

Shareholders' Guide 2006



Investing in sustainable profitable growth

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This brochure contains forward-looking information that involves risks and uncertainties. Readers are cautioned that forward-looking statements include known and unknown risks and are subject to significant business, economic and competitive uncertainties and contingencies. Bekaert, nor any other person, assumes any responsibility for the accuracy of these forward-looking statements. The company undertakes no obligation to publicly update any forward-looking statements.

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Message from the Chairman and the Chief Executive Officer



Dear Shareholders,

Bekaert is committed to offering its shareholders high-quality financial information. Clarity and transparency are not empty words – our listing in the Euronext NextPrime segment proves Bekaert's intention to constantly engage in an open dialogue with our shareholders.

Bekaert has a tradition to uphold when it comes to transparent financial information. We have always chosen to respond quickly to international standards. In fact, we were one of the first in Europe to apply International Financial Reporting Standards (IFRS) in our financial statements. Both private and institutional investors benefit from our sustained efforts to engage in fruitful talks in order to clarify our performance, be it at shareholders' or analysts' meetings. Since the geographical spread of our shareholdings has grown more and more international, we have also received recognition for our excellent online communication with investors. In 2006, we received once again an award for the best Belgian investor relations website.

Our clear choice for transparency essentially enhances the evaluation process for our shareholders. It is thanks to your continued support and belief in our ability that our company has been able to pursue sustainable profitable growth for over 125 years.

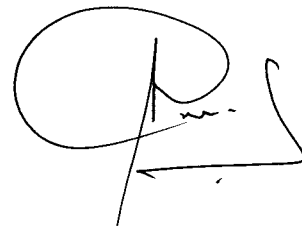
This is also thanks to the daily efforts of our 18 500 employees around the world, who fully understand the importance of value creation. By creating value for the customer, they also create value for shareholders and all our other stakeholders. Our baseline, expressed in *better together*, runs like a thread through this corporate philosophy. It underlies our conscientious implementation of a sound corporate governance policy and our efforts to operate with due respect for people and the environment.

How we achieve sustainable profitable growth, and thereby create value for you, as our respected shareholders, is explained in this shareholders' guide. It presents you with our profile and business segmentation for the financial reporting. It shows our Key Performance Indicators and the development of our performance from a historical perspective. It also provides you with information about the Bekaert share, shareholder structure, dividend policy and, last but not least, with practical information about general meetings, the financial calendar and the definitions we apply.

If you have any questions while reading this guide, please do not hesitate to contact our Investor Relations Manager. We will be glad to assist you.



Bert De Graeve
Chief Executive Officer



Baron Buysse CMG CBE
Chairman of the Board of Directors

Company profile



Bekaert's business is built on two core competences: advanced metal transformation and advanced materials and coatings. The combination of these competences makes Bekaert unique.

Customers in more than 120 countries and in the most diverse sectors choose to work with Bekaert for the wide range of high-tech products, systems and services it provides. Bekaert's workforce of over 18 500 is committed to meeting their needs, day in and day out.

The main raw material for most of Bekaert's products is wire rod. This is steel wire of about the thickness of a finger, made in a wide range of compositions and grades. Various wire products are made by drawing wire rod through dies of diminishing size, subjecting it to heat treatments of various kinds and, depending on the application, possibly applying a specific coating. These processes impart a range of properties in such areas as tensile strength, hardness, frictional resistance, corrosion resistance and adhesion. Bekaert is able to apply its many coating technologies to various materials.

Although its main focus is on intermediate products, Bekaert keeps in close touch with end-users so that it can anticipate their needs and offer its industrial customers the solutions that give them a competitive edge in their markets. Bekaert builds win-win relationships with its customers, based on equal partnerships characterized by mutual trust and understanding. Bekaert adds value for customers and end-users all over the world.

In pursuit of its strategic objective of sustainable profitable growth, Bekaert aims for market and technological leadership and is a major player in its markets worldwide.

Bekaert in 2006

Combined sales:	€ 3.2 billion
Consolidated sales:	€ 2.0 billion
Operating result (EBIT):	€ 146 million
Result for the period (Group):	€ 142 million
Cash flow:	€ 262 million

Employees: 18 500 worldwide

Euronext® Brussels: BEKB
Market capitalization: € 2.0 billion

www.bekaert.com

Sectors

Customers in many sectors – from the automotive, construction, offshore and telecoms industries to the textile industry and environment-friendly burner manufacturers – choose to work with Bekaert.

The **automotive sector** is the most important, accounting for a third of combined sales. The vast majority of Bekaert's products are destined for the replacement market and only a minority for the original equipment manufacturer (OEM) market. Bekaert supplies steel cord products for radial tire reinforcement to virtually all the world's major tire manufacturers.



The company also supplies customers in the automotive sector with many specialized wire products which meet the highest quality requirements and standards. These include spring wires, fine cable wires, welding wires, cables for side-window systems and wire for windshield wiper arms and blades. Bekaert diamond-like coatings on engine components reduce friction, increase service life and improve performance, while solar-control window film enhances driver and passenger comfort by improving temperature control, reducing glare and providing protection against harmful UV rays. An average car may contain up to 30 kg of Bekaert products.



The company is active in practically all the other economic sectors. Some Bekaert products are clearly visible, but most are hidden. The company is a major global player in the **construction sector**, for example, with Dramix® steel fibers for concrete reinforcement, strands for prestressed concrete elements, plastering mesh, corner beads and fine steel cord for reinforcing elevator lifting belts. Bekaert also supplies cables and cable wire for construction equipment and the company is a leading player in window film for buildings and sputter products for the **glass industry**. In the latter industry, Bekaert supplies customers with sputter hardware on a project basis and rotatable targets for their production processes.



In the **textile sector**, Bekaert produces cards, carding wires and temperature-resistant textiles. Customers in the **engineering sector** rely on Bekaert products in the manufacture of high-pressure hoses, polyurethane transmission belts and conveyor belts. Customers in the **agricultural sector** come to Bekaert for fencing and the wine industry buys vineyard wire on which to train vines and metal-fiber burners to scorch excess foliage and thus maximize the harvest. Bekaert is market leader in champagne cork wire. The **chemical industry** works closely with Bekaert on the development of filter media and filter systems based on metal fibers. The company is a major supplier to the **offshore sector** of anchor cables for drilling platforms and profiled wire for reinforcing flexible pipes. The **printing industry** uses colored Bekaert bookbinding wire and the **telecommunication sector** is a large user of communication cables. Bekaert wire is also used to reinforce power transmission cables.

Bekaert's global presence in practically all sectors is a significant advantage, because diversity makes it less dependent on the trend in any particular market. With its extensive network of contacts, Bekaert is able to take a broad view, respond swiftly to opportunities and – utilizing its core competences – develop innovative solutions in close partnership with its customers.

Segment reporting

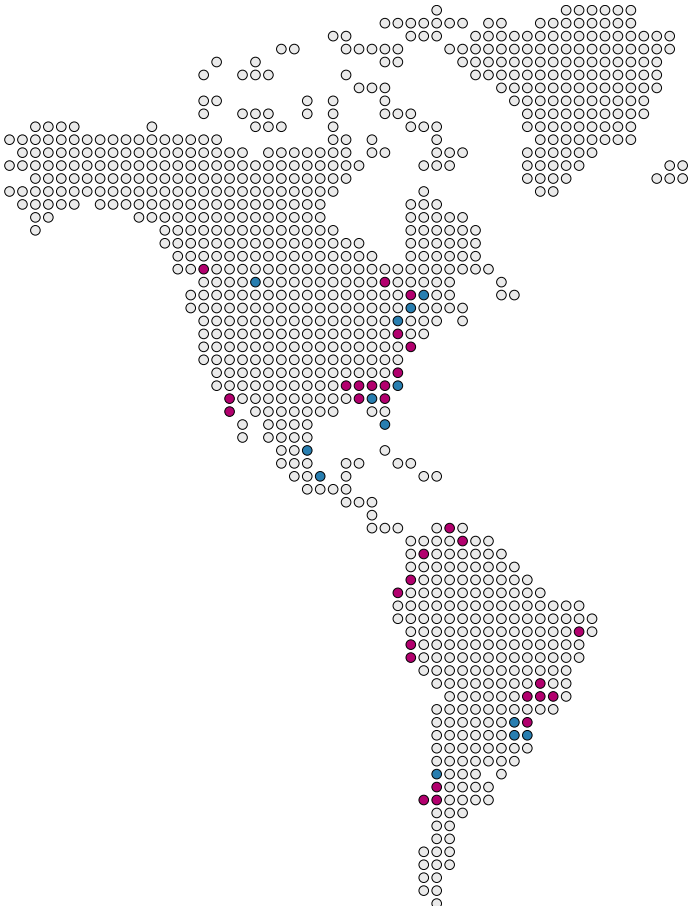
Bekaert reports its activities and results in accordance with the International Financial Reporting Standards (IFRS). Consistent with Bekaert’s strategic vision, primary segmentation is based on three business segments: advanced wire products, advanced materials and advanced coatings. Secondary segmentation of sales is by geographical region.

Business segments

Bekaert produces a highly diverse range of **advanced wire products** which find application in many sectors. Steel wires of various grades and in various forms are used in a variety of applications meeting many different product specifications. The product range runs from very high-tensile wires to ultra-thin metal fibers of 1 micron. The development of wires with higher tensile strength allows thinner wires to be used without compromising flexibility. High-tensile wires are bunched into steel cord.

The **advanced materials** segment covers applications of fiber technologies, combustion technologies and composites. On the basis of its expertise, the company uses ultra-thin Bekaert metal fibers to produce environment-friendly filters, gas burners and combustion systems for both residential and industrial applications. It also develops products for other applications in textiles and in conductive plastics.

The **advanced coatings** segment covers industrial coatings and specialized films. Within the industrial coatings activity platform, Bekaert deploys its expertise in the application of coatings to various materials, mainly glass and metal. The company manufactures a range of window films for vehicles and buildings to keep out the sun’s heat, filter out ultraviolet radiation and hold glass together in the event of breakage.



- plants
- offices

Geographical presence

Bekaert aims to have a presence in all the important markets. The company, which was founded in 1880 in Zwevegem (Belgium), has today grown into a global player which is active on virtually every continent.

