

6. Balance sheet items

6.1. Intangible assets

in thousands of €						
	Licenses, patents & similar rights	Computer software	Rights to use land	Develop- ment costs	Other	Total
Cost						
As at 1 January 2009	33 119	49 326	27 728	1 206	17 735	129 114
Expenditure	311	6 168	1 471	-	186	8 136
Disposals and retirements	-	-4 054	-	-136	-2 715	-6 905
Transfers ¹	-4 108	137	-	-69	4 129	88
Reclassification to (-) / from held for sale	-	67	-	-	-	67
New consolidations	38	1	92	-	1 380	1 510
Exchange gains and losses (-)	-9	-205	-977	-	630	-561
As at 31 December 2009	29 350	51 439	28 315	1 001	21 345	131 449
As at 1 January 2010	29 350	51 439	28 315	1 001	21 345	131 449
Expenditure	694	4 756	11 700	-	126	17 276
Disposals and retirements	-644	-190	-663	-	-	-1 497
Transfers ¹	12	-	-	-	7	19
Reclassification to (-) / from held for sale	-	-	663	-	-	663
New consolidations	-	-	11 525	-	-	11 525
Deconsolidations	-	-67	-	-	-	-67
Exchange gains and losses (-)	42	793	3 921	-	816	5 571
As at 31 December 2010	29 453	56 731	55 461	1 001	22 294	164 940
Accumulated amortization and impairment						
As at 1 January 2009	25 738	36 447	3 428	896	10 273	76 782
Charge for the year	2 815	3 847	555	124	2 528	9 870
Impairment losses	-	-	-	-	753	753
Disposals and retirements	-	-4 054	1	-136	-2 710	-6 899
Transfers	-4 108	73	-	-69	4 104	-
Reclassification to (-) / from held for sale	-	67	-	-	-	67
Exchange gains (-) and losses	-4	-186	-133	-	490	167
As at 31 December 2009	24 441	36 195	3 850	815	15 438	80 740
As at 1 January 2010	24 441	36 195	3 850	815	15 438	80 740
Charge for the year	2 784	4 347	863	117	2 370	10 481
Impairment losses	-	-	-	-	35	35
Disposals and retirements	-641	-135	-248	-	-	-1 024
Deconsolidations	-	-67	-	-	-	-67
Reclassification to (-) / from held for sale	-	-	248	-	-	248
Exchange gains (-) and losses	12	559	457	-	448	1 476
As at 31 December 2010	26 596	40 898	5 171	933	18 290	91 888
Carrying amount as at 31 December 2009	4 909	15 243	24 464	186	5 907	50 709
Carrying amount as at 31 December 2010	2 857	15 833	50 290	68	4 004	73 052

¹ Transfers equal zero if the balances of 'Intangible assets' and 'Property, plant and equipment' (see note 6.3.) are added up.

The expenditure on software mainly relates to ERP software (SAP). The new consolidations of € 11.5 million in 2010 relate to the recently acquired Bridgestone plant in Huizhou (China), while the expenditure on rights to use land of € 11.7 million mainly relates to India and China. Licenses, patents and similar rights consist mainly of intellectual property relating to the specialized films activity acquired in 2001, with a carrying amount of € 1.7 million (2009: € 4.3 million) and the customer portfolio in the Acertec deal of € 0.7 million (2009: nil). Other intangible assets predominantly consist of customer lists and trade marks acquired in a business combination. The carrying amount mainly relates to Cold Drawn Products Ltd (€ 0.6 million vs. € 2.2 million in 2009), Bekaert Corporation (€ 1.6 million vs. € 1.7 million in 2009) and Ideal Alambrec SA (€ 1.1 million vs. € 1.2 million in 2009).

No intangible assets have been identified as having an indefinite useful life at the balance sheet date.

6.2. Goodwill

This note relates only to goodwill on acquisition of subsidiaries. Goodwill in respect of joint ventures and associates is disclosed in note 6.4. 'Investments in joint ventures and associates'.

Cost in thousands of €	2010	2009
As at 1 January	76 560	74 592
Increases	-	866
Exchange gains and losses (-)	3 977	-605
Deconsolidation	-3 043	-
Reclassification from / to (-) held for sale	-	1 707
As at 31 December	77 494	76 560

Impairment losses in thousands of €	2010	2009
As at 1 January	22 258	15 459
Impairment losses	-	6 770
Deconsolidation	-3 011	-
Exchange gains (-) and losses	149	29
As at 31 December	19 396	22 258
Carrying amount as at 31 December	58 097	54 302

Goodwill by cash-generating unit (CGU)

Goodwill acquired in a business combination is allocated on acquisition to the cash-generating units (CGU) that are expected to benefit from that business combination.

The carrying amount of goodwill and related impairment have been allocated as follows:

Segment in thousands of €	Group of cash-generating units	Carrying amount 31 Dec 2010	Impairment 2010	Carrying amount 31 Dec 2009	Impairment 2009	Carrying amount 31 Dec 2008
Subsidiaries						
EMEA	Cold Drawn Products Ltd	2 600	-	2 520	-	2 350
EMEA	Combustion - heating EMEA	3 027	-	3 027	-	3 027
EMEA	Combustion - drying EMEA	-	-	-	-5 065	5 055
EMEA	Industrial coatings EMEA	4 285	-	4 285	-	4 285
EMEA	Diamond Like Coatings ¹	-	-	-	-1 705	-
North America	Bekaert Canada Ltd and Van Buren plant (USA)	4 821	-	4 246	-	3 779
North America	Orrville plant (USA)	8 779	-	8 142	-	8 429
North America	Specialized films North America	33 697	-	31 199	-	32 208
Latin America	Bekaert Ideal SL companies	844	-	844	-	-
Asia Pacific	Bekaert Jiangyin Wire Products Co Ltd	44	-	39	-	-
Subtotal		58 097	-	54 302	-6 770	59 133
Joint ventures and associates						
Latin America	Belgo Bekaert Arames Ltda	6 777	-	5 985	-	4 633
Subtotal		6 777	-	5 985	-	4 633
Total		64 874	-	60 287	-6 770	63 766

¹ This cash-generating unit was classified as held for sale at 31 December 2008, has been reclassified to goodwill again in 2009 and was disposed in 2010.

Cash-generating units to which goodwill has been allocated are tested for impairment at least annually on the basis of their value in use, applying the following assumptions:

- The time horizon is normally 12 years (average lifetime of equipment) but can differ case by case.
- The future free cash flows are based on the latest budgeting/planning exercises for the coming 3 years. All cash flows thereafter are extrapolations made by the management of the cash-generating unit. Given the uncertain outlook in the midterm, the Group takes a conservative approach on extrapolations (no increase in sales and sales margins). No cost structure improvements are taken into account unless they can be substantiated.
- The future cash flows are based on the assets in their current condition and do not include future restructuring not yet committed or future capital expenditures improving or enhancing the assets in excess of their originally assessed standard of performance. Only that capital expenditure required to maintain the assets in good working order is included. The cash outflows relating to working capital are calculated as a percentage of incremental sales based on the past performance of the specific cash-generating unit.
- The discount factor is based on a (long-term) pre-tax cost of capital, the risks being implicit in the cash flows. A weighted average cost of capital (WACC) is determined for euro, US dollar and Chinese renminbi regions. For countries with a higher perceived risk, the WACC is raised with 1% - 4%. The WACC is pre-tax based, since relevant cash flows are also pre-tax based. Similarly, it is stated in real terms (without inflation), since cash flows are also stated in real terms. In determining the weight of the cost of debt vs. the cost of equity, a target gearing (net debt relative to equity) of 50% is used. The discount factors are reviewed at least annually.

