Bekaert Capital Market Event 2016

Romania

6-7 June 2016

Capital Market Event 6 & 7 June 2016: Agenda

Monday 6 June

14:00	Matthew Taylor: Welcome and intro
14:15	Prof. Dr. G. Wahl, Continental AG: Future Mobility - Impact on Tire Cord Requirements
15:30	Matthew Taylor: Business Update
16:45	Stijn Vanneste on the Bekaert Manufacturing Excellence Program
17:45	Bruno Humblet on Bridon-Bekaert Ropes Group: merger status
18:30	Conclusions
19:00	End of program
19:30	Dinner

Capital Market Event 6 & 7 June 2016: Agenda

Tuesday 7 June

07:30	Bus transfer to Slatina
10:30	Pirelli Tyre plant: welcome and introduction
11:00	Pirelli Tyre plant visit
12:30	Lunch meeting with Bekaert Slatina management team
13:30	Bekaert Slatina plant visit
15:00	Return bus transfer to Bucharest
19:00	Dinner

Disclaimer

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Business update

Matthew Taylor

6 June 2016

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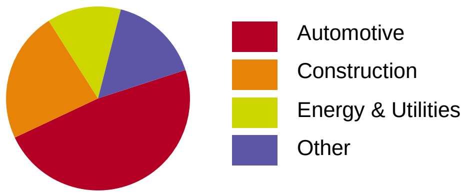
Region EMEA: 35% of consolidated sales Q1/2016 (30% of combined)

2015 profitability: REBIT 11.3% - EBITDA 16.4%

Presence and Macro-economic environment

- Presence primarily in Central Europe
- Automotive demand is strong



	Market and position of Bekaert	Course of action
Automotive ~ 50% of EMEA sales	• Tire cord: big5 tire manufacturers, long-term supply contracts and joint development agreements • Pirelli steel cord activities integrated in 2015 • Other products: wiper blade, automotive spring wires,..	Maintain market leadership
Construction ~ 20% of EMEA sales	• About half is Dramix®: flooring, underground solutions • Other half: PC wire, fencing wire…	Maintain market leadership in target segments
Energy & utilities ~ 15 % of EMEA sales	• About one third is oil and gas related. Others include: • wires for overhead power cable & conductors, subsea cable armoring, telecom/data cable armoring,..,	Monitor demand impact in oil & gas

Bekaert holds a top-3 market leadership position in its target sectors in EMEA.
Business update: continued solid demand and performance in most European markets, but limited visibility on the evolutions in oil and gas, where demand has started to slow down over the past months.

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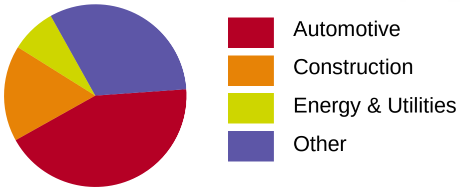
Region NAM: 17% of consolidated sales Q1/2016 (14% of combined)

2015 profitability: REBIT 3.3% - EBITDA 7.8%



	Market and position of Bekaert	Course of action
Presence and macro-economic environment	• Automotive: strong demand • Mixed inputs from other industries: agricultural sector and utility markets (power grid investments) are weak • Competition in industrial wires : primarily from integrated players and cheap imports	
Automotive and flat & shaped specialties ~ 50% of NAM sales	• Bead wire facility in Rome (fire Q4 2014: major volume loss) – recovering share as of 2016 • Tire cord plant in Rogers: running at full capacity – demand growth driven by customer investments and domestic sourcing policies • Flat & shaped wire plant in Orrville: improved performance but hit by low oil and gas demand	Regain bead wire customers and capture growth in tire cord Product portfolio review for flat and shaped
Industrial ~ 33% of NAM sales	• Plant closure Surrey Canada (early 2014) • Other plants: Van Buren, Shelbyville • Low occupation: agricultural, strands	Portfolio optimization Manufacturing excellence Customer excellence

2016 to show better performance (re-capture majority of volume for bead wire) and improvement from excellence programs and product mix in other activities.

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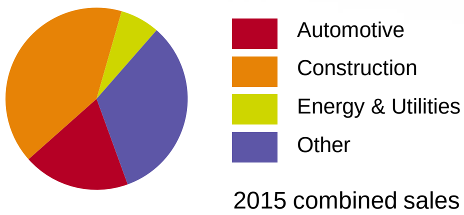
Region LATAM: 20% of consolidated sales Q1/2016 (31% of combined)

2015 profitability: REBIT 6.0% - EBITDA 9.4%



	Market and position of Bekaert	Course of action
Presence and macro-economic environment	• Brazil: recession continues - BRL devaluation to US$ & € • Chile, Peru, Ecuador, Colombia, Venezuela and Central America: economies are weaker than before: less government & public infrastructure spending; Currencies devalue vs US$	
JV Brazil ~ 20% of combined sales	• JV with ArcelorMittal (AM-55%, BK-45%) • Complementary roles of the partners: distribution and wire rod (AM) – operations (BK) • JV is the market leader in Brazil • Broad portfolio – outperforming the market performance	Leverage capability range Cost management Competitiveness vs imports
100% owned Brazil ~ 14% of LATAM sales	• Acquisitions Ropes (CIMAF), Tire cord (Pirelli) • Tire cord driven by Pirelli demand and export	Customer value (LTSA)
Other significant Chile:~40%; Peru:~17%; Ecuador: ~14%	• long-lasting partnerships • High market shares: 30%-75% • Less industrialized demand: mainly construction and agri markets	Leverage market position Cost management Continue mix improvement

Economic environment remains challenging. Bekaert will continue to strengthen its position and improve its business portfolio. Venezuela: maximally covered.

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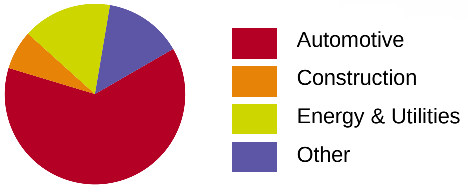
Region APAC: 29% of consolidated sales Q1/2016 (25% of combined)

2015 profitability: REBIT 7.6% - EBITDA 18.4%



	Market and position of Bekaert	Course of action
Presence and macro-economic environment	China: 75% of APAC sales – 20% of Bekaert consolidated top line. Economy still growing but at lower pace. India and Southeast Asia show GDP acceleration	
Tire Cord China ~ 50% of APAC sales	• 50% of global tire needs is produced in China • Market: 20% passenger – 80% truck • 20% OEM, 80% replacement • Passenger growing, truck is slightly down • Structural overcapacity leads to price-erosion	Launch products with lower total cost for customers Filler volumes Footprint analysis
Sawing wire ~ 12% of APAC sales	• Market is growing month by month • Good margins but not comparable to 2010-2011 • For second generation products, Bekaert #1	Efficient footprint Innovation
Industrial markets APAC ~ 10 % of APAC sales	• Took longer than anticipated to make acquired entities (Malaysia/China) profitable • Turnaround in 2H 2015	Portfolio optimization Cost management

Tire Cord China: higher market share and margins in 2015. Sawing wire market and share are growing. 2016 should see more benefits from SEA turnaround and APAC mix improvement.

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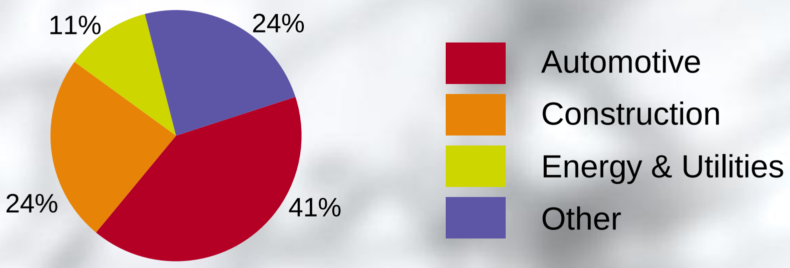
Business update by sector



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Business Update Automotive Markets

Market developments and positions:

- Firm demand from automotive markets
- Growing market share by:
  - the integration of the former Pirelli steel cord plants
  - increased competitiveness in China
  - LTSA with customers in growth markets
- More than 40% of the Group top line.
  About one third of the global tire cord market
- 2nd half of the year: risk of slowing tire markets

Strategic programs:

- Expansion programs in Rogers (US), Indonesia, India, Russia, Slovakia, .. Bead wire capacity expansions in China and Rome (US) > as was planned before the fire
- Full integration of the ex-Pirelli plants
- Transformation programs: *BMS/BCE and successful strategy to create the highest value tire cord business in China
- Innovation through co-development with tire makers and other global automotive customers

Challenges:

- Continued price erosion in China – overcapacity
- Demand volatility driven by steel prices and trade barriers – speculation

Opportunities:

- Growth expectations India and South East Asia
- Increased competitiveness driven by transformation programs > gain market share
- Long-term trends - innovation focus

*BMS: Bekaert Manufacturing System – BCE: Bekaert Customer Excellence

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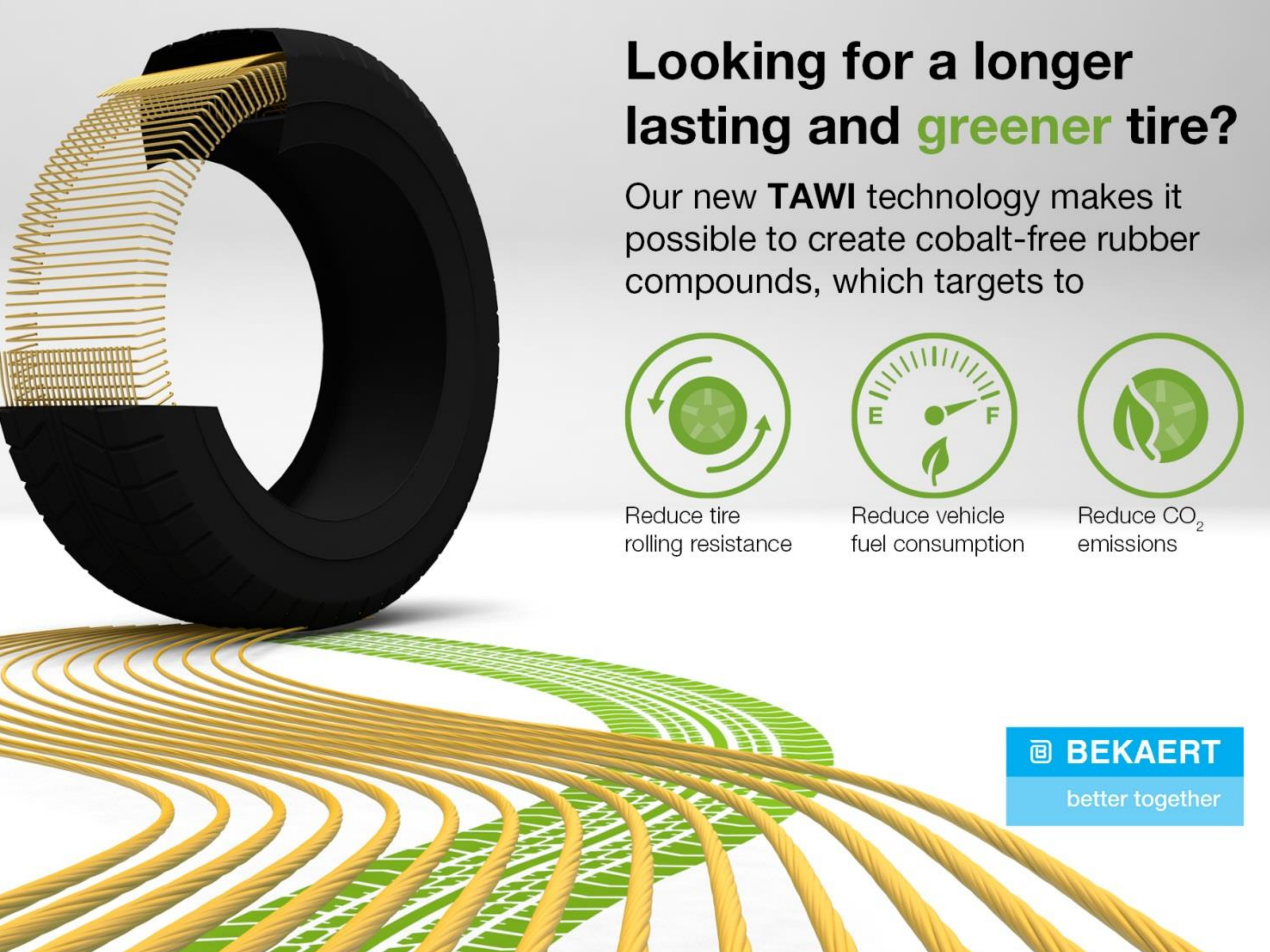
Looking for a longer lasting and greener tire?
Our new TAWI technology makes it possible to create cobalt-free rubber compounds, which targets to
E
F
Reduce tire rolling resistance
Reduce vehicle fuel consumption
Reduce CO_2 emissions
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Business Update Construction Markets