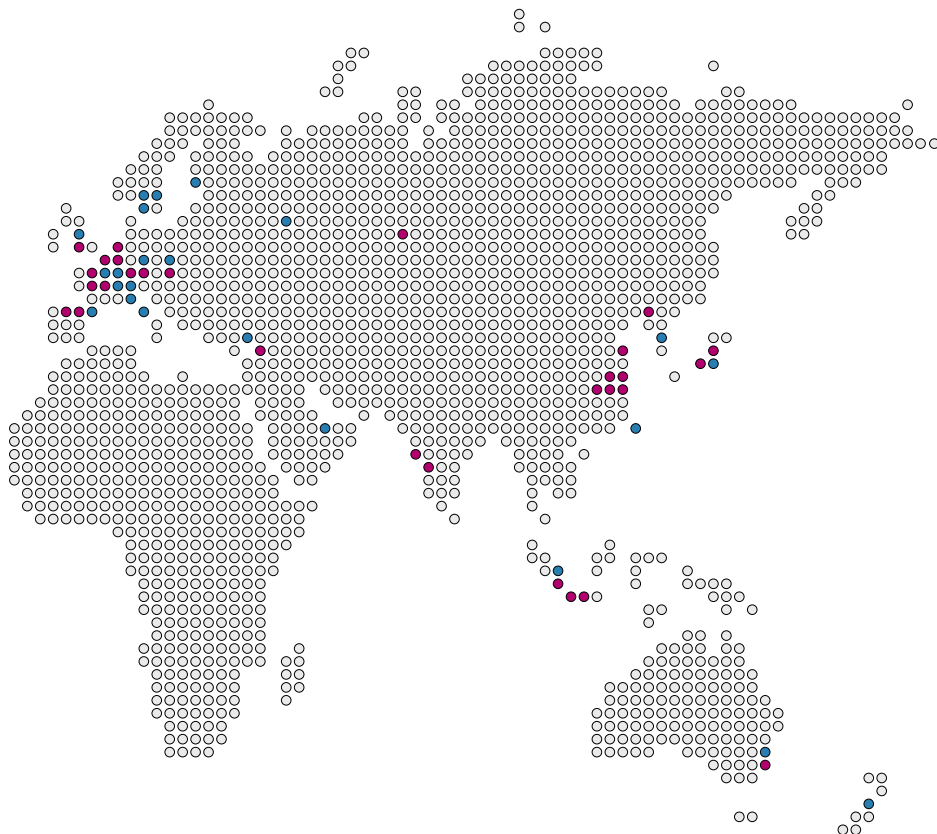
The company greatly strengthened its position in Asia in 2006. Bekaert further realigned its production capacity in Europe and North America in response to changes in market demand. The company increased its presence in certain niche markets and also laid the foundations for advancing its position in Russia.

The global sales network is evolving constantly to suit the changing markets and the specific requirements of customers. Through its network of highly qualified and performance-driven staff, Bekaert seeks constantly to create value for its customers.

It is here – in close collaboration with customers in the various regions – that new products and services originate, before this experience is put to use in other markets or deployed in other types of application.

The production plants are distributed geographically to enable Bekaert to respond optimally to the needs of its industrial customers. While the company tailors its facilities to local needs, it employs uniform production processes, and guarantees the same high quality standards, around the world.

With its long international history, doing business on a global scale has become second nature to Bekaert. Over the years, the company has developed the skills it needs to adapt, integrate and organize in an international context. This helps Bekaert to establish bridgeheads quickly, for both sales and production, even in markets which are difficult to access. It also enables Bekaert swiftly and effectively to identify and respond to changes in the market at an early stage.



North America

2 270 employees

combined sales:
€ 637 million

20%

Latin America

5 490 employees

combined sales:
€ 1 113 million

35%

Europe

6 320 employees

combined sales:
€ 1 006 million

31%

Asia

4 350 employees

combined sales:
€ 386 million

12%

Other regions

90 employees

combined sales:
€ 53 million

2%

Strategy

In pursuit of its long-term strategic objective of sustainable profitable growth, Bekaert is aiming for worldwide market and technological leadership in selected applications of its two core competences: advanced metal transformation and advanced materials and coatings. The combination of these competences makes Bekaert unique.

To secure its future, a company needs both top-line and bottom-line growth to fund investment in forward-looking developments. In the markets where it is active, Bekaert is pursuing long term above GDP-growth, by paying special attention to its customers, partners, suppliers and workforce, wherever they may be located. Bekaert's rich history, built on a stable shareholding, is proof of the company's commitment to safeguarding its long-term future by creating sustainable relationships with its customers, partners, suppliers and employees, all over the world.

Market leadership enhances effectiveness

Recognizing that a company can only achieve sustainable growth if it occupies a leading position in the markets in which it operates, Bekaert strives constantly to consolidate and advance its global market leadership.

Bekaert's strategic objective of sustainable profitable growth drives its long-term plans for the development and expansion of its operations. Bekaert achieves hence a significantly higher Return of Invested Capital (ROIC) than its Weighted Average Cost of Capital (WACC) – just one more way of creating shareholder value.

The company strives for organic growth, through optimum customer focus, innovation, operational excellence, cost control and efficiency. Quality is paramount, not only in Bekaert's products and production processes, but also in its relationships with customers, partners and employees.

Bekaert also seeks growth through selected acquisitions, to gain faster access to new geographical markets, business areas, competences or technologies. In some markets, joint ventures serve as a springboard for growth, enabling Bekaert to join forces with successful partners and create a win-win situation which also benefits the customers.

For Bekaert, growth means more than just a stronger market position. Growth means being able to offer customers an increasingly broad and balanced product portfolio. Bekaert has the skills needed to continue innovating and – working with its customers – to develop new applications and grasp new market opportunities.

Technological leadership adds value

Customer-focused innovation, working closely with lead customers, is one of Bekaert's key strengths, which is why research and development are so important. At the main technology center in Belgium and at the local development centers, international teams of highly qualified scientists and engineers work to ensure that Bekaert's product mix is appropriately balanced at all times.

The focus is increasingly on high-tech niche products, systems and solutions with high added value. In certain specific fields, they often collaborate with internationally renowned external research centers and universities, such as the Massachusetts Institute of Technology in Boston in the United States and Tsinghua University of Beijing in China.

The company has long experience with total quality management programs and works tirelessly to raise the quality of its products and services all over the world, while sparing no effort to maximize workplace safety and minimize the environmental impact of its activities.

The engineering department, which supplies machines and process equipment, also plays an important role in Bekaert's drive for technological leadership, striving constantly to give the company a competitive edge in markets around the world.

Utilizing its wealth of knowledge of markets, products and processes, Bekaert also aims to offer its customers products and services with a lower total cost of ownership, by improving the production process, extending the service life or devising a cheaper technological solution. Customers choose Bekaert for the real added value it provides.

Global presence, close at hand

Bekaert aims to have a presence wherever there is a market for its products. The company is now active in more than 120 countries worldwide, with an extensive sales network which is evolving constantly to suit the changing markets. Bekaert endeavors to locate its production plants where they can provide the most effective possible response to all its customers' needs.

In new and growing markets, mainly in Asia, Bekaert concentrates on building its production capacity in advanced wire products, including steel cord for tires and steel fibers for concrete reinforcement.

In Europe and North America, Bekaert is also working to achieve leadership in specific markets with products such as bookbinding wire, premix gas burners for condensing boilers and rotatable sputter targets used in applying coatings to glass.

As well as internationalizing production and sales, Bekaert also adopts a global approach in other areas, such as the purchasing of goods and services.

Bekaert's global presence means it can stay close to its customers and identify – and where possible anticipate – opportunities at an early stage.

Corporate governance

Bekaert attaches great value to good corporate governance and is aware that good governance of listed companies is an important factor in investment decisions for all stakeholders of the company. As a member of the Belgian Governance Institute, the company is helping to shape a coherent vision of corporate governance based on solid research, cultural norms and practical management needs. The company thereby does not ignore its more than 125-year history and the important role of its long-time principal shareholdings.

The company is subject, in descending order of precedence, to applicable laws and regulations, including the Belgian Companies Code, to its Articles of Association, to the Belgian Code on Corporate Governance and to the Bekaert Corporate Governance Charter. In 2006, the company added the Bekaert Insider Dealing Code to its Charter.

The company applies the corporate governance principles laid down in the Corporate Governance Code. In addition, and except as explained in the Charter or in the related chapter of its annual report, the company complies with the corporate governance provisions of the Corporate Governance Code.

Composition of the Board of Directors

The Board of Directors is composed of 15 members, eight of whom are nominated by the principal shareholders. Only the Chief Executive Officer has an executive function. All the other members are non-executive directors. Four of the directors are independent within the meaning of Article 524 of the Companies Code and provision 2.3 of the Corporate Governance Code.

Committees of the Board of Directors

The Board of Directors has three advisory committees: the Audit and Finance Committee, the Nomination and Remuneration Committee and the Strategic Committee.

Bekaert makes a certain number of exceptions to the Corporate Governance Code: it wants the Chairman to preside over all Board committees, to enable him to discharge as effectively as possible his specific duties with regard to the protection of the interests of all shareholders. Also, Bekaert takes the view that the Audit and Finance Committee and the Nomination and Remuneration Committee should reflect the balanced composition of the full Board.

Executive Management

The Bekaert Group Executive, which has five members, is the executive management. It is chaired by the Chief Executive Officer and further consists of four members, who are responsible for the various activity platforms, for finance and administration, and for technology.

External supervision

The Company's Statutory Auditor is Deloitte Bedrijfsrevisoren.

Situation as at 31 December 2006

More info is available on www.bekaert.com in the shareholders' section.

Corporate social responsibility

Corporate social responsibility is an integral part of Bekaert's corporate culture. For more than 125 years the company has taken measures to ensure the health and safety of its workers. It respects the environment and limits the impact of its activities on the environment. Bekaert is proud that its commitment and results are recognized by the outside world.

Bekaert understands and manages the balance between the 3 Ps, interrelated dimensions in the value chain: Profit or financial success, People or social progress, Planet or environmental quality. Bekaert aims to achieve profitability, sustained growth as well as human progress in an ethical way. It regards these objectives as its corporate responsibility, which the company groups under the heading *sustainability management*.

Bekaert worldwide counts 82 Environment, Safety and Health Plant coordinators. They meet on a regular basis in order to benchmark with one another and to implement best practices. Their aim is to ensure awareness about health and safety issues amongst all workers, to reduce the number of work incidents and their severity and to prevent occupational disease.