Discount rates for impairment testing		Euro region	USD region	CNY region
Group target ratio's				
Gearing: net debt/equity	50%			
% debt	33%			
% equity	67%			
% LT debt	75%			
% ST debt	25%			
Cost of Bekaert debt		4.7%	4.9%	6.3%
Long term interest rate		5.0%	5.3%	6.6%
Short term interest rate		3.6%	3.7%	5.5%
Cost of Bekaert equity		9.4%	8.4%	11.6%
Risk free rate= R_f	$= R_f + B \cdot E_m$	3.9%	2.9%	6.1%
Beta = B	1.1			
Market equity risk premium= E_m	5%			
Corporate tax rate		25.0%	25.0%	25.0%
Cost of equity before tax		12.5%	11.1%	15.5%
WACC - nominal		9.9%	9.0%	12.5%
Expected inflation		2.0%	2.0%	3.0%
WACC in real terms		7.9%	7.0%	9.5%

The tests did not result in an impairment of the goodwill in 2010 of any cash-generating unit. Based on current knowledge, reasonable changes in key assumptions (including discount rate, sales and margin evolution) would not generate material impairments for any of the cash-generating units.

6.3. Property, plant and equipment

in thousands of €

	Land and buildings	Plant, machinery and equipment	Furniture and vehicles	Leases and similar rights	Other PP&E	Assets under construction	Total
Cost							
As at 1 January 2009	561 656	1 724 058	71 958	1 170	2 042	116 647	2 477 531
Expenditure ¹	55 250	137 318	6 707	-	213	-33 985	165 501
New leases	-	-	-	119	-	-	119
Disposals and retirements	-3 578	-82 104	-7 682	-226	-5	-351	-93 946
New consolidations	27 019	31 929	2 332	-	-	7 650	68 931
Transfers ²	-	-	-	-	-	-88	-88
Reclassification to (-) / from held for sale	-4 107	16 695	692	700	786	1 197	15 962
Exchange gains and losses (-)	-9 528	-27 996	-799	72	-30	-1 312	-39 593
As at 31 December 2009	626 712	1 799 899	73 208	1 835	3 005	89 757	2 594 417
As at 1 January 2010	626 712	1 799 899	73 208	1 835	3 005	89 757	2 594 417
Expenditure ¹	59 701	137 214	9 976	75	3 003	21 859	231 828
Disposals and retirements	-25 768	-46 052	-4 807	-	-456	-26	-77 108
New consolidations	18 730	16 676	595	-	-	322	36 323
Deconsolidations	-1 919	-26 518	-958	-700	-810	-451	-31 355
Transfers ²	-	-	-	-	-	-19	-19
Reclassification to (-) / from held for sale	17 224	1 570	719	-	-	-	19 513
Exchange gains and losses (-)	38 031	107 477	3 975	45	124	6 205	155 857
As at 31 December 2010	732 711	1 990 267	82 708	1 255	4 866	117 649	2 929 456
Accumulated depreciation and impairment							
As at 1 January 2009	276 000	1 075 394	52 334	976	1 289	-	1 405 993
Charge for the year	24 314	107 203	9 081	160	264	-	141 022
Impairment losses	358	5 739	-	-	-	-	6 096
Disposals and retirements	-3 401	-75 510	-7 406	-207	-5	-	-86 529
New consolidations	1 533	2 722	276	-	-	-	4 531
Reclassification to (-) / from held for sale	-1 528	8 040	406	342	796	-	8 056
Exchange gains (-) and losses	-3 903	-13 538	-547	65	-14	-	-17 937
As at 31 December 2009	293 373	1 110 049	54 145	1 336	2 329	-	1 461 232
As at 1 January 2010	293 373	1 110 049	54 145	1 336	2 329	-	1 461 232
Charge for the year	26 475	122 261	9 106	101	634	-	158 577
Impairment losses	6 286	11 507	198	-	-	-	17 991
Disposals and retirements	-22 241	-40 122	-4 605	-	-189	-	-67 157
New consolidations	-88	113	-123	-	99	-	-
Deconsolidations	-1 350	-18 790	-736	-435	-810	-	-22 120
Reclassification to (-) / from held for sale	13 759	1 548	719	-	-	-	16 026
Exchange gains (-) and losses	11 929	48 821	2 476	33	57	-	63 317
As at 31 December 2010	328 144	1 235 388	61 179	1 035	2 121	-	1 627 867
Carrying amount							
as at 31 December 2009							
before investment grants and reclassification of leases	333 339	689 850	19 063	499	676	89 757	1 133 185
Net investment grants	-3	-5 467	-	-	-	-	-5 470
Reclassification of leases	295	102	102	-499	-	-	-
Carrying amount							
as at 31 December 2009	333 631	684 484	19 165	0	676	89 757	1 127 714
Carrying amount							
as at 31 December 2010							
before investment grants and reclassification of leases	404 567	754 880	21 528	221	2 745	117 649	1 301 589
Net investment grants	-1 401	-5 072	-	-	-	-	-6 474
Reclassification of leases	-	86	135	-220	-	-	-
Carrying amount							
as at 31 December 2010	403 166	749 893	21 663	0	2 745	117 649	1 295 116

¹ Difference in expenditure because of investment grants which are netted in the cash flow statement.

² Transfers equal zero if the balances of 'Intangible assets' (see note 6.1.) and 'Property, plant and equipment' are added up.

The investment programs in Belgium, China, India, United States, Russia and Slovakia accounted for most of the expenditure. The net exchange gain for the year (€ 92.1 million) relates mainly to assets denominated in Chinese renminbis (€ 66.5 million), US dollars (€ 13.7 million), Indian rupees (€ 2.8 million), Peruvian nuevos soles (€ 2.5 million) and Colombian pesos (€ 2.3 million). The effect of reviewing the remaining economic useful life of equipment dedicated to specific product lines accounted for an increase in depreciation of € 7.0 million. Impairment losses mainly related to the wire business in Venezuela (€ 12.4 million), a brass coating line in Indonesia (€ 3.1 million) and the Advanced Filtration business in Belgium and Indonesia (€ 1.0 million). The methodology for impairment testing is consistent with the one presented in note 6.2. 'Goodwill'. For reclassifications to or from held for sale, please refer to note 6.10. 'Assets classified as held for sale and liabilities associated with those assets'. No items of PP&E are pledged as securities.

6.4. Investments in joint ventures and associates

Investments excluding related goodwill

Carrying amount in thousands of €	2010	2009
As at 1 January	212 574	195 236
Capital increases and decreases	-21	-4
Result for the year	36 064	37 773
Dividends	-39 298	-41 066
Exchange gains and losses	28 410	40 673
Changes in consolidation method	-	-20 058
Deconsolidations	-705	-
Transfers	-	21
Other comprehensive income	-6	-1
As at 31 December	237 018	212 574

For an analysis of the result for the year, please refer to note 5.6. 'Share in the results of joint ventures and associates'. Exchange gains and losses relate mainly to the substantial swings in closing rates of both the Brazilian real (2.2 in 2010 vs 2.5 in 2009) and the Chilean peso (625.4 in 2010 vs 729.5 in 2009).

Related goodwill

Cost in thousands of €	2010	2009
As at 1 January	5 985	4 633
Exchange gains and losses	792	1 352
As at 31 December	6 777	5 985
Carrying amount of related goodwill as at 31 December	6 777	5 985
Total carrying amount of investments in joint ventures and associates as at 31 December	243 795	218 559

Combined items

The Group's share of the assets, liabilities and results of joint ventures and associates (excluding related goodwill) is summarized below:

in thousands of €	2010	2009
Property, plant and equipment	149 490	125 281
Other non-current assets	106 466	61 088
Current assets	220 051	170 327
Non-current liabilities and non-controlling interests	-110 714	-63 307
Current liabilities	-128 275	-80 815
Total net assets	237 018	212 574

in thousands of €	2010	2009
Sales	569 466	442 007
Operating result (EBIT)	52 340	50 878
Result for the period	36 064	37 773
Total comprehensive income for the period	36 058	37 772

The Group's share in the equity of joint ventures and associates is analyzed as follows:

in thousands of €	2010	2009	
Joint ventures ¹			
BOSFA Pty Ltd	Australia	4 057	3 231
Bekaert Faser Vertriebs GmbH	Germany	102	102
Belgo Bekaert Arames Ltda and subsidiary	Brazil	140 056	127 175
BMB-Belgo Mineira Bekaert Artefatos de Arame Ltda	Brazil	15 534	14 802
Inchalam group	Chile	77 269	66 559
Bekaert Handling Group AS ²	Denmark	-	705
Total for joint ventures excluding related goodwill		237 018	212 574
Carrying amount of related goodwill		6 777	5 985
Total for joint ventures including related goodwill		243 795	218 559

¹ The Group has no more associates since 1 January 2009, when its only associate Jiangyin Fasten-Bekaert Optical Cable Steel Products Co Ltd was merged with Bekaert Jiangyin Wire Products Co Ltd.