Market developments and positions:

- Low steel prices make traditional steel bar reinforcement cost-beneficial (versus fibers)
- However, demand for Dramix® steadily increases, especially in EMEA
- Strong positions in currently depressed Latin American infrastructure markets
- About 25% of Bekaert's top line

Strategic programs:

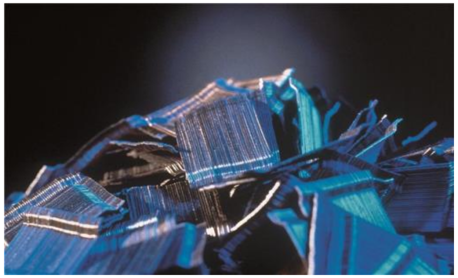
- Continued innovation:
  - Murfor® Compact launch
  - Dramix® 4D/5D
  - Road (repair) reinforcement solutions
- Growth potential Dramix® for flooring and underground applications in- and outside Europe
- Building Products LATAM: maintain / grow market share in difficult market conditions
- Benefits from recent investments (Russia, Costa Rica, buy-out partners in Australia, China)
- Building Products = pilot in BCE* program

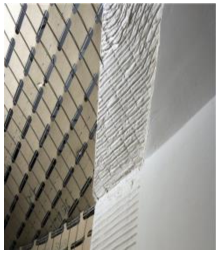
Challenges:

- Infrastructure investments are depressed in several regions due to economic slowdown and reduced government spending
- Low steel prices

Opportunities:

- Dramix® market penetration potential
- Scale and proximity to customers – eg distribution models Latin America





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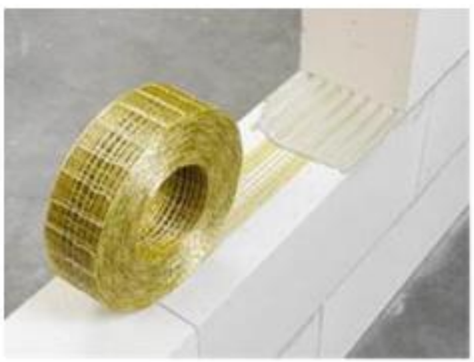
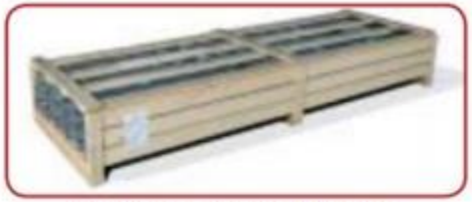
*BCE: Bekaert Customer Excellence

Customer-driven innovation: Murfor® Compact

- ✓ Only one layer of glue needed
- ✓ On site cutting to the correct length
- ✓ No waste & less overlap
- ✓ Flexible and yet strong
- ✓ 30m on a roll, so flexible in use
- ✓ Much less space for transportation
- ✓ Light and ergonomic



PACKAGING



25 pieces per bundle (75 m)
40 bundles per pallet (3050 m)

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Business Update Energy Markets

Market developments and positions:

- Growing demand in solar markets > sawing wire (18% sales growth YOY Q1 – 14% of sales APAC in Q1 2016)
- Public power grid investments: subject to government spending and competitiveness
- Oil price in an upward trend, but far from past levels. Investments on halt. Significant impact in our markets and on our business: flexible pipe armoring, oil & gas ropes

Strategic programs:

- Innovation in sawing wire: 2nd generation (structured) products
- Align with temporary demand downturn in oil & gas and prepare for upturn
- Transformational programs *BMS/BCE: competitiveness and growth
- Bridon-Bekaert Ropes Group (oil & gas one of the targeted markets)

Challenges:

- Oil & gas: low demand: low volumes+price pressure
- Solar: price erosion (especially in 1st generation), ability to meet strong demand with current capacities

Opportunities:

- Oil & gas: demand for cost competitiveness will require innovative technology-driven solutions
- Solar: fast adoption of 2nd generation products and continuing innovation track




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*BMS: Bekaert Manufacturing System – BCE: Bekaert Customer Excellence

Our vision and how we deliver

Matthew Taylor

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‘Field of Play’

Consistent with our better together aspiration,

we relentlessly pursue to be the preferred supplier for our steel wire products and solutions,

by continuously delivering superior value to our customers around the world.

5 Core Strategies

1. Drive customer into the heart of the business
2. Value driven growth
3. Technology leadership and speed
4. Leverage our scale to greater effect – reduce complexity
5. Lowest total cost

How do we deliver?

5 core strategies
Bring the customer into the heart of the business
Drive growth by providing superior value
Accelerate technology leadership and speed
Leverage our scale and reduce complexity
Deliver value at the lowest total cost

Clear prioritization on where to grow and how to improve business portfolio

- Business Portfolio optimization
- Product line review

Focus

5 Must Win Battles

Complexity reduction

Transformational programs

- Manufacturing excellence program
- Customer excellence program

Target REBIT / Sales = 7%

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5 Must Win Battles: our ‘Key Priorities’

Must Win Battles: our priorities for the short term in implementing our Core Strategies:

- they obtain a special level of attention throughout the organization
- we prioritize resources and focus on them
- They are clearly deployed in individual and team objectives

Our (2015-2016) ‘Must Win Battles’:

1. **Cut the Crap**: speed & focus
2. **Build a Winning Business Portfolio**
3. **Install Manufacturing Excellence** (BMS)
4. 2015 ‘**Create the highest value Tire Cord business in China**’
   was replaced by ‘**Build the future for Bekaert in North America**’ in 2016
5. 2015 ‘**Be the global top of mind Ropes solution provider**’
   will be replaced by **Drive Customer Excellence** (BCE) - upon completion of the Bridon deal.

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1. MWB Cut the Crap: 5 priorities

Cut the Crap …	
objective	**issues**
Eliminate Waste	Organization (Roles & Responsibilities), consensus/alignment meetings, travel, non-value add activity, tackle underperformance
The Vital Few	Complexity of projects, lack of prioritization, dissipated resources, lack of focus > What do we STOP DOING?
Empower	Organization: oversupervision, layers, span of control Responsibility/Authority/Accountability
Simplify	Bureaucracy, rules, too much self-justification, work creation (report creation/meeting creation, alignment needs)
Sustain	Once we've cleaned up, how to stop ourselves falling back again

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2. MWB Create a winning business portfolio

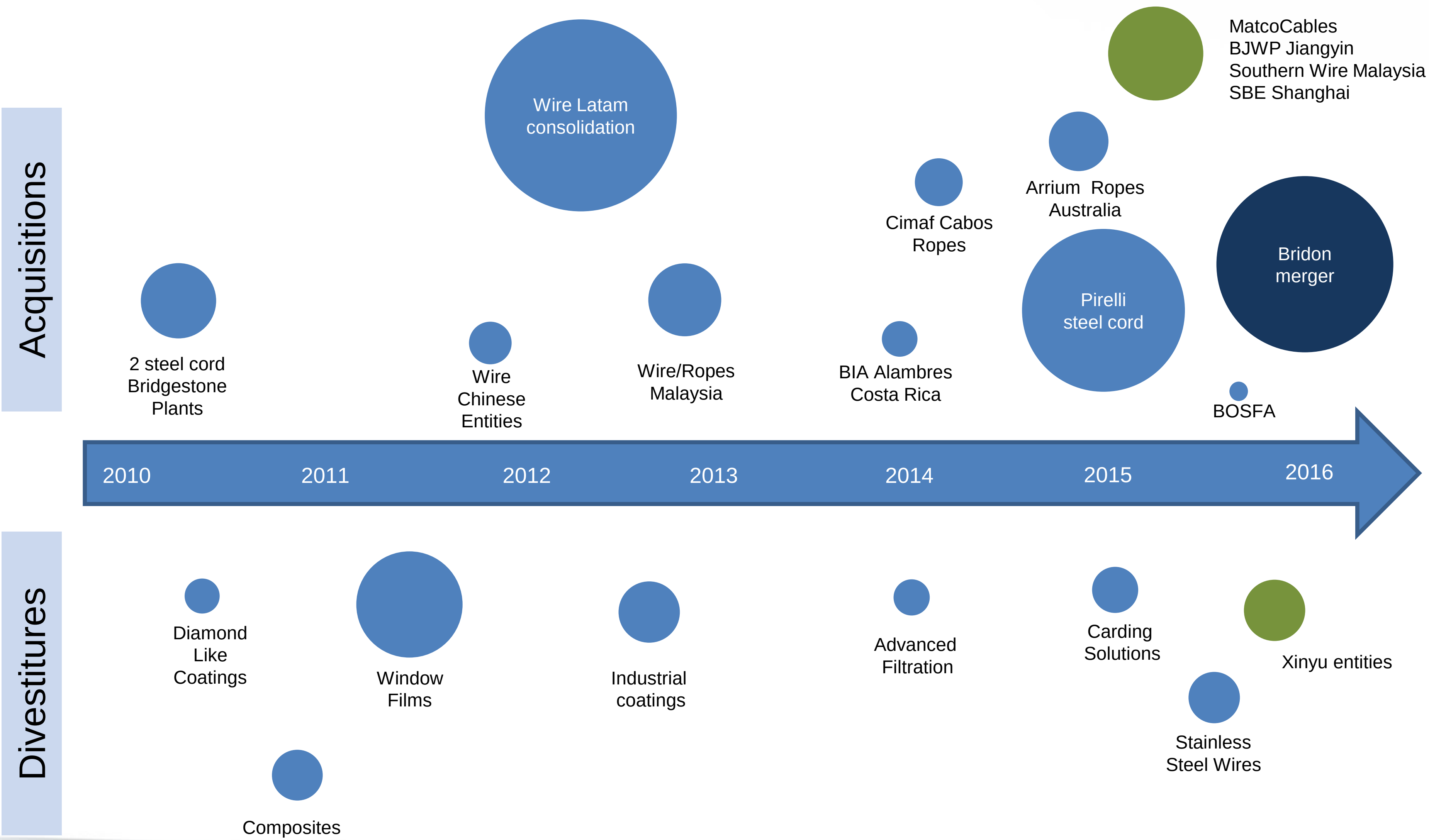
2.1. Clear prioritization of where to grow and how to improve our business portfolio

- We have narrowed our focus on those parts of the business where we can leverage our strengths; cf our recent acquisitions (Pirelli steel cord, Arrium ropes) and the intended merger in the ropes industry.

- 2016 margins will be positively impacted by the full-year effect of the recent exits from loss-generating activities including carding solutions and stainless steel wire.

- We removed complexity that didn’t add value by changing the ownership in a number of entities where partnerships had not led to efficient and successful forms of cooperation.

Business Portfolio Optimization Bekaert



MWB 3 & 5: Install Manufacturing Excellence and Drive Customer Excellence

The **global transformational programs** supporting the company’s vision and strategies have begun to show their effectiveness. They and are expected to come to their full potential over the coming years:

- **Manufacturing excellence** program aimed at gaining competitiveness by optimizing the company’s quality, safety, delivery performance and productivity.
  > Presentation Stijn Vanneste

- The recently launched **Customer excellence** program to drive growth and margin performance. It will help us deliver on four objectives:
  - to anchor a customer-centric mindset across Bekaert
  - to differentiate ourselves in the market
  - to drive sustainable profitable growth by providing superior customer value
  - and to build a best-in-class commercial organization.

- These actions are expected to underpin our move towards a sustainable higher level performance.

MWB 4 (2015) Creating the highest value tire cord business in China

- Our ambition: stepping up value-creative growth and achieving an undisputable leading market position in a very competitive and rapidly changing market environment.

- Synopsis of all Core Strategies and Must Win Battles

- Our approach:
  - Gain cost leadership
  - Reduce complexity
  - Accelerate innovation
  - Implement strategy to grow profit
  - Build the passion to win

- The results:
  - Significant market share increase
  - Above-target savings potential of BMS*
  - Increased share of higher value-adding, innovative products
  - Highly motivated team
  - Outperforming our markets
  - EBITDA 2015 H2: ~20% (total APAC)

*BMS: Bekaert Manufacturing System

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MWB 4 (2016): Building the future for Bekaert in North America

In 2016 we replaced the MWB on Creating the highest value tire cord business in China

by

Building the future for Bekaert in North America

The market, the customers, legislation and the competitors have changed significantly over the past decade and made our business model less competitive than it was previously.

We want to reverse the progressive deterioration of the region's contribution to our business – just like we have been able to do with the tire cord business in China.