Bekaert has a clear environmental policy, underpinned by certification to ISO 14000 in most of its production units. The coordinators undertake actions to reduce noise pollution, use raw materials more efficiently, limit emissions to the air, purify waste water and protect against soil pollution. Bekaert's commitment to the environment is also echoed in the products the company develops: diesel particulate filter, window films to protect against the sun's UV-radiation and high-efficient environment-friendly burners.

Bekaert's sense of public responsibility is expressed in both its Code of Conduct and Total Quality Management (TQM) policy. The results with respect to performance, safety and environmental care are monitored according to TQM methods. International benchmarking identifies best practices and is replicated at other sites. Quality, in the broadest sense, plays an all-important role in implementing the company's strategic objective of sustainable profitable growth.

Awarded in recognition of the efforts in Corporate Social Responsibility (CSR)

Bekaert participated in an international CSR survey, organized by KBC Asset Management, and was duly ranked No. 1 in the capital goods sector. This survey, covering environmental, social and governance issues, gathers key information about the participating company's policies and practices. Listed companies are assessed for specific clients who include major institutional investors, ethical and SRI fund managers and the FTSE4Good index. The results of this survey go to over 2 800 companies globally.

Bekaert recognized as a sustainable investment

Precisely on account of its unremitting efforts in corporate social responsibility, Bekaert has been included in several economic indices for sustainable investments. For example, Bekaert is a constituent of the Ethibel Excellence Index and of the Ethibel Pioneer Index. The company is also a member of the Kempen/SNS Smaller Europe SRI Index, which, in 2006, was voted - for the 4th time - the highest yielding sustainable share fund in Europe.

Bekaert is included in:

Ethibel Excellence Index®



Ethibel Pioneer Index®



SRI



Vigeo



Company performance



Executive summary 2006

Bekaert posts strong results in increasingly competitive global markets

Sales

Bekaert achieved consolidated sales of € 2.0 billion and combined sales of € 3.2 billion in 2006, an increase of 5% and 4%, respectively.^{1 2}

- 5% sales growth
- 54% growth for steel cord China
- Mature markets remain challenging
- 8.1% EBIT margin on sales before non-recurring items
- 7.3% EBIT margin on sales
- Record EBITDA of € 262 million
- EPS of € 6.62 compared with € 6.27 (continuing operations)
- Proposed gross dividend of € 2.50 per share, an increase of the basic amount by 25%

The consolidated sales' increase was 1% from organic growth and 4% from the net movement in acquisitions and divestments.

Advanced wire products

Combined sales of advanced wire products were 5% higher in 2006 (wire Europe +8%, wire North America -6%, wire Latin America +7%, wire Asia +7%, building products +11%, steel cord China +54%, steel cord others -6% and other advanced wire products +7%).

Despite the heightened competition, Bekaert was able to advance its position in China significantly and posted a 54% sales growth in steel cord products, mainly for truck tire reinforcement. With an investment program of close to € 100 million Bekaert increased its production capacity in China, by extending the production plant in Weihai (Shandong province) and by building two new plants in very short order, in Jiangyin (Jiangsu province) and in Shenyang (Liaoning province). In 2007, Bekaert will maintain this level of investment as the Chinese market shows strong and sustained growth.

In the fall, Bekaert acquired a minority interest in Shougang Concord Century Holdings Ltd, a company which is listed on the Hong Kong Stock Exchange and whose activities include steel cord production. A framework was defined for closer cooperation in the provision of services and material supplies, which will further consolidate Bekaert's position in China and speed up the joint introduction of top-quality products on this growing market.

In Europe, Bekaert recorded a lower demand for steel cord products. In North America, the company acquired Delta Wire Corporation, a major supplier of bead wire for tire reinforcement based in Clarksdale (Mississippi). The strike at Goodyear in the fourth quarter had a severe impact on the level of activity at the steel cord plants in the United States. In anticipation of a sustained downturn trend in demand on the North American market, Bekaert decided to close the plant in Dyersburg (Tennessee).

Demand for other wire products for the automotive sector weakened in the mature markets. Bekaert strengthened its position in wires for offshore applications with the acquisition of Cold Drawn Products Limited, a supplier of specialized profile wires in Western Europe. Bekaert

¹ Combined sales are sales generated by consolidated companies plus 100% of sales of joint ventures and associates after intercompany elimination.

² All comparisons are made relative to the figures of the financial year 2005.

also expanded its operations in Central Europe to consolidate its competitive position. In North America, there were clear signs of weakening of several economic sectors in which the company is active.

Helped by the mild winter, Bekaert was able to maintain a high level of activity in building products in Europe and Asia. In the other advanced wire products, the company expanded its carding business with the acquisition of ECC Card Clothing in 2005. The plant in Huddersfield (United Kingdom) was closed and manufacture of the short-staple products for textile machinery was integrated into the new plant in Wuxi (Jiangsu province, China).

Although volatility on raw material markets decreased in 2006, wire rod prices generally remained high, driven by the increasing global demand for steel. Prices of other raw materials, such as zinc, rose sharply. Higher energy costs also added to the pressure on margins.

The company recorded a higher level of activity in Latin America, but faced increasing competition from Asian imports and hence sustained pressure on prices. The performance benefited from a positive impact of currency movements, most notably in Brazil and Chile.

Advanced materials

Sales of advanced materials recorded growth of 11% (fiber technologies +15%, combustion technologies +9%, composites +4%).

Bekaert achieved strong organic growth in fiber technologies. Performance also benefited from the acquisition in June 2005 of Southwest Screens & Filters SA (Belgium), which serves the industrial process filtration market.

In combustion technologies, Bekaert continued to advance its position in the market for environment-friendly burners for residential heating systems. The recent acquisition of the Dutch Aluheat B.V., which specializes in the latest technologies for condensing boilers, also contributed to growth, but 2006 was a difficult year for the project-based industrial burner system activities.

In composites, the company maintained its position in an extremely competitive environment.

Advanced coatings

Sales of advanced coatings were up by 3% in 2006 (industrial coatings +1%, specialized films +4%).

After a difficult first half, the industrial coatings business picked up in the second half of the year. In specialized films, Bekaert's performance was adversely affected by currency movements. By increasing its sales effort, however, the company recorded sustained growth, most notably in North America and Asia.

Other activities

As well as expanding its sales organizations, Bekaert also continued to invest heavily in research and development. In order to be able to offer its customers appropriate technological support as its business in Asia grows, Bekaert is further developing its technology center in Jiangyin (Jiangsu province, China) into an efficient, customer-focused research facility.

The engineering department, which is a major supplier of machinery for the company's investment programs, maintained a high level of activity.

Bekaert sold its 50% share in the handling business, which had its origin in the Fencing Europe business segment and was no longer considered part of its core business.

Profitability

Bekaert posted an operating result (EBIT) before non-recurring items of € 163 million, compared with € 168 million. EBIT margin on sales before non-recurring items was 8.1%. Including non-recurring items (€ 17 million, against € 32 million), the operating result (EBIT) amounted to € 146 million, compared with € 136 million. EBIT margin on sales was 7.3%.

Income taxes amounted to € 18 million, compared with € 30 million.

The companies accounted for using the equity method contributed € 51 million to the result for the period, compared with € 57 million.

The result for the period amounted to € 147 million, compared with € 202 million, which included the contribution of the divestment of Bekaert Fencing NV of € 54 million. The result for the period attributable to the Group amounted to € 142 million, compared with € 190 million.

Balance sheet

As at 31 December 2006, equity represented 51% of total assets. Net debt amounted to € 375 million and the gearing ratio (net debt to equity) was 33%.

Cash flow

EBITDA increased to € 262 million, compared with € 257 million. Cash flow attributable to the Group (continuing operations) amounted to € 262 million, compared with € 257 million.

Cash from operating activities amounted to € 193 million. Depreciation and amortization was € 116 million. Operating working capital amounted to € 452 million.

Investments in respect of the consolidated companies represented a cash outflow of € 157 million. Purchase of property, plant and equipment totaled € 153 million, mainly due to the expansion of production capacity in China.

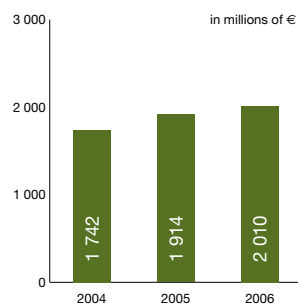
Under the authority vested by the General Meeting of Shareholders in the Board of Directors, a total of 636 656 Bekaert shares were repurchased in 2006 at an average price of € 88.72 per share. Of these, 8 890 were transferred to the individuals who had exercised options under the SOP2 stock option plan and the remainder were cancelled, both to compensate for potential dilution due to the future exercise of 70 766 subscription rights granted under the current SOP 2005-2009 stock option plan and to further optimize the company's debt structure. Bekaert purchased, at an average price of € 94.20 per share, and subsequently cancelled 546 779 shares in early 2007, as a consequence of which the company's share capital of € 173 300 000 is represented as at 26 February 2007 by 20 400 000 shares.

Key figures consolidated companies

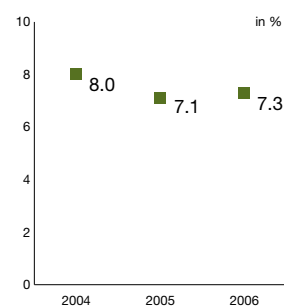
Consolidated financial statements

	in millions of €		
	2004	2005	2006
Income statement			
Sales	1 742	1 914	2 010
Operating result (EBIT)	139	136	146
EBIT before non-recurring items	148	168	163
Result from continuing operations	153	148	147
Result from discontinued operations	27	54	0
Result for the period	180	202	147
attributable to the Group	168	190	142
attributable to minority interests	12	12	5
Cash flow	266	257	262
EBITDA	256	257	262
Depreciation	117	121	116
Balance sheet			
Equity	959	1 130	1 121
Non-current assets	1 241	1 239	1 303
Capital expenditure (PP&E)	166	142	153
Balance sheet total	2 189	2 232	2 217
Net debt	369	272	375
Capital employed	1 363	1 360	1 412
Working capital	453	431	452
Personnel as at 31 December	10 380	11 022	12 728
Ratios			
EBITDA on sales	14.7%	13.4%	13.0%
EBIT on sales	8.0%	7.1%	7.3%
EBIT interest coverage	13.9	6.9	6.3
ROCE	14.3%	10.7%	10.5%
ROE	20.1%	19.3%	13.1%
Capital ratio	43.8%	50.6%	50.6%
Gearing (Net debt on equity)	38.5%	24.0%	33.4%
Net debt on EBITDA	1.4	1.1	1.4