² The investment in Bekaert Handling Group AS has been liquidated early 2010.

No major contingent assets relating to joint ventures and associates have been identified at the balance sheet date. The main contingencies identified at the balance sheet date relate to taxes at Belgo Bekaert Arames Ltda, Belgo Bekaert Nordeste SA and BMB-Belgo Mineira Bekaert Artefatos de Arame Ltda. These Brazilian joint ventures are faced with problems to recover ICMS tax receivables with a total carrying amount of € 21.6 million (2009: € 18.5 million), claims relating to ICMS incentives totaling € 9.4 million (2009: € 7.7 million) and several other tax claims, most of which date back several years, for a total nominal amount of € 35.1 million (€ 38.7 million). Evidently, any potential losses resulting from the above-mentioned contingencies would only affect the Group to the extent of their interest in the joint ventures involved (i.e. 45%).

6.5. Other non-current assets

in thousands of €	2010	2009
Loans and receivables - non-current	5 192	5 780
Derivatives (cf. note 7.3.)	3 760	10 900
Available-for-sale financial assets	23 176	23 929
Total other non-current assets	32 128	40 609

Available-for-sale financial assets - non-current

Carrying amount in thousands of €	2010	2009
As at 1 January	23 929	8 782
Expenditure	289	62
Disposals and closures	-440	-22
Fair value changes	-664	15 055
Transfers	62	21
Reclassification as held for sale	-	31
As at 31 December	23 176	23 929

The fair value changes relate to the investment in Shougang Concord Century Holdings Ltd, a Hong Kong Stock Exchange listed company which is classified as available for sale.

6.6. Deferred tax assets and liabilities

Carrying amount in thousands of €	Assets		Liabilities	
	2010	2009	2010	2009
As at 1 January	43 631	8 747	52 739	39 310
Increase or decrease via income statement	16 909	2 303	-10 487	-22 505
Increase or decrease via equity	1 299	698	390	-1 107
New consolidations	5 474	3 975	3 659	8 110
Deconsolidations	-477	-	-1 182	-
Reclassification as held for sale	-	150	-	1 091
Exchange gains and losses	3 683	-543	3 424	-461
Change in set-off of assets and liabilities	-6 832	28 301	-6 832	28 301
As at 31 December	63 687	43 631	41 711	52 739

Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following items:

in thousands of €	Assets		Liabilities		Net assets	
	2010	2009	2010	2009	2010	2009
Intangible assets	498	832	11 164	7 319	-10 666	-6 487
Property, plant and equipment	17 759	4 293	23 116	30 445	-5 357	-26 152
Financial assets	2 983	-	29 958	30 340	-26 975	-30 340
Inventories	3 688	3 040	3 996	3 523	-308	-483
Receivables	2 834	2 515	41	113	2 793	2 402
Other current assets	403	457	648	850	-245	-393
Employee benefit obligations	29 470	28 086	331	59	29 139	28 027
Other provisions	1 129	1 307	434	498	695	809
Other liabilities	8 698	2 795	834	1 571	7 864	1 224
Tax losses carried forward, tax credits and recoverable income taxes	25 036	22 285	-	-	25 036	22 285
Tax assets / liabilities	92 498	65 610	70 522	74 718	21 976	-9 108
Set-off of assets and liabilities	-28 811	-21 979	-28 811	-21 979	-	-
Net tax assets / liabilities	63 687	43 631	41 711	52 739	21 976	-9 108

The deferred taxes on property, plant and equipment relate mainly to temporary differences due to differences in useful lives between IFRS and tax books. The deferred tax liabilities on financial assets relate mainly to temporary differences arising from undistributed profits from subsidiaries, joint ventures and associates.

Movements in deferred tax assets/(liabilities) arise from the following:

2009 in thousands of €	As at 1 January	Recognized via income statement	Recognized via equity	Acquisitions and disposals	Reclassific- ations	Exchange gains and losses	As at 31 December
Temporary differences							
Intangible assets	-4 921	-1 433	-	-317	2	182	-6 487
Property, plant and equipment	-22 133	4 434	-	-7 281	-1 064	-108	-26 152
Financial assets	-43 020	11 580	1 108	-	-	-8	-30 340
Inventories	-984	-2 030	-	2 260	-	271	-483
Receivables	2 296	167	-	13	2	-76	2 402
Other current assets	75	-527	-	30	-	29	-393
Employee benefit obligations	15 731	11 050	752	993	-	-499	28 027
Other provisions	2 792	-1 963	-	-	-	-20	809
Other liabilities	-3 671	4 813	-65	41	119	-13	1 224
Tax losses carried forward, tax credits and recoverable income taxes	23 272	-1 283	10	126	-	160	22 285
Total	-30 563	24 808	1 805	-4 135	-941	-82	-9 108
2010 in thousands of €							
As at 1 January	Recognized via income statement	Recognized via equity	Acquisitions and disposals	Reclassific- ations	Exchange gains and losses	As at 31 December	
Temporary differences							
Intangible assets	-6 487	-954	-	-2 677	-	-548	-10 666
Property, plant and equipment	-26 152	16 569	-	5 745	-	-1 519	-5 357
Financial assets	-30 340	2 080	1 307	-	-	-22	-26 975
Inventories	-483	1 342	-	-895	-	-272	-308
Receivables	2 402	-653	-	794	-	250	2 793
Other current assets	-393	184	-	-6	-	-30	-245
Employee benefit obligations	28 027	336	-398	-76	-	1 250	29 139
Other provisions	809	-182	-	-	-	68	695
Other liabilities	1 224	6 668	-	-93	-	65	7 864
Tax losses carried forward, tax credits and recoverable income taxes	22 285	2 006	-	-272	-	1 017	25 036
Total	-9 108	27 396	909	2 520	-	259	21 976

Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following deductible items (gross amounts):

in thousands of €	2010	2009	Variance 2010 vs 2009
Deductible temporary differences	130 186	91 566	38 620
Capital losses	28 787	26 881	1 906
Trade losses and tax credits	307 495	261 984	45 511
Total	466 468	380 431	86 037

The majority of the trade losses have no expiry date and the rest will not expire in the near future.

6.7. Operating working capital

in thousands of €	2010	2009
<i>Raw materials, consumables and spare parts</i>	209 380	149 241
<i>Work in progress and finished goods</i>	254 503	181 212
<i>Goods purchased for resale</i>	43 767	27 960
Inventories	507 650	358 413
Trade receivables	774 308	479 630
Advances paid	36 879	31 472
Trade payables	-341 664	-247 131
Advances received	-7 537	-6 524
Remuneration and social security payables	-115 621	-84 257
Employment-related taxes	-13 026	-12 347
Operating working capital	840 989	519 256

Operating working capital increased by € 321.7 million in 2010, explained by:

- increase of € 276.9 million related to organic growth (as reflected in the consolidated cash flow statement);
- increase of € 42.5 million from currency movements;
- decrease of € 4.7 million from net write-downs on inventories and trade receivables;
- increase of € 14.3 million from new consolidations;
- decrease of € 7.3 million from deconsolidations.

Average operating working capital represented 20.8% of sales (2009: 24.1%).