- Special focus and attention to drive performance up
- Transformation programs in place:
  - our industrial and specialty wire businesses North America are a pilot for BCE (Bekaert Customer Excellence)
  - several plants are implementing the Bekaert Manufacturing Excellence program
- Frank Vromant, BGE member, has been appointed Executive Vice President for Bekaert Americas and will have his office in the regional headquarters Bekaert North America.

Bekaert Manufacturing System

Stijn Vanneste

6 June 2016

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Content

1. How do we deliver?
2. Why did we initiate the BMS project?
3. BMS program methodology
4. Resources and governance
5. BMS in “real life”

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How do we deliver?

5 core strategies

- Bring the customer into the heart of the business
- Drive growth by providing superior value
- Accelerate technology leadership and speed
- Leverage our scale and reduce complexity
- Deliver value at the lowest total cost

Clear prioritization on where to grow and how to improve our business portfolio

- Business Portfolio optimization
- Product line review

Focus

Complexity reduction

Transformational programs

- Manufacturing excellence program
- Customer excellence program

7% REBIT Target

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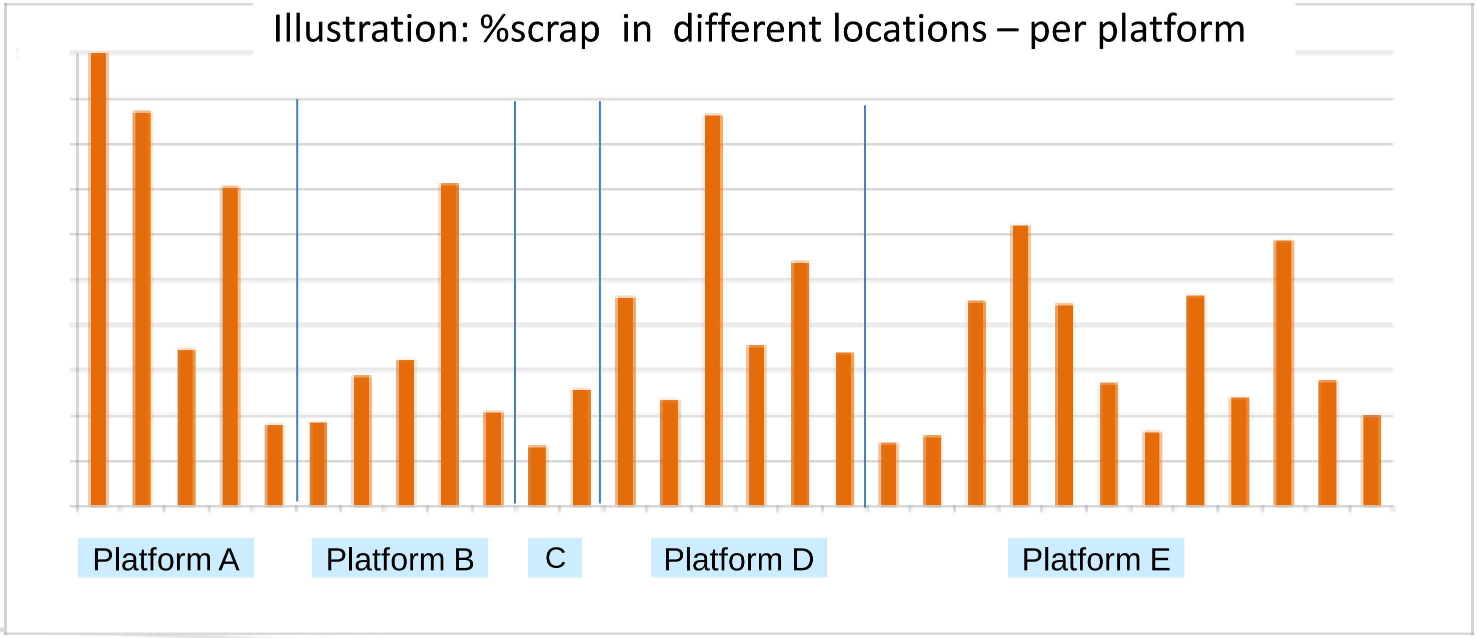
Why did we initiate the Bekaert Manufacturing System?

- Differences in operational performance between Bekaert plants
- Continuous improvement projects in all locations, without leveraging our scale as a global company
- Resources not always efficiently allocated and best practices not sufficiently shared or rolled out to other locations
- Potential is clear!



Scope of BMS

The Bekaert Manufacturing System (BMS) is to:

→ Realize significant recurring cash cost savings and a higher contribution margin

→ Implement a world-class manufacturing system in the plants, based on 3 dimensions:

- People (behavior, culture, leadership)
- Technical (processes, tools, best practices); with focus on:
  - Planning and scheduling (e.g. maximize output with minimal resources)
  - Materials management (inventory management, internal logistics)
  - Maintenance, Energy
- Management

→ Create a sustainable platform for continuous improvement

→ Develop manufacturing excellence skills, capability and capacity

→ Implement a process for best practice sharing/implementation throughout Bekaert

→ Clarify interfaces/improve alignment between central support functions & the plants

Content

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Program methodology

- Per unit of +/- 350 people
- 12 weeks transformation + 12-15 months of implementation

12 weeks	12-15 months	
Transformation	Implementation	Ctd improvement

Transformation

- Intense period
- 3 steering committees
- Deliverables:
  - Quick wins
  - Detailed implementation plan for ‘future state’
  - Way of working implementation started, detailed plan ready

Implementation

- BMS becomes a natural way of doing things
- Wave (monitoring) tool ensures strict implementation of actions
- Steering committees to follow implementation and progress
- Local change agents under guidance of stream leader support
- Deliverables:
  - Action plans fully implemented and kept up to date during implementation
  - BMS becomes natural, no risk of ‘falling back’

Ctd improvement

- Further implementation of relevant playbooks
- Using BMS as a strong continuous improvement platform

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Time line – BMS is ongoing in all 4 continents – locations scheduled by 'wave'

The BMS transformation approach: 3 tracks

12 weeks

1. Defining the future state of the unit

Preparation — Idea generation — Evaluate — Rough planning — Fine planning

= realizing a step-change in operational performance

+

2. Implementing new way-of-working

Way-of-working transformation

= implementing the basics of good shop floor management

+

Ongoing

3. Standardization and good practice sharing

Develoment and implementation of global standards and good practices

= maximize the benefits of Bekaert's scale

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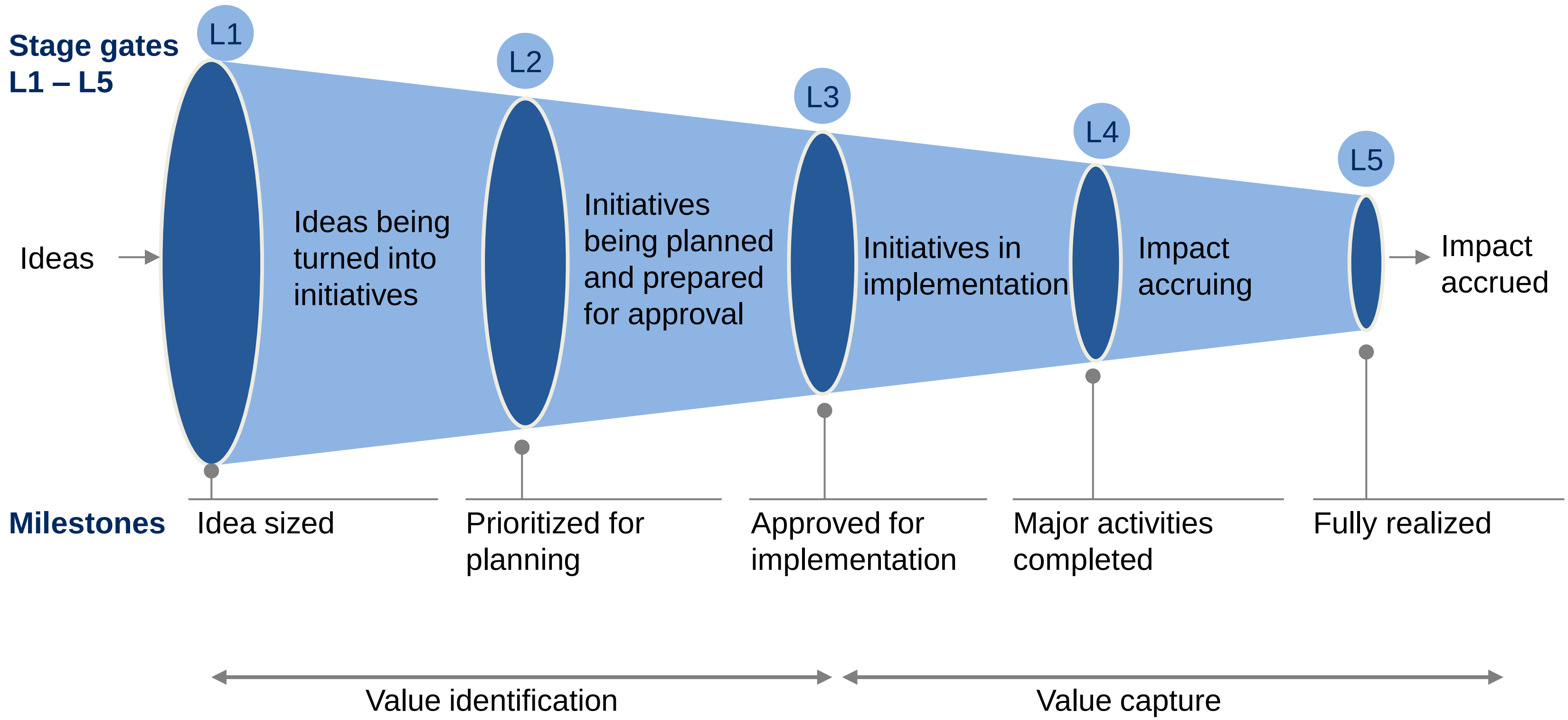
Track 1 - Idea generation & future state definition



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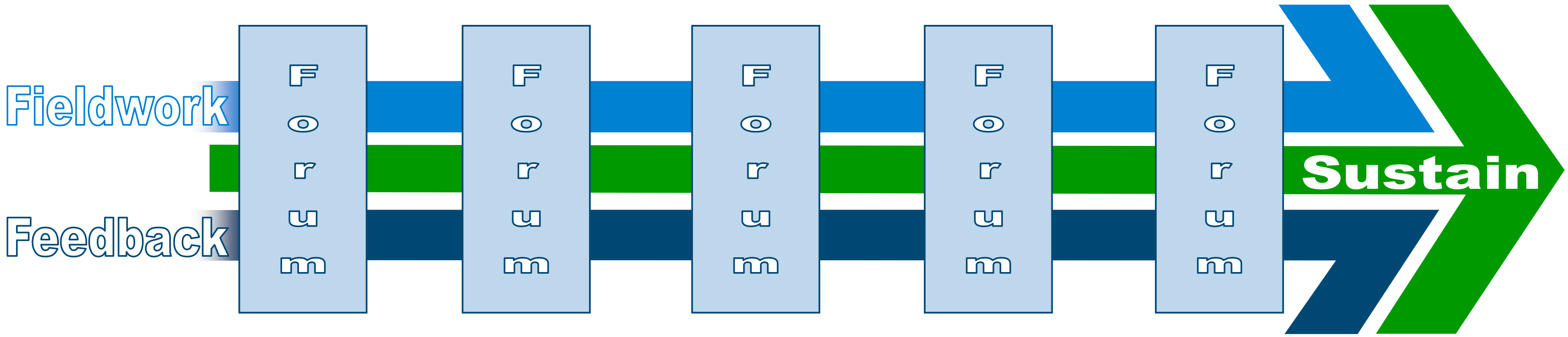
Track 2 – Way of Working transformation