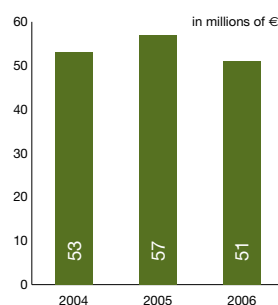
Sales



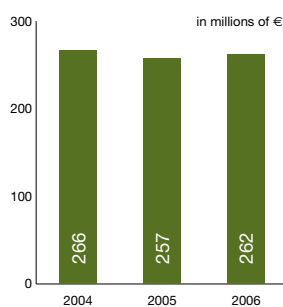
EBIT on sales



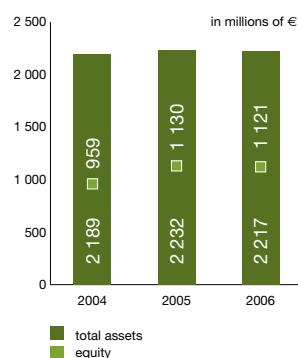
Share in the result of joint ventures and associates



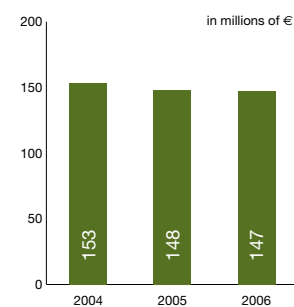
Cash flow



Equity and total assets



Result from continuing operations

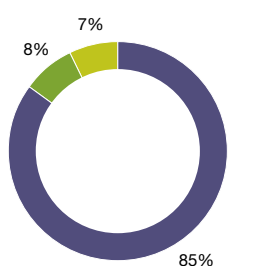


Historical review financial statements

Consolidated income statement

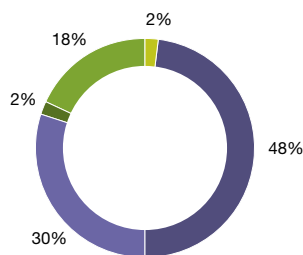
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
	in millions of €									
Continuing operations										
Sales	1 739	1 767	1 765	1 756	1 796	1 863	1 797	1 742	1 914	2 010
Cost of sales	-1 444	-1 486	-1 436	-1 411	-1 467	-1 490	-1 424	-1 341	-1 522	-1 615
Gross profit	295	281	329	345	329	373	373	401	392	395
Selling expenses	-95	-98	-96	-102	-116	-110	-111	-86	-92	-97
Administrative expenses	-83	-75	-87	-95	-114	-109	-101	-95	-100	-95
R&D expenses	-28	-29	-32	-34	-33	-36	-36	-53	-45	-49
Other operating revenues	24	14	20	22	22	20	20	18	29	23
Other operating expenses	-25	-23	-33	-20	-28	-14	-23	-37	-16	-14
EBIT before non-recurring	88	70	101	116	60	124	122	148	168	163
Non-recurring items	n/a	n/a	n/a	n/a	n/a	-60	-10	-9	-32	-17
Operating result (EBIT)	88	70	101	116	60	64	112	139	136	146
Interest income	3	3	3	6	3	3	3	9	6	4
Interest expense	-23	-30	-24	-32	-34	-36	-35	-25	-33	-29
Other financial income and expenses	7	-9	5	10	5	-97	-11	-5	12	-7
Result continuing operations before taxes	75	34	85	100	34	-66	69	118	121	114
Income taxes	-16	-14	-23	-23	5	7	-8	-18	-30	-18
Result continuing operations (consol. companies)	59	20	62	77	39	-59	61	100	91	96
Share in the joint ventures	14	16	23	29	13	19	33	53	57	51
Result continuing operations	73	36	85	106	52	-40	94	153	148	147
Discontinued operations										
Result discontinued operations	-	-	-	-	-	-	-	27	54	-
Result for the period	73	36	85	106	52	-40	94	180	202	147
Attributable to :										
the Group	69	34	80	102	48	-46	87	168	190	142
Minority interests	4	2	5	4	4	6	7	12	12	5

Consolidated sales by business segment



■ Advanced wire products: 85%
■ Advanced materials: 8%
■ Advanced coatings: 7%

Consolidated sales by geographical area

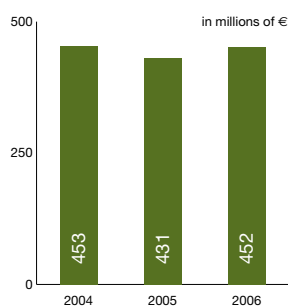


■ Europe: 48%
■ North America: 30%
■ Latin America: 2%
■ Asia: 18%
■ Other regions: 2%

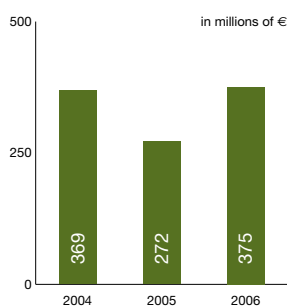
Consolidated balance sheet

	in millions of €									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Non-current assets	1 223	1 125	1 184	1 230	1 425	1 174	1 181	1 241	1 239	1 303
Intangible assets	27	31	32	27	61	55	48	42	45	57
Goodwill	28	37	51	21	93	72	71	76	80	77
Property, plant and equipment	902	850	852	841	910	778	758	792	800	824
Investments joint ventures	197	198	239	288	301	205	201	220	238	238
Other non-current assets	69	9	10	52	51	54	88	93	68	91
Deferred tax assets	-	-	-	1	9	10	15	18	8	16
Current assets	704	730	832	864	821	748	757	948	993	914
Inventories	301	300	321	351	343	312	323	419	348	368
Trade receivables	289	270	310	340	322	311	307	385	354	399
Other receivables	40	35	56	81	66	42	31	36	54	54
Short-term deposits	25	78	55	28	15	20	31	42	91	29
Cash and cash equivalents	28	30	58	47	58	53	50	57	132	52
Other current assets	21	17	32	17	17	10	15	9	10	10
Assets held for sale	-	-	-	-	-	-	-	-	4	2
Total assets	1 927	1 855	2 016	2 094	2 246	1 922	1 938	2 189	2 232	2 217
Equity	971	934	1 062	1 080	982	802	834	959	1 130	1 121
Share capital	167	167	170	170	170	170	170	171	182	184
Retained earnings	768	726	843	861	769	588	621	739	897	888
Minority interests	36	41	49	49	43	44	43	49	51	49
Non-current liabilities	490	463	482	516	772	663	604	526	534	502
Employee benefit obligations	211	111	113	141	187	176	171	172	140	136
Provisions	43	31	39	40	39	54	44	44	35	27
Interest-bearing debt	248	238	246	217	450	324	312	242	288	274
Other non-current liabilities	-78	18	14	8	6	43	12	4	13	4
Deferred tax liabilities	66	65	70	110	90	66	65	64	58	61
Current liabilities	466	458	472	498	492	457	500	704	568	594
Interest-bearing debt	146	166	119	202	187	147	177	312	246	218
Trade payables	170	147	187	171	156	185	192	251	187	228
Employee benefit obligations	83	69	78	72	76	76	70	89	73	76
Provisions	-	-	-	-	-	-	-	-	9	13
Income taxes payable	3	4	7	6	6	5	7	13	10	16
Other current liabilities	64	72	81	47	67	44	54	39	43	43
Total liabilities	1 927	1 855	2 016	2 094	2 246	1 922	1 938	2 189	2 232	2 217

Working capital



Net debt



Consolidated changes in equity

	in thousands of €									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Opening balance	930	971	934	1 062	1 080	982	802	834	959	1 130
Result for the period	73	36	85	106	52	-40	94	180	202	147
Results directly in equity	3	-39	81	-40	-97	-101	-25	-	62	-32
Acquisitions of own shares	-	-	-	-8	-6	-1	-2	-10	-35	-56
Dividends to shareholders	-33	-33	-35	-36	-37	-37	-37	-39	-44	-65
Dividends to minority interests	-2	-1	-3	-4	-3	-6	-8	-6	-9	-8
Other	-	-	-	-	-7	5	10	-	-5	5
Closing balance	971	934	1 062	1 080	982	802	834	959	1 130	1 121

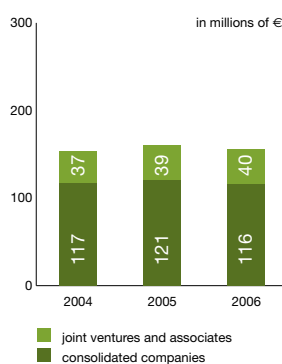
Consolidated cash flow statement

	in millions of €									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Operating activities										
Operating result (EBIT)	88	70	101	115	60	64	112	185	136	146
Non-cash and investing items	120	129	135	131	132	167	96	131	106	104
Income taxes	-12	-15	-13	-24	-11	-13	-19	-33	-25	-17
Gross cash	196	184	223	222	181	218	189	283	217	233
Changes in working capital	-12	-19	-	-70	56	39	-18	-112	-32	-32
Other operating cash flows	-	-	-	5	-29	-8	-21	-11	-6	-9
Cash from operating activities	184	165	223	157	208	249	150	160	179	192
Investing activities										
New portfolio investments	-120	-15	-21	-69	-189	-5	-34	-17	-21	-43
Disposals of investments	-	-	-	-4	4	3	6	-	86	-
Dividends received	8	4	6	17	15	14	19	23	44	35
Capital expenditure (intangibles)	-20	-17	-11	-10	-45	-7	-9	-7	-10	-9
Capital expenditure (PP&E)	-125	-104	-99	-103	-122	-78	-109	-166	-142	-153
Other investing cash flows	19	10	47	3	11	13	11	7	7	13
Cash from investing activities	-238	-122	-78	-166	-326	-60	-116	-160	-36	-157
Financing activities										
Interests received	3	4	3	6	3	3	3	3	6	4
Interests paid	-18	-28	-15	-31	-28	-30	-21	-19	-21	-26
Dividends paid	-35	-34	-38	-40	-40	-43	-45	-45	-52	-74
Other financing cash flows	58	17	-67	63	192	-121	30	68	-4	-17
Cash from financing activities	8	-41	-117	-2	127	-191	-33	7	-71	-113
Changes in cash	-46	2	28	-11	9	-2	1	7	72	-78
Cash at the beginning of the period	74	28	30	58	47	58	52	50	57	132
Exchange rate differences	-	-	-	-	2	-4	-3	-	3	-2
Cash at the end of the period	28	30	58	47	58	52	50	57	132	52

