

# CONSOLIDATED FINANCIAL STATEMENTS

## Consolidated income statement

in thousands of € - Year ended 31 December	Notes	2016	2017
Sales	5.1.	3 715 217	4 098 247
Cost of sales	5.1.	-3 058 093	-3 396 431
<b>Gross profit</b>	<b>5.1.</b>	<b>657 124</b>	<b>701 816</b>
Selling expenses	5.1.	-175 769	-180 100
Administrative expenses	5.1.	-151 727	-164 411
Research and development expenses	5.1.	-63 322	-62 670
Other operating revenues	5.1.	14 657	48 863
Other operating expenses	5.1.	-21 309	-25 436
<b>Operating result (EBIT)</b>	<b>5.1.</b>	<b>259 654</b>	<b>318 062</b>
<b>EBIT - Underlying</b>	<b>5.1. / 5.2.</b>	<b>304 952</b>	<b>301 095</b>
Interest income	5.3.	6 325	3 117
Interest expense	5.3.	-79 493	-89 852
Other financial income and expenses	5.4.	-37 458	-6 408
<b>Result before taxes</b>		<b>149 028</b>	<b>224 919</b>
Income taxes	5.5.	-62 052	-69 276
<b>Result after taxes (consolidated companies)</b>		<b>86 976</b>	<b>155 643</b>
Share in the results of joint ventures and associates	5.6.	25 445	26 857
<b>RESULT FOR THE PERIOD</b>		<b>112 421</b>	<b>182 500</b>
Attributable to			
<i>the Group</i>		105 166	184 720
<i>non-controlling interests</i>	6.14.	7 255	-2 220

The accompanying notes are an integral part of this income statement.

### Earnings per share

in € per share	5.7.	2016	2017
Result for the period attributable to the Group			
<i>Basic</i>		1.869	3.255
<i>Diluted</i>		1.849	2.672

## Consolidated statement of comprehensive income

in thousands of € - Year ended 31 December	Notes	2016	2017
<b>Result for the period</b>		<b>112 421</b>	<b>182 500</b>
<b>Other comprehensive income (OCI)</b>	<b>6.13.</b>		
<i>Other comprehensive income reclassifiable to income statement in subsequent periods</i>			
Exchange differences			
Exchange differences arising during the year on subsidiaries		15 717	-107 368
Exchange differences arising during the year on joint ventures and associates		21 120	-23 460
Reclassification adjustments relating to entity disposals or step acquisitions		-	6 895
Inflation adjustments		1 483	2 032
Cash flow hedges			
Fair value changes to hedging instruments		1 284	101
Reclassification adjustments for amounts recognized in income statement		-542	-348
Available-for-sale investments			
Net fair value gain on available-for-sale investments during the year		1 758	-1 389
Reclassification adjustments relating to impairments or disposals		591	-
Deferred taxes relating to reclassifiable OCI	6.6.	-135	-75
<b>OCI reclassifiable to income statement in subsequent periods, after tax</b>		<b>41 276</b>	<b>-123 612</b>
<i>Other comprehensive income non-reclassifiable to income statement in subsequent periods</i>			
Remeasurement gains and losses on defined-benefit plans			
		-9 978	15 089
Share of non-reclassifiable OCI of joint ventures and associates		40	16
Deferred taxes relating to non-reclassifiable OCI	6.6.	-602	-1 176
<b>OCI non-reclassifiable to income statement in subsequent periods, after tax</b>		<b>-10 540</b>	<b>13 929</b>
<b>Other comprehensive income for the period</b>		<b>30 736</b>	<b>-109 683</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>143 157</b>	<b>72 817</b>
Attributable to			
<i>the Group</i>		<i>134 687</i>	<i>87 481</i>
<i>non-controlling interests</i>	6.14.	<i>8 470</i>	<i>-14 664</i>

The accompanying notes are an integral part of this statement of comprehensive income.

