sale	6.11.	-	-
Total		3 957 715	3 881 119

The accompanying notes are an integral part of this balance sheet.

Consolidated statement of changes in equity

in thousands of €	Other Group reserves ¹								Total
	Share capital	Share premium	Retained earnings	Treasury shares	Cumulative translation adjustments	Other reserves	Equity attributable to the Group	Non-controlling interests ²	
Balance as at 1 January 2014	176 773	31 055	1 307 618	-73 851	-84 776	-10 543	1 346 276	157 600	1 503 876
Total comprehensive income for the period	-	-	89 003	-	76 861	-23 916	141 948	15 658	157 606
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	53 399	53 399
Effect of business combination with ArcelorMittal	-	-	7 238	-	1 459	309	9 006	11 797	20 803
Effect of business combination with Maccaferri	-	-	-	-	-	-8 200	-8 200	2 753	-5 447
Effect of business combination with Pirelli	-	-	82	-	-	-82	-	9 197	9 197
Effect of other changes in Group structure	-	-	-2 094	-	307	-2 324	-4 111	2 241	-1 870
Equity-settled share-based payment plans	-	-	-	-	-	2 845	2 845	-	2 845
Creation of new shares	141	638	-	-	-	-	779	-	779
Treasury shares transactions	-	-	-	-72 102	-	-	-72 102	-	-72 102
Dividends	-	-	-49 650	-	-	-	-49 650	-53 224	-102 874
Balance as at 31 December 2014	176 914	31 693	1 352 197	-145 953	-6 149	-41 911	1 366 791	199 421	1 566 212
Balance as at 1 January 2015	176 914	31 693	1 352 197	-145 953	-6 149	-41 911	1 366 791	199 421	1 566 212
Total comprehensive income for the period	-	-	103 667	-	-21 942	9 459	91 184	9 368	100 552
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	14 967	14 967
Reclassifications	-	-	16 407	-	-	-16 407	-	-	-
Effect of business combination with Pirelli	-	-	227	-	-	-227	-	1 732	1 732
Effect of business combination with Arrium	-	-	-	-	-	-	-	-7 086	-7 086
Effect of Ropes portfolio realignment with Chilean partners ³	-	-	-16 972	-	-1 364	-126	-18 462	-71 223	-89 685
Effect of purchasing non-controlling interests ⁴	-	-	-10 712	-	-654	4	-11 362	-6 609	-17 971
Effect of other changes in Group structure	-	-	548	-	-341	1	208	-1 967	-1 759
Equity-settled share-based payment plans	-	-	-	-	-	2 906	2 906	-	2 906
Creation of new shares	43	191	-	-	-	-	234	-	234
Treasury shares transactions	-	-	-	1 206	-	-	1 206	-	1 206
Dividends	-	-	-48 006	-	-	-	-48 006	-7 391	-55 397
Balance as at 31 December 2015	176 957	31 884	1 397 356	-144 747	-30 450	-46 301	1 384 699	131 212	1 515 911

¹ See note 6.13. 'Retained earnings and other Group reserves'.

² See note 6.14. 'Non-controlling interests'.

³ Mainly related to the purchase of 35% non-controlling interests from Matco Cables SpA in December 2015.

⁴ Includes two Chinese entities: Bekaert Applied Material Technology (Shanghai) Co Ltd (formerly co-owned by Baosteel Metal Company Ltd) and Bekaert-Jiangyin Wire Products Co Ltd (formerly co-owned by Jiangsu Fasten Stock Company Ltd) and 5 entities formerly co-owned by Southern Steel Bhd: Bekaert Ipoh Sdn Bhd (Malaysia), Bekaert Shah Alam Sdn Bhd (Malaysia), Bekaert Singapore Holding Pte Ltd (Singapore), Cempaka Raya Sdn Bhd (Malaysia) and PTE Bekaert Southern Wire (Indonesia).

The accompanying notes are an integral part of this statement.

Consolidated cash flow statement

in thousands of € - Year ended 31 December	Notes	2014	2015
Operating activities			
Operating result (EBIT)	5.1. / 5.2.	171 254	220 120
Non-cash items included in operating result	7.1.	187 847	246 239
Investing items included in operating result	7.1.	-8 057	-13 551
Amounts used on provisions and employee benefit obligations	7.1.	-44 452	-40 807
Income taxes paid	5.5. / 7.1.	-45 827	-56 657
Gross cash flows from operating activities		260 765	355 344
Change in operating working capital	6.7.	-54 623	212 266
Other operating cash flows	7.1.	-19 193	15 952
Cash flows from operating activities		186 949	583 562
Investing activities			
New business combinations	7.2.	-108 512	-129 833
Other portfolio investments	7.1.	-1 973	-109 559
Proceeds from disposals of investments	7.2.	3 103	30 761
Dividends received	6.4.	20 724	18 411
Purchase of intangible assets	6.1. / 7.2.	-21 752	-5 868
Purchase of property, plant and equipment	6.3.	-132 784	-170 702
Other investing cash flows	7.1.	15 847	3 806
Cash flows from investing activities		-225 347	-362 984
Financing activities			
Interest received	5.3.	5 338	7 320
Interest paid	5.3.	-61 069	-64 302
Gross dividend paid to shareholders of NV Bekaert SA		-49 650	-48 006
Gross dividend paid to non-controlling interests		-16 746	-7 560
Proceeds from non-current interest-bearing debt	6.17.	343 960	145 151
Repayment of non-current interest-bearing debt	6.17.	-191 172	-127 945
Cash flows from / to (-) current interest-bearing debt	6.17.	147 605	-184 093
Treasury shares transactions	6.13.	-72 102	1 206
Other financing cash flows	7.1.	-18 219	10 421
Cash flows from financing activities		87 945	-267 808
Net increase or decrease (-) in cash and cash equivalents		49 547	-47 230
Cash and cash equivalents at the beginning of the period		391 857	458 542
Effect of exchange rate fluctuations		17 138	-9 541
Cash and cash equivalents at the end of the period		458 542	401 771

The accompanying notes are an integral part of this statement.