

# 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	2014	2015
Sales	413 834	419 945
Operating profit or loss	44 843	17 454
Financial result	7 062	343 872
Extraordinary result	18 046	-8 658
Current and deferred income taxes	1 303	2 472
<b>Result for the period</b>	<b>71 254</b>	<b>355 140</b>

## Condensed balance sheet after profit appropriation

in thousands of € - 31 December	2014	2015
<b>Fixed assets</b>	<b>2 369 972</b>	<b>1 768 547</b>
Formation expenses, intangible fixed assets	77 307	97 148
Tangible fixed assets	30 894	38 694
Financial fixed assets	2 261 771	1 632 705
<b>Current assets</b>	<b>376 039</b>	<b>379 409</b>
<b>Total assets</b>	<b>2 746 011</b>	<b>2 147 956</b>
<b>Shareholders' equity</b>	<b>530 209</b>	<b>835 111</b>
Share capital	176 914	176 957
Share premium	31 693	31 884
Revaluation surplus	1 995	1 995
Statutory reserve	17 691	17 696
Unavailable reserve	145 940	120 621
Reserves available for distribution, retained earnings	155 976	485 958
<b>Provisions and deferred taxes</b>	<b>69 421</b>	<b>73 328</b>
<b>Creditors</b>	<b>2 146 381</b>	<b>1 239 517</b>
Amounts payable after one year	1 045 764	715 764
Amounts payable within one year	1 100 617	523 753
<b>Total equity and liabilities</b>	<b>2 746 011</b>	<b>2 147 956</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 € 419.9 million, an increase of 1% compared to 2014.

The operating profit was € 17.5 million, compared with a profit of € 44.8 million last year. This is mainly the result of higher depreciations due to the capitalization of research and development costs and additional costs due to the realized and anticipated acquisition transactions.

The financial result increased to € 343.9 million compared to a profit of € 7.1 million in 2014, due to a higher dividend income (2015: € 374.2 million compared to 2014: € 62.6 million), the revaluation of treasury shares (2015: € -9.2 million compared to 2014: € 2.2 million) and other financial expenses.

The extraordinary result amounts to € -8.7 million, mainly related to amortization of assets. Last year's extraordinary result of € 18.0 million mainly related to the gain on the disposal of intangible and tangible fixed assets and extraordinary depreciations.

The combination of the operating profit, the financial and the extraordinary result explain the net profit for the year ended 31 December 2015: € 355.1 million compared with € 71.3 million in 2014.

### Environmental programs

The provisions for environmental programs decreased to € 22.6 million (2014: € 23.2 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'.

### Dematerialization of bearer shares

The company is compliant with the regulations around dematerialization of bearer shares as also confirmed by the statutory auditor in his report dated 17 December 2015.

### 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 hereafter. On 31 December 2015, the total number of securities conferring voting rights was 60 125 525.

#### Notification of 27 February 2015 – denominator: 60 111 405

Holders of voting rights	Number of voting rights	Percentage of voting rights
Stichting Administratiekantoor Bekaert	22 376 532	37.23%
Aliunde Ltd	51 852	0.09%
Azem SA	179 000	0.30%
Berfin SA	108 470	0.18%
Gedecor SA	163 000	0.27%
Kamiclar SA	182 370	0.30%
Individual controlling Millenium 3 SA	22 055	0.04%
Millenium 3 SA	130 200	0.22%
Serilico SA	114 000	0.19%
Individual controlling Tersaet BVBA	58 443	0.10%
Tersaet BVBA	1 200	0.00%
Velge International NV	57 000	0.09%
One of the seven individuals controlling Zweve (société de droit commun)	200 000	0.33%
Zweve (société de droit commun)	220 000	0.37%
Individual 1	7 500	0.01%
Individual 2	70 320	0.12%
Individual 3	260 360	0.43%
Individual 4	45 200	0.08%
Individual 5	19 430	0.03%
Individual 6	38 400	0.06%
Individual 7	100 637	0.17%
Individual 8	107 850	0.18%
Individual 9	78 582	0.13%
Individual 10	10 000	0.02%
Individual 11	16 000	0.03%
Individual 12	177 457	0.30%
<b>Total</b>	<b>24 795 858</b>	<b>41.25%</b>

The notifying persons are acting in concert 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 by an individual. Aliunde Ltd is controlled by an individual. Azem SA is controlled by an individual. Berfin SA is controlled by an individual. Gedecor SA is controlled by two individuals. Kamiclar SA is controlled by an individual. Millenium 3 SA is controlled by an individual, through Charisa SA. Serilico SA is controlled by an individual. Tersaet BVBA is controlled by an individual. Velge International NV is controlled by an individual, through Noral SA and its fully owned subsidiary Triplex SA. Zweve (société de droit commun) is jointly owned by seven individuals.

#### Notification of 6 March 2015 – denominator: 60 111 405

Holders of voting rights	Number of voting rights	Percentage of voting rights
Kiltearn Partners LLP	1 856 567	3.09%
Kiltearn Limited	-	0.00%
<b>Total</b>	<b>1 856 567</b>	<b>3.09%</b>

Kiltearn Limited notified the Company in its capacity as parent company or controlling person of Kiltearn Partners LLP.

**Notification of 16 February 2016 – denominator: 60 125 525**

Holders of voting rights	voting rights	voting rights
Stichting Administratiekantoor Bekaert	21 773 265	36.21%
<b>Total</b>	<b>21 773 265</b>	<b>36.21%</b>

The above mentioned agreement to act in concert was terminated on 12 February 2016. As a result thereof, the threshold of 40% was crossed downward. The Stichting Administratiekantoor Bekaert is not controlled.

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 2015 result**

The after-tax result for the year was € 355 139 604, compared with € 71 254 650 for the previous year.

The Board of Directors has proposed that the Annual General Meeting to be held on 11 May 2016 appropriate the above result as follows:

	in €
Result of the year 2015 to be appropriated	355 139 604
Profit brought forward from previous year	37 648 448
Transfer to statutory reserves	-4 300
Transfer to the reserves	-342 311 280
<b>Profit for distribution</b>	<b>50 472 472</b>

The Board of Directors has proposed that the Annual General Meeting approve the distribution of a gross dividend of € 0.90 per share (2014: € 0.85 per share).

The dividend will be payable in euros on 17 May 2016 by the following banks:

- ING Belgium, BNP Paribas Fortis, KBC Bank, Bank Degroof Petercam 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 François de Visscher, Bernard van de Walle de Ghelcke, Baudouin Velge, and of the independent Directors Lady Barbara Judge and Mr Manfred Wennemer will expire at the close of the Annual General Meeting of 11 May 2016.

The Board of Directors has proposed that the General Meeting:

- appoint Mr Christophe Jacobs van Merlen, Ms Emilie van de Walle de Ghelcke and Mr Henri Jean Velge as Director for a term of four years, up to and including the Annual General Meeting to be held in 2020;
- appoint Ms Celia Frances Baxter, Ms Pamela Knapp and Ms Martina Merz as independent Director for a term of four years, up to and including the Annual General Meeting to be held in 2020.

The Board of Directors has proposed that the General Meeting re-appoint Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA, represented by Ms Charlotte Vanrobaeys, as Statutory Auditor for a term of three years, up to and including the Ordinary General Meeting to be held in 2019.