## Consolidated balance sheet

<b>Assets as at 31 December</b> in thousands of €	<b>Notes</b>	<b>2016</b>	<b>2017</b>
Intangible assets	6.1.	140 377	125 217
Goodwill	6.2.	152 345	149 895
Property, plant and equipment	6.3.	1 514 714	1 501 028
Investments in joint ventures and associates	6.4.	146 582	165 424
Other non-current assets	6.5.	32 142	41 944
Deferred tax assets	6.6.	150 368	140 717
<b>Non-current assets</b>		<b>2 136 528</b>	<b>2 124 225</b>
Inventories	6.7.	724 500	779 581
Bills of exchange received	6.7.	60 182	55 633
Trade receivables	6.7.	739 145	836 809
Other receivables	6.8.	108 484	126 876
Short-term deposits	6.9.	5 342	50 406
Cash and cash equivalents	6.9.	365 546	418 779
Other current assets	6.10.	52 225	44 329
Assets classified as held for sale	6.11.	112 361	8 093
<b>Current assets</b>		<b>2 167 785</b>	<b>2 320 506</b>
<b>Total</b>		<b>4 304 313</b>	<b>4 444 731</b>

<b>Equity and liabilities as at 31 December</b> in thousands of €	<b>Notes</b>	<b>2016</b>	<b>2017</b>
Share capital	6.12.	177 612	177 690
Share premium		36 594	37 278
Retained earnings	6.13.	1 432 394	1 529 268
Treasury shares	6.13.	-127 974	-103 038
Other Group reserves	6.13.	-51 534	-153 543
<b>Equity attributable to the Group</b>		<b>1 467 092</b>	<b>1 487 655</b>
<b>Non-controlling interests</b>	<b>6.14.</b>	<b>130 801</b>	<b>95 381</b>
<b>Equity</b>		<b>1 597 893</b>	<b>1 583 036</b>
Employee benefit obligations	6.15.	182 641	150 810
Provisions	6.16.	63 107	46 074
Interest-bearing debt	6.17.	1 161 310	1 180 347
Other non-current liabilities	6.18.	44 873	27 121
Deferred tax liabilities	6.6.	52 556	44 382
<b>Non-current liabilities</b>		<b>1 504 487</b>	<b>1 448 734</b>
Interest-bearing debt	6.17.	297 916	454 401
Trade payables	6.7.	556 361	665 196
Employee benefit obligations	6.7. / 6.15.	132 913	130 204
Provisions	6.16.	17 720	9 181
Income taxes payable		101 683	91 597
Other current liabilities	6.19.	61 840	62 382
Liabilities associated with assets classified as held for sale	6.11.	33 500	-
<b>Current liabilities</b>		<b>1 201 933</b>	<b>1 412 961</b>
<b>Total</b>		<b>4 304 313</b>	<b>4 444 731</b>

The accompanying notes are an integral part of this balance sheet.

## Consolidated statement of changes in equity

in thousands of €	Other Group reserves <sup>1</sup>								Total
	Share capital	Share premium	Retained earnings	Treasury shares	Cumulative translation adjustments	Other reserves	Equity attributable to the Group	Non-controlling interests <sup>2</sup>	
<b>Balance as at 1 January 2016</b>	<b>176 957</b>	<b>31 884</b>	<b>1 397 110</b>	<b>-144 747</b>	<b>-30 808</b>	<b>-48 185</b>	<b>1 382 211</b>	<b>129 440</b>	<b>1 511 651</b>
Result for the period	-	-	105 166	-	-	-	105 166	7 255	112 421
Other comprehensive income	-	-	2 000	-	35 130	-7 609	29 521	1 215	30 736
Effect of BBRG merger	-	-	-16 389	-	-126	-20	-16 535	10 548	-5 987
Effect of other changes in Group structure	-	-	-173	-	90	-6	-89	72	-17
Equity-settled share-based payment plans	-	-	4 387	-	-	-	4 387	62	4 449
Creation of new shares	655	4 710	-	-	-	-	5 365	-	5 365
Treasury shares transactions	-	-	-9 235	16 773	-	-	7 538	-	7 538
Dividends	-	-	-50 472	-	-	-	-50 472	-17 791	-68 263
<b>Balance as at 31 December 2016</b>	<b>177 612</b>	<b>36 594</b>	<b>1 432 394</b>	<b>-127 974</b>	<b>4 286</b>	<b>-55 820</b>	<b>1 467 092</b>	<b>130 801</b>	<b>1 597 893</b>
<b>Balance as at 1 January 2017</b>	<b>177 612</b>	<b>36 594</b>	<b>1 432 394</b>	<b>-127 974</b>	<b>4 286</b>	<b>-55 820</b>	<b>1 467 092</b>	<b>130 801</b>	<b>1 597 893</b>
Result for the period	-	-	184 720	-	-	-	184 720	-2 220	182 500
Other comprehensive income	-	-	2 363	-	-107 637	8 035	-97 239	-12 444	-109 683
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	9 870	9 870
Effect of partial disposal of Bekaert Sumaré <sup>3</sup>	-	-	2 432	-	-2 396	-36	-	-	-
Effect of NCI purchase	-	-	-18 200	-	17	-	-18 183	1 163	-17 020
Effect of NCI sale	-	-	4 191	-	96	-	4 287	-4 287	-
Effect of other changes in Group structure	-	-	-235	-	-89	-	-324	324	-
Equity-settled share-based payment plans	-	-	5 003	-	-	-	5 003	123	5 126
Creation of new shares	78	684	-	-	-	-	762	-	762
Treasury shares transactions	-	-	-20 959	24 937	-	-	3 978	-	3 978
Dividends	-	-	-62 441	-	-	-	-62 441	-27 949	-90 390
<b>Balance as at 31 December 2017</b>	<b>177 690</b>	<b>37 278</b>	<b>1 529 268</b>	<b>-103 037</b>	<b>-105 723</b>	<b>-47 821</b>	<b>1 487 655</b>	<b>95 381</b>	<b>1 583 036</b>

