

# Consolidated financial statements

## Consolidated income statement

in thousands of € - Year ended 31 December	Notes	2015	2016
Sales	5.1.	3 671 081	3 715 217
Cost of sales	5.1.	-3 073 407	-3 025 225
<b>Gross profit</b>	<b>5.1.</b>	<b>597 674</b>	<b>689 992</b>
Selling expenses	5.1.	-156 106	-175 340
Administrative expenses	5.1.	-140 679	-139 558
Research and development expenses	5.1.	-64 597	-63 590
Other operating revenues	5.1.	85 516	24 376
Other operating expenses	5.1.	-102 422	-76 226
<b>Operating result (EBIT)</b>	<b>5.1.</b>	<b>219 386</b>	<b>259 654</b>
<b>EBIT - Underlying</b>	<b>5.1. / 5.2.</b>	<b>231 482</b>	<b>304 952</b>
Interest income	5.3.	8 585	6 325
Interest expense	5.3.	-70 758	-79 493
Other financial income and expenses	5.4.	-33 810	-37 458
<b>Result before taxes</b>		<b>123 403</b>	<b>149 028</b>
Income taxes	5.5.	-36 259	-62 052
<b>Result after taxes (consolidated companies)</b>		<b>87 144</b>	<b>86 976</b>
Share in the results of joint ventures and associates	5.6.	18 320	25 445
<b>RESULT FOR THE PERIOD</b>		<b>105 464</b>	<b>112 421</b>
Attributable to			
<i>the Group</i>		101 722	105 166
<i>non-controlling interests</i>	6.14.	3 742	7 255
<b>Earnings per share</b>			
in € per share	5.7.	2015	2016
Result for the period attributable to the Group			
<i>Basic</i>		1.822	1.869
<i>Diluted</i>		1.814	1.849

The accompanying notes are an integral part of this income statement. 2015 amounts have been affected by minor restatements (see note 2.7. 'Restatement and reclassification effects').

## Consolidated statement of comprehensive income

in thousands of € - Year ended 31 December	Notes	2015	2016
<b>Result for the period</b>		<b>105 464</b>	<b>112 421</b>
<b>Other comprehensive income (OCI)</b>	<b>6.13.</b>		
<i>Other comprehensive income reclassifiable to income statement in subsequent periods</i>			
Exchange differences			
Exchange differences arising during the year on subsidiaries		9 056	15 717
Exchange differences arising during the year on joint ventures and associates		-26 131	21 120
Reclassification adjustments relating to entity disposals or step acquisitions		393	-
Inflation adjustments		1 208	1 483
Cash flow hedges			
Fair value changes to hedging instruments		6 034	1 284
Reclassification adjustments for amounts recognized in income statement		-5 859	-542
Available-for-sale investments			
Net fair value gain on available-for-sale investments during the year		-	1 758
Reclassification adjustments relating to impairments or disposals		-2 001	591
Deferred taxes relating to reclassifiable OCI	6.6.	-67	-135
<b>OCI reclassifiable to income statement in subsequent periods, after tax</b>		<b>-17 367</b>	<b>41 276</b>
<i>Other comprehensive income non-reclassifiable to income statement in subsequent periods</i>			
Remeasurement gains and losses on defined-benefit plans			
		14 473	-9 978
Share of non-reclassifiable OCI of joint ventures and associates		-30	40
Deferred taxes relating to non-reclassifiable OCI	6.6.	-603	-602
<b>OCI non-reclassifiable to income statement in subsequent periods, after tax</b>		<b>13 840</b>	<b>-10 540</b>
<b>Other comprehensive income for the period</b>		<b>-3 527</b>	<b>30 736</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>101 937</b>	<b>143 157</b>
Attributable to			
<i>the Group</i>		91 993	134 687
<i>non-controlling interests</i>	6.14.	9 944	8 470

The accompanying notes are an integral part of this statement of comprehensive income. 2015 amounts have been affected by minor restatements (see note 2.7. 'Restatement and reclassification effects').