Additional information is as follows:

- Inventories

The cost of inventories recognized as an expense during the period amounted to € 2 136.9 million (2009: € 1 731.4 million), including net write-downs in 2010 of € 5.2 million (2009: net reversals of write-downs of € 2.7 million). No inventories were pledged as security for liabilities (2009 none).

- Trade receivables

The important increase in trade receivables reflects the strong sales growth in the 4th quarter compared to the same quarter in 2009.

Net reversals of write-downs in 2010 amounted to € 0.5 million (2009: net reversals of write-downs of € 6.0 million).

More information about allowances and past due receivables are provided in the following table:

Trade receivables in thousands of €	2010	2009
Gross amount	789 345	493 966
Allowance for bad debts (impaired)	-15 037	-14 336
Net carrying amount	774 308	479 630
<i>of which past due but not impaired amount</i>	138 330	103 566
<i>average number of days outstanding</i>	67	101

Regarding trade receivables that are neither impaired nor past due, there are no indications that the debtors will not meet their payment obligations. For more information on credit enhancement techniques we refer to note 7.3. 'Financial risk management and financial derivatives'.

6.8. Other receivables

Carrying amount in thousands of €	2010	2009
As at 1 January	49 289	52 982
Increase or decrease	11 508	-9 056
Write-downs and write-down reversals	-344	-1 087
New consolidations	825	8 355
Deconsolidations	-461	-
Reclassifications	137	298
Exchange gains and losses	2 988	-2 203
As at 31 December	63 942	49 289

Other receivables relate mainly to taxes (€ 52.3 million (2009: € 39.3 million)), reinsurance balances receivable (€ 0.2 million (2009: € 1.1 million)), employee loans (€ 3.9 million (2009: € 2.3 million)) and investment grants (€ 1.5 million (2009: € 1.9 million)). No collection issues are expected.

6.9. Other current assets

Carrying amount in thousands of €	2010	2009
Current loans and receivables	52 381	68 144
Advances paid	36 879	31 472
Derivatives (cf. note 7.3.)	21 464	13 613
Deferred charges and accrued revenues	7 703	8 695
As at 31 December	118 427	121 924

The current loans and receivables mainly relate to loans with venture partners in China (€ 45.3 million), to a loan with BOSFA Pty Ltd (€ 1.9 million) and to various cash guarantees (€ 5.1 million).

6.10. Assets classified as held for sale and liabilities associated with those assets

Carrying amount in thousands of €	2010	2009
As at 1 January	8 926	21 136
Increase	-	3 935
Deconsolidations	-5 964	-
Reclassifications	-3 902	-15 993
Exchange gains and losses	940	-152
As at 31 December	-	8 926

in thousands of €	2010	2009
Individual items of property, plant and equipment	-	3 653
Disposal groups	-	5 273
Total assets classified as held for sale	-	8 926
Disposal groups	-	2 266
Total liabilities associated with assets classified as held for sale	-	2 266

The reclassifications in 2010 relate to the premises of the former Jiangyin Fasten-Bekaert Optical Cable Steel Products Co Ltd (China) and to the Lanklaar site in Belgium, both of which have been reclassified to PP&E before being sold. With respect to the disposal groups, Precision Surface Technology Pte Ltd (Singapore) has been sold in December 2010. In January 2010, Bekaert has sold its controlling interest in Bekinit Kabushiki Kaisha (Japan), which was classified as held for sale on 31 December 2009. All of these amounts belong to the Asia Pacific segment.

After a period in which the negotiations with the potential acquirer of the diamond-like carbon coating (DLC) business had been discontinued, the DLC assets and liabilities have been classified again as held for sale before the interim reporting of 30 June 2010, and they have been sold on 1 July. Part of the DLC business belonged to the North America segment and part to the EMEA segment.

Gains or losses on disposal of the disposal groups classified as held for sale are analyzed in note 7.2. 'Effect of new business combinations and business disposals'. No additional impairment losses or reversals of impairments have been recognized before any of these deals were effected.

6.11. Ordinary shares, treasury shares, subscription rights and share options

Issued capital		Nominal value	Number of shares
in thousands of €			
1	As at 1 January 2010	175 118	59 503 407
	Movements in the year		
	<i>Issue of new shares</i>	1 124	381 566
	<i>Cancellation of shares</i>	-	-
	As at 31 December 2010	176 242	59 884 973
2	Structure		
2.1	Classes of ordinary shares		
	<i>Ordinary shares without par value</i>	176 242	59 884 973
2.2	Registered shares	-	1 718 871
	Non-material shares	-	57 320 021
	Bearer shares	-	846 081
Authorized capital not issued		167 421	

On 7 October 2010, an Extraordinary General Meeting approved a three-for-one share split as proposed by the Board of Directors. The split came into effect on 10 November 2010. Consequently, all 2009 data on shares, options and subscription rights have been stock-split adjusted to enable comparison with 2010 data.

A total of 381 566 subscription rights were exercised under the Company's SOP1 and SOP 2005-2009 stock option plans in 2010, requiring the issue of a total of 381 566 new shares of the Company.

In addition to the 89 700 treasury shares held as of 31 December 2009, the Company purchased 965 700 own shares in 2010. Those aggregate 1 055 400 shares were used as follows in 2010:

- 91 700 shares were delivered to the individuals who had exercised their options under the Company's SOP2 stock option plan in 2010; and
- the remaining 963 700 shares are held as treasury shares as of 31 December 2010.

No shares were canceled in 2010.

Details of the stock option plans outstanding during the year are as follows:

Overview of SOP1 Stock Option Plan

Date offered	Date granted	Date of issue of subscription rights	Exercise price (in €)	Number of subscription rights				Out-standing	First exercise period	Last exercise period
				Granted	Exercised	Forfeited				
17.12.1999	15.02.2000	04.04.2000	17.533	107 370	104 595	1 515	1 260	01.06 - 15.11 - 15.06.2003	30.11.2012	
17.12.1999	15.02.2000	04.04.2000	17.533	8 490	720	7 770	-	01.06 - 15.11 - 15.06.2003	30.11.2009	
17.12.1999	15.02.2000	04.04.2000	17.533	3 000	3 000	-	-	01.06 - 15.11 - 15.06.2003	30.11.2004	
14.07.2000	12.09.2000	26.09.2000	18.000	319 941	313 026	2 460	4 455	01.06 - 22.05 - 15.06.2004	15.06.2013	
14.07.2000	12.09.2000	26.09.2000	18.000	16 245	2 880	13 365	-	01.06 - 22.05 - 15.06.2004	15.06.2010	
14.07.2000	12.09.2000	26.09.2000	16.617	14 250	14 250	-	-	01.06 - 22.05 - 15.06.2004	15.06.2005	
13.07.2001	11.09.2001	26.09.2001	13.980	418 917	415 659	2 418	840	22.05 - 22.05 - 30.06.2005	15.06.2014	
13.07.2001	11.09.2001	26.09.2001	13.980	11 625	11 265	360	-	22.05 - 22.05 - 30.06.2005	15.06.2011	
12.07.2002	10.09.2002	25.09.2002	15.827	106 152	104 352	720	1 080	22.05 - 22.05 - 30.06.2006	15.06.2015	
12.07.2002	10.09.2002	25.09.2002	15.827	1 080	1 080	-	-	22.05 - 22.05 - 30.06.2006	15.06.2012	
11.07.2003	09.09.2003	06.10.2003	13.630	100 740	99 300	-	1 440	22.05 - 22.05 - 30.06.2007	15.06.2013	
09.07.2004	07.09.2004	30.09.2004	15.763	502 182	482 556	-	19 626	22.05 - 22.05 - 30.06.2008	15.06.2014	
				1 609 992	1 552 683	28 608	28 701			

