

## 4. Segment reporting

The Group uses a geographical segmentation since it is the best enabler to evaluate the nature and financial effects of the business and to make stakeholders understand our business as a whole in a transparent way. Key in this approach has been the increasing importance of the regions following from the Company's growth strategy, with a clear focus on the emerging markets.

The Company's regional businesses are typically characterized by common cost drivers, a product portfolio that is tailored to regional industry requirements, and specific distribution channels. They distinguish themselves in terms of political, economic and currency risks and growth drivers of the business. Adding to the relevance of the segmentation is the fact that the Company sells approximately 90% of its products in the region where they are produced. According to IFRS 8, four reporting segments have been defined, reflecting the company's presence in four main regions:

- 1) EMEA – Europe, Middle-East and Africa (2010: 33% of consolidated sales)
- 2) North America (2010: 19% of consolidated sales)
- 3) Latin America (2010: 10% of consolidated sales)
- 4) Asia Pacific (2010: 38% of consolidated sales)

### Key data by reporting segment

Only capital employed elements (intangible assets, goodwill, property, plant and equipment and the elements of the operating working capital) are allocated to the various segments. All other assets and liabilities are reported as unallocated corporate assets or liabilities. 'Other' mainly consists of the functional unit technology and unallocated expenses for group management and services. The geographical segmentation is based on the location of the Bekaert entities rather than on the location of its customers. Since it is Bekaert's strategy to produce as close as possible to the customers, most customers are serviced by Bekaert entities in their own region.

2010 in thousands of €	EMEA	North America	Latin America	Asia Pacific	Other	Elimina- tions	Consoli- dated
Net sales	1 065 914	637 639	310 959	1 247 984	-	-	3 262 496
Operating result before non-recurring items (REBIT)	95 321	34 109	25 918	470 729	-55 986	-7 602	562 489
Non-recurring items	-8 751	-2 142	-12 357	-4 041	-930	-	-28 221
<b>Operating result (EBIT)</b>	<b>86 570</b>	<b>31 967</b>	<b>13 561</b>	<b>466 688</b>	<b>-56 916</b>	<b>-7 602</b>	<b>534 268</b>
Depreciation and amortization	56 023	18 079	12 268	89 924	11 236	-14 504	173 026
Impairment losses	1 288	-	12 357	3 772	-	-	17 417
<b>EBITDA</b>	<b>143 881</b>	<b>50 046</b>	<b>38 186</b>	<b>560 384</b>	<b>-45 680</b>	<b>-22 106</b>	<b>724 711</b>
Segment assets	907 282	319 359	188 501	1 521 024	205 477	-396 542	2 745 101
Unallocated assets	-	-	-	-	-	-	928 036
<b>Total assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 673 137</b>
Segment liabilities	281 157	61 004	33 614	268 391	124 899	-291 218	477 847
Unallocated liabilities	-	-	-	-	-	-	1 498 663
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 976 510</b>
Capital employed	626 125	258 355	154 887	1 252 633	80 578	-105 324	2 267 254
Average capital employed	594 185	238 938	151 287	1 048 864	78 380	-102 035	2 009 618
Return on average capital employed (ROCE) <sup>1</sup>	14.6%	13.4%	9.0%	44.5%	-	-	26.6%
Capital expenditure – PP&E	62 414	14 919	6 511	151 895	17 189	-22 589	230 339
Capital expenditure – intangible assets	3 420	6	820	9 629	3 401	-	17 276
Share in the results of joint ventures and associates	-	-	35 941	123	-	-	36 064
Investments in joint ventures and associates	102	-	239 636	4 057	-	-	243 795
Number of employees (year- end)	5 763	1 742	2 268	10 224	1 880	-	21 877
2009 in thousands of €	EMEA	North America	Latin America	Asia Pacific	Other	Elimina- tions	Consoli- dated
Net sales	827 313	473 476	327 327	809 212	-	-	2 437 328
Operating result before non-recurring items (REBIT)	1 637	-4 981	27 540	287 878	-59 447	4 138	256 765
Non-recurring items	-20 779	-3 333	-1 264	-75	877	-	-24 574
<b>Operating result (EBIT)</b>	<b>-19 142</b>	<b>-8 314</b>	<b>26 276</b>	<b>287 803</b>	<b>-58 570</b>	<b>4 138</b>	<b>232 191</b>
Depreciation and amortization	53 743	20 045	10 074	61 583	7 471	-13 075	139 841
Impairment losses	12 236	1 270	-	-	-	-	13 506
<b>EBITDA</b>	<b>46 837</b>	<b>13 001</b>	<b>36 350</b>	<b>349 386</b>	<b>-51 099</b>	<b>-8 937</b>	<b>385 538</b>
Segment assets	784 316	266 114	178 764	988 935	146 921	-262 809	2 102 241
Unallocated assets	-	-	-	-	-	-	727 272
<b>Total assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 829 513</b>
Segment liabilities	222 071	46 594	31 077	143 841	70 739	-164 063	350 259
Unallocated liabilities	-	-	-	-	-	-	1 105 673
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 455 932</b>
Capital employed	562 245	219 520	147 687	845 094	76 182	-98 746	1 751 982
Average capital employed	608 716	251 230	117 231	836 071	80 315	-99 852	1 793 709
Return on average capital employed (ROCE) <sup>1</sup>	-3.1%	-3.3%	22.4%	34.4%	-	-	12.9%
Capital expenditure – PP&E	53 493	10 224	9 463	81 363	14 742	-10 889	158 396
Capital expenditure – intangible assets	3 040	313	-	3 148	2 969	-1 334	8 136
Share in the results of joint ventures and associates	705	-	37 404	-336	-	-	37 773
Investments in joint ventures and associates	807	-	214 521	3 231	-	-	218 559
Number of employees (year- end)	5 208	1 674	2 090	7 456	1 675	-	18 103

<sup>1</sup> ROCE: Operating result (EBIT) relative to average capital employed

## Revenue by product application

in thousands of €	2010	2009 variance (%)	
<b>Net sales</b>			
<i>Steel wire products</i>	2 884 114	2 167 004	33.1%
<i>Stainless products</i>	185 019	126 345	46.4%
<i>Coatings &amp; other</i>	193 363	143 979	34.3%
<b>Total</b>	<b>3 262 496</b>	<b>2 437 328</b>	<b>33.9%</b>

## Additional information by country

The table below shows the relative importance of Belgium (i.e. the country of domicile), China and the USA for Bekaert in terms of revenues and non-current assets (i.e. intangible assets, goodwill, property, plant and equipment).

in thousands of €	2010	% of total	2009	% of total
Net sales from Belgium	330 169	10%	266 999	11%
Net sales from China	1 077 053	33%	711 898	29%
Net sales from USA	587 020	18%	431 529	18%
Net sales from other countries	1 268 254	39%	1 026 902	42%
<b>Total net sales</b>	<b>3 262 496</b>	<b>100%</b>	<b>2 437 328</b>	<b>100%</b>
Non-current assets located in Belgium	144 874	10%	154 349	13%
Non-current assets located in China	679 488	48%	521 136	42%
Non-current assets located in USA	118 747	8%	113 138	9%
Non-current assets located in other countries	483 154	34%	444 102	36%
<b>Total non-current assets</b>	<b>1 426 263</b>	<b>100%</b>	<b>1 232 725</b>	<b>100%</b>