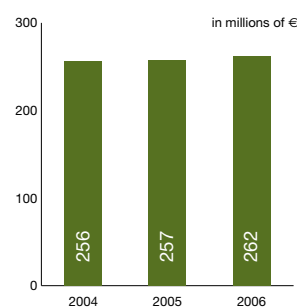
Capital expenditure (PP&E)



Depreciation



EBITDA

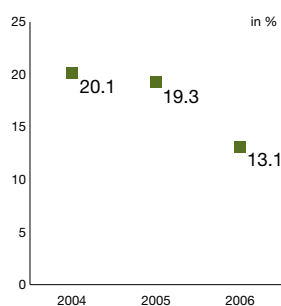


Consolidated additional key figures

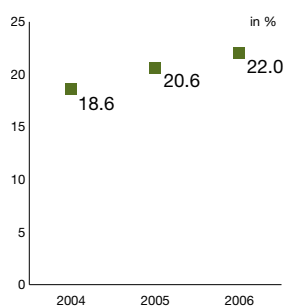
Key figures	in millions of €									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Capital expenditure (PP&E)	125	104	99	103	122	78	109	166	142	153
Capital expenditure (intangibles)	20	17	11	10	45	7	10	7	10	9
Depreciation	123	135	136	132	145	149	127	117	121	116
EBITDA	211	202	235	247	207	225	239	256	257	262
Cash flow	192	168	220	238	200	205	224	266	257	262
Capital employed	1 293	1 262	1 295	1 335	1 493	1 256	1 231	1 363	1 360	1 412
Working capital	336	345	360	437	421	351	354	453	431	452
Net debt	342	296	246	336	545	348	329	369	272	375
Added value	735	722	742	712	714	774	749	707	704	724
Personnel charges	525	520	503	461	502	549	507	450	450	462
Personnel as at 31 December	11 351	10 926	10 329	10 242	10 438	10 071	11 204	10 380	11 022	12 728

Performance	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
EBITDA on sales (%)	12.1	11.5	13.3	14.1	11.6	12.1	13.3	14.7	13.4	13.0
EBIT on sales (%)	5.1	4.0	5.7	6.6	3.3	3.4	6.2	8.0	7.1	7.3
EBIT on sales (%) before non-recurring items	n/a	n/a	n/a	n/a	n/a	6.6	6.8	8.5	8.8	8.1
Sales on capital employed	1.4	1.4	1.4	1.3	1.3	1.4	1.4	1.7	1.5	1.5
Return on capital employed (ROCE) (%)	7.1	5.5	7.9	8.8	4.2	4.7	9.0	14.3	10.7	10.5
Return on equity (ROE) (%)	7.6	3.7	8.6	10.2	5.0	-4.4	11.5	20.1	19.3	13.1
Net debt on EBITDA	1.6	1.5	1.0	1.4	2.6	1.5	1.4	1.4	1.1	1.4
EBIT interest coverage	4	3	5	5	2	3	6	14	7	6
EBITDA interest coverage	10	7	11	10	8	9	13	26	13	11
Capital ratio (%)	50	50	51	52	44	42	43	44	51	51
Gearing (net debt to equity) (%)	35	32	24	31	56	43	39	39	24	33
Net debt on net capitalization (%)	26	24	19	24	36	30	28	28	19	25
Working capital on sales (%)	19	19	20	23	24	21	20	19	21	22

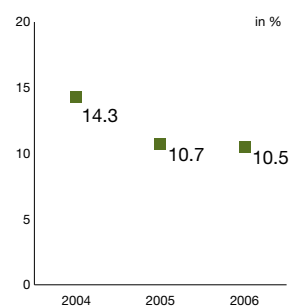
Return on equity



Working capital on sales



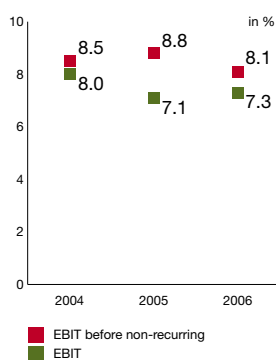
Return on capital employed



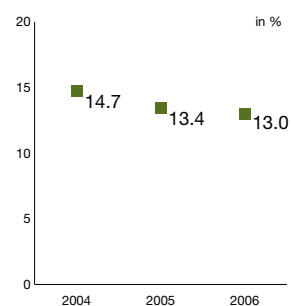
Gearing and capital ratio



EBIT on sales



EBITDA on sales



Historical review joint ventures and associates

Key figures joint ventures and associates¹

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
	in millions of €									
Sales	667	753	723	970	1 019	947	821	969	1 171	1 185
Operating result	63	64	82	112	96	106	111	171	165	151
Net result	32	36	51	72	40	55	82	126	128	118
Capital expenditure	36	41	38	48	100	41	31	30	53	41
Depreciation	31	37	45	52	47	49	39	37	39	40
Personnel as at 31 December	5 906	5 799	6 123	6 960	7 023	6 765	5 979	6 022	6 074	5 788
Group's share net result	14	16	23	29	13	19	33	53	57	51
Group's share equity	197	198	239	261	276	185	191	213	233	232

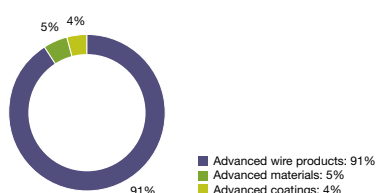
Performance joint ventures and associates

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
EBIT on sales (%)	9.5	8.5	11.3	11.5	9.4	11.2	13.5	17.6	14.1	12.7
ROE (%)	7.2	8.1	9.4	12.9	14.5	10.0	18.9	28.1	25.7	22.2
Average participation (%)	43.8	44.4	45.1	47.2	41.4	41.7	43.3	44.9	44.3	43.3

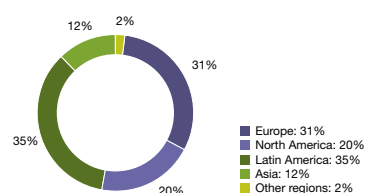
Historical review combined key figures²

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
	in millions of €									
Sales	2 406	2 520	2 488	2 726	2 815	2 810	2 618	2 711	3 085	3 195
Capital expenditure (PP&E)	161	145	137	151	222	119	140	196	195	193
Personnel as at 31 December	17 257	16 725	16 452	17 202	17 461	16 836	17 183	16 402	17 096	18 516

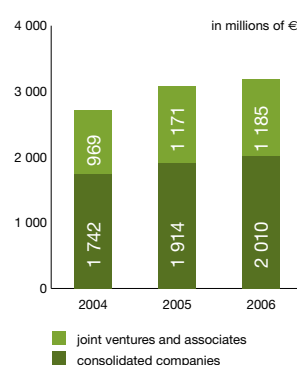
Combined sales by business segment



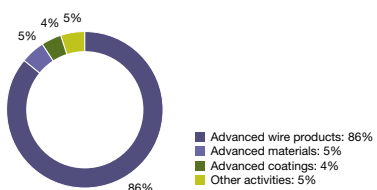
Combined sales by geographical area



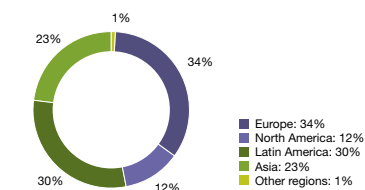
Combined sales



Personnel by business segment



Personnel by geographical area



¹ at 100%

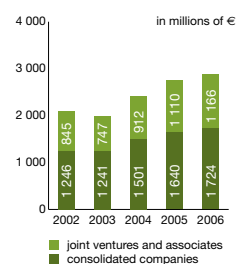
² Combined items are data of consolidated companies plus 100% of data of joint ventures and associates after intercompany elimination.

Historical review segment reporting

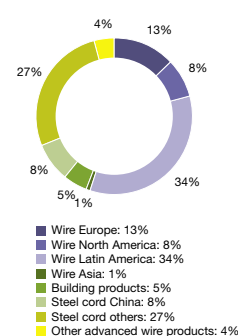
Advanced wire products

	in millions of €				
	2002	2003	2004	2005	2006
Consolidated companies					
Sales	1 246	1 241	1 501	1 640	1 724
Operating result (EBIT) before non-recurring items	132	124	185	198	192
Non-recurring items	-11	-3	-4	-16	-12
Operating result (EBIT)	121	121	181	182	180
EBIT margin (%)	10.0	9.8	12.0	11.1	10.4
Depreciation	96	85	77	91	95
Impairment losses	1	-	1	-	6
EBITDA	218	206	259	273	281
EBITDA margin (%)	17.5	16.6	17.3	16.6	16.3
Segment assets	1 009	1 009	1 180	1 400	1 527
Segment liabilities	179	179	241	249	308
CE average	-	830	885	1 065	1 184
ROCE (%)	-	14.6	20.4	17.1	15.2
Capital expenditure (PP&E)	54	88	145	140	155
Capital expenditure (intangibles)	3	6	3	6	5
Personnel as at 31 December	6 138	7 400	8 217	8 592	10 123
Joint ventures and associates					
Sales	845	747	912	1 110	1 166
Result share	33	35	56	57	51
Capital expenditure (PP&E)	23	27	28	53	41
Personnel as at 31 December	5 676	5 335	5 467	5 507	5 787
Equity share	174	186	213	233	232
Total					
Combined sales	2 091	1 988	2 413	2 750	2 890
Capital expenditure (PP&E)	77	115	173	193	196
Personnel as at 31 December	11 814	12 735	13 684	14 099	15 910

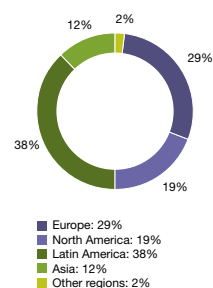
Sales



Combined sales by activity platform



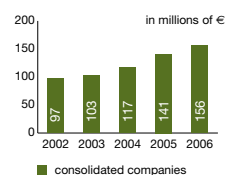
Combined sales by geographical area



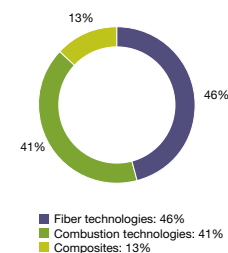
Advanced materials

	in millions of €				
	2002	2003	2004	2005	2006
Consolidated companies					
Sales	97	103	117	141	156
Operating result (EBIT) before non-recurring items	10	9	9	13	13
Non-recurring items	-8	-1	-1	-8	-1
Operating result (EBIT)	2	8	8	6	12
EBIT margin (%)	2.2	7.5	6.5	3.9	7.7
Depreciation	5	6	5	7	7
Impairment losses	-	-	2	8	-
EBITDA	7	14	15	20	19
EBITDA margin (%)	7.2	13.3	12.7	14.1	12.3
Segment assets	84	88	111	128	136
Segment liabilities	24	24	31	39	42
CE average	-	62	72	84	91
ROCE (%)	-	12.4	10.4	6.6	13.2
Capital expenditure (PP&E)	4	4	4	8	6
Capital expenditure (intangibles)	1	1	-	1	-
Personnel as at 31 December	569	592	712	892	949