Develop team & individual skills in forums

- **Leadership & Expertise**
- **Knowledge & Skills**

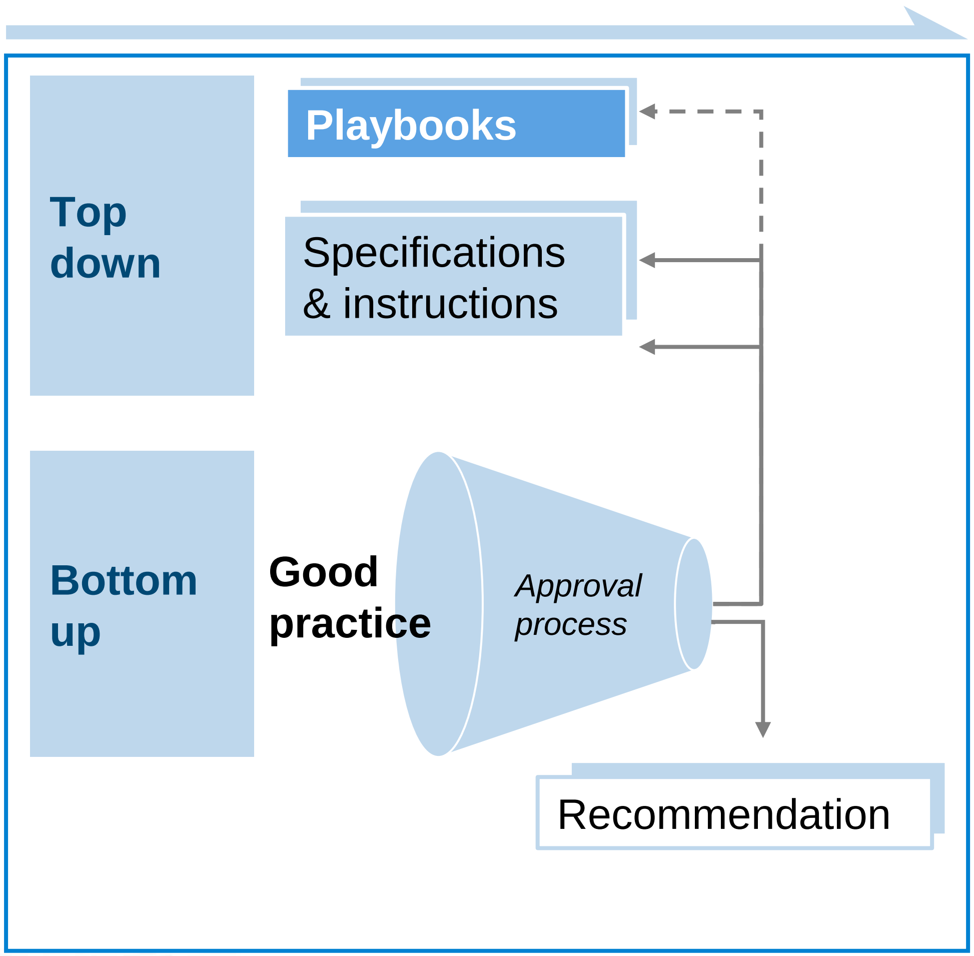
Execute fieldwork in the transformation units, adopting the new concepts & approach

Get continuous feedback on the fieldwork execution

- **Formal monitoring tools**
- **Daily/ weekly coaching sessions**

Track 3 - Standardization and good practice sharing

Standards are being developed centrally (top down) and locally (bottom up) and are linked with the good practice sharing mechanism



- **The optimal standardization: lowest total cost for Bekaert**
- **No ambiguity**; it has to be clear which standards need to be **globally** adopted versus which ones can be **regionally/locally** adapted.
- Standards are global if there is a **benefit of scale** across the network (synergies)

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Content

1. How do we deliver?
2. Why did we initiate the BMS project?
3. BMS program methodology
4. Resources and governance
5. BMS in “real life”

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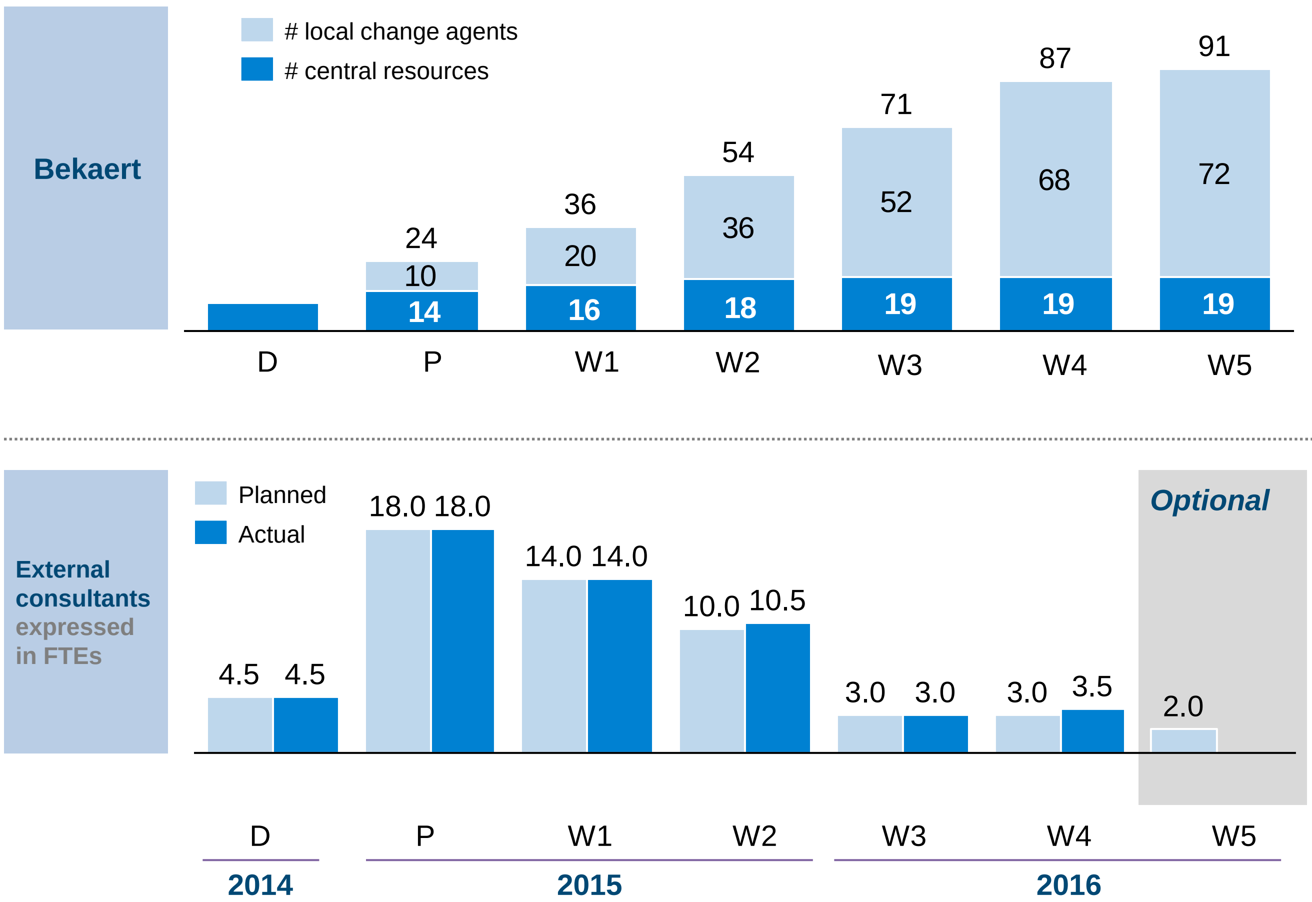
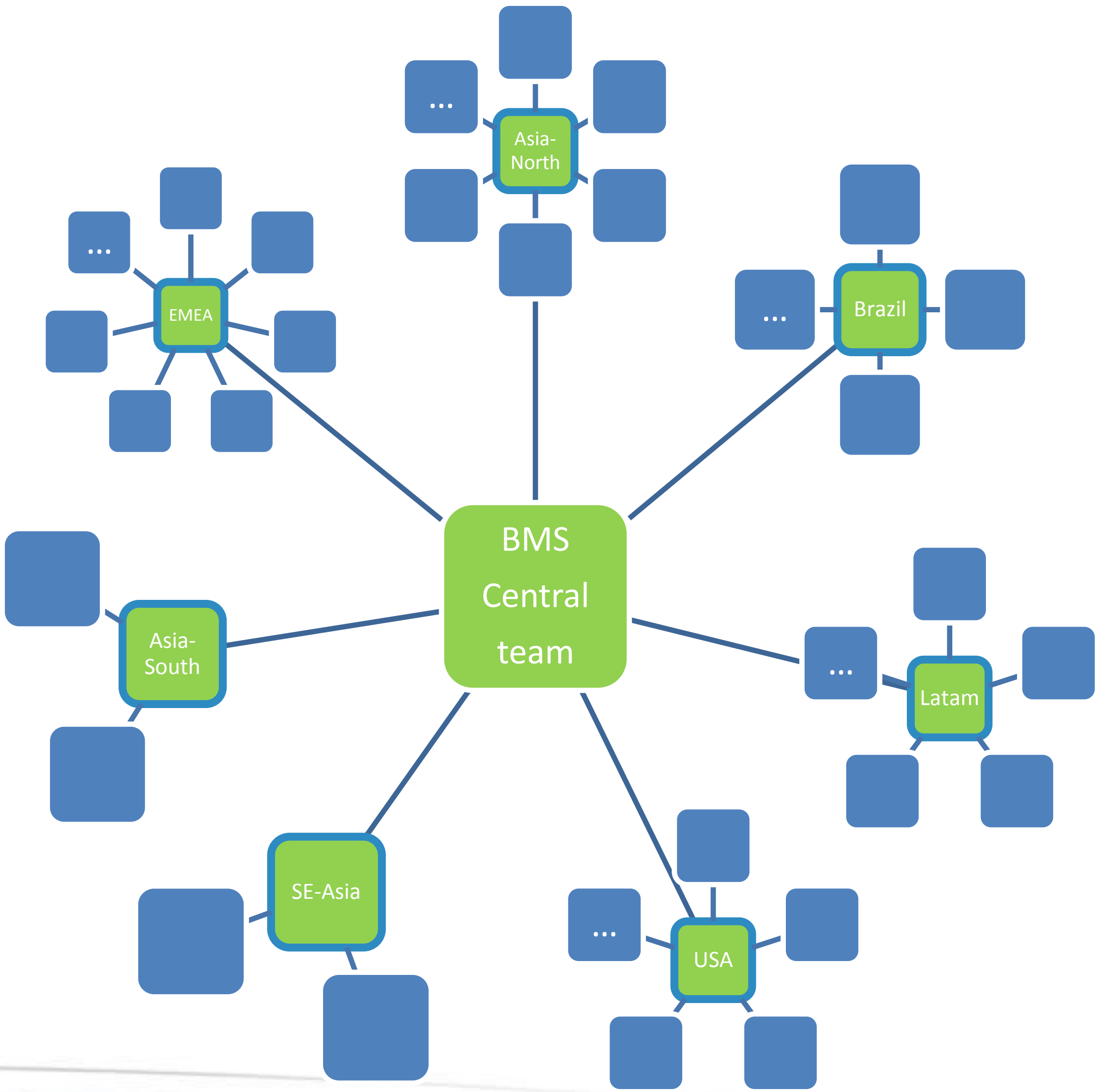
Bekaert has built up the capacity & capability to further roll out BMS…



FTE: Full-time Equivalent (people allocation) – W = Wave (timing)

Manufacturing Excellence: global and regional structure



Way of working:

Central team

- Sets the standards (definitions, procedures, tools, approach)
- Trains and works with regional coordinators
- Updates standards based on new insights, collected good practices

Regional team

- Trains and ensures standards are known and used in plants in the region
- Collects good practices in the region, gives inputs to the center
- Helps plants on specific issues

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BMS in “real life“

- Teams involving shop floor people, dedicated team of champions, change agents and (fading out) external consultant support
- Benefits will become increasingly visible in the income statement
- Enthusiasm and motivation to participate in the transformation program

Excellence

Bekaert Manufacturing System

Bridon-Bekaert Ropes Group merger status

Bruno Humblet

6 June 2016

Transaction Highlights

- Bekaert and Ontario Teachers' Pension Plan (OTPP) have reached a definitive agreement to combine the steel rope and advanced cords businesses of Bekaert with Bridon to form a joint venture company, Bridon-Bekaert Ropes Group.
- Bekaert will hold a controlling equity interest of 66.7% and OTPP will hold 33.3%.
- Bruno Humblet will be appointed CEO of Bridon Bekaert Ropes Group and Andrew Caffyn will be the Chairman of the Board. Bruno will be heading a combined Bridon-Bekaert management team and will be replaced as CFO of Bekaert.
- The JV will leverage the skills and capabilities of about 2500 employees, 19 plants in 11 countries, market-focused R&D, and a global sales and service network
- JV will raise new third party debt finance (ring-fenced from Bekaert)
- Cash-neutral merger transaction
- Definitive merger agreement is subject to customary closing conditions including regulatory approvals - deal closing expected in the first half of 2016

Transaction Rationale

Fit With Bekaert Strategy

- Consistent with Bekaert's strategy to become a global leader in ropes
- Combination is the culmination of Bekaert's recent moves, including the acquisitions in Brazil, Texas US and Australia
- Highly complementary across geographies and sectors

Product Offering

- Full range of state-of-the-art steel, synthetic and hybrid solutions, ancillary products and specialist services
- New product development pipeline to build next generation offering

