

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER AND THE CHAIRMAN

Dear Reader,

From a financial performance perspective, 2018 was deeply disappointing. The results we posted in 2018 dropped far beyond our goals and reversed our successful margin improvement trend of the past years. The share price has been under continuous stress amid the long series of profit warnings by sector players in our industries and reflects both the weaker Bekaert financial performance in 2018 and rising global economic uncertainty.

Despite softening GDP growth in 2018, induced by trade tensions and other political and economic uncertainties, we achieved 5% consolidated sales growth and our combined sales exceeded the € 5 billion mark for the first time in history. We haven't been able, though, to translate this growth into incremental profit. Underlying EBIT reached € 210 million, representing a margin on sales of 4.9%, and reported EBIT was € 147 million at a margin of 3.4%, far below the levels of previous years.

Some of the negatives of 2018 have been resolved or related to one-time corrections and are not expected to affect our margins in 2019. The performance of Bridon-Bekaert Ropes Group should improve according to the profit restoration plan that has been put in place. We are resolving the start-up issues related to various major expansion programs and our results should no longer be affected by the losses generated in our sawing wire activities or by those incurred in the plants that we have closed in the course of 2018. We regret that our actions to improve our performance included decisions that affected jobs, but they were necessary to help turn the tide from here onwards.

Bekaert has a strong track record of success and we want to return our business performance as quickly as possible to the positive growth path that we set out in our strategy and that we have been achieving until recently.

As we enter 2019, the business conditions in various sectors have begun to trend somewhat lower as a result of tighter markets and postponed investments. Given the market evolutions and the anticipated continued price pressure, we will implement improvement actions that will reduce our cost structure significantly, helping to enhance our competitiveness and improve our financial performance sustainably.

We designed and implemented a new organizational structure in early March 2019. We are making those organizational changes to upgrade our capability and to take out complexity from the organization. This will enable faster decision making, more agility to respond to change, and enhanced ownership to drive performance and customer centricity.

We are confident that our accelerated transformation drive and the improvement actions we are taking, will help us rebuild the underlying EBIT margin to above 7% over the medium term. We will also continue to put in place cash generation actions to reduce our net debt leverage and we intend to bring net debt on underlying EBITDA below 2.5 by the end of 2019.



Matthew Taylor
CEO

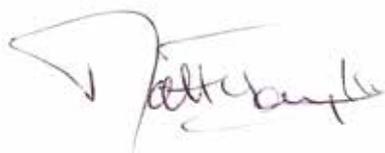


Bert De Graeve
Chairman

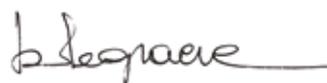
2018 has not delivered the results you expected from us, nor the goals we set ourselves. The Board of Directors will propose to the Annual General Meeting of Shareholders of 8 May 2019, a gross dividend of 70 eurocent. In line with the company's dividend policy, the proposed temporary dividend cut reflects the lower earnings and high debt leverage of the company.

We want to thank our customers, partners and shareholders for their continued trust. And we want to thank our employees for their commitment and drive to take on the new challenges and realize our goals.

After 17 years with Bekaert, of which five years in the Chair of the Board, my term will expire at the close of the Annual General Meeting of Shareholders of 8 May 2019. I would like to take this opportunity to wish the new Chairman, the entire Board of Directors, and Matthew Taylor and his team success in getting the company back on the value-driving growth path where it belongs.



Matthew Taylor
Chief Executive Officer



Bert De Graeve
Chairman of the Board of Directors