

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	2017	2018
Sales	409 874	375 395
Operating result before non-recurring items	22 854	42 298
Non-recurring operational items	49 587	-736
Operating result after non-recurring items	72 440	41 562
Financial result before non-recurring items	19 334	386 535
Non-recurring financial items	-4 027	-116 236
Financial result after non-recurring items	15 307	270 299
Profit before income taxes	87 748	311 236
Income taxes	3 657	3 372
Result for the period	91 405	314 608

Condensed balance sheet after profit appropriation

in thousands of € - 31 December	2017	2018
Fixed assets	1 926 329	2 155 481
Formation expenses, intangible fixed assets	84 083	79 648
Tangible fixed assets	45 775	46 571
Financial fixed assets	1 796 471	2 029 263
Current assets	381 320	391 227
Total assets	2 307 649	2 546 708
Shareholders' equity	783 732	1 059 361
Share capital	177 690	177 793
Share premium	37 278	37 751
Revaluation surplus	1 995	1 995
Statutory reserve	17 769	17 779
Unavailable reserve	103 027	82 177
Reserves available for distribution, retained earnings	445 974	741 865
Provisions and deferred taxes	53 710	36 102
Creditors	1 470 207	1 451 246
Amounts payable after one year	820 764	625 764
Amounts payable within one year	649 443	825 482
Total equity and liabilities	2 307 649	2 546 708

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 € 375.4 million, a decrease of 8% compared to 2017.

The operating profit before non-recurring items was € 42.3 million, compared with a gain of € 22.9 million last year. The strong increase of the operating result was mainly driven by higher royalties received and a decrease of provisions.

Non-recurring items included in the operating result amounted to € -0.7 million in 2018, compared to € 49.6 million last year. Last year this was mainly driven by a gain on the disposal of intangible assets (intellectual property w.r.t. sawing wire) of € 51.6 million.

The financial result before non-recurring items was € 386.5 million compared to € 19.3 million last year. Amongst others higher dividend income (€ 396 million) is the main elements explaining this evolution.

The non-recurring financial items amounted to € -116.2 million in 2018, mainly driven by write-downs on portfolio, against € -4.0 million in the previous year.

The income taxes of € 3.4 million are stable compared to last year and positive due to tax credit on intangible fixed assets.

This led to a result for the period of € 314.6 million compared with € 91.4 million in 2017.

Environmental programs

The provisions for environmental programs decreased to € 18.5 million (2017: € 19.9 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%. In 2018, the Company did not receive any transparency notifications. On 31 December 2018, the total number of securities conferring voting rights was 60 408 441.

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

Proposed appropriation of NV Bekaert SA 2018 result

The after-tax result for the year was € 314 608 988, compared with € 91 404 574 for the previous year.

The Board of Directors has proposed that the Annual General Meeting to be held on 8 May 2019 appropriate the above result as follows:

	in €
Result of the year to be appropriated	314 608 988
Transfer to statutory reserves	-10 300
Transfer to other reserves	-275 041 892
Profit for distribution	39 556 796

The Board of Directors has proposed that the Annual General Meeting approve the distribution of a gross dividend of € 0.70 per share (2017: € 1.10 per share).

The dividend will be payable in euros on 13 May 2019 by the following banks:

- » BNP Paribas Fortis, ING Belgium, Bank Degroof Petercam, KBC Bank, 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 Chairman of the Board of Directors, Mr Bert De Graeve, and of the Directors Leon Bekaert, Grégory Dalle, Charles de Liedekerke, Hubert Jacobs van Merlen and Maxime Jadot will expire at the close of the Annual General Meeting of 8 May 2019. Messrs De Graeve, Leon Bekaert and Maxime Jadot seek no re-election. Ms Martina Merz will resign as Director at the close of the Annual General Meeting of 8 May 2019.

The Board of Directors has proposed that the General Meeting:

- » reappoint Mr Grégory Dalle as Director of the Board for a term of four years, up to and including the Annual General Meeting to be held in 2023;
- » reappoint Mr Charles de Liedekerke as Director of the Board for a term of three years, up to and including the Annual General Meeting to be held in 2022;
- » reappoint Mr Hubert Jacobs van Merlen as Director of the Board for a term of three years, up to and including the Annual General Meeting to be held in 2022;
- » appoint Ms Caroline Storme as Director of the Board for a term of four years, up to and including the Annual General Meeting to be held in 2023; and
- » appoint Mr Jürgen Tinggren as independent Director of the Board for a term of four years, up to and including the Annual General Meeting to be held in 2023.

Subject to his appointment as independent Director by and effective as from the close of the Annual General Meeting of 8 May 2019, Mr Tinggren will succeed Mr De Graeve as Chairman of the Board of Directors.