Overview of SOP2 Stock Option Plan

Date offered	Date granted	Exercise price (in €)	Number of options				Out-standing	First exercise period	Last exercise period
			Granted	Exercised	Forfeited				
							01.06 -	22.05 -	
26.07.2000	24.09.2000	16.617	8 550	8 550	-	-	15.06.2004	15.06.2013	
							22.05 -	22.05 -	
13.07.2001	11.09.2001	13.980	34 350	34 350	-	-	30.06.2005	15.06.2014	
							22.05 -	22.05 -	
12.07.2002	10.09.2002	15.827	9 120	9 120	-	-	30.06.2006	15.06.2015	
							22.05 -	22.05 -	
11.07.2003	09.09.2003	13.630	8 340	8 340	-	-	30.06.2007	15.06.2013	
							22.05 -	22.05 -	
09.07.2004	07.09.2004	15.763	98 400	98 400	-	-	30.06.2008	15.06.2014	
							22.05 -	15.11 -	
22.12.2005	20.02.2006	23.797	49 200	49 200	-	-	30.06.2009	15.12.2015	
							22.05 -	15.11 -	
22.12.2005	20.02.2006	23.797	34 800	34 800	-	-	30.06.2009	15.12.2020	
							22.05 -	15.11 -	
15.03.2006	14.05.2006	28.617	6 000	6 000	-	-	30.06.2010	15.12.2020	
							22.05 -	15.08 -	
15.09.2006	14.11.2006	24.700	19 500	19 500	-	-	30.06.2010	14.09.2016	
							22.05 -	15.11 -	
21.12.2006	19.02.2007	30.173	37 500	27 500	-	10 000	30.06.2010	15.12.2021	
							22.05 -	15.11 -	
20.12.2007	18.02.2008	28.333	12 870	-	-	12 870	30.06.2011	15.12.2017	
							22.05 -	15.11 -	
20.12.2007	18.02.2008	28.333	30 630	-	-	30 630	30.06.2011	15.12.2022	
							22.05 -	15.11 -	
18.12.2008	16.02.2009	16.660	64 500	-	-	64 500	30.06.2012	15.12.2018	
							22.05 -	15.11 -	
17.12.2009	15.02.2010	33.990	49 500	-	-	49 500	30.06.2013	15.12.2019	
			463 260	295 760	-	167 500			

Overview of SOP 2005-2009 Stock Option Plan

Date offered	Date granted	Date of issue of subscription rights	Exercise price (in €)	Number of subscription rights				Out-standing	First exercise period	Last exercise period
				Granted	Exercised	Forfeited				
								22.05 -	15.11 -	
22.12.2005	20.02.2006	22.03.2006	23.797	21 600	6 900	14 700	-	30.06.2009	15.12.2015	
								22.05 -	15.11 -	
22.12.2005	20.02.2006	22.03.2006	23.797	190 698	180 033	-	10 665	30.06.2009	15.12.2020	
								22.05 -	15.11 -	
21.12.2006	19.02.2007	22.03.2007	30.173	28 200	20 700	7 500	-	30.06.2010	15.12.2016	
								22.05 -	15.11 -	
21.12.2006	19.02.2007	22.03.2007	30.173	153 810	143 540	600	9 670	30.06.2010	15.12.2021	
								22.05 -	15.11 -	
20.12.2007	18.02.2008	22.04.2008	28.333	14 100	-	7 500	6 600	30.06.2011	15.12.2017	
								22.05 -	15.11 -	
20.12.2007	18.02.2008	22.04.2008	28.333	215 100	-	-	215 100	30.06.2011	15.12.2022	
								22.05 -	15.11 -	
18.12.2008	16.02.2009	20.10.2009	16.660	288 150	-	-	288 150	30.06.2012	15.12.2018	
								22.05 -	15.11 -	
17.12.2009	15.02.2010	08.09.2010	33.990	225 450	-	-	225 450	30.06.2013	15.12.2019	
			1 137 108	351 173	30 300	755 635				

SOP1 Stock Option Plan	2010		2009	
	Number of subscription rights	Weighted average exercise price (in €)	Number of subscription rights	Weighted average exercise price (in €)
Outstanding as at 1 January	132 477	15.865	211 926	15.865
Forfeited during the year	-300	18.000	-	-
Exercised during the year	-103 476	15.815	-79 449	15.702
Outstanding as at 31 December	28 701	16.027	132 477	15.865

SOP2 Stock Option Plan	2010		2009	
	Number of options	Weighted average exercise price (in €)	Number of options	Weighted average exercise price (in €)
Outstanding as at 1 January	209 700	22.756	220 500	24.894
Granted during the year	49 500	33.990	64 500	16.660
Exercised during the year	-91 700	23.589	-75 300	23.797
Outstanding as at 31 December	167 500	25.619	209 700	22.756

SOP 2005-2009 Stock Option Plan	2010		2009	
	Number of subscription rights	Weighted average exercise price (in €)	Number of subscription rights	Weighted average exercise price (in €)
Outstanding as at 1 January	808 875	23.873	619 008	27.351
Granted during the year	225 450	33.990	288 150	16.660
Forfeited during the year	-600	30.175	-25 200	27.045
Exercised during the year	-278 090	27.563	-73 083	23.797
Outstanding as at 31 December	755 635	25.529	808 875	23.873

Weighted average remaining contractual life

in years	2010	2009
SOP1	3.2	4.4
SOP2	8.8	9.1
SOP 2005-2009	9.5	10.8

No subscription rights or options under either plan were exercisable at year-end (2009: none). The weighted average share price at the date of exercise in 2010 was € 56.14 for the SOP1 subscription rights (2009: € 32.66), € 71.23 for the SOP2 options (2009: € 32.77) and € 57.66 for the SOP 2005-2009 plan (2009: € 32.81). The exercise price of the subscription rights and options is equal to the lower of (i) the average closing price of the Company's share during the thirty days preceding the date of the offer, and (ii) the last closing price preceding the date of the offer. When subscription rights are exercised under the SOP1 or SOP 2005-2009 plan, equity is increased by the amount of the proceeds received. Under the terms of the SOP1 and SOP2 plans any subscription rights or options granted through 2004 were vested immediately.

Under the terms of the SOP 2005-2009 stock option plan an aggregate 1 137 108 subscription rights have been granted during the period 2006-2010. An aggregate 463 260 options have been granted under the terms of the SOP2 plan.

The vesting conditions of the SOP 2005-2009 grants, as well as of the SOP2 grants beginning in 2006, are such that the subscription rights or options will be fully vested on 1 January of the fourth year after the date of the offer. In accordance with the Economic Recovery Act of 27 March 2009, the exercise period of the SOP2 options and SOP 2005-2009 subscription rights granted in 2006, 2007 and 2008 was extended by five years in favor of the persons who were plan beneficiaries and subject to Belgian income tax at the time such extension was offered. The incremental fair value granted as a result of this amounts to € 0.3 million.

A new stock option plan (SOP 2010-2014) was proposed by the Board of Directors and approved by a Special General Meeting of Shareholders in 2010. The plan, which will be the successor to the SOP2 and SOP 2005-2009 plans, will offer options to acquire existing Company shares to the members of the Bekaert Group Executive, Senior Management and a limited number of management employees of the Company and a number of its subsidiary companies. There will be one offer of options in each of the years 2010 through 2014, and the grant dates are scheduled in the period 2011-2015. The exercise price of the SOP 2010-2014 options is determined in the same manner as in the previous plans, and the vesting conditions are the same as those of the SOP 2005-2009 grants and the SOP2 grants beginning in 2006.

The options granted under SOP2 and the subscription rights granted under SOP 2005-2009 are recognized at fair value in accordance with IFRS 2 (see note 6.12. 'Retained earnings and other Group reserves').

