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
Bekaertstraat 2
BE-8550 Zwevegem
Belgium
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	2015[1]	2016
Sales	419 945	358 292
Operating result before non-recurring items	17 454	-8 131
Non-recurring operational items	-5 229	-3 898
Operating result after non-recurring items	12 225	-12 029
Financial result before non-recurring items	343 872	33 121
Non-recurring financial items	-3 429	-49 098
Financial result after non-recurring items	340 443	-15 977
Profit before income taxes	352 668	-28 006
Income taxes	2 472	3 691
Result for the period	**355 140**	**-24 315**

[1] *Restated figures: extraordinary result no longer used, one-off elements now presented in operating or financial result.*

Condensed balance sheet after profit appropriation

in thousands of € - 31 December	2015	2016
Fixed assets	**1 768 547**	**1 964 152**
Formation expenses, intangible fixed assets	97 148	91 490
Tangible fixed assets	38 694	41 916
Financial fixed assets	1 632 705	1 830 746
Current assets	**379 409**	**382 388**
Total assets	**2 147 956**	**2 346 540**
Shareholders' equity	**835 111**	**753 719**
Share capital	176 957	177 612
Share premium	31 884	36 594
Revaluation surplus	1 995	1 995
Statutory reserve	17 696	17 696
Unavailable reserve	120 621	127 947
Reserves available for distribution, retained earnings	485 958	391 875
Provisions and deferred taxes	**73 328**	**64 881**
Creditors	**1 239 517**	**1 527 940**
Amounts payable after one year	715 764	795 764
Amounts payable within one year	523 753	732 176
Total equity and liabilities	**2 147 956**	**2 346 540**

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 € 358.3 million, a decrease of 15% compared to 2015.

The operating loss before non-recurring items was € -8.1 million, compared with a profit of € 17.5 million last year. The operating loss was mainly due to the discontinuation of the sales of stainless steel wires to external customers and to higher depreciations resulting from the capitalization of research and development costs. Non-recurring items included in the operating result amounted to € -3.9 million in 2016, compared to € -5.2 million last year.

The financial result was € -16.0 million (€ 340.4 million in 2015) mainly driven by a net non-recurring impact of the BBRG set-up of € -49.1 million in 2016 and by a timing impact of dividend income in 2015.

This led to a result for the period of € -24.3 million compared with € +355.1 million in 2015.

Environmental programs

The provisions for environmental programs decreased to € 22.2 million (2015: € 22.6 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 relevant notifications is presented hereafter. On 31 December 2016, the total number of securities conferring voting rights was 60 347 525.

Detailed information can be found on: http://www.bekaert.com/other-regulated-information.

Notification of	Holders of voting rights	Denominator	Number of voting rights	Percentage of voting rights
16 February 2016	Stichting Administratiekantoor Bekaert	60 125 525	21 773 265	36.21%
23 March 2016	Kiltearn Partners LLP	60 125 525	1 714 240	2.85%
18 October 2016	Norges Bank	60 315 513	1 822 211	3.02%
1 November 2016	Norges Bank	60 315 513	1 755 553	2.91%
10 November 2016	Norges Bank	60 315 513	1 810 260	3.00%
	Norges Bank		1 775 759	2.94%
22 November 2016	Norges Bank	60 315 513	1 864 660	3.09%
25 November 2016	Norges Bank	60 315 513	1 718 780	2.85%
13 March 2017	Norges Bank	60 347 525	1 812 832	3.00%

Proposed appropriation of NV Bekaert SA 2016 result

The after-tax result for the year was € -24 314 992, compared with € 355 139 604 for the previous year.

The Board of Directors has proposed that the Annual General Meeting to be held on 10 May 2017 appropriate the above result as follows:

	in €
Result of the year 2016 to be appropriated	-24 314 992
Profit brought forward from previous year	-
Transfer to statutory reserves	-
Transfer from reserves	86 756 428
Profit for distribution	**62 441 436**

The Board of Directors has proposed that the Annual General Meeting approve the distribution of a gross dividend of € 1.10 per share (2015: € 0.90 per share).

The dividend will be payable in euros on 15 May 2017 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

None of the Directors' term of office will expire in 2017.