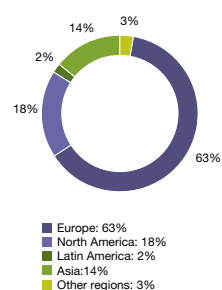
Sales



Sales by activity platform



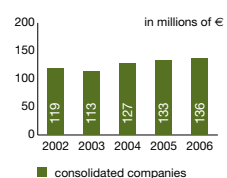
Sales by geographical area



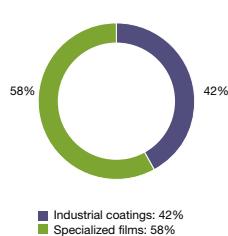
Advanced coatings

	in millions of €				
	2002	2003	2004	2005	2006
Consolidated companies					
Sales	119	113	127	133	136
Operating result (EBIT) before non-recurring items	6	-	-1	3	3
Non-recurring items	-3	-2	-7	-7	-2
Operating result (EBIT)	3	-2	-8	-4	1
EBIT margin (%)	2.5	-1.9	-6.1	-3.2	0.6
Depreciation	15	14	15	11	11
Impairment losses	5	-	6	6	-1
EBITDA	23	12	13	13	12
EBITDA margin (%)	19.3	10.5	10.4	10.1	8.5
Segment assets	189	171	160	166	146
Segment liabilities	22	23	21	21	21
CE average	-	158	144	142	135
ROCE (%)	-	-1.3	-5.4	-2.9	0.6
Capital expenditure (PP&E)	8	6	7	9	4
Capital expenditure (intangibles)	1	-	1	2	1
Personnel as at 31 December	536	606	676	728	745

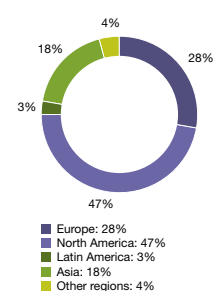
Sales



Sales by activity platform



Sales by geographical area



Bekaert share



Fact sheet

The Bekaert share is listed on the stock exchange of Euronext® Brussels (stock code BEKB) and was first listed in December 1972.

The Bekaert shares are without par value. The shares are registered or made out to bearer in multiples of 1, 10, 50, 100 and 1 000.

Number of shares as at 31 December 2006	20 946 779
Number of shares: weighted average	21 491 565
Number of shares: diluted average	21 596 843
Number of VVPR strips as at 31 December 2006	3 852 135
Average daily traded volume	58 414

Market

Share

Euronext® Brussels		Market	Continuous
ISIN	BE0003780948	MEP	BRU
Euronext® Brussels	BE0003780948	Mnemo	BEKB
Sedol	5827431		

VVPR strip

Euronext® Brussels			
ISIN	BE0005569406	MEP	BRU
Euronext	BE0005569406	Mnemo	BEKS

Sector classification

ICB Diversified Industrials 2727

Indices



Euronext BEL20®	Euronext BEL20@Return Institutionals
Euronext Next150	Euronext BEL20@Return Private
Euronext Next Prime Index	Euronext BEL Mid
Euronext Diversified Industrials	Euronext BEL Mid Return
Euronext Belgian All shares (BAS Price)	Euronext Belgian Continuous Return
Euronext Belgian All shares (BAS Return)	Euronext Engineering Machinery
Vlam21	
IN.flanders®	
DJ Stoxx TMI Small	MSCI Belgium
DJ Stoxx TMI EURO Small	MSCI Industrials
DJ Stoxx TMI Ex UK	MSCI All Country World Index
DJ Stoxx Total Market Index	MSCI World
DJ Stoxx TMI Euro	MSCI EAFE
DJ Stoxx TMI Ex UK Small	MSCI Europe
FTSE Global All Cap Indices	
Ethibel Excellence Index®	
Ethibel Pioneer Index®	
Kempen/SNS Smaller Europe Socially Responsible Investment	

Agencies

Reuters	BERTt.BR	IR Channel BEKB.BE
Bloomberg	BEK.BB	

Key figures per share

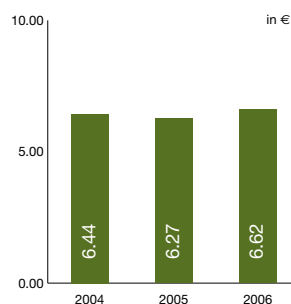
NV Bekaert SA	2004	2005	2006
Number of shares as at 31 December	21 873 705	21 530 195	20 946 779
Average number of shares	21 920 662	21 633 346	21 491 565
Number of VVPR strips	3 574 745	3 807 785	3 852 135
Average daily traded volume	33 439	39 176	58 414

NV Bekaert SA	2004	2005	2006
in millions of €			
Annual turnover	435	656	1 228
Average daily turnover	1.7	2.6	4.5
Free float	57.9%	57.2%	56.1%
Velocity (band adjusted)	65%	77%	115%
Market capitalization as at 31 December	1 285	1 700	1 984

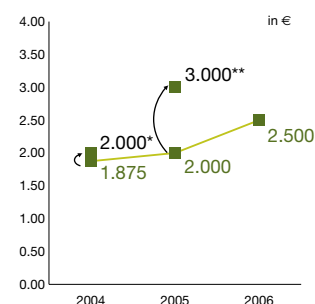
Per share	2004	2005	2006
in €			
EBITDA	11.66	11.90	12.20
EBIT	6.34	6.30	6.79
EPS	6.44	6.27	6.62
EPS (diluted)	6.43	6.25	6.59
Cash flow	12.12	11.87	12.18
Sales	79.46	88.49	93.51
Book value	43.82	52.50	53.53
Gross dividend	2.000	3.000	2.500
Net dividend	1.500	2.250	1.875
Net dividend with VVPR strip	1.700	2.550	2.125

Valuation	2004	2005	2006
Price as at 31 December	58.75	78.95	94.70
Price (average)	50.06	65.13	81.99
Price-earnings as at 31 December	9.1	12.6	14.3
Price on cash flow	4.8	6.6	7.8
Price on book value	1.34	1.50	1.77
VVPR strip price	0.51	0.62	0.56
Dividend yield	3.4%	3.8%	2.6%
Dividend yield (average)	4.0%	4.6%	3.0%
Dividend pay-out	26%	34%	36%

EPS

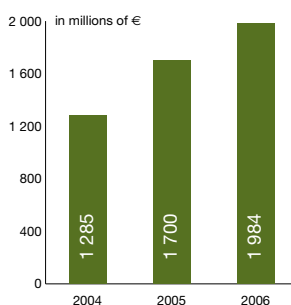


Gross dividend



* Exceptional payment for 125th anniversary
 ** Exceptional payment for gain on the sale of Bekaert Fencing NV

Market capitalization



Relative position on Euronext® BEL20



Relative position on Euronext® Next150



Historical review per share

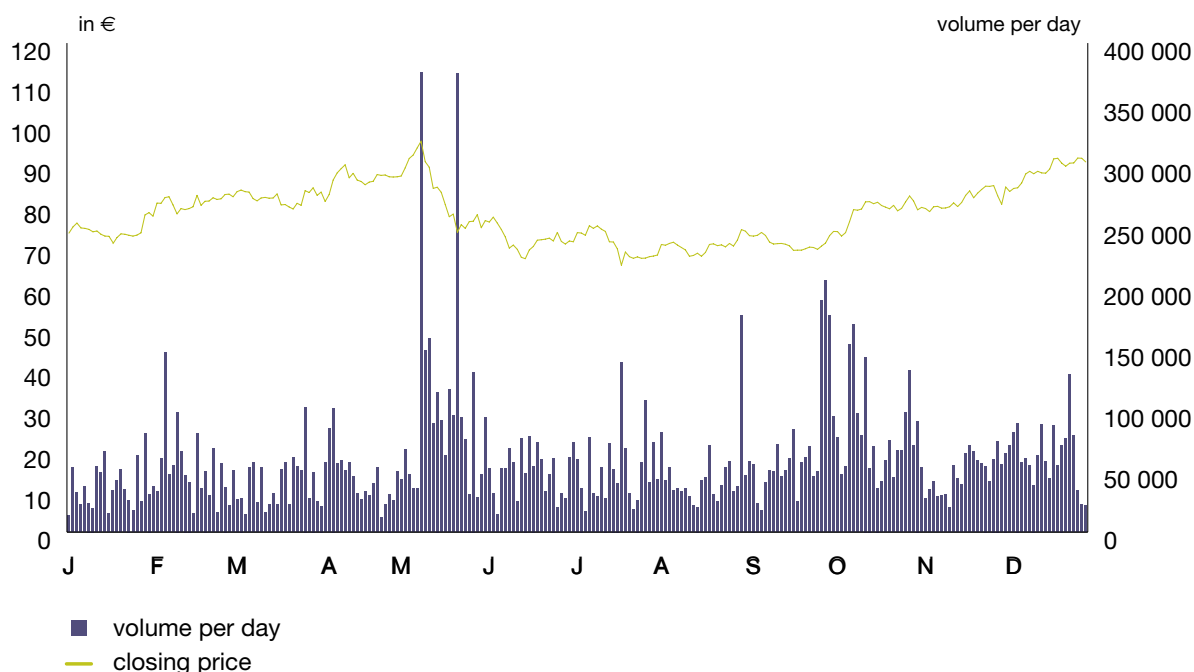
Share data

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
	in €									
EBITDA	9.38	9.02	10.48	11.04	9.33	10.19	10.81	11.66	11.90	12.20
Operating result (EBIT)	3.92	3.12	4.49	5.16	2.67	2.90	5.06	6.34	6.30	6.79
EPS	3.07	1.52	3.56	4.56	2.15	-2.09	3.92	6.44	6.27	6.62
EPS (diluted)	3.07	1.52	3.56	4.56	2.15	-2.09	3.92	6.43	6.25	6.59
Cash flow	8.53	7.46	9.79	10.62	8.98	9.25	10.12	12.12	11.87	12.18
Sales	77.43	78.66	78.58	78.43	80.71	84.13	81.27	79.46	88.49	93.51
Book value	43.25	41.61	45.76	48.44	44.32	36.29	37.80	43.82	52.50	53.53