Manufacturing Capability

- Efficient and flexible factories, optimized for cost and serving customers from a global platform

Transaction Benefits

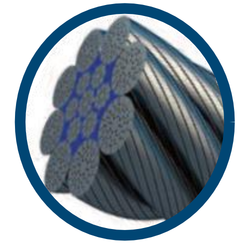
- Leveraging scale and synergies in operations, procurement, technology, brand and customer service

Agenda

- Bridon activities and entities within scope
- Bekaert activities and entities within scope
- Bridon-Bekaert Ropes Group
- Q&A

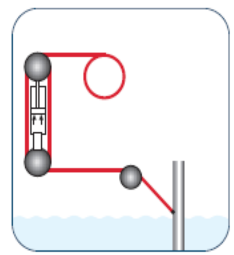
Land and off shore exploration, infrastructure build, production, and decommissioning

Hydra

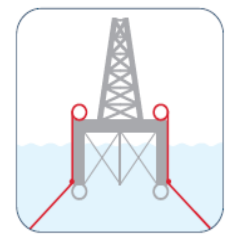


BRISTAR®

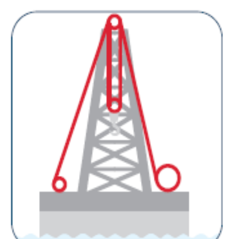
Riser Tensioner Lines



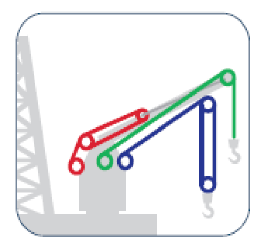
Anchor Lines

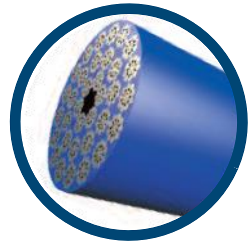


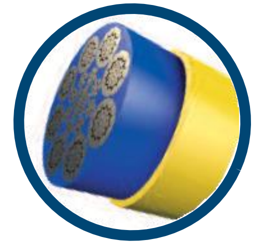
Drilling Lines

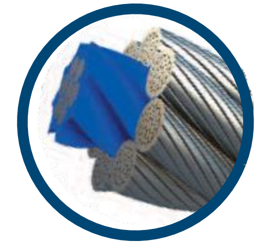


Crane Ropes





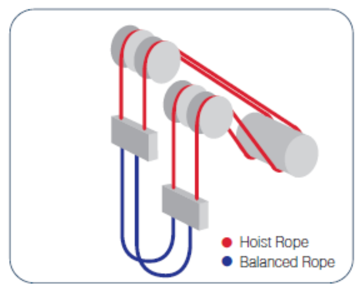




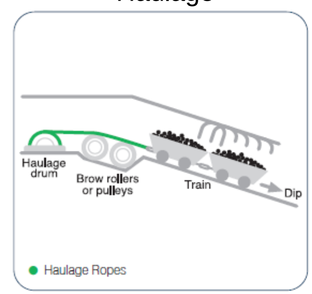
Surface and underground extraction

Under Ground

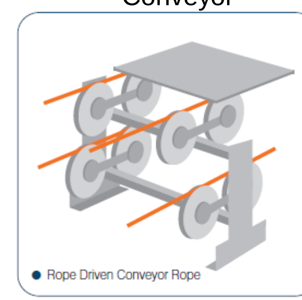
Hoist and Balance



Haulage

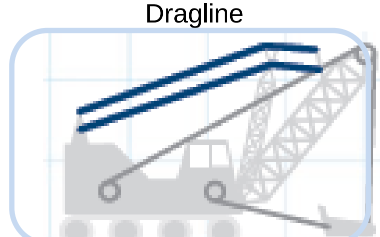


Conveyor

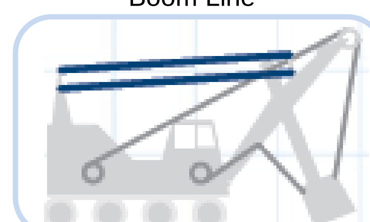


Surface

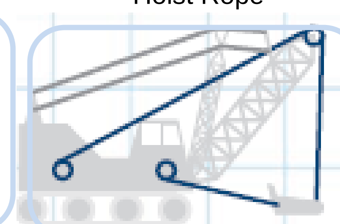
Dragline



Boom Line



Hoist Rope



BRIDON

Constructex®

BRIDON Endurance

Port and Crane Equipment

Manitowoc

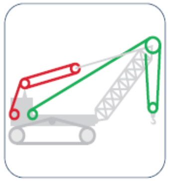
ZPMC

LIEBHERR

SANY

TEREX

Mobile Lattice and Boom Crane

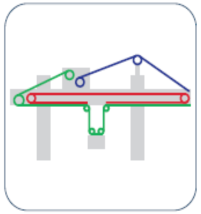


- Boom Hoist Rope
- Main Hoist Rope

Telescopic Mobile Crane

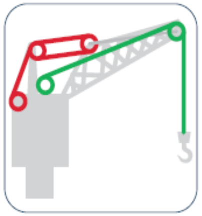
- Main Hoist Rope

Container Crane



- Trolley Rope
- Boom Hoist Rope
- Main Hoist Rope

Dockside Crane



- Boom Hoist Rope
- Main Hoist Rope

BRIDON

Structures

❖ Bridges Buildings Stadiums

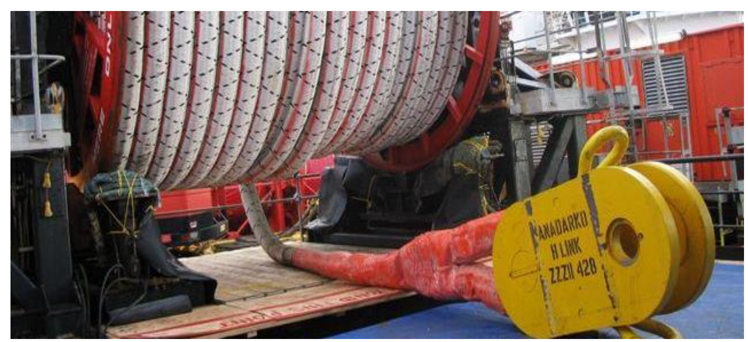
Marine

❖Trawl Warps and Purse Wires
❖Harbour, Escort & Ocean Towing

Wires

❖Wire rope, Armouring, General Engineering

Services



❖ Repair and maintenance, Installation and replacement services, Inspection and testing, Non-destructive examination (NDE), Splicing

Locations

Production plants in:

- Doncaster UK
- Neptune Quay UK
- Willington Quay UK
- Coatbridge (Scotland) UK
- Tønsberg Norway (Scanrope)
- Gelsenkirchen Germany
- Hanover Pennsylvania USA
- Exeter Pennsylvania USA
- Oakland City Indiana USA
- Hangzhou China
- Jakarta Indonesia

Worldwide sales, services and distribution network. Main hubs in:

- Macae, Brasil
- Hong Kong
- Dubai
- Auckland, NZ
- etc.

Agenda

- Bridon activities and entities within scope
- Bekaert activities and entities within scope
- Bridon-Bekaert Ropes Group
- Q&A

Bekaert activities and entities within scope

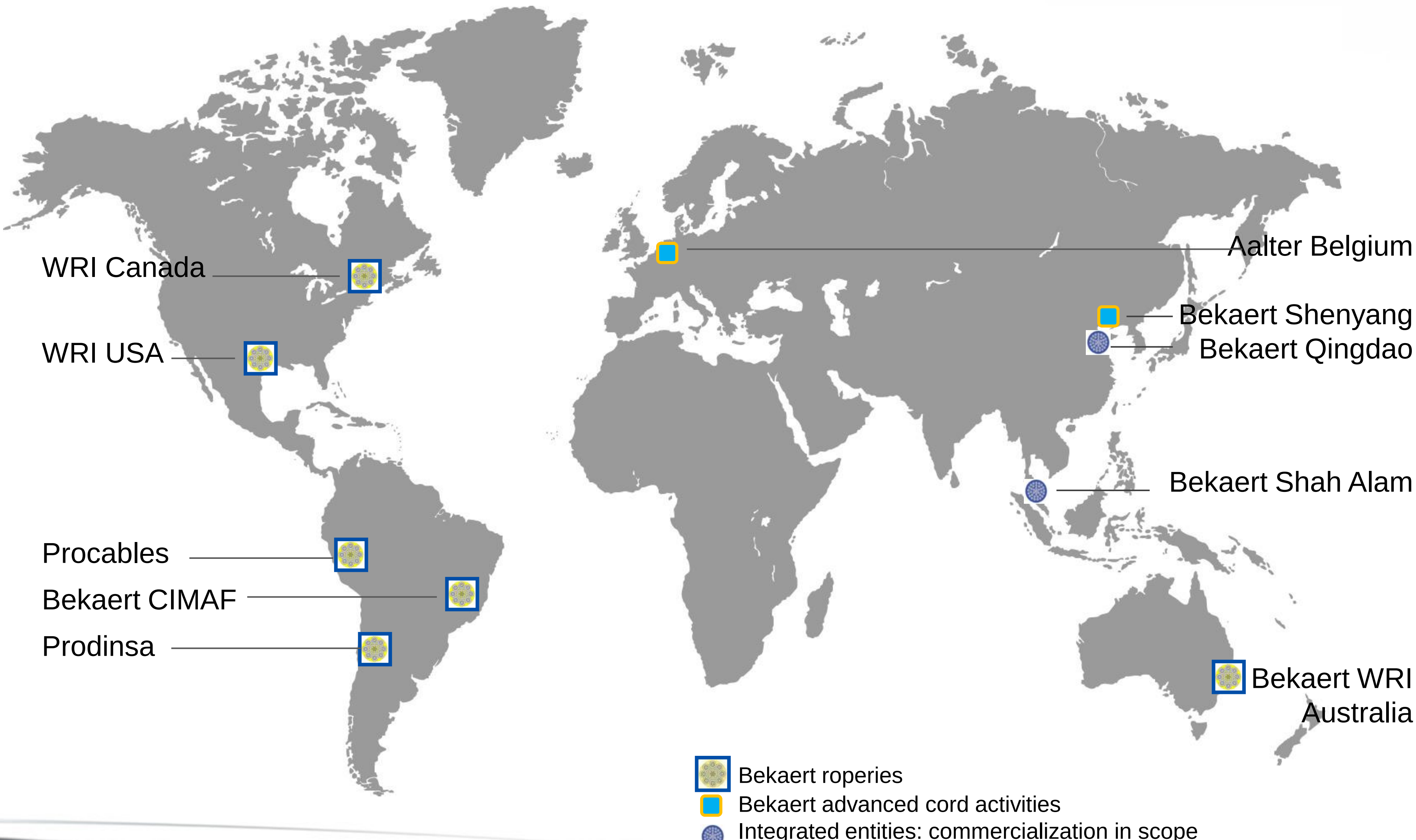
Activities: ropes and advanced cords activities

Entities within scope:
- Wire Rope Industries Canada – US – Australia
- Bekaert Cimaf in Brazil
- Prodinsa in Chile
- Procables in Peru
- Bekaert advanced cords activities in Aalter (Belgium) and Shenyang (China)

While Qingdao (China) and Shah Alam (Malaysia) will remain Bekaert plants (with ropes production being part of their activities), the commercialization of the ropes manufactured by these plants will be integrated in the new group.