## Consolidated balance sheet

<b>Assets as at 31 December</b>			
in thousands of €			
	Notes	2015	2016
<b>Non-current assets</b>		<b>1 921 987</b>	<b>2 136 528</b>
Intangible assets	6.1.	109 448	140 377
Goodwill	6.2.	35 699	152 345
Property, plant and equipment	6.3.	1 490 454	1 514 714
Investments in joint ventures and associates	6.4.	114 119	146 582
Other non-current assets	6.5.	39 773	32 142
Deferred tax assets	6.6.	132 494	150 368
<b>Current assets</b>		<b>1 960 422</b>	<b>2 167 785</b>
Inventories	6.7.	628 731	724 500
Bills of exchange received	6.7.	68 005	60 182
Trade receivables	6.7.	686 364	739 145
Other receivables	6.8.	99 286	108 484
Short-term deposits	6.9.	10 216	5 342
Cash and cash equivalents	6.9.	401 771	365 546
Other current assets	6.10.	66 049	52 225
Assets classified as held for sale	6.11.	-	112 361
<b>Total</b>		<b>3 882 409</b>	<b>4 304 313</b>

<b>Equity and liabilities as at 31 December</b>			
in thousands of €			
	Notes	2015	2016
<b>Equity</b>		<b>1 511 651</b>	<b>1 597 893</b>
Share capital	6.12.	176 957	177 612
Share premium		31 884	36 594
Retained earnings	6.13.	1 397 110	1 432 394
Treasury shares	6.13.	-144 747	-127 974
Other Group reserves	6.13.	-78 993	-51 534
<b>Equity attributable to the Group</b>		<b>1 382 211</b>	<b>1 467 092</b>
<b>Non-controlling interests</b>	<b>6.14.</b>	<b>129 440</b>	<b>130 801</b>
<b>Non-current liabilities</b>		<b>1 083 412</b>	<b>1 504 487</b>
Employee benefit obligations	6.15.	172 681	182 641
Provisions	6.16.	50 198	63 107
Interest-bearing debt	6.17.	792 116	1 161 310
Other non-current liabilities	6.18.	15 204	44 873
Deferred tax liabilities	6.6.	53 213	52 556
<b>Current liabilities</b>		<b>1 287 346</b>	<b>1 201 933</b>
Interest-bearing debt	6.17.	501 224	297 916
Trade payables	6.7.	456 783	556 361
Employee benefit obligations	6.7. / 6.15.	131 281	132 913
Provisions	6.16.	26 973	17 720
Income taxes payable		105 832	101 683
Other current liabilities	6.19.	65 253	61 840
Liabilities associated with assets classified as held for sale	6.11.	-	33 500
<b>Total</b>		<b>3 882 409</b>	<b>4 304 313</b>

The accompanying notes are an integral part of this balance sheet. 2015 amounts have been affected by minor restatements (see note 2.7. 'Restatement and reclassification effects').

## Consolidated statement of changes in equity

in thousands of €	Other Group reserves <sup>1</sup>								Total
	Share capital	Share premium	Retained earnings	Treasury shares	Cumulative translation adjustments	Other reserves	Equity attributable to the Group	Non-controlling interests <sup>2</sup>	
Balance as at 1 January 2015 (as previously reported)	176 914	31 693	1 352 197	-145 953	-6 149	-41 911	1 366 791	199 421	1 566 212
Restatements	-	-	-	-	-	-3 297	-3 297	-2 348	-5 645
<b>Balance as at 1 January 2015 (restated)</b>	<b>176 914</b>	<b>31 693</b>	<b>1 352 197</b>	<b>-145 953</b>	<b>-6 149</b>	<b>-45 208</b>	<b>1 363 494</b>	<b>197 073</b>	<b>1 560 567</b>
Total comprehensive income for the period	-	-	103 421	-	-22 300	10 872	91 993	9 944	101 937
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	-	-	-16 972	-	-1 364	-126	-18 462	-71 223	-89 685
Effect of purchasing non-controlling interests	-	-	-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
<b>Balance as at 31 December 2015</b>	<b>176 957</b>	<b>31 884</b>	<b>1 397 110</b>	<b>-144 747</b>	<b>-30 808</b>	<b>-48 185</b>	<b>1 382 211</b>	<b>129 440</b>	<b>1 511 651</b>
<b>Balance as at 1 January 2016</b>	<b>176 957</b>	<b>31 884</b>	<b>1 397 110</b>	<b>-144 747</b>	<b>-30 808</b>	<b>-48 185</b>	<b>1 382 211</b>	<b>129 440</b>	<b>1 511 651</b>
Total comprehensive income for the period	-	-	107 166	-	35 130	-7 609	134 687	8 470	143 157
Effect of BBRG merger	-	-	-16 389	-	-126	-20	-16 535	10 548	-5 987
Effect of other changes in Group structure	-	-	-173	-	90	-6	-89	72	-17
Equity-settled share-based payment plans	-	-	4 387	-	-	-	4 387	62	4 449
Creation of new shares	655	4 710	-	-	-	-	5 365	-	5 365
Treasury shares transactions	-	-	-9 235	16 773	-	-	7 538	-	7 538
Dividends	-	-	-50 472	-	-	-	-50 472	-17 791	-68 263
<b>Balance as at 31 December 2016</b>	<b>177 612</b>	<b>36 594</b>	<b>1 432 394</b>	<b>-127 974</b>	<b>4 286</b>	<b>-55 820</b>	<b>1 467 092</b>	<b>130 801</b>	<b>1 597 893</b>