6.12. Retained earnings and other Group reserves

Carrying amount in thousands of €	2010	2009
<i>Hedging reserve</i>	-4 187	-3 119
<i>Revaluation reserve for available-for-sale investments</i>	6 545	7 209
<i>Actuarial gains and losses on defined-benefit plans</i>	-41 746	-33 019
<i>Fair value remeasurements for business combinations</i>	-5 392	19 584
<i>Deferred taxes booked in equity</i>	26 196	25 383
<i>Equity-settled share-based payment plans</i>	7 663	5 116
<i>Treasury shares</i>	-59 689	-2 577
Other reserves	-70 610	18 577
Cumulative translation adjustments	13 615	-97 176
Total other Group reserves	-56 995	-78 599
Retained earnings	1 463 838	1 168 913

The movements in the main items of other reserves were as follows:

Hedging reserve in thousands of €	2010	2009
As at 1 January	-3 119	-9 008
Recycled to income statement	5 522	-2 342
Fair value changes to hedging instruments	-6 590	8 231
As at 31 December	-4 187	-3 119
Of which		
<i>Cross-currency interest-rate swaps (on Eurobonds)</i>	-4 187	-3 119

Changes in the fair value of hedging instruments designated as effective cash flow hedges are calculated and recognized directly in equity on a quarterly basis. In accordance with IFRS hedge accounting policies for cash flow hedges, exchange gains or losses arising from translating the underlying debt at the closing rate are offset by recycling the equivalent amounts to the income statement on a quarterly basis.

Revaluation reserve for available-for-sale investments in thousands of €	2010	2009
As at 1 January	7 209	-7 846
Fair value changes	-664	15 055
As at 31 December	6 545	7 209
Of which		
<i>Investment in Shougang Concord Century Holdings Ltd</i>	6 545	7 209

The revaluation of the investment in Shougang Concord Century Holdings Ltd is based on the closing price of the share on the Hong Kong Stock Exchange. After a steep recovery in 2009, the share price slightly declined in 2010.

Actuarial gains and losses on defined-benefit plans in thousands of €	2010	2009
As at 1 January	-33 019	-43 402
Actuarial gains and losses (-) of the period	-8 727	10 383
As at 31 December	-41 746	-33 019

The actuarial gains and losses on defined-benefit plans result from a remeasurement of the defined-benefit obligations and any related plan assets to fair value at the balance sheet date.

Fair value remeasurements for business combinations in thousands of €	2010	2009
As at 1 January	19 584	9 140
Interests remeasured	-24 976	7 952
Non-controlling interests disposed	-	2 492
As at 31 December	-5 392	19 584

In accordance with IFRS 3, Business Combinations, all of the acquirees' assets, liabilities and contingent liabilities were remeasured to fair value at the acquisition date. The interests remeasured in 2010 relate to the Bridgestone business combination (see note 7.2. 'Effect of new business combinations and business disposals').

Deferred taxes booked in equity in thousands of €	2010	2009
As at 1 January	25 383	23 704
Deferred taxes relating to other comprehensive income	813	1 679
As at 31 December	26 196	25 383

Deferred taxes relating to other comprehensive income are also recognized directly in equity (see note 5.8. 'Total comprehensive income').

Equity-settled share-based payment plans in thousands of €	2010	2009
As at 1 January	5 116	3 556
Equity instruments granted	2 547	1 560
As at 31 December	7 663	5 116

Options granted under the SOP2 stock option plan and subscription rights granted under the SOP 2005-2009 stock option plan (see note 6.11. 'Ordinary shares, treasury shares, subscription rights and share options') are accounted for as equity-settled share-based payments in accordance with IFRS 2.

During 2010, 49 500 options (2009: 64 500) were granted at a weighted average fair value per unit of € 9.53 (2009: € 4.17) and 225 450 subscription rights (2009: 288 150) were granted at a weighted average fair value per unit of € 9.46 (2009: € 4.12). The Group has recorded an expense against equity of € 2.5 million (2009: € 1.6 million) based on a straight-line amortization over the vesting period of the fair value of options and subscription rights granted over the past three years. The fair value of the options and the subscription rights is determined using a binomial pricing model. The inputs to the model are: share price of € 37.10 at grant date (2009: € 13.83), exercise price of € 33.99 (2009: € 16.66), expected volatility of 41% (2009: 42%), expected dividend yield of 2.5% (2009: 2.5%), vesting period of 3 years, contractual life of 10 years, employee exit rate of 2% (2009: 10%) and a risk-free interest rate of 4.0% (2009: 4.2%). To allow for the effects of early exercise, it was assumed that the employees would exercise the options and the subscription rights after the vesting date when the share price was 1.25 (2009: 1.25) times the exercise price.

Treasury shares in thousands of €	2010	2009
As at 1 January	-2 577	-4 808
Shares purchased	-59 791	-
Proceeds from shares sold	2 163	1 760
Price difference on shares sold	517	471
As at 31 December	-59 688	-2 577

In 2010, 91 700 shares were sold for an amount of € 2.2 million to beneficiaries of the SOP2 plan who had exercised their options (see note 6.11. 'Ordinary shares, treasury shares, subscription rights and share options').

6.13. Non-controlling interests

Carrying amount in thousands of €	2010	2009
As at 1 January	88 745	41 750
Changes in Group structure	-1 203	23 625
Share of net profit of subsidiaries	30 864	18 646
Share of other comprehensive income excluding CTA	-282	-219
Dividend pay-out	-39 086	-46
Capital increases	1 639	5 646
Reclassification from retained earnings	-	1 617
Exchange gains and losses (-)	5 283	-2 274
As at 31 December	85 960	88 745

In 2010, the changes in Group structure mainly relate to the disposal of Bekinit KK (Japan) and Precision Surface Technology Pte Ltd (Singapore), in which the Group formerly owned a controlling interest of 60% and 67% respectively.

In 2009, the changes in Group structure related to the step acquisitions through which Bekaert acquired control of Ideal Alambrec SA (Ecuador), Prodac SA (Peru) and Jiangyin Fasten-Bekaert Optical Cable Steel Products Co Ltd (China). Substantial dividends on profits of 2007 through 2009 were declared by the Group's Chinese subsidiaries.

6.14. Employee benefit obligations

The total net liabilities for employee benefit obligations, which amounted to € 279.1 million as at 31 December 2010 (€ 234.0 million as at year-end 2009), are as follows:

in thousands of €	2010	2009
Liabilities for		
<i>Defined-benefit pension plans</i>	85 548	71 887
<i>Other defined-benefit plans</i>	56 120	60 267
<i>Other long-term employee benefits</i>	2 087	2 372
<i>Cash-settled share-based payment employee benefits</i>	8 590	2 070
<i>Short-term employee benefits</i>	115 621	84 257
<i>Other employee benefit obligations</i>	11 158	13 163
Total liabilities in the balance sheet	279 124	234 016
of which		
<i>non-current liabilities</i>	150 893	135 623
<i>current liabilities</i>	128 231	98 393
Assets for		
<i>Defined-benefit pension plans</i>	-	-
Total assets in the balance sheet	-	-
Total net liabilities	279 124	234 016

Post-employment benefit plans

In accordance with IAS 19 Employee benefits, post-employment benefit plans are classified as either defined-contribution plans or defined-benefit plans.

Defined-contribution plans

For defined-contribution plans, Bekaert pays contributions to publicly or privately administered pension funds or insurance companies. Once the contributions have been paid, the Group has no further payment obligation. These contributions constitute an expense for the year in which they are due. Bekaert participates in a multi-employer defined-benefit plan in the Netherlands funded through the Pensioenfonds Metaal & Techniek. This plan is treated as a defined-contribution plan because no information is available with respect to the plan assets attributable to Bekaert; contributions for this plan amounted to € 0.5 million (2009: € 0.9 million).

Defined-contribution plans in thousands of €	2010	2009
Expenses recognized	12 617	12 155

Defined-benefit plans

Several Bekaert companies operate retirement benefit and other post-employment benefit plans. These plans generally cover all employees and provide benefits which are related to salary and length of service. Most assets in Belgium are invested in mixed portfolios of shares and bonds, mainly denominated in local currency. Plan assets in the United States are invested in annuity contracts providing a guaranteed rate of return, in fixed-income funds and in equities. The pension funds hold no direct positions in Bekaert shares or bonds, nor do they own any property used by a Bekaert entity. It is general Group policy to fund pension benefits on an actuarial basis with contributions paid to insurance companies, independent pension funds or a combination of both.