Excluded:
- production and commercial activities of rope wire
- the ropes platform activities in Hlohovec (sawing cord, Fleximat®, belt cord)
- the ropes activities in Venezuela

Bekaert entities and commercialization activities within scope



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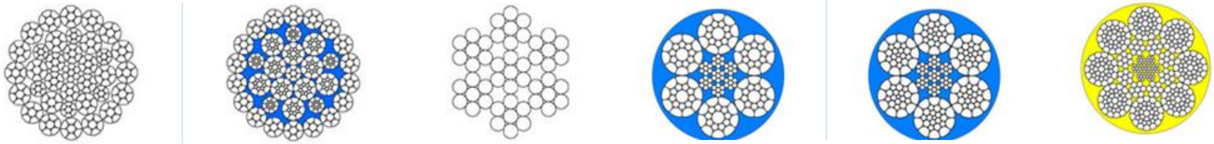
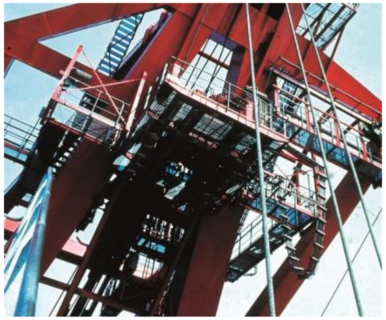
Bekaert Ropes

Bekaert offers a wide range of ropes for a variety of applications,

- Open pit mining and underground
- Structures
- Hoisting (port, steelmills, mineral unloaders and starting with offshore cranes)
- O&G (onshore and offshore)
- Elevators, cables, industrial fishing, forestry, …

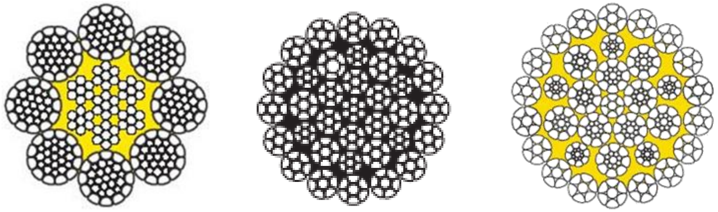


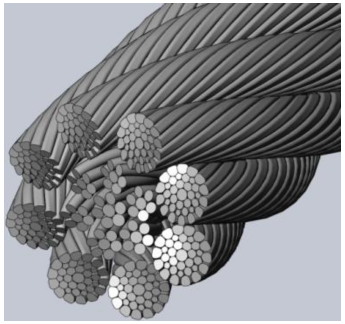


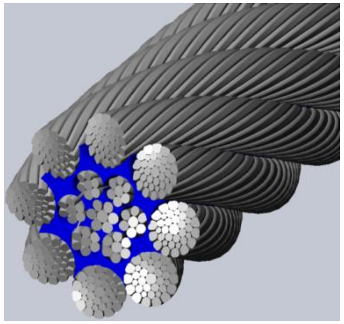


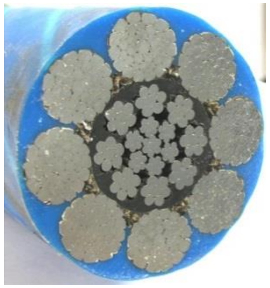
Backed by ropes expertise in the R&D centres in Belgium and China,
our dedicated rope development centres in Canada and Latin America,
and the research partnerships with universities and business partners globally,
we constantly add new ropes types to our portfolio:

- High performance ropes
- Hybrid ropes
- Compact ropes
- Plastic-enhanced dragline ropes









Advanced cords: similar constructions as ropes, but ultra-thin:

Automotive applications:

- Window elevator cable
- Heating cord

Hoisting applications:

- Flexisteel® elevator rope
- Steel cord for elevator belts

Timing belt reinforcement:

- Industrial handling systems
- Automatic storage equipment
- Automatic gates and garage doors
- ATM bank note and other dispensers

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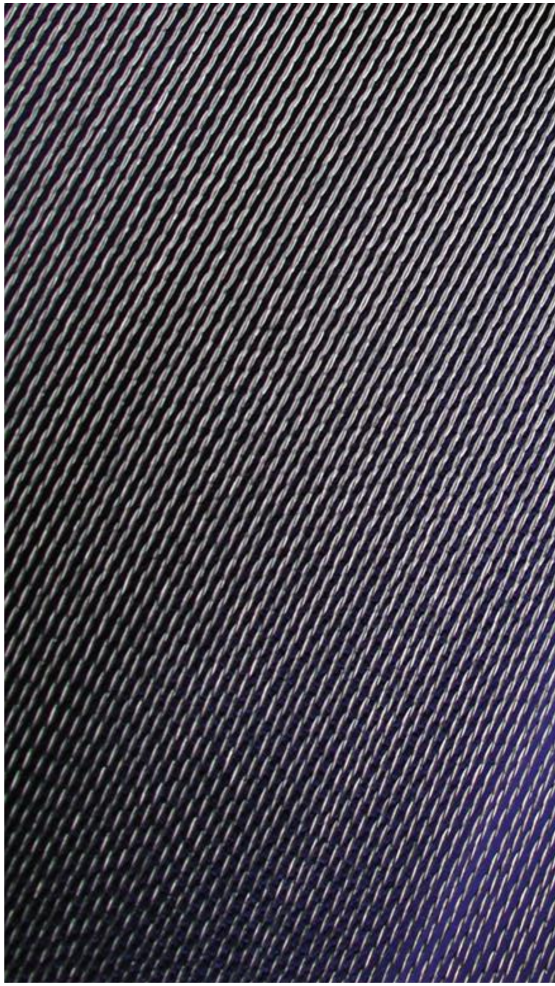
"Showing the ropes" ..

- Bekaert's global ropes platform has 50 years of ropes manufacturing history
- 6 roperies
  (Canada, USA, Peru, Chile, Brazil, Australia)

  2 advanced cords plants (Belgium, China)

  commercial activities for the ropes part of 2 integrated wire plants (China, Malaysia)
- A team of 1250 people
- 100KT ropery capacity
- 40% mining – 15% O&G – 15% other heavy duty - 30% other
- Constantly investing and growing
- Clear ambition to become a global rope solution provider



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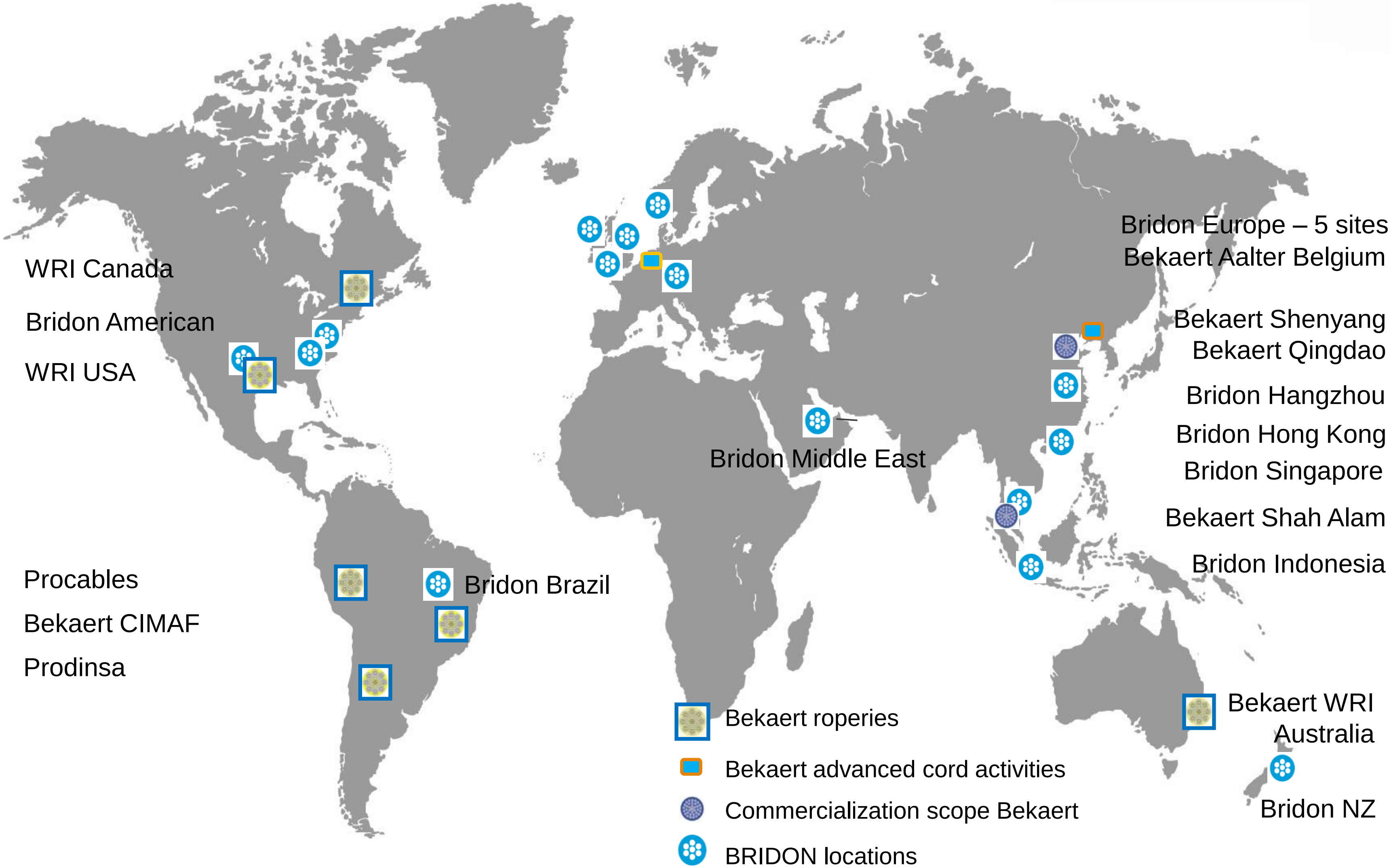
Bridon-Bekaert Ropes Group

A merger to create global technology leadership, delivering enhanced value for all stakeholders






Bridon – Bekaert combined ropes group



Transaction Impact on Bekaert Consolidated Statements

Income Statement

- Incremental annualized sales of US$ 355 mln (normalized – expected by 2018) - new group: total normalized sales of around US$650m (target 2018)
- Potential cost savings expected to be realized within 3 years of completion
- Earnings enhancing from 2017

Balance Sheet

- Creation of JV with OTPP is a cash-neutral transaction
- Acquisition of MatCo Cables' stake in Bekaert Ropes Group is reflected in Bekaert's 2015 net debt
- New debt raised in JV at completion in 2016 will be ring-fenced – non-recourse to Bekaert
- Transaction is expected to add €285m in net debt in 2016

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Combined financials (at current FX)

	OTTP Bridon		Bekaert		BBRG
Net sales (mio EUR)	315 (normalized)	+	265	=	580
REBIT (mio EUR)	Slightly lower than 7% (Oil&Gas impact)		Slightly higher than 7%		In line with 7% Medium term higher
Net debt (mio EUR)	285	+	35	=	320
Prefered instrument (1) (mio EUR)			90		
Share-holding	1/3		2/3		

- Financials calculated at USD/EUR of 1.12
- Ranges in revenues depending of growth of Oil & Gas and Mining
- Pro forma statements: as per definitions of different parties
- (1) Dividend to be paid by Bridon-Bekaert Ropes Group to Bekaert

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Timetable

- Regulatory filings in key jurisdictions (EU, the US, Brazil, (China), South Korea, Australia and Chile) ✓
- Carve out of relevant Bekaert assets in the first half of 2016 ✓
- Standard closing conditions
- Estimated time of completing the transaction: first half of 2016