<sup>1</sup> See note 6.13. 'Retained earnings and other Group reserves'.

<sup>2</sup> See note 6.14. 'Non-controlling interests'.

The accompanying notes are an integral part of this statement. 2015 amounts have been affected by minor restatements (see note 2.7. 'Restatement and reclassification effects').

## Consolidated cash flow statement

in thousands of € - Year ended 31 December	Notes	2015	2016
<b>Operating activities</b>			
Operating result (EBIT)	5.1. / 5.2.	219 386	259 654
Non-cash items included in operating result	7.1.	246 973	256 227
Investing items included in operating result	7.1.	-13 551	1 034
Amounts used on provisions and employee benefit obligations	7.1.	-40 807	-44 864
Income taxes paid	5.5. / 7.1.	-56 657	-96 388
<b>Gross cash flows from operating activities</b>		<b>355 344</b>	<b>375 663</b>
Change in operating working capital	6.7.	212 266	16 336
Other operating cash flows	7.1.	15 952	7 553
<b>Cash flows from operating activities</b>		<b>583 562</b>	<b>399 552</b>
<b>Investing activities</b>			
New business combinations	7.2.	-129 833	40 917
Other portfolio investments	7.1.	-109 559	-41
Proceeds from disposals of investments	7.2.	30 761	13
Dividends received	6.4.	18 411	22 422
Purchase of intangible assets	6.1. / 7.2.	-5 868	-5 955
Purchase of property, plant and equipment	6.3.	-170 702	-158 529
Other investing cash flows	7.1.	3 806	1 187
<b>Cash flows from investing activities</b>		<b>-362 984</b>	<b>-99 986</b>
<b>Financing activities</b>			
Interest received	5.3.	7 320	7 338
Interest paid	5.3.	-64 302	-63 397
Gross dividend paid to shareholders of NV Bekaert SA		-48 006	-50 472
Gross dividend paid to non-controlling interests		-7 560	-17 505
Proceeds from non-current interest-bearing debt	6.17.	145 151	172 072
Repayment of non-current interest-bearing debt	6.17.	-127 945	-375 255
Cash flows from / to (-) current interest-bearing debt	6.17.	-184 093	-5 567
Treasury shares transactions	6.13.	1 206	7 538
Other financing cash flows	7.1.	10 421	23 193
<b>Cash flows from financing activities</b>		<b>-267 808</b>	<b>-302 055</b>
<b>Net increase or decrease (-) in cash and cash equivalents</b>		<b>-47 230</b>	<b>-2 489</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>458 542</b>	<b>401 771</b>
Effect of exchange rate fluctuations		-9 541	-25 495
Cash and cash equivalents reclassified as held for sale	6.11.	-	-8 241
<b>Cash and cash equivalents at the end of the period</b>		<b>401 771</b>	<b>365 546</b>

The accompanying notes are an integral part of this statement. 2015 amounts have been affected by minor restatements (see note 2.7. 'Restatement and reclassification effects').