Valuation data

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
	in €									
Price - earnings as at 31 December	18	28	15	11	20	NR	13	9	13	14
Price - earnings (average)	18	39	12	11	19	NR	10	8	10	12
Price on cash flow	6.4	5.7	5.6	4.7	4.8	4.6	5.0	4.8	6.6	7.8
Price on book value	1.26	1.02	1.20	1.03	0.98	1.19	1.34	1.34	1.50	1.77
Price on sales	0.71	0.54	0.70	0.63	0.53	0.51	0.62	0.74	0.89	1.01

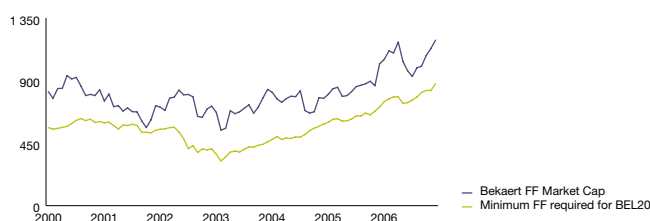
Closing price and volume in 2006



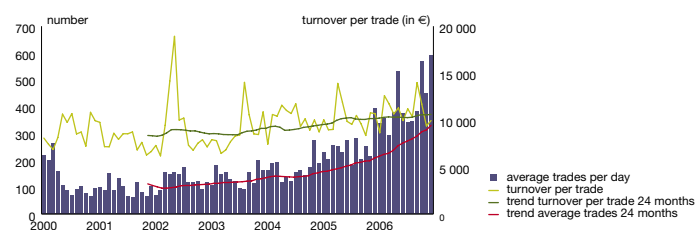
Share listing

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
	in €									
Price as at 31 December	54.66	42.27	55.10	49.85	43.27	43.15	50.50	58.75	78.95	94.70
Price high	68.67	77.47	57.50	58.50	51.00	50.95	50.75	59.95	78.95	102.60
Price low	45.92	41.89	34.80	42.50	28.00	35.50	31.00	43.37	55.30	69.20
Price average	55.64	59.18	43.17	50.46	40.51	45.57	41.22	50.06	65.13	81.99
Strips as at 31 December	-	-	0.05	0.06	0.15	0.55	0.79	0.51	0.62	0.56
Daily volume	38 570	34 730	37 939	21 450	18 362	27 309	28 950	33 439	39 639	58 414
Daily turnover (in millions of €)	2.1	2.0	1.6	1.1	0.7	1.2	1.2	1.7	2.6	4.5
Annual turnover (in millions of €)	534	512	410	272	188	317	304	435	653	1 228
Velocity (% annual)	43	39	42	23	21	29	33	39	46	69
Velocity (% adjusted free float)	71	64	70	31	27	39	44	65	77	115
Free float	55.1	59.5	59.5	60.1	59.9	59.8	59.7	57.9	57.2	56.1

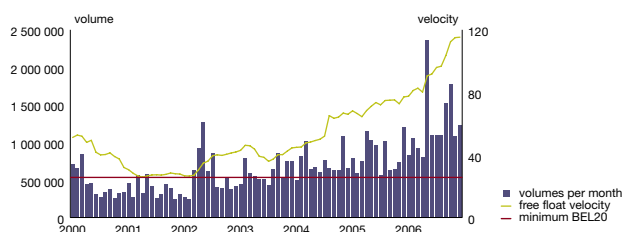
Free float market capitalization



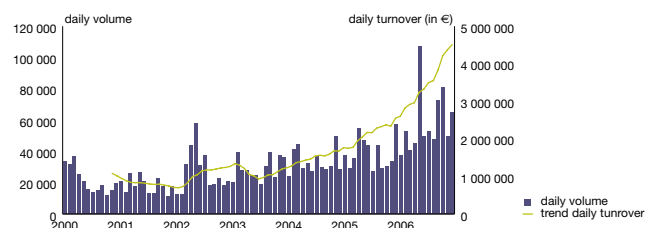
Trades per day



Free float velocity



Liquidity



Market capitalization

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
	in millions of €									
Capitalization as at 31 December	1 228	949	1 237	1 112	959	955	1 115	1 285	1 700	1 984
Capitalization – average	-	-	-	1 133	903	1 010	912	1 105	1 410	1 762
Capitalization – high	1 542	1 737	1 291	1 314	1 137	1 129	1 123	1 323	1 700	2 209
Capitalization – low	1 031	937	782	954	624	787	686	957	1 210	1 491
Capitalization – free float	737	569	742	667	575	573	669	771	1 020	1 190

Dividend

Policy on profit appropriation

It is the policy of the Board of Directors to propose a profit appropriation to the General Meeting of Shareholders which, insofar as the profit permits, provides a stable or growing dividend while maintaining an adequate level of cash flow in the company for investment and self-financing in order to support growth. In practice, this means that the company seeks to maintain a pay-out ratio of around 40% of the result for the period attributable to the Group over the longer term.

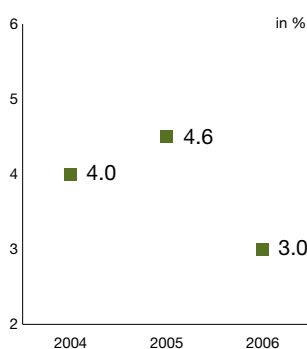
Proposed appropriation of NV Bekaert SA 2006 result

In the light of the company's strong performance in 2006 and its confidence in the future, the Board of Directors will propose that the General Meeting of Shareholders approve the distribution of a gross dividend of € 2.50 per share, an increase of the basic amount by 25%. If this proposal is accepted, the net dividend per share will be € 1.875, and the net dividend on shares with VVPR strip, giving entitlement to reduced withholding tax of 15%, will be € 2.125 per share.

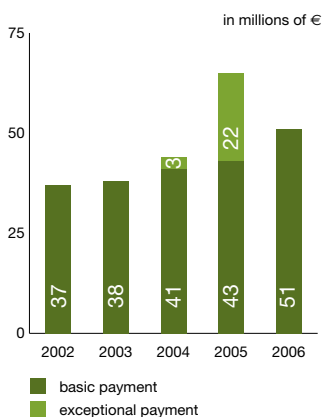
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
in €										
Per share										
Gross dividend	1.49	1.49	1.60	1.68	1.68	1.68	1.75	2.00	3.00	2.50
Net dividend	1.12	1.12	1.20	1.26	1.26	1.26	1.31	1.50	2.25	1.88
Net dividend with VVPR strip	1.26	1.26	1.36	1.43	1.43	1.43	1.49	1.70	2.55	2.13
Coupon number	59	60	1	2	3	4	5	6	7	8
Date of payment	11/06/98	11/06/99	26/05/00	16/05/01	15/05/02	21/05/03	19/05/04	18/05/05	17/05/06	16/05/07

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Valuation										
Dividend yield (%)	2.7	3.5	2.9	3.4	3.9	3.9	3.5	3.4	3.8	2.6
Dividend yield (average) (%)	-	-	3.7	3.3	4.2	3.7	4.2	4.0	4.6	3.0
Dividend pay-out ratio (%)	48	98	45	37	78	NR	45	26	34	36

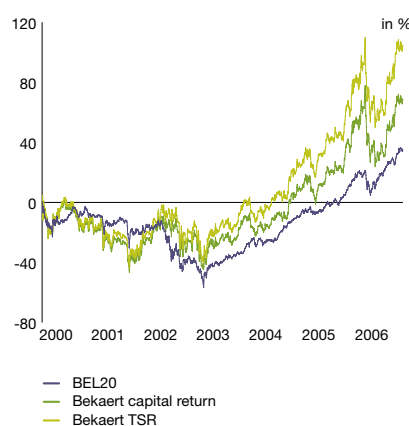
Dividend yield (average)



Dividend pay out



Total shareholder return



Share buy back

Under the authority vested by the General Meeting of Shareholders in the Board of Directors, a total of 636 656 Bekaert shares were repurchased in 2006 at an average price of € 88.72 per share. Of these, 8 890 were transferred to the individuals who had exercised options under the SOP2 stock option plan and the remainder were cancelled, both to compensate for potential dilution due to the future exercise of 70 766 subscription rights granted under the current SOP 2005-2009 stock option plan and to further optimize the company's debt structure. Bekaert purchased, at an average price of € 94.20 per share, and subsequently cancelled 546 779 shares in early 2007, as a consequence of which the company's share capital of € 173 300 000 is represented as at 26 February 2007 by 20 400 000 shares.

Shareholder structure

Distribution of the shareholdings

Of the total number of shares, 572 745 were registered as at 31 December 2006.

Interests in share capital

Nine declarations of interests in the securities representing the capital of the company were received in accordance with the Act of 2 March 1989 since the publication of the 2005 annual

report. The remainder is spread over institutional and individual investors. On 31 December 2006 the total number of shares was 20 946 779 and the total number of shares together with subscription rights was 21 243 618.

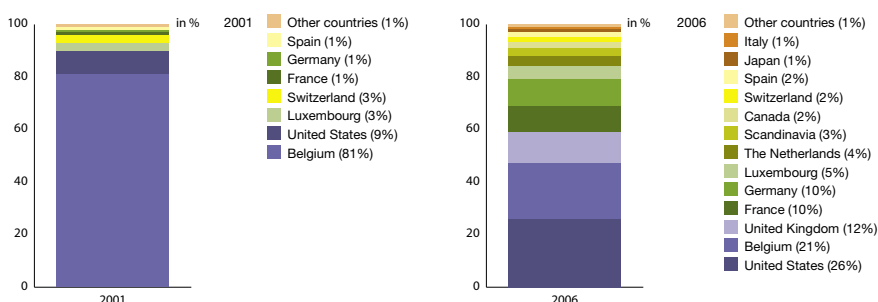
Declarant	Date of declaration	Number of shares	Percentage of total number of issued shares	Percentage of total number of issued shares and subscription rights
N.V. De Sneppe ¹	11.01.2007	17 460	0.08%	0.08%
N.V. BSI ¹	13.01.2007	56 000	0.27%	0.26%
Velge & Co ¹	12.01.2007	19 000	0.09%	0.09%
S.A. Berfin	19.01.2007	30 640	0.15%	0.14%
S.A. Subeco ¹	12.02.2007	102 600	0.49%	0.48%
Tirhold Inc.	12.01.2007	1 000 985	4.78%	4.71%
Beauval Enterprises Corp.	08.01.2007	1 000 985	4.78%	4.71%
HLF S.p.r.l. ¹	13.01.2005	76 820	0.37%	0.36%
Millenium 3 S.A. ¹	09.01.2007	30 000	0.14%	0.14%
Stichting Administratiekantoor Bekaert ¹	10.01.2007	4 641 750	22.16%	21.85%
Common attorney, on behalf of individuals, Mr. X. Oberson ¹	31.10.1996	2 223 140	10.61%	10.46%
Total		9 199 380	43.92%	43.30%

¹ These individuals, foundations and companies, linked by their joint control of Stichting Administratiekantoor Bekaert, together with Stichting Administratiekantoor Bekaert, hold 7 166 770 shares (34.21%).