Movement in defined-benefit obligation in thousands of €	Pension plans		Other plans	
	2010	2009	2010	2009
Present value as at 1 January	225 913	224 598	60 267	55 979
Current service cost	12 446	12 977	1 609	1 822
Interest cost	12 208	13 321	3 060	3 717
Plan participants' contributions	5	6	155	146
Past service cost	15	118	-	-
New consolidations	1 497	5 406	-	3 673
Deconsolidations	-190	-	-	-
Settlements	-	-553	-	-
Reclassifications within employee benefit obligations	-1 661	-2 309	1 661	5 903
Benefits paid	-19 254	-25 654	-8 973	-11 053
Actuarial gains (-) and losses	12 990	4 505	-2 424	1 415
Exchange gains (-) and losses	7 414	-6 502	765	-1 335
Present value of defined-benefit obligation as at 31 December	251 383	225 913	56 120	60 267

Other plans mainly relate to pre-retirement pensions in Belgium (defined-benefit obligation € 43.9 million (€ 51.2 million in 2009)) and other post-employment benefits for medical care in the United States (defined-benefit obligation € 5.5 million (€ 4.8 million in 2009)), which are not externally funded. Of the defined-benefit obligation in Belgium, an amount of € 13.6 million (2009: € 18.2 million) relates to employees in active service who have not yet entered into any pre-retirement agreement.

Movement in plan assets in thousands of €	Pension plans		Other plans	
	2010	2009	2010	2009
Fair value as at 1 January	154 201	134 647	-	-
<i>Expected return on plan assets</i>	9 541	7 570	-	-
<i>Actuarial gains and losses (-)</i>	1 467	15 951	-	-
Actual return on plan assets	11 008	23 521	-	-
Company contributions	15 320	24 195	8 818	10 907
Plan participants' contributions	5	6	155	146
Deconsolidations	-75	-	-	-
Settlements	-	-452	-	-
Benefits paid	-19 254	-25 654	-8 973	-11 053
Exchange gains and losses (-)	4 616	-2 062	-	-
Fair value of plan assets as at 31 December	165 821	154 201	-	-

Movement in reimbursement rights in thousands of €	Pension plans		Other plans	
	2010	2009	2010	2009
Fair value as at 1 January	511	-	-	-
<i>Expected return on reimbursement rights</i>	22	23	-	-
<i>Actuarial gains and losses (-)</i>	-12	20	-	-
Actual return on reimbursement rights	10	43	-	-
Company contributions	9	24	-	-
New consolidations and deconsolidations	-	514	-	-
Benefits paid	-62	-70	-	-
Fair value of reimbursement rights as at 31 December	468	511	-	-

Reimbursement rights arise from reinsurance contracts covering retirement pensions, death and disability benefits in Germany.

Funded status as at 31 December in thousands of €	Pension plans		Other plans	
	2010	2009	2010	2009
<i>Present value of funded obligations</i>	219 367	195 942	-	-
<i>Fair value of plan assets</i>	-165 821	-154 201	-	-
Surplus (-) or deficit for funded plans	53 546	41 741	-	-
Present value of unfunded obligations	32 016	29 972	56 120	60 267
Present value of net obligations	85 562	71 713	56 120	60 267
Unrecognized past service cost	-14	174	-	-
Net assets (-) and liabilities	85 548	71 887	56 120	60 267
Amounts in the balance sheet				
<i>Assets</i>	-	-	-	-
<i>Liabilities</i>	85 548	71 887	56 120	60 267

Movement in liability in thousands of €	Pension plans		Other plans	
	2010	2009	2010	2009
Net assets (-) and liabilities as at 1 January	71 887	90 299	60 267	55 979
Contributions paid and direct benefit payments	-15 320	-24 195	-8 818	-10 906
Expense recognized in the income statement	14 918	18 548	4 669	5 539
Expected return on reimbursement rights	22	23	-	-
Actuarial gains (-) and losses recognized through equity	11 523	-11 445	-2 424	1 415
New consolidations and deconsolidations	1 382	5 406	-	3 673
Reclassifications within employee benefit obligations	-1 661	-2 309	1 661	5 903
Exchange gains (-) and losses	2 797	-4 440	765	-1 336
Net assets (-) and liabilities as at 31 December	85 548	71 887	56 120	60 267
Amounts in the balance sheet				
<i>Assets</i>	-	-	-	-
<i>Liabilities</i>	85 548	71 887	56 120	60 267

The actuarial gains and losses (-) recognized through equity are as follows:

Changes recognized in equity in thousands of €	Pension plans		Other plans	
	2010	2009	2010	2009
Cumulative changes as at 1 January	-41 116	-52 561	7 757	9 172
Actuarial gains and losses (-) for the period	-11 523	11 445	2 424	-1 415
Cumulative changes as at 31 December	-52 639	-41 116	10 181	7 757

The amounts recognized in the income statement are as follows:

Net benefit expense in thousands of €	Pension plans		Other plans	
	2010	2009	2010	2009
Current service cost	12 446	12 977	1 609	1 822
Interest cost	12 208	13 321	3 060	3 717
Expected return on plan assets	-9 541	-7 570	-	-
Expected return on reimbursement rights	-22	-23	-	-
Past service cost	-173	-57	-	-
Curtailments and settlements	-	-100	-	-
Total	14 918	18 548	4 669	5 539

Estimated contributions and direct benefit payments for 2011 are as follows:

Estimated contributions and direct benefit payments in thousands of €	2011
Pension plans	21 460
Other plans	8 360
Total	29 820

Fair values of plan assets at 31 December were as follows:

Fair value of plan assets by type in thousands of €	2010	2009
Equity instruments	78 554	71 916
Debt instruments	65 226	64 353
Insurance contracts	22 041	17 932
Total plan assets	165 821	154 201
Equity instruments (%)	47%	47%
Debt instruments (%)	39%	42%
Insurance contracts (%)	13%	11%
Total plan assets (%)	100%	100%

Financial market-related parameters are derived from recent market information and determined in agreement with the contracted actuaries. The discount rate is based on the yields for AA corporate bonds with maturities approximating to those of the benefit obligations. The expected rate of return on plan assets is a weighted return based on the target asset allocation by plan. The expected rate of return on equity instruments is based on the aggregate of the risk-free rate and an average risk premium of 4%, weighted by the different types of equity instrument. The risk premium may vary between parts of the world and for different types of equity instrument. The target mix is dependent on the investment strategy of each fund and may vary from 0% to 70% equity instruments. The principal actuarial assumptions on the balance sheet date (weighted averages) were:

Actuarial assumptions	Pension plans		Other plans	
	2010	2009	2010	2009
Discount rate	5.1%	5.2%	5.0%	5.3%
Expected return on plan assets	6.3%	6.3%	-	-
Future salary increases	3.8%	3.6%	3.8%	3.9%
Health care cost increases (initial)	-	-	7.5%	8.0%
Health care cost increases (ultimate)	-	-	5.0%	5.0%
Health care (years to ultimate rate)	-	-	5	6
Underlying inflation rate	2.6%	2.4%	2.5%	2.1%
Life expectancy of a man aged 65 (years) at balance sheet date	18.9	18.9	18.9	18.9
Life expectancy of a man aged 65 (years) ten years from the balance sheet date	20.6	20.5	20.5	20.6

Weighted averages for other plans are slightly different from those for pension plans because of regional variations. Sensitivity analyses on discount rate and health care cost assumptions show the following effects:

Sensitivity analysis on discount rate in thousands of €	Pension plans		Other plans	
	0.25% increase	0.25% decrease	0.25% increase	0.25% decrease
Service cost and interest cost	-44	30	35	-36
Defined-benefit obligation	-8 437	8 730	-1 014	1 043

Sensitivity analysis on health care cost in thousands of €	1% increase	1% decrease
	Service cost and interest cost	79
Defined-benefit obligation	543	-485

The above analyses were done on a mutually exclusive basis, and holding all other assumptions constant.