Bekaert Slatina plant

Federico Cianciosi

7 June 2016

Bekaert Slatina plant

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Short History

Before starting the construction
September 2004

First brick was laid
on 30 October 2004

First spool was produced on 10 March 2005
2+1X0.28

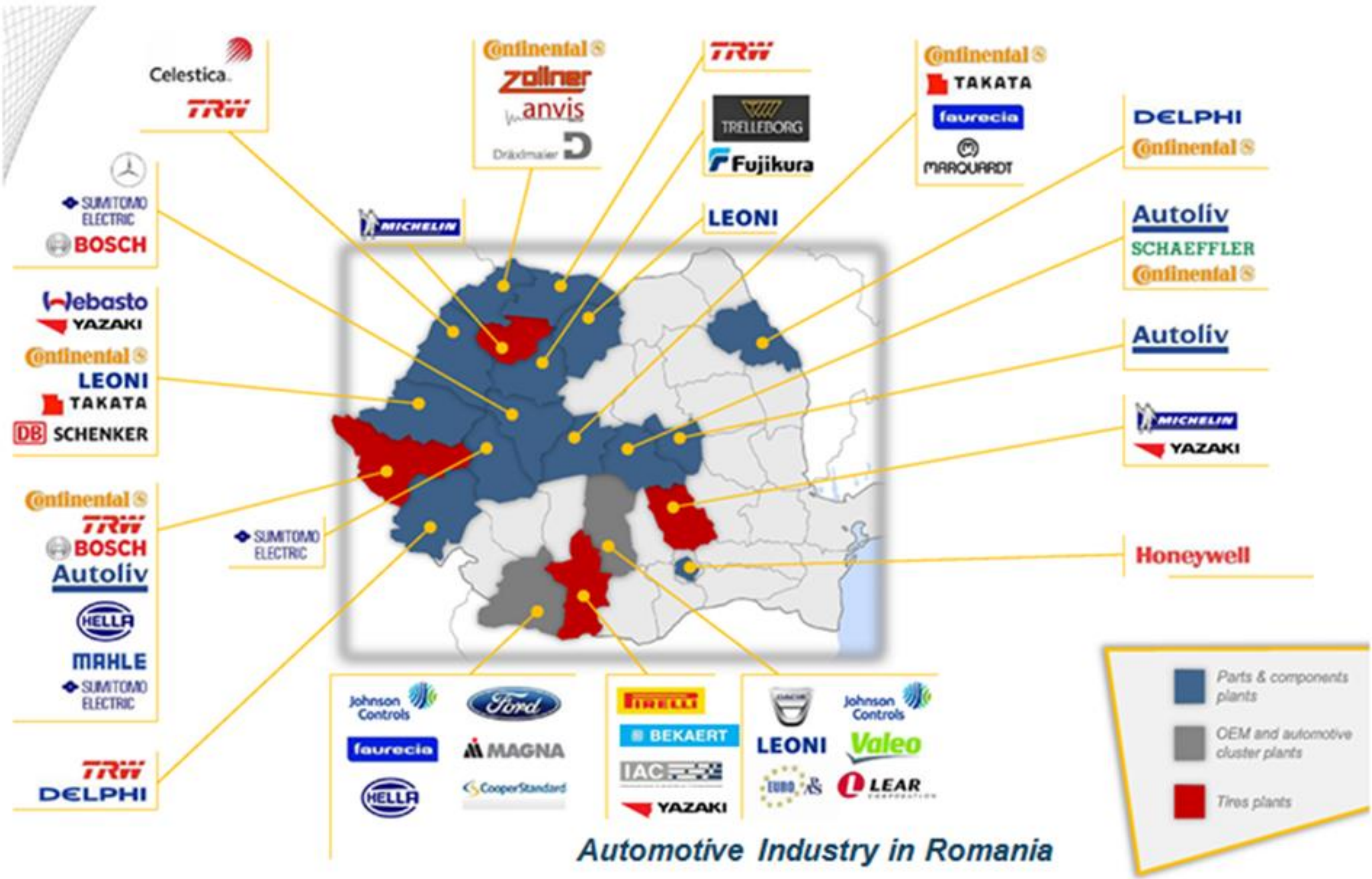
15 April 2005

Start of expansion program
semi-finished products - October 2011

The inauguration of the semi-finished
products plant on 13 March 2013

The start of the BEKAERT integration
on 18 December 2014

Automotive Industry in Romania



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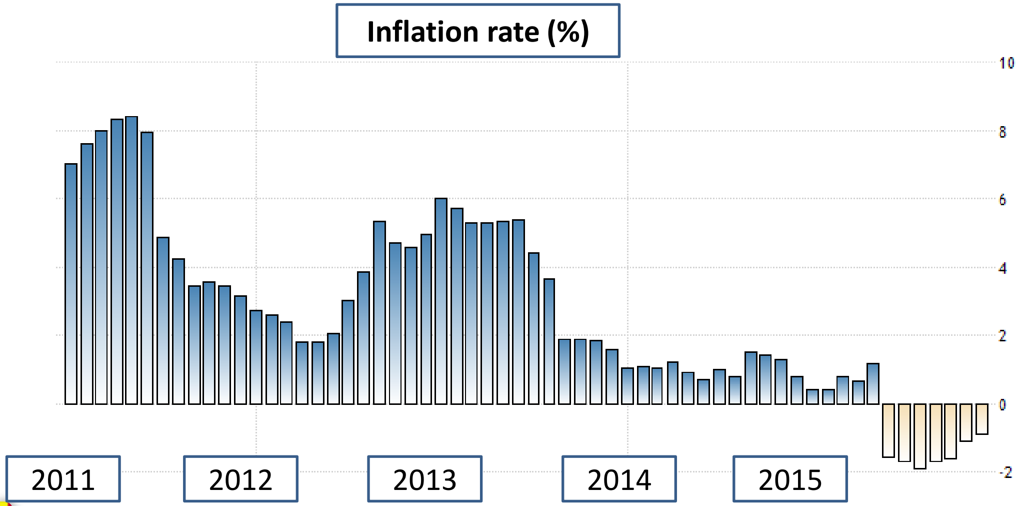
Romania at a glance

In the European Union, Romania ranks 9th largest in terms of land and 7th largest by population.

COUNTRY FACTS (2015)

- ***Population**: ~ 20 million*
- ***Surface**: 238 391 sq Km*
- ***Nominal GDP** 158.8 €bn*
- ***GDP/capita**: 7 985 €*
- ***Real GDP grow**: +3 % yoy*
- ***Inflation rate**: -0.59% yoy eop*
- ***Unemployment rate**: 6.6% yoy eop*
- ***Currency** Romanian Leu (RON)*
- ***Time zone** GMT+2*
- ***Religion** Orthodox (85.9%)*
- ***National Day** December 1st*
- ***Member of the UN, of NATO, and as of January 1st, 2007, a full member of the European Union***

Source: Raiffeisen RESEARCH - 2015



Source: Eurostat, European Commission, Raiffeisen RESEARCH

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Presence in Romania

Shareholders structure

BEKAERT — 80%

Continental — 20%

BEKAERT Slatina

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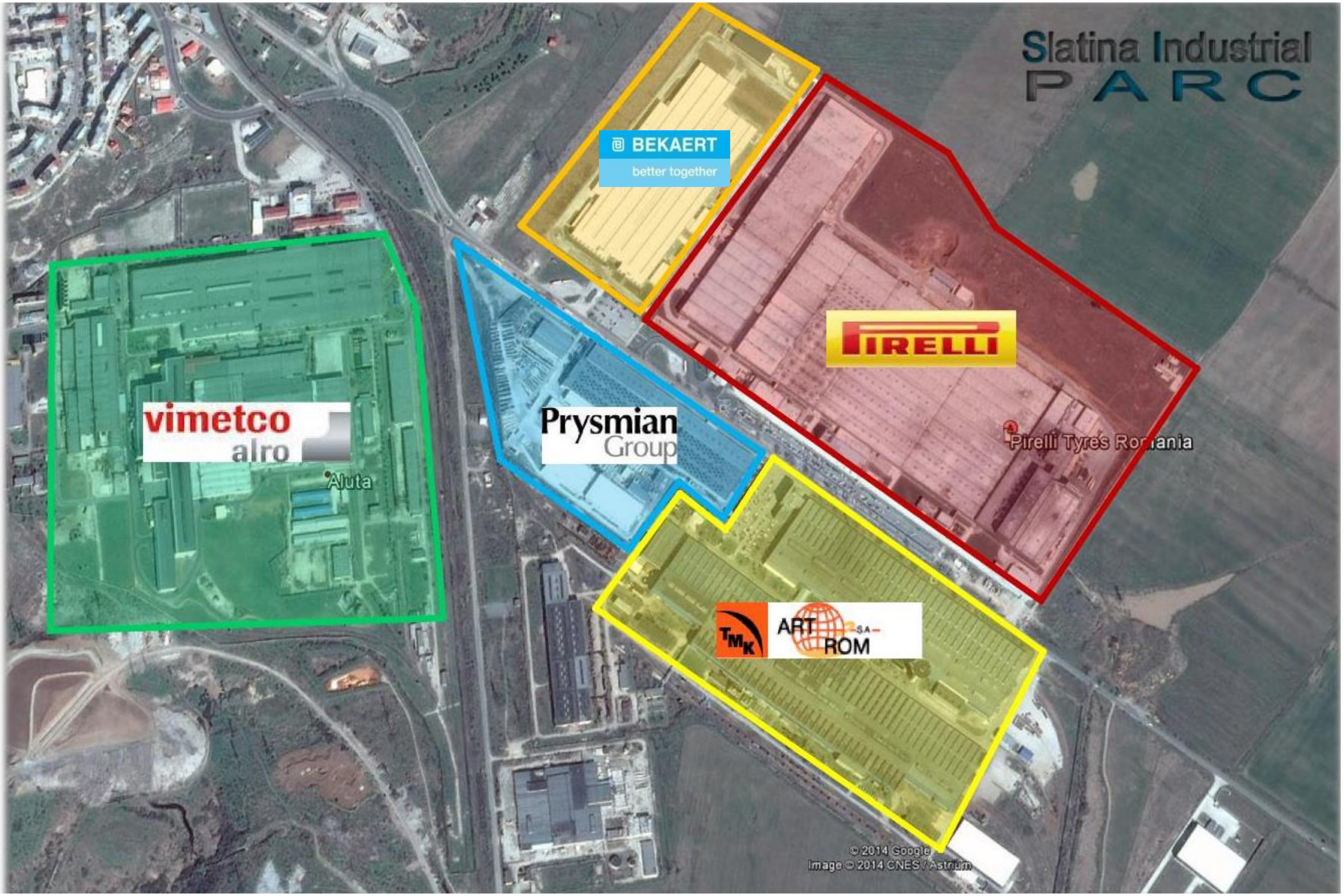
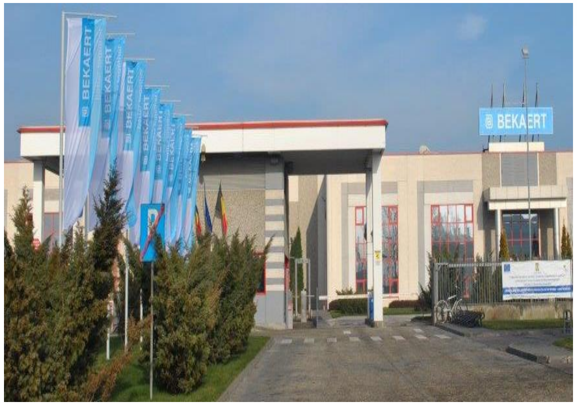
Slatina Industrial Park



Bekaert Slatina - Overview

Highlights



- Founded in 2005 as a JV with Continental
- Area: 115 227 sqm, of which 54 592 sqm covered; 4 896 sqm warehouse
- Working Days: All Production Area 7 days / week
- ISO certifications: 9001, 14001, 18001
- Products: Brassed wire, steel cord (passenger + truck), hose wire
- The largest ex-Pirelli steel cord plant with the highest capacity for passenger steel cord
- Possibility to expand plant
- The factory layout has been designed to optimize the material flow
- Benchmark with other plants for 5S application
- **We worked 923 days without accidents** (from November 2011 to May 2014) and since October 2014 till today: 1 accident.

