

Parent company information

Annual report of the Board of Directors and financial statements of NV Bekaert SA

Parent company accounts

The financial statements of the parent company, NV Bekaert SA (the 'Company'), are presented below in a condensed form. In accordance with Belgian company law, 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.

They are available on request from:

NV Bekaert SA
 President Kennedypark 18
 BE-8500 Kortrijk
 Belgium
www.bekaert.com

The statutory auditor issued an unqualified report on the financial statements of the Company.

Condensed income statement

in thousands of € - Year ended 31 December	2010	2009
Sales	465 397	349 154
Operating profit or loss	15 103	-59 815
Financial result	-20 327	109 724
Extraordinary result	8 992	-13 410
Current and deferred income taxes	992	2 866
Profit or loss for the year	4 760	39 365

Condensed balance sheet after profit appropriation

in thousands of € - 31 December	2010	2009
Fixed assets	1 741 643	1 742 808
Formation expenses, intangible fixed assets	35 422	32 442
Tangible fixed assets	81 269	82 660
Financial fixed assets	1 624 952	1 627 706
Current assets	338 395	227 759
Total assets	2 080 038	1 970 567
Shareholders' equity	508 083	592 519
Share capital	176 242	175 118
Share premium	27 582	19 404
Revaluation surplus	1 995	1 995
Statutory reserve	17 624	17 512
Untaxed reserves	-	-
Unavailable reserve	59 670	2 578
Reserves available for distribution, retained earnings	224 913	375 811
Investment grants	57	101
Provisions and deferred taxes	65 723	59 886
Creditors	1 506 232	1 318 162
Amounts payable after one year	860 450	400 450
Amounts payable within one year	645 782	917 712
Total equity and liabilities	2 080 038	1 970 567

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

Sales increased by 33.3 % compared with 2009 and amounted to € 465.4 million.

Sales of low carbon and high carbon wire products were much higher compared to the crisis year 2009. The sales of building products stays on the same level as previous year. The increase was the highest in steelcord products used for the reinforcement of tires and also the export to other Bekaert plants grew in 2010.

The operating result amounted to € 15.1 million (2009: € -59.8 million). The strong increase of the operating result is due to a steep rise of sales and a better product mix, as well as a substantial increase in royalty income.

The financial result decreased to € -20.3 million (2009: € 109.7 million) due to a lower dividend income.

The extraordinary result amounted to € 9.0 million (2009: € -13.4 million); there were reversals of write-downs on financial assets of € 12.2 million, loss on disposals of PP&E (€ -1.7 million) and extraordinary write-downs (€ -1.5 million).

Net profit for the year ended 31 December 2010 amounted to € 4.8 million (2009: net profit of € 39.4 million).

Environmental programs

The provision for environmental programs increased to € 27.0 million (2009: € 17.1 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'.

Conflicts of interests

Reference is made to the Corporate Governance Statement of this annual report.

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 current notifications of participations of 3% or more is presented below. On 31 December 2010 the total number of securities conferring voting rights was 59 884 973.

Notifier	Date of notification	Number of voting rights	Percentage of total number of voting rights
AXA S.A. (25, Avenue Matignon, FR-75008 Paris, France), on behalf of AXA Belgium, AXA France Vie and AXA France Iard	17.10.2008	1 796 463	3.00%
Stichting Administratiekantoor Bekaert (Chasséveld 1, NL-4811 DH Breda, The Netherlands), on its own behalf and on behalf of Velge International NV, Berfin SA, Subeco SA, Millenium 3 SA and Gedecor SA	27.10.2008, 28.08.2009, 31.08.2010	22 829 697	38.12%

AXA SA has declared that it is acting in its capacity as parent company or controlling person of the companies referred to in its notification.

Stichting Administratiekantoor Bekaert (holding 22 357 977 shares) has declared that it is acting in concert with Velge International NV (57 000 shares), Berfin SA (91 920 shares), Subeco SA (157 800 shares), Millenium 3 SA (90 000 shares) and Gedecor SA (75 000 shares) in that they have concluded an agreement (a) aimed either at acquiring control, at frustrating the successful outcome of a bid or at maintaining control, and (b) to adopt, by concerted exercise of the voting rights they hold, a lasting common policy. Stichting Administratiekantoor Bekaert is not controlled. The other above-mentioned persons are controlled by physical persons, (i) whose (directly or indirectly held) individual participation does not reach 3% and (ii) who (on an individual basis) have an interest of less than 3%.

On 8 December 2007 Stichting Administratiekantoor Bekaert disclosed in accordance with Article 74 of the Act of 1 April 2007 on public takeover bids that it was holding individually more than 30% of the securities with voting rights of the Company on 1 September 2007.

Proposed appropriation of NV Bekaert SA 2010 result

The after-tax profit for the year was € 4 759 842, compared with a profit after tax of € 39 364 770 for the previous year.

At the General Meeting of Shareholders on 11 May 2011, the Board of Directors will propose that the above result be appropriated as follows:

	in €
Profit of the year 2010 to be appropriated	4 759 842
Transfer from available reserves	98 452 955
Transfer to statutory reserves	-112 400
Transfer to equity	-4 647 442
Profit for distribution (gross dividend)	98 452 955

The Board of Directors will propose that the General Meeting of Shareholders approves the distribution of a gross dividend of € 1.00 per share (in addition to the intermediate dividend of € 0.667 per share approved by the General Meeting of Shareholders on 7 October 2010 and paid on 15 October 2010) (2009: € 0.98 per share). If this proposal is accepted, the net dividend per share will be € 0.75, and the net dividend on shares with VVPR strip, giving entitlement to reduced withholding tax of 15%, will be € 0.85 per share. Together with the intermediate dividend the total net dividend will amount to € 1.250 per share, and € 1.417 per share with VVPR strip.

The dividend will be payable in euros from 18 May 2011 onwards upon presentation of dividend coupon no. 13 at the following banks:

- ING Belgium, BNP Paribas Fortis, KBC Bank, Bank Degroof and Dexia Bank in Belgium;
- Société Générale in France;
- ABN AMRO Bank in the Netherlands;
- UBS in Switzerland.

Appointment pursuant to the Articles of Association

The term of office of the independent Director Dr Alan Begg will expire at the close of the Ordinary General Meeting of Shareholders of 11 May 2011. The Board of Directors proposes that the General Meeting re-appoint Dr Alan Begg as independent Director for a term of three years, up to and including the Ordinary General Meeting to be held in 2014.