The following table presents a historical overview of the key indicators of the last 5 years:

Historical overview in thousands of €	2010	2009	2008	2007	2006
Pension plans					
Present value of defined-benefit obligation	251 383	225 913	224 598	220 188	241 830
Fair value of plan assets	165 821	154 201	134 647	181 321	186 813
Surplus (-) or deficit	85 562	71 712	89 951	38 867	55 017
Experience adjustments arising on					
<i>plan liabilities</i>	2 496	-3 836	-2 566	-3 854	258
<i>plan assets</i>	1 467	15 951	-56 989	-2 456	7 793
Other plans					
Present value of defined-benefit obligation	56 120	60 267	55 979	60 993	75 462
Fair value of plan assets	-	-	-	-	-
Surplus (-) or deficit	56 120	60 267	55 979	60 993	75 462
Experience adjustments arising on					
<i>plan liabilities</i>	-3 153	-1 226	1 694	-1 869	-1449
<i>plan assets</i>	-	-	-	-	-

Other long-term employee benefits

The other long-term employee benefits relate to service awards.

Cash-settled share-based payment employee benefits

The Group issued stock appreciation rights (SARs) to certain management employees, granting them the right to receive the intrinsic value of the SARs at the date of exercise. These SARs are accounted for as cash-settled share-based payments in accordance with IFRS 2. The fair value of the SARs is determined using a binomial pricing model. The inputs to the model are: share price at balance sheet date, exercise price, expected volatility of 38% (2009: 41%), expected dividend yield of 3.0% (2009: 3.2%), vesting period of 3 years, average contractual life of 5.4 years (2009: 5.4 years), employee exit rate of 0% (2009: 0%) and a risk-free interest rate of 3.2% (2009: 2.7%). To allow for the effects of early exercise, it was assumed that the employees would exercise the SARs after vesting date when the share price was 1.30 (2009: 1.44) times the exercise price. Historical volatility was between 25% and 41%.

The Group recorded total expenses of € 6.1 million (2009: € 1.6 million) during the year in respect of SARs. At 31 December 2010, the total fair value of the vested unexercised SARs was € 7.7 million (2009: € 1.6 million).

At 31 December 2010, the Group had recorded liabilities of € 8.6 million (2009: € 2.1 million) for SARs. These liabilities were measured at their closing date fair value in accordance with IFRS 2. The main reason for the steep increase in both the expenses and the liabilities is two-fold: the spectacular rise of the Bekaert stock price and the increase in the number of beneficiaries in the emerging countries.

Short-term employee benefit obligations

Short-term employee benefit obligations relate to liabilities for remuneration and social security that are due within twelve months after the end of the period in which the employees render the related service.

Other employee benefit obligations

The remaining other employee benefit obligations relate to termination benefits and taxes on future contributions.

6.15. Provisions

in thousands of €	Restructuring	Claims	Environment	Other	Total
As at 1 January 2010	3 274	5 046	26 401	3 345	38 066
Additional provisions	2 813	6 021	12 180	3 183	24 197
Unutilized amounts released	-1 941	-1 621	-1 019	-2 279	-6 860
Charged to the income statement	872	4 400	11 161	904	17 337
New consolidations	1 244	-	340	-	1 584
Deconsolidations	-	-467	-174	-	-641
Amounts utilized during the year	-2 821	-913	-2 303	-1 238	-7 275
Exchange gains (-) and losses	53	120	144	204	521
As at 31 December 2010	2 622	8 186	35 569	3 215	49 592
Of which					
<i>current</i>	2 622	6 590	4 732	1 313	15 257
<i>non-current</i>	-	1 596	30 837	1 902	34 335

The movements in the provisions for restructuring mainly relate to (i) the further execution of reorganizations started in prior years in Slovakia, UK and Belgium, and (ii) collective termination agreements in the newly acquired Steelcord plant in Sardinia (Italy), which also accounts for the majority of the ending balance. An important part of the increase in the provisions for claims refers to a quality issue in the composites business. The movements in the environmental provisions are based on the appraisal of an external expert, whereby the increase is mainly driven by an update of the expected cost and change in destination related to soil sanitation for historical sites in EMEA. The movements in the other provisions, as well as the ending balance, relate mainly to provisions for repayment of subsidies and indemnification related to a lease contract.

6.16. Interest-bearing debt

In December 2010, Bekaert has issued a new Eurobond for € 100 million which matures on 23 December 2018. The net proceeds of this Eurobond will be used to repay certain bank indebtedness and to fund important capital investments in emerging countries such as China, India, Indonesia and Russia. With this bond issue, Bekaert aims to achieve an optimal balance between short-term and long-term debt, on the one hand, and between bank financing and financing through the capital markets, on the other hand.

Information concerning the contractual maturities of the Group's interest-bearing loans and borrowings (current and non-current) is given below:

2010 in thousands of €	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total
Interest-bearing debt				
<i>Finance leases</i>	72	123	-	195
<i>Credit institutions</i>	320 243	98 825	-	419 068
<i>Bonds</i>	-	501 540	100 000	601 540
Carrying amount	320 315	600 488	100 000	1 020 803
Value adjustments	-	-3 621	-	-3 621
Total financial debt	320 315	596 867	100 000	1 017 182

2009 in thousands of €	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total
Interest-bearing debt				
<i>Finance leases</i>	134	360	-	494
<i>Credit institutions</i>	151 226	96 736	36	247 998
<i>Bonds</i>	-	400 000	101 014	501 014
Carrying amount	151 360	497 096	101 050	749 506
Value adjustments	-	-	-10 191	-10 191
Total financial debt	151 360	497 096	90 859	739 315

As a general principle, loans are entered into by Group companies in their local currency to avoid currency risk. If funding is in another currency without an offsetting position on the balance sheet, the companies hedge the currency risk through derivatives (cross-currency interest-rate swaps or forward exchange contracts). Consequently, in accordance with IFRS, the financial liabilities in respect of credit institutions and bonds include value adjustments which are offset by the fair value of the derivatives. Bonds, commercial paper and debt towards credit institutions are unsecured.

For further information on financial risk management we refer to note 7.3. 'Financial risk management and financial derivatives'.

Net debt calculation

The debt calculation of the Group reflects the amount to be repaid as a result of hedging with a derivative, rather than the amount presented as a financial liability in the balance sheet. The financial liabilities are therefore adjusted for either the impact of the spot revaluation, where they relate to a cash flow hedge or trading, or the fair value adjustment, where they relate to fair value hedges. The table below summarizes the calculation of the net debt (the amounts eliminated as described above being included as 'value adjustments').

in thousands of €	2010	2009
Non-current interest-bearing debt	700 488	598 146
Value adjustments	-3 621	-10 191
Current interest-bearing debt	320 315	151 360
Total financial debt	1 017 182	739 315
Current loans	-52 380	-68 144
Short-term deposits	-104 699	-154 636
Cash and cash equivalents	-338 238	-121 171
Net debt	521 865	395 364

6.17. Other non-current liabilities

Carrying amount in thousands of €	2010	2009
Other non-current amounts payable	503	500
Derivatives (cf. note 7.3.)	8 949	4 585
Total	9 452	5 085

6.18. Other current liabilities

Carrying amount in thousands of €	2010	2009
Other amounts payable	27 468	4 252
Derivatives (cf. note 7.3.)	20 131	17 103
Advances received	7 537	6 524
Other taxes	53 663	32 255
Accruals and deferred income	30 699	27 587
Total	139 498	87 721

Other amounts payable relate mainly to dividends payable. Other taxes relate mainly to VAT payable and other non-income taxes payable. The accrued interest on outstanding interest-bearing debt is the most significant item of the accruals (€ 24.5 million).