<sup>1</sup> See note 6.13. 'Retained earnings and other Group reserves'.

<sup>2</sup> See note 6.14. 'Non-controlling interests'.

<sup>3</sup> See note 7.2. 'Effect of business disposals'.

The accompanying notes are an integral part of this statement of changes in equity.

## Consolidated cash flow statement

in thousands of € - Year ended 31 December	Notes	2016	2017
<b>Operating activities</b>			
Operating result (EBIT)	5.1. / 5.2.	259 654	318 062
Non-cash items included in operating result	7.1.	256 227	191 588
Investing items included in operating result	7.1.	1 034	-16 194
Amounts used on provisions and employee benefit obligations	7.1.	-44 864	-50 098
Income taxes paid	5.5. / 7.1.	-96 388	-87 059
<b>Gross cash flows from operating activities</b>		<b>375 663</b>	<b>356 299</b>
Change in operating working capital	6.7.	16 336	-109 544
Other operating cash flows	7.1.	7 553	-2 609
<b>Cash flows from operating activities</b>		<b>399 552</b>	<b>244 146</b>
<b>Investing activities</b>			
New business combinations	7.2.	40 917	-
Other portfolio investments	7.1.	-41	-17 362
Proceeds from disposals of investments	7.2.	13	37 596
Dividends received	6.4.	22 422	28 615
Purchase of intangible assets	6.1. / 7.2.	-5 955	-3 853
Purchase of property, plant and equipment	6.3.	-158 529	-272 666
Other investing cash flows	7.1.	1 187	1 404
<b>Cash flows from investing activities</b>		<b>-99 986</b>	<b>-226 266</b>
<b>Financing activities</b>			
Interest received	5.3.	7 338	3 284
Interest paid	5.3.	-63 397	-60 066
Gross dividend paid to shareholders of NV Bekaert SA		-50 472	-62 441
Gross dividend paid to non-controlling interests		-17 505	-27 722
Proceeds from long-term interest-bearing debt	6.17.	172 072	179 274
Repayment of long-term interest-bearing debt	6.17.	-375 255	-29 829
Cash flows from / to (-) short-term interest-bearing debt	6.17.	-5 567	69 629
Treasury shares transactions	6.13.	7 538	3 978
Other financing cash flows	7.1.	23 193	-28 916
<b>Cash flows from financing activities</b>		<b>-302 055</b>	<b>47 191</b>
<b>Net increase or decrease (-) in cash and cash equivalents</b>		<b>-2 489</b>	<b>65 071</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>401 771</b>	<b>365 546</b>
Effect of exchange rate fluctuations		-25 495	-20 079
Cash and cash equivalents reclassified as held for sale	6.11.	-8 241	8 241
<b>Cash and cash equivalents at the end of the period</b>		<b>365 546</b>	<b>418 779</b>

The accompanying notes are an integral part of this cash flow statement.