Historical review of the shareholdings

	2002	2003	2004	2005	2006
Principal shareholdings	40.1%	40.3%	40.6%	42.8%	43.9%
Institutional shareholdings	17.5%	23.4%	29.5%	33.1%	38.3%
Of which Belgian institutionals	62.8%	49.9%	36.0%	27.3%	21.3%
Of which International institutions	37.2%	50.1%	64.0%	72.7%	78.7%
Registered shares	0.1%	0.1%	0.1%	0.1%	0.1%
Management Stock Options	1.4%	1.4%	1.8%	1.9%	1.4%
Public / unidentified	40.9%	34.9%	28.0%	22.1%	16.3%

Geographical distribution of the institutional shareholders



Historical review of issued shares

Year	Number of shares			Transaction	Capital in millions of €
	31 December	Weighted average	Diluted average		
2006	20 946 779	21 491 565	21 596 843	Conversion of 44 350 subscription rights	173.3
2005	21 530 195	21 633 346	21 707 875	627 766 shares repurchased and cancelled Conversion of 233 040 subscription rights	172.9
2004	21 873 705	21 920 662	21 954 841	576 550 shares repurchased and cancelled Conversion of 23 705 subscription rights	171.0
2003	22 070 300	22 111 807	22 111 890	220 300 shares repurchased and cancelled	170.0
2002	22 121 630	22 149 092	22 163 985	51 330 shares repurchased and cancelled	170.0
2001	22 157 374	22 250 160	22 250 160	35 744 shares repurchased and cancelled	170.0
2000	22 300 888	22 394 049	22 394 049	143 514 shares repurchased and cancelled	170.0
1999	22 457 320			156 432 shares repurchased and cancelled	170.0
				Capitalization of reserves and conversion into euros	
				Conversion of VVPR shares into ordinary shares, issue of VVPR strips and a 10-for-1 share split	
1994				AFV shares redesignated VVPR shares	
1988	2 245 732			Capitalization of reserves	167.3
1983	2 245 732			Issue of 355 104 new shares subject to reduced withholding tax ('AFV shares')	99.2
1982	1 890 628			Conversion of 129 656 convertible bonds	81.3
1980	1 760 972			Conversion of 2 659 convertible bonds	75.7
1979	1 758 313			Conversion of 117 608 convertible bonds	75.6
1978	1 640 705			Conversion of 25 795 convertible bonds	70.5
1976	1 614 910			Conversion of 245 convertible bonds	69.4
1975	1 614 665			Conversion of 265 convertible bonds	69.4
1972	1 614 400			11 December 1972 : listing on Brussels stock exchange	69.4
				2-for-1 share split	
1970	807 200			Capital increase due to contribution in cash of BEF 70 000 000 under pre-emptive right and capitalization of reserves of BEF 1 106 400 000 without share issue	69.4
1969	787 200			Conversion to public limited company (N.V.) and 16-for-1 share split	40.2
1965	49 200			Capitalization of reserves and increase in nominal value of shares to BEF 33 000	40.2
				Merger with N.V. Bekaert Steelcord	
1952	48 000			Capitalization of reserves and increase in nominal value of shares to BEF 10 000	11.9
1941	48 000			Capital increase due to contribution in cash and in kind and capitalization of reserves	11.9
1935				Conversion to private limited company (P.V.B.A.)	
1932	15 005			Merger with S.C. Espérance, Fontaine-L'Evêque	0.4
1929	15 000			Capital increase due to capitalization of reserves and contribution in cash	0.4
1924	300			Formation of public limited company (N.V.)	0.1
1880				Formation of family company	

Getting in touch



General Meeting of Shareholders

The regularly composed general meeting represents all of the shareholders. It consists of all shareholders who have complied with the provisions of the Articles of Association. The Board of Directors and the statutory auditors may convene a general meeting of shareholders. They are obliged to do so at the request of shareholders representing one fifth of the registered capital. The notice convening a general meeting, which is published at least 24 days prior to the meeting, mentions the agenda.

Calendar

The Ordinary General Meeting of Shareholders is held annually on the second Wednesday of May at 10.30 a.m. If that day is a statutory holiday, the meeting is held on the second next working day. It is held at the company's registered office or at the place indicated in the convening notices.

Attendance

Registered shareholders and holders of subscription rights are invited in writing at least 15 days prior to any general meeting.

In order to be admitted to the General Meeting of Shareholders, each owner of bearer securities must deposit these at the company's registered office or at the places indicated in the convening notices.

Proxy

Every shareholder may give a power of attorney to a proxy who is entitled to vote in his own right. Legal persons may be represented by a proxy who is not a shareholder; incapacitated persons are represented by their legal representatives; married persons may be represented by their spouse.

The Company will accept only the power of attorney forms provided by it. Transfers of shares that are

effected less than three full business days before the general meeting shall not be taken into account.

Voting

Each voting share entitles the holder to one vote.

There is no quorum requirement for the Ordinary or Special General Meeting of Shareholders. Resolutions are adopted by a simple majority of votes, irrespective of the number of shares represented.

An Extraordinary General Meeting requires a quorum of at least 50% of the registered capital.

Such a meeting must deliberate and decide on any amendment to the Articles of Association, on a merger with other companies, on the dissolution of the company, on a capital increase or decrease, on the issue of a convertible debenture loan, on the authorized capital or on the permission to repay capital.

If the quorum is not reached, a second meeting has to be called. There is no quorum requirement for the second meeting. The resolutions require a qualified majority of the votes to be adopted.

Shares

Shareholders wishing to convert from registered to bearer shares and vice-versa should contact the legal department by telephone (+32 56 230511) or send an e-mail to:

registered.shares@bekaert.com

Investor relations

Transparency is the keyword in our policy towards investors. We believe the more occasions to share information, the better the insight in Bekaert as investment opportunity. Therefore several meetings are held with financial analysts, individual and institutional investors. These meetings take place in the various countries around the world. Information is provided on financial results and corporate strategy. We offer financial experts to join us on field trips and visits to manufacturing units.

Bekaert aims to establish investor contact in capital markets in which the company was not active previously.

If you want the complete overview of Bekaert's strengths and added value, the www.bekaert.com website offers a wealth of data. It incorporates an extensive Investor Relations section, containing particular information for the shareholders such as the latest financial information, research reports from financial analysts and spreadsheet data on stock prices.

Besides this permanently updated information, we provide you as a shareholder, investor or other interested party with our official reports.



Do you wish to receive the Group's annual report, the annual accounts of NV Bekaert SA or other information published by the Group? Contact us at any time or subscribe to the financial mailing list on the website www.bekaert.com/investors.

Financial calendar

First quarter trading update 2007	9 May	2007
General Meeting of Shareholders	9 May	2007
Dividend payable (coupon nr. 8)	16 May	2007
2007 half year results	31 July	2007
Third quarter trading update 2007	9 November	2007
Fourth quarter trading update 2007	15 February	2008
2007 results	14 March	2008
2007 annual report available on the Internet	24 April	2008
First quarter trading update 2008	14 May	2008
General meeting of shareholders	14 May	2008
Dividend payable (coupon nr. 9)	21 May	2008

Definitions

Added value	Operating result (EBIT) + remuneration, social security and pension charges + depreciation, amortization and impairment of assets.
Associates	Companies in which Bekaert has a significant influence, generally reflected by an interest of at least 20%. Associates are accounted for using the equity method.
Capital employed (CE)	Working capital + net intangible assets + net goodwill + net property, plant and equipment. The average CE is computed as capital employed at previous year-end plus capital employed at balance sheet date divided by two.
Capital ratio	Equity relative to total assets.
Cash flow	Result from continuing operations of the Group + depreciation, amortization and impairment of assets. This definition differs from that applied in the consolidated cash flow statement.
Dividend yield	Gross dividend as a percentage of the share price on 31 December.
EBIT	Operating result (earnings before interest and taxation).
EBIT interest coverage	Operating result divided by net interest expense.
EBITDA	Operating result (EBIT) + depreciation, amortization and impairment of assets.
Equity method	Method of accounting whereby an investment (in a joint venture or an associate) is initially recognized at cost and subsequently adjusted for any changes in the investor's share of the joint venture's or associate's net assets (i.e. equity). The income statement reflects the investor's share in the net result of the investee.
Gearing	Net debt relative to equity.
Joint ventures	Companies under joint control in which Bekaert generally has an interest of approximately 50%. Joint ventures are accounted for using the equity method.
Net capitalization	Net debt + equity.
Net debt	Interest-bearing debt net of current loans (included in other current assets), short term deposits and cash and cash equivalents. For the purpose of debt calculation only, interest bearing debt is remeasured to reflect the effect of any cross-currency interest-rate swaps (or similar instruments), which convert this debt to the entity's functional currency.
Non-recurring items	Operating income and expenses that are related to restructuring programs, impairment losses, environmental provisions or other events and transactions that are clearly distinct from the normal activities of the Group
Pay-out ratio	Gross dividend as a percentage of result for the period attributable to the Group.
Price-earnings ratio	Share price divided by result for the period attributable to the Group per share.
Return on capital employed (ROCE)	Operating result (EBIT) relative to average capital employed.
Return on equity (ROE)	Result for the period relative to average equity.
Sales (combined)	Sales of consolidated companies + 100% of sales of joint ventures and associates after intercompany elimination.
Subsidiaries	Companies in which Bekaert exercises control and generally has an interest of more than 50%.
Velocity	Number of shares traded relative to the rolling average number of shares in issue for the past twelve months.
Velocity (adjusted)	Velocity adjusted for the free-float band.
Working capital (operating)	Inventories + trade receivables - trade payables - advances received - current employee benefit obligations - employment-related taxes.

Investing in sustainable profitable growth?

Discover in this brochure why Bekaert is a good investment.