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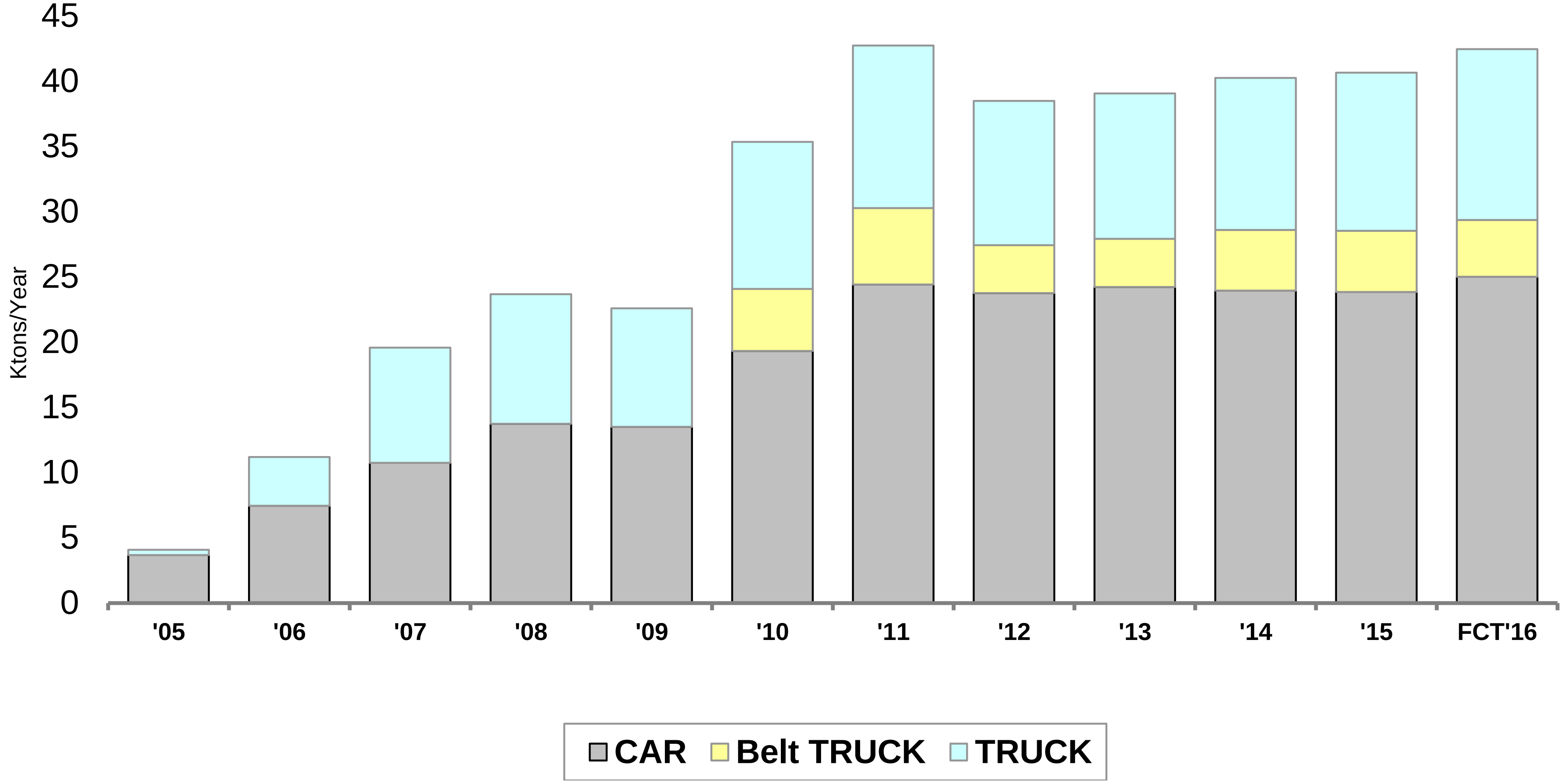
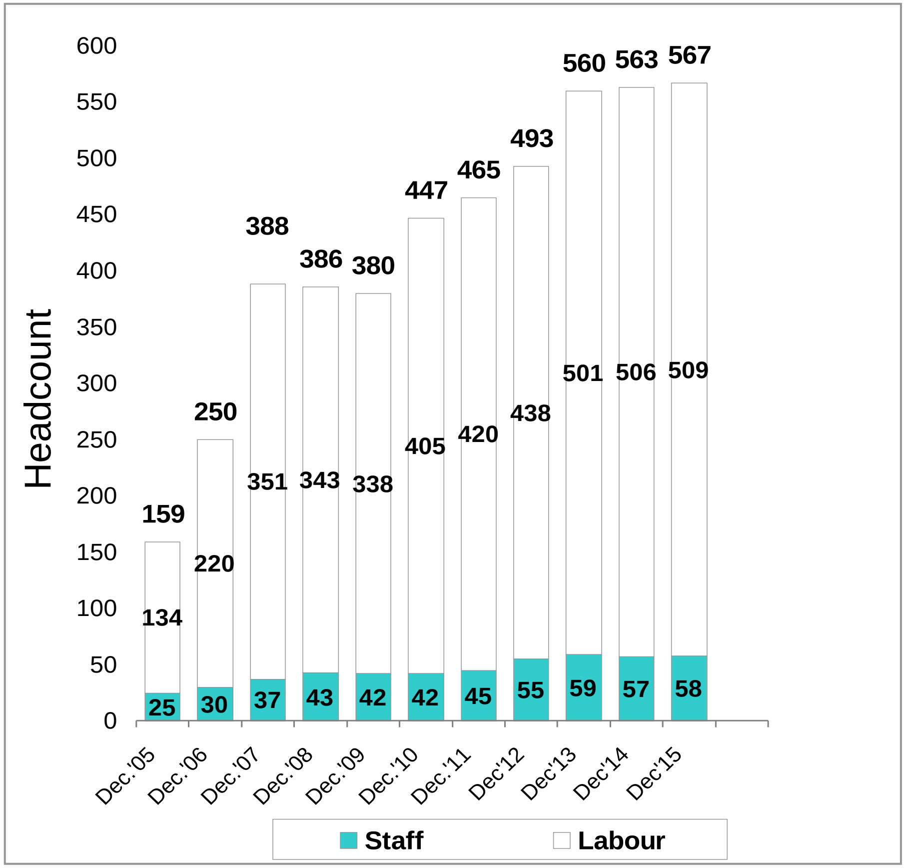
Production Trend Volume (ktons) 2005-2016

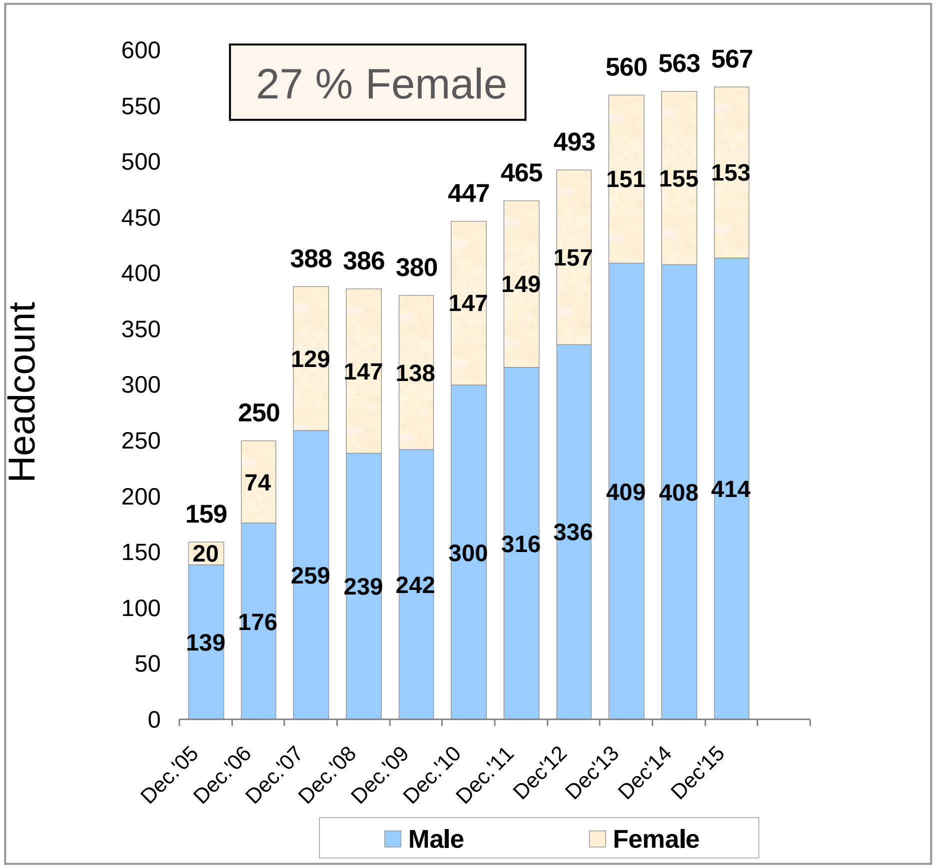


HR – Labor & Staff

Labor and Staff



Equal Opportunities



Turnover 2015:

BC: 3.96 %
WC: 8.62 %

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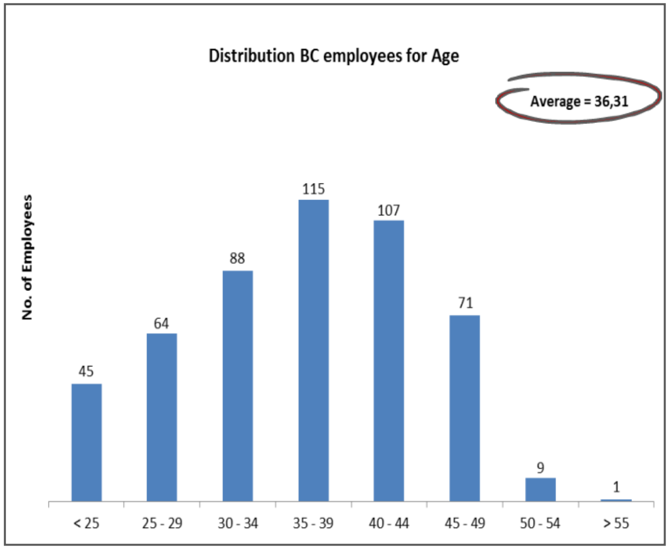
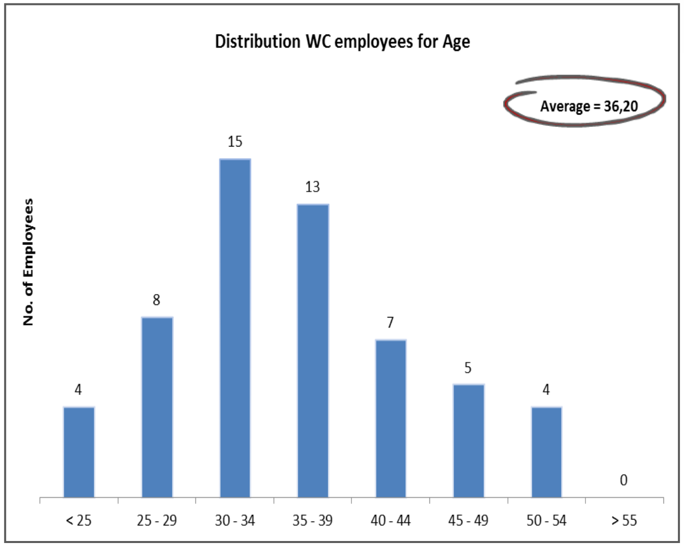
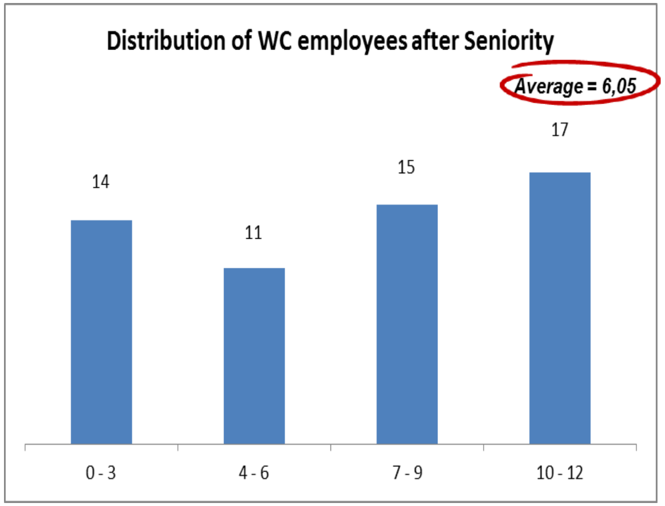
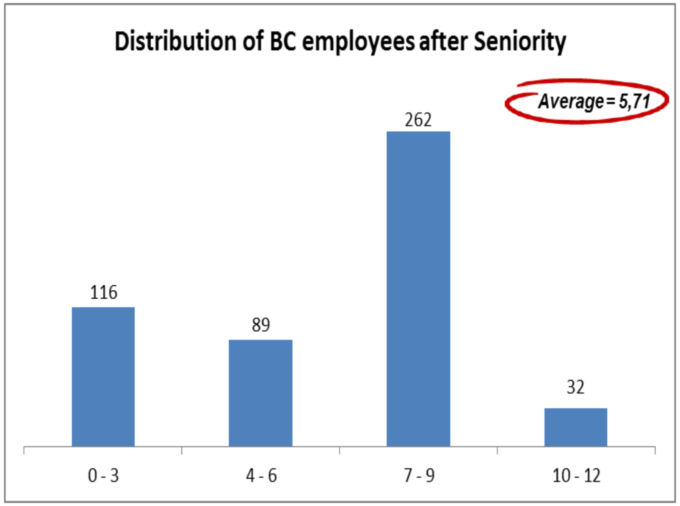
Employees Breakdown by Seniority









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To streamline our work activity, detect root cause-problems, find the appropriate solutions, implement action plans, etc., we have a roadmap in place to reach everybody involved:

Staff Meetings:
Daily Production Meeting
When: Mon-Fri at 09:30 a.m. - 30 minutes

Industrial Meeting:
When: 2 times per week at 11:00 a.m. - 60 minutes
Participants: GM & all departments managers

Manpower Meetings:
Monthly Meetings with all operators - 30 minutes
Focus areas:

- *Safety*
- *External Quality*
- *Internal Quality*
- *Volume achieved and future needs / targets*
- *Open discussions with Operators: Improvement Suggestions*

BKSR Safety & continuous improvement

TARGET: Zero Accident

5S

Safety - Always

- **1 Accident in 2016**
  (after **923 days without accidents**
  (from November 2011 to May 2014)**.**
- **Yellow Card system** implemented in December 2015 & expanded to all production areas (YTD no. 40)

Continuous Improvement

- **5S Extension**
- **15 groups**
- In every week we make a 5S audit, three times per year for each group
- 541 people involve in 5S activities, 97% from total employs
- 55 actions from A3 projects
- 85 actions from Continuous Improvement groups
- 580 actions from Kaizen Activities

Safety Week

- Meetings & trainings with all the operators & staff
- Workshops with the supplier of PPE

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BSR Team Activities

08/03/16: Woman Day

01/06/15 Children Day

01/05 – 30/06/15: Football League

5 Teams - 80 persons - 13 matches

26/09/15 “On